

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 with integrity to build the confidence of all stakeholders by setting up sufficient and appropriate internal controls and risk management systems in accordance with the principles of good corporate governance.

Corporate governance policy

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

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

Reporting good corporate governance reflects commitment by the Board of Directors in supporting, encouraging and monitoring the implementation of the corporate governance policy, code of conduct and business ethics, adjusted to suit the Bank's environment and situation, as well as reviewing and revising them to ensure they remain appropriate.

Committees

The Bank has presented detailed information regarding Committees under the "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 the Bank's 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, supervision of adequacy and efficiency of processes in key control functions, controlling and ensuring the compliance of companies in the financial business group with stipulated policies and relevant regulatory rules and regulations, and the establishment of an intra-group transactions policy. The Bank also assigned its directors or executives to hold director positions in companies within the financial business group.

Supervision of inside information usage

The Board of Directors set criteria on the supervision and protection of inside information usage for benefits of their own or third parties in a wrongful way and disseminated the criteria to the Bank's directors, executives and employees for their information and observance. The criteria includes prohibition from using information affecting changes in the price of securities of listed companies, which is known to them but not yet disclosed to the public, to buy or sell securities before such information is generally disclosed to public, and prohibition on directors, executives and personnel involved with the preparation of financial statements from buying, 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 from the level of Executive Vice President upwards, including Accounting and Finance Managers, are required to report any changes of the Bank's securities and derivatives by them, their spouses and their children who have not yet come of age, to the Office of the Securities and Exchange Commission (SEC), in line with the reporting format and within the period specified by the SEC, and notify the Corporate Secretary within three working days from the day of such changes. The Corporate Secretary will present the report on changes in directors' and executives' holdings of securities and derivatives during 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 2017 (the "CG Code"), by applying the CG Code to the Bank's business. The Bank's implementation of the CG Code is detailed 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, creation of value-add 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 shareholders' meetings.

2. Define objectives that promote sustainable value creation

The Board of Directors reviewed and stipulated 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 operational 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 in all circumstances, is to provide quality financial services which 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 short-term and 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; has monitored and supervised the implementation of the Bank's strategy and compared performance reports with the business plan on a regular basis; and has ensured that sufficient resources are allocated for the Bank to follow its business plan.

3. Strengthen board effectiveness

The Board of Directors' size and structure are appropriate for the Bank's business size. 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.

As of December 31, 2020, the Bank's Board of Directors had 18 members. Eight - or 44.44 percent - of the total number of directors are independent directors, namely Mr. Kovit Poshyananda, H.S.H. Prince Mongkolchaleam Yugala, Mr. Phornthep Phornprapha, Mrs. Gasinee Witoonchart, Mr. Arun Chirachavala, Mr. Chokechai Nijianskul, Mr. Siri Jirapongphan and Mr. Pichet Durongkaverroj; 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, the Chairman of the Board of Directors; and nine are executive directors, namely Mr. Deja Tulananda, Mr. Amorn Chandarasomboon, Mr. Singh Tangtatswas, Mr. Chartsiri Sophonpanich, Mr. Suvarn Thanasathit, Mr. Chansak Fuangfu, Mr. Charnporn Jotikasthira, Mr. Boonsong Bunyasaranand and Mr. Thaweelap Rittapirom. Admiral Prachet Siridej resigned from the position of director, effective from December 31, 2020.

Roles, duties and responsibilities of the Board of Directors

The Board of Directors has duties and responsibilities to define and review the Bank's vision, mission and goals; consider strategies and business plans; supervise human resource management; ensure an efficient and effective control and audit system; monitor the progress of the Bank's operations and operating results; determine the interim dividend for shareholders; ensure that the Bank's operations comply with the law, the Bank's policy and resolutions of shareholders' meeting; as well as supervise any related risk management by formulating risk management policies, including risk management methods and procedures, that cover significant risks to the Bank's business operations. The Board of Directors has the authority to approve strategy and short and long-term business plans and policies, business ethics, employee code of conduct, appoint and change high-level executives and any matters that the law or internal regulations of the Bank stipulate must be approved by the Board of Directors.

Separation of roles, duties and responsibilities

The Bank has clear segregation of roles, duties and responsibilities between the Board of Directors and management, as well as separation of positions and duties of the Chairman of the Board of Directors, the Chairman of the Board of Executive Directors, and President, in which all three positions are not held by the same person for efficiency and transparency of the Bank's internal governance and operations. The management manages and drives business operations in accordance with the policies, strategies and goals set by the Board of Directors, which includes determining operating guidelines, operating plans, work systems, work processes, management of human resources and other resources to be suitable and capable of achieving the goals.

Roles and duties of the Chairman of the Board of Directors

The Chairman of the Board of Directors, as the leader of the Board of Directors, is responsible for ensuring the efficient performance of the Board of Directors. Duties of the Chairman of the Board of Directors are as follows:

1. To determine the Board of Directors meeting agendas.
2. To call meetings of the Board of Directors by assigning the Company Secretary to deliver the notice of meeting and documents related to the meeting prior to the meeting.
3. To chair the Board of Directors meeting, conduct the meeting according to the agenda, allocate adequate time for the presentation of each agenda item, and give opportunities and encourage directors to freely express their opinions on issues presented at the meeting.
4. To encourage good relationships between the directors.

The Chairman of the Board of Directors also chairs the shareholders' meeting and conducts the meeting according to the agenda and the Bank's regulations by allocating appropriate time to each agenda item and giving shareholders equal opportunities to ask questions and express their opinions as well as managing responses to shareholders' questions.

Committees

The Board of Directors has appointed five committees, namely the Board of Executive Directors, the Audit Committee, the Nomination and Remuneration Committee, the Risk Oversight Committee, and the Corporate Governance Committee 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.

(a) The Board of Executive Directors

Composition and qualifications

As of December 31, 2020, the Board of Executive Directors comprises eight members from the Board of Directors. The members of the Board of Executive Directors are:

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|------------------|-----------------|--|
| 1. Mr. Deja | Tulananda | Chairman of the Board of Executive Directors |
| 2. Mr. Amorn | Chandarasomboon | Executive Director |
| 3. Mr. Singh | Tangtatswas | Executive Director |
| 4. Mr. Chartsiri | Sophonpanich | Executive Director |

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|------------------|--------------|--------------------|
| 5. Mr. Suvarn | Thansathit | Executive Director |
| 6. Mr. Charnporn | Jotikasthira | Executive Director |
| 7. Mr. Chansak | Fuangfu | Executive Director |
| 8. Mr. Thaweelap | Rittapirom | Executive Director |

Authority and responsibility

1. To consider policies, goals, organizational structure, business plans and annual budgets to propose to the Board of Directors for approval.
2. To control and ensure compliance with the policies, strategy 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 within the scope of authority granted by the Board of Directors.
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 meetings regularly to consider various matters as assigned.

Reporting

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

(b) The Audit Committee

Objectives

The Audit Committee is responsible for overseeing and monitoring the Bank and companies within the Bank's financial business group to ensure they comply with the policies of the financial business group; reviewing financial reports, internal control systems, and practices to comply with the Bank's rules and regulations as accurate, adequate and appropriate; monitoring any conduct that may be inappropriate; monitoring any transactions that may have conflicts of interest or related transactions of directors; selecting and coordinating with the Bank's external auditors.

Composition and qualifications

As of December 31, 2020, the Audit Committee comprises three members, after Admiral Prachet Siridej resigned from the position of Director and Chairman of the Audit Committee, effective from December 31, 2020. The Board of Directors Meeting No. 13/2020 on December 24, 2020 appointed Mrs. Gasinee Witoonchart, an Audit Committee member who has knowledge and expertise in accounting and finance, as the Chairman of the Audit Committee from January 1, 2021 onwards.

The Audit Committee members are:

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|---------------------------------|--------------|---------------------------------|
| 1. Mrs. Gasinee | Witoonchart | Chairman of the Audit Committee |
| 2. H.S.H. Prince Mongkolchaleam | Yugala | Member of the Audit Committee |
| 3. Mr. Arun | Chirachavala | Member of the Audit Committee |

The Audit Committee has a 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 and external auditors, and to consider the independence of an internal audit unit as well as to approve the appointment, transfer, remuneration, assessment and termination of employment of the manager of the 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, as well as 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 material impact on the Bank's financial status and/or operational results, in order for them to be rectified within a stipulated time frame.
10. To hire specialists in specific areas to provide expert advice as the Audit Committee deems appropriate.
11. To perform any other tasks as assigned by the Board of Directors with the consent of the Audit Committee.

Meetings

The Audit Committee schedules meetings at least once every three months to scrutinize matters within the scope of responsibility and may hold additional meetings as necessary and appropriate. In addition, the Audit Committee's charter is reviewed at least once a year. In 2020, the Audit Committee held a total of 18 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 of December 31, 2018, the Nomination and Remuneration Committee comprises three independent directors as follows:

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|---------------------------------|-------------|---|
| 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 a tenure of two years.

Authority and responsibility

1. To determine the policy, criteria and methodology for selecting directors and top-level executives from the level of Executive Vice President upwards.
2. To determine the policy and criteria for the consideration of remuneration and other benefits including the amount of remuneration and other benefits for the directors and top-level executives from the level of Executive Vice President upwards.
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 who are assigned duties and responsibilities directly by the Board of Directors.
 - (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 to the Bank. Those directors who have been assigned increased duties and responsibilities receive higher remuneration accordingly.
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 and may hold additional meetings as necessary and appropriate. In 2020, the Nomination and Remuneration Committee held a total of 11 meetings.

Reporting

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

(d) The Risk Oversight Committee

Objectives

To oversee and ensure that risk management of the Bank and its financial business group is systematic, comprehensive, efficient and effective and is in line with the Bank's strategic plan and overall risk management policy.

Composition and qualifications

As of December 31, 2020, the Risk Oversight Committee comprises two independent directors and two executive directors, namely:

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. Suvarn	Thansathit	Member of the Risk Oversight Committee

Authority and responsibility

1. To establish risk management policies for the Bank and its financial business group which cover:
 - Type of major risks.
 - Risk management for inter-business transactions within the financial business group.
 - Processes and methods for assessing and measuring risks.
 - Controlling and managing risks such as determining risk appetite, etc.
 - Business Continuity Management (BCM) and Business Continuity Plan (BCP).
2. To ensure high-level executives adhere to risk management policies and strategies, as well as manage the business of the financial business group to have an acceptable level of risk.
3. To consider capital management and liquidity management strategies to support the financial business group's risks and to be in line with the 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 changes.

5. To control, monitor, inspect and ensure that companies within the financial business group comply with the established risk management policy. This also includes reviewing the adequacy and effectiveness of the policy at least once a year which is reported to the Board of Directors.
6. To report to the Board of Directors on the risk status, risk management efficiency and status of compliance with the corporate culture, as well as significant factors and problems and issues that need to be revised to be in line with the risk management policies and strategies of the financial business group.
7. To participate in the assessment of the efficiency and effectiveness of the performance of the persons responsible for risk management.

Meetings

The Risk Oversight Committee schedules meetings at least once every three months and may hold additional meetings as necessary and appropriate. In 2020, the Risk Oversight Committee held a total of 13 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 has a duty to support operations of the board under corporate governance and sustainability.

Composition and qualifications

As of December 31, 2020, 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 a 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 supplier code of conduct.
3. To propose 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 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 the 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. In 2020, the Corporate Governance Committee held a total of 4 meetings.

Reporting

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

The summary of the Board of Directors' meetings in 2020 is as follows:

		No. of meetings attended				
Name		Board of Directors Total: 13 meetings	Audit Committee Total: 18 meetings	Nomination and Remuneration Committee Total: 11 meetings	Risk Oversight Committee Total: 13 meetings	Corporate Governance Committee Total: 4 meetings
1. Mr. Piti	Sithi-Amnuai	13/13				4/4
2. Mr. Deja	Tulananda	13/13				
3. Admiral Prachet	Siridej ^{/1}	12/13	13/18			
4. Mr. Kovit	Poshyananda	12/13		11/11		
5. Mr. Arun	Chirachavala	13/13	18/18		13/13	
6. Mr. Singh	Tangtatswas	13/13				
7. Mr. Amorn	Chandarasomboon	13/13			11/13	
8. H.S.H. Prince Mongkolchaleam	Yugala	11/13	16/18	11/11		
9. Mr. Pornthep	Phornprapha	11/13		10/11		
10. Mrs. Gasinee	Witoonchart	11/13	17/18			
11. Mr. Chokechai	Niljianskul	13/13			12/13	4/4
12. Mr. Siri	Jirapongphan ^{/2}	6/6				
13. Mr. Pichet	Durongkaveroj ^{/3}	6/6				
14. Mr. Chartsiri	Sophonpanich	13/13				
15. Mr. Suvarn	Thansathit	13/13			11/13	
16. Mr. Chansak	Fuangfu	12/13				
17. Mr. Charnporn	Jotikasthira	13/13				
18. Mr. Boonsong	Bunyasaranand	10/13				
19. Mr. Thaweelap	Rittapirom	13/13				4/4

Remark s: ^{/1} Admiral Prachet Siridej resigned on December 31, 2020

^{/2} Mr. Siri Jirapongphan was appointed as a director at the 27th Annual Ordinary Meeting of Shareholders on July 10, 2020

^{/3} Mr. Pichet Durongkaveroj was appointed as a director at the 27th Annual Ordinary Meeting of Shareholders on July 10, 2020

Independent directors

The Nomination and Remuneration Committee is responsible to select persons possessing suitable qualifications in accordance with the criteria and procedures specified by the Bank and equivalent to those required under the definition of an independent director 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 an 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 the Bank, 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 a relationship is by blood or 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 an 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 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 out 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 business of the Bank or its subsidiary.
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 that are lacking, 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 a person’s honesty, accountability, ethics and ability to fully devote their time to the duties of a director; the 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, as well as expertise and previous experience. 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 to ensure 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. The Bank will propose the names of persons who have been reviewed by the Nomination and Remuneration Committee to the Bank of Thailand before proposing for approval to appoint as a director.

Prior to the Annual Ordinary Meeting of Shareholders, 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 the nomination process in accordance with the criteria that the Bank has informed shareholders on the Bank’s website. For the 2020 Annual Ordinary Meeting of Shareholders, the Bank allows shareholders to nominate persons from November 1-30, 2019.

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 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 votes of not less than three-quarters of the number of remaining directors.

Remuneration of Directors

The Nomination and Remuneration committee is responsible for determining the remuneration of directors in accordance with the established policies, criteria and methods to be 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.

The remuneration of directors in 2020 consist of three categories as follows:

Monthly Remuneration	
	Unit: Baht
The Board of Directors	
Chairman of the Board of Directors	450,000
Director	250,000
Committees	
Member of the Board of Executive Directors	50,000
Member of the Audit Committee	50,000
Member of the Nomination and Remuneration Committee	50,000
Member of the Risk Oversight Committee	50,000
Member of the Corporate Governance Committee	50,000

The directors who are members of many committees will receive remuneration for only one committee. The directors who are employees will not receive remuneration for their membership in committees.

Bonus (per year)

	Unit: Baht
Chairman of the Board of Directors	5,500,000
Chairman of the Audit Committee	4,000,000
Director	3,520,000

In 2020, the Bank has paid remuneration to directors totaling 128.22 million baht. Details of individual remuneration are shown in the general information section under Remuneration of the Board of Directors for 2020.

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 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 three 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

In 2020, all committees have to conduct their performance assessments to review their performance in the past year in accordance with the scope of duties and responsibilities assigned by the Board of Directors and use the assessment results as guidelines for further improvement of their duties.

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 meeting of each committee to improve its performance to be more efficient. The committees will have to report the assessment results to the Board of Directors.

Orientation for new directors

The Bank hosts an orientation program for newly-appointed directors by introducing them to directors, providing information

related to the operations of the Bank, vision, strategies, business goals, 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.

Development of directors

The Bank recognizes the importance of regularly and continuously promoting and supporting 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, seminars and lectures by knowledgeable speakers from outside the Bank.

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. Charnporn Jotikasthira, Mr. Chokechai Niljianskul, Mr. Chartsiri Sophonpanich, Mr. Suvarn Thansathit, Mr. Pichet Durongkaveroj, Mr. Siri Jirapongphan 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 that will encourage them to continuously learn and develop themselves in various areas. In 2020, major trainings or seminars attended by directors included:

Date	Topic	Name of Director who attended
16 – 22 February 2020	Director Certification Program	Mr. Pichet Durongkaveroj
February-November 2020	Capital Market Academy Program	Mr. Chokechai Niljianskul
29 September 2020	IT and Cyber Security IT Risk Management and Data Governance	Mr. Piti Sithi-Amnuai Mr. Deja Tulananda Admiral Prachet Siridej Mr. Arun Chirachavala Mr. Singh Tangtatswas Mr. Amorn Chandarasomboon H.S.H. Prince Mongkolchaleam Yugala Mrs. Gasinee Witoonchart Mr. Chokechai Niljianskul Mr. Siri Jirapongphan Mr. Pichet Durongkaveroj Mr. Chartsiri Sophonpanich Mr. Suvarn Thansathit Mr. Charnporn Jotikasthira Mr. Boonsong Bunyasaranand

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 meetings 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 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 said authorities as required by relevant laws, rules and regulations.

The Board of Directors' meetings

The Board of Directors holds a monthly meeting during which schedules for the year will be set and notified to all directors in advance. This is for each director to manage their own schedule to attend the meeting. Each director has a duty to attend every meeting or to attend at least 75 percent of all meetings in a year.

In 2020, 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 any resolutions was 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 7 days in advance of 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' scheduled meetings, 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. In 2020, independent directors held one meeting among themselves.

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, get the Board of Directors to consider appointment applications of the qualified candidates for the Bank of Thailand approval before 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 succession to top-level executive positions. In selecting persons with suitable qualifications, consideration will be based on their knowledge, skills, mindset and ideas in terms of strategy, leadership, accountability as well as their decision-making and problem-solving abilities. A preparation and development program is offered to persons under consideration. This includes management and leadership courses both inside and outside the Bank. They will also be assigned to perform duties which will facilitate their learning experience and enhance particular job skills and expertise, including skills in cooperation with other operating units in the Bank.

Directorship in other companies of top-level executives

The Bank has determined criteria on directorships 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, namely the executive chairman, president, executive vice president and executive vice president may assume one or more positions of the chairman of board of directors or executive director of other companies in not more than three business groups, and they may serve as directors of other listed companies both on local and international stock exchanges, limited to not more than five listed companies. Any directorship in other companies of top-level executives must be approved by the Board of Executive Directors.

Remuneration of top-level executives

The Nomination and Remuneration Committee is responsible for considering and proposing the appropriate remuneration of management including the Chairman of the Board of Executive Directors, President, and top-level executives from the level of Executive Vice President upwards for the Board of Directors to consider and approve, and determine the remuneration according to the Bank's policy. The determination of remuneration is linked with both short-term and long-term indicators of the Bank's performance and reflects the performance results of each executive. Those indicators are financial performance, customers, improvement and development of work processes, and human resource development, considering net profit to assets, income growth, credit growth, asset quality, customers' satisfaction, cost management as well as indicators of the Bank's competitiveness compared to other leading financial institutions and companies in Thailand such as overall shareholder returns. This will lead to sustainable success as a trusted partner and reliable close friend.

Assessment of the performance of the Chairman of the Board of Executive Directors and the President

The Bank has 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 and 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 relationships with directors, etc. The Chairman of the Nomination and Remuneration Committee will inform the assessment results to the Chairman of the Board of Executive Directors and the President.

5. Nurturing innovation and responsible business

The Bank provides ongoing support for innovation development, studying and testing, to use advanced technologies which have been developed within the Bank and through collaboration with external entities, in order to provide the 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 access services more easily and quickly. 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 a responsible business, the Bank has guidelines for treating stakeholders of various groups as specified below.

Shareholders

The Bank is committed to conducting its business according to ethical principles and good governance, has clear and appropriate business strategies, manages risk prudently and efficiently, and continuously improves the quality of products and services. To build confidence among shareholders and investors, the Bank discloses information with transparency, communicates with investors according to best practices, observes the rights of all groups of shareholders and ensures that they are treated equally.

Customers

The Bank places the utmost importance on providing quality services that meet customer needs and building good relationships with them as a "trusted partner and reliable close friend" by striving to develop high quality products and services that can meet customer needs, improve work processes with technology, develop service channels to facilitate and provide fair services to customers, protect customer information and manage and rectify complaints, taking into due consideration customers' satisfaction.

Staff

The Bank recognizes that staff are one of its most valuable assets. It has therefore taken good care of and promoted the lives and well-being 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, a health club 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 the overall economic conditions.

(2) Enhancement of staff knowledge and potential

The Bank recognizes and emphasizes the importance of ongoing development of employee capabilities and focuses on building good attitudes and developing potential that will drive the Bank towards being a digital bank by using various and accessible learning opportunities to all groups of employees such as e-Learning, virtual classes, project-based workshops, career development, work rotation, special project assignment and knowledge transfer from experts in the organization to enable employees to further learn and apply their knowledge to create business value.

Moreover, the Bank also promotes the creation of lifelong learning by developing special curricula for employees to choose

from according to their own interests in addition to mandatory courses for employees as required by the Bank. These are Data Driven, Future Leader, Business Solution Provider, Industry & Business, English and Chinese language courses.

(3) Workplace security and health

The Bank provides robust 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 believes that effective counterparty management will help facilitate business operations. The Bank adheres to the principles of treating counterparties according to trade conditions and agreements, follows good practice in the selection of counterparties and gives them fair and equitable treatment. In addition, the Bank supervises and monitors counterparties to deliver products and services as agreed and fosters good relationships with its counterparties.

Competitors in the same business

The Bank conducts its business under a framework of fair competition and follows the laws and regulations regarding the banking business. The Bank respects its competitors and is ready to support and cooperate with them to achieve the overall goals of the banking sector.

Creditors

The Bank maintains a good relationship with creditors by operating in accordance with the contracts or conditions agreed with creditors. The Bank gives its creditors the highest priority on debt repayment within repayment terms by managing capital and liquidity at a sufficient and appropriate level at all times to build confidence with creditors.

Society and community

The Bank supports and takes part in activities that create value for communities and Thai society in areas such as education, tourism, agriculture, community business, religion, Thai traditional arts and culture, and public benefit activities and financial literacy.

Environment

The Bank supports measures and good practices for environmental conservation, encourages efficient utilization of resources, and also organizes activities for employees to jointly protect the environment and conserve energy within the Bank's premises as well as surrounding communities. Furthermore, the Bank also has a policy for providing loans to support activities that help reduce global warming such as renewable energy and transportation infrastructure that uses electric systems.

Other matters

The Bank has established a corporate governance policy, a code of conduct and business ethics practices, 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 right.

(2) Intellectual property or copyrights

The Bank respects intellectual property including copyright and therefore will never be involved in any violation of intellectual property, including copyright, belonging to any person as specified in the Bank's code of conduct and business ethics practices. 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 evidence of illegal acts, concerns about the correctness 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 whistleblowers 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, is corruption-free and will not accept any form of corruption. 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 co-operate 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 signs of misconduct or breaches of the Bank's anti-corruption measures to the Corporate Secretary or Compliance Division, 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 by the Private Sector Collective Action Coalition Against Corruption Council to be a member of the Private Sector Collective Action against 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 2020 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 with 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 clarifications 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 controls 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, leading to significant changes in the working environment and lifestyles. It helps support business operations to be carried out quickly, efficiently and conveniently. However, the increased use of technology may result in some issues that affect business partners as well as the confidence of customers, service providers and stakeholders of the Bank. Connecting businesses and services through online networks has resulted in new risks and cyber threats which have become more serious and complex.

The Bank recognizes the importance of cybersecurity including enhancing cybersecurity processes to have an effective governance system while enabling its staff to respond to complex and rapidly changing cyber threats. In addition, the Bank strives to have technological advancement and sufficient flexibility so it has the productivity and ability it needs to adapt to evolving cyber threats now and in the future.

In 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 personal information of customers. The Bank is continuously working to ensure data 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 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 such as establishing security policies for cloud, biometric and blockchain services; 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 own shareholdings, that of their spouses and their children who have not yet come of age, as well as their directorships in various businesses as well as those of their spouses, 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, on time and 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 the 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 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 is useful for the investments of shareholders, investors, securities analysts and credit rating companies, in accordance with related 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 investor relations activities, such as holding meetings with securities analysts and investors. Due to the conditions resulting from the Covid-19 epidemic, the Investor Relations Unit organized investor relations activities in line with the New Normal by holding virtual meetings with securities analysts, investors and credit rating companies as well as meetings via teleconference. The President, Senior Executive Vice Presidents, and top-level executives of the Bank give importance in participating in various activities with the Investor Relations Unit as follows:

Type of meeting	Number of meetings	Number of companies	Number of participants
Company visit/one-on-one meeting	5	6	11
Conference call	215	219	274
Group analyst and investor meeting	5	201	256
Investor conference	3	78	116
Virtual conference	5	140	162

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 treats all groups of shareholders equally, whether they are minor shareholders, foreign shareholders or institutional investors. All groups of shareholders are entitled to basic rights, such as the right to attend meetings and vote, to receive dividends, to gain information, to elect and remove directors, to appoint auditors, and to set remuneration. In addition, prior to the shareholders' meeting, the Bank provides opportunities for shareholders to propose items for the 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 Bank encourages the meeting attendance of all groups of shareholders to consider 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.

In 2020, the Bank held two shareholders' meetings:

1. Extraordinary General Meeting of Shareholders No. 1/2020 on March 5, 2020 to seek shareholder approval for the acquisition of PT Bank Permata Tbk from Standard Chartered Bank and PT Astra International Tbk.
2. The 27th Annual General Meeting of Shareholders on July 10, 2020, was originally scheduled to be held on April 10, 2020. However, due to the outbreak of Covid-19 and to cooperate with the government to prevent the spread of the disease from the gathering of large numbers of people, the Bank canceled the scheduled annual general meeting of shareholders on April 10, 2020, whereby the Board of Directors approved a second dividend payment to shareholders in lieu of the annual dividend payment. When the situation of the Covid-19 epidemic eased, the Bank held the 27th Annual General Meeting of Shareholders on July 10, 2020 by establishing measures and guidelines to prevent the spread of Covid-19 such as temperature checking, seat spacing arrangements, limitation on the number of seats in the meeting room, provision of alcohol gel, and refraining from providing food and beverages as well as microphones to shareholders during the meeting.

For the shareholders' meetings in 2020, the Bank posted the invitation letter, supporting documents and proxy forms in both Thai and English versions on the Bank's website prior to the meeting. The Bank also informed shareholders through the SET Portal. The shareholders' meeting No. 1/2020 was posted on the website 22 days prior to the meeting while the 27th Annual General Meeting of Shareholders was posted on the website 30 days prior to the meeting. The invitation letter, together with supporting documents and proxy forms, were sent to shareholders by mail. Those for the shareholders' meeting No. 1/2020 were sent 17 days prior to the meeting while those for the 27th Annual General Meeting of Shareholders were sent 21 days prior to the meeting. The invitation letter was announced in newspapers for three consecutive days.

The Bank implemented a barcode system for registration and vote counting and prepared stamp duty for shareholders who wished to give a proxy. Prior to the consideration of the agenda, the Chairman of the Board of Directors, who acted as the chairman of the meeting, assigned the company secretary to notify shareholders about the voting and counting methods. Voting and counting of votes were conducted openly by ballots which were collected only in case the shareholders disagreed or abstained. Shareholder volunteers were selected to witness the vote counting with representatives from the Bank's external auditor. At the shareholders' meeting, the Chairman of the Board of Directors conducted the meeting according to the sequence of the agenda in the invitation letter to the shareholders' meeting. No additional agenda items were added, neither were agenda items edited or switched. The Chairman of the Board of Directors gave shareholders the opportunity to ask questions and express opinions on each agenda item whereby the relevant directors answered and clarified the issues to the shareholders. For the agenda item on election of directors, voting was conducted on an individual basis.

After the shareholders' meeting was completed, the Bank notified the resolutions of the shareholders' meeting through the SET Portal and posted them on the Bank's website within the meeting date. The Bank also prepared the minutes of the shareholder's meeting containing information about shareholders, directors and executives who attended the meeting significant questions and answers, opinions, as well as results of voting on each agenda item (divided into votes for agreeing, disagreeing, abstaining and void ballots). The Bank submitted the minutes of the shareholders' meeting to the relevant authorities within 14 days after the meeting and posted the minutes of the shareholders' meeting in both Thai and English on the Bank's website.