CORPORATE GOVERNANCE

Bangkok Bank recognizes the importance of good corporate governance as a major factor in enhancing the efficiency of the organization. The Bank therefore conducts its business in line with the principles of good corporate governance, which form a basis for sustainable growth. In order to maintain the Bank’s solid financial status, to achieve ongoing positive performance results and to sustain its good reputation, the Bank is committed to conducting its business in a prudent manner by setting up sufficient and appropriate internal controls and risk management systems.
CORPORATE GOVERNANCE POLICY

The Bank believes a corporate governance policy and a code of conduct and business ethics are important bases for strengthening and enhancing good governance. Therefore, the Bank has established a corporate governance policy and a code of conduct and business ethics for directors, executives and employees in writing which has been approved by the Board of Directors. The Bank has published its corporate governance policy and code of conduct and business ethics on the Bank’s website.

The Bank aims to ensure that those who have relationships with it understand, are aware of, adhere to, and accept the values of corporate governance and consistently comply with the corporate governance policy so that compliance becomes part of their organizational culture.

The Board of Directors is committed to reporting good corporate governance and supporting, encouraging and monitoring the implementation of the corporate governance policy and code of conduct and business ethics, as well as reviewing and revising them to ensure they remain appropriate to the Bank’s business and business environment.

COMMITTEES

The Bank has presented detailed information regarding Committees under “Implementation of the Principles of Good Corporate Governance” section 3, topic: “Strengthen Board Effectiveness”.

NOMINATION AND APPOINTMENT OF DIRECTORS AND TOP-LEVEL EXECUTIVE MANAGEMENT

The Bank has presented detailed information regarding the nomination and appointment of directors and top-level executive management in the “Implementation of the Principles of Good Corporate Governance” section 3, topic: “Strengthen Board Effectiveness”, and section 4, topic: “Ensure Effective Chief Executive Officer and People Management”.

OVERSEEING THE FINANCIAL BUSINESS GROUP OF THE BANK

The Bank oversees the operations of the companies in its financial business group, according to the Notification of the Bank of Thailand regarding Guidelines on Consolidated Supervision, which includes approval for the Bank to establish its financial business group. In this respect, the Bank arranged for the oversight of risks of the financial business group as a whole, the supervision of adequacy and efficiency of processes in the key control functions, ensuring the compliance of companies in the financial business group with the stipulated policies and relevant regulatory rules and regulations, and the establishment of intra-group transactions policy. The Bank also assigned its directors or executives to hold director positions in the companies in the financial business group.

SUPERVISION OF INSIDE INFORMATION USAGE

The Board of Directors set a criteria on the Supervision of Inside Information Usage and disseminated this criteria to the Bank’s directors, executives and employees for their information and observance. The criteria includes a prohibition from using information affecting the price of securities of listed companies, which is known to them but not yet disclosed to the public, for their own or third parties’ benefits; a prohibition on directors, executives and personnel involved with the preparation of financial statements from buying or selling, offering to buy or sell, or advising others to buy or sell the Bank’s securities during a period of one month prior to, and three days after, the disclosure of the Bank’s quarterly financial statements.

In addition, directors and top-level executives are required to report changes in their holdings of the Bank’s shares to the Office of the Securities and Exchange Commission, with notification to the Corporate Secretary within three working days from the day of such changes. The Corporate Secretary will present the report on changes in directors’ holdings of securities to the Board of Directors’ meeting.

REMUNERATION OF THE AUDITOR

The Bank has presented information regarding remuneration of the auditor under topic (5): “General Information”.

Implementation of the Principles of Good Corporate Governance

The Board of Directors has reviewed the implementation of the Corporate Governance Code for Listed Companies (the “CG Code”), by applying the CG Code to the Bank’s business. The Bank’s implementation of the CG Code is as briefed below.

1. Establish Clear Leadership Roles and Responsibilities of the Board of Directors

The Board of Directors recognizes its duties and responsibilities to oversee and ensure the Bank’s good governance, competitiveness, sustainable growth under changing environments, positive performance, adding value for the business and shareholders,
consideration of ethical business behavior and stakeholders in various groups, and responsibility for society and the environment.

The Board of Directors has a responsibility to perform duties with care and honesty, and to oversee and ensure that the Bank’s operations are in compliance with the law, the Bank’s objectives and Articles of Association, and the resolutions of the shareholders’ meetings.

2. Define Objectives that Promote Sustainable Value Creation

The Board of Directors reviewed and approved the vision, mission and core value of the Bank as described below:

Vision
To be a bank which provides quality financial services in line with customers’ requirements, and is well equipped with qualified human resources and world-class technology and working systems, while maintaining its status as a well-established international bank and a leading Asian bank.

Mission
The Bank has a financial mission, market and customer mission, quality operations mission, and capability mission, as described below:

Financial Perspective
• To attain stable growth in financial performance

Market and Customer Perspective
• To maintain business leadership with service excellence

Quality Operations Perspective
• To have efficient working systems and quality control procedures
• To set standards for work processes and be able to use data from these processes to support decision-making

Capability Perspective
• To equip the Bank’s staff with the ability and potential to support the Bank’s business expansion

Core Value
The Bank’s core value, which enables the Bank to continuously maintain its position as the country’s leading bank and which all employees of the Bank are required to recognize and uphold in their individual conduct under all circumstances, is to provide quality financial services that satisfy customers in keeping with the Bank’s role as a “Trusted Partner and Reliable Close Friend”. The core value embraces the following working philosophies:
• To provide excellent quality service from the customer’s point of view
• To provide quality work
• To perform duties as ethical and professional bankers
• To work as a team with shared goals
• To give importance to personnel development

The Board of Directors has set a long-term strategy and business plan as a framework for the Bank’s internal operating units by taking into account economic factors, policies of the government sector and future trends; has coordinated with management in setting an annual strategy and business plan in line with the Bank’s objectives by taking into account the economic conditions, business environment and risk factors, to enable the Bank’s business to meet the determined goals; and has ensured that resources are allocated sufficiently for the Bank to follow its business plan.

3. Strengthen Board Effectiveness

The Board of Directors comprises directors with a wide range of knowledge, capabilities, skills and expertise covering banking and finance, business administration, law, and information technology, which are beneficial to the Bank’s business. Each director is respected for his/her leadership.

As of December 31, 2019, the Bank’s Board of Directors has seventeen members. Seven out of the total number of directors are independent directors, namely Admiral Prachet Siridej, Mr. Kovit Poshyananda, H.S.H. Prince Mongkolchaleam Yugala, Mr. Phornthep Phornprapha, Mrs. Gasinee Witoonchart, Mr. Arun Chirachavala, and Mr. Chokechai Nijianskul. The number of independent directors accounts for more than one-third of the total number of directors. One of the directors is a non-executive director, namely Mr. Piti Sithi-Amnuai; and nine of the directors are executive directors, namely Mr. Deja Tulananda, Mr. Amorn Chandarasomboon, Mr. Singh Tangtatswas, Mr. Chartsiri Sophonpanich, Mr. Suwan Thanasathit, Mr. Chansak Fuangfu, Mr. Charamporn Jotikasthira, Mr. Boonsong Bunyasaranand, and Mr. Thaweelap Rittapirom. The Chairman of the Board of Directors is Mr. Piti Sithi-Amnuai.

Roles, Duties and Responsibilities of the Board of Directors and the Management

The Board of Directors is responsible for setting policies, visions, goals and directions for the Bank’s business operations; considering and approving annual strategies and business plans; allocating resources that are appropriate for the annual strategy and business plan; ensuring that the Bank has appropriate and adequate internal control for its business; enabling the Bank to have an effectively controlled, supervised and monitored organization structure; and establishing risk management policies that comprises risk management procedures covering risks that are significant to the Bank’s business operations. According to the Articles of Association of the Bank, authorities and responsibilities of the Board of Directors are as follows:

1. To appoint and dismiss employees of the Bank. For this matter, the Board of Directors may assign any director or directors to act on its behalf.
2. To determine bonuses and incentives for employees of the Bank or any person who conducts business for the Bank on either a regular or an irregular basis
3. To determine the interim dividend for shareholders
4. To act in accordance with the laws, objectives, regulations and resolutions of the shareholders’ meeting.

The Board of Directors has segregated the duties and responsibilities of the Board of Directors and the Board of Executive Directors. The Board of Executive Directors is responsible for managing the implementation of policies, strategic plans and business plans set by the Board of Directors, as well as performing various tasks within the scope of authority assigned by the Board of Directors.

The Chairman of the Board of Directors and the Chairman of the Board of Executive Directors are not the same person.

Roles and Duties of the Chairman of the Board of Directors
The Chairman as the leader of the Board of Directors has a duty to oversee the Board to perform its duties effectively. Roles and duties of the Chairman of the Board of Directors are as follows:
1. To determine the Board of Directors meeting agenda
2. To call the Board of Directors meeting and to ensure that the directors have received the notice of meeting and adequate documents related to the meeting
3. To chair the Board of Directors meeting, conduct the meeting according to the agenda, and allocate adequate time for the presentation of each agenda item and the discussion among directors on each issue presented at the meeting, as well as encourage directors to freely express their opinions
4. To encourage good relationships between the directors.

In addition, the Chairman of the Board of Directors will chair the shareholders’ meeting and conduct the meeting to be in line with the agenda and the Bank’s Articles of Association by allocating appropriate time to each agenda item and giving shareholders equal opportunities to ask questions and express their opinions as well as managing the responses to shareholders’ questions.

Committees
The Board of Directors has set up committees to screen matters to be submitted and provide opinions to the Board of Directors as well as monitor and oversee the Bank’s operations as assigned by the Board of Directors for the purpose of the Board of Directors’ effective performance of its duties. The committees must report their progress to the Board of Directors on a regular basis. These committees include the Board of Executive Directors, the Audit Committee, the Nomination and Remuneration Committee, the Risk Oversight Committee, and the Corporate Governance Committee.

(a) The Board of Executive Directors
Composition and Qualifications
As at December 31, 2019, the Board of Executive Directors comprised eight members from the Board of Directors. The members of the Board of Executive Directors are:
1. Mr. Deja Tulananda Chairman of the Board of Executive Directors
2. Mr. Amorn Chantarasomboon Executive Director
3. Mr. Singh Tangtatswas Executive Director
4. Mr. Chartsiri Sophonpanich Executive Director
5. Mr. Suvarn Thansathit Executive Director
6. Mr. Charamporn Jotikasthira Executive Director
7. Mr. Chansak Fuangfu Executive Director
8. Mr. Thaweelap Rittapirom Executive Director

Authority and Responsibility
1. To consider policies, goals, organization structure, business plans, and annual budgets to propose to the Board of Directors for approval
2. To control and ensure compliance with the policies, and strategic and business plans approved by the Board of Directors
3. To perform duties as assigned by the Board of Directors, including approval of loans, troubled debt restructuring and investment, as well as conducting any other normal businesses or activities related to the Bank’s operations
4. To scrutinize matters requiring the approval of the Board of Directors or the shareholders’ meeting in accordance with legal requirements or the Bank’s Articles of Association.

Meetings
The Board of Executive Directors holds weekly meetings to consider various matters as assigned.

Reporting
The Board of Executive Directors reports to the Board of Directors.

(b) The Audit Committee
Objectives
To assist the Board of Directors with regard to the auditing of financial reports, internal controls and internal audits, and to select and work in coordination with the Bank’s external auditors.

Composition and Qualifications
As at December 31, 2019, the Audit Committee comprises four independent members of the Board of Directors and the members are:
1. Admiral Prachet Siridej Chairman of the Audit Committee
2. H.S.H. Prince Mongkolchaleam Yugala Member of the Audit Committee
3. Mrs. Gasinee Witoonchart Member of the Audit Committee

Mrs. Gasinee Witoonchart is a Member of the Audit Committee with expertise in accounting and finance.

The Audit Committee has tenure of two years.

Authority and Responsibility
1. To ensure correct and sufficient financial reporting, and to work in coordination with the external auditors and the executive in charge of financial reports preparation
2. To ensure that the Bank has adequate and effective internal control and audit systems by reviewing and assessing those systems with internal auditors as well as external auditors, and to consider the independence of an internal audit unit as well as to give approval to the appointment, transfer, remuneration, assessment and termination of employment of the manager of Audit and Control Division
3. To approve the annual audit plan and any significant changes to the plan and ensure that the Audit and Control Division has appropriate resources, including human resources, to perform and meet the objectives of the duties assigned, and also has access to any information and documents needed for the performance of such duties without limitation or restriction
4. To consider, select and nominate independent individuals as external auditors and propose their remuneration for approval, as well as to attend non-management meetings with external auditors at least once a year
5. To ensure that the Bank complies with all relevant regulations and laws on securities and the Stock Exchange, regulations of the Stock Exchange or any laws pertaining to the business of financial institutions
6. To review compliance with the relevant laws and regulations with respect to connected transactions or transactions with potential conflicts of interest, to ensure such transactions are reasonable, that they provide optimal benefit to the Bank, and that the disclosure of related information is accurate and complete
7. To call for documents and data, or to summon the management and personnel from various operating units of the Bank, to provide clarification on relevant matters within the scope of the Audit Committee's duties
8. To produce and publish the Audit Committee's report, which shall be signed by the Chairman of the Audit Committee, as part of the Bank's Annual Report
9. To report to the Board of Directors any findings or suspicious transactions found by the Audit Committee, which may have a material impact on the Bank's financial status and/or operational results, in order for them to be rectified within a stipulated timeframe
10. To hire specialists in specific areas to provide expert advice as the Audit Committee deems appropriate

Meetings
The Audit Committee schedules meetings at least once every three months to scrutinize matters as assigned by the Board of Directors and may hold meetings as necessary and appropriate. In 2019, the Audit Committee held a total of 17 meetings.

Reporting
The Audit Committee has a duty to report its performance to the Board of Directors after every meeting.

(c) The Nomination and Remuneration Committee

Objectives
To select and nominate suitable persons for appointment as directors, members of various committees, and top-level executives, as well as considering and fixing appropriate remuneration thereof.

Composition and Qualifications
As at December 31, 2019, the Nomination and Remuneration Committee comprises two members of the Board of Directors. Mr. Charn Sophonpanich resigned from being a director on December 25, 2019. The Board of Directors meeting on January 23, 2020 appointed H.S.H. Prince Mongkolchaleam Yugala, an independent director, to be a member of the Nomination and Remuneration Committee replacing Mr. Charn Sophonpanich. The current Nomination and Remuneration Committee consists of three independent directors and the members are:

1. Mr. Kovit Poshyananda Chairman of the Nomination and Remuneration Committee
2. Mr. Phornthep Phornprapha Member of the Nomination and Remuneration Committee
3. H.S.H. Prince Mongkolchaleam Yugala Member of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee has tenure of two years.

Authority and Responsibility
1. To determine policy, criteria and methodology for selecting directors and top-level executives from the level of Executive Vice President upwards
2. To determine policy and criteria for the consideration of remuneration and other benefits including the amount of remuneration and other benefits for directors and top-level executives from the level of Executive Vice President upwards. The above policies are to be proposed to the Board of Directors for approval.
3. To select, nominate and submit for approval by the Board of Directors persons with appropriate qualifications to be appointed to the following positions:
   (1) Directors
   (2) Members of the various committees
   (3) Top-level executives from the level of Executive Vice President upwards
4. To review the size and structure of the Board of Directors to ensure that it is suitable for the organization and in line with the changing environment, as well as to ensure that the Board of Directors comprises persons with a range of knowledge, ability and experience in different areas.
5. To ensure that the directors and top-level executives, from the level of Executive Vice President upwards, obtain remuneration commensurate with their duties and responsibilities.
6. To establish performance appraisal guidelines for determining annual remuneration increases for directors and top-level executives from the level of Executive Vice President upwards. The guidelines take into account the individual's duties and responsibilities and associated risks as well as their contribution to the long-term growth of shareholders' equity.
7. To report on the work of the committee as part of the Bank’s Annual Report.

Meetings
The Nomination and Remuneration Committee schedules meetings at least twice a year to scrutinize matters as assigned by the Board of Directors and may hold meetings as necessary and appropriate. In 2019, the Nomination and Remuneration Committee held a total of 10 meetings.

Reporting
The Nomination and Remuneration Committee has the duty of reporting its performance to the Board of Directors after every meeting.

(d) The Risk Oversight Committee
Objectives
At the Board of Directors meeting on April 30, 2019, the Board approved the change of the name of the Risk Management Committee to the “Risk Oversight Committee” and the expansion of the scope of duties and responsibilities by assigning the Risk Oversight Committee to oversee and ensure that the Bank’s and the Financial business Group’s risk management are systematic and comprehensive, effective and in line with the strategic plan and overall risk management policy.

Composition and Qualifications
As at December 31, 2019, the Risk Oversight Committee comprises two independent directors and two executive directors. The members of the Risk Oversight Committee are:
1. Mr. Arun Chirachavala  Chairman of the Risk Oversight Committee
2. Mr. Chokechai Niljianskul  Member of the Risk Oversight Committee
3. Mr. Amorn Chandarasomboon  Member of the Risk Oversight Committee
4. Mr. Suvann ThanSaturday  Member of the Risk Oversight Committee

Authority and Responsibility
1. To establish risk management policy for the Bank and its financial business group which cover:
   - Key risks
   - Risk management for intra-group transactions
   - Processes and methods for assessing and measuring risks
   - Controlling and managing risks such as determining risk appetite
   - Business Continuity Management (BCM) and Business Continuity Plan (BCP)
2. To ensure senior executives adhere to risk management policy and strategy, as well as to manage the business of the financial business group to achieve an acceptable level of risks.
3. To consider capital management and liquidity management strategy to support financial business group's risks and to be in line with risk appetite as approved by the Board of Directors.
4. To review the adequacy and effectiveness of the risk management policy and strategy, including risk appetite at least once a year or when there are significant change.
5. To control, to monitor, to review and to ensure that companies within the financial business group comply with the established risk management policy as well as to review the adequacy and the effectiveness of the policy at least once a year and report to the Board of Directors.
6. To report to the Board of Directors on the level of risk, effectiveness of risk management and the development of risk culture, as well as significant factors and problems and issues that need to be revised to be in line with the risk management policy and strategy of the financial business group.
7. To participate in the assessment of the efficiency and effectiveness of the performance of the head of risk management.

Meetings
The Risk Oversight Committee schedules meetings at least once every three months to scrutinize matters as assigned by the Board of Directors. In 2019, the Risk Oversight Committee held a total of 12 meetings.

Reporting
The Risk Oversight Committee has a duty to report its performance to the Board of Directors after every meeting.

(e) The Corporate Governance Committee
The Corporate Governance Committee was appointed at the Board of Directors meeting on December 26, 2019 to support the corporate governance operations of the board under the principles of good corporate governance and sustainability.

Composition and Qualifications
As at December 31, 2019, the Corporate Governance Committee comprised one independent director, one non-executive director and one executive director and the members are:
1. Mr. Piti Sithi-Amnuai  Chairman of the Corporate Governance Committee
2. Mr. Chokechai Niljianskul  Member of the Corporate Governance Committee
3. Mr. Thaweelap Rittapirom Member of the Corporate Governance Committee

The Corporate Governance Committee has tenure of three years.

Authority and Responsibility

1. To establish principles of good corporate governance and sustainability that are effective and suitable for the Bank
2. To define and review the best practices of corporate governance, including the preparation and review of business code of conduct, employee code of conduct and counterparty code of conduct
3. To propose the best practices for the Board of Directors and propose the Board of Directors Charter for all committees appointed by the Bank
4. To propose the sustainability strategy that is appropriate for the Bank’s business operations and in line with social and environmental contexts
5. To give opinions to the Board of Directors or the Risk Oversight Committee on issues related to risk management and the impact on environment, society and corporate governance including the integration of social, environment and corporate governance issues into various Bank operations
6. To ensure that the principles of good corporate governance and sustainability are effective in practice and operate under the sustainability strategy
7. To review and report the corporate governance and sustainability performance to the Board of Directors, as well as to provide comments and recommendations for improvement as appropriate.

Meetings

The Corporate Governance Committee schedules meetings at least one every quarter to scrutinize any matters, and may hold additional meetings as necessary and appropriate.

Reporting

The Corporate Governance Committee has the duty of reporting its performance to the Board of Directors after every meeting.

In 2019, each director attended more than 75 percent of the Board of Directors meetings. The summary of the Board of Directors meetings in 2019 is as follows:

<table>
<thead>
<tr>
<th>NAME</th>
<th>BOARD OF DIRECTORS TOTAL: 13 MEETINGS</th>
<th>AUDIT COMMITTEE TOTAL: 17 MEETINGS</th>
<th>NOMINATION AND REMUNERATION COMMITTEE TOTAL: 10 MEETINGS</th>
<th>RISK OVERSIGHT COMMITTEE TOTAL: 12 MEETINGS</th>
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<tbody>
<tr>
<td>1. Mr. Piti Sithi-Amnuai</td>
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<td>2. Mr. Deja Tulananda</td>
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<td>3. Admiral Prachet Siridej</td>
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<td>4. Mr. Kovit Poshyananda</td>
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<td>5. Mr. Singh Tangtatswas</td>
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<td>6. Mr. Amorn Chadarasomboon</td>
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<td>7. H.S.H. Prince Mongkolchaleam Yugala</td>
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<td>8. Mr. Pornthep Phornprapha</td>
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<td>9. Mr. Charn Sophonpanich</td>
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<td>10. Mrs. Gasinee Witoonchart</td>
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<td>11. Mr. Arun Chirachavala</td>
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<td>12. Mr. Chokechai Niljianskul</td>
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<td>13. Mr. Chartsiri Sophonpanich</td>
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<td>14. Mr. Suvarn Thansathit</td>
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<td>15. Mr. Chansak Fuangfu</td>
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<td>16. Mr. Charamporn Jotikasthira</td>
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<td>17. Mr. Boonsong Bunyasaranand</td>
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<td>18. Mr. Thaweelap Rittapirom</td>
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Remarks:

1/ Mr. Charn Sophonpanich resigned from the Board of Directors on December 25, 2019
2/ Mr. Arun Chirachavala was appointed chairman of the Risk Oversight Committee to replace Mr. Singh Tangtatswas on February 21, 2019
3/ Mr. Chokechai Niljianskul was appointed as a member of the Risk Oversight Committee on February 21, 2019
4/ Mr. Boonsong Bunyasaranand was appointed as a director during the 26th Annual General Shareholders’ meeting on April 12, 2019.
Independent Directors
The Bank has a process for nominating independent directors, by having the Nomination and Remuneration Committee select and screen persons possessing suitable qualifications in accordance with the specified criteria, procedures and qualifications prescribed under the Bank’s definition of an independent director which are equivalent to the definition by the Capital Market Supervisory Board. An independent director is a person who has the following qualifications:

1. Holds shares in an amount not exceeding one percent of the total number of shares with voting rights of the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, provided that shares held by such independent director shall also include shares held by any related person of the said independent director.

2. Is not or has not been a director who participates in the management of the business, an employee, officer or advisor who receives a salary from, or the controlling person of the Bank or the parent company, subsidiary, affiliate or same-level subsidiary company, a major shareholder or controlling person of the Bank, except in the case where such status has ended for not less than two years.

3. Is not related to any other director, executive, major shareholder, controlling person or any person nominated to be a director, executive or controlling person of the Bank or any subsidiary either as parent, spouse, sibling, child or spouse of a child, whether such relationship is by blood or by legal registration.

4. Does not have nor used to have a business relationship with the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, such that it may interfere with the independent judgment of such independent director and is not nor used to be, a significant shareholder or controlling person of any person with a business relationship with the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, except in the case where such status has ended for not less than two years.

The term “business relationship” in the foregoing paragraph shall include normal business transactions, rental or lease of immovable property, transactions relating to assets or services, providing or receiving financial assistance through loans, guarantees, or providing assets as collateral, or any other similar actions which result in the Bank or the counterparty becoming indebted to the other party in the amount equal to three percent or more of the net tangible assets of the Bank or Baht 20 million, whichever is lower. The method for the calculation of the value of connected transactions under the Notification of the Capital Market Supervisory Board shall apply to the calculation of such indebtedness, mutatis mutandis, provided that all indebtedness incurred during the period of one year prior to the date of such business relationship shall also be included.

5. Is not or has not been an auditor of the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, and is not a significant shareholder, controlling person or partner of the audit firm employing the external auditor of the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, except in the case where such status has ended for not less than two years.

6. Is not or has not been a provider of any professional services which include being a legal advisor or financial advisor, and receiving service fees exceeding Baht 2 million per year from the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, and is not a significant shareholder, controlling person or partner of the firm providing such professional services, except in the case where such status has ended for not less than two years.

7. Is not a director appointed to be a representative of any other director of the Bank or a major shareholder, or a shareholder related to a major shareholder of the Bank.

8. Does not carry on business of the same nature and in competition with the business of the Bank or its subsidiary and is not a significant partner in a partnership or a director who participates in the management of the business, or an employee, officer or advisor who receives a salary, or holds shares in the amount exceeding one percent of the total number of shares with voting rights of another company engaging in business of the same nature and in significant competition with the Bank or its subsidiaries.

9. Does not have any other characteristics which would impact the ability to express independent opinions regarding the Bank’s business operations.

Nomination of Directors
The Nomination and Remuneration Committee is responsible for nominating individuals to serve as directors based on the Bank’s operational strategies and necessary skills required by the Board Skill Matrix, in order to determine the required qualifications of directors. The Nomination and Remuneration Committee will nominate, select and screen qualified individuals according to the processes and principles determined by the Board of Directors. The consideration will be based on the person’s honesty, accountability and ethics; qualifications pursuant to the requirements of the Bank of Thailand, Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and other relevant authorities; and the knowledge, ability, expertise and skills in particular fields which are necessary and beneficial to the Bank's business. In nominating directors to replace the directors retiring by rotation, consideration will also be based on their performance in the past. In addition, the Nomination and Remuneration Committee also considers the structure, composition and size of the Board of Directors in order that the Board of Directors will be of a suitable size and structure, and have members of diverse sex, age, knowledge, skills, expertise and experiences, suitable for the Bank’s business, without regard to race or religion. Prior to the Annual General Shareholders’ meeting, the Bank gives shareholders the opportunity to nominate persons who are considered suitable as directors to the Nomination and Remuneration Committee for consideration. The shareholders must proceed with the nomination process in accordance with the criteria that the Bank has informed the shareholders on the Bank’s website and propose names in advance within the specified time.

The Bank will propose individuals who have undergone the consideration process to the Bank of Thailand for its consideration and approval for appointment.

Appointment of the Bank’s Directors
According to the Bank’s Articles of Association, at every annual ordinary meeting of shareholders, one-third of the total number of the directors of the Bank shall retire. If the number of directors is not a multiple of three, the number of directors nearest to one-third shall retire. The directors who have been in office longest shall retire first. Retired directors may be re-elected.
At the shareholders’ meeting to consider appointing directors, the voting criteria are as provided below:

(a) One shareholder shall have one vote for each share
(b) Vote casting shall be for each person individually; in casting votes, each shareholder shall exercise all his/her votes for election but shall not allot the votes to any person in any number
(c) Persons receiving the most votes are those who are elected to be directors, in descending order, to the number of directors who are to be elected. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding Chairman shall have an additional casting vote.

In case of a vacancy on the Board of Directors other than by rotation – such as death, resignation, being removed by court order, lack of qualifications or being subject to prohibition under the law – the Board of Directors can appoint a qualified person as a replacement director at the next meeting of the Board of Directors unless the remaining duration of the director’s term of office is less than two months. The person who has been appointed as a replacement director will be in that position only for the remainder of the term. The appointed director has to receive the votes of not less than three-quarters of the number of remaining directors.

Remuneration of Directors
The Nomination and Remuneration Committee determines the remuneration of the Directors according to policies, criteria and methods for determining the remuneration of directors commensurate with their individual assigned duties and responsibilities by taking into account relevant factors. These factors include the level of remuneration provided by leading financial institutions in Thailand; the level of remuneration provided by leading listed companies in Thailand which have similar size to the Bank; the duties, responsibilities and related risks undertaken; the performance of the Bank’s Board of Directors; the Bank’s operating results; the business environment; and other factors that may affect the Bank’s business or the overall economy.

Directorship in Other Companies of Directors
To ensure that directors contribute time and capabilities efficiently, the Bank has determined criteria on the number of directorships in other companies in compliance with the requirements of the Bank of Thailand regarding Corporate Governance of Financial Institutions and the principles of good corporate governance, which are that the Bank’s directors may assume one or more of the positions of chairman of board of directors or executive director of other companies in not more than three business groups; and that they may serve as directors of other listed companies both on local and international stock exchanges, limited to not more than five listed companies.

Self-assessment of the Board of Directors
The Board of Directors assesses their performance of duties on an annual basis. The purpose of the assessment is for the Board of Directors to review their performance in the past year, including problems and obstacles that arise, and use the assessment results to improve and develop their performance to increase the efficiency of the Board of Directors.

There are two methods of assessment of performance of the Board of Directors: (1) Self-assessment on both a collective and individual basis; and (2) Cross-assessment for assessing the performance of other directors. Both assessment methods use the assessment forms approved by the Board of Directors.

Main topics in the self-assessment form of the Board of Directors on a collective basis consist of (1) Structure and qualifications of the Board of Directors; (2) Roles, duties and responsibilities; (3) Meetings; (4) Performance of the duties of directors; (5) Relationship with management; and (6) Self-development of directors and development of executives.

Main topics in the self-assessment form of the Board of Directors on an individual basis consist of (1) Structure and qualifications of the Board of Directors; (2) Meetings; and (3) Roles, duties and responsibilities.

Main topics in the assessment form for cross-assessment consist of (1) Consistency of meeting attendance; (2) Preparation for meeting attendance; (3) Provision of comments at meetings; (4) Collaboration; and (5) Representing the Bank in presenting images of the Bank to third parties.

The Corporate Secretary will submit the assessment forms for directors to conduct the assessments, and the Nomination and Remuneration Committee will process, summarize and report the assessment results to the Board of Directors.

Self-assessment of the Committees
The Board of Directors specified that all committees have to complete an annual self-assessment form. The purpose of the assessment is for each committee to review their performance in the past year and to use the assessment results as guidelines to improve their performance.

In assessing performance, each committee used the self-assessment method on a collective basis, by using the assessment form prepared within the framework of duties and responsibilities for each committee. The assessment form was agreed upon by the Board of Directors. The secretary of each committee provided the self-assessment forms to each respective committee to conduct the assessment, then processed, summarized and presented the assessment results to the committee for reporting to the Board of Directors.

Development of Directors
The Bank hosts an orientation program for newly-appointed directors by introducing them to directors, providing information and documents related to the operations of the Bank, Articles of Association, and roles and responsibilities of directors according to the relevant rules and regulations in order for the newly-appointed directors to understand the Bank’s business and the roles of directors.

The Bank recognizes the importance of regularly and continuously encouraging and supporting the knowledge development of its directors and executives at various levels, which includes training and seminars to enhance their practical knowledge.

The Bank supports its directors in attending training courses that are useful in assisting them to perform their duties as directors. In addition, the Bank regularly supports activities for the development of directors and executives at various levels — for example, it provides training courses, seminars and lectures by knowledgeable speakers from outside the Bank, etc.
The directors who have passed the Director Certification Program training courses run by the Thai Institute of Directors Association are Mr. Piti Sithi-Amnuai, Admiral Prachet Siridej, Mr. Singh Tangtatswas, Mr. Amorn Chandarasomboon, H.S.H. Prince Mongkolchaleam Yugala, Mrs. Gasinee Witoonchart, Mr. Arun Chirachavala, Mr. Charamporn Jotikasthira, Mr. Chokechai Niljianskul, Mr. Chartsiri Sophonpanich, Mr. Suvann Thansathit and Mr. Thaweelap Rittapirom. The directors who have attended the Director Accreditation Program include Mr. Kovit Poshyananda, Mr. Phornthep Phornprapha and Mr. Chansak Fuangfu.

The Bank encouraged directors to participate in training courses or seminars related to their duties and courses or seminars that will encourage them to continuously learn and develop themselves in various areas. In 2019, major training or seminars attended by directors included:

<table>
<thead>
<tr>
<th>DATE</th>
<th>TOPIC</th>
<th>NAME OF DIRECTOR WHO ATTENDED</th>
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<tbody>
<tr>
<td>13 May 2019</td>
<td>Cyber Resilience Workshop for Directors of Financial Institutions</td>
<td>Mr. Chansak Fuangfu&lt;br&gt;Mr. Charamporn Jotikasthira</td>
</tr>
<tr>
<td>20 June 2019</td>
<td>Game of Threats (GOT): The Cybersecurity Risk Stimulation Training</td>
<td>Mr. Piti Sithi-Amnuai&lt;br&gt;Admiral Prachet Siridej&lt;br&gt;Mr. Kovit Poshyananda&lt;br&gt;Mr. Arun Chirachavala&lt;br&gt;H.S.H. Prince Mongkolchaleam Yugala&lt;br&gt;Mr. Phornthep Phornprapha&lt;br&gt;Mrs. Gasinee Witoonchart&lt;br&gt;Mr. Chokechai Niljianskul&lt;br&gt;Mr. Singh Tangtatswas&lt;br&gt;Mr. Amorn Chandarasomboon&lt;br&gt;Mr. Charm Sophonpanich&lt;br&gt;Mr. Chartsiri Sophonpanich&lt;br&gt;Mr. Suvann Thansathit&lt;br&gt;Mr. Chansak Fuangfu&lt;br&gt;Mr. Charamporn Jotikasthira&lt;br&gt;Mr. Thaweelap Rittapirom</td>
</tr>
<tr>
<td>20 June 2019</td>
<td>Cyber Resilience Workshop for Directors of Financial Institutions</td>
<td>Mr. Arun Chirachavala&lt;br&gt;Mr. Thaweelap Rittapirom</td>
</tr>
<tr>
<td>8 July 2019</td>
<td>Cyber Resilience Workshop for Directors of Financial Institutions</td>
<td>Mr. Chartsiri Sophonpanich&lt;br&gt;Mr. Singh Tangtatswas</td>
</tr>
<tr>
<td>21 August 2019</td>
<td>Cyber Resilience Workshop for Directors of Financial Institutions</td>
<td>Mr. Piti Sithi-Amnuai&lt;br&gt;Mr. Suvann Thansathit</td>
</tr>
<tr>
<td>20 September 19</td>
<td>Cyber Resilience Workshop for Directors of Financial Institutions</td>
<td>Mrs. Gasinee Witoonchart&lt;br&gt;Mr. Chokechai Niljianskul</td>
</tr>
<tr>
<td>9 October 19</td>
<td>Cyber Resilience Workshop for Directors of Financial Institutions</td>
<td>Mr. Deja Tulananda&lt;br&gt;Mr. Amorn Chandarasomboon</td>
</tr>
<tr>
<td>14 November 2019</td>
<td>AEC Business Forum 2019 under “2020: The Age of ASEAN Connectivity” Theme</td>
<td>Admiral Prachet Siridej&lt;br&gt;Mr. Arun Chirachavala&lt;br&gt;H.S.H. Prince Mongkolchaleam Yugala</td>
</tr>
<tr>
<td>15 November 2019</td>
<td>Senior Executive Forum 2019 on AML/CFT by Anti-Money Laundering Office</td>
<td>Admiral Prachet Siridej&lt;br&gt;Mr. Arun Chirachavala&lt;br&gt;H.S.H. Prince Mongkolchaleam Yugala&lt;br&gt;Mrs. Gasinee Witoonchart</td>
</tr>
<tr>
<td>19 November 2019</td>
<td>Seminar on “Are you ready to be an accountant for the future?” by Deloitte</td>
<td>Admiral Prachet Siridej</td>
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</table>
Corporate Secretary
The Board of Directors appointed Mr. Apichart Ramyarupa, who has suitable qualifications, as the Bank’s Corporate Secretary. Mr. Apichart has experience from his role as the Secretary to the Board of Directors and has successfully completed the Director Certification Program (DCP) training arranged by the Thai Institute of Directors Association, as well as possessing qualifications pursuant to criteria prescribed in the Securities and Exchange Act. The Corporate Secretary is charged with duties and responsibilities, as follows:

1. Matters relating to the safe-keeping of records and documents, such as organizing meetings of the Bank’s Board of Directors and shareholders as well as the preparation of the meeting’s agenda, invitations to the meeting, documents required for the meeting, the annual report, and the minutes of the meeting. The Corporate Secretary is also charged with the duty of implementing the resolutions of the shareholders’ meetings such as registering changes to the company’s registration with the Ministry of Commerce, etc.

2. Matters relating to the safe-keeping of records and documents, namely the register of directors, reports on interests filed by directors or executives, documents required for the meeting, and minutes of Board of Directors’ and shareholders’ meetings.

3. Rendering advice and recommendations to the Board of Directors for the purpose of compliance with the Articles of Association and the relevant laws, rules and regulations as well as good corporate governance principles.

4. Being the contact person to communicate and coordinate with the Office of Securities and Exchange Commission, the Stock Exchange of Thailand, the Bank of Thailand, and other relevant government authorities as well as to provide information to the said authorities as required by relevant laws, rules and regulations.

The Board of Directors’ Meeting
The Board of Directors holds a regular monthly meeting during which schedules for the year will be set and notified to all directors in advance. This is in order for each director to manage to attend at least 75 percent of all meetings in a year. Each director regularly attends the Board of Directors’ meetings, except in necessary and uncontrollable cases where directors are unable to do so.

In 2019, each director attended meetings on a regular basis, which accounts for more than 75 percent of the number of meetings held during the year, and the quorum for a meeting of the Board of Directors in considering of any resolutions shall be more than two-thirds of the total number of directors.

In each meeting of the Board of Directors, the Corporate Secretary will send a notice of the meeting together with the meeting agenda and supporting documents for each agenda item to directors for studying seven days prior to the meeting, except in the case of urgent situations. The Chairman of the Board of Directors will preside over the meeting and, as the chairman of the meeting, provide opportunities and encourage directors to freely express their opinions.

Apart from the Board of Directors’ meeting, the Corporate Secretary also arranges meetings among independent directors from time to time to exchange ideas and opinions on issues related to internal management and will thereafter inform the President of the issues and comments from the meetings.

4. Ensure Effective Chief Executive Officer and People Management
In selecting persons to be appointed as top-level executives, from the Executive Vice President level and above, the Board of Executive Directors will conduct initial screening by taking into consideration the knowledge, capabilities and expertise which are beneficial to the Bank’s business, as well as leadership, management skills, potential and readiness to assume the assigned duties. Then, the Board of Executive Directors will propose candidates to the Nomination and Remuneration Committee to conduct qualification screening and propose appointments of the qualified candidates to the Board of Directors to consider submitting the appointments application to the Bank of Thailand to approve in advance of proposing the appointments to the Board of Directors for approval.

Succession of Top-level Executive Positions
The Bank recognizes the importance of selection and development of personnel for replacement in the top-level executive positions to enable continuity of the Bank’s management. In selecting persons with suitable qualifications, the consideration will be based on their knowledge, skills, attitudes and ideas in terms of strategy, leadership, accountability and decision-making to solve problems. Development and a preparation process will be offered to the persons undergoing consideration, by providing them with a management course and courses that provide knowledge of various fields, both in and outside the Bank, as well as assigning them to perform duties that will inure themselves to learning and enhance particular job skills and expertise, including skills in cooperating with other operating units in the Bank.

Directorship in Other Companies of Top-level Executives
The Bank determined criteria on directorship in other companies in accordance with the requirements of the Bank of Thailand regarding Corporate Governance of Financial Institutions and the principles of good corporate governance, which are that top-level executives may assume one or more of the positions of chairman of board of directors or executive director of other companies in not more than three business groups, and that they may serve as directors of other listed companies both on local and international stock exchanges, limited to not more than five listed companies.

Remuneration of Top-level Executives
The Nomination and Remuneration Committee has established criteria for determining the remuneration of the Chairman of the Board of Executive Directors, President and top-level executives by taking into account the results of their performance of duties, performance of the Bank, remuneration rates of the Bank’s industry peers and suitability with economic conditions and society, as well as the business’s operations as a financial institution in Thailand.
Assessment of the Performance of the Chairman of the Board of Executive Directors and the President
The Bank arranged for the assessment of the performance of the Chairman of the Board of Executive Directors and the President by the Board of Directors. The assessment form was prepared in accordance with the CEO appraisal guidelines of the Stock Exchange of Thailand approved by the Board of Directors. The main topics in the assessment of the performance of the Chairman of the Executive Directors and the President include leadership, strategy, implementation of strategies, planning and results of the financial operations and relationship with directors, etc.

5. Nurture Innovation and Responsible Business
The Bank provides ongoing support for innovation development, study and testing, for using advanced technologies which have been developed within the Bank and through the building of collaboration with external entities, in order to provide maximum benefit to customers, business alliances, and Thai society. To this end, the Bank has formed an Innovation Department to research and develop technologies and new business models for the Bank, including building alliances in various ways to develop products and services which apply new technologies, serve customers’ needs, and help expand service channels for customers to more easily and quickly access the services. The Bank has launched a program to build cooperation and good relationships with the government sector, the private sector and educational institutions, for ongoing promotion of innovation activities. The Bank has presented detailed information on this in its Sustainability Report.

In operating responsible business, the Bank has guidelines for treating stakeholders of various groups as specified below.

Shareholders
The Bank recognizes that shareholders are the owners of the business and have ownership rights, in which case the Bank observes the rights of shareholders in all groups and ensure that they are treated equally.

Customers
The Bank treats its customers as the major contributors to the Bank’s success and growth. Bangkok Bank is committed to developing and offering them financial products and services of a high quality and standard while maintaining good relationships with them as “puan koo kit mit koo baan” (aspiring to be a trusted partner and reliable close friend). In this regard, the Bank has provided knowledgeable and skilled personnel to ensure customers receive the best possible service, as well as providing coverage with its branch network, business centers and distribution channels, protecting customer information and managing and duly rectifying complaints, taking into consideration due responsibility to its customers.

Staff
The Bank recognizes staff are one of its most valuable assets. It has therefore taken good care of and supported the lives and wellbeing of staff based on good relationships and collaboration between the Bank and staff to support sustainable development and growth of the Bank’s operations. The guidelines are based on good relationships and cooperation between the Bank and staff with respect to:

1. Staff Remuneration and Welfare
The Bank recognizes and emphasizes that staff are vital to the Bank’s operations and provides remuneration to staff according to their responsibilities and performance. The Bank provides various types of welfare such as medical treatment, health clubs to promote good health, provident funds for staff and executives to promote savings discipline, and educational allowances for the children of staff to help reduce staff expenses. In addition, the Bank considers paying bonuses to staff in accordance with the Bank’s business performance, staff performance and overall economic conditions.

2. Enhancement of Staff Knowledge and Potential
The Bank emphasizes and recognizes the importance of ongoing potential enhancement of employees to prepare employees’ readiness to perform efficient work and gain expertise and future skills through various ways such as e-learning, training and seminars, career planning and development, work rotation and project assignment to create real experiences for employees.

Additionally, the Bank enhances efficiency of its high-potential employees, provides scholarships, and has in place human resource development plans for overall staff, each year and for each staff member.

The Bank allocates a budget for internal and external training throughout the year, both in and outside Thailand and both soft and technical skills, which will build and enhance knowledge, ability, working skills, and managerial skills, so that the Bank can effectively deliver its business results.

3. Workplace Security and Health
The Bank provides good security measures on its premises using standard systems and equipment for security control and by providing appropriate security guards. The Bank provides suitable workplaces that encourage staff to perform their work efficiently and effectively taking into consideration workplace safety and health together with the gathering of leave information regarding accidents and sicknesses arising from work.
Counterparties
The Bank treats counterparties fairly and equitably and acts responsibly towards them according to trade conditions and agreements, as well as believing that counterparties play a significant role in supporting its business. The Bank follows good practice in the selection of counterparties, and in conducting its transactions with counterparties the Bank honors its trade conditions and agreements with mutual understanding and good cooperation by recognizing traditions, practices and other widely-accepted standards relating to the banking business.

Competitors
The Bank recognizes, emphasizes, and implements appropriate measures regarding competitors. The Bank treats its competitors with mutual good understanding and cooperation. The Bank conducts its business under a framework of regulations and fair competition and follows the law regarding competitor. The Bank understands that other financial institutions also have duties as providers of quality financial services to customers.

Creditors
The Bank provides fair treatment and behaves responsibly towards its creditors and contractual obligations. In this regard, the Bank operates in accordance with the conditions or terms of debt securities issued by the Bank for borrowing from the public, such as management of funds and debt repayment, and in the case of missing repayments due, the Bank will operate in accordance with the terms and conditions involved.

Society and Community
The Bank supports activities that benefit communities and Thai society in areas such as education, religion, sports, Thai traditional arts and culture and energy saving, as well as making other public contributions to support society.

Environment
The Bank supports measures and good practices for environmental conservation, encourages efficient utilization of resources, and also organizes campaigns or promotes knowledge and understanding of energy conservation and environmental protection for sustainable benefits. These include use of energy-saving buildings, facilities and equipment, encouraging staff to participate in energy conservation and environmental protection activities. The Bank also has a policy for providing loans to support energy-saving projects and eco-agricultural projects.

Other Matters
The Bank has established a corporate governance policy and a code of conduct and business ethics, based on the key principles of performing duties with honesty, integrity and responsibility. The Bank will never assist, encourage or support any illegal activities or transactions. Other important matters are:

(1) Human Rights
The Bank respects the rights of persons as prescribed by laws and will never be involved in any violation of human rights.

(2) Intellectual Properties or Copyright
The Bank respects intellectual properties including copyright and therefore will never be involved in any violation of intellectual properties, including copyright, belonging to any person as specified in the Bank’s code of conduct and business ethics. In addition, the Bank has set up rules preventing its employees from bringing in copyrighted computer programs to be used at the Bank or used with Bank-related work without authorization from the Bank. Also, those who are found to commit piracy must be subject to disciplinary actions and liabilities under related laws. Supervisors at all levels will monitor their subordinates to ensure they strictly follow the Bank’s rules.

(3) Policy on Whistleblowing
The Bank has established whistleblowing channels for stakeholders to directly inform the Board of Directors of their complaints. Stakeholders can report any trace of illegal acts, concerns about the accuracy of financial reports, defectiveness of internal control systems, or violations of ethics and morals through contact channels provided by the Bank. The Bank has a defined operating process on reporting whistleblowing which includes processes and channels for receiving and managing reports from stakeholders, and rights protection for whistleblower and related parties from any kind of unfair action or harassment. Stakeholders can see more details on the Bank’s website.

(4) Anti-corruption Measures
The Bank is determined to be an organization which operates in a transparent manner and which is corruption-free. Accordingly, the Bank has established an anti-corruption policy which prohibits its directors, executives, and staff from offering, demanding, arranging or accepting bribes or any form of payment with the intent of corruption for personal gain, or the gain of others. The Bank promotes values of honesty and accountability in fulfilling one’s duty, and also encourages concerned parties to be aware of, understand and cooperate in any way required to oppose and prevent corruption. The Bank has established practical guidelines for anti-corruption programs. In addition, relevant units in the Bank have taken steps to assess risks from corruption and established practical guidelines for compliance and control measures to prevent and monitor risks from corruption. The relevant units also assess their anti-corruption undertakings using compliance assessment checklists. The good-practice guidelines established by the Bank are suited to relevant situations and laws.
The Bank has disseminated its anti-corruption policy on its website and other internal communication channels including the intranet, as well as educating staff on its anti-corruption policy. Penalties will be applied to personnel violating or failing to comply with the anti-corruption guidelines.

The Bank provides secure channels for staff to access with confidence when they need to report information or suspicions of corruption without risk to their security. Staff can report information or their concerns to their superior, or Head of Compliance, and the Bank will receive the information and use it with equitability, transparency, due care and fairness to all concerned parties. The Bank will investigate issues in a reasonable period of time, maintain confidential information and protect complainants from persecution during and after investigation.

Counterparties and the general public can report information or clues of misconduct or breach of the Bank's anti-corruption measures to the Corporate Secretary or Compliance Department, and the Bank will receive the information and use it with equitability, transparency, due care and fairness to all concerned parties. The Bank will investigate issues in a reasonable period of time, maintain confidential information and protect complainants from persecution during and after investigation.

The Bank believes that its anti-corruption policy provides a framework and direction for sustainable development, while practical guidelines for its anti-corruption program reflect the determination and dedication of a transparent and corruption-free organization, as well as its determination not to be involved with any corruption. The Bank expects all concerned parties to cooperate and support its undertakings in these matters.

In this regard, the Bank has been certified as a member of the Private Sector Collective Action Coalition Against Corruption Council which shows the Bank’s intention to continuously conduct business with honesty and without accepting any form of corruption.

6. Strengthen Effective Risk Management and Internal Control

Risk Management

The Board of Directors has established a risk management policy and risk appetite for the Bank’s financial business group and reviews them on a yearly basis. The Bank has set a risk management framework and risk oversight structure for overseeing core risks such as credit risk, market risk, operational risk, strategic risk, liquidity risk and information technology risk, including other risks, through the Internal Capital Adequacy Assessment Process to ensure that the Bank has appropriate risk management and capital adequacy for operating its business under normal and crisis situations. The Bank has adopted three lines of defense for its risk management to effectively oversee its risk and to promote appropriate inspection and counterbalance mechanisms. For the first line of defense, business and support functions must have a good understanding of existing risks and are responsible for managing these risks to be within specified levels and consistent with the overall risk management policy. The second line of defense consists of internal work units responsible for measuring, monitoring and controlling risks, evaluating and reporting relevant risks on a regular basis, as well as improving risk management to be suitable for the nature and complexity of business structures and operations. At the same time, they are also responsible for ensuring that business is undertaken according to laws, regulations and regulatory requirements. Lastly, the third line of defense consists of internal work units responsible for reviewing and auditing the Bank’s business operations to ensure that the internal control systems are prudent, adequate and appropriate, and be able to resolve any faults within a reasonable time frame.

In addition, the Bank has prepared a Recovery Plan in order to be systematically equipped to solve capital and liquidity problems in the future and strengthen the Bank’s business. This plan provides an integrated framework for risk management in each area of the Bank that will help the Bank to cope with the crisis efficiently and in a timely manner.

Internal Control

The Board of Directors recognizes the importance of an internal control system to ensure that the Bank operates its business transparently, and that the Bank’s directors, executives and employees perform duties with care, honesty and accountability for the optimal benefit of the Bank. In this regard, the Bank assigned the Audit Committee to review and assess the adequacy of the Bank’s internal control system on a yearly basis, as well as proposing the assessment results to the Board of Directors. In assessing the internal control system, there are five elements for consideration, as follows: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information Technology and Communications and (5) Monitoring Activities.

With regard to the 2019 assessment of the adequacy of internal control, the Board of Directors opines that the Bank’s internal control system is adequate and appropriate and has been continually improved, and that there are a sufficient number of personnel to efficiently operate the system.

Division of Duties Relating to Internal Control and Risk Management

- The Risk Management Division is responsible for establishing and reviewing the overall risk management guidelines of the Bank. The Risk Management Division also collaborates with relevant work units in assessing, monitoring and overseeing the risk appetite as well as the management of risks to be in accordance with the established risk management policy.
The division also reports the risk status to senior executives and the Board of Directors on a regular basis. In addition, it is responsible for supporting the work of the Risk Oversight Committee in overseeing the Bank’s risk management. The person in charge is Mr. Kirati Laisathit, Executive Vice President.

- The Compliance Division is responsible for giving opinions and clarity regarding the rules and regulations issued by relevant authorities; supervising and reviewing the operations of the division, and ensuring the Bank’s policies are in accordance with the rules and regulations issued by relevant authorities; and reporting to senior management and the Audit Committee or the Board of Directors. The person in charge is Mr. Pornthep Kitsanayothin, Executive Vice President.

- The Audit and Control Division is responsible for assessing the adequacy and appropriateness of the Bank’s corporate governance, risk management and internal control which cover the inspection of work systems, data and operations of each department to be in accordance with rules and regulations issued by relevant authorities and the Bank including inspection and investigation in case of fraud or complaints. In addition, the Audit and Control Division is also responsible for supporting work of the Audit Committee and working under supervision of the Audit Committee. The person in charge is Mrs. Chutima Kitchamnong, Executive Vice President.

Information Security

Technology is developing at a rapid rate, providing benefits in terms of convenience, a safe living environment and making business operations faster and more efficient. However, the increased use of technology may result in some issues that affect the confidence of customers, service providers and stakeholders of the Bank. At the same time, the Bank will have to bear the financial and management costs of technology, if it does not have enough effective management of information technology and security.

The Bank recognizes the importance of cyber security to build its capability to cope with rapid changes in both business and technological environments. At the same time, the Bank strives to have sufficient flexibility to be able to adapt to changing circumstances.

In current business operations, it is necessary to use data for analysis in order to formulate strategies and design services to suit the needs of customers. Data, therefore, becomes an important asset that must be strictly protected. Many countries have introduced laws and regulations to protect the personal information of customers. The Bank is continuously working to ensure information is protected from forgery and unauthorized access, as well as information disclosure without permission. The Bank has added measures to protect the personal information of customers as well as the information of the Bank.

The Bank has established information security and information technology risk management policies to supervise and manage information technology risks. The policies are in accordance with the operational risk management framework to increase the capability of IT Risk Management and Information Security and Cyber Security to be effective throughout the organization. The operational risk management framework consists of the ongoing update of security technology in a timely manner; performing risk assessments and adjusting the risk assessment framework to be suitable for all situations; raising awareness and providing knowledge on security for the Bank’s personnel including customers or users of the Bank; developing plans to prepare for various types of cyber threats in order to efficiently and quickly reduce the impact of cyber threats; as well as strengthening cooperation with external agencies to enhance readiness in coping with cyber threats and to effectively manage cyber risks.

The Bank recognizes the importance of the security of both business and customers’ information for the purpose of maintaining the creditworthiness and trust of customers, counterparties and business alliances. The Board of Directors established and disseminated to directors, executives and employees an information security policy, including the information security manual, which sets out practicing guidelines on information security to safeguard against illegal use of information. This is to ensure the executives’ and employees’ understanding of and compliance with the information security policy, with regard to various matters such as security of information, access to information, physical security, communication security, information security risk management and business continuity.

Action with Regard to Conflicts of Interest and Reporting of Changes in Directors’ Interests

The Bank gives importance to practices to control and manage conflicts of interest in accordance with rules set by government authorities.

The Bank also requires directors and top-level executives to prepare reports of their interests, by providing information on their shareholdings and directorships in various businesses and reporting other information pertaining to their interests. The Bank uses such information in controlling transactions between the Bank and persons with whom the directors and top-level executives have interests or involvement, and in reporting related-party transactions in the annual registration statement. In the event that the Board of Directors is required to scrutinize matters where there exist, or potentially exist, conflicts of interest, connected transactions, or related-party transactions, the directors who are related persons will not participate in the scrutiny and approval of such transactions. In addition, the Bank will not prescribe special conditions for such transactions in favor of the directors involved.
7. Ensure Disclosure and Financial Integrity
The Bank recognizes the significance of disclosing information as it has an impact on the decision-making of investors and stakeholders. The Board of Directors follows information disclosure guidelines, by overseeing and ensuring that the Bank’s financial reporting system and information disclosure are accurate, sufficient, trustworthy and on time in compliance with the relevant laws and regulations in order to provide equal information to all financial information users. The Bank selects personnel with appropriate knowledge, skills and experience to be responsible for overseeing and ensuring the financial reliability and information disclosure. The Bank’s financial information is delivered through various channels such as annual report, financial statement, annual registration statement (Form 56-1), Management Discussion and Analysis (MD&A) via the Stock Exchange of Thailand (SET Link) and the Bank’s website (www.bangkokbank.com), and the information displayed is regularly updated to reflect the Bank’s financial status and performance. Information that may affect the decision-making in investments and benefits of shareholders and investors will be disclosed after it has been officially provided to the SET. The Bank has appointed a person entitled to publicly disclose the information which is divided into financial and non-financial categories in order to ensure that it is disclosed in a clear, accurate, transparent and timely manner.

The Board of Directors approves the disclosure of the financial information, by taking into consideration the result of assessment of sufficiency of the internal control system, the auditor’s opinions in financial reports including the auditor’s observations, the opinions of the Audit Committee and the conformity with the Bank’s strategies and policies.

Additionally, the Bank has arranged for a system of disclosure of the information relating to directors to ensure that the disclosure complies with the criteria of the Office of Securities Exchange Commission.

The Bank has an Investor Relations Unit which is responsible for disclosing the financial and non-financial information that are useful for the investments of shareholders, investors, securities analysts and credit rating companies, in accordance with the information disclosure guidelines which are in line with the Bank’s principles and official requirements, in order to ensure that the Bank has disclosed the information appropriately, in a timely fashion and in an equitable manner through the channel of the Stock Exchange of Thailand (SET Link) and on the Bank’s website (www.bangkokbank.com) and that the Bank has conducted activities, such as holding meetings with securities analysts and investors, attending meetings with local and international investors, and meeting in person or via teleconference with investors and analysts, as planned. The President, Senior Executive Vice Presidents, and top-level executives of the Bank give importance in regularly participating in various activities with the Investor Relations Unit with regard to disclosure of the Bank’s information.

Investor Relations Contact:
Investor Relations Unit: Bangkok Bank Public Company Limited, 333 Silom Road, Silom, Bang Rak, Bangkok 10500
Tel: 0-2626-4981, Fax: 0-2231-4890, Email: ir@bangkokbank.com
Website: www.bangkokbank.com

8. Ensure Engagement and Communication with Shareholders
The Bank gives importance to and encourages the meeting attendance of all groups of shareholders for considering significant corporate matters of the Bank by organizing the shareholders’ meeting at a convenient date, time and place. The Bank prepares a letter of power of attorney for the use of shareholders who are unable to attend the meeting in person to enable them to exercise their rights by giving a proxy to others to attend the meeting on their behalf. The Bank provides opportunities for shareholders to propose meeting agenda and nominate names for appointment to the Board of Directors prior to the shareholders’ meeting, in which case the shareholders shall comply with the criteria of the Bank as shown on the Bank’s website. Additionally, shareholders can send questions relating to the meeting agenda to the Corporate Secretary prior to the shareholders’ meeting.

The 2019 shareholders’ meeting held on April 12 was organized at the Bank’s head office for ease of travel. The Bank posted notice of the shareholders’ meeting, including relevant documents and letter of power of attorney, in both Thai and English versions, on the Bank’s website 30 days in advance of the meeting, as well as posting such information to shareholders through the information channel of the Stock Exchange of Thailand. The meeting was conducted in compliance with the agenda submitted to shareholders, without addition, amendment or change to the sequence of the agenda. Shareholders were provided with an opportunity to raise questions and fully share comments on each agenda item. After the meeting, the Bank prepared and posted minutes of the meeting on the Bank’s website as well as submitting them to relevant authorities within 14 days of the date of the meeting.