



TISCO Financial Group Public Company Limited

TISCO Corporate Governance Policy

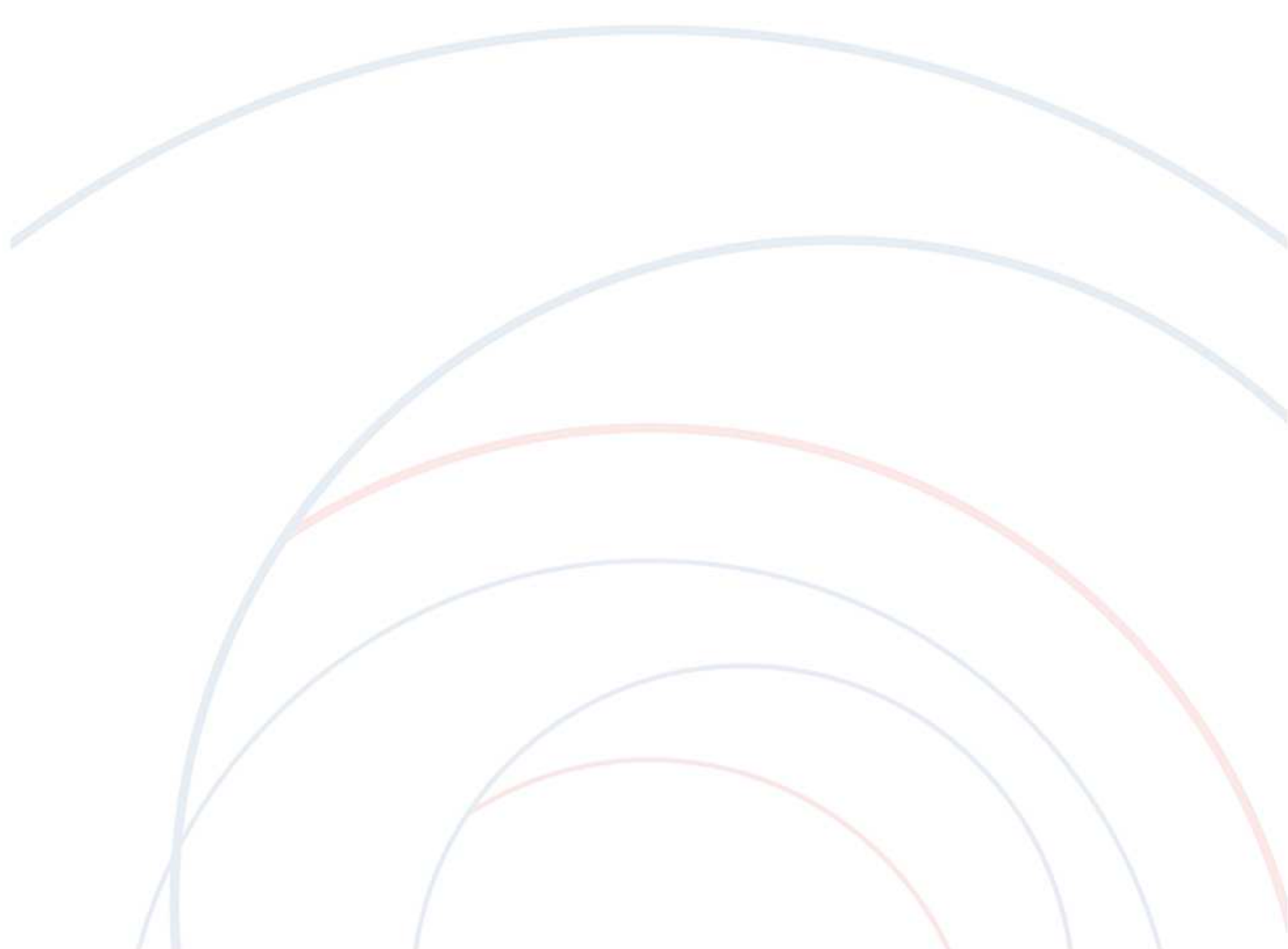


TABLE OF CONTENTS

Table of Contents	<i>Page</i>
Introduction to TISCO Corporate Governance	1
Section 1: The Company Statement	3
1.1 Vision	4
1.2 Mission	4
1.3 Core Value	4
1.3.1 Mastery	4
1.3.2 Integrity	4
1.3.3 Reliability	4
1.3.4 Advice	5
1.3.5 Creativity	5
1.3.6 Learning	5
1.3.7 Empathy	5
Section 2: TISCO Corporate Governance Policy	6
2.1 Rights and Equitable Treatment of Shareholders	7
2.2 Interest of Stakeholders	7
2.2.1 Shareholders	8
2.2.2 Employees	8
2.2.3 Customers	8
2.2.4 Business Partners and Creditors	8
2.2.5 Competitors	8
2.2.6 Social	9
2.2.7 Environment	9
2.3 Disclosure and Transparency	9
2.4 Responsibilities of the Board	9
2.5 Integrity and Ethics	10
Section 3: TISCO Corporate Governance Structure	12
3.1 TISCO Group Governance Bodies	14
3.2 Key Roles and Responsibilities of Governance Bodies	16
3.2.1 TISCO Board of Directors	16
3.2.2 Chairman of the Board	18
3.2.3 Vice Chairman of the Board	19
3.2.4 Lead Independent Director	19
3.2.5 TISCO Executive Board (EBD)	19
3.2.6 TISCO Risk Oversight Committee (ROC)	20
3.2.7 TISCO Audit Committee (AC)	21
3.2.8 TISCO Corporate Governance and Sustainability Committee (GSC)	22
3.2.9 TISCO Nomination and Compensation Committee (NCC)	23
3.2.10 Group CEO	23

Table of Contents

Page

3.2.11	Chief Operating Officer (COO).....	25
3.2.12	TISCO Management Committee (MC)	25
3.2.13	TISCO Risk Management Committee.....	26
3.2.14	TISCO Compliance & Operation Control Committee	27
3.2.15	TISCO Human Resources Committee.....	27
3.2.16	TISCO Technology and Infrastructure Committee.....	27
3.2.17	TISCO IT Risk Committee	28
3.2.18	Board of Directors of Subsidiary Companies	28
3.2.19	Audit Committees at TISCO Bank, TISCO Securities and TISCO Asset Management.....	28
3.2.20	TISCO Bank Executive Board	29
3.2.21	TISCO Bank Risk Oversight Committee	29
3.2.22	CEO/President of TISCO Bank, TISCO Securities and TISCO Asset Management.....	29
3.2.23	CEO/President/Managing Director of other subsidiaries	30
3.2.24	Credit Committees.....	30
3.2.25	Problem Loan Committee	30
3.3	Governance Relationship between TISCO and its Subsidiaries.....	31
3.3.1	TISCO as the Governing Company	31
3.3.2	Subsidiary Companies as the Strategic Business Units	31
3.4	TISCO Group Centralized Policies	32
3.4.1	Corporate Governance Policy.....	33
3.4.2	Remuneration for Director and Management Policy.....	34
3.4.3	Policy on Assessing the Independence of Directors.....	34
3.4.4	Business Policy	34
3.4.5	Investment Policy.....	34
3.4.6	Business Continuity Management Policy.....	34
3.4.7	Information Technology Policy.....	34
3.4.8	Information Security Policy	35
3.4.9	Data Governance Policy.....	35
3.4.10	Planning and Budgeting Policy	35
3.4.11	Financial & Disclosure Policy	35
3.4.12	Accounting Policy.....	35
3.4.13	Related Party Transaction Policy.....	35
3.4.14	Non-financial Services and Business Partner Policy	35
3.4.15	Risk Management Policy	36
3.4.16	Credit Policy	36
3.4.17	Internal Control Policy	36
3.4.18	Compliance Policy.....	36
3.4.19	Anti-Corruption Policy	36
3.4.20	Anti-Money Laundering/Combating Financing of Terrorism Policy (AML/CFT Policy).....	36
3.4.21	Whistleblowing Policy.....	36
3.4.22	Human Resources Policy	37

Table of Contents

Page

3.4.23	Corporate Marketing & Communication Policy	37
3.4.24	Sustainable Development Policy	37
3.4.25	Internal Audit Policy	37
Section 4:	TISCO Code of Conduct.....	38
4.1	Employees Code of Conduct.....	39
4.1.1	Honesty and Fairness.....	39
4.1.2	Prudence	39
4.1.3	Legal and Regulatory Compliance	39
4.1.4	Record Keeping and Reporting Duties	39
4.1.5	Duty of Confidentiality towards TISCO and Customers	40
4.1.6	Conflict of Interest	40
4.1.7	Political Support.....	40
4.1.8	Customer Complaints	40
4.1.9	Advertisement and Sales Literature.....	41
4.1.10	Anti-Corruption	41
4.1.11	Environment, Health and Safety	41
4.1.12	Respecting Human Rights.....	41
4.1.13	Equality of Opportunity and Treatment	41
4.1.14	Protecting TISCO's Property	41
4.1.15	Copyright and Intellectual Property.....	42
4.1.16	Securing Creditor Rights	42
4.1.17	Strong Work Ethic	42
4.1.18	Outside Employment or Activities	42
4.1.19	Care with External Relationships	42
4.1.20	Reporting Illegal or Unethical Behavior or Retaliatory Action	43
4.1.21	Disciplinary Action	43
4.2	Directors' Code of Conduct.....	43
4.2.1	Conflict of Interests.....	43
4.2.2	Conduct of Business and Fair Dealing	44
4.2.3	Gifts	44
4.2.4	Compliance with Laws and Regulations.....	44
4.2.5	Use of Non-Public Information and Disclosure	44
4.2.6	Use of Company Funds, Assets and Information	45
4.2.7	Punishment for Violation of Code of Conduct.....	45
Section 5:	TISCO Directors Handbook	46
5.1	Directors' Responsibilities.....	47
5.1.1	Due Care and Loyalty.....	47
5.1.2	Other Duties.....	48
5.2	Directors' Civil and Criminal Liabilities	50
5.2.1	Directors' Civil Liability to TISCO	50

Table of Contents

Page

5.2.2	Directors' Civil Liability to TISCO's Shareholders and Third Parties	51
5.2.3	Legal Action from TISCO's Shareholders against Director	51
5.2.4	Civil Liability of TISCO Group to Third Parties for the Actions of Directors ...	51
5.2.5	Engagement of a Director or Management in an Unauthorized Act.....	52
5.2.6	Exemptions for Possible Civil Liability from Alleged Breach of Duties	52
5.2.7	Directors' Criminal Liabilities.....	54
5.3	TISCO Board Composition.....	54
5.3.1	Definition of Each Type of Director	54
5.3.2	TISCO Board Structure.....	55
5.3.3	TISCO Executive Board.....	56
5.3.4	TISCO Risk Oversight Committee	56
5.3.5	TISCO Audit Committee.....	56
5.3.6	TISCO Corporate Governance and Sustainability Committee.....	57
5.3.7	TISCO Nomination and Compensation Committee.....	57
5.3.8	Board Structure of Securities Subsidiaries of TISCO.....	57
5.4	Appointment of Director	58
5.4.1	Appointment.....	58
5.4.2	Required Qualification of Director	59
5.4.3	Prohibition for Independent Director Candidacy	59
5.4.4	Prohibition for Director Candidacy	60
5.5	Board Best Practices	63
5.5.1	The Board as Strategy and Policy Maker	63
5.5.2	The Board's Roles in Selection, Performance Evaluation and Replacement of Management	64
5.5.3	The Board Committees.....	66
5.5.4	Specific Roles of Independent Director	66
5.5.5	The Board's Oversight	67
5.5.6	The Board Meeting	69
5.5.7	The Board Practice on Shareholders' Meeting	71
5.5.8	The Board's Monitoring of Business Operation.....	73
5.5.9	The Board's Information Disclosure.....	75
5.5.10	Assessment of the Board's and Board Committees' Performance	78
5.5.11	The Board and Management Training	79

Introduction to TISCO Corporate Governance

TISCO Financial Group Public Company Limited (herein after called “TISCO”) and together with its subsidiaries (collectively called “TISCO Group” or “the Group”) dedicate to provide mastery financial services to their customers. With that objective, the Board of Directors of TISCO (hereinafter called “TISCO Board”) has committed to maintaining a highest level of corporate governance, which is applied not only to TISCO but also to all of its subsidiaries, their directors, management and other employees. TISCO Board believes that such corporate governance will provide a system that directs and controls TISCO Group to achieve its sustainable business and social objectives, maximize the shareholders’ value and benefit other stakeholders.

TISCO Board is elected by the shareholders of the company and except for those matters specially reserved to the shareholders, acts and makes decisions on behalves of shareholders. Among the most important decisions of TISCO Board are to select the TISCO Group’s Chief Executive Officer (Group CEO) and to oversee the Group CEO and other senior management in their execution of TISCO Group’s businesses.

TISCO Board establishes TISCO Corporate Governance Policy to oversee and monitor the management of TISCO Group. TISCO Corporate Governance Policy are based on the internationally accepted Corporate Governance Principles, Banking Industry Code of Conduct, Memorandum and Articles of Association, rules and regulations covering financial institutions and listed companies on the Stock Exchange of Thailand.

TISCO Corporate Governance Policy is applied to TISCO and its subsidiaries. It divides the functions of TISCO and its subsidiaries, specifies the distribution of rights and responsibilities of the shareholders, board of directors, management and other employees, and other stakeholders, and sets the rules and procedures for decision making in corporate affairs while pursuing TISCO’s objectives. It also provides the mechanism for monitoring the corporate policies, decisions, and actions.

TISCO Board recognizes that TISCO Corporate Governance needs to be regularly updated and reorganized as the expansion in the governance area is fast growing. This revised version has been approved by the Board and is divided into five sections as follows.

Section 1 The Company Statement

The Company Statement describes TISCO Group's Vision, Mission and Core Value that cover objectives TISCO Group aims to achieve. It also demonstrates the business philosophy of TISCO Group.

Section 2 TISCO Corporate Governance Policy

TISCO Board, Group CEO, senior management, and other employees in TISCO Group commit to five corporate governance main areas, namely Rights and Equitable Treatment of Shareholders, Interests of Stakeholders, Disclosure and Transparency, Responsibilities of the Board, and Integrity and Ethics.

Section 3 TISCO Corporate Governance Structure

TISCO Corporate Governance Structure provides TISCO Group Governance Bodies and their key roles and responsibilities. It also specifies concept of operating as one single business entity, of which the operating functions are divided between TISCO and its subsidiaries. TISCO functions as the management, governing and support unit whereas its subsidiaries function as the marketing, transaction processing and credit control units. TISCO defines the centralized key business, operating and control policies to be applied to TISCO and its subsidiaries.

Section 4 TISCO Code of Conduct

TISCO have a clear Code of Conduct for TISCO's employees and Directors to perform their duties. The Code of Conduct is developed from the Core Value, which is TISCO's belief. The Code of Conduct leads to culture creation and put the Core Value into behavior of all employees and the Directors.

Section 5 TISCO Directors Handbook

TISCO Directors Handbook defines corporate governance practices, rules and procedures to be respectively performed and observed by the Board of Directors of TISCO and its subsidiaries. It also describes the laws and regulations applying to the Directors of TISCO and its subsidiaries.

Section 1: The Company Statement

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To align the goals and direction of business units to match those of TISCO Group, TISCO has put in writing clearly defined statements outlining its Vision, Mission, and Values. Vision encompasses the ultimate goal of TISCO Group whereas Values are intrinsic attributes that management and staff apply in achieving goals and objectives.

1.1 Vision

Wealth of Possibilities

1.2 Mission

TISCO is a quality growth organization with strong customer priority, committed to deliver value financial services with mastery and professionalism. Our promise is to provide financial services that address customer lifestyles and needs in all geographies, with focus on creativity of new financial solutions, and providing of guidance and advice to create financial opportunities for our customers at different stages of their lives. Continuous human capital development and leading-edge technological investments are keys to our efficiency and reliability of service. TISCO also adheres to the cultures of integrity, fairness, and transparency that create sustainable value to our customers, shareholders, people, and society.

1.3 Core Value

Our values are the essence of the service we offer to our customers and qualities we cultivate and seek in our people. Through induction, training and comprehensive corporate guidelines, these values are transferred into TISCO's culture and shape our professional attitude. TISCO values consist of:

1.3.1 Mastery

Our staff is obligated to continually learn and develop themselves, striving for outstanding capability and skill to maximize customer satisfaction.

1.3.2 Integrity

All of our employees conduct themselves with honesty and follow a code of ethics of the highest standards.

1.3.3 Reliability

The organization creates added value in our financial services through the professional skills and reliable performance of our team.

1.3.4 Advice

Because our staff members have a wide range of financial expertise, we provide our customers with the best financial advisory in a friendly and open-minded way, understanding what exactly they need so we can help them achieve their goals.

1.3.5 Creativity

Our expertise is not only dependent on knowledge and experience, but is also founded on our creativity. We provide advice that is not only accurate, but also creative - to help them see all financial possibilities they have.

1.3.6 Learning

TISCO's employee must be enthusiastic to always learn new things, in order to enhance future Skills to handle and adjust themselves for catching up the global change. As well as being able to apply for creation of new standard of services that exceeds customers' anticipation.

1.3.7 Empathy

Empathy is the important key of services of TISCO that could present the appropriate concept and method for efficient and sustainable response to the precise need of stakeholders.

Section 2: TISCO Corporate Governance Policy

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TISCO strictly and consistently applies good corporate governance at all levels within the organization, from directors to management and employees. TISCO Corporate Governance Policy applies to TISCO itself and all subsidiaries. TISCO's strong commitment to corporate governance is illustrated in five main areas, namely, the Rights and Equitable Treatment of Shareholders, Interest of Stakeholders, Disclosure and Transparency, Responsibilities of the Board and Integrity and Ethics.

2.1 Rights and Equitable Treatment of Shareholders

TISCO recognizes the basic rights of its shareholders and commits to protect and facilitate the exercise of its shareholders' rights. These rights include:

The right to buy, sell or transfer their shares; to receive their rightful portion of TISCO's profits; to easily obtain the relevant and adequate information on TISCO on a timely and regular basis; to participate effectively and vote in general shareholders meetings, and to be informed of the rules that govern the general shareholders' meeting; to elect and remove members of the Board of Directors; to participate in, and to be sufficiently informed on, decisions concerning fundamental company changes.

TISCO fairly and equally treats all shareholders, majority or minority, individual or institutional, foreign or Thai, either executive or non-executive. Among its policies are:

- (1) Minority shareholders are protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly.
- (2) Insider trading and self-dealing abuses are strictly prohibited.
- (3) Members of TISCO's board and senior management are required to disclose to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting TISCO.

2.2 Interest of Stakeholders

To ensure that operations are sustained, and stakeholder expectations are met, TISCO continues to develop processes for listening to stakeholder opinions and concerns, building mutual understanding, encouraging co-operation in matters that are of interest to stakeholders, and taking part in positive societal and environmental development. TISCO treats all stakeholders fairly and responsibly in accordance with TISCO Sustainability Development Policy, Responsible Lending Policy, and their legal rights, either established by law or through mutual agreements.

These stakeholders include TISCO's shareholders, employees, customers, business partners and creditors, competitors, and society at large.

2.2.1 Shareholders

In addition to direct benefits resulting from the rights and equitable treatment shareholders received from TISCO in 2.1, they indirectly gain from the trust created by the fair treatment TISCO has given to other stakeholders. Such mutual trust in turn promotes co-operation between TISCO and its counterparts and is believed to be the key factor in maximizing the shareholders' long-term wealth and providing TISCO with financial stability and sustainability.

2.2.2 Employees

TISCO treats employees, permanent or contracted, fairly and with respect. They are compensated or rewarded based on an equitable performance evaluation system. They are equipped with the required standard of education and professional training, and provided with health care benefits and workplace safety, and protected from offence and misuse of their personal information.

2.2.3 Customers

TISCO strives to maintain a sustainable relationship with customers. TISCO fulfills its contractual commitments to customers by providing professional and practical solutions which are beneficial and worthwhile for customers in accordance with the highest standard and code of conduct without accepting any bribe or giving any form of benefit in improper behaviors.

2.2.4 Business Partners and Creditors

TISCO treats its business partners and creditors fairly and honestly and honors any conditions agreed by both parties. In such business dealings, TISCO promises to abide by the Thai Private Sector Collective Action Against Corruption.

2.2.5 Competitors

TISCO does not criticize competitors or conduct any action to establish monopoly or cut or restrict competition in the market. TISCO operates its business with respect for fair competition and integrity, works within the framework of applicable competition regulations, and refrains from actions that may have a negative impact on the financial industry, such as unfair condition or cartel, and criticizing or dispute with competitor. Customers can choose service freely without interfering when they turn to competitor. In case of conflict, the bank shall have appropriate settlement process in place.

2.2.6 Social

TISCO recognizes its social responsibility and has continuously undertaken development initiatives to make a better society. TISCO is prudent when considering any action that may affect public interest. Furthermore, TISCO aims to promote financial inclusion and literacy as part of building a healthy and strong society and support for activities beneficial to communities and the society.

2.2.7 Environment

TISCO recognizes that a healthy environment is necessary for life and rolled out the environmental policy as a framework and guidelines for its environmentally responsible business practices.

2.3 Disclosure and Transparency

TISCO believes that its shareholders and other stakeholders are entitled to timely and accurate disclosure of all material information regarding the company, including financial reports, Quarterly Management Discussion and Analysis, and other important non- financial information, either by mandatory requirement or on a voluntary basis.

The disclosure is conducted in Thai and English, through easy access channels including TISCO's website, press conferences, quarterly analyst meetings, sessions with investors, and the information dissemination channels of the Stock Exchange of Thailand and the Security Exchange Commission.

TISCO makes publicly available on its website by the next working day the result of voting during the annual general meeting or extraordinary general meeting for all resolutions.

2.4 Responsibilities of the Board

The Board of Directors is appointed by the shareholders to take overall responsibility for TISCO. These include directing, approving, and overseeing the implementation of, the group strategy, corporate governance, and corporate values. The Board is responsible for selection of a qualified Group CEO and key senior management including oversight of the succession plan. It is also responsible for oversight of the Group CEO and senior management, and bears ultimate responsibilities for TISCO's business, risk strategy, and financial soundness as well as how TISCO organizes and governs itself.

With the above responsibilities, TISCO has a policy to select its Board that possess, both as individual board members and collectively, appropriate, and diverse experience, relevant competencies, and personal qualities, including professionalism, personal integrity, and ability to make independent and analytical inquiry, and understand its business.

TISCO has clearly established the proper structure of the Board as well as the guidelines for the board's composition and selection criteria with regard to the proportion of independent directors, executive directors and the directors nominated by its shareholders to ensure the proper board composition.

The Board clearly separates its roles and responsibilities from those of management to ensure the correct balance of power and authority, and to prevent situations where a single individual has absolute power of decision-making.

TISCO's Chairman of the Board of Directors is therefore an independent or non-executive director to ensure the checks and balances between the Board and the management are properly maintained. In addition, the Chairman is not a member of any specialized Board Committee, thereby providing an independent view from such a committee.

To increase the Board's efficiency and allow deeper focus in specific areas, the Board has established the Executive Board and Board Committees, such as the Audit, Risk Oversight, Nomination and Compensation and Governance and Sustainability Committees. Each committee has its own charter and instruments that set out its mandate, scope and working procedures.

In order to help Board members acquire, maintain and deepen their knowledge and skills to fulfill their responsibilities, the Board ensures that Board members have access to tailored programs and ongoing education on relevant issues.

Self-Assessment of TISCO's Board is carried out on a yearly basis. It allows Board members to consider its performance and resolve any issues they may have. They assess the performance of the Board as a whole and on an individual director level based on self-evaluation against a benchmark systematically set in advance.

Board members are appropriately and transparently remunerated for their responsibilities through the recommendation of the Nomination and Compensation Committee with the approvals from the Board and Shareholders' Meetings.

2.5 Integrity and Ethics

A reputation for integrity has been a cornerstone of TISCO's business since its inception. This provides confidence to all stakeholders that TISCO and its employees are performing and behaving consistently to the highest standards. They are guided by a set of values, such as compassion, dependability, honesty, loyalty, maturity, objectivity, respect, trust, and professionalism. Integrity is TISCO's fundamental requirement in choosing and retaining its employees.

TISCO, members of the Board of Directors, and TISCO's employees including Group CEO and senior management, also strive to maintain the highest standards of ethical conduct including:

- (1) Compliance with applicable laws and regulations.
- (2) Conflict of interest must be declared and appropriate arrangements made to ensure that those with a material interest are not involved in the decision-making process.
- (3) Improper payments of any kind are prohibited; similarly no gift whose value is material and which may be interpreted as a form of inducement should be accepted or offered by TISCO's employees.
- (4) Ethical issues must be dealt with in an efficient and transparent manner.

Section 3: TISCO Corporate Governance Structure

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TISCO's Corporate Governance Structure establishes all the Governance Bodies in the TISCO Group and defines their key roles and responsibilities. It also specifies the concept of operating as one single business entity, of which the operating functions are divided between TISCO and its subsidiaries.

The Structure has been designed to ensure a proper balance of power and responsibilities among the Governance Bodies with the aim of avoiding a situation whereby a single individual has absolute power in decision making, and to provide a mechanism of checks and balances within TISCO.

Committees have been established by the Board and the Group CEO to achieve oversight, monitoring and decision-making objectives. Each committee will have a proper structure as well as guidelines for composition and selection criteria. It will also have its own written charter that sets out its mandate, operating policies and guidelines.

TISCO Corporate Governance Structure is divided into four parts as follows:

3.1 TISCO Group Governance Bodies

TISCO Group comprises TISCO, the parent holding companies, and its subsidiaries. Group Governance Bodies are appointed by TISCO to carry out Corporate Governance practices across TISCO and its subsidiaries on group-wide basis.

3.2 Key Roles and Responsibilities of Governance Bodies

The key roles and responsibilities of each Governance Body in corporate governance are summarized in this Corporate Governance Policy.

3.3 Governance Relationship between TISCO and its Subsidiaries

TISCO and its subsidiaries operate as one single entity to ensure good governance and yield effective synergies from group resources. TISCO serves as the governing company, defining policies, standards and corporate strategies, and centralizing all key control and support functions. Subsidiary companies serve as strategic business units, responsible for marketing & sales, customer relationships, and transaction processing & credit control.

3.4 TISCO Group Centralized Policies

To ensure effective control of business direction, decision making, and business operations of all subsidiary companies in the group, centralized policies are established on key governance, control and support areas that require standardized practices for group-wide adoption.

3.1 TISCO Group Governance Bodies

Under the Consolidated Supervision Guideline as approved by the Bank of Thailand there are nine companies in TISCO Group as of October 28, 2020.

- TISCO Financial Group Plc
- TISCO Bank Plc
- TISCO Securities Co Ltd
- TISCO Asset Management Co Ltd
- Hi-Way Co Ltd
- TISCO Insurance Solution Co Ltd
- TISCO Information Technology Co Ltd
- TISCO Learning Center Co Ltd
- All-Ways Co Ltd

TISCO Financial Group Plc. (“TISCO”) is the parent company of other companies in the Group. TISCO and its subsidiary companies are collectively called “TISCO Group” or “the Group”.

TISCO’s Board of Directors establishes TISCO Corporate Governance Policy to apply to TISCO itself and all subsidiaries.

TISCO as the parent company has managerial control over all subsidiaries in TISCO Group. TISCO, through its shareholding and authority as specified in the Articles of Association, appoints the subsidiaries’ boards of directors, and subsequently the subsidiaries’ boards appoint the CEO or President or Managing Director, and the management in subsidiary companies.

TISCO functions as the governing company, defines group directions and strategies for consistent application across all subsidiary companies. TISCO also establishes the operating policies in various areas for adoption in all subsidiary companies.

The subsidiary companies’ boards and managements report operating activities and performance to TISCO on an ongoing basis.

TISCO Group Corporate Governance is carried out through governance bodies which are categorized into two groups.

Governance Bodies at TISCO	Appointed by
<ul style="list-style-type: none"> TISCO Board of Directors 	<ul style="list-style-type: none"> Shareholders' Meeting
<ul style="list-style-type: none"> Chairman of the Board Vice Chairman of the Board TISCO Audit Committee (AC) TISCO Nomination & Compensation Committee (NCC) TISCO Governance and Sustainability Committee (GSC) TISCO Executive Board (EBD) TISCO Risk Oversight Committee (ROC) Group Chief Executive (Group CEO) Chief Operating Officer (COO) 	<ul style="list-style-type: none"> TISCO Board of Directors
<ul style="list-style-type: none"> TISCO Risk Management Committee TISCO Management Committee TISCO Compliance & Operation Control Committee TISCO IT Risk Committee TISCO Human Resources Committee TISCO Technology and Infrastructure Committee 	<ul style="list-style-type: none"> Group CEO

Governance Bodies at Subsidiary Companies	Appointed by
<ul style="list-style-type: none"> TISCO Bank Board of Directors TISCO Securities Board of Directors TISCO Asset Management Board of Directors 	<ul style="list-style-type: none"> Shareholders' Meeting (nominated by TISCO NCC and acknowledged by TISCO Board of Directors)
<ul style="list-style-type: none"> Other Subsidiary Board of Directors 	<ul style="list-style-type: none"> Shareholders' Meeting (nominated by TISCO Executive Board)
<ul style="list-style-type: none"> Audit Committee (Bank) Executive Board (Bank) Risk Oversight Committee (Bank) 	<ul style="list-style-type: none"> TISCO Bank Board of Directors (nominated by TISCO NCC and acknowledged by TISCO Board of Directors)
<ul style="list-style-type: none"> Audit Committee (other subsidiaries as required by law) 	<ul style="list-style-type: none"> Subsidiary Board of Directors (nominated by TISCO Executive Board)
<ul style="list-style-type: none"> President (TISCO Bank), CEO (TISCO Securities and TISCO Asset Management) 	<ul style="list-style-type: none"> Subsidiaries Board of Directors (nominated by TISCO NCC and acknowledged by TISCO Board of Directors)
<ul style="list-style-type: none"> CEO/President/Managing Director (other subsidiaries) 	<ul style="list-style-type: none"> Subsidiaries Board of Directors (nominated by TISCO Executive Board)

Governance Bodies at Subsidiary Companies	Appointed by
<ul style="list-style-type: none"> • Risk Management Committee (Subsidiaries as required by law) • Credit Committee (Bank and other credit granting subsidiaries as appropriate) • Problem Loan Committee (Bank) 	<ul style="list-style-type: none"> • TISCO Executive Board

3.2 Key Roles and Responsibilities of Governance Bodies

Governance Bodies at TISCO

3.2.1 TISCO Board of Directors

TISCO's Board of Directors ("TISCO Board") is appointed by its shareholders in accordance with the good governance board composition and qualification and in compliance with related laws and regulations, particularly corporate laws, and the regulations of the Bank of Thailand, the Securities and Exchange Commission and the Stock Exchange of Thailand.

TISCO Board has the following duties and responsibilities:

- (1) Approve TISCO Corporate Governance Policy as well as oversee TISCO Group Governance and corporate governance disclosure in a correct, complete, transparent, and timely manner (duty of disclosure).
- (2) Approve TISCO Company Statement: Vision and Mission.
- (3) Approval and monitoring of Group's business model, corporate strategies, business plan, and financial budgets, according to the principles of sustainable banking, which focuses on environmental, social and governance factors.
- (4) Formulate, recommend, and approve policies and transactions that are important to business, and manage risks that impact financial positions, performances, and TISCO reputations, as specified in the Bank of Thailand Notification.
- (5) Approval of M&A, investment, divestment, and disposal transaction involving high risk or materially impact TISCO in line with risk management policies, strategies, and appetite.
- (6) Oversee TISCO fair market conduct according to the Bank of Thailand Notification on Market Conduct Guidelines, which cover all service operation processes.
- (7) Ensure and monitor the effectiveness of whistle-blowing policy and internal control system. In addition, there must be a regular review and assessment to ensure that the internal control system is effective and suitable for TISCO.
- (8) Realize the problem of corruption, oversee the measure of anti-bribery, and ensure that TISCO has a framework of internal control which is suitable for anti-bribery.
- (9) Monitor risks and significant matters that impact financial position and reputation of financial institution.

- (10) Ensure and monitor the effectiveness of the integration of governance, risk management, and compliance (GRC).
- (11) Approval of the Risk Governance Framework and oversee the cultivation of risk awareness culture and remuneration structure promoting risk awareness.
- (12) Approval of the appointment, relocation, dismissal, and performance appraisal of head of risk management functions namely Enterprise Risk Management, Operational Risk Management, and IT Risk Management, and head of compliance function as advised by the Risk Oversight Committee, as well as head of internal audit function as advised by the Audit Committee.
- (13) Select and appoint a Chairman and Vice Chairman of the Board from the candidates of the Board as proposed by the Nomination and Compensation Committee.
- (14) Oversee the annual evaluation of the Board's performance as a whole and on individual director level in the forms of self-assessment and cross-evaluation or third-party evaluation (if necessary).
- (15) Select, appoint, and evaluate Group CEO from the candidates as well as a succession plan as proposed by the Nomination and Compensation Committee.
- (16) Work in partnership with the Group CEO and senior management in defining overall direction and strategies of TISCO Group concerning sustainable business including promoting and integrating innovation into the strategy and ensuring coherent implementation of those strategies through the institution of a Corporate Governance Policy to produce long-term value for shareholders.
- (17) Together with the Group CEO and senior management, set example at the top that establishes a culture of legal compliance and integrity.
- (18) Appoint Board Committees, namely, TISCO Audit Committee, TISCO Nomination and Compensation Committee, TISCO Governance and Sustainability Committee, TISCO Risk Oversight Committee, and TISCO Executive Board as proposed by TISCO NCC, to carry out the tasks assigned by the Board.
- (19) Appoint a Corporate Secretary to take care of the Board's and directors' activities and administer critical corporate matters in full compliance with all relevant laws and related regulations. The Corporate Secretary's responsibilities also include monitoring compliance to the Board's resolutions and handling the Board and Shareholders' Meetings on matters concerning notices, minutes and other duties as required by related laws and regulations.

Other Governance Bodies in this section are accountable to TISCO Board of Directors.

3.2.2 Chairman of the Board

In achieving transparency and the proper balance of power, the roles and responsibilities of the Chairman of the Board are separated from the Group CEO, and the two positions are held by different individuals. The Chairman of the Board is also independent from management and not either a chairman or member of any committee. This is to ensure independent views of the committees.

The Chairman of the Board has the following duties and responsibilities:

- (1) Provide leadership to the board and be responsible for the board's effectiveness of overall functioning, including maintaining a relationship of trust with board members. The Chairman will ensure that the Board and its committees work in conformity to the highest standards of corporate governance.
- (2) With supporting from Group CEO and Company Secretary, set agenda which are primarily focused on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are considered by the Board. The Chairman is accountable to the Board that directors will perform their duty with accountability and due care, and in compliance with the related laws and regulations, and in the best interest of TISCO.
- (3) Communicate relevant Board decisions within TISCO where deems appropriate. The Chairman shall also ensure effective communication with shareholders, government agencies and other relevant stakeholders and that the views of these groups are understood by the Board.
- (4) Ensure that the Board members receive adequate, accurate, timely and relevant information, particularly about TISCO's performance; the Board's decisions are made on a sound and well-informed basis; and the expression and discussion of dissenting views are encouraged within the decision-making process.
- (5) Ensure good working relationship between the executive and non- executive directors and between the Board members and management, meanwhile ensure adequate time for discussion of all agenda, particularly strategic issues as well as support the Board to independently uses their discretion and express their opinion.
- (6) Ensure that the Board understands the nature and extent of the significant risks TISCO is willing to take in the implementation of its strategy, and review on an ongoing basis the effectiveness of risk management and internal control systems.
- (7) Provide access, advice and support to the Group CEO in the development of strategy. The Chairman also maintains access to senior management for vital information related to TISCO business as is necessary and useful.
- (8) Promote effective relationships and communications between non- executive directors and senior management.
- (9) Ensure that the performance and effectiveness of the Board and Board Committees are formally evaluated on an annual basis.

- (10) Monitor and ensure that management has taken appropriate action and/ or is properly following up on the recommendations and resolutions made by the Board and Board Committees.
- (11) Seek to discuss and exchange view with directors on matters relating to the performing of their duties including obstacle and problem encountered.
- (12) Build awareness among Board members that even though committees are set up to help the Board do its work, the Board as a whole is still responsible for those tasks.

3.2.3 Vice Chairman of the Board

The Board of Directors shall elect one of the directors as chairman of the board. In the case where the board of directors deems appropriate, the Board of Directors may elect one or more directors to assume vice-chairmanship. A vice chairman has the duties as specified in the Public Companies Act and the articles of association in respect of the business entrusted by the chairman of the board, including taking the role as the acting Chairman of the Board during the period when the Chairman is absent, and the normal functions of the Chairman cannot be carried out until the Chairman resumes his normal duties or a new Chairman has been elected and appointed by the Board.

3.2.4 Lead Independent Director

The Lead Independent Director has the following duties and responsibilities:

- (1) Chair the meeting on agenda that the Chairman and Vice Chairman cannot perform their duties due to having conflict of interests from not being independent director.
- (2) Call Independent Director meeting at least once a year and inform the Chairman and the Board of Directors about the outcomes.
- (3) Collaborate with the Chairman and Group CEO in setting the meeting agenda.

3.2.5 TISCO Executive Board (EBD)

TISCO Executive Board has the following duties and responsibilities:

- (1) Determine and propose group business strategy, merger & acquisition transactions, new business ventures, and new products involving high risk to TISCO Board for approval.
- (2) Review and oversee the TISCO Group business plan and budget, monitors performance and institutes TISCO Group's Centralized Policies on all important operational and control areas.
- (3) Approve credit with substantial amounts and/or transactions that involve high risks under TISCO Group's business framework.

- (4) Promote innovative strategy and the use of technology to enhance competitiveness in which respond to stakeholder concerns & expectations and meet social & environmental responsibilities.
- (5) Supervise subsidiary companies of transactions that involved high risk
- (6) Act on behalf of TISCO as the major shareholder in appointment of the Board of Directors of all subsidiary companies, except TISCO Bank, TISCO Securities and TISCO Asset Management.
- (7) Ensure that managements of the company and subsidiary company refer material issues of the Group to Executive Board.
- (8) Ensure the effectiveness of the implementation of risk management framework and risk management guidelines in alignment with approved risk management policies, strategies and appetite.
- (9) Appoint and supervise Credit Committee and Problem Loan Committee.
- (10) Ensure that all sub-committees appointed by Group CEO are established, composed and operated appropriately and professionally.

TISCO Bank, in particular, has its own Executive Board. TISCO Bank Executive Board reports to TISCO Bank Board of Directors under the Guidelines on Consolidated Supervision of the Bank of Thailand.

The EBD's composition, qualification, operating principles, meeting procedures and duties appear in the EBD Charter, which has been approved by the Board.

3.2.6 TISCO Risk Oversight Committee (ROC)

TISCO Risk Oversight Committee has the following duties and responsibilities:

- (1) Advise the Board in review and approval of the risk governance framework as stipulated by the Bank of Thailand.
- (2) Ensure senior management including head of risk management functions complied with the risk management policies & strategies, and risk appetite.
- (3) Oversee the strategies on capital and liquidity management in line with approved risk appetite.
- (4) Report to the Board regarding risk exposures, effectiveness of risk management, implementation progress of risk culture, significant issues and required improvement in compliance with risk management policies & strategies.
- (5) Exchange views with the Audit Committee in reviewing the sufficiency and effectiveness of overall risk management policies & strategies and risk appetite at (least once a year).

- (6) Advise the Board regarding the approval, relocation, dismissal, and evaluation of the effectiveness and efficiency of Head of risk management functions and Head of Compliance.
- (7) Oversee the significant compliance matters of TISCO Group, and consider the examination results and issues from regulators in providing guidance for improvement on the examination's issues.
- (8) Approve Compliance Policy, Compliance function charter, Compliance Program and Plan, as well as Annual Compliance Report of TISCO Group.
- (9) Review Risk Management Policies and Guidelines as well as Risk Management Plans in views of sufficiency and effectiveness of risk management system.
- (10) Review Stress Testing results, Internal Capital Adequacy Assessment Process (ICAAP) report, and Recovery Plan, as well as Self-Assessment of TISCO Group internal control system, in accordance with the Bank of Thailand's requirements.
- (11) Oversee the sufficiency and effectiveness of ESG risk management system and ensure the integration of ESG risks into Enterprise Risk Management framework in alignment with TISCO Sustainable Development Policy.
- (12) Review Not-Normal Related Party Transactions and make recommendation to the Board in accordance with the Related Party Transactions Policy.
- (13) Carry out related risk oversight matters as delegated by the Board.

TISCO Bank, in particular, has its own Risk Oversight Committee. TISCO Bank Risk Oversight Committee reports to TISCO Bank Board of Directors under the Guidelines on Consolidated Supervision of the Bank of Thailand.

The ROC's composition, qualification, term, operating principles, meeting procedures and duties appear in the ROC Charter, which has been approved by the Board.

3.2.7 TISCO Audit Committee (AC)

- (1) Review TISCO Group's financial reports to ensure that they are accurate, reliable with sufficient disclosures and in compliance with financial reporting standards and regulatory requirements.
- (2) Review and evaluate that TISCO Group has adequate and efficient internal control system and internal audit.
- (3) Consider the independence of TISCO Group's Internal Audit function, and approve Internal Audit policy, Internal Audit charter, strategy, key performance indicators, annual audit plan, staffing and budget.
- (4) Review and concur the appointment, transfer, or dismissal of Head of Internal Audit, and review the performance of Head of Internal Audit.
- (5) Ensure that TISCO Group operates businesses in compliance with related laws and regulations.

- (6) Consider the qualifications, independence, performance and recommend to the Board of Directors the appointment or termination of the external auditors including their remuneration.
- (7) Review significant related party transactions that may give rise to conflicts of interest to ensure that the transactions are executed with transparency for the best interest of shareholders and in compliance with related laws and regulations.
- (8) Ensure the accuracy and completeness of the disclosure of TISCO Group, especially the connected transaction or the transaction that may lead to conflict of interest.
- (9) Ensure that the material acquisition and disposal transactions are appropriately and reasonably executed.

Exchange views with the Risk Oversight Committee on the sufficiency and effectiveness of overall risk management process at least once a year.

The subsidiary companies may set up their own audit committees according to regulatory requirements. To ensure adoption and implementation of responsibilities as defined by the TISCO Audit Committee, the Audit Committees of subsidiary companies, where applicable, must report to TISCO Audit Committee under the Guidelines on Consolidated Supervision of the Bank of Thailand.

The AC's composition, qualification, term, operating principles, meeting procedures and duties appear in the AC Charter, which has been approved by the Board.

3.2.8 TISCO Governance and Sustainability Committee (GSC)

TISCO Governance and Sustainability Committee establishes Corporate Governance Policy and Code of Conduct including communication to directors, management, and employees, build and promote good corporate culture and ethics aligns with Governance, Risk, and Compliance (GRC) framework and guidelines, oversees the practices of the Board of Directors, Board committees, and management in compliance with the Corporate Governance Policy, Code of Conduct, and related laws and regulations.

It oversees and establishes the sustainable development policy and practices including advice relating issues and corporate social responsibility for enhancing sustainability strategy. It also considers the appropriateness of the sustainability report and ensures that the sustainability report meets the domestic and international standards and reflects material corporate practices in which support sustainable value creation.

The GSC's composition, qualification, term, operating principles, meeting procedures and duties appear in the GSC Charter, which has been approved by the Board.

3.2.9 TISCO Nomination and Compensation Committee (NCC)

TISCO Nomination and Compensation Committee oversees the policy and criteria for nomination of directors and top management of the group and establishes the policy for reviewing director's independence if a director exceeds a cumulative term of nine years from the first day of service.

It nominates candidates for TISCO Board of Directors, Chairman and Vice Chairman of the Board, Group CEO and senior management, and members of Board committees for appointment by TISCO Board.

It appoints the Executive Vice President and regularly considers succession plan and human resources management proposed by Group CEO.

It nominates candidates for board members and CEO/President of subsidiary companies, which are directly supervised by financial and capital market regulators, and submits for acknowledgement by TISCO Board. These subsidiaries are TISCO Bank, TISCO Securities and TISCO Asset Management.

It ensures that the size and composition of the Board of Directors of the companies in TISCO Group are appropriate for the organization and the business environment and the Board comprises members who have diversified expertise and experience.

TISCO Nomination and Compensation Committee adopts and oversees the implementation of selection and compensation policies for Board and management. It also establishes goals for performance-based compensation and determines the compensation of the Group CEO and senior management to create long-term value for the company.

It ensures that a new director receives adequate information concerning the scope of authority and roles and responsibilities of committees and encourages the new director to attend seminars, training, company visits, etc. to enhance knowledge, understanding, perspective, and the necessary skills.

The NCC's composition, qualification, term, operating principles, meeting procedures and duties appear in the NCC Charter, which has been approved by the Board.

3.2.10 Group CEO

The Group CEO has the following duties and responsibilities:

- (1) Focus on strategy formulation which is guided by the vision and mission statement approved by the Board of Directors by working in partnership with the Board of Directors in formulating strategies and business plan including the level of risk appetite of TISCO Group.

- (2) Monitor the Company's overall performance with emphasis in long term value creation of the Company.
- (3) Be responsible to the Board for the business performance and its consistency with agreed business plans, corporate strategies, policies and risk governance, and keep the Board updated on progress.
- (4) Lead, direct, and guide other Senior Management.
- (5) Oversee strategic alignment, governance and management structure, operations, risk management and control systems, and ensure effective implementation of strategies and the business plans in alignment with the company's sustainability issues across TISCO Group.
- (6) Facilitate the operating business units of TISCO in developing their own business innovation and strategic plans for the future and ensure that they are properly evaluated and that they are built into the overall corporate strategy.
- (7) Ensure that TISCO has the human capabilities and other resources required to achieve its plans, and that the management succession and management development plans are in place and presented to the Board on a pre-scheduled basis.
- (8) Ensure that business is conducted in accordance with TISCO Corporate Governance Policy and in compliance with related laws and regulations.
- (9) Develop and maintain an effective framework of internal controls and risk management in relation to all business activities.
- (10) Ensure the preparation of, under the oversight of the Audit Committee, financial statements that fairly present the financial condition and result of operations of TISCO; and make the timely disclosures that investors need to assess the financial and business soundness and risks of TISCO.
- (11) Ensure that TISCO has a suitable system and policy for the timely and accurate disclosure of information in accordance with regulatory requirements and TISCO Corporate Governance Policy.
- (12) Ensure that the flow of relevant information to the Board is adequate, accurate, timely, and keep the Chairman promptly informed of all matters which are deemed important to the Board or of which the Board should be aware.
- (13) Establish TISCO Risk Management Committee, TISCO Compliance & Operation Control Committee, TISCO IT Risk Committee, TISCO Human Resources Committee, and TISCO Management Committee, TISCO Technology and Infrastructure Committee and other committees, to carry out specific tasks.
- (14) Nominate members of TISCO Management Committee and management of one further level down for NCC approval.
- (15) Ensure that all committees appointed by the Executive Board and Group CEO are established, composed and operated; that the committees' decisions are made on a sound and well-informed basis; and those dissenting views can be expressed, discussed and recorded within the decision-making process.

- (16) Interface with the Board, employees, stakeholders, and communicate with public community.

The Group CEO shall seek approval for the appointment from the Bank of Thailand every time or every four years from the date of appointment, whichever comes first.

3.2.11 Chief Operating Officer (COO)

The COO has the following duties and responsibilities:

- (1) Provide overall management for day-to-day operations in TISCO utilizing limited resources to the most productive uses.
- (2) Assist the CEO in developing and cascading organization's strategy/ mission to the lower ranking staff.
- (3) Planning by prioritizing customer, employee, and company's requirement.
- (4) Work in partnership with the CEO and the management in attaining the highest standard of employee's quality and compliance to TISCO's CG Policy and Code of Conduct.

3.2.12 TISCO Management Committee (MC)

TISCO Management Committee comprises senior management of key business and control areas of TISCO Group. The appointment of individual MC shall be proposed by the Group CEO to the NCC for concurrence then to TISCO's Board for approval. NCC shall review MC performance by individual contribution and by group collective decision annually.

The Management Committee operates as group management to create organization that is visionary, inventive, and adaptable, and to foster entrepreneurial spirit and professionalism within TISCO Group. Its responsibilities include:

- (1) To consider and formulate TISCO Group business strategy, financial goals, business plan including annual budget. The strategy, goals and plan must be balanced among short, medium and long term to maximize long term shareholders' value.
- (2) To review and ensure that TISCO Group's operations are in accordance with its strategies and business plan, the overall business and non-financial performances meet TISCO's corporate KPI and all are in compliance with Corporate Governance Policy, overall sustainable value creation, and related regulations.
- (3) To implement policies and business strategies, risk governance framework, and business operation based on sustainable banking principle.
- (4) To discuss and make decisions on Group's business direction and policy, diversification of business platforms, innovation of business, synergy of cross-over businesses functions, efficiency and control issues among high-impact business and

operations areas, group human resources management policies and capital expenditure policies.

- (5) To serve as a forum for heads of business and control functions to lodge and discuss on certain conflict and disagreement arising from operations and/or management issues, which cannot be resolved within the organization's normal chain of command.

Decisions at the meeting shall be made by a majority of votes of all members present. Rational for decision making and dissenting votes must be officially recorded.

The responsibilities of TISCO Management Committee and the list of its members appear in the Group Announcement.

3.2.13 TISCO Risk Management Committee

The TISCO Risk Management Committee comprises senior management of key business and control areas of TISCO Group. It is appointed by the Group CEO to determine overall risk management policies, risk limits and strategies of the group. Its responsibilities include:

- (1) Formulate overall risk management policies of TISCO Group for the Risk Oversight Committee's review and further approval by the Board of Directors, covering all key risk components and framework including review of capital allocation, assets & liabilities management, new business, credit policies, as well as loan loss provisioning policies at portfolio level.
- (2) Formulate risk management guidelines, risk limits and action plans in line with the approved risk management policies, strategies and appetite.
- (3) Monitor and control risk management activities of TISCO Group in accordance with the approved risk management policies, strategies and appetite, as well as rules and regulation of related authorities.
- (4) Assess, follow-up, monitor the effectiveness of risk management system, while determining action plans to manage all portfolio risks in order to ensure acceptable risk levels.
- (5) Formulate policies, guidelines and control procedures for granting credit and investment transactions, handling problem loan accounts and considering the loan loss provisioning, and operational risk assessment & management.
- (6) Establish effective business contingency plan and/or business continuity plan to handle all types of business disruptions and/or emergency situations.
- (7) Establish effective risk hedging strategy to mitigate unwanted potential loss.
- (8) Establish risk management structure and framework in accordance with regulatory capital adequacy framework and related regulations.
- (9) Consolidate risk information and report to the Risk Oversight Committee regarding risk exposures and risk management activities for all types of risk while

recommending the action plans needed for improvement and alignment with approved risk policies and strategies.

The responsibilities of TISCO Risk Management Committee and the list of its members appear in the Group Announcement.

3.2.14 TISCO Compliance & Operation Control Committee

TISCO Compliance & Operation Control Committee is appointed by Group CEO to review operational productivity, risks, and control activities, to ensure an optimal level of operations that promotes both operating efficiency and adequate risk controls.

TISCO Compliance & Operation Control Committee ensures that TISCO complies with related laws and regulations and effective internal controls across TISCO Group, reviews and determines mitigation plans and actions in response to significant operational risk incidents.

The responsibilities of TISCO Compliance & Operation Control Committee and the list of its members appear in the Group Announcement.

3.2.15 TISCO Human Resources Committee

TISCO Human Resources Committee is appointed by Group CEO to review and determine organization structure and job structure, human resources policies and guidelines, succession and talent management, performance evaluation, job promotions and remuneration of TISCO Group.

The responsibilities of TISCO Human Resources Committee and the list of its members appear in the Group Announcement dated.

3.2.16 TISCO Technology and Infrastructure Committee

TISCO Technology and Infrastructure Committee is appointed by the Group CEO to determine IT strategies and platforms for the group. It also ensures smooth and effective central IT and operating infrastructures including core servers, application architecture, MIS, building and office- related infrastructure and equipment. In addition, the Committee reviews IT capital expenditure and ensures sound IT and infrastructure security policy within TISCO Group.

The Committee also takes the role and responsibility of the Data Governance Committee in order to consider and make recommendations regarding data governance issues.

The responsibilities of TISCO Technology and Infrastructure Committee and the list of its members appear in the Group Announcement dated.

3.2.17 TISCO IT Risk Committee

TISCO IT Risk Committee is appointed by Group CEO to determine IT Risk Management Policies and to oversee IT risk management activities and key risk indicators for effectiveness of IT risk management processes and IT compliance with laws and regulations across TISCO Group.

The responsibilities of TISCO IT Risk Committee and the list of its members appear in the Group Announcement dated.

Governance Bodies at Subsidiary Companies

Under the Guidelines on Consolidated Supervision of the Bank of Thailand, Governance Bodies of subsidiary companies shall ensure that subsidiary companies adopt and adhere to TISCO Corporate Governance Policy approved by the TISCO Board of Directors.

TISCO Corporate Governance Policy constitutes all key policies and guidelines concerning the governance and operating structure of TISCO Group, comprising business strategy, management and operations, risk and controls, human resources, finance and accounting, corporate affairs, and public and client communications.

Governance Bodies of subsidiary companies are responsible for carrying out policies and directions set forth in TISCO Corporate Governance Policy.

3.2.18 Board of Directors of Subsidiary Companies

The Boards of Directors of subsidiary companies are appointed by TISCO Board or TISCO Executive Board to ensure their directors, management and employees conduct the companies' businesses in compliance with TISCO Corporate Governance Policy as well as related laws and regulations.

The subsidiary boards define and ensure implementation of business strategies, policies and operational business plans, as directed by TISCO Group's corporate strategies and business plans.

The subsidiary boards report business activities and financial performance to the TISCO Executive Board on a regular basis and in compliance with the Guidelines on Consolidated Supervision of the Bank of Thailand.

3.2.19 Audit Committees at TISCO Bank, TISCO Securities and TISCO Asset Management

Members of the Audit Committee of TISCO Bank are appointed by TISCO Bank Board of Directors with approval from TISCO Board. The Audit Committee of TISCO Bank is responsible for independent oversight and review of financial reports, internal controls

and audits, and compliance of TISCO Bank business activities to internal policies and related laws and regulations.

In particular, the Audit Committee of TISCO Bank ensures transparency and completeness of disclosure of the Bank, especially connected transactions or transactions that may result in conflict of interest.

The Audit Committees at TISCO Securities and TISCO Asset Management are appointed by the Board of Directors of the companies with the only purpose to carry out specific tasks under the Securities and Exchange Act B.E. 2535.

TISCO Bank Audit Committee (AC)'s composition, qualification, term, operating principles, meeting procedures and duties appear in TISCO Bank AC Charter, which has been approved by TISCO Bank Board.

3.2.20 TISCO Bank Executive Board

TISCO Bank Executive Board is appointed by TISCO Bank Board to oversee and monitor business operations and approve transactions with substantial amounts and/or involve high risks.

TISCO Bank Executive Board reports business activities and financial performance to TISCO Bank Board of Directors on a regular basis.

3.2.21 TISCO Bank Risk Oversight Committee

TISCO Bank Risk Oversight Committee is appointed by TISCO Bank Board to oversee the strategies on capital and liquidity management in line with approved risk appetite.

TISCO Bank Risk Oversight Committee reports risk exposures, effectiveness of risk management, implementation progress of risk culture, significant issues and required improvement in compliance with risk management policies & strategies to TISCO Bank Board of Directors on a regular basis.

3.2.22 CEO/President of TISCO Bank, TISCO Securities and TISCO Asset Management

Each CEO/President of TISCO Bank, TISCO Securities and TISCO Asset Management is appointed by the respective subsidiaries' Board of Directors with prior nomination by TISCO NCC and acknowledged by TISCO Board of Directors.

CEO/President of TISCO Bank, TISCO Securities and TISCO Asset Management is responsible for developing the subsidiary's business and operation plans as guided by TISCO Group's corporate strategy. He/she directs, controls, and monitors day-to-day operations, manages financial budget and allocates resources. In addition, he/she

ensures adoption and implementation of TISCO Corporate Governance Policy within the subsidiary.

3.2.23 CEO/President/Managing Director of other subsidiaries

CEOs/Presidents/Managing Directors of other subsidiaries are appointed by the respective subsidiary's Board of Directors with the nomination by TISCO Executive Board.

CEO/President/Managing Director of other subsidiaries is responsible for developing the subsidiary's business and operation plans as guided by TISCO Group's corporate strategy. He/she directs, controls, and monitors day-to-day operations, manages financial budget and allocates resources. In addition, he/she ensures adoption and implementation of TISCO Corporate Governance Policy within the subsidiary.

3.2.24 Credit Committees

The Credit Committees of TISCO Bank and other credit-granting subsidiaries are responsible for setting up credit granting criteria and controlling loan approval procedures at the transaction level to ensure comprehensive monitoring and control of credit risk.

The Credit Committees are also responsible for effective implementation of policies, guidelines and controls procedures for granting credit, review and approval of loans and investment transactions in compliance with TISCO Group's policies and guidelines.

According to the Guidelines on Consolidated Supervision of the Bank of Thailand, the Credit Committees are required to report credit and investment activities and all significant issues to the TISCO Executive Board and to the TISCO Risk Management Committee on a regular basis.

The responsibilities of Credit Committees and the list of its members appear in Announcement of the Group or subsidiaries' management.

3.2.25 Problem Loan Committee

The Problem Loan Committee of TISCO Bank ensures adoption and implementation of problem loan and provisioning policies and strategies. It is also responsible for effective implementation of policies, guidelines and control procedures for review, handling and monitoring problem loan accounts in compliance with TISCO Group policies and guidelines.

According to the Guidelines on Consolidated Supervision of the Bank of Thailand, Problem Loan Committee is required to report problem loans, provisioning activities and all significant issues to the TISCO Executive Board and to TISCO Risk Management Committee on a regular basis.

The responsibilities of Problem Loan Committee and the list of its members appear in the Group Announcement.

3.3 Governance Relationship between TISCO and its Subsidiaries

TISCO Group, comprising TISCO and its subsidiaries, operates as one single entity to ensure good governance and yield effective synergies from group resources. The operating structure between TISCO, the parent company, and all subsidiaries, is framed in such a way as to provide coherent business direction and ensure good governance of equal standards across entities. In this regard, TISCO, the parent holding company, serves as the governing company, and defines policies and standards as well as common corporate strategies to all companies in the group. TISCO also centralizes all key control and support functions within the group. Subsidiary companies serve as strategic business units, which are responsible for the roles of Marketing & Sales, Customer Relations, and Transaction Processing and Credit Control.

3.3.1 TISCO as the Governing Company

As the governing company, TISCO will define group strategic directions, business plans, as well as resource allocations of all subsidiary companies. Although the group strategic plan involves both top-down and bottom-up processes, TISCO's Board of Directors ultimately holds the authority to approve the group's business model, corporate strategies, business plan, and financial budgets, which are applied on a group consolidated basis.

Through the authorities provided in this Corporate Governance Policy, TISCO will appoint the Board of Directors and Board committees, if applicable, of all subsidiary companies, as well as define their business policies and strategies. Key significant business activities will also require approval by TISCO. TISCO will monitor on an ongoing basis the business performance and all significant matters of subsidiary companies according to the corporate strategies and business plan approved by TISCO's Board of Directors.

All support and control functions will be centralized at TISCO in order to create good governance standards, promote synergies, as well as maximize operating efficiency and effectiveness of TISCO group operations. These centralized operations cover the areas of governance, strategy & planning, finance & accounting, risk management, credit controls, internal control & compliance, human resources as well as business development and process improvement activities. Centralized policies will be set up on these aspects for application across all subsidiary companies. Details of centralized policies are provided in section 3.4.

3.3.2 Subsidiary Companies as the Strategic Business Units

Subsidiary companies serve as strategic business units, which focus on various business areas of financial services. The key roles of strategic business units consist of sales & marketing, customer relationships, and delivery of products and services to customers. They also have their own transaction processing and credit controls. The subsidiary

companies will operate their businesses within the policies, guidelines and strategic directions given by TISCO, the parent holding company.

Ongoing monitoring and feedback of the performances and key business activities of all subsidiaries will be carried out and reported to the TISCO Board of Directors, as well as supervision of key decision making and controls. As a guiding principle, all key decisions regarding investments or divestment, asset acquisitions or disposal, business joint ventures or strategic alliances by subsidiary companies shall be approved by TISCO.

Unless otherwise defined by TISCO or relevant regulatory authorities, all subsidiary companies will outsource services involving governance, planning & business development, risk management & controls, infrastructure and administration, and resource management to TISCO. These include, but are not limited to, the following areas:

- Corporate Secretary
- Planning, Budgeting & Investor Relations
- Accounting & Financial Management
- Risk Management & Credit Control
- Internal Control & Compliance
- Legal
- Business Development
- Corporate Communication
- Process Improvement & Re-engineering
- Information Technology
- Corporate Services & Procurement
- Human Resources
- Internal Audit

Centralized policies on these aspects of governance, control and operations shall be appropriately established accordingly. Details of centralized policies are provided in section 3.4.

3.4 TISCO Group Centralized Policies

In order to ensure effective control of business direction, decision making, and business operations of all subsidiary companies in the group, centralized policies have been established on key governance, control, and support areas that require standardized practices as follows.

Areas	Listed Policies
Corporate Governance	<ul style="list-style-type: none"> • Corporate Governance Policy • Remuneration for Director and Management • Policy on Assessing the Independence of Directors
Strategy	<ul style="list-style-type: none"> • Business Policy • Investment Policy

Areas	Listed Policies
Operations & Information Technology	<ul style="list-style-type: none"> • Business Continuity Management Policy • Information Technology Policy • Information Security Policy • Data Governance Policy
Finance	<ul style="list-style-type: none"> • Planning and Budgeting Policy • Financial & Disclosure Policy • Accounting Policy • Related Party Transaction Policy • Non-financial Services and Business Partner Policy
Risk Management & Credit	<ul style="list-style-type: none"> • Risk Management Policy • Credit Policy
Compliance & Internal Controls	<ul style="list-style-type: none"> • Internal Control Policy • Compliance Policy • Anti-Corruption Policy • AML/CFT Policy (Anti-Money Laundry/ Combating the Financing of Terrorism) • Whistleblowing Policy
Human Resources	<ul style="list-style-type: none"> • Human Resources Policy
Communication	<ul style="list-style-type: none"> • Corporate Marketing & Communication Policy
Corporate Sustainability	<ul style="list-style-type: none"> • Sustainable Development Policy
Internal Audit	<ul style="list-style-type: none"> • Internal Audit Policy

The structure, subject and content of the operating policies are varied over times to fulfill the group's vision, mission, strategy and regulatory requirement, and to suit the operating environment.

The Board delegates its authority on determination and approval of the centralized policies to the Executive Board, except for the Corporate Governance Policy and the Internal Audit Policy whose approval authority is delegated to the Governance and Sustainability Committee and the Audit Committee.

The boards of all subsidiary companies are required to adopt the centralized policies for implementation in the subsidiary companies. Such, adoption enforces all related operating policies that are in effect.

Key Centralized Policies of TISCO Group are as follows:

3.4.1 Corporate Governance Policy

TISCO Corporate Governance Policy commits TISCO Group and its management to operate their business within a set of good corporate governance principles.

The Policy establishes the governance structures through which TISCO's objectives are set the operating system to attend those objectives, performance monitoring and oversight mechanisms are determined.

It also defines the relationships between TISCO's management, its Board of Directors, shareholders and other stakeholders. These relationships are conveyed in terms of rights, role, duty, responsibility, accountability, monitoring and oversight, and code of conduct. The Board is central to these relationships and the Corporate Governance Policy. In addition, the rules and procedures for decision making in corporate affairs are installed as the organization expands and become more complicated.

3.4.2 Remuneration for Director and Management Policy

Remuneration for Director and Management Policy is the guiding document for the Board of Directors and the Nomination and Compensation Committee to determine the remuneration of Director and Management.

3.4.3 Policy on Assessing the Independence of Directors

The Policy on Assessing the Independence of Directors which defines the process for the review of independence of Directors who will be considered as independent director in case of new appointment and any changes in qualification which may affect the independence of Directors.

3.4.4 Business Policy

Business Policy determines the business scope, criteria and requirements allowed for each subsidiary company. The policy also covers directions on business development and operations management of TISCO Group.

3.4.5 Investment Policy

As the investment activities are delegated to subsidiaries, the Investment Policy is approved by the Executive Board of TISCO to provide principal and direction for investment practices of all companies in TISCO Group.

3.4.6 Business Continuity Management Policy

Business Continuity Management Policy will be set up to provide contingency plans for various operational areas.

3.4.7 Information Technology Policy

Information Technology Policy is TISCO's key framework and guidelines on information technology management of TISCO Group, including IT strategy, system architecture, and security control, which will be defined for adoption across the group.

3.4.8 Information Security Policy

Information Security Policy provides management system to protect TISCO, its assets and users. It establishes the framework for security activities and operations in order to meet information securities requirements.

3.4.9 Data Governance Policy

Data governance policy provides direction to ensure high quality of data and protection against data risks such as data breaches, loss to business and reputation from inferior quality of data, and non-compliance to laws and regulations.

3.4.10 Planning and Budgeting Policy

The policy describes framework for planning and budgeting process which centralized at TISCO Financial Group Public Company Limited for application across TISCO Group. The planning and budgeting framework is designed to produce budget-oriented approach in developing business plan, as well as to provide a rationale for making resource allocation decisions.

3.4.11 Financial & Disclosure Policy

Financial and Disclosure Policy outlines all frameworks and guidelines on investment activities, assets acquisition and divestment, fund raising, capital and operating expenditure, and dividend policy, as well as disclosure practice of company information to stakeholders.

3.4.12 Accounting Policy

Accounting Policy provides uniform accounting standards and principles that apply across TISCO Group, while also providing guidelines on financial information reporting.

3.4.13 Related Party Transaction Policy

Related Party Transaction Policy provides good governance guidelines on dealing with Connected Persons, as well as for conducting business activities among companies in the TISCO Group under the Guidelines on Consolidated Supervision of the Bank of Thailand, and business transactions with employees.

3.4.14 Non-financial Services and Business Partner Policy

Non-financial services and Business partner Policy provides direction of inter-company transaction relationships and framework of non-financial services and outsourcing activities to business partner under TISCO group.

3.4.15 Risk Management Policy

Risk Management Policy provides a best-practice framework and directions for managing all five types of risk – strategic risk, credit risk, market risk, funding risk, and operational risk of all companies in the group. It will also cover capital management and capital allocation of group resources. Risk Management Policy on credit risk will also clearly determine the group's credit extension and control strategies for adoption by credit granting subsidiaries.

3.4.16 Credit Policy

The Credit Policy aims to provide framework for credit risk management of credit and investment products in order to increase portfolio performance by setting up criteria for risk limit, portfolio diversification and risk-adjusted return.

The guidelines for granting credit or investing in financial assets of each business line are established in accordance with TISCO Credit Policy to ensure transparency in reaching the decision in its credit approval process.

3.4.17 Internal Control Policy

Internal Control Policy provides strategies to ensure effective corporate-wide internal control systems of TISCO Group.

3.4.18 Compliance Policy

Compliance Policy provides a blueprint of TISCO Group's compliance philosophies and principles to consistently identify, assess, monitor, and control compliance risks across all businesses of TISCO Group.

3.4.19 Anti-Corruption Policy

Anti-Corruption Policy provides a blueprint of TISCO Group principles and practices in carrying out the programs to fight against all forms of corruption.

3.4.20 Anti-Money Laundering/Combating Financing of Terrorism Policy (AML/CFT Policy)

AML/ CFT Policy is set up to provide standard approaches in handling anti- money laundering activities.

3.4.21 Whistleblowing Policy

Whistle- blowing Policy is formulated to encourage employees to raise any serious concerns they may have about the management instances of unethical behavior, actual

or suspected, fraud, wrongdoing, malpractice or violation of the Employee Code of Conduct without fear of victimization, subsequent discrimination, disadvantage or dismissal.

3.4.22 Human Resources Policy

Human Resources Policy encompasses group- wide policies for recruitment, development, training, and retention of human resources. The policy also covers TISCO rules and guidelines for employees' code of conduct, fringe benefits, and related administrative issues. Policies for performance assessments and monitoring for individual staff members are also outlined.

3.4.23 Corporate Marketing & Communication Policy

Corporate Marketing & Communication Policy provides coherent direction of group public relations and branding activities.

3.4.24 Sustainable Development Policy

Sustainable Development Policy provides guideline for TISCO Group in managing the organization to yield long term sustainability not only for the company and its stakeholders, but also environment and society.

3.4.25 Internal Audit Policy

As the internal audit activity is centralized at TISCO, the Internal Audit Policy is approved by the TISCO Audit Committee to establish a comprehensive and definitive framework and direction for internal audit practices and mechanisms of all companies in TISCO Group.

Section 4: TISCO Code of Conduct

Section 4: TISCO Code of Conduct

In accordance with our Core Value and Integrity and Ethics Policy, TISCO has established a Code of Conduct to assist TISCO's employees and Directors in performing their duties and maintaining TISCO's valued reputation for honesty and fairness.

4.1 Employees Code of Conduct

All TISCO employees (including employees of all subsidiaries, hereinafter called "employees") have a duty to follow TISCO Corporate Governance Policy on Integrity and Ethics. It is the responsibility of TISCO management to ensure that all employees who directly or indirectly report to them are fully aware of the above policy and core values in the conduct of company business.

All TISCO employees are expected to apply and uphold the following code of conduct:

4.1.1 Honesty and Fairness

Employees shall conduct their duties with honesty and fairness and refrain from exploiting their position for their own benefit or that of any particular group or committing any dishonest action that may damage TISCO or its customers.

4.1.2 Prudence

TISCO shall ensure that the business is operated with prudence and due professional care that a competent expert would exercise under a given set of circumstances. TISCO's employees must ensure that they carry out their duties using prudent business practices at all times.

4.1.3 Legal and Regulatory Compliance

Employees shall comply with applicable laws and regulations, and refrain from assisting others to violate any laws, regulations or ethical principles. Employees shall make an effort to learn, understand and monitor changes to relevant laws and regulations, as well as keep up to date with their professional code of conduct. And in the event where operation is subject to investigation, TISCO shall exercise supervision to ensure fairness by having employees co-operate with both internal and external regulatory authorities.

4.1.4 Record Keeping and Reporting Duties

TISCO's financial and other record keepings must be accurate and complete. TISCO shall not withhold any information from appointed auditors or other supervisory agencies, and shall disclose information required to evaluate the accuracy of financial statements and the integrity of TISCO's operations.

4.1.5 Duty of Confidentiality towards TISCO and Customers

Confidentiality towards TISCO and customers is fundamental to TISCO's business operations. Employees must protect all "Proprietary Information" they receive, whether or not such information is related to them, including financial information pertaining to TISCO. Customer transactions and activities within TISCO are deemed confidential and shall not be exploited for any employee's own benefit, nor be disclosed to any other party who is not authorized to receive such information, unless consented by customer or required by laws. This obligation continues to apply after employment ends.

To protect the privacy of fellow employees, employees must maintain the confidentiality of their personal information.

4.1.6 Conflict of Interest

Employees shall concentrate on their responsibilities to TISCO regardless of personal interest. Their business decisions shall be made to ensure maximum benefit for TISCO and its clients.

Employees shall protect the interest of TISCO, as well as avoid the appearance of conflict of interest. Employees should not personally pursue business opportunities that would otherwise be available to TISCO as a reasonable business opportunity.

Employees should avoid situations or arrangements in which employees are or could be perceived as competing with TISCO.

Employees are not allowed to receive any benefits such as cash or gifts related to their involvement in situations or activities that lead or appear to lead to a conflict of interest between employees and TISCO or clients.

Any financial transaction executed by employee with TISCO Group should be appropriate or categorized as normal business transaction with same commercial terms that an unrelated ordinary person might transact under the similar circumstance.

4.1.7 Political Support

According to the rules laid down by TISCO, donations to political parties or political candidates including payments to government officials, is prohibited.

4.1.8 Customer Complaints

TISCO is committed to resolving and reporting the result of customer complaints using the highest standards and best practice procedures. All complaints shall be submitted to the responsible persons and should be resolved as soon as possible. A contact center is open 24 hours a day to receive complaints and other inquiries from customers.

4.1.9 Advertisement and Sales Literature

TISCO offers products and services that meet need, profile, and ability of customers, and discloses clear, timely and sufficient details including terms and conditions as well as related risks for customer's understanding and decision making. Advertisement and sales literature must be clear and transparent to prevent misunderstanding. TISCO realizes the importance of customers' rights and strictly complies with related rules and regulations.

4.1.10 Anti-Corruption

TISCO set up a zero-tolerance policy against corruption. TISCO Directors, management, employees, and TISCO representatives are prohibited from receiving or offering bribes in any form in all activities under the company's control. TISCO also ensures that hiring of ex-government officials, donation and political contributions, as well as sponsorships, gift, hospitality, facilitation payment and other expenses, are transparent and will not be for the purpose of attempting to influence the recipient, whether government or private, into an improper exercise of functions, duties or judgment.

4.1.11 Environment, Health and Safety

TISCO complies with all applicable laws and relevant industry standards of practice concerning protection of health and safety of its employees in the work place and other persons affected by its business activities and the prevention of environmental pollution. TISCO is committed to continual improvement of Environment, Health and Safety management practices.

4.1.12 Respecting Human Rights

TISCO operates its business by strictly respecting human rights principles and believes that a successful business must operate with ethics and humanity, with everyone entitled to full equality.

4.1.13 Equality of Opportunity and Treatment

TISCO respects freedom of others and has no exclusion or preference made on the basis of race, color, sex, age, religion, disability, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment for employees, customers, business partner or others.

4.1.14 Protecting TISCO's Property

In order to operate in an efficient and cost-effective manner, employees should properly maintain, protect from theft and waste, and use TISCO's property in an appropriate manner and for legitimate business purposes.

4.1.15 Copyright and Intellectual Property

TISCO respects and is aware not to infringe any Copyright and Intellectual Property Right. Employees have duty to protect TISCO's intellectual properties from use or disseminate without permission as well as to respect the right of the Copyright's and the Intellectual Property's owner.

4.1.16 Securing Creditor Rights

TISCO treats its business creditors fairly and honestly and honors any conditions agreed by both parties. In such business dealings, TISCO commits to abide by contracts and obligations made with creditors, disclose valid and honest financial status reports to creditors prescribed by related laws and regulations, but creditor's secret. TISCO also commits to maintain good and respectful relationship with creditors with regard to capital management, collateral, and due payment. TISCO has strategies to operate capital fund prudently with good risk management system to support the safety and soundness of the company under any possible risk in both normal circumstances and crises.

4.1.17 Strong Work Ethic

Employees must work full time for TISCO and show a high level of dedication to TISCO, feel personally responsible for their own job performance, be punctual, perform to the best of their ability, care about the quality of their work, respect their peers, and help a team meet its goal.

4.1.18 Outside Employment or Activities

Employees must not engage in any outside employment, business or activities, which create a real or an apparent conflict of interest or interference with TISCO's assigned duties, or in conflict with TISCO's hours of employment.

After normal working hours, full-time employees should not engage in any business, work or paid-activities, which may have a detrimental effect on their working performance with TISCO.

In case of doubt, supervisors should formally consult with the Human Resources Committee.

4.1.19 Care with External Relationships

To maintain a good relationship with the public, employees should take special care in dealing with the media, government officials and community groups.

4.1.20 Reporting Illegal or Unethical Behavior or Retaliatory Action

Employees have the responsibility to seek appropriate guidance regarding their actions when necessary and to report violations of laws, rules, and regulations that apply to our business, as well as violations of this Code of Conduct and other TISCO policies, to the extent that they know any violation has occurred. By reporting the misconduct, employees promote the ethical culture at TISCO.

TISCO has also set up a whistle-blowing procedure to receive reports of illegal or unethical behavior or retaliatory action from any person, both internally and externally. Reporter could report through the provided channel such as Official Website and an assigned e-mail address.

TISCO is committed to ensuring confidentiality and protecting any person from retaliation who reports in good faith illegal or unethical behavior.

4.1.21 Disciplinary Action

Actions, which violate or appear to violate the code of conduct, will be investigated and processed according to disciplinary guidelines of TISCO. Disciplinary action shall be taken against those who failed to comply with applicable laws and code of conduct according to level of impact and nature of such misconduct based on fairness and without discrimination. The facts that a particular action by any employee is not mentioned in the Code of Conduct and other guidelines do not prevent it from being unacceptable or discreditable, and therefore, the employee can be liable for disciplinary action.

4.2 Directors' Code of Conduct

All members of the Board of Directors of TISCO and subsidiaries are expected to follow and uphold the following code of conduct:

4.2.1 Conflict of Interests

Every Director has a duty to avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of TISCO or which impairs his or her loyalty to TISCO. A conflict or the appearance of a conflict of interest may arise in many ways. Each Director must deal at arm's length with TISCO and should disclose to the Chairman any conflict or any appearance of a conflict of interest on his or her part.

Any financial transaction executed by Director with TISCO Group should be appropriate or categorized as normal business transaction with same commercial terms that an unrelated ordinary person might transact under the similar circumstance.

Any activity which even appears to present such a conflict must be avoided or terminated unless, after such disclosure to the Board, it is determined that the activity is not harmful

to TISCO or otherwise improper. The end result of the process of disclosure, discussion and consultation may well be approval of certain relationships or transactions on the grounds that, despite appearances, they are judged not harmful to TISCO. But all conflict and appearance of conflict of interest are prohibited, even if they do not harm TISCO, unless they have gone through this process.

4.2.2 Conduct of Business and Fair Dealing

No Director shall:

- a) Compete with TISCO by providing service to a competitor as an employee, officer or director or in a similar capacity;
- b) Profit, or assist others to profit, from confidential information or business opportunities that are available because of service to TISCO;
- c) Improperly influence or attempt to influence any business transaction between TISCO and another entity in which a Director has a direct or indirect financial interest; or
- d) Take unfair advantage of any customer, supplier, competitor or other person through manipulation, concealment, misrepresentation of material facts or other unfair-dealing practice.

4.2.3 Gifts

No Director shall solicit or accept gifts, payments, loans, services or any form of compensation from suppliers, customers, competitors or others seeking to do business with TISCO. Social entertainment and occasional gifts of modest value customarily associated with legitimate business relationships are permissible.

While it is difficult to define “customary,” “modest” or “usual” by stating a specific amount, a Director, when uncertain, should consult the Governance and Sustainability Committee.

All business dealings must be free of any favorable treatment resulting from the personal interest of our Directors.

4.2.4 Compliance with Laws and Regulations

Each Director shall comply with all applicable laws, rules and regulations.

4.2.5 Use of Non-Public Information and Disclosure

A Director who knows important information about TISCO that has not been disclosed to the public must keep such information confidential. It is a violation of law to purchase or

sell TISCO stock on the basis of such important non-public information. Directors may not do so and may not provide such information to others for that or any other purpose. Directors also may not buy or sell securities of any other company using important non-public information obtained in the performance of their duties on behalf of TISCO and may not provide any such information so obtained to others.

Directors shall maintain the confidentiality of any non-public information learned in the performance of their duties on behalf of TISCO, except when disclosure is authorized or legally mandated.

Directors shall disclose to TISCO the securities trading accounts of themselves and their related persons for the purpose of monitoring and preventing the use of non-public information. Directors shall notify the Corporate Secretary at least one day before dealing in any of TISCO shares.

4.2.6 Use of Company Funds, Assets and Information

Each Director shall protect TISCO's funds, assets and information and shall not use the funds, assets or information to pursue personal opportunities or gain.

None of TISCO's funds, assets or information shall be used for any unlawful purpose.

No false or artificial entries shall be made in the books and records of TISCO for any reason, and no Director shall engage in any arrangement that results in such a prohibited act.

4.2.7 Punishment for Violation of Code of Conduct

Actions, which violate or appear to violate the code of conduct, will be investigated and processed in a timely and fair manner by the Board of Directors. Disciplinary action shall be taken against those who failed to comply with applicable laws and code of conduct according to level of impact and nature of such misconduct based on fairness and without discrimination. The facts that a particular action by any director is not mentioned in the Code of Conduct and other guidelines do not prevent it from being unacceptable or discreditable, and therefore, the director can be liable for punishment.

Section 5: TISCO Directors Handbook

Section 5: TISCO Directors Handbook

TISCO Directors Handbook collects the laws and regulations, related rules and procedures, which must be performed and observed by the Board of Directors of TISCO and its subsidiaries, as a whole and by Director individually. The related laws and regulations, which Directors should concern while holding their positions, include but not limit to the followings.

- 1) The Civil and Commercial Code
- 2) The Public Company Act
- 3) The Financial Institution Business Act
- 4) The Securities and Exchanges Act
- 5) The Notifications of the Bank of Thailand
- 6) The Notifications of the Office of the Securities and Exchange Commission
- 7) The Notifications of the Capital Market Supervisory Board
- 8) The Regulations and the Notifications of the Stock Exchange of Thailand

In addition, the Board's best practices of corporate governance, which have been introduced by Office of the Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), Organization for Economic Co-Operation and Development (OECD) and Bank for International Settlements (BIS), are explained in details.

TISCO Directors Handbook is divided into five parts as follows.

5.1 Directors' Responsibilities

In conducting the business of the company, a Director must perform his/her duty with accountability, due care and loyalty and must comply with the laws and regulations governed by relevant authorities, the objectives, the Memorandum and Articles of Association of the company, as well as the resolutions of the Board of Directors and of the shareholders' meetings.

5.1.1 Due Care and Loyalty

A Director is responsible for performing his/her duties and making decisions on corporate affairs with due care and loyalty. A Director is also accountable to TISCO's shareholders and other stakeholders for his/her decision.

A Director must make reasonable inquiries in a manner that an ordinary prudent man would make in the same position and under similar circumstances.

In considering whether a Director has carried out his/her duty with accountability and due care, many factors are taken into account, such as the Director's current permanent job

or position and responsibility, qualification and knowledge, capability and experience, and the purpose of being appointed as Director.

In addition, it must be proven that the decision has been honestly made with sufficient information for the best interest of TISCO, and without any direct or indirect conflict of interest.

In terms of loyalty, a Director is required to act honestly and in good faith to preserve the interests of TISCO, in compliance with the related laws and regulations, and within TISCO's Memorandum and Articles of Association and its shareholders' meeting resolutions.

5.1.2 Other Duties

In addition to performing his/her duty with due care and loyalty, a Director must follow certain rules stipulated in related laws and regulations.

(1) Collection of Subscription Payments

The Board of Directors must comply with the procedures in Sections 37 and 38 of the Public Limited Companies Act in collecting subscription payments from share subscribers and must not allow any share subscriber to set off debts with TISCO.

(2) Use of Subscription Payments

Before the registration of the company, the Board of Directors may not spend any subscription payment except for the expenditures approved by a statutory meeting.

(3) Payment of Dividend

The Board of Directors may only approve the payment of dividends in accordance with relevant laws.

(4) Preparation and Keeping of Accounts, Registers or Other Documents

The Board of Directors must have accounts, registers or other documents of the company prepared and kept in accordance with the law.

Directors must abide by the following specific code of loyalty, including but not limited to, the following circumstances:

(5) Conflict of Interests

A Director may not, whether for his/her benefit or for the benefit of other persons, operate any business which has the same nature as, and competes with, the business of TISCO. A Director may neither be a partner in an ordinary partnership nor a partner

with unlimited liability in a limited partnership, nor be a Director of a private or public company operating a business which has the same nature as, and competes with the business of TISCO, unless he/she has notified or obtained approval from the shareholders' meeting prior to the shareholders' resolution to appoint him/her as Director as prescribed by the Public Companies Act or the Civil and Commercial Code.

(6) Business Dealings with TISCO

A Director must obtain prior approval from the Board of Directors if he/she wishes to purchase property from, or sell property to, TISCO or do any business or transaction with TISCO which have any characteristic similar to transferring of TISCO's benefits to his/her relevant person. This is regardless of whether such dealings are in his/her own name or in some other persons' names. Otherwise, such purchases, sales or other business transactions will not bind TISCO. The Director with such personal interest is not entitled to involve in consideration process or vote on this matter.

(7) Notification Requirements

A Director must promptly notify Corporate Secretary when any of the following events occur:

- 1) If he/she has, or acquires, a direct or indirect interest in any contract made with TISCO during the fiscal year, or
- 2) If he/she holds shares or debentures or equity-linked instruments of TISCO or any affiliate.
- 3) The Director must, in the situation in clause 1), indicate the nature of the contract, the names of the contracting parties, and his/her interest in the contract. In a situation as in clause 2), the Director must indicate the total increase or decrease of his/her shareholdings during the fiscal year.
- 4) If he/she assumes or hold positions at other companies.

(8) Remuneration of Directors

The Directors' remuneration shall be as prescribed in the Articles of Association. If the Articles of Association do not provide for the Directors' remuneration, a shareholders' meeting of the company may fix the Directors' remuneration. Such a resolution requires an affirmative vote of at least two-thirds of the total number of voting shareholders present at the meeting. TISCO may not pay any money or convey any property to Directors except when making payment of remuneration to them in the manner set out in the Articles of Association or through a resolution of a shareholders' meeting, as the case may be.

(9) An Offer of Shares, Debentures or Convertibles

In any offer for the sale of shares, debentures or equity-linked instruments, Directors must not make false statements or conceal any information that should properly be disclosed regarding the financial condition and business operations of TISCO.

(10) Disclosure of Information to Registrar

In disclosing information in any documents to be filed with the registrar, Directors must not present information which is false, or does not accurately reflect the information contained in the accounts, registers, or other company documents.

(11) The Preparation of Balance Sheets, Profit and Loss Statements and the Minutes of Shareholders' Meetings and Board of Directors' Meetings

Directors must ensure that the balance sheets, profit and loss statements and minutes of shareholders' and Board of Directors' meetings do not contain any false information. In addition, Directors must have the minutes of all shareholders and Board of Directors' meetings prepared within 14 days of the gathering.

(12) Filing a Report of his/her Interest or a Related Person's Interest

Directors shall file with the company a report on his/her interest or a related person's interest in relation to management of the company or the subsidiaries.

5.2 Directors' Civil and Criminal Liabilities

Breaches of his/her responsibility as Director may incur liabilities to the Director as a result of legal action made by TISCO, its shareholders or third parties. However, the Director may not be liable for the alleged breach of responsibility under certain exemptions as specified by law.

5.2.1 Directors' Civil Liability to TISCO

Directors are liable to TISCO for any damage caused by a breach of duties of due care and loyalty subject to exemption available to them by law.

Directors are jointly liable for any damage to TISCO caused by a breach of the general duty of loyalty by any Director, and the specific duty of loyalty regarding "Remuneration of Directors (5.1.2 (8))" and "An Offer of Shares, Debentures or Other Financial Instruments (5.1.2 (9))".

A Director who commits a breach of the duty of loyalty regarding "Conflict of Interest (5.1.2 (5))" will be personally liable for any damage to TISCO caused by the breach if TISCO sues him/her in court within one year of the date TISCO gains knowledge of the alleged breach, or within two years of the date of the alleged breach.

5.2.2 Directors' Civil Liability to TISCO's Shareholders and Third Parties

Directors shall be jointly liable to shareholders and persons concerned with TISCO for any damage arising from disclosure, preparing and/or filing of information to shareholders, public or Registrar which contained false statements or concealment of material facts which should be stated in information seeking a resolution of the shareholders' meeting, financial statements and reports concerning the financial condition and the business operation of TISCO, or any reports required to be disclosed.

Directors are jointly liable for any damage to shareholders or third parties concerned, caused by a breach of the duty of loyalty regarding "Disclosure of Information to Registrar (5.1.2 (10))" and "The Preparation of Balance Sheets, Profit and Loss Statements and the Minutes of Shareholders' Meetings and Board of Directors' Meetings (5.1.2 (11))" by any one of them.

5.2.3 Legal Action from TISCO's Shareholders against Director

If a Director's breach of his/her general duty of care is likely to damage TISCO, shareholders may institute a court case to stop the breach and remove such a Director from office.

If TISCO fails to claim damages from the Director involved, shareholders may issue a written demand to TISCO requiring it to make a claim. If TISCO fails to take action following such a demand, the shareholders may institute court action, on behalf of TISCO, seeking damages from, and the removal from office of, the responsible Director.

If a Director's breach of the general or specific duty of loyalty regarding "Conflict of Interest (5.1.2 (5))" is likely to damage TISCO, shareholder(s) who, at the time of such breach, all or in aggregate, hold at least five (5) per cent of the total issued shares of TISCO, may institute a court case to stop any alleged breach, and to remove the responsible Director from office.

If TISCO fails to claim damages from the Director, shareholder(s) who, at the time of the breach, all or in the aggregate, hold at least five (5) per cent of the total issued shares of TISCO, may issue a written demand to TISCO requiring it to make such a claim. If TISCO then fails to take action or, in the case of a breach of the duty of loyalty regarding "Conflict of Interest", and the remaining period in which the company is entitled to sue the responsible Director is less than one (1) month, the said shareholder(s) may begin legal proceedings themselves, on behalf of TISCO, seeking damages and the removal from office of the responsible Director(s).

5.2.4 Civil Liability of TISCO Group to Third Parties for the Actions of Directors

TISCO Group will be held liable to third parties if Directors act within the scope of the authority given to them. When performing their duties, Directors are deemed by the law

to be acting as representatives and agents of the company respectively. The Public Limited Companies Act states that the agent provisions prescribed by the Civil and Commercial Code shall be applied to the relationship between the company, Directors, and the third party. The company will, therefore, be liable to third parties for the actions of its Directors provided whether they act within the scope of the authority given to them. It should be noted that any acts of the Directors, are valid and binding on the company even if a defect may later be discovered in the election, appointment or qualifications of the Directors.

5.2.5 Engagement of a Director or Management in an Unauthorized Act

Any action by a Director, or any member of the Executive Board, which is beyond the scope of his/her authority does not bind TISCO, unless TISCO has ratified such action. If TISCO does not ratify the act, the Director, or member of the Executive Board, will be personally liable to any third party unless he/she proves the third party engaged in the transaction knowing he/she lacked the necessary authority. In addition, certain business dealings with TISCO by a Director are not binding on TISCO unless approved by the Board of Directors.

5.2.6 Exemptions for Possible Civil Liability from Alleged Breach of Duties

A Director may be exempted from liability for alleged breach of duties under the following circumstances:

(1) No Participation

A Director will not be liable if he/she can prove that he/she took no part in the alleged breach.

(2) No Board Resolution

A Director will not be liable if he/she can prove that the alleged breach was performed without a resolution at a meeting of the Board of Directors.

(3) Objection Having Been Made

A Director will not be liable if he/she can prove that he/she objected to the alleged breach at the relevant Board of Directors' meeting and that his/her objection was recorded in the minutes of the meeting. Or, that he/she submitted a written objection to the chairman of the meeting within three (3) days of the relevant meeting.

(4) Reasonable Precautions

Directors will not be liable for any alleged breach of their duty regarding "Preparation and Keeping of Accounts, Registers or Other Documents" if they can prove they have taken reasonable actions or precautions to avoid such a breach.

(5) Notification to Shareholders' Meeting

A Director is allowed to undertake any of the prohibited business regarding "Conflict of Interest" if he/she has notified a shareholders' meeting of such business prior to his/her appointment to its Board of Directors. In such a situation, no action against Directors as set out above may be taken.

(6) Good Faith

Directors will not be liable for an alleged breach of their duty regarding "Payment of Dividend" if they can prove they acted in good faith based on evidence, or financial reports, certified to be accurate by the Directors, a financial officer of the company or the company's auditor.

(7) Shareholders' Authorization or Ratification

A Director who performed any act which is authorized, approved or ratified by a resolution of a shareholders' meeting, notwithstanding that such a resolution may later be canceled, will not be liable to the company, shareholders or the creditors of the company for such an act.

However, a Director who acts or omits to act in bad faith or with gross negligence which causes damage to the company or causes the company to lose benefits that it should have obtained, shall not be allowed to make use of an approval or ratification by the shareholders' meeting or the Board of Directors in order to release him/her from liabilities.

The "act or omission to act" mentioned above shall include the following cases:

- 1) Request of a resolution of the Board of Directors or the Shareholders' meeting by presenting a false statement or concealing material facts
- 2) Cases relevant to misappropriation of assets of the company
- 3) Cases relevant to exploiting assets of the company for personal benefits

5.2.7 Directors' Criminal Liabilities

In addition to civil action, criminal penalties for breaching the duty of accountability and/or duty of care and/or the duty of loyalty may be imposed on the responsible Director. These penalties are prescribed in the Public Limited Companies Act.

In addition, criminal penalties may be imposed on the Director in accordance with other laws other than the Public Limited Companies Act.

5.3 TISCO Board Composition

The Board of Directors, with approval from the shareholders' meeting, is established with an appropriate number of members and composition. The Board should have diversity, including skills, gender, age, experience, capability, as well as sufficient understanding of banking and finance, economics, law or any other fields and at least one (1) member must have knowledge or experiences in information technology deemed appropriate in order to bring in a broad range of experts.

5.3.1 Definition of Each Type of Director

(1) Executive Director

- 1) a director who performs management duties in the capacity of a manager, deputy manager, assistant manager or any person holding equivalent position but with different job title;
- 2) a director who has duties and responsibilities to perform or participate in any management duties similar to an executive, including a director appointed as a member of the executive committee. (Executive committee means an executive committee in management level only.)
- 3) a director who has signatory power to obligate the financial institution, unless such binding signature is for those approved by the board of directors on a case-by-case basis and cosigned with other director(s).

(2) Non-Executive Director

A director who does not perform management duties as an executive director.

(3) Independent Director

A non-executive director who has qualifications of Independent Director at item 5.4.3

5.3.2 TISCO Board Structure

(1) Number of Directors

TISCO's Board of Directors shall consist of at least five (5) but not exceed fifteen (15) persons. The number of Directors shall be determined by the Annual Shareholders' Meeting.

(2) Number of Director who is management

TISCO's Board shall comprise a maximum of three (3) Directors who is management. The term "management" does not include management who is a representative of shareholder under clause 5.3.2 (c).

(3) Shareholders' Representatives

Every five (5) per cent of shareholding held by each shareholder shall be entitled to one (1) representative, with a maximum number of two (2) representatives.

(4) Residency of Directors

No less than half of all Directors must reside in Thailand.

(5) Nationality of Directors

No less than three-quarters of all Directors must be of Thai nationality; otherwise permission from Bank of Thailand is required. This requirement applies to the parent company of a financial institution and its financial institution subsidiaries.

(6) Independent Directors

At least one-third of all Directors must be independent Directors and the minimum number is three (3). The number of independent directors should be at least half of total Board members, when possible.

(7) Non-Executive Directors

The majority of the board should be non-executive directors, who exercise objective and independent judgment.

(8) Number of Female Directors

The Board of Directors will maintain the appropriate proportion of gender diversity on the board composition.

5.3.3 TISCO Executive Board

TISCO Executive Board shall be appointed by the Board of Directors and consist of at least three (3) members, at least half must not be management of TISCO. The term “management” does not include management who is a representative of shareholder under clause 5.3.2 (3). The member should possess knowledge, experience and sufficient understanding of banking and finance industry and capital market, especially in areas of risk management, business management, strategy, and financial products. The Executive Board should approach to consensus in making every decision.

5.3.4 TISCO Risk Oversight Committee

TISCO Risk Oversight Committee shall be appointed by the Board of Directors and consist of at least three (3) members who are directors, senior executives, or advisers, at least half must be independent director, non-executive director, or advisor who serve the role as director of TISCO. The Chairperson must be an independent director or non-executive director. At least one committee member must have the knowledge, competency and understanding of risk relating to financial institution business.

5.3.5 TISCO Audit Committee

TISCO Audit Committee comprises at least three (3) members. The appointments of the Audit Committee are approved by the Board of Directors upon recommendation of the Nomination and Compensation Committee. The members of Audit Committee shall have the composition, qualification and scope of work as specified by related laws and regulations as follows:

- (1) The Audit Committee shall be independent. Its members must include an independent Director who is not assigned to take part in any business decision which may create conflict of interest, nor be a Director of other listed companies in TISCO Group, if there are any.
- (2) The Audit Committee shall have suitable competency and experience in financial institution businesses. This includes knowledge of the primary industries in which TISCO Group operates; the ability to read and understand fundamental financial statements and key performance indicators; and the ability to understand key business and financial risks and related controls and control processes. At least one (1) member of the Committee must have sufficient knowledge and experience to review the reliability of financial statements.
- (3) The Chairperson of the Audit Committee must not be the Chairman of the Board, Nomination and Compensation Committee and Risk Oversight Committee.

According to the Charter of the Audit Committee approved by the Board, each member shall carry out duties and responsibilities for no longer than nine (9) consecutive years.

5.3.6 TISCO Governance and Sustainability Committee

TISCO Governance and Sustainability Committee shall consist of at least three (3) independent and non-executive board members. The appointment shall be approved by the Board of Directors upon recommendation of the Nomination and Compensation Committee. The member shall have good knowledge and understanding on corporate governance and relevant topics as well as breadth of vision and keep updating of changes in the field of corporate governance at the international level for further improvement of TISCO Corporate Governance Policy, Sustainable Development, and Code of Conduct.

5.3.7 TISCO Nomination and Compensation Committee

TISCO Nomination and Compensation Committee shall be appointed by the Board of Directors and consist of at least three (3) and up to four (4) Directors, who are independent director or non-executive director. In case the Committee comprises four (4) members, at least half shall be independent Directors. To ensure the committee's independence, the Chairperson of the Committee must be an independent Director who is not the Chairperson of the Board of Directors.

5.3.8 Board Structure of Securities Subsidiaries of TISCO

The composition and structure of the Boards of Directors of securities subsidiaries of TISCO are subject to some additional rules as specified by related laws and regulations as follows.

(1) Cross Directorship

A management of a securities company may be appointed to be management of other securities company as long as he/she work full-time only at one securities company and such structure of cross Directorship does not cause conflict of interest or efficient preventive measures such as segregation of duties are in place. Permission from the SEC is required for cross Directorship.

(2) Audit Committee

A non-listed securities firm may appoint at least two (2) persons from its non-executive Directors responsible for policy making and not involved in day-to-day operation as its Audit Committee. The external auditor of the Securities Company (as well as Asset Management Company) is required to report to the Audit Committee of the company any suspicious or committed offense by Directors, managers or any persons responsible for the company's operation, so that the Audit Committee can conduct a preliminary inspection and report results to the auditor and the SEC.

5.4 Appointment of Director

The Directors are elected by TISCO shareholders with the board structure specified in 5.3. The member of the Board should be selected from diversified background, knowledge, and experience, and without prohibitions as specified in 5.4.2, 5.4.3 and 5.4.4 respectively.

5.4.1 Appointment

(1) Elected Shareholder as a Director

TISCO has no restriction on shareholders becoming Directors. The percentage of shareholding entitled for representative in Board is defined in 5.3.1 - b).

(2) An Appointment of a Director

Directors shall be elected at shareholders' meeting. TISCO uses Cumulative Voting process, which allows minority shareholders to take part in nominating and appointing Independent Directors. To ensure transparency and equitable treatment, shareholders are allowed to cast their votes for individual Director.

In case of vacancy on the Board for reasons other than the expiration of Director's term, the Board shall elect another person as a substitute Director, who shall hold office only for the remaining term of the Director being replaced.

In appointing a Director, the Board shall clearly specify his/her powers in operating the business of TISCO. Such appointment, either new or re-appointment of same person; requires prior approval from the Bank of Thailand. This applies to Director and advisor of both TISCO and TISCO Bank.

(3) Commencement of Directorship

In binding TISCO, the position of Director shall commence when a shareholders' meeting or a Board's Meeting passes a resolution appointing such person as a Director. However, for binding a third party, the authority of Director shall be effective when such a Director has been registered with the Ministry of Commerce. In case of vacancy of a Director, the company must apply to register the changing of Director within 14 days of the date of vacancy.

(4) The Persons Authorized to Bind TISCO by Their Signatures

The Shareholders, or the Board of Directors as specified in the Articles of Association, have the power to appoint or change the name or names of authorized Directors. Shareholders may set or change the condition for the Directors in signing to bind the company. For example, any two authorized Directors may jointly sign with the company's seal affixed. Such condition is in the Articles of Association and in the

Affidavit issued by the Ministry of Commerce. Any transaction required by law to be made in writing normally requires either the signature(s) of authorized Director(s) as set out in the Affidavit or the signature(s) of attorney-in-fact(s). In the latter case, the power of attorney must be in writing and signed by the authorized Directors in a specified manner as set out in the Affidavit.

5.4.2 Required Qualification of Director

The candidates for Director must be natural person, sui juris and are subject to the qualifications as specified by the NCC's Guidelines for Board Composition and Selection Criteria as follows.

- (1) Highly competent to perform Director's roles and responsibilities, e.g. ability to grasp, think strategically and up-to-date.
- (2) Good health condition to ensure the ability to serve as a board member.
- (3) The Board should consist of Directors from diversified background and experiences, with sufficient understanding of banking and finance, economics, law, information technology, or any other fields deemed appropriate.

5.4.3 Prohibition for Independent Director Candidacy

Independent Directors are important to corporate governance as they provide candid and independent views on TISCO's direction and activities without influence from those with vested interests. Therefore, they must be independent of major shareholder, not involved in day-to-day operations of TISCO, and have no business, professional or employment links with TISCO which could affect the exercise of their independent judgment.

The following person is disqualified from being an Independent Director or a candidate of Independent Director.

- (1) Independent Director and his/her related persons collectively hold shares exceeding 0.50 per cent of the total number of voting rights of TISCO, its subsidiary and affiliate, or juristic person which may have conflict of interest.
- (2) Be a non-independent Director of TISCO, its subsidiary and affiliate, same-level subsidiary, or juristic person who may have conflict of interest, or has left from such status but for less than two years.
- (3) Be an executive Director, employee, staff, or advisor who receives salary, or a controlling person of TISCO, its subsidiary and affiliate, same-level subsidiary, or juristic person who may have conflict of interest, or has left from such status but for less than two years.

- (4) Be related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children of the executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of TISCO or its subsidiary.
- (5) Have business relationship with TISCO, its subsidiary, affiliate or juristic person who may have conflict of interest, which may interfere with his/her independent judgment; or be a major shareholder, non-independent Director or executive of any person having business relationship with TISCO, its subsidiary, affiliate or juristic person who may have conflict of interest, or has quit from such relationship but for less than two years.
- (6) Be an auditor of TISCO, its subsidiary, affiliate or juristic person who may have conflict of interest; or be a major shareholder, non-independent Director, executive or partner of an audit firm which employs auditors of TISCO, its subsidiary, affiliate or juristic person who may have conflict of interest, or has quit from such relationship but for less than two years.
- (7) Be any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million baht from TISCO, its subsidiary, affiliate or juristic person who may have conflict of interest; or a major shareholder, non-independent Director, executive or partner of the professional advisor, or has quit from such relationship but for less than two years.
- (8) Be a Director who has been appointed as a representative of TISCO's Director, major shareholder or shareholders related to major shareholder.
- (9) Operate business which has the same nature as, and competes with, the business of TISCO and its subsidiaries or be a significant partner in the partnership or be an executive director, employee, and advisor who receives regular salary or hold more than 1 per cent of the shares which cast the vote of the other company which operate the same nature as, and competes with, the business of TISCO and its subsidiaries.
- (10) Have characteristics which make him/her incapable of expressing independent opinions regarding TISCO's business affairs.
- (11) Be an independent director for more than nine (9) consecutive years in TISCO or its subsidiaries.

5.4.4 Prohibition for Director Candidacy

The following person is disqualified from being a candidate of Director;

- (1) Incompetent or quasi-incompetent.

- (2) Bankrupt or having been discharged from bankruptcy for not more than five (5) years.
- (3) Be a political official, a member of the parliament, a senator, a member of district legislature, a district administrator or person holding any political position.
- (4) Be a government official still in position but do not include the personnel of educational institution or the officer being appointed by regulatory agency to rectify the financial standing or assist the operation of the financial institution.
- (5) Be the former officer of a regulatory agency with responsibility to supervise financial institutions except having quitted from such relationship for more than two (2) years and passed a due diligence process to determine any potential for conflict of interest or abuse of power.
- (6) Operate business which has the same nature as and is in competition with the business of TISCO unless the candidate notifies the shareholders' meeting prior to the resolution for his/her appointment.
- (7) Be a Director, a manager an officer, or a person with management authority of any other financial institution.
- (8) Be a manager or a person with management authority besides the position of Director of a company being granted credits, guarantee, or Aval by, or having contingent liabilities at the financial institution (TISCO), unless holding a position of Director or advisor of the financial institution (TISCO), which is non-executive or being exempted in accordance with the regulation prescribed by the Bank of Thailand.
- (9) Being a person with management authority holding a position of a financial institution during the period which its license is withdrawn or revoked.
- (10) Removed from the position of Director, manager with management authority of a financial institution.
- (11) Denounced or tried in criminal proceedings instituted by authorities in the offence of unfair trading practices in securities or derivatives, or fraudulent or dishonest management; or convicted by the final court judgment or fined on any count of such offense.
- (12) Imprisoned on the final court judgment of a court for an offense related to property committed with dishonest intent.
- (13) Having been sentenced to imprisonment by the court's final judgment and it has not yet surpassed an interval of three (3) years after either the person completed the term of imprisonment or the period of suspension of imprisonment ended, provided that the action taken hereto shall be based upon the commission of public offence

regarding deceitful, fraudulent, liable to public fraud or dishonest management of assets

- (14) Not have illegal behavior in the financial business and payment system, forgery as defined by the Criminal code, and criminal behavior in computer system.
- (15) Having been dismissed from the position of director, manager, partner of a manager, or management authority of a financial business and payment system, then having held a position in the financial institute, its parent financial institute, and its subsidiaries.
- (16) Dismissed, discharged, or removed from government service or a government organization or a governance agency in punishment for dishonesty in performing their duties.
- (17) Barred to serve as the executive or controlling person of listed company.
- (18) Barred from serving as company's executive by foreign authority.
- (19) Have or used to have any behavior that reasonably indicates.
 - 1) Failure to discharge properly the duty of loyalty or duty of care for the best interest of TISCO and shareholders of TISCO.
 - 2) Dishonest to or defraud the others.
 - 3) Unfair practices or disadvantage to the investors.
 - 4) Concealment of the actual financial conditions or the result of operation of any listed company or any company offered securities for sale to the public, or making any material false statement, or omission of any material fact which should have been expressly disclosed in order to make such statement not misleading, in any document required to be disclosed to public or filed with the SEC Office or the SEC, regardless of whether such act was carried out in own capacity or on behalf of others.
 - 5) Aids or abets or used to aid or abet the others in connection with any of above behaviors.
- (20) Having other prohibited characteristics or lacking educational qualification, work experience or other qualifications as specified by the regulators.
 - 1) Fail to service principle or interest with financial institutions.
 - 2) Removed or barred from management position in financial institution by the regulator.
 - 3) Charged with, filed a complaint against, or currently involved in a litigation process on grounds of cheating and fraud or dishonesty.

- 4) Conduct or involve in any transaction that indicates deception to others or the public.
- 5) Has record of misconduct or used to have any behavior that indicates unfair or unreliable business practices.
- 6) Has any behavior that indicates dishonest.
- 7) Fail to discharge duty in compliance with laws, company's objectives or bylaws, shareholders' resolutions, code of ethics or standards in operations of financial business or other financial-related businesses.
- 8) Manage business operations with negligence in monitoring or supervising subordinates to perform their duties in compliance with laws, business ethics, or duty of care, which adversely affect reputation, business performance or operations of financial institutions and its clients.
- 9) Hold a political position according to the law on anti-corruption.
- 10) Be an official of the Bank of Thailand who holds Director position or higher, division executive position, or those in equivalent positions with authority to have access to information of financial institutions.
- 11) Assume the position of chairman, executive Director, or Director with full signatory authority in more than three (3) business groups, excluding TISCO, the company acquired by debt restructuring or non-profit organization.
- 12) Assume the position of Director, manager, person with management authority or advisor who serve as Director in both of listed domestic and global companies in more than five (5) listed companies, excluding listed companies acquired from debt restructuring.

5.5 Board Best Practices

Eleven groups of Board's best practices of corporate governance are described in details for better understanding. They are selected from best practices introduced by Office of the Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), Organization for Economic Co-Operation and Development (OECD) and Bank for International Settlements (BIS).

5.5.1 The Board as Strategy and Policy Maker

(1) Strategic Planning

The Board should oversee the development of a long-term strategic plan, which reflects the Board's general business philosophy and vision for the future of TISCO Group. Short-term business plans should outline specific and measurable targets that management adheres to and that are evaluated at regular intervals. Any significant departures from such plans should be carefully considered and approved well in advance of their implementation. The planning process should also include alternative strategies to meet unanticipated operational contingencies as they occur, avoiding unnecessary risk.

(2) Setting Policy

It is necessary to adopt strict operational policies designed to regulate areas of loan and fund management, fiduciary and insider activities, personnel administration, financial disclosure, auditing and investments that are consistent with the institution's long-term and short-term strategic plans. Associated procedures are also to devise methods of policy implementation. By approving the implementation of such policies and procedures developed by management, the Board defines what practices are acceptable and in line with the overall business philosophy of the institution. Policies should be devised to assist the institution's management in determining what actions to take in various situations, limiting unnecessary errors resulting from ill-informed judgments.

All major activities of TISCO Group are to be regulated by policy. Policies should be flexible. When required, they should extend to cover new or improved practices and adapt to changing business conditions. Having clearly written policies prevents miscommunication. In an increasingly competitive financial services market, there is no place for avoidable errors due to miscommunication of policy. Newly introduced activities should not be undertaken without proper implementation of policy. The Board should specify appropriate procedures in monitoring and reporting risk activity.

In implementing policies, clear standards of performance should be communicated through all levels in TISCO Group, providing a single, authoritative source of reference. The Board should establish the norm of periodically reviewing policies and revising such policies as necessary to ensure that they remain consistent with the institution's long- and short-term strategic plans.

(3) Setting Ethical Principles

The Board should introduce a clearly expressed set of ethical principles to be understood and adhered to throughout the institution. This may be written in the form of a simple code of conduct and used as a guide by its staff for conducting their duties. The principles should reflect the expected standards of conduct of TISCO Group, emphasizing the importance of integrity and honesty.

5.5.2 The Board's Roles in Selection, Performance Evaluation and Replacement of Management

(1) Selection of Management

Having highly qualified management is a vital prerequisite in achieving and maintaining a profitable and soundly run TISCO Group. Capable management must be equipped with the necessary expertise to assist the Board in long-term planning and to design and administer the necessary systems and controls to carry out the Board's policies in compliance with the applicable laws and regulations.

A talented and capable management team may make the difference between success and failure in difficult economic situations. When faced with such difficulties, management should have the industry expertise and foresight to assist in the planning of TISCO Group's recovery as well as generate new and innovative ideas for the Board's consideration. Management should be flexible to adapt their focuses in a changing and competitive marketplace.

The Board or a designated committee should actively manage the selection process of top management. The prerequisites in selection should generally include consideration to the candidate's character, technical competence, and most importantly actual employment experience and achievement in the financial services field. The successful candidate should share the Board's operating philosophy and vision of TISCO Group's future in order to ensure that the institution's goals are met. It is important that mutual trust and a close working relationship are established.

The Board is also responsible for overseeing the appointment of other senior management to ensure that they possess the required skills to carry out their responsibilities. The Board should make regular performance evaluations based on objective criteria including the performance of business, accomplishment of strategic objectives and the general development of the institution.

(2) Performance Review of Management

The Board is to conduct constructive performance reviews of top management and senior management based on certain objectives for evaluating performance. These normally include standards, goals, and other criteria that have been previously established. The criteria for evaluation are for instance, earnings per share targets, net income, and may also include qualitative objectives particularly those pertaining to the risk management and performance of managers. Failure to conduct accurate reviews results in poor strategic decision making. Clear and direct communication for the Board's expectations of performance is vital in receiving full cooperation and proactive results from the management team.

(3) Replacement of Management

As well as implementing clearly defined procedures regarding the succession of key members of staff in the event of retirement or departure, the Board is obligated to protect the interests of TISCO Group, its shareholders, employees, depositors and other stakeholders against any errors resulting from unsatisfactory performance of its management. In certain cases where the result of mismanagement is so great, the discharge of members of the senior management may become necessary to protect the institution's interest. The process of replacing a member of the management team is varied, depending on each individual case, and the culture of an institution.

5.5.3 The Board Committees

(1) Rationale for Board Committee Establishment

Although the Board is ultimately responsible for the conduct of an institution's affairs, various committees with particular skills and expertise should be established to take on tasks that require detailed review or in-depth consideration. Some committees, such as an Audit Committee or a Risk Oversight Committee, may play a key role in reviewing the adequacy of risk management policies and systems and the extent to which these are operating effectively. The committees may make decisions on the Board's behalf or submit recommendations for its considerations, depending on the committee's specific charter. The Board should ensure that the committee's recommendations are reasonable and that it acts responsibly, if the committee makes decisions on the Board's behalf.

It is important that all committees should be established with clearly defined objectives, authorities, responsibilities and tenure and report regularly to the full Board. The Board remains ultimately responsible for the decisions made by the committees.

(2) Structure of Board Committees

The number and nature of committees in an individual institution will depend on its size, scope of operation, risk profile, and other characteristics. The Board should ensure that the structure of each committee is suitable to the institution's size and business, the Board's composition and individual Directors' expertise. The committee should be entitled to obtain resources and information from the institution, including direct access to employees and advisers to the company, as they may require obtaining independent professional or other advice, if necessary, at the institution's cost. The proper structuring and utilization of committees are critical to their effectiveness in being able to operate on behalf of the Board, and ensure that they operate effectively without bypassing the Board.

The Board should appoint committees, i.e., the Audit Committee, the Nomination and Compensation Committee, the Governance and Sustainability Committee, the Risk Oversight Committee, the Executive Board, and etc.

5.5.4 Specific Roles of Independent Director

- (1) Demonstrate independent judgment to prevent any conflict of interest. If they oppose any proposal, they should state their reasons for disagreeing in the minutes of the Board Meeting.
- (2) Request the opinion of an independent expert on any major issues that may have a strong impact on TISCO Group.

5.5.5 The Board's Oversight

(1) Required Knowledge on Operating Environment for Operations Monitoring

Although the Board delegates a substantial part of its administrative function including day-to-day operations to a full-time management team, in fulfilling its compliance roles, the Board is responsible for monitoring the company's operations.

The Board must be continually aware of the institution's operating environment. Directors are to be well informed of internal and external factors affecting the institution, including business environments, legal and regulatory frameworks. Directors should also be aware of the potential liabilities imposed on them by law or regulation and ensure that TISCO Group has appropriate policies and procedures in place to maintain compliance with them. Directors should also be aware and keep themselves updated on local, regional, national, and international financial trends and any statutory and regulatory changes affecting TISCO Group.

(2) Preparedness and Inquisitiveness

The Board should be regularly provided with the management reports and briefed on the business environment, market trends, industry benchmarks, regulatory changes and macro-economic indicators. The management should promptly alert the Board to any competitive threats, business opportunities, and changes within the industry, political procedures that may impact the institution or information, which would assist the Board in strategic planning, setting policy, or monitoring operations or business performance. The Board may also have TISCO Group's counsel periodically review statutory and regulatory provisions and brief the Board on legal developments relevant to TISCO Group's activities.

Directors have a duty to not only attend meetings, but to arrive prepared, having thoroughly reviewed meeting materials beforehand. Management reports should be provided well in advance of a meeting to allow for meaningful review. Directors should query management in matters of contention arising from the reports making special effort to inquire about any unfamiliar activities. Directors should also review internal and external audits, supervisory examinations, and related communications and be aware of their significance. Any findings and recommendations should be carefully reviewed and considered.

Directors must act independently and objectively. They should not permit themselves to be influenced by another Director, by management, or by outside interests. A critical evaluation of the issues before the Board is essential to the effectiveness of each member of the Board. Directors must ask management questions to satisfy themselves that management's recommendations are feasible and in the best interests of the institution. If a Director disagrees with Board action, the Director should say so, and ensure the

minutes reflect the disapproval. Thoughtful disagreement among members is often a sign of a strong, independent Board.

(3) Monitoring the Management

Although the Board may depend on management's expertise to run daily operations, it remains ultimately responsible for monitoring the overall operations of the company. It is responsible for ensuring that such operations are properly controlled and in compliance with the applicable laws and regulations.

The Board and the management must work together to promote the institution's best interests, but it should be understood that while they support each other, the Board and the management have their own distinct roles and responsibilities and the management is accountable to the Board. It is the Board's responsibility to ascertain that the lines of authority are clear and that management understands and carries out the Board's policies and directives.

In providing oversight of senior management as part of the checks and balances, the board should:

- 1) monitor that senior management's actions are consistent with the strategy and policies approved by the board, including the risk tolerance/appetite;
- 2) meet regularly with senior management;
- 3) question and review critically explanations and information provided by senior management;
- 4) set formal performance standards for senior management consistent with the long-term objectives, strategy and financial soundness of the bank, and monitor senior management's performance against these standards; and
- 5) ensure that senior management's knowledge and expertise remain appropriate given the nature of the business and the bank's risk profile.

(4) Supervising Risk Management

Directors should have substantial knowledge in the field of risk management, be able to recognize what constitutes unsafe practice, and be kept up to date with TISCO Group's business. The Board should ensure that management has identified potential risks and established an adequate risk management process to assist in identification, measurement, monitor and control of various categories of risk commonly encountered by financial institutions. It is the responsibility of the Board to approve and periodically review the company's risk management strategies that are ultimately implemented by senior management.

(5) Ensuring Legal and Regulatory Compliance

TISCO Group needs to comply with a large number of regulatory requirements, including various reporting obligations. It is the responsibility of the Board to establish and maintain rigorous internal controls to ensure that the company complies with all relevant laws and regulations and to highlight potential or actual breaches if and when they occur. The Board and senior management have to demonstrate consistently through their actions and behavior that they have a strong commitment to implement an effective compliance control throughout the institution.

(6) Business Performance Monitoring

Sound business performance will be the Board's primary objective and a key indicator of management's success. While it is understandable that a considerable number of Directors may not have a banking or financial service background, each Board member should have enough knowledge to discern poor levels of operating performance, asset quality and funds management activities. Each Director should be capable of evaluating the company's performance as against competing institutions. The Board is expected to ultimately provide leadership, capability, enterprise, and fair judgment, acting in the best interest of the TISCO Group, and at all times be transparent, accountable and responsible.

(7) Review of Management Report

A primary mechanism for overseeing the institution's operations is regular reports to the Board from the management. The relevant information regarding financial performance, the management of loan portfolio, liquidity risk, market risk, investment portfolio, asset/liability, and compliance. The Board should carefully review reports and be aware of any warning signs of deteriorating performance, increased risk, abuse of power within the management, problems with internal control systems, compliance issues or issues relating to the accuracy and reliability of the reports.

5.5.6 The Board Meeting

- (1) A Director should attend all Board Meetings to make decisions on any significant activities by the company concerning the acquisition and disposition of assets, investment project expansion, policy implementation, and/or risk management, etc. The Board of Directors should disclose the total attendance of each Director in the annual report if required by relevant authority.
- (2) Board Meetings are regularly scheduled in advance. The Board of Directors sets all its meeting schedules in advance to be available at the beginning of the year and notifies each Director of the schedule so that each member of the Board can manage their time to attend the meetings. Where A Director is prevented from attending any Board Meeting, he/she should notify the Chairman of the Board or the Corporate Secretary of his/her intended absence in advance of such meeting. Each Director is expected to make all reasonable efforts to attend at least 75% of all Board Meetings. A Director is expected to review in advance any meeting materials distributed before the

applicable Board Meetings and, when possible, should communicate to the Chairman of the Board or the Corporate Secretary in advance of the Board Meetings any question or concern that he/she wish to discuss.

- (3) The Chairman of the Board should ensure that a number of Directors present at the meeting is not less than three-fourth of total Board members to constitute a quorum.
- (4) The Chairman of the Board ensures that the Corporate Secretary schedules the meetings regularly and in advance. The meetings shall be convened at least six times a year. The date, time, and place of such meeting shall be determined by the Chairman from time to time. A meeting may hold in a form of an electronic meeting.
- (5) Before the meetings, the Chairman of the Board shall collaborate with the Lead Independent Director and Group CEO in setting the meeting agenda.
- (6) During meetings, the Chairman of the Board promotes prudent and transparent consideration of each issue, allocates adequate time, encourage Directors to discuss and share a variety of opinions freely and candidly, and invite the management to share additional information relevant to the agenda for Directors to thoroughly discuss on the important matters. The Chairman of the Board ensures that all directors should abstain from agenda items in which they have a conflict of interest.
- (7) The Board should give Non-Management Director the opportunity to hold meetings without the presence of executive at least once a year to freely discuss issues that affect the management, for example, TISCO business direction, the Management's strategy, and etc. There may be neither resolution nor minutes of the meeting, but the outcome will be communicated to the Group CEO or discussed further with the whole Board of Directors.
- (8) The Chairman ensures that the Corporate Secretary sends a written notice announcing a Board Meeting that includes the date and the agenda at least seven days in advance and notify related committees and managements 2-3 weeks prior each meeting except in some emergency cases to preserve the company's benefits.
- (9) The Chairman ensure that the Corporate Secretary sends out documents relating to matters to be ratified or approved at the meeting to every Director together with a written notice except in some emergency circumstances, and in case of the most confidential document, the Corporate Secretary may hand over the documents with header label 'CONFIDENTIAL' during the meeting and collect them back after the meeting adjourned.
- (10) Directors must clearly understand the mission, objectives, capability, and efficiency of TISCO Group and be prepared to devote their time and resources to attending and performing their duties at every Board Meeting.

- (11) The Board examines all documents relating to all matters that concern the Board. If something is suspected, management must be asked to explain as quickly and clearly as possible.
- (12) The Chairman ensures the Corporate Secretary completes the minutes for each Board of Directors and shareholders' meetings within 14 days after the meeting.

5.5.7 The Board Practice on Shareholders' Meeting

- (1) Call a shareholders' meeting which is an annual ordinary general meeting of shareholders within four months of the last day of the fiscal year of the company.
- (2) Call an extraordinary general meeting of shareholders any time the Board considers it expedient to do so, and upon the request by shareholders who hold an aggregate number of shares not less than ten per cent of the total number of shares sold, may request in writing to the Board of Directors to convene an extra-ordinary meeting of shareholders. The requisition must specify the subject and reasons for which the meeting is required to be summoned. Pursuant to such requisition, the Board of Directors must summon such meeting within forty-five days after the requisition is received.

In case the Board of Directors fails to arrange for the meeting within such period under paragraph one, the shareholders who have subscribed their names or other shareholders holding the required aggregate number of shares may themselves call the meeting within forty-five days as from the date of expiration of the period under paragraph one. In such case, the meeting is deemed to be shareholders' meeting called by the Board of Directors and TISCO shall be responsible for necessary expenses as may be incurred in the course of convening such meeting and TISCO shall reasonably provide facilitation.

In the case where, at the meeting called by the shareholders under paragraph two, the number of the shareholders presented does not constitute a quorum as prescribed by Section 103 of the Public Company Act, the shareholders under paragraph two shall jointly compensate TISCO for the expenses incurred in arrangements for holding that meeting.

- (3) Prepare a written notice calling the meeting that states how the meeting shall be convened (physical, e-meeting, or hybrid meeting), place, date, time, agenda of the meeting and the matters to be proposed to the meeting with reasonable details by indicating clearly whether it is the matter proposed for acknowledgement, for approval or for consideration, including the opinions of the Board in the said matters. TISCO prepares notice of the shareholders' meeting in both Thai and English and notifies the meeting details to investors not less than 28 days before the date set for the meeting through the Stock Exchange of Thailand's information dissemination channel and the company's website to allow shareholders adequate time to study

meeting materials. Such notice and materials shall be sent to the shareholders not less than seven days before the date set for the meeting in accordance with the law. In addition, TISCO shall publish notice of the shareholders' meeting in a Thai daily newspaper or advertised through electronic means for three consecutive days and not less than three days before the date set for the meeting.

- (4) Invitation to shareholders to propose agenda items in the annual general meeting and nominate qualified candidates for Director position. The shareholders and shareholders in management position can submit their proposals in advance of the meeting according to the criteria set by the company. Regarding agenda items, the Board of Directors shall add items that are considered appropriate for the agenda and make sure that the items are included in the notice of the annual general meeting.
- (5) For nominations of qualified candidates for Director position, the Nomination and Compensation Committee shall review and propose candidates for the Board of Directors' consideration and recommendation to the shareholders at the annual general meeting. In cases wherein proposals are disapproved by the Board and/or the Nomination and Compensation Committee, the company shall state the reason for refusal to the shareholders in the shareholders' meeting, on the company's website or any other appropriate information dissemination channels.
- (6) Allocate appropriate place and time of the meeting, including option to participate in the shareholders' meeting through electronic format, as well as conduct the meeting in accordance with the Articles of Association and in order of the agenda as arranged in the notice of the meeting. The shareholders' meeting should be arranged in such a way that they encourage equal treatments for all shareholders. There should not be any difficult procedures, excessive expenses, inconvenient time and place or denial that would lessen the access to studying company information, as well as attending shareholders' meetings.
- (7) Assign responsible officers to check shareholders' or proxies' documents according to the requirements stated in the notice, in order to protect shareholders' rights to attend the meeting and ensure equitable treatment for shareholders. Moreover, any shareholder could register to attend two (2) hours in advance of the meeting time. TISCO utilized a computer and bar code system for registration and printing of voting forms for each agenda item to facilitate shareholder participation, and to ensure prompt and accurate registration. In addition, shareholders are also able to register to attend and exercise their voting rights on impending agenda after the meeting's commencement. For shareholders unable to attend the meeting and would like to appoint a proxy, TISCO proposes more than one independent Directors by presenting Director profiles for the shareholders' selection, in addition to management Director or any other person attending the meeting on their behalf. Moreover, the shareholders can download other types of proxy forms from the company's website.

- (8) Attend shareholders' meeting and encourage equal opportunities for shareholders to express their opinions and raise any question at the meeting, according to the agenda and the issues presented to the meetings. Before the date set for the meeting, TISCO invites shareholders to submit questions regarding the meeting agenda that requires clarification by the Board of Directors and the management at the meeting. The question may be submitted in advance via fax or email to Investor Relations. In the meeting, the Chairman shall allocate appropriate time and encourage equal opportunity for shareholders to express their opinions and raise their queries at the meeting as per the agenda. TISCO shall endeavor to arrange for all Directors, executives of the company and subsidiaries, as well as the auditors to attend the shareholders' meeting to answer the queries. The company's Directors and management will clearly explain and clarify such matters.
- (9) Conduct of the meeting and voting in accordance with the order of agenda as arranged in the notice of the meeting, unless the meeting resolves to change the order of the agenda. The shareholders holding an aggregate number of shares not less than one-third of the total number of shares sold may request that the meeting consider other matters in addition to those specified in the notice of the meeting. Before the meeting starts considering the agenda, the shareholders will be informed of their voting rights, total votes required for each agenda and the voting process for each agenda.
- (10) Ensure each matter is passed by the resolution of the shareholders' meeting with the right number of vote casting. TISCO shall give notification of the shareholders' meeting resolutions to all investors immediately through the SET's information dissemination channel within the same day of the meeting, and shall also prepare the minutes of the meeting in which all relevant information, including all clarifications, queries, opinions, and resolutions are recorded and categorized into "For", "Against", and "Abstain" votes. TISCO shall disseminate the above minutes on its website and submit it to the Stock Exchange of Thailand within 14 days from the date of the meeting. The minutes will be kept at the office. In addition, TISCO has arranged for a recording of the shareholders' meeting to be available at the Head Office. Shareholders who are interested may request a copy of VDO clip from Investor Relations and/or Corporate Secretariat Office.
- (11) Ensure a quorum of the meeting is legally present.

5.5.8 The Board's Monitoring of Business Operation

- (1) Continuously follow and monitor the business performance and operations of the company according to its laws and regulations.
- (2) Appoint the Corporate Secretary to take care of Director's activities and administer critical corporate matters in full compliance with all the relevant laws and related regulations.

- (3) Establish the Executive Board to monitor the business's performance and operations.
- (4) Establish the Audit Committee to ensure the company's businesses conform to the law and regulations.
- (5) Establish the Nomination and Compensation Committee to advise the Board in selecting and nominating name of the qualified candidates; Directors, members of committee whose functions, responsibilities and authorities are directly given by the Board of Directors and top management.
- (6) Assign the Nomination and Compensation Committee to formulate Director Remuneration policies and review remuneration policies for senior management with clear and transparent criteria. Director remuneration shall reflect their duties and responsibilities for establishing the motivation both in short term and long term. Directors who are assigned with extra work should receive appropriate remuneration for special assignments. The Committee shall propose the remuneration to the Board Meeting and shareholders' meeting for approval. Remuneration for Directors should be comparable to general practice in the industry with regard to work experience, expertise, commitment, as well as the contribution or benefit each Director brings.
- (7) Ensure that Board self-assessment is conducted to review the performance of Board on an annual basis.
- (8) Define and establish the Strategic Audit Meeting to oversee and review the strategy of the company. Strategic audit refers to a self-audit measure on TISCO Group existing strategy. The Strategic Audit Meeting should be set up and chaired by Independent Director. This will provide Boards and management with a proper forum to center not on optimistic promises for the future but on the pessimistic realities of past performance in order to change its existing strategy and correct the situation in time. This would help strengthen investors' confidence on TISCO Group, as another measure of self-auditing. After all, it reflects the issues at the heart of investors' concerns, a capacity of the Board to timely intervene in the face of an unsuccessful or ailing business strategy.
- (9) Implement a TISCO Corporate Governance Policy to be guidelines for the TISCO Group.
- (10) Ensure that senior management of TISCO Group hold their positions only within TISCO Group in order to have a time running business the way as TISCO Group's objectives to maximize shareholders' wealth.
- (11) Assign the Governance and Sustainability Committee, Risk Oversight Committee and Audit Committee to work in partnership together for ensuring effectiveness implementation of GRC framework.

5.5.9 The Board's Information Disclosure

The Board of Directors shall provide a report indicating the performance of the company and important business activities over the course of the year to shareholders. Moreover, the Board of Directors is accountable for assessing the company's internal control system, which is carried out by the Executive Board and reviewed by the Risk Oversight Committee and the Audit Committee, and for certifying the accuracy of information in financial statements. The Board assigns the Audit Committee to review the financial statements of the company and ensure that they are presented in accordance with generally accepted accounting principles and disclosed in an accurate and transparent manner to allow investors to make informed investment decisions. The Board provides the above-mentioned reports, while the Audit Committee provides reports on audit issues along with the auditor's report. Reports from the Board, the Audit Committee and the auditor's report are included in the Annual Registration Statement and Annual Report. The detail of disclosures, but not limited to, are stated as following;

(1) Financial reports

- 1) The Board is responsible for having the balance sheets and the profit and loss statements prepared as of the last day of the financial year of the company. The said balance sheets and the profit and loss statements must be audited by the company's auditor and, thereafter, submitted to the shareholders at the annual general meeting of shareholders for their consideration and approval. Copies of the audited balance sheets and the profit and loss statements as well as the auditor's report must be sent to shareholders along with a notice of the annual general meeting.
- 2) In preparing such financial statements, the Directors are expected to select suitable accounting policies and then apply them consistently and make judgments and estimates that are reasonable and prudent.
- 3) Make sure that the company clearly reports all details providing reasonable explanations and calculations to support the results of the business operations, policies, future trends and opportunities as well as risks and dangers of the company and its subsidiaries, if any.
- 4) Provide a report indicating its responsibilities to prepare financial statements, and be exhibited alongside the auditor's report in the company's annual report, if required by law. The Board of Director's report should cover important topics of the Board Best Practice in Section 5.5.
- 5) Understand the company's main businesses and not intervene in the objectives and work of any external auditors.
- 6) If any external auditor resigns or is dismissed, fully explain the reasons to the public.

- 7) Make sure that management presents a full statement in the audited financial statements together with the annual report, if required. This information should:
 - Give a true and fair view of the state of affairs of the company.
 - Include full details in the financial statement in a way as to prevent any fraud or mismanagement of the company's assets.
 - Be presented in such a way as to conform to recognized accounting standards and be based on calculations that are fair and prudent.
 - Conform to the standards of the Federation of Accounting Professions. In cases where an accounting issue falls outside Thai regulations then International Accounting Standards (IAS) or those of the Financial Accounting Standards Board (FASB) should apply. Any other important information should be fully disclosed in the notes.

(2) Form 56-1 One Report

- 1) Ensure that Form 56-1 One Report shows complete information according to
 - Requirement from the Public Limited Companies Act, SEC and SET.
 - Good corporate governance principles from SEC, SET and IOD.
 - Information that investors should have about the TISCO Group.
- 2) Prepare and deliver Form 56-1 One Report to relevant authorities and/or shareholders in timely manner in compliance with laws and regulations governing.

(3) Major issues

Apart from the information usually issued on a scheduled basis, TISCO, as a listed company, should disclose all material information necessary to allow the general public to make informed investment decisions. To ensure this, immediate disclosure announcements should include any information that:

- 1) Is impact or likely to significantly impact the price of any of the TISCO's securities.
- 2) Is considered important by investors who base their investment decisions on research by securities analysts or experts.
- 3) Affects, or will affect, the interests of the shareholders.

It is the responsibility of TISCO and its Directors to determine what information is material, and therefore must be disclosed to the general public, and TISCO's shareholders. The Board is obliged to ensure that the disclosure made is in compliance with relevant laws and regulations, i.e. in aspect of the type of information to be disclosed, the time periods for making a disclosure thereof, the

form of the disclosure and the regime of disclosure which varying from without approval from the Board of Directors and shareholders to with approval from the Board of Directors and/or shareholders. In general, what requires disclosure for TISCO, as a listed company includes, but is not limited to, the followings:

- 1) New shares of TISCO and debt instrument issuance that may have a significant impact on its financial status/performance by TISCO or subsidiaries.
- 2) Connected transaction with TISCO or subsidiaries
- 3) Major change in TISCO's shareholding structure
- 4) Significant commercial contract
- 5) Entrance into, or terminates, acquisition, or disposition of an investment in another company that results in the other company becoming, or ceasing to be a subsidiary of TISCO or subsidiaries of the subsidiary of TISCO.

There are, however, some situations that TISCO is exempted from its duty to immediately report the occurrence of a relevant event, provided that it is able to keep such information strictly confidential:

- 1) The immediate disclosure of the information will have an adverse effect on TISCO's ability to pursue its business objectives.
- 2) The facts or information is subject to change, and the timely disclosure of such information is crucial.
- 3) The immediate disclosure of the information will materially benefit TISCO's competitor(s).

TISCO arranges for the disclosure of the names and responsibilities of Directors and other committees, the number of meetings, each Director's meeting attendance record and their remuneration in the annual report.

(4) Securities dealing and Interest report by management and Directors

Each member of TISCO's management, including Director, manager or top four executives whose ranks are subsequent to the manager, any person holding equivalent position of the fourth executive, including those holding executive level positions in accounting or finance at the level of the department manager or higher, or equivalent must report their securities holdings in TISCO, as well as the securities holding of their spouse and any minor children, to the SEC. This report on securities holdings must be filed within 30 days of the appointment. Moreover, they must report on the change of securities holdings within three (3) working days from the date of the change.

Under the above-mentioned circumstances, the members of management must file a copy of their report on securities holdings to TISCO within the same date on which such a report is filed to the SEC.

In addition, a Director and management shall file with TISCO a report on his/her interest or a related person's interest in relation to management of TISCO or the subsidiaries in accordance with the rules, conditions and procedures specified in the notification of the Capital Market Supervisory Board.

(5) Relations with investors

- 1) Ensure that TISCO Group disclosed important information correctly, timely, and transparently to all shareholders, investors, analysts, credit rating agencies, and regulatory agencies via, for example, Investor Relations function and Corporate Secretariat function.
- 2) Ensure that the company's information is publicly disseminated for easy access to interested parties through various channels, including reports submitted to the SET, the SEC, and the company's website under the topic of "Investor Relations".
- 3) Arrange activities to portray or update the company's information as well as to provide responses to inquiries from investors such as Quarterly Analyst Meetings, Press Conferences, One-on-one meetings and Meetings with investors, both local and international.
- 4) Ensure that top management and his or her designees speak for TISCO Group to, for example, institutional and individual investors, stock analysts in general, and state agencies concerned.
- 5) Provide for adequate resources to help develop knowledge and ability of TISCO Group personnel in their communication and presenting information.
- 6) Board members may, from time to time, meet or otherwise communicate with various groups of stakeholders that are involved with the TISCO Group. It is, however, expected that Board members would do this with the knowledge of management and, in most instances, at the request of management.

5.5.10 Assessment of the Board's and Board Committees' Performance

With the goal of increasing the effectiveness of the Board and its relationship to management, Directors are responsible for conducting an annual evaluation of the Board's performance as a whole and on an individual director level. This assessment should range from such items as the frequency of Board' and committee meetings to the contribution of the Board as a whole and on an individual director level. Since the goal of the assessment is to increase the effectiveness of the Board, Directors should review areas in which the Board and management believe the Board could make a greater contribution.

The chairman/chairperson of each committee will report annually to the Board an assessment of his or her committee's performance. The report will include an analysis of the performance of the committee relative to its Board-approved charter. The reports will be discussed with the full Board.

These reports will help in the assessment of the Board's contribution as a whole and will provide a review of specific areas in which the Board and/or management believe a more substantial contribution could be made. The purpose of this process is to improve the effectiveness of the Board, not to focus on any individual Board members. The Nomination Committee, however, is empowered to review the performance and contribution of individual. Replacement is recommended for any Director who is not properly performing his or her duties.

Said assessment is essential to assess the appropriateness of the Board's composition and Board performance according to corporate governance best practices. The Board of Directors shall analyze the assessment results, recommendations and remarks from Board members and consider applying according to the company's business environment and operations.

If necessary, the Board may consider and appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report.

5.5.11 The Board and Management Training

When a new director is appointed to the Board, senior management will arrange for an orientation regarding TISCO Group's business operations and past performance to provide a clear understanding and enable the Director to fully perform his/her duties. The company shall also provide them necessary information for their work including TISCO's vision, strategies, key business targets, organization's structures, Company's regulation, objectives, code of conduct for directors, and desired director's handbook of the listed companies, a copy of the Corporate Governance Policy, and related supporting documents, and arrange meetings between them and the Chairman, the Board of Directors, the subcommittees, and/or senior management to share relevant information.

It is TISCO Group's policy to encourage training and educational activities for Directors on a regular basis. The company has arranged membership in The Thai Institute of Directors Association for Directors in order to keep abreast of news and updates as well as to attend training beneficial to a listed company Directorship. Training schedules shall be regularly notified to the Director in advance.

To ensure stability and continuity of TISCO Group in future circumstances, successor of all key positions has been determined. The Board of Directors assigns the Nomination and Compensation Committee to oversee the preparation of the top executive's succession plan. Said plan shall be regularly reviewed as appropriate. For other senior management

positions, Senior Management and Human Resources function shall consider and evaluate the successors for the Executive Board's approval.

To ensure compliance with Corporate Governance Practices and related laws and regulations, the Corporate Secretary should be educated or trained in legal, accountancy, or company secretarial practices.



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