



บริษัท กรุงเทพประกันภัย จำกัด (มหาชน)
Bangkok Insurance Public Company Limited

Corporate Governance Policy

Corporate Governance Policy

The Board of Directors of Bangkok Insurance Public Company Limited strongly believes that good corporate governance is key to improving the Company's standards of operations, transparency, credibility, and competitiveness to achieve business sustainability and success and the highest benefits for all stakeholders. Thus, the Company's Corporate Governance Policy has been developed in order to ensure that the directors, executives, and employees are aware of and comply with the said policy on a regular basis.

The Management Committee shall be responsible for supervising compliance with the policy and evaluating the results thereof as well as proposing recommendations on policy revision to the Corporate Governance Committee for consideration to ensure that the policy is always appropriate and up-to-date.

The Company's Corporate Governance Policy consists of 6 main topics, namely Board of Directors' Responsibilities, Shareholders' Rights and Equality, Stakeholders' Rights, Information Disclosure and Transparency, Risk Control and Management, and Business Ethics. The details are as follows:

Board of Directors' and Specific Committees' Responsibilities

1. Board of Directors' and Specific Committees' Responsibilities

1.1 Corporate Governance Structure

To ensure that the Company's operations meet its vision and business goals efficiently and effectively, and to ensure clear segregation of roles, duties and responsibilities between the Board of Directors and the Management Committee, the Board of Directors has divided the Company's corporate governance structure into the following 2 main categories:

1.1.1 The Board of Directors and another 6 specific committees reporting directly to the Board of Directors, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, the Investment Committee, the Risk Management Committee and the Products Committee.

1.1.2 The Management Committee and another 7 specific committees reporting directly to the Management Committee, namely the Sustainable Development Committee, the Insurance and Indemnification Committee, the Information Technology Committee, the Safety, Occupational Health, and Work Environment Committee, the Information Security Management Committee, the Procurement on Building Management Committee, and the High Loss or Complicated Claims Committee

1.2 Board of Directors and Committees

1.2.1 Qualifications of Directors, Independent Directors, and Audit Committee

Members:

The Board of Directors shall consist of directors with knowledge, expertise, experience, specialized capabilities, and wide-ranging skills, regardless of genders, that are of benefits to the Company. They shall also have a true understanding of their duties and responsibilities as well as the nature of business of the Company. They shall provide independent opinions in making decisions on various matters by taking into consideration the maximum benefits of the Company and fair treatment of shareholders or stakeholders. They shall dedicate their time and efforts in their capacity as directors to the greatest extent possible.

Independent directors shall have additional qualifications as follows:

- (1) Have no more than 0.5 percent of all the eligible votes in the Company, corporations, affiliated companies, associated companies, the Company's major shareholders or having authority to control. This includes related parties' shareholding of a particular independent director.
- (2) Are not or did not use to be the directors having something to do with the Company's administration, nor are they its employees or advisers with a regular salary, nor do they have authority to control of the Company, corporations, affiliated companies, associated companies, affiliated companies in the same order, major shareholders or the party having authority to control except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment. Nonetheless, such prohibited attributes do not include the case of independent directors having been government officials or the government sector's advisers who are major shareholders or have authority to control.
- (3) Are not persons having blood line relationship or through a legal registration in the manner of father, mother, spouse, brother, sister and offspring, including spouse of offspring's of other directors, executives, major shareholders, any party having authority to control, or person who will be nominated as a director, the management or party having authority to control the Company or affiliated companies.
- (4) Have no or did not use to have business relationship, through which the value ranges from 3 percent of all net assets or from Baht 20 million and over, depending on which is the less amount, with the Company, corporations, affiliated companies, associated companies, major shareholders or any party

having authority to control, in the manner that prevents a free discretion. Neither are they nor used to be major shareholders or the party, who has authority to control, of those having business relation with the Company, corporations, affiliated companies, associated companies, major shareholders or the party having authority to control except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment.

- (5) Are not or did not use to be the auditor of the Company, corporations, affiliated companies, associated companies, major shareholders or the party having authority to control. Nor are they major shareholders, the party having authority to control or partner of the auditing office to which the auditors of the Company, corporations, affiliated companies, associated companies, major shareholders, or the party having authority to control except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment.
- (6) Are not or did not use to be providers of any professional services, including providers of services as legal advisers or financial advisers, asset evaluators, who derived a service fee of over Baht 2 million per year from the Company, corporations, affiliated companies, associated companies, major shareholders, or the party having authority to control. Nor are they major shareholders, the party having authority to control, or partner of those professional service providers except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment.
- (7) Not being a director who is appointed to be a representative of the Company's Board of Directors, major shareholders, or shareholders relating to the major shareholders of the Company.
- (8) Not operating a business of the similar nature to or in significant competition with the business of the Company or its subsidiaries. Or, not being a significant partner in a partnership or a director involved in the management, or a worker, an employee, an advisor with regular salaries, or a person holding at least 1% of the total shares with the right to vote of other companies operating a business of the similar nature to or in significant competition with the Company or its subsidiaries.
- (9) Not possessing other characteristics that affect the ability to provide independent opinions.

Independent directors shall possess other qualifications as follows:

- (a) Possessing all qualifications of independent directors
- (b) Are not directors assigned by the Company's Board of Directors to make decisions on the operation of the Company, corporations, affiliated companies, associated companies, affiliated companies in the same order, major shareholders or party having authority to control.
- (c) Not being directors of the parent company, subsidiaries, or associated companies of the same level being companies
- (d) At least 1 audit committee member shall have sufficient knowledge and experience to review the reliability of the financial statements.

Whenever a new director is appointed, the Nomination and Remuneration Committee shall consider and review qualifications of the Company's directors to ensure appropriateness for the new director and to strengthen the whole Board of Directors.

1.2.2 The structure of the Company's Board of Directors is determined by the Company's shareholders' meeting resolutions, but the Board shall comprise at least 5 directors and no less than three-fourths of the total number of directors must be of Thai nationality. Similarly, no more than one-third of the Company's Board shall be executive directors, and at least one-third of the Board, but no few than 3 directors, shall be independent.

1.2.3 Duties and Responsibilities can be divided as follows:

1.2.3.1 Board of Directors

The Board of Directors shall have the role of supervising the Company's operations to ensure that the management complies with the policies and the goals of operations as proposed as well as strives to achieve excellent performance for the benefits of all groups of shareholders and stakeholders.

The Board of Directors shall also take the following actions:

(1) The Company's Board of Directors has authority to implement the following issues.

- (1.1) To consider the appropriateness of an appointment and define the scope of duties and responsibilities of sub-committees, including supporting the performance of sub-committees and departments relating to sub-committees to ensure their efficient duty performance.

- (1.2) To consider an appropriate authorization to the Chief Executive Officer, the President and executives for a swift performance of normal business.
- (1.3) To consider the appropriateness of an appointment of the Company Secretary and define the scope of his/her duties and responsibilities.
- (1.4) To consider the Company's investment and other business transactions which are beyond the amount approved by the Investment Committee.
- (1.5) To consider entering a transaction with a person or juristic person related to the Company's Board director, or regarded as interrelated items/procurement or disposal.
- (1.6) To consider, before presenting to the shareholders' meeting for consideration for approval, the appropriateness of an appointment or discharge of an independent person to serve as the Company's auditor, including defining the remuneration of such person.
- (1.7) To conduct any duties so that they are in accordance with laws, orders and the Company's shareholders' meeting resolutions.

(2) The Company's Board of Directors has duties and responsibilities in the following issues.

- (2.1) To consider, define and approve of the Company's direction, policies, vision, strategies and business plans so that they are in compliance with the framework for risk management, policy on risk management and acceptable risk level as proposed by the management, apart from overseeing the Company's consideration of its sustainable business transactions, and avoidance of undertaking risk that is beyond an acceptable level, including following up the management's performance consequences so that they are efficient and effective in accordance with the strategies and policies defined.
- (2.2) To consider for approval of the policy on good corporate governance, framework for risk management, policy on risk management, report on the Company's overall risk management, risk assessment and financial standing, policy on investment corporate governance, policy on investment and other business

transactions, framework for reinsurance management, policy on conflict of interest, policy on anti-corruption, and policy on whistle blowing, all for the management's implementation. This includes a review of such policies and an evaluation of implementation consequences so that the management can make yearly improvements.

- (2.3) To oversee the Company's performance to ensure that it defines remuneration payment policy for the Company's Board, management and employees with a consideration of the Company's long-term security.
- (2.4) To ensure that the Company has a practical guideline concerning the morality of its business performance, as well as good practices of the Board, management and employees, including an effective communication mechanism for the acknowledgement of the parties concerned.
- (2.5) To ensure that the Company has obvious organizational structure and responsibilities so that it has proper management.
- (2.6) To oversee the Company's performance so that it has appropriate and efficient systems of risk management, internal control and audit.
- (2.7) To oversee the Company's auditor to ensure that he/she makes a management letter and senior executives' opinions and present them to the Company's Board, apart from arranging for a meeting, at least a year, between the Audit Committee and the independent auditor, without the attendance of the Company's Management.
- (2.8) To ensure that the Company has an annual performance evaluation of its Board of Directors, the Chief Executive Officer and the President, including overseeing an arrangement of an effective procedure for an assessment of the Company's executives' duty performance.
- (2.9) To ensure that the Company has disclosure of data on its good corporate governance to the general public.
- (2.10) To oversee the Company's performance so that it has a procedure of financial statements preparation that is accurate, reliable, in accordance with related standards, and discloses significant data accurately, adequately and timely to the public and regulator,

including making a report on the Board of Directors' responsibility for financial statements, which is displayed in the Company's annual report.

- (2.11) To ensure that the Company performs in accordance with laws, regulations and orders related to the Company's business transactions.
- (2.12) To ensure that the Company has fund which is secure and sufficient for its business transactions both currently and in the future, as well as steadily follows up the fund status, including having a procedure or tool overseeing the fund adequacy so that it is at a stable level.
- (2.13) To ensure that the management reports on the Company's significant issues and has an effective data reporting procedure so that the Company's Board will derive sufficient data to completely perform in accordance with its authority, duties and responsibilities.
- (2.14) To oversee the Company's performance so that it treats its customers fairly and has clear steps or procedures in offering its sales and making a claim payment based on the contract, not causing a misunderstanding or taking advantage over customers' misunderstanding.
- (2.15) To generate effective selection procedures and succession plans for the Company's Board of Directors and management. The Board will appoint the Chief Executive Officer and the President as head of the management team responsible for the Company's business performance under the Board's supervision.
- (2.16) To provide a channel for the Company's stakeholders to communicate with the Company's Board in order to inform of useful information or advice to the Company for consideration and implementation in accordance with the defined procedures.
- (2.17) To oversee the use of information technology so that it is in compliance with the Company's business transaction strategies, including overseeing to ensure that there is risk management of information technology and cyber threat.
- (2.18) To ensure that there is a formulation of policies concerning overseeing and risk management of information technology and cyber threat.

(2.19) To conduct any duties so that they are in accordance with laws, orders and the Company's shareholders' resolutions.

1.2.3.2 The separation of the role, duty and responsibility between Chairman of the Board of Directors and the Chief Executive Officer: The Company's Board of Directors has apparently separated the role, duty and responsibility between Chairman of the Board and the Chief Executive Officer to generate the confidence that the Company's business transaction is lawful and in accordance with the principle of good corporate governance as the following:

(1) Chairman of the Board has the following duties and responsibilities

- (1.1) To be the leader of the Company's Board of Directors, taking charge of overseeing and following up the duty performance of the Company's Board and other sub-committees so that it is efficient and achieves the goals as defined in the work plan.
- (1.2) To define the Company's Board's meeting agenda by consulting the Chief Executive Officer, apart from having the measure overseeing that significant issues are put on the agenda.
- (1.3) To be the chairman of the Board's meeting and shall have the casting vote in the event of a tied vote.
- (1.4) To convene the Board's meeting or may give a mandate to any person to attend the meeting instead.
- (1.5) To be the chairman of shareholders' meeting and control the meeting so that it goes in compliance with the agenda defined.
- (1.6) To enhance the standard of the Company's Board's good corporate governance.
- (1.7) To provide enough time for the management staff to propose the meeting agenda, and Board directors to cautiously and comprehensively debate significant issues, including encouraging Board directors to use circumspect discretion and give independent opinions.
- (1.8) To promote a good relationship between executive directors and non-executive directors, and between the Company's Board and management staff.

(1 . 9) To ensure that all Board directors take part in promoting organization culture of sound morality and good corporate governance.

(2) The Chief Executive Officer has the following duties and responsibilities

(2 . 1) To oversee the Company's business transaction so that it is in accordance with the Company's vision, strategic plan, business goal and policy as assigned by the Company's Board of Directors, including performing in compliance with related laws, rules and regulations.

(2 . 2) To follow up and evaluate the Company's operating performance and constantly make a report on significant performance consequences to the Company's Board.

(2 . 3) To ensure that there is an issuance of regulations and proclamations so that the work performance is based on the policy and related laws.

(2 . 4) To ensure that there is an appointment of a sub-committee and determination of its scope of duties and authority.

(2.5) To consider for approval of investment and expenses on an ordinary business transaction in an amount defined.

(2.6) To conduct any duties assigned to him by the Board of Directors.

1.2.4 Board of Directors' Meetings

(1) At least 4 Board meetings per year shall be determined in advance in order to ensure that all directors are aware of and allocate time to attend the meetings. Special meetings may be held as deemed necessary.

(2) An invitation letter to the Board meeting and meeting agenda supporting documents shall be submitted to all directors for consideration at least 7 days before the meeting. All directors may propose matters to be part of the meeting agenda through the Company Secretary.

(3) At each Board meeting, the chairman of the meeting shall allocate time for presentation, discussion, and making comments or enquiries. The chairman shall allow and support each director to provide opinions freely.

(4) In considering each agenda item, the particular director who has conflicts of interest in the matter shall not have the right to vote and shall not be present at the meeting during the time of consideration of the matter.

- (5) Directors may seek additional clarification or examination of documents relating to the matter to be considered from the Chief Executive Officer or the Company Secretary.
- (6) The Board of Directors encourages non-executive directors to arrange meetings between themselves. In this regard, the Company Secretary is assigned to facilitate meetings upon requests from non-executive directors.

1.2.5 Specific-Purpose Committees The Company's Board of Directors has appointed 6 committees, consisting of Board directors and/or executives, in order to help consider significant work cautiously, with the following components and scope of duties and authority.

1.2.5.1 The Audit Committee consists of at least 3 independent directors, each having a three-year term.

Duties and Responsibilities

- (1) To review the Company's financial reports to ensure completeness, accuracy, reliability, full disclosure of important information, and compliance with generally accepted accounting principles.
- (2) To review and evaluate results to ensure that the Company has in place appropriate, effective, and tight internal control, internal audit, and risk management systems according to international standards. Also, to determine authority, duties, responsibilities, and independence of the internal audit function and to consider and endorse appointment, transfer, and termination of employment of the top executive of the internal audit function.
- (3) To review to ensure that the Company complies with securities and exchange laws, provisions of the Stock Exchange of Thailand, non-life insurance laws, requirements of the Office of Insurance Commission, and other laws related to the Company's business.
- (4) To consider, select, nominate, and terminate employment of an independent person to be the auditor of the Company as well as to propose service fees for such person. To attend at least 1 meeting per year with the auditor without the presence of the management.
- (5) To consider related party transactions or transactions with possible conflicts of interest to ensure compliance with laws and requirements of the Stock Exchange of Thailand and maximum benefits to the Company.
- (6) To provide recommendations to the management to supervise operations to ensure efficiency and effectiveness. To report to the Board of Directors

to take corrective actions within the deadlines as deemed appropriate by the Audit Committee in the case where the Audit Committee identifies or suspects that the following transactions or actions are undertaken:

- (a) Transactions that cause conflicts of interest.
 - (b) Frauds, irregularities, or significant weaknesses in the internal control system.
 - (c) Violations of non-life insurance laws or other laws related to the Company's business.
- (7) To prepare the Report of the Audit Committee to be disclosed in the Company's annual report. The said Audit Committee's report shall be signed by the Chairman of the Audit Committee and must contain at least the following details:
- (a) Opinions regarding correctness, completeness, and reliability of the Company's financial statements.
 - (b) Opinions regarding adequacy of the Company's internal control system.
 - (c) Opinions regarding compliance with securities and exchange laws, requirements of the Stock Exchange of Thailand, or other laws related to the Company's business.
 - (d) Opinions regarding suitability of the auditor.
 - (e) Opinions regarding transactions with possible conflicts of interest.
 - (f) The number of the Audit Committee's meetings and attendance of each committee member.
 - (g) Opinions or overall findings which the Audit Committee received from performing duties according to the charter.
 - (h) Other items deemed to be disclosed to the shareholders and general investors according to the scope of duties and responsibilities assigned by the Board of Directors.
- (8) To verify a self-evaluation form relating to anti-corruption measures to ensure that the Company possesses effective anti-corruption systems as reported in the IOD's self-evaluation form.
- (9) To perform other tasks as assigned by the Board of Directors and as agreed upon by the Audit Committee.

The Audit Committee's Meeting

There shall be at least 4 Audit Committee's meetings per year.

1.2.5.2 The Remuneration and Nomination Committee comprises at least 3 members, each having a three-year term. The committee chairman and at least one of its members have to be independent directors.

Duties and Responsibilities

- (1) To ensure that the composition and number of members are appropriate.
- (2) To consider and propose the nomination of persons to replace directors who retire by rotation, resign, etc. to the shareholders or the Board of Directors for consideration and approval of appointment as the case may be and according to the Company's Articles of Association.
- (3) To consider and propose the nomination of persons to replace the Chief Executive Officer and the President who complete office term, resign, etc. to the Board of Directors for consideration and appointment.
- (4) To supervise and determine the policy on remuneration and other benefits of the Board of Directors, the Chief Executive Officer, and the President to be commensurate with their duties and responsibilities towards the organization.
- (5) To ensure that there are the succession plans for the Chief Executive Officer and the President.

The Nomination and Remuneration Committee's Meeting

There shall be at least 1 Nomination and Remuneration Committee's meeting meeting per year whereas the meeting shall be held on an ad-hoc basis and as deemed necessary.

1.2.5.3 The Corporate Governance Committee consists of at least 3 members, who are directors and/or executives, each having a three-year term. The committee chairman has to be an independent director.

Duties and Responsibilities

- (1) To consider, determine, and review the Company's Corporate Governance Policy to ensure compliance with the principles of good corporate governance and appropriateness.
- (2) To consider, determine, and review the Company's business code of conduct as well as the desirable practices of its directors, executives, and employees.
- (3) To monitor and ensure consistent and proper compliance with the Company's Corporate Governance Policy and business code of conduct.

- (4) To report the performance of duties regarding corporate governance to the Board of Directors and provide opinions regarding the practices and recommendations for corrective actions as appropriate.

The Corporate Governance Committee's Meeting

There shall be at least 1 Corporate Governance Committee's meeting per year which shall be held on an ad-hoc basis and as deemed necessary.

- 1.2.5.4 The Investment Committee** comprises at least 3 members, who are directors or executives, each having a two-year term as well as knowledge, skills and experiences in investment management, risk management or stocks analysis, apart from defining the Company's investment policy and other business transaction policies as appropriate.

Duties and Responsibilities

- (1) To define an investment policy and other business transaction policies appropriate and flexible to changing situations, with a consideration of risks and related laws, before presenting it to the Board for consideration for approval.
- (2) To consider and give approval for rules and orders and practice procedures of the Company's investment.
- (3) To consider for approval of investment in an amount of over Baht 500 million per investment, but not exceeding Baht 800 million. If it is over Baht 800 million per investment, it has to be presented to the Board for further consideration for approval.
- (4) To oversee the status of the Company's investment capital.
- (5) To verify and adjust the Company's investment policy to ensure its appropriateness to changing circumstances.
- (6) To have another duty to oversee other business transactions, with the duties and responsibilities, as well as an investment amount being defined in the same manner as those of the Investment Committee.

The Investment Committee's Meeting

A minimum of one meeting every three months.

- 1.2.5.5 The Risk Management Committee** comprises at least 5 members, who are at least a director, and executives or specialists who have sound knowledge and understanding of the Company's risks of business transactions, each having a two-year term.

Duties and Responsibilities

- (1) To define, consider and review the risk management framework, as well as risk management policy and scope so that they cover various types of principal risks which may have an impact on the Company's income, fund, reputation or existence, at least in compliance with those required by laws, apart from reviewing the report on the Company's overall risk management and risk assessment, as well as financial strength, before presenting it to the Board for consideration for approval.
- (2) To oversee and support the Company's implementation of its risk management in line with its strategies and business transaction goals.
- (3) To evaluate the adequacy of the Company's risk management measures and risk management efficiency and effectiveness.
- (4) To provide for a meeting in order to follow up the risk status, apart from the progress of risk management and the provision of recommendations for what has to be improved or modified so that they are in accordance with the risk management framework and policy, strategies and the organization's acceptable level of risk as defined, and report it to the Board for acknowledgement at least once every three months.
- (5) To support the performance and promote the generation of risk management culture throughout the organization in order to enable all departments to fulfill the organization's risk management goals.
- (6) Arrange management plans and measures in response to an emergency risk.

The Risk Management Committee's Meeting

A minimum of one meeting every three months.

1.2.5.6 The Products Committee comprises at least 9 members, who are at least a director or executive or specialist who have sound knowledge and understanding of the Company's products, and department heads or specialists equivalent to department heads related to a product release, each having a two-year term.

Duties and Responsibilities

- (1) To define the framework and policy on product issuance and present it to the Board for consideration for approval, through a combination of the Company's risks, strategies and funds, including taking into

consideration the insurance principle, actuarial principle, laws, as well as appropriateness and fairness to customers.

- (2) To oversee the Company's performance with respect to product issuance so that it is in compliance with the vision, strategies, financial goals and work plans defined by the Board.
- (3) To ensure that the Company practices in accordance with related laws, rules and regulations, apart from overseeing and following up insurance product issuance.
- (4) To ensure the Company's fair treatment to its customers.
- (5) To oversee the personnel involved with products so that they are prepared, in both the quality and quantity, and in conformity with a business amount.
- (6) To oversee and follow up the Company's performance, aimed at its preparedness and efficiency in the product distribution.
- (7) To report on data concerning product issuance to the Board at least once every three months.

The Products Committee's Meeting

A minimum of one meeting every three months.

1.3 Company Secretary: The Board of Directors shall be responsible for appointing and determining qualifications, duties, and responsibilities of the Company Secretary as follows:

1.3.1 Qualifications of the Company Secretary

- (1) Having knowledge and an understanding of the Company's business as well as roles and responsibilities regarding corporate secretarial tasks such as duties regarding directors and the Company. Also, having knowledge about relevant laws, rules and regulations. Studying and keeping abreast of information and news for consistent work improvement.
- (2) Complying with laws, rules, regulations, and the Company's Articles of Association with responsibility, prudence, honesty, integrity, commitment, dedication, and support for the operations to achieve the Company's goals subject to the principles of good corporate governance and the business code of conduct.
- (3) Adhering to morality and ethics and taking into consideration all groups of stakeholders by refraining from any actions that may damage the Company's reputation and image.
- (4) Not seeking personal benefits from business opportunities of the Company as well as maintaining confidentiality of the Company's information.

- (5) Having good interpersonal skills and being able to contact and coordinate with internal and external parties.

1.3.2 Scope of Authority and Duties of the Company Secretary

- (1) To provide preliminary advice in respect of laws, rules, and the Company's Articles of Association to directors as required and to ensure their proper and consistent compliance therewith. Also, to report any significant changes or updates of laws and regulations to directors.
- (2) To arrange shareholders' meetings and Board of Directors' meetings according to laws, the Company's Articles of Association, and desirable practices.
- (3) To take minutes of shareholders' meetings and Board of Directors' meetings. Also, to follow up to ensure that resolutions of shareholders' meetings and Board of Directors' meetings are complied with.
- (4) To prepare and keep a registry of directors, annual reports, invitation letters to shareholders' meetings, invitation letters to Board of Directors' meetings, and minutes of meetings.
- (5) To keep beneficial interest reports submitted by directors and executives and submit copies thereof to the Chairman of the Board of Directors and the Chairman of the Audit Committee for acknowledgement within 7 business days from the date of receiving such reports.
- (6) To ensure information disclosure and report submission within the scope of responsibilities to supervisory bodies according to regulations and requirements of government authorities.
- (7) To contact and communicate with general shareholders to inform them of rights of shareholders and news of the Company.
- (8) To handle activities of the Company's Board of Directors.
- (9) To perform other tasks as required by notifications of the Capital Market Supervisory Board.

1.4 Management Committee and Specific Committees

1.4.1 The Management Committee shall consist of executive directors and executives appointed by the Company's Chief Executive Officer. The Management Committee has duties and responsibilities for the operating performance based on the strategies and policies defined by the Company's Board of Directors so that the Company will fulfil its goals and objectives of business transactions.

Duties and Responsibilities

- (1) To verify, before presenting to the Board of Directors for consideration, the Company's vision, strategies, business goals, and annual budgets.

- (2) To take charge of the Company's business transactions so that they go in accordance with its strategies, business performance policies, the framework for risk management and acceptable risk level as approved by the Board, with a consideration of the long-term value generation and sustainable business transactions.
- (3) To verify, before presenting to the Board of Directors for consideration, the procurement or disposal of the Company's major assets.
- (4) To encourage and support the Company so that it has appropriate and efficient systems of risk management and internal control, apart from following up to ensure that the Company accurately performs in accordance with related laws, regulations and orders as well as fairly treats the insured.
- (5) To ensure that the Company has an implementation based on its policy on corporate governance, as well as an evaluation of its consequences, including suggestions for the Corporate Governance Committee's consideration.
- (6) To report accurately, adequately and timely to the Company's Board of Directors on significant data relating to the Company's operating performance and risk level as well as the management's performance consequences so that the Board can efficiently oversee and follow up the Company's operating performance.
- (7) To clearly define each department's structure of line of command, duties and responsibilities, aimed at its efficient risk management, supervision, control and audit.
- (8) To encourage the Company to have the risk management culture through overseeing and controlling its risk so that it has a risk appetite, including communicating with and providing knowledge to all employees concerning the framework for risk management and policy on risk management.
- (9) To provide for an annual performance evaluation of the Company's management by comparing it with the goals defined by its Board of Directors and reporting the consequence to the Board.
- (10) Shall not work full-time for other agencies except that the Company' Board of Directors has considered that such work does not affect an efficient performance for the Company.
- (11) To take charge of and ensure that a report on the Company's overall risk management, risk assessment and financial standing is correct, precise, complete and in conformity with the defined laws.
- (12)]To conduct any duties assigned to them by the Board of Directors.

1.4.2 Specific Committees: The Management Committee has appointed executives as members of the 7 specific committees to help review important matters and ease the workload of the Management Committee. Each specific committee has its composition and scope of responsibilities as follows:

1.4.2.1 The Sustainable Development Committee comprises at least 7 executives from various business units, each having a two-year term and at least one meeting every month.

Duties and Responsibilities

- (1) To oversee and support the implementation of activities promoting the Company's sustainable culture, such as BKI Spirit (Cool, Agile, Friendly) and the culture "Your Caring Partner".
- (2) To oversee and support the implementation of CSR activities under the guideline of sustainable development, in cooperation with the Bangkok Insurance Foundation, in order to perform connectively and fulfill the Company's CSR goals.
- (3) To consider and encourage the Company's performance supporting its responsibilities to society and the environment.
- (4) To consider new activities or projects affecting the organization development to keep pace with the Company's alteration and sustainable growth.
- (5) To define the direction of formulating a plan to increase the performance efficiency and a plan for personnel development so that they are in compliance with the Company's strategic plan, besides providing suggestions on presenting a work plan of business units.
- (6) To consider presenting to have the Company nominate for awards organized by external agencies, and control them till the goal is accomplished.

The Sustainable Development Committee's Meeting

A minimum of one meeting every two months.

Reporting Make a report on the performance consequence to the Company's Management Committee at least twice a year.

1.4.2.2 The Underwriting and Claims Committee comprises at least 3 executives, each having a two-year term and at least one meeting every three months, having knowledge, expertise and understanding of underwriting and a consideration of each category of risks, including reinsurance.

Duties and Responsibilities

- (1) To define the policy on underwriting, reinsurance and claims management appropriate and flexible to changing conditions, with a consideration of risks and related laws, before presenting them to the Management Committee.
- (2) To consider for approval of a guideline for defining premium rates.
- (3) To verify and adjust the policy on underwriting, reinsurance and claims management so that it is appropriate for changing circumstances.
- (4) To define a policy, business plan and strategy giving significance to creating and transferring, in writing, the culture of a fair treatment to customers, apart from communicating and transferring the culture of a fair treatment to customers to all departments and personnel relating to customer service provision, including policy presenters for sale in all of the Company's channels.
- (5) To consider for approval of the scope of authority of underwriting and claims. To consider for rules and orders on underwriting, reinsurance and consider claim payment of the Company.
- (6) To consider for approval of the scope of authority of underwriting and claims.

The Underwriting and Claims Committee' Meeting

A minimum of one meeting every three months.

Reporting Make a report on the performance consequence to the Company's Management Committee at least twice a year.

1.4.2.3 The Information Technology Committee is composed of at least 5 executives, each having a two-year term and at least one meeting every three months, having knowledge, expertise and understanding of the information technology and work system.

Duties and Responsibilities

- (1) To define the policy and strategy on the utilization of the information technology in the work performance and support of the Company's strategy.
- (2) To consider for approval of the new work plans or projects relating to the use of the information technology in support of the work performance.
- (3) To consider for approval, in principle, of the work plans or projects, including the budget concerned with the information technology.

- (4) To consider for approval of the procurement on the information technology work to generate the greatest benefit to the organization.
- (5) To follow up the success of the utilization of the information technology in various projects or work plans.
- (6) To review the policy and strategy on the use of the information technology in the work performance if they are not in accordance with the objectives.

The Information Technology Committee' Meeting

A minimum of one meeting every three months.

1.4.2.4 The Safety, Health and Environmental Committee consists of 12 members, including 1 representative of the employer, 5 representatives of the superior level, and 6 representatives of operational employees, each having a two-year term and at least one meeting every two months.

Duties and Responsibilities

- (1) To make a survey, at least once a month, on safety, hygiene and working environment.
- (2) To make a report and suggestion to the employer on the measure or guideline for improvement so that it is in compliance with the law on work safety and/or work security standards, aimed at the safety for work performance of employees, contractors and outsiders who come in to work for or use the service of a manufacturing establishment.
- (3) To encourage and support activities on safety, hygiene and working environment of a manufacturing establishment.
- (4) To define safety regulations and work safety standards of a manufacturing establishment, and present them to the employer.
- (5) To formulate policies and annual work plans on projects or activities on safety, hygiene and working environment in order to prevent and reduce accidents, hazards or illness stemming from work, or work insecurity, and present them to the employer.
- (6) To carry out a project or plan on training related to safety, hygiene and working environment, apart from the training on roles, duties and responsibilities for a safety issue of employees, work chiefs, executives, employers and all levels of staff in order to present it to the employer.
- (7) To follow up the progress of the issue presented to the employer.

- (8) To report to the employer on the annual performance consequence, including problems, impediments and suggestions for the Committee's performance when the one-year duty performance period is due.
- (9) To perform other duties related to safety, hygiene and working environment, as assigned by the employer.
- (10) To carry out the effective 5s activity and practice it constantly.

The Safety, Health and Environmental Committee's Meeting

A minimum of one meeting every two months.

Reporting Make a report on the performance consequence to the Company's Management Committee at least twice a year.

1.4.2.5 The Information Security Management Committee

Duties and Responsibilities

- (1) To define the policy, objectives, structure and duties and responsibilities regarding information security.
- (2) To encourage the organization to give priority to the fulfillment of objectives of information security, practices in conformity with the policies and laws, including a necessity for a steady improvement and development of information security within the organization.
- (3) To support resources for the system establishment, utilization and management, inspection and review, maintenance, including an improvement of the information security management system.

The Information Security Management Committee's Meeting

A minimum of one meeting every two months.

Reporting Make a report on the performance consequence to the Company's Management Committee at least twice a year.

1.4.2.6 The Procurement on Building Management Committee

Duties and Responsibilities

- (1) To define the policy and strategy on the overall procurement on the building management, including a review of the policy so that it fulfills the Company's goals.
- (2) To consider for approval, in principle, the work plans and projects, including the budget concerned with the building management, besides following up the success of those work plans and projects.
- (3) To consider for approval, in due time, of general expenses and those for specific or routine work/projects, in an amount of over Baht 500,000.

- (4) To consider for approval of the determination of the rent of office buildings and the investment relating to the rented buildings.

The Procurement on Building Management Committee's Meeting

A minimum of one meeting every three months.

1.4.2.7 The High Loss or Complicated Claims Committee

Duties and Responsibilities

- (1) To scrutinize and make judgment on complicated issues or ones having high damages of Baht 50 million and over. A complaint consideration has to be completed within 30 days, starting from the date the complaint is filed or additional documents are provided (if any).

The High Loss or Complicated Claims Committee's Meeting

A minimum of one meeting per year.

1.5 Director and Executive Development

The Board of Directors has the policy requiring new directors to participate in orientation sessions to gain knowledge about business undertakings of the Company and encouraging them to attend training courses arranged by the Thai Institute of Directors Association (IOD) pertaining to directors' duties on an ongoing basis. The Board of Directors also supports high-level executives attend training courses regarding the Company's business operations to gain more knowledge and support their performance of duties.

1.6 Conflicts of Interest

The Company's Board of Directors has defined a policy on conflicts of interest by requiring its directors, management and employees to refrain from doing business transactions competing with the Company, and related party transactions with themselves and related persons or juristic persons who may cause conflicts of interest with the Company. In the case where it is necessary to do crossover transactions and those with conflicts of interest, the Board has defined the following practice guidelines.

- (1) Consider the transaction with prudence and transparency, as well as the necessity of such transaction, with a consideration of maximum benefits to the Company.
- (2) Perform in strict compliance with related laws. As for crossover transactions and those with conflicts of interest, they shall be presented, before presenting to the Board of Directors for consideration, to the Audit Committee for consideration and opinions. Directors who are stakeholders in any transaction are not allowed to take part in the consideration.
- (3) Completely report and disclose data on related party transactions in accordance with the SET's notifications.

1.7 Policy on the Chief Executive Officer's Holding Office of Director in Other Companies

The Company's Board of Directors has a policy on allowing the Chief Executive Officer to hold office of director in other listed companies. In this regard, the Company will have to report on its Chief Executive Officer's holding office of director in other listed companies to the Board's meeting every time when this happens.

2. Rights and Equality of Shareholders

- 2.1 The Board of Directors has the policy to support shareholders to monitor the Management Committee's performance to the fullest extent possible. Thus, importance is given to shareholders' meetings, especially the disclosure of complete information to the shareholders to support their decisions made on various matters. The shareholders shall be allowed to submit questions in advance and receive fair treatment about attending the meeting, especially in terms of date, time, and venue of the meeting.
- 2.2 The Board of Directors has the policy to allow minority shareholders to propose meeting agenda for the annual general meeting of shareholders and nominate persons with appropriate knowledge, capabilities, and qualifications to be elected as directors in advance from 1 October – 31 December of each year. The Company shall inform the shareholders through the communications channel of the Stock Exchange of Thailand and through the Company's website www.bangkokinsurance.com. The procedures and forms for proposing meeting agenda for the annual general meeting of shareholders as well as names of persons for consideration of election as directors in advance are posted on the Company's website. Furthermore, the Company facilitates convenience to minority shareholders of the Company who are individual shareholders or several shareholders holding a total of not less than 10,000 shares by allowing them to propose meeting agenda for the annual general meeting of shareholders and names of persons for consideration and election as directors in advance through the Company's website.
- 2.3 The Board of Directors has the policy to hold the annual general meeting of shareholders within 4 months from the last day of the accounting year. The Company shall submit an invitation letter to the meeting, containing date, time, and venue of the meeting, meeting agenda, and necessary supporting documents as well as opinions of the Board of Directors for each agenda item to the shareholders at least 14 days before the meeting whether the meeting agenda items are for general purposes or for the purpose of securities offering. The Board of Directors has the policy to announce the schedule of the shareholders' meeting as well as the meeting agenda on the Company's website more than 30 days in advance of the meeting.

- 2.4 The Board of Directors has the policy to prepare an invitation letter to the shareholders' meeting and supporting documents in English for submission to foreign shareholders.
- 2.5 The Board of Directors has the policy to facilitate convenience to the shareholders who are unable to attend the shareholders' meeting in person by giving the shareholders the proxy forms, document/evidence requirements, and advice regarding the assignment of proxies clearly. There are no conditions that make it hard for the shareholders to assign their proxies to attend the meeting on their behalf.
- 2.6 At the shareholders' meeting, the Board of Directors has the policy to allow all directors, especially chairmen of different committees, and high-level executives to attend the meeting to answer questions of shareholders on particular agenda items. If the directors/executives cannot attend the meeting, they may assign other directors to answer questions related to them on their behalf. The Chairman of the Board of Directors who also acts as chairman of the shareholders' meeting shall allow the shareholders to raise questions and provide opinions or recommendations equally.
- 2.7 The Board of Directors has the policy that the shareholders' meeting shall consider and approve directors' remuneration according to the remuneration payment criteria as proposed by the Nomination and Remuneration Committee and endorsed by the Board of Directors on an annual basis.
- 2.8 The Board of Directors has the policy to give the shareholders the right to vote equally. That is, one share is entitled to one vote. Apart from the right to vote, the shareholders have other basic rights according to laws such as the right to receive a fair share of profits and dividends and the right to receive equitable treatment regarding repurchase of shares by the Company.
- 2.9 The Board of Directors has the policy on the use of insider information as follows:
- 2.9.1 To raise awareness of directors, executives, and employees of the Company about doing business with the principles of good corporate governance and exercising caution when taking actions or giving information that may affect the said principles
 - 2.9.2 To prohibit directors, executives, and employees of the Company from sharing non-public news and information with significant impacts on prices of securities in order to seek personal profits or benefits directly or indirectly
 - 2.9.3 To prohibit directors, executives, and employees of the Company who have acquired information with significant impacts on prices of securities from trading securities of the Company from the following dates until such insider information is disclosed to the public. In this regard, the trading is allowed 24 hours after the date of disclosure.
 - 2.9.3.1 For the operating results of Q1, from 15 April
 - 2.9.3.2 For the operating results of Q2, from 15 July
 - 2.9.3.3 For the operating results of Q3, from 15 October

2.9.3.4 For the operating results of Q4, from 31 January

- 2.10 The Company's Board of Directors has a policy on reporting security transference and trading-in-advance contract for Board directors and executives by requiring its Board directors and executives to have duties on making a report on security transference and trading-in-advance contract of the company in which they have security arrangements, or a person with whom they have relation may have, such as spouse or a person with whom they live as a husband or wife, an immature child and a juristic person with whom the afore-mentioned persons hold shares, totaling more than 30 percent of the total number of voting rights in such juristic person, and the total of such shareholding is the highest proportion in that juristic person. A report on security transference and trading-in-advance contract must be submitted to the SEC Office within the time defined by laws, while a report duplicate must be submitted to the Company Secretary for acknowledgement so that he/she will summarize and report it to the Board's meeting for acknowledgement each quarter.
- 2.11 The Company's Board of Directors has a policy on reporting Board directors' and executives' stakeholding by requiring the Company's Board directors and executives to make a report on their stakeholding and submit it, within 7 working days starting from the day the reported data is altered, to the Company Secretary for acknowledgement so that he/she will summarize and report it to the Board's meeting for acknowledgement in the first quarter of each year.

3. Rights of Stakeholders

The Board of Directors realizes the rights of all groups of stakeholders and is strongly committed to ensuring that each group of stakeholders receives their rights based on righteousness and fairness. Thus, the Board of Directors has determined the relevant policy as follows

- 3.1 Customers:** The Company shall strive to meet all customers' needs to the greatest extent possible with quality services to exceed customers' expectation.
- 3.2 Trading Partners:** The Company treats its trading partners as business alliances and gives fair treatment in terms of the trading partner selection process and performance evaluation. The trading partners will be given opportunities to provide opinions and suggestions for joint business operations. Furthermore, the Company gives equal news and information to its trading partners. To protect the rights of its trading partners, the Company shall not disclose trade secrets of its trading partners to other persons.
- 3.3 Shareholders:** The Company is strongly committed to conduct business to achieve solid operating and create satisfaction for its shareholders with good and consistent rates of

return. The Company shall maintain its leader position in the non-life insurance business with continued profit growth and a sustainable reputation.

3.4 Employees: The Company treats its employees as its most valuable resources and strives to take the following actions:

- (1) The Company shall select and recruit employees whose skills and experiences are suitable for job descriptions regardless of differences in terms of genders, races, religions, and educational institutions. Such differences shall not limit opportunities to join the Company's workforce.
- (2) The Company shall provide its employees with reasonable rates of compensation and benefits in line with those of peer companies in the same industry. Also, the Company shall have established an employees' provident fund scheme to provide financial security for its employees upon retirement or leaving employment.
- (3) The Company shall retain its employees and provide them with opportunities for personal development to achieve career advancement along with the Company. Differences in terms of genders, races, religions, and educational institutions shall not be used as constraints to limit the opportunities to receive such development.
- (4) The Company shall build a positive work environment by ensuring safety and occupational health at the workplace while safeguarding its employees' assets.
- (5) The Company shall not disclose personal information of its employees to irrelevant parties except for the purpose of performing duties according to laws or for the benefit of the whole.

3.5 Competitors: The Company shall compete commercially with others under a good competition framework. It shall not infringe trade secrets of its competitors through fraudulent or inappropriate means. Also, it shall not destroy the reputation of its competitors by making false accusations against them.

3.6 Creditors: The Company shall treat each and every creditor with equality and fairness based on the principles of honesty and fairness for both parties. The Company shall strictly comply with agreed upon commitments. In the case where the Company is unable to comply with agreed upon conditions or defaults on payments; it shall inform the concerned creditors in advance without hiding facts in order to jointly identify solutions quickly and fairly. In addition, the Company shall manage its capital funds to have an appropriate structure in order to support its business operations and secure trust from its creditors.

3.7 Society and Environment: The Company realizes the importance of taking responsibility for society and environmental conservation and thus strives to take the following actions:

- (1) To build awareness of its executives and employees at all levels about the importance of doing good deeds for society. It is the Company's obligations to take part in these good cause activities.
- (2) To support social contribution activities such as providing aid for disadvantaged people and those affected by disasters as well as preserving archaeological objects with cultural and artistic values in the Thai history.
- (3) To allocate budgets to support social contribution activities on an ongoing basis.
- (4) To promote education for disadvantaged people by focusing on providing vocational trainings in areas that are lacking manpower for further country development.
- (5) To build a network of collaboration between partner organizations in the implementation of projects to achieve specified goals; and to extend help or activities to a wider scope to cover all remote areas in Thailand.
- (6) To develop a sense of responsibility for natural resource conservation and environmental development in a sustainable manner.

3.8 The Government Sector: The Company shall conduct business within the scope of legal provisions. It shall maintain good relationships with its government supervisory bodies by contacting and coordinating openly and providing collaboration in sharing news and information upon their requests. This is to reflect the Company's transparency and to secure confidence and trust between the Company and its supervisory bodies.

3.9 Compliance with the Principles of Human Rights: The Company shall comply with the principles of universal human rights appropriately. It shall provide knowledge and understanding of human rights to its employees for application to operations.

3.10 Intelligence Property or Copyrights

- (1) The Company encourages its employees to constantly initiate or create new products in terms of work guidelines, product designs, and computer programs. This is not only for the benefit of its business but also for the capacity building of its employees. However, any products created by its employees while working for the Company according to the Company's assignments or based on the use of the Company's information or as a result of knowledge gained from working for the Company, shall be treated as the Company's products solely. Such product information as well as other trade secrets and confidential information of the Company shall not be disclosed without its prior approval.
- (2) The Company has stipulated the policy and regulations to prevent violations against the copyright law and the Computer-related Crime Act and communicate such policy and regulations across the organization. The Company has in place the process to control compliance with the regulations efficiently.

3.11 Anti-corruption Measures

The Company's Board of Directors has approved a policy on anti-corruption for its Board directors, management and employees to realize and give importance to resisting giving a bribe and corrupt practices of all forms, both directly and indirectly. Details are listed below.

- (1) The Company shall not allow any solicitation, action, provision or receipt of all forms of corruption for the direct or indirect benefit of oneself, family members, friends, or associates.
- (2) The Company shall not allow any misuse of power whether directly or indirectly for the benefit of oneself or others illegally.
- (3) The Company shall not allow any illegal offer of any forms of incentives to others for the benefit of its business.
- (4) The Company prohibits accepting or offering excessive gifts or entertainment except for accepting or giving gifts or other benefits according to usual and customary business practices or social norms. However, such gifts must not affect any business decisions made with the Company.
- (5) The Company shall not allow giving any financial support or other kinds of benefits whether directly or indirectly to political parties, political affiliations, or political persons, to obtain privileges for the Company's business operations or for the benefit of oneself and associates. The Company shall not be under political influences and shall remain strictly neutral.
- (6) The Company shall not allow any financial donation or support to other persons or entities as a channel for bribery.

3.12 Communication with Stakeholders and Receiving Complaints

The Company's Board of Directors has approved a policy on reporting on corrupt practices clues (whistle-blowing policy) for stakeholders to report on any action violating laws, the Company's rules, orders and regulations, and business code of ethics, including corrupt practices of all forms, through the following practice guidelines.

- (1) Communication with Stakeholders and Handling of Complaints: The Company has established channels for all groups of stakeholders to communicate or file complaints against matters that may cause damage or violations of laws, rules, regulations, the Articles of Association, professional ethics, and all forms of fraud and corruption with the Board of Directors through the Audit Committee, the Company Secretary, the Internal Audit Office, and the Quality Control Center as follows:

- (a) The Company's website

(b) Verbal or written complaints

(c) Letters

(d) Email

(2) The Company has provided for a fact-finding procedure concerning corrupt practices by assigning its Internal Audit Office to be responsible for an implementation and report directly, based on the case, to the Chief Executive Officer or the President or the Audit Committee for consideration.

(3) The Company has provided for a fact-finding procedure concerning corrupt practices by assigning its Internal Audit Office to be responsible for an implementation and report directly, based on the case, to the Chief Executive Officer or the President or the Audit Committee for consideration.

4. Information Disclosure and Transparency

The Board of Directors has the policy to disclose important information about the Company correctly, completely, adequately, reliably, and in a timely manner to ensure that all shareholders are equally informed according to laws, the Articles of Association, and regulations regarding information disclosure. The key information to be disclosed by the Company is as follows:

4.1 Shareholding structure: The Company shall disclose the shareholding proportion of its major shareholders and minority shareholders clearly. Also, it shall disclose at least the top 20 major shareholders.

4.2 Financial situation and operating results: The Company shall explain the analysis of its financial position, operating results, business nature, market competition, competitiveness and market share, and risks and risk mitigation guidelines.

4.3 The Board of Directors and the Management Committee shall disclose names, surnames, ages, profiles of education and trainings, work experiences, shareholding proportions, and independence status of directors, meeting attendance, and the number of boards of other companies in which the Company's directors may serve.

4.4 Report on the Company's Security Transference and Trading-in-Advance Contract and Report on Board Directors' and Executives' Stakeholding The Company requires its Board directors and executives to report a purchase, sale, transference and retransference of the Company's securities and trading-in-advance contract and report Board directors' and executives' stakeholding in strict compliance with the practice methodology defined by the Company.

4.5 Investors relations: It is required that there shall be persons responsible for disclosing information to shareholders, investors, and securities analysts. In this regard, the Chief

Executive Officer, the President, and the investor relations function shall be available for answering questions from investors. Their contact information including telephone numbers and e-mails are shown in the Company's website. In addition, the Company has assigned persons to disseminate news of operations and operating results of the Company through various media channels and the Company's website to interested persons in a comprehensive, convenient, quick, and timely manner.

5. Internal Control and Risk Management

5.1 Internal Control

- (1) The Company's Board of Directors has appointed and assigned the Audit Committee to take charge of verifying and making an assessment of the effectiveness of the Company's systems of internal control, internal audit and risk management to ensure their appropriateness, effectiveness and compactness, based on the framework accepted by international standards, including verifying the Company's practices to ensure that they are in strict compliance with the laws related to the Company's business, and reporting directly to the Board of Directors each quarter.
- (2) The Company has provided for the Internal Audit Office to be in charge of auditing all section's performance, apart from the accuracy and reliability of the Company's accounting data, financial statements and work system, besides reporting to the Audit Committee each quarter, including making an assessment of the efficiency and adequacy of internal controls in order to report to the Audit Committee for consideration prior to presenting to the Board of Directors for a review each year.
- (3) The Company has provided for the Compliance Office to take charge of following up and overseeing the Company's practices to ensure that they are in conformity with the regulator's rules, regulations and orders, and report directly to the Audit Committee each quarter.

5.2 Risk Management

- (1) The Company's Board of Directors has appointed and assigned the Risk Management Committee to be responsible for providing for the Company's systematic all-inclusive risk management through annually defining and reviewing the framework for risk management, policy on risk management, report on the Company' overall risk management, risk assessment and financial standing, including encouraging all employees to perform strictly based on the framework for risk management and policy on risk management, aimed at controlling the Company's major risk to be at an acceptable level. In addition, the Risk Management Committee will regularly follow up

the Company's risk status and report on the risk management consequence to the Board of Directors for acknowledgement each quarter.

- (2) The Company has provided for Enterprise Risk Management Division to be responsible for supporting its Board of Directors' performance, the Risk Management Committee and executives in charge of the Company's risks, including regularly making an assessment and following up the risk status and reporting on the risk management consequence to the Risk Management Committee and executives each quarter.
- (3) The Internal Audit Office is in charge of following up, evaluating the effectiveness and providing suggestions on risk management to Enterprise Risk Management Division and sections within the Company, apart from reporting on the consequence to the Audit Committee.

6. Business Code of Conduct

The Board of Directors focuses not only on the successful operating results but also on the compliance with laws, morality and honorable practices. Thus, the Board of Directors has established the Business Code of Conduct for directors and employees, covering the key principles to be complied with such as honesty and integrity, morality, conflicts of interest, and compliance with laws. The document is aimed at gaining creditability and trust from its customers, trading partners, shareholders, and the general public.