

Part 2

7. Securities and Shareholder Information

7.1 Registered and Paid-up capital

(1) Registered and paid-up capital as of December 31, 2015 comprising of :

Registered capital : 8,007,032,950 baht
 Paid-up capital : 8,006,554,830 baht comprised of 800,636,925 common shares and 18,558 preferred shares, at par value of 10.00 Baht per share.

(2) Other Securities

Preferred Shares

The preferential rights of the preferred shares were expired on June 30, 2009. Thus, since July 1, 2009, the rights and benefits of preferred shares were equal to those of common shares in all aspects.

The issuance of Warrants with Non-Voting Depository Receipts (NVDRs)

As of December 27, 2013 Thai NVDR Co., Ltd., a subsidiary wholly owned by the SET, issued Non-Voting Depository Receipts (NVDRs) which have the Company's shares as underlying securities totaling 76,196,526 shares, or 9.52% of paid-up capital, consisting of 76,189,127 common shares and 7,399 preferred shares. Although all financial benefits received by NVDR investors are similar to the benefits from the Company's shares, NVDR investors shall have no voting rights in shareholder meetings except in case of a delisting decision. Therefore, if a great number of the Company shares are sold to investors as NVDRs, the number of shares with voting rights will be lessened.

Moreover, the number of NVDRs is subject to change and is not under control by the Company. Investors can obtain records of the Company's NVDRs from the website of the SET (www.set.or.th).

7.2 Shareholder

(1) The Company's Major Shareholders

The top 10 major shareholders whose names appeared in the share registration book as of December 4, 2015, are as follows.

No.	Shareholder Name	Total Shareholding			
		Common Shares	Preferred Shares	Total	%
1	CHASE NOMINEES LIMITED	109,611,259	-	109,611,259	13.69
2	CDIB & PARTNERS INVESTMENT HOLDING PTE. LTD.	80,070,320	-	80,070,320	10.00
3	THAI NVDR CO., LTD.	76,189,127	7,399	76,196,526	9.52
4	KRUNGSRI DIVIDEND STOCK LTF	40,501,900	-	40,501,900	5.06
5	SATHINEE CO., LTD.	39,482,767	-	39,482,767	4.93
6	BNP PARIBAS SECURITIES SERVICES LUXEMBOURG	29,145,690	-	29,145,690	3.64
7	SOCIAL SECURITY FUND (2 CASES)	27,241,730	-	27,241,730	3.40
8	KRUNGSRI DIVIDEND STOCK FUND	21,158,850	-	21,158,850	2.64
9	STATE STREET BANK EUROPE LIMITED	13,262,881	-	13,262,881	1.66
10	STATE STREET BANK AND TRUST COMPANY	12,928,683	-	12,928,683	1.61
Total Shareholding of 10 Major Shareholders		449,593,207	7,399	449,600,606	56.15
Other Minority Shareholders		351,043,718	11,159	351,054,877	43.85
TOTAL		800,636,925	18,558	800,655,483	100.00

CDIB & Partners Investment Holding Pte. Ltd. is 100% owned by CDIB & Partners Investment Holding Corporation via CDIB & Partners Investment Holding (Cayman) Limited. CDIB & Partners Investment Holding Corporation incorporated in Taiwan and engages in investment activities.

(2) Major Shareholders of Subsidiary Company operated as core business of the Group

The top 10 major shareholders of TISCO Bank Public Company Limited, whose names appeared in the share registration book as December 4, 2015, were as follow.

No.	Shareholder Name	Total Shareholding			
		Common Shares	Preferred Shares	Total	%
1	TISCO Financial Group Public Company Limited	921,451,833	-	921,451,833	99.99
2	Mr. Kittichai Kraikorkit	30,247	-	30,247	0.00
3	Ms. Pornsuk Pornprapa	8,100	-	8,100	0.00
4	Ms. Supavadee Piyamongkolvong	6,000	-	6,000	0.00
5	Ms. Rachit Kowattanakul	6,000	-	6,000	0.00
6	Mr. Suchart Tangkvivij	5,000	-	5,000	0.00
7	BANK JULIUS BAER & CO., LTD.	4,800	-	4,800	0.00
8	Mr. Pracha Leelaprachakul	3,624	-	3,624	0.00
9	Mr. Songrit Kongpipatchaisiri	3,000	-	3,000	0.00
10	Mr. Prapat Srinuwattiwong	3,000	-	3,000	0.00
Total Shareholding of 10 Major Shareholders		921,521,604	-	921,521,604	99.99
Other Minority Shareholders		45,984	104	46,088	0.01
TOTAL		921,567,588	104	921,567,692	100

Reference was made to the Holding Company Restructuring plan of TISCO group. TISCO Financial Group Public Company, as the parent company of TISCO Group, was approved by the Bank of Thailand to hold 100% of TISCO Bank's total paid-up shares.

(3) The company enters into shareholders' agreement with effect to security offering and issuance or management power of the company.

- None -

7.3 Other Securities

7.3.1 Debentures issuance

The Company

- None -

Subsidiary Company

As of December 31, 2015, the outstanding debentures of TISCO Bank Public Company Limited are detailed as follow:

1. The subordinated debenture of TISCO Bank Public Company Limited No. 1/2012 Due 2022 with call option

Type of Offering	: Public Offering
Face Value	: 1,000 baht
Offering Price	: 1,000 baht
Issue size	: 1,000,000 units
Outstanding	: 1,000,000 units
Tenor	: 10 years
Issuing Date	: March 9, 2012
Maturity Date	: March 9, 2022
Security	: None
Coupon Rate	: 4.85% per annum started from issuance date
Payment Date	: Every 9 th of March, June, September and December of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.

Call Option ¹	: With an approval from the Bank of Thailand in writing, the issuer may call debentures prior to the maturity date at face value according to the debenture terms and conditions. The issuer shall send a notice to debenture holders at least 30 days but not more than 60 days prior to the call option exercise date to inform debenture holders of the call option under the following conditions:
	(a) On the 5 th anniversary from the issuing date or on any coupon dates after the 5 th year of issuance.
	i If the issuer can provide funding equivalent or better than the amount of debenture.
	ii After the redemption, issuer maintains total capital to risk-weighted assets ratio not less than the minimum rate which is specified by the Bank of Thailand.
	(b) The issuer is able to demonstrate that interests paid by this debenture can no longer be deducted as expenditure of the issuer for tax benefits; or
	(c) Any cases or conditions to be specified by the Bank of Thailand in the future.
Issue Rating	: BBB+ from TRIS Rating Company Limited on April 27, 2015
Debenture holder Representative ²	: Bank of Ayudhya Public Company Limited
Debenture Registrar	: TMB Bank Public Company Limited

2. The subordinated debenture of TISCO Bank Public Company Limited No. 2/2012 Due 2022 with call option

Type of Offering	: Public Offering
Face Value	: 1,000 baht
Offering Price	: 1,000 baht
Issue size	: 1,243,000 units
Outstanding	: 1,243,000 units
Tenor	: 10 years
Issuing Date	: December 19, 2012
Maturity Date	: December 19, 2022
Security	: None
Coupon Rate	: 4.60% per annum started from issuance date
Payment Date	: Every 19 th of March, June, September and December of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.
Call Option	: With an approval from the Bank of Thailand in writing, the issuer may call debentures prior to the maturity date at face value according to the debenture terms and conditions. The issuer shall send a notice to debenture holders at least 30 days but not more than 60 days prior to the call option exercise date to inform debenture holders of the call option under the following conditions:
	(a) On the 5 th anniversary from the issuing date or on any coupon dates after the 5 th year of issuance.
	i If the issuer can provide funding equivalent or better than the amount of debenture.
	ii After the redemption, issuer maintains total capital to risk-weighted assets ratio not less than the minimum rate which is specified by the Bank of Thailand.
	(b) The issuer is able to demonstrate that interests paid by this debenture can no longer be deducted as expenditure of the issuer for tax benefits; or
	(c) Any cases or conditions to be specified by the Bank of Thailand in the future.
Issue Rating	: A- from TRIS Rating Company Limited on April 27, 2015
Debenture holder Representative ²	: Bank of Ayudhya Public Company Limited
Debenture Registrar	: TMB Bank Public Company Limited

¹Terms and Conditions amendments were notified to the debenture holders on October 22, 2012

²Bank of Ayudhya Public Company Limited was appointed to be Debenture holder Representative replacing TMB Bank Public Company Limited effective from January 1, 2016

3. Tier 2 Capital Instrument (Subordinated Debentures) of TISCO Bank Public Company Limited No. 1/2014 Series 1 Due 2024, with the issuer's right to early redeem (with loss absorption at the point of non-viability and regulatory authorities decide to provide financial aids to the issuer, and may be written off in proportion not exceed the lowering of par value of common share and preferred share after the lowering of such shares is made)

Type of Offering	: Private Placement to not more than 10 investors within any 4 months period
Face Value	: 1,000 baht
Offering Price	: 1,000 baht
Issue size	: 1,600,000 units
Outstanding	: 1,600,000 units
Tenor	: 10 years
Issuing Date	: January 29, 2014
Maturity Date	: January 29, 2024
Security	: None
Coupon Rate	: 6.00% per annum started from issuance date
Payment Date	: On the 29 th of January April July and October of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.
Call Option	: With an approval from the Bank of Thailand in writing, the issuer may call debentures prior to the maturity date at face value according to the debenture terms and conditions. The issuer shall send a notice to debenture holders at least 30 days but not more than 60 days prior to the call option exercise date to inform debenture holders of the call option under the following conditions: <ul style="list-style-type: none"> (a) On the 5th anniversary from the issuing date or on any coupon dates after the 5th year of issuance. <ul style="list-style-type: none"> i If the issuer can provide funding equivalent or better than the amount of debenture. ii After the redemption, issuer maintains total capital to risk-weighted assets ratio not less than the minimum rate which is specified by the Bank of Thailand. (b) The issuer is able to demonstrate that interests paid by this debenture can no longer be deducted as expenditure of the issuer for tax benefits; or (c) Any cases or conditions to be specified by the Bank of Thailand in the future.
Issuer Rating	: A from TRIS Rating Company Limited on April 27, 2015
Debenture holder Representative	: -
Debenture Registrar	: TMB Bank Public Company Limited

4. Tier 2 Capital Instrument (Subordinated Debentures) of TISCO Bank Public Company Limited No. 1/2014 Series 2 Due 2024, with the issuer's right to early redeem (with loss absorption at the point of non-viability and regulatory authorities decide to provide financial aids to the issuer, and may be written off in proportion not exceed the lowering of par value of common share and preferred share after the lowering of such shares is made)

Type of Offering	: Private Placement to not more than 10 investors within any 4 months period
Face Value	: 1,000 baht
Offering Price	: 1,000 baht
Issue size	: 800,000 units
Outstanding	: 800,000 units
Tenor	: 10 years
Issuing Date	: February 19, 2014
Maturity Date	: February 19, 2024
Security	: None
Coupon Rate	: 6.00% per annum started from issuance date
Payment Date	: On the 19 th of February May August and November of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.
Call Option	: With an approval from the Bank of Thailand in writing, the issuer may call debentures prior to the maturity date at face value according to the debenture terms and conditions. The issuer shall send a notice to debenture holders at least 30 days but not more than 60 days prior to the call option exercise date to inform debenture holders of the call option under the following conditions:

- (a) On the 5th anniversary from the issuing date or on any coupon dates after the 5th year of issuance.
 - i If the issuer can provide funding equivalent or better than the amount of debenture.
 - ii After the redemption, issuer maintains total capital to risk-weighted assets ratio not less than the minimum rate which is specified by the Bank of Thailand.
- (b) The issuer is able to demonstrate that interests paid by this debenture can no longer be deducted as expenditure of the issuer for tax benefits; or
- (c) Any cases or conditions to be specified by the Bank of Thailand in the future.

Issuer Rating : A from TRIS Rating Company Limited on April 27, 2015
 Debenture holder : -
 Representative :
 Debenture Registrar : TMB Bank Public Company Limited

5. Subordinated Instruments intended to qualify as Tier 2 Capital of TISCO Bank Public Company Limited No.1/2015 Due 2025 with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer

Type of Offering : Private Placement to not more than 10 investors within any 4 months period
 Face Value : 1,000 baht
 Offering Price : 1,000 baht
 Issue size : 1,000,000 units
 Outstanding : 1,000,000 units
 Tenor : 10 years
 Issuing Date : June 5, 2015
 Maturity Date : June 5, 2025
 Security : None
 Coupon Rate : 4.50% per annum started from issuance date
 Payment Date : Every 5th of March, June, September and December of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.

Call Option : With a written approval from the Bank of Thailand, the issuer may early redeem the debentures before the maturity date without consent from the holder under the following terms and conditions:

- (a) After the 5th anniversary of the issuance of the debenture or on any coupon date after the 5th year of issuance; or
- (b) Any amendment on the Tax Law resulted in the changes of the issuer's tax benefits; or
- (c) Any amendment on Capital Regulation resulted in disqualification of debentures as Tier 2 Capital; or
- (d) Any cases or conditions to be specified by the Bank of Thailand in the future.

Issuer Rating : A from TRIS Rating Company Limited on April 27, 2015
 Debenture holder : -
 Representative :
 Debenture Registrar : TMB Bank Public Company Limited

6. Subordinated Instruments intended to qualify as Tier 2 Capital of TISCO Bank Public Company Limited No.2/2015 Due 2025 with the Issuer's right to early redeem, which may be required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer

Type of Offering : Private Placement to not more than 10 investors within any 4 months period
 Face Value : 1,000 baht
 Offering Price : 1,000 baht
 Issue size : 1,000,000 units
 Outstanding : 1,000,000 units
 Tenor : 10 years
 Issuing Date : December 17, 2015
 Maturity Date : December 17, 2025

Security	:	None
Coupon Rate	:	4.25% per annum started from issuance date
Payment Date	:	Every 17 th of March, June, September and December of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.
Call Option	:	With a written approval from the Bank of Thailand, the issuer may early redeem the debentures before the maturity date without consent from the holder under the following terms and conditions: <ul style="list-style-type: none"> (a) On the 5th anniversary of the issuance of the debenture or on any coupon date after the 5th year of issuance; or (b) Any amendment on the Tax Law resulted in the changes of the issuer's tax benefits; or (c) Any amendment on Capital Regulation resulted in disqualification of debentures as Tier 2 Capital; or (d) Any cases or conditions to be specified by the Bank of Thailand in the future.
Issuer Rating	:	A from TRIS Rating Company Limited on April 27, 2015
Debenture holder Representative	:	-
Debenture Registrar	:	TMB Bank Public Company Limited

7. The Debentures of TISCO Bank Public Company Limited No. 1/2015 Tranche 1 Due 2016

Type of Offering	:	Private Placement specific for institutional investors and net worth investors
Face Value	:	1,000 baht
Offering Price	:	1,000 baht
Issue size	:	5,000,000 units
Outstanding	:	5,000,000 units
Tenor	:	1 year
Issuing Date	:	June 22, 2015
Maturity Date	:	June 22, 2016
Security	:	None
Coupon Rate	:	1.75% per annum started from issuance date
Payment Date	:	Every 22 nd of June and December of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.
Issue Rating	:	A from TRIS Rating Company Limited on June 3, 2015
Debenture holder Representative	:	-
Debenture Registrar	:	TMB Bank Public Company Limited

8. The Debentures of TISCO Bank Public Company Limited No. 2/2015 Tranche 1 Due 2016

Type of Offering	:	Private Placement specific for institutional investors and net worth investors
Face Value	:	1,000 baht
Offering Price	:	1,000 baht
Issue size	:	600,000 units
Outstanding	:	600,000 units
Tenor	:	1 year
Issuing Date	:	July 20, 2015
Maturity Date	:	July 20, 2016
Security	:	None
Coupon Rate	:	1.75% per annum started from issuance date
Payment Date	:	Every 20 th of January and July of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.
Issue Rating	:	A from TRIS Rating Company Limited on June 3, 2015

Debenture holder : -
 Representative
 Debenture Registrar : TMB Bank Public Company Limited

9. The Debentures of TISCO Bank Public Company Limited No. 2/2015 Tranche 2 Due 2017

Type of Offering : Private Placement specific for institutional investors and net worth investors
 Face Value : 1,000 baht
 Offering Price : 1,000 baht
 Issue size : 6,000,000 units
 Outstanding : 6,000,000 units
 Tenor : 1.5 years
 Issuing Date : July 20, 2015
 Maturity Date : January 20, 2017
 Security : None
 Coupon Rate : 1.875% per annum started from issuance date
 Payment Date : Every 20th of January and July of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.

 Issue Rating : A from TRIS Rating Company Limited on June 3, 2015
 Debenture holder : -
 Representative
 Debenture Registrar : TMB Bank Public Company Limited

10. The Debentures of TISCO Bank Public Company Limited No. 2/2015 Tranche 3 Due 2017

Type of Offering : Private Placement specific for institutional investors and net worth investors
 Face Value : 1,000 baht
 Offering Price : 1,000 baht
 Issue size : 1,900,000 units
 Outstanding : 1,900,000 units
 Tenor : 2 years
 Issuing Date : July 20, 2015
 Maturity Date : July 20, 2017
 Security : None
 Coupon Rate : 2.00% per annum started from issuance date
 Payment Date : Every 20th of January and July of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.

 Issue Rating : A from TRIS Rating Company Limited on June 3, 2015
 Debenture holder : -
 Representative
 Debenture Registrar : TMB Bank Public Company Limited

11. The Debentures of TISCO Bank Public Company Limited No. 3/2015 Tranche 1 Due 2017

Type of Offering : Private Placement specific for institutional investors and net worth investors
 Face Value : 1,000 baht
 Offering Price : 1,000 baht
 Issue size : 5,000,000 units
 Outstanding : 5,000,000 units
 Tenor : 2 years
 Issuing Date : August 28, 2015
 Maturity Date : August 28, 2017
 Security : None
 Coupon Rate : 2.00% per annum started from issuance date
 Payment Date : Every 28th of February and August of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.

Issue Rating	: A from TRIS Rating Company Limited on June 3, 2015
Debenture holder	: -
Representative	
Debenture Registrar	: TMB Bank Public Company Limited

12. The Debentures of TISCO Bank Public Company Limited No. 4/2015 Tranche 1 Due 2017

Type of Offering	: Private Placement specific for institutional investors and net worth investors
Face Value	: 1,000 baht
Offering Price	: 1,000 baht
Issue size	: 2,780,000 units
Outstanding	: 2,780,000 units
Tenor	: 1.5 years
Issuing Date	: December 4, 2015
Maturity Date	: June 4, 2017
Security	: None
Coupon Rate	: 1.95% per annum started from issuance date
Payment Date	: Every 4 th of June and December of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.
Issue Rating	: A from TRIS Rating Company Limited on June 3, 2015
Debenture holder	: -
Representative	
Debenture Registrar	: TMB Bank Public Company Limited

As of December 31, 2015 TISCO Bank has outstanding subordinated and unsubordinated debentures issued and offered (excluding short-term debenture) totaled 27,923 million baht

13. Short-term Debenture of TISCO Bank Public Company Limited No. 1/2015

Type of Offering	: Private Placement specific for institutional investors
Face Value	: 1,000 baht
Offering Price	: 1,000 baht
Issue size	: up to 70,000,000 units
Outstanding	: 39,659,000 units
Tenor	: As specified in the supplement of terms & conditions of each series. The tenor of short-term debenture will be within 270 days from issuance date
Issuing Date	: As specified in the supplement of terms & conditions of each series. The issuance date will be during January 15, 2015 to January 15, 2016
Maturity Date	: As specified in the supplement of terms & conditions of each series. The tenor of short-term debenture will be within 270 days from issuance date
Security	: None
Coupon Rate	: As specified in the supplement of terms & conditions of each series whereby interest rate of each series will be varied.
Payment Date	: Payment at maturity date
Issuer Rating	: A from TRIS Rating Company Limited on April 27, 2015
Debenture holder	: None
Representative	
Debenture Registrar	: TISCO Bank Public Company Limited

As of December 31, 2015 TISCO Bank has outstanding short-term debenture totaled 39,659 million baht

The outstanding debentures of TISCO Tokyo Leasing Company Limited are as follow:

1. Guaranteed debenture of TISCO Tokyo Leasing Company Limited No. 1/2013 Tranche 2 with maturity date in 2017

Type of Offering	: Private Placement
Face Value	: 1,000 baht
Offering Price	: 1,000 baht
Issue size	: 650,000 units
Outstanding	: 650,000 units
Tenor	: 4 years
Issuing Date	: September 17, 2013
Maturity Date	: September 17, 2017
Guarantor	: Century Tokyo Leasing Corporation
Coupon Rate	: 4.37% per annum started from issuance date
Payment Date	: On the 17 th of March and September of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.
Call Option	: None
Issue Rating	: AA+ from TRIS Rating Company Limited on August 27, 2015
Debenture holder Representative	: Bank of Ayudhya Public Company Limited
Debenture Registrar	: Bank of Ayudhya Public Company Limited

2. Guaranteed debenture of TISCO Tokyo Leasing Company Limited No. 1/2015 with maturity date in 2018

Type of Offering	: Private Placement
Face Value	: 1,000 baht
Offering Price	: 1,000 baht
Issue size	: 1,000,000 units
Outstanding	: 1,000,000 units
Tenor	: 3 years
Issuing Date	: March 25, 2015
Maturity Date	: March 25, 2018
Guarantor	: Century Tokyo Leasing Corporation
Coupon Rate	: 2.94% per annum started from issuance date
Payment Date	: On the 25 th of March and September of each year during the term of the debenture. If the due date of interest payment is not a business day, it shall be postponed to the next business day.
Call Option	: None
Issue Rating	: AA+ from TRIS Rating Company Limited on August 27, 2015
Debenture holder Representative	: CIMB Thai Bank Public Company Limited
Debenture Registrar	: CIMB Thai Bank Public Company Limited

As of December 31, 2015 TISCO Tokyo Leasing Company Limited has outstanding subordinated and unsubordinated debentures issued and offered totaled 1,650 million baht.

7.3.2 Bills of Exchange

The Company

The Company was granted approval by the Securities and Exchange Commission to offer short-term bills of exchange to the public as detailed below:

Type of Offering	: Public Offering
Type of securities	: Short-Term Bills of Exchange
	Type 1 : Non transferrable bill of exchange without interest payment, offering price at face value deducted market interest rate
	Type 2 : Non transferrable bill of exchange with fixed interest rate, offering price at face value and interest is paid upon maturity

	Type 3 : Transferrable bill of exchange (without recourse) without interest payment, offering price at face value deducted market interest rate
	Type 4 : Transferrable bill of exchange (without recourse) with fixed interest rate, offering price at face value and interest is paid upon maturity
Tenor	: Up to 270 days from issuance date
Issue size	: Up to 10,000 units
Face Value	: Not less than 1,000,000 baht
Issuing Period	: From April 1, 2015 to March 31, 2016
Offering price per unit	: For Bill of Exchange Type I and III : offering price at face value deducted market interest rate For Bill of Exchange Type II and IV : offering price at face value and interest is paid upon maturity
Interest Rate	: For Bill of Exchange Type I and III : No interest rate For Bill of Exchange Type II and IV : Fixed interest rate and paid upon maturity
Interest Payment Date	: For Bill of Exchange Type I and III : No interest payment For Bill of Exchange Type II and IV : paid upon maturity as specified on the bill of exchange
Issuer Rating	: A- from TRIS Rating Co., Ltd on April 27, 2015

As of December 31, 2015, TISCO had outstanding short-term bills totaling 6,936.12 million baht with coupon rate ranging from 1.70% – 2.50% and average of 75 days to maturity.

Subsidiary Companies

As of December 31, 2015, TISCO Bank had outstanding bill of exchange, all in forms of bill of exchange, totaling 36.12 million baht with 2.50% coupon rate, all in forms of callable bill of exchange.

As of December 31, 2015, Hi-Way Co., Ltd. had outstanding short-term bill of exchange, all in forms of callable bill of exchange, totaling 1,820.00 million baht with interest rate of 1.82%.

As of December 31, 2015, TISCO Leasing Co., Ltd. had outstanding short-term bill of exchange, all in forms of callable bill of exchange, totaling 879.20 million baht with interest rate of 1.82%.

7.4 Dividend Policy

The Company

The Company's dividend payment shall be made in accordance with the Articles of Association which states that no dividend shall be paid out of any money other than profits. In the event that the Company has an accumulated loss or cannot retain regulatory capital requirements after dividend payment, no dividend shall be paid.

Dividends shall be paid equally according to the number of shares, unless otherwise specified in the Articles of Association regarding dividend for preferred shares. Payment of dividends shall be subject to shareholder approval.

The Company shall pay dividends at the rate approximately 50% or more of net profit of each year, after appropriation of statutory reserve, subject to the current Company financial performance, long-term capital adequacy, capital expenditure requirements, business strategies, and provided that such dividend will have no impact on the Company's subsidiary's status as a Qualifying Bank under the definition of the Bank of Thailand.

The Board of Directors may from time to time pay interim dividends when it is clear that the Company has sufficient profit.

Subsidiary Companies

Subsidiary and affiliate companies' dividend will be the major source of income of TISCO Financial Group Plc. ("the Company"). Each and every subsidiary and affiliate companies shall make dividend payments as advised by the Company. The considering was based on financial performance, long-term capital adequacy, capital expenditure requirements, and business strategies of each company. For TISCO Bank ("The Bank"), the Bank shall pay dividends at the appropriate rate to ensure that after the dividend payment, the Bank BIS ratio will be maintained above 12% to satisfy the Bank of Thailand's criteria for Qualified Bank.

The Board of Directors of each subsidiary and affiliate companies may from time to time pay interim dividends when it has sufficient profit.

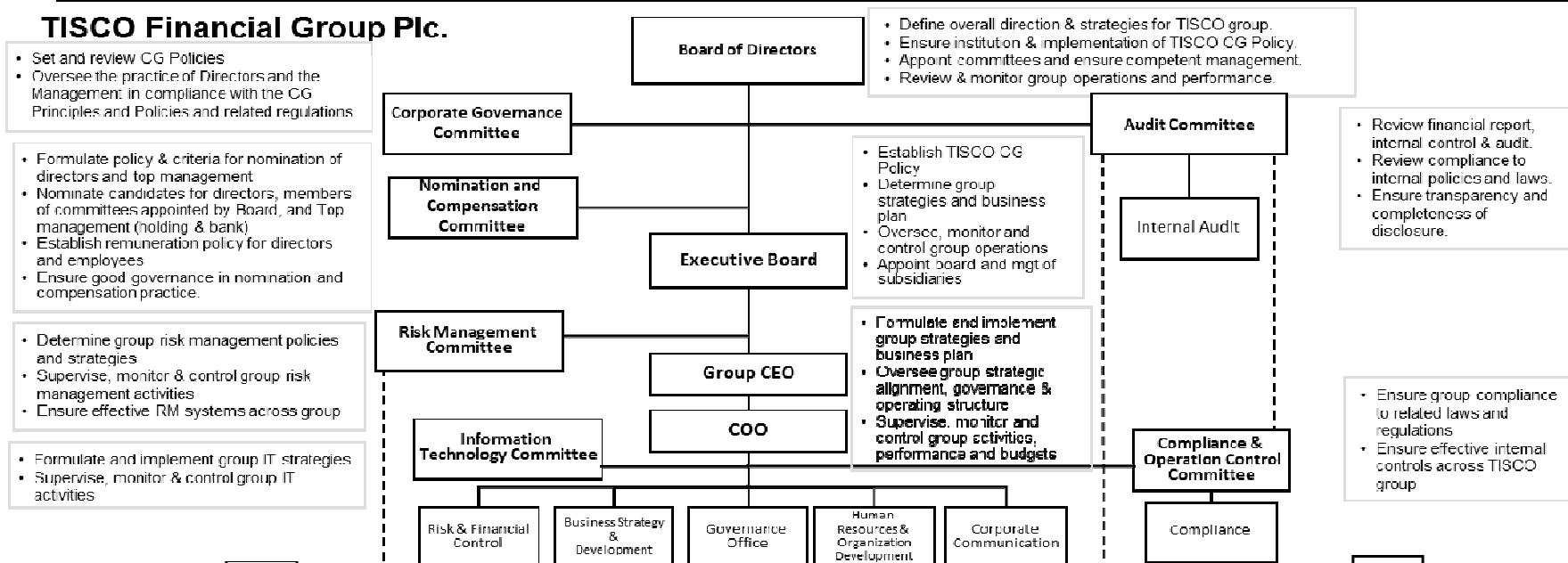
8. Management

8.1 Management Structure

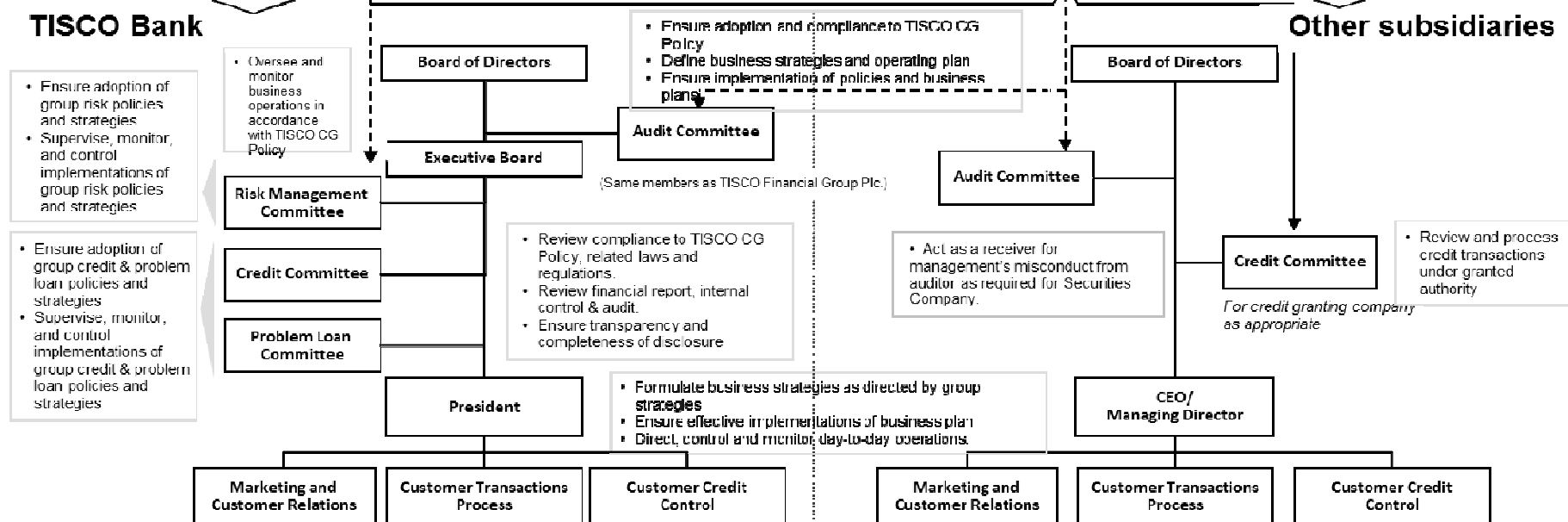
The Company, the parent company of TISCO Group, oversees, monitors and controls business operations of all subsidiary companies to ensure that all companies in TISCO Group operate under the same standard to maximize shareholders' benefit. The corporate governance, risk management, business development, compliance and corporate support functions are centralized at the Company. Subsidiary companies function as strategic business unit, responsible for marketing & customer relationship, and transaction processing & credit control activities.

The Board of Directors is responsible for monitoring and controlling business operations of TISCO Group. Other Boards and committees will be appointed according to the needs and suitability to carry out specific missions and tasks. The governance structure of TISCO Group is exhibited as follows;

TISCO Financial Group Plc.

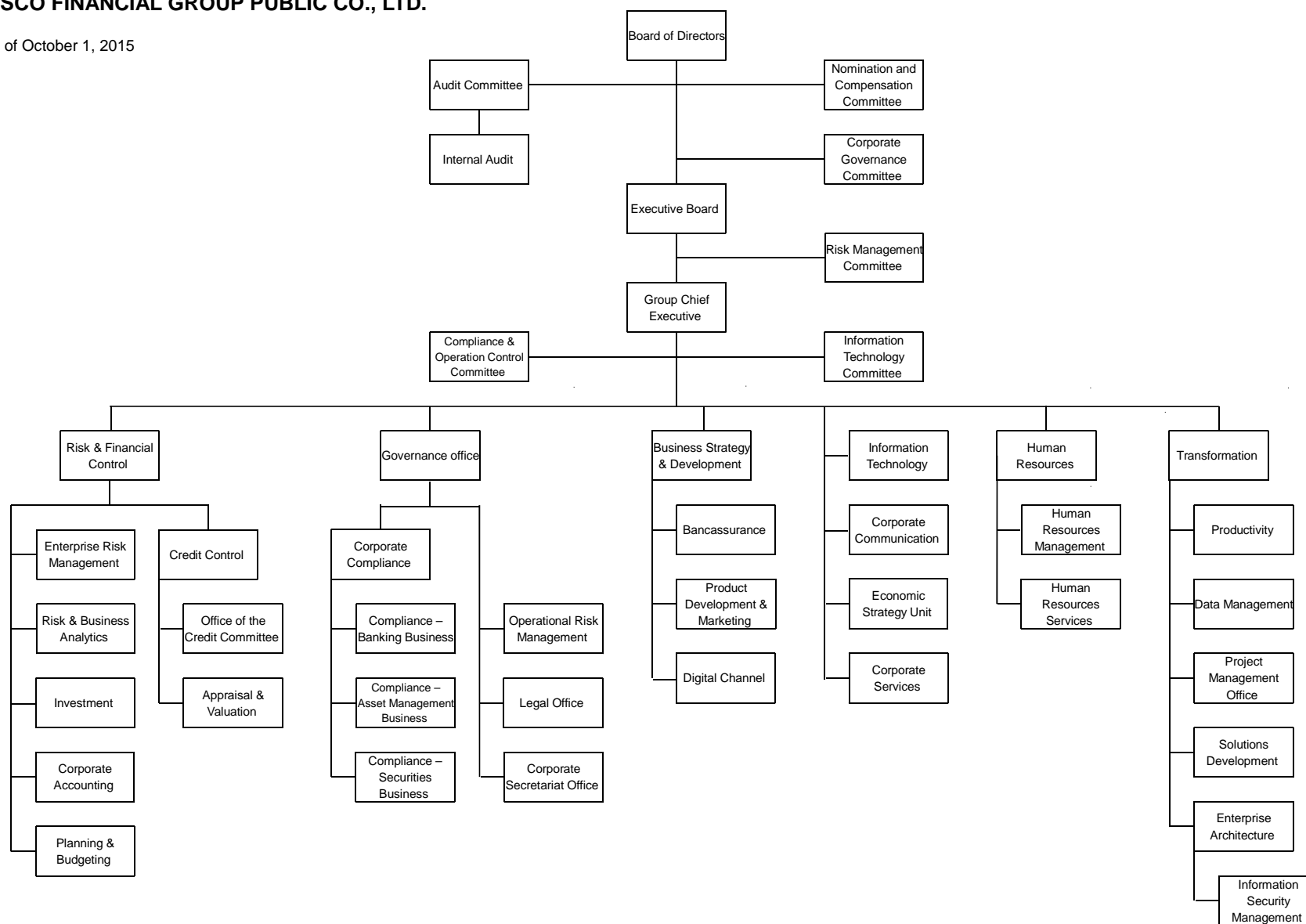


TISCO Bank



TISCO FINANCIAL GROUP PUBLIC CO., LTD.

As of October 1, 2015



The Board structure is comprised of Board of Directors and 4 boards/committees were appointed by the Board of Directors: (1) Executive Board (2) Audit Committee, (3) Nomination and Compensation Committee, and (4) Corporate Governance Committee. In addition, in 2010, the Company transferred certain Management Committee and management supervising important functions within TISCO Group from subsidiary companies to be employed under the Company. The Company seconded those management to the same subsidiary companies for the same responsibilities on full time basis. This is to ensure that they shall devote their time to effectively manage subsidiary companies under TISCO Group strategy and plan approved by the Board of Directors.

8.1.1 Board of Directors

The Board of Directors consisted of Directors from diversified backgrounds and experience, with sufficient understanding of banking and finance, economics, law or any other fields deemed appropriate. As of December 31, 2015 the Board of Directors consisted of 12 directors, including four Executive Directors^{/1}, six Independent Non-executive Directors, and two Non-executive Directors as follows;

Name	Position
1. Mr. Pliu Mangkornkanok	Chairman and Independent Director
2. Mr. Hon Kit Shing (Mr. Alexander H. Shing)	Vice Chairman and Member of the Nomination and Compensation Committee
3. Ms. Oranuch Apisaksirikul	Director, Chairperson of the Executive Board and Group Chief Executive
4. Assoc. Prof. Dr. Angkarat Priebjrivat	Independent Director and Chairperson of the Audit Committee
5. Prof. Dr. Pranee Tinakorn	Independent Director and Chairperson of the Nomination and Compensation Committee
6. Ms. Patareeya Benjapolchai	Independent Director, Member of the Audit Committee and Chairperson of the Corporate Governance Committee
7. Ms. Panada Kanokwat	Independent Director Member of the Corporate Governance Committee
8. Prof. Dr. Teerana Bhongmakapat	Independent Director Member of the Audit Committee
9. Mr. Sathit Aungmanee	Director, Member of Corporate Governance Committee and Member of Nomination and Compensation Committee
10. Mr. Yasuro Yoshikoshi	Director, Member of the Executive Board and Member of Nomination and Compensation Committee
11. Mr. Chi-Hao Sun (Mr. Howard Sun)	Director and Member of the Executive Board
12. Mr. Suthas Ruangmanamongkol	Director, Member of the Executive Board and President

Authorized Signatory

The Company's authorized signatory is Ms. Oranuch Apisaksirikul. It is required that Ms. Oranuch Apisaksirikul singly sign with the seal of the Company affixed or two directors namely Mr. Hon Kit Shing (Mr. Alexander H. Shing) and Mr. Yasuro Yoshikoshi jointly sign with the seal of the Company affixed.

Chairman of Board and Other Committees

1. Provide leadership to the board and be responsible for the board's effectiveness of overall functioning, including maintaining a relationship of trust with board members. The Chairman will ensure that the Board and its committees work in conformity to the highest standards of corporate governance.
2. With supporting from Group CEO and Company Secretary, set agenda which are primarily focused on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are considered by the Board. The Chairman is accountable to the Board that directors will perform their duty with accountability and due care, and in compliance with the related laws and regulations, and in the best interest of TISCO.

^{/1} Refer to Notification of the Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issued Shares, "executive director" means any director who holds an executive position, or any director who is in charge of any actions deemed to be taken by executive, and shall include any authorized director except where it can be demonstrated that such authorized director, jointly with other directors, signs on transactions which have been approved by the board.

3. Communicate relevant Board decisions within TISCO where deems appropriate. The Chairman shall also ensure effective communication with shareholders, government agencies and other relevant stakeholders and that the views of these groups are understood by the Board.
4. Ensure that the Board members receive adequate, accurate, timely and relevant information, particularly about TISCO's performance; the Board's decisions are made on a sound and well-informed basis; and the expression and discussion of dissenting views are encouraged within the decision-making process.
5. Ensure good working relationship between the executive and non-executive directors and ensure adequate time for discussion of all agenda, particularly strategic issues.
6. Ensure that the Board understands the nature and extent of the significant risks TISCO is willing to take in the implementation of its strategy, and review on an ongoing basis the effectiveness of risk management and internal control systems.
7. Provide access, advice and support to the Group CEO in the development of strategy. The Chairman also maintains access to senior management for vital information related to TISCO business as is necessary and useful.
8. Promote effective relationships and communications between non-executive directors and senior management.
9. Ensure that the performance and effectiveness of the Board and Board Committees are formally evaluated on an annual basis.
10. Monitor and ensure that management has taken appropriate action and/or is properly following up on the recommendations and resolutions made by the Board and Board Committees.

Vice Chairman of Board and Other Committees

1. Take the role as the acting Chairman of the Board during the period when the Chairman is absent and the normal functions of the Chairman cannot be carried out until the Chairman resumes his normal duties or a new Chairman has been elected and appointed by the Board.
2. Assist the Chairman of the Board with agenda related to TISCO Board of Directors, in particular any agenda pertaining to the "Executive Committees or Bodies" created by the Board except any independent committees or bodies, such as Nomination and Compensation Committee, Audit Committee and Corporate Governance Committee.
3. Act as the Chairperson of TISCO Executive Board and any Executive Committees and Bodies (see definition above) when:
 - a. the Chairperson is absent or unable to perform the duties for a period of time until such replacement Chairperson is appointed by TISCO Board of Directors, or
 - b. recommended by the Nomination & Compensation Committee and approved by TISCO Board of Directors.

Authority and Responsibilities of the Board of Directors:

1. Approve TISCO Corporate Governance Policy and oversee TISCO Group Governance.
2. Approve TISCO Company Statement: Vision and Mission.
3. Approval of Group's business model, corporate strategies, business plan, and financial budgets.
4. Approval of M&A, investment, divestment and disposal transaction involving high risk or materially impact TISCO.
5. Select and appoint a Chairman and Vice Chairman of the Board from the candidates of the Board as proposed by the Nomination and Compensation Committee.
6. Select and appoint the Group Chief Executive (Group CEO) from the candidates proposed by the Nomination and Compensation Committee.
7. Defining overall direction and strategies of TISCO Group and ensuring coherent implementation of those strategies through the institution of a Corporate Governance Policy to produce long-term value for shareholders.

8. Together with the Group CEO and senior management, set example at the top that establishes a culture of legal compliance and integrity.
9. Appoint Board Committees, namely, TISCO Audit Committee, TISCO Nomination and Compensation Committee, TISCO Corporate Governance Committee, and TISCO Executive Board as proposed by TISCO NCC, to carry out the tasks assigned by the Board.
10. Appoint a Corporate Secretary to take care of the Board's and directors' activities and administer critical corporate matters in full compliance with all relevant laws and related regulations. The Corporate Secretary's responsibilities also include monitoring compliance to the Board's resolutions and handling the Board and Shareholders' Meetings on matters concerning notices, minutes and other duties as required by related laws and regulations.

The following responsibilities of the Board of Directors require approval from shareholders meeting: requirement by laws such as increase or decrease the Company's capital, issuance of debentures, sales or transfers of whole or important parts of the Company business to other persons, purchase or acceptance or transfer of business belonging to other companies, amendments to Company's Memorandum and Articles of Association, related parties transaction, as well as sale and purchase of relevant assets according to regulations stipulated by the Company's regulators.

The Board of Directors may assign any other committees or an attorney to conduct the businesses on behalf of the Board of Directors. Such assignment of power shall not allow the committee member or the attorney to have authority to approve transactions that they or persons who may have a conflict of interest - as defined by the Securities and Exchange Commission - with stakeholders or may have any other conflict of interest with the Company or subsidiary companies.

Details of the Board of Directors of TISCO Bank Public Company Limited, the core company of TISCO Group, are shown in 8.1.6 and Attachment 3.

8.1.2 Executive Board

The Executive Board members were appointed by the Board of Directors. As of December 31, 2015, the Executive Board comprised the following directors:

Name	Position
1. Ms. Oranuch Apisaksirikul	Chairperson of the Executive Board
2. Mr. Chi-Hao Sun (Mr. Howard Sun)	Member of the Executive Board
3. Mr. Yasuro Yoshikoshi	Member of the Executive Board
4. Mr. Suthas Ruangmanamongkol	Member of the Executive Board

Authority and responsibilities of Executive Board:

1. Determine and propose group business strategy, merger & acquisition transactions, new business ventures, and new products involving high risk to TISCO Board for approval.
2. Review and oversee the TISCO Group business plan and budget, monitors performance and institutes TISCO Group's Centralized Policies on all important operational and control areas.
3. Approve credit with substantial amounts and/or transactions that involve high risks under TISCO Group's business framework.
4. Supervise subsidiary companies of transactions that involved high risk.
5. Act on behalf of TISCO as the major shareholder in appointment of the Board of Directors of all subsidiary companies, except TISCO Bank, TISCO Securities and TISCO Asset Management.
6. Ensure that managements of the company and subsidiary company refer material issues of the Group to Executive Board
7. Appoint TISCO Risk Management Committee, as required by the Bank of Thailand, to determine overall risk management policies and strategies, and also identify, evaluate and manage the risks inherent in TISCO's strategies.
8. Appoint and supervise Credit Committee and Problem Loan Committee.
9. Ensure that all sub-committees appointed by Group CEO are established, composed and operated appropriately and professionally.

8.1.3 Audit Committee

The Audit Committee members were appointed by the Board of Directors. As of December 31, 2015, the Audit Committee comprised the following independent directors:

Name	Position
1. Assoc. Prof. Dr. Angkarat Priebjirivat	Chairperson of the Audit Committee
2. Ms. Patareeya Benjapolchai	Member of the Audit Committee
3. Prof. Dr. Teerana Bhongmakapat	Member of the Audit Committee

Note: All members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements.

Authority and responsibilities of Audit Committee:

1. Review TISCO group's financial report to ensure accuracy and adequacy.
2. Review and evaluate that TISCO group has suitable and efficient internal control system and internal audit.
3. Review TISCO group's operations to ensure compliance with related laws and regulations.
4. Consider, select and nominate the independent person to be the external auditor of TISCO group, recommend remuneration of such auditor, removal of such auditor, as well as meet with the external auditor at least once a year without participation of management.
5. Consider connected transaction or the transaction that may cause conflict of interest to ensure the appropriateness and best interest of TISCO group.
6. Ensure the accuracy and completeness of the disclosure of TISCO group, especially the connected transaction or the transaction that may cause conflict of interest.
7. Prepare and disclose the Audit Committee report signed by the Chairperson of the Audit Committee in an annual report.
8. Consider the independence of TISCO group's Internal Audit function. Appoint, transfer, or dismiss Head of Internal Audit or other functions responsible to Internal Audit.
9. Report to the Board of Directors in order that remedial action is taken within the time that the Audit Committee deems appropriate in case the Audit Committee finds or suspects any misconduct which may affect the Company's financial position and performance significantly as follows;
 - Transaction which causes conflict of interest;
 - Fraud or irregularity or material defect in the internal control system;
 - Infringement of applicable laws. If the Board of Directors or the management do not take remedial action within the time that the Audit Committee proposed, the Audit Committee shall disclose such infringement in annual report and report to the Bank of Thailand.
10. Conduct the businesses as assigned by the Board of Directors in agreement of the Audit Committee.
11. Approve Compliance policy and assess the efficiency of compliance risk management.

8.1.4 Nomination and Compensation Committee

The Nomination and Compensation Committee members were appointed by the Board of Directors. As of December 31, 2015, the Nomination and Compensation Committee comprised the following directors:

Name	Position
1. Prof. Dr. Pranee Tinakorn	Chairperson of the Nomination and Compensation Committee
2. Mr. Hon Kit Shing (Mr. Alexander H. Shing)	Member of the Nomination and Compensation Committee
3. Mr. Sathit Aungmanee	Member of the Nomination and Compensation Committee
4. Mr. Yasuro Yoshikoshi	Member of the Nomination and Compensation Committee

Authority and Responsibilities of Nomination and Compensation Committee:

1. Formulate policy, criteria, and method for nominating candidates for directors and Top Management of the Company and its subsidiary companies in TISCO Group to the Board for consideration and submit the policy to regulatory parties upon request.
2. Select and nominate names of qualified candidates to the Board of Directors of the Company and its subsidiary companies, which are directly supervised by financial and capital market regulators (TISCO Bank, TISCO Securities and TISCO Asset Management), for the following positions;
 - Directors
 - Members of committees whose functions, responsibilities and authorities are directly given by the Board of Directors
 - Top Management
 - Advisor(s) to the Board of Directors and/or committees whose functions, responsibilities and authorities are directly given by the Board of Directors
3. Ensure that size and composition of the Board of Directors of the companies in TISCO Group is appropriate for the organization and the business environment. The Board should comprise members who have diversified expertise and experience.
4. Review and establish clear and transparent remuneration and benefit policy and criteria for the directors, committee members, Advisor(s) and TISCO Group's employees as proposed by the management.
5. Ensure that the Board remuneration is commensurate with their duties and responsibilities. Board members who handle the extra assignments should be compensated accordingly.
6. Devise performance assessment criteria for board members and TISCO Group's employees for annual remuneration review, taking into account their responsibilities and risks as well as enhancement of long-term shareholder value.
7. Evaluate the Group CEO's performance with input from Chairman of the Board of Directors, Chairpersons of the Audit Committee and the Corporate Governance Committee, and propose result to the Board of Directors for approval.
8. Review and approve promotion, remuneration, and benefit of Group CEO.
9. Review and consider the Group CEO's proposal for appointment, performance evaluation, promotion, remuneration, and benefit of each member of Management Committee and one further level down.
10. Review and consider the management's proposals for the total amount of annual performance-oriented, short-term and long-term incentives as well as merit increase for TISCO Group's employee.
11. Ensure that the meeting(s) between the Board and members of Management Committee in absence of the Group CEO is arranged at least once a year prior to his/her annual performance assessment.
12. Ensure that succession plan for Group CEO and members of Management Committee of the companies in TISCO Group is properly developed to allow smooth and continuity of business operations, and that such plan is reviewed periodically.
13. Disclose the nomination policy and process in the Annual Report.
14. Disclose the remuneration policy, actual payment in various forms for directors as well as prepare and disclose the Committee's report that at least covers the objectives, activities and opinion of the Committee in the Annual Report.
15. Report activities to the Board of Directors on a regular basis.

16. Conduct the activities as assigned by the Board of Directors in agreement of the Nomination and Compensation Committee.

8.1.5 Corporate Governance Committee

The Corporate Governance Committee members were appointed by the Board of. As of December 31, 2015, the Corporate Governance Committee comprised the following directors:

Name	Position
1. Ms. Patareeya Benjapolchai	Chairperson of the Corporate Governance Committee
2. Mr. Sathit Aungmanee	Member of the Corporate Governance Committee
3. Ms. Panada Kanokwat	Member of the Corporate Governance Committee

Authority and Responsibilities of Corporate Governance Committee:

1. Formulate and review the structure, scope, and policy of TISCO Corporate Governance and Code of Conduct of the Board of Directors' consideration and approval.
2. Give advice to the Board of Directors on the structure, roles and responsibilities, practice and charter of the Board of Directors and Board committees.
3. Review the evaluation or assessment process of the Board of Directors, Board committees, and the Management in compliance with Corporate Governance Policy, Code of Conduct and related laws and regulations.
4. Review result of corporate governance assessment by outside agencies and make recommendation to the Board of Directors.
5. Review corporate governance practice of TISCO by benchmarking to that of best practices for further improvement.
6. Work as a consulting body for the Board of Directors and the Management on matters regarding corporate governance and code of conduct.
7. Monitor the implementation of TISCO Corporate Governance Policies and Guidelines, TISCO Code of Conducts, and report its findings to the Board.
8. Monitor the adequacy of the company's disclosure practices relevance to sustainability development and corporate governance.
9. Advice the matters related to sustainable development issues, including CSR.
10. Perform other duties as assigned by the Board of Directors.

Board of Directors' Meeting

Board Meetings are regularly scheduled in advance so that each member of the Board can manage their time to attend the meetings. Furthermore, in case of special agenda, additional meetings may be scheduled as necessary. The Board of Directors also assigns the Corporate Secretary to send out notice of the meeting together with documents relating to the meeting agenda, stating clearly which matters are to be acknowledged, approved, or considered, to every director at least 7 days prior to the date set for the meeting.

The Board of Directors' Meeting No. 5/2015 on October 20, 2015 approved the preliminary schedule of the Board of Directors' Meetings for the year 2016 as follow:

Meeting	Date
1/2016	Friday February 19, 2016
2/2016	Friday April 22, 2016
3/2016	Friday June 24, 2016
4/2016	Friday August 19, 2016
5/2016	Friday October 21, 2016
6/2016	Friday December 16, 2016

During meetings, the Chairman of the Board promotes transparent consideration of each issue and allocates adequate time for the management to present issues, with adequate time set aside for directors to thoroughly discuss important matters. The Board encourages the management to attend the Board of Directors' Meeting to present additional information relevant to their responsibilities. The Company also encourages non-executive directors to hold meetings as necessary to discuss issues without executive attendance. In 2015, there was one meeting among non-management directors in Agenda 8 of the Board of Directors' Meeting No. 3/2015 on June 19, 2015 which management directors as well as other management and staff voluntarily left the meeting, with formal minutes taking. After the meeting, the Corporate Secretary is responsible for preparing minutes of the meeting in which all issues, contents, and opinions are properly recorded and kept for inspection.

Details of meeting attendance of TISCO Financial Group Public Company Limited's directors in 2015 are as follows:

Name-Surname	Time of Attendance				
	Board of Directors	Executive Board	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
<i>No. of total meetings (times)</i>	6	12	12	7	2
1. Mr. Pliu Mangkornkanok	6	-	-	-	-
2. Mr. Hon Kit Shing (Mr. Alexander H. Shing)	2 ^{1/}	-	-	3 ^{2/}	-
3. Ms. Oranuch Apisaksirikul	6	12	-	-	-
4. Assoc. Prof. Dr. Angkarat Priebjrivat	6	-	12	-	-
5. Prof. Dr. Pranee Tinakorn	6	-	-	7	-
6. Ms. Patareeya Benjapolchai	6	-	12	-	2
7. Ms. Panada Kanokwat	5	-	-	-	2
8. Prof. Dr. Teerana Bhongmakapat	6	-	12	-	-
9. Mr. Sathit Aungmanee	6	-	-	4 ^{3/} (out of 4 times)	2
10. Mr. Yasuro Yoshikoshi	6	12	-	7	-
10. Mr. Chi-Hao Sun (Mr. Howard Sun)	6	12	-	-	-
12. Mr. Suthas Ruangmanamongkol	6	12	-	-	-

^{1/} Mr. Hon Kit Shing (Mr. Alexander H. Shing) did not attend four Board of Directors' Meeting in person, but participated via teleconference two times.

^{2/} Mr. Hon Kit Shing (Mr. Alexander H. Shing) did not attend four Nomination and Compensation Committee in person, but participated via teleconference two times.

^{3/} Mr. Sathit Aungmanee has been appointed to be the additional Member of the Nomination and Compensation, effective from June 19, 2015.

8.1.6 Details of Board/Committees of TISCO Bank Public Company Limited, the core company of TISCO Group

8.1.6.1 TISCO Bank's Board of Directors

As of December 31, 2015, TISCO Bank's Board of Directors consisted of 9 directors as follows;

Name	Position
1. Mr. Pliu Mangkornkanok	Chairman and Independent Director
2. Ms. Oranuch Apisaksirikul	Director and Chairperson of the Executive Board
3. Assoc. Prof. Dr. Angkarat Priebjrivat	Independent Director and Chairperson of the Audit Committee
4. Ms. Patareeya Benjapolchai	Independent Director and Member of the Audit Committee
5. Prof. Dr. Teerana Bhongmakapat	Independent Director and Member of the Audit Committee
6. Mr. Sathit Aungmanee	Director
7. Mr. Chi-Hao Sun	Director and Member of the Executive Board
8. Mr. Yasuro Yoshikoshi	Director and Member of the Executive Board
9. Mr. Suthas Ruangmanamongkol	Director and Member of the Executive Board

Authorized Signatory

Number and names of directors who can sign on behalf of the Company are Ms. Oranuch Apisaksirikul, Chairperson of the Executive Board, singly sign with the seal of the company affixed or any two of the following directors sign jointly with the seal of the company affixed namely Mr. Chi-Hao Sun Mr. Yasuro Yoshikoshi or Mr. Suthas Ruangmanamongkol.

Chairman of the Board and Other Committees

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

Authority and Responsibilities of TISCO Bank's Board of Directors:

Under consolidated supervision framework, the Board shall ensure that the Bank adopt and adhere to TISCO Corporate Governance Policy approved by the Board of Directors of the parent company. TISCO Corporate Governance Policy constitutes all key policies and guidelines concerning the governance and operating structure of TISCO group, business strategy, management and operations, risk and controls, human resources, finance and accounting, corporate affairs, and public and client communications. The Board shall carry out the following responsibilities within the policies and directions set forth in TISCO Corporate Governance Policy efficiently and effectively in the best interests of the shareholders.

1. Approve business & operating plan of the Bank, as directed by TISCO group's corporate strategies and business plan.
2. Ensure the institution of internal business codes and ethics, codes of conduct for directors, management and employees.
3. Continuously review the Bank's operations to ensure that its directors, management, and employees conduct the Bank's businesses in compliance with TISCO Corporate Governance Policy as well as related laws and regulations.
4. Ensure competent management of the Bank including appointing senior management.
5. Ensure the institution of effective systems for internal control and audit.
6. Ensure that the Bank's management refers significant issues to the Board.
7. Ensure that the Bank's management has in place risk management policies, processes and controls of all risk types. The Board shall be responsible for approval of adoption and ongoing implementation of such risk management policies and guidelines.
8. Appoint other committees according to the needs and suitability to carry out specific tasks to ensure that the operations are in compliance with established Corporate Governance Policy.
9. Ensure that the Bank has policies, guidelines and controls procedures for granting credit and investment transactions with related parties.
10. Ensure that there is a process for prompt submission of management letters from the external auditor and management to the Board.
11. Ensure that there exists appropriate check and balance in the management and/or major shareholders of the Bank, in particular, the proportion or the number of independent directors on the Board.
12. Ensure that the Board and the parent company receive sufficient information to effectively discharge its authorities, duties, and responsibilities.
13. Report business activities and financial performance to the shareholders.
14. Report business activities and financial performance to the parent company's Executive Board on a regular basis, in compliance with the Consolidated Supervision Principle of the Bank of Thailand.

The following responsibilities of the Board of Directors require approval from shareholders meeting: requirement by laws such as increase or decrease the Bank's capital, issuance of debentures, sales or transfers of whole or important parts of the Bank business to other persons, purchase or acceptance or transfer of business belonging to other companies, amendments to Bank's Memorandum and Articles of Association, related parties transaction, as well as sale and purchase of relevant assets according to regulations stipulated by the Bank's regulators.

The Board of Directors may assign any other committees or an attorney to conduct the businesses on behalf of the Board of Directors. Such assignment of power shall not allow the committee member or the attorney to have authority to approve transactions that they or persons who may have a conflict of interest - as defined by the Securities and Exchange Commission - with stakeholders or may have any other conflict of interest with the Bank or subsidiary company.

8.1.6.2 TISCO Bank's Executive Board

The Bank's Executive Board members were appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. As of December 31, 2015, the Executive Board comprised the following directors:

Name	Position
1. Ms. Oranuch Apisaksirikul	Chairperson of the Executive Board
2. Mr. Chi-Hao Sun (Mr. Howard Sun)	Member of the Executive Board
3. Mr. Yasuro Yoshikoshi	Member of the Executive Board
4. Mr. Suthas Ruangmanamongkol	Member of the Executive Board

Authority and Responsibilities of TISCO Bank's Executive Board:

Under consolidated supervision framework, the Executive Board shall ensure that the Bank adopt and adhere to TISCO Corporate Governance Policy approved by the Board of Directors of the parent company. TISCO Corporate Governance Policy constitutes all key policies and guidelines concerning the governance and operating structure of TISCO group, business strategy, management and operations, risk and controls, human resources, finance and accounting, corporate affairs, and public and client communications. The Board shall carry out the following responsibilities within the policies and directions set forth in TISCO Corporate Governance Policy efficiently and effectively in the best interests of the shareholders.

1. Determine and propose business strategy, merger & acquisition transactions, new business ventures, and new products involving high risk to Board for approval.
2. Review and oversee the business plan and budget and monitors performance.
3. Approve credit with substantial amounts and/or transactions that involve high risks under TISCO Group's business framework.
4. Approve transactions involving high risk.
5. Appoint TISCO Risk Management Committee, as required by the Bank of Thailand, to determine overall risk management policies and strategies, and also identify, evaluate and manage the risks inherent in TISCO's strategies.

8.1.6.3 Audit Committee

The Bank's Audit Committee members were appointed the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. As of December 31, 2015, the Audit Committee comprised the following independent directors:

Name	Position
1. Assoc. Prof. Dr. Angkarat Priebjrivat	Chairperson of the Audit Committee
2. Ms. Patareeya Benjapolchai	Member of the Audit Committee
3. Prof. Dr. Teerana Bhongmakapat	Member of the Audit Committee

Note: All members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements.

Authority and responsibilities of Audit Committee:

Under consolidated supervision framework, TISCO Corporate Governance Policy constitutes all key policies and guidelines concerning the governance and operating structure of TISCO group, business strategy, management and operations, risk and controls, human resources, finance and accounting, and corporate affairs, and public and customer communications. The Audit Committee shall carry out the following responsibilities within the policies and directions set forth in TISCO

Corporate Governance Policy efficiently and effectively in the best interests of the shareholders. The Audit Committee has authority and responsibilities as detailed below;

1. Review the Bank's financial report to ensure accuracy and adequacy.
2. Review and evaluate that the Bank has suitable and efficient internal control system and internal audit.
3. Nominate and/or remove the independent person to be the external auditor of the Bank and recommend remuneration of such auditor as determined by the Audit Committee of the parent company as well as meet with the external auditor at least once a year without participation of management.
4. Ensure the accuracy and completeness of the disclosure of the Bank, especially the connected transaction or the transaction that may cause conflict of interest.
5. Prepare and disclose the Audit Committee report signed by the Chairperson of the Audit Committee in an annual report.
6. Report to the Board of Directors of the Bank and Audit Committee of the parent company in order that remedial action is taken within the time that the Audit Committee deems appropriate in case the Audit Committee finds or suspects any misconduct which may affect the Bank's financial position and performance significantly as follows;
 - Transaction which causes conflict of interest;
 - Fraud or irregularity or material defect in the internal control system;
 - Infringement of applicable laws and regulations of related regulatory agencies. If the Board of Directors or the management do not take remedial action within the time that the Audit Committee proposed, the Audit Committee shall disclose such infringement in annual report and report to the Bank of Thailand
7. Conduct the businesses as assigned by the Board in agreement of the Audit Committee.
8. Report audit activities to the Board of Directors on a regular basis.
9. Report audit activities to the Audit Committee of the Parent Company on a regular basis in compliance with Consolidated Supervision Principle of the Bank of Thailand.

Details of meeting attendance of TISCO Bank Public Company Limited's directors in 2015 are as follows:

Name-Surname	Time of Attendance		
	Board of Directors	Executive Board	Audit Committee
<i>No. of total meetings (times)</i>	6	12	12
1. Mr. Pliu Mangkornkanok	6	-	-
2. Ms. Oranuch Apisaksirikul	6	12	-
3. Assoc. Prof. Dr. Angkarat Priebjrivat	6	-	12
4. Ms. Patareeya Benjapolchai	6	-	12
5. Prof. Dr. Teerana Bhongmakapat	6	-	12
6. Mr. Sathit Aungmanee	6	-	-
7. Mr. Chi-Hao Sun (Mr. Howard Sun)	6	12	-
8. Mr. Yasuro Yoshikoshi	6	12	-
9. Mr. Suthas Ruangmanamongkol	6	12	-

8.2 Management

The Company transferred certain senior management and management supervising major functions from subsidiary companies to be employed under the Company in 2010. Simultaneously, the Company seconded those management to the same subsidiary companies for the same responsibilities on full time basis. This is to ensure that they shall devote their time to effectively manage subsidiary companies under TISCO Group strategy and plan approved by the Board of Directors.

Management Committee of the TISCO Group as of December 31, 2015 comprise of the following members:

Name	Position in the Company	Position assigned in subsidiary company
1. Ms. Oranuch Apisaksirikul ^{/1}	Group Chief Executive, TISCO Group	-
2. Mr. Suthas Ruangmanamongkol ^{/1}	Chief Operating Officer	President, TISCO Bank Public Company Limited
3. Mr. Sakchai Peechapat ^{/1}	Senior Executive Vice President	Senior Executive Vice President - Retail Banking, TISCO Bank Public Company Limited
4. Mr. Pitada Vatcharasiritham ^{/1}	Senior Executive Vice President	Senior Executive Vice President - Chief Corporate Banking Business, TISCO Bank Public Company Limited
5. Mr. Metha Pingsuthiwong ^{/1}	First Executive Vice President	First Executive Vice President - Co-Chief Retail Banking Business, TISCO Bank Public Company Limited
6. Ms. Araya Thirakomen ^{/1}	First Executive Vice President	President - Chief Asset Management Business, TISCO Asset Management Company Limited
7. Mr. Paiboon Nalinthangkurn ^{/1}	First Executive Vice President	Chief Executive Officer, TISCO Securities Company Limited Chief Executive Officer, Deutsche TISCO Investment Advisory Company Limited
8. Mr. Chalit Silpsrikul ^{/1}	First Executive Vice President	First Executive Vice President - Chief Wealth Management Business, TISCO Bank Public Company Limited
9. Ms. Yutiga Sonthayanavin	Executive Vice President	Executive Vice President - Chief Information Technology Officer, TISCO Information Technology Company Limited
10. Mr. Chatri Chandrangam ^{/1}	Executive Vice President - Risk & Financial Control	-

^{/1} Management as defined by the Securities and Exchange Commission

Authority and Responsibilities of Management Committee:

1. To consider and formulate TISCO Group business strategy, financial goals, business plan including annual budget. The strategy, goals and plan must be balanced among short, medium and long term to maximize long term shareholders' value.
2. To review and ensure that TISCO Group's operations are in accordance with its strategies and business plan, the overall business and financial performance meet TISCO's corporate KPI and all are in compliance with Corporate Governance Policy and related regulations.
3. To discuss and make decisions on Group's business direction and policy, diversification of business platforms, synergy of cross-over businesses functions, efficiency and control issues among high-impact business and operations areas, group human resource management policies and capital expenditure policies.
4. To serve as a forum for heads of business and control functions to lodge and discuss on certain conflict and disagreement arising from operations and/or management issues, which cannot be resolved within the organization's normal chain of command.

Authority and Responsibilities of the Group Chief Executive:

1. Focus on strategy formulation, which is guided by the statement of vision and mission approved by the Board of Directors, by working in partnership with the Board of Directors in formulating such strategies and business plan including the level of risk appetite of TISCO Group.
2. Monitor the Company's overall performance with emphasis in long term value creation of the Company.
3. Be responsible to the Board for the business performance and its consistency with agreed business plans, corporate strategies and policies, and keep the Board updated on progress.

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

Authority and Responsibilities of Chief Operating Officer:

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

In addition to the Management Committee of TISCO Group as of December 31, 2015, the Company's management comprised the following 33 persons;¹

Name-Surname	Position
1. Ms. Oranuch Apisaksirikul ^{1/2}	Group Chief Executive, TISCO Group
2. Mr. Chatri Chandrangam ^{1/2}	Executive Vice President – Risk and Financial Control Acting Head of Investment
3. Mr. Pairat Srivilairit	Head of Governance Office
4. Mr. Watsakorn Thepthim	Head of Human Resources
5. Ms. Dulyarat Taveebhol	Head of Corporate Compliance
6. Mr. Sathian Leowarin	Head of Business Strategy & Development Acting Head of Product Development & Marketing

Name-Surname	Position
7. Mr. Somthai Wattanapronphrom	Head of Transformation Acting Head of Enterprise Architecture
8. Ms. Suthinee Muangman	Advisor
9. Mr. Kontee Sunthornpradit	Head of Planning & Budgeting
10. Dr. Kampon Adireksombat	Head of Economic Strategy Unit
11. Mr. Kittipong Tiyafoonchai	Head of Human Resources Management
12. Mrs. Kusumar Prathomsrimek	Head of Bancassurance
13. Mrs. Chintana Voramongkol	Head of Project Management Office
14. Ms. Jiraporn Sawsukpaiboon	Head of Internal Audit
15. Ms. Chutintorn Vigasi ^{/2}	Head of Corporate Accounting
16. Ms. Chuenchit Trakarnratti	Head of Operational Risk Management
17. Ms. Nudtinee Suwanpanitch	Head of Legal Office
18. Mr. Noppawat Tangburanakij	Head of Digital Channel
19. Ms. Nartrudee Siwabut	Head of Corporate Communication
20. Mr. Nipon Wongchotiwat	Head of Enterprise Risk Management
21. Mr. Prayuk Charoencharaskul	Head of Productivity
22. Mr. Pichit Treethephasumphan	Head of Appraisal & Valuation
23. Mr. Pisit Piyapasuntra	Acting Head of Data Management
24. Mr. Puvarin Kullaphatkanon	Head of Risk & Business Analytics
25. Mr. Montri Siripanasan	Head of Solution Development
26. Ms. Maneerat Wattanajak	Head of Compliance – Asset Management Business
27. Ms. Voranuch Supaibulpipat	Head of Credit Control
28. Ms. Sakornrat Manuwong	Head of Compliance – Banking Business
29. Mr. Somchat Lapapong	Head of Corporate Services
30. Ms. Suthipirom Areesakulsuk	Head of Human Resources Services
31. Ms. Supaporn Aramtiantamrong	Head of Compliance – Securities Business
32. Ms. Surang Techarungnirun	Head of Office of the Credit Committee
33. Mrs. Arayapha Panichprecha	Head of Information Security Management

^{/1} Ms. Oranuch Apisaksirikul and Mr. Chatri Chadrangam is the member of the Management Committee of TISCO Group

^{/2} Management as defined by the Securities and Exchange Commission

8.2.1 Management of TISCO Bank

As of December 31, 2015, the Management of TISCO Bank comprised of the following members:

Name-Surname	Position
Mr. Suthas Ruangmanamongkol ^{/1/2}	President
Mr. Sakchai Peechapat ^{/1/2}	Senior Executive Vice President - Retail Banking Business
Mr. Pitada Vacharasiritham ^{/1/2}	Senior Executive Vice President - Corporate Banking Business
Mr. Metha Pingsuthiwong ^{/1/2}	First Executive Vice President - Retail Banking Business
Mr. Chalit Silpsrikul ^{/1/2}	First Executive Vice President - Wealth Management Business
Mr. Dejphinun Suthadsanasoung	Assistant Executive Vice President – Head of Retail Banking - Operations Acting Head of Retail Collection
Ms. Nipa Mekara	Assistant Executive Vice President - Head of Corporate Banking
Mr. Picha Ratanatam	Assistant Executive Vice President - Head of Wealth Management
Mr. Yuttpong Sriwongjanya	Assistant Executive Vice President - Head of Retail Banking - Branch Channel
Mr. Rungroj Jarasvijitkul	Assistant Executive Vice President - Head of Retail Banking - Product & Marketing
Ms. Karantar Vongsa	Head of Treasury
Mr. Kittichai Tonnajarn	Head of Counter Services
Mr. Nattanan Ananpreeyavit	Head of Contact Center
Mr. Thanom Chairaroondeekul	Deputy Head of Wealth Management
Mr. Teerayuth Praserttrattanadacho	Head of Retail Business Development
Ms. Prapatsorn Arthachinta	Head of Corporate Credit Structuring
Mr. Prakrit Shoonhasriwong	Head of Mortgage Loan
Ms. Preeyarat Poomdontri	Head of Processing & Settlement
Mrs. Parichat Suthatsanasuang	Head of Hire Purchase Captive
Ms. Penthip Laobooncharoen	Head of Retail Loan Processing
Mrs. Kannika Paophongngam	Head of Private Banking
Mr. Manop Petdamrongsakul	Head of Corporate Finance 1
Mrs. Malatip Swintara	Co-Head of Business & Risk Assessment
Ms. Rapeeporn Ounchalanon	Head of Loan Administration
Ms. Ladda Kulchatchai	Head of Custodian Service
Mr. Worapoth Tirakaroon	Head of Retail Service & Support
ML. Waraporn Worawarn	Head of Wealth Product
Ms. Wantana Kitchpanich	Head of Branch Operations Support
Mr. Wittaya Mettaviharee	Assistant Head of Retail Banking - Branch Channel Acting Head of Branch Business Development
Ms. Wipa Mettaviharee	Head of All Finance & Direct Sales
Ms. Saranya Weeramahawong	Head of Personal Banking
Mr. Somsak Wongwachirawanich	Assistant Head of Retail Banking – Branch Channel Acting Head of Branch Channel Sales 1
Mr. Somboon Siriruck	Head of Branch Channel Sales 2
Mr. Sommai Ung	Head of Corporate Finance 2
Ms. Saranya Ket-Udom	Head of Logistic & Control
Mr. Sukit Sakulwongyai	Head of Retail Follow-up & Legal
Mr. Suthep Trivannakij	Head of Hire Purchase
Ms. Sunee Tongsombutpanich	Head of Business & Risk Assessment
Ms. Suwande Khaolaorr	Head of Cash Management
Mrs. Savika Jongpakpaisal	Head of Loan Documentation

Name-Surname	Position
Mr. Takeshi Noda	Head of Japanese Relationship

^{/1} Management as defined by the Securities and Exchange Commission

^{/2} Management of TISCO Financial Group Public Company Limited, the Parent Company of TISCO Group, seconded to manage the Bank

Remark: Both Executive Vice President of Risk & Financial Control, Mr. Chatri Chandrangam, and Head of Corporate Accounting, Ms. Chutintorn Vigasi, are employed under TISCO Financial Group Public Company Limited.

Authority and Responsibilities of President:

Under consolidated supervision framework, the President shall ensure adoption and implementation of TISCO Corporate Governance Policy approved by the Board of Directors of the Parent company in the day-to-day management and decision making of the Bank. The President shall carry out the following responsibilities within the policies and directions set forth in TISCO Corporate Governance Policy efficiently and effectively in the best interests of the shareholders. The President has authority and responsibilities as detailed below;

1. Develop business & operation plan for the Company as directed by TISCO group's corporate strategies and business plan.
2. Ensure strategic alignment of the Bank to TISCO group's direction and ensure effective implementations of the Bank's business plan.
3. Direct, control, and monitor day-to-day operations of the Bank according to TISCO group's policies and guidelines.
4. Oversee the Bank's services, operations, risk management & control systems.
5. Monitor the Bank business activities and operating performance.
6. Control the Bank's financial budgets and manage the Bank's allocated resources.
7. Ensure that the Bank business conducts are in accordance with related laws and regulations.

8.3 Corporate Secretary

The Board of Directors have appointed Mr. Pairat Srivilairit as the Corporate Secretary to be responsible for preparing and maintaining director profile, notice and minutes of the board meeting, annual report, notice and minutes of shareholders meeting, maintaining directors and management's report on conflict of interest, and performing other duties as required by the Capital Market Supervisory Board. (Profiles and qualification of Corporate Secretary as shown in Attachment 4)

8.4 Director and Management Remuneration

8.4.1 Director and Management Remuneration Policy

The remuneration of directors, proposed by the Nomination and Compensation Committee, shall be approved by shareholders. The scale and components of remuneration for directors and management has been set subject to the principle that such remuneration should be appealing enough to attract and retain quality directors, but avoid excessive pays. Remuneration for directors should be comparable to the general practice in the industry with regard to work experience and commitment, as well as the benefits each director brings. In addition, the remuneration shall be reviewed in comparison to comparable listed companies with similar size of business and the listed company average as disclosed in the Thai Institute of Directors Association (IOD)'s Thai Directors Compensation Survey.

Directors who are assigned with extra work (being members of other committee, for example) should be paid appropriately. The remuneration to be paid to such director or directors will be approved by the board. Remuneration for management shall be linked to the performance of TISCO Group, and that of each management member. The remuneration should be determined in accordance with the principles and policies approved by the Nomination and Compensation Committee with an endorsement from the Board of Directors.

To avoid conflict of interest and enhance transparency, remuneration shall always be approved from the higher level of command. Namely, shareholders approve the remuneration of the board of directors, the board of directors approves remuneration of the Executive Board, and the Executive Board approves remuneration of management upon the consideration of the Nomination and Compensation Committee.

Apart from the remuneration payable to directors of TISCO Financial Group Public Company Limited, TISCO Group only pays remuneration to subsidiary companies' directors who are non-executive director(s), that do not hold any directorship

in TISCO Financial Group Public Company Limited and/or management position in TISCO Group of companies, in the same form and amount of TISCO Financial Group Public Company Limited's director.

8.4.2 Financial Remuneration

The Company's shareholders approved at the Shareholders Ordinary General Meeting for the year 2015, the annual directors' remuneration in the form of reward, monthly fee, meeting fee and bonus at the amount of not greater than 2,400,000 baht for the Chairman of the Board, and not greater than 500,000 baht for each Board member, to be valid until amended. The Board of Directors, under the authority delegated by the shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors. Following the Board of Directors' Meeting No. 2/2015 on April 24, 2015 approved new directors' remuneration to be allocated as follows:

	<i>Monthly Fee (Baht / Month)</i>	<i>Meeting Fee (Baht / meeting)</i>
<u>Board of Directors</u>		
Chairman	200,000	-
Member	40,000	-
Advisor	40,000	-
<u>Executive Board</u>		
Chairperson	-	40,000
Member	-	35,000
<u>Audit Committee</u>		
Chairperson	-	55,000
Member	-	40,000
<u>Nomination and Compensation Committee</u>		
Chairperson	-	50,000
Member	-	40,000
<u>Corporate Governance Committee</u>		
Chairperson	-	50,000
Member	-	40,000

The details of Board of Directors' remuneration for the year 2015 are as follows;

Name of the Directors	Remuneration (Baht)					Total
	Board of Directors	Executive Board	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee	
	Monthly Fee	Meeting Fee	Meeting Fee	Meeting Fee	Meeting Fee	
1. Mr. Pliu Mangkornkanok	2,400,000	-	-	-	-	2,400,000
2. Mr. Hon Kit Shing (Mr. Alexander H. Shing)	480,000	-	-	120,000	-	600,000
3. Ms. Oranuch Apisaksirikul	480,000	480,000	-	-	-	960,000
4. Assoc. Prof. Dr. Angkarat Priebjirivat	480,000	-	650,000	-	-	1,130,000
5. Prof. Dr. Pranee Tinakorn	480,000	-	-	350,000	-	830,000
6. Ms. Patareeya Benjapolchai	480,000	-	480,000	-	100,000	1,060,000
7. Ms. Panada Kanokwat	480,000	-	-	-	80,000	560,000
8. Prof. Dr. Teerana Bhongmakapat	480,000	-	480,000	-	-	960,000
9. Mr. Sathit Aungmanee ^{/1}	480,000	-	-	160,000	80,000	720,000
10. Mr. Yasuro Yoshikoshi	480,000	420,000	-	280,000	-	1,180,000
11. Mr. Chi-Hao Sun (Mr. Howard Sun)	480,000	420,000	-	-	-	900,000
12. Mr. Suthas Ruangmanamongkol	480,000	420,000	-	-	-	900,000
13. Ms. Krisna Theravuth ^{/2}	480,000	-	-	-	-	480,000
Total	8,160,000	1,740,000	1,610,000	910,000	260,000	12,680,000

^{/1} Mr. Sathit Aungmanee has been appointed to be the additional Member of the Nomination and Compensation Committee effective June 19, 2015

^{/2} Ms. Krisna Theravuthi has been appointed to be Advisor to TISCO's Board of Directors, with monthly remuneration of Baht 40,000

Remark: There is no policy to contribute annual bonus to director

In 2015, total remuneration for the Board of Directors, the Executive Board, the Audit Committee, the Nomination and Compensation Committee, the Corporate Governance Committee (12 members), Advisor to the Board of Directors (1 member) and the Management (41 persons^{/1}) was 367,073,520.17 baht This was paid in the form of monthly compensation, meeting fees, provident fund, and bonuses, which varied according to TISCO Group's performance.

Remuneration for subsidiary companies' directors

Regarding directors' remuneration for companies in TISCO Group, in addition to directors' remunerations paid to directors of TISCO, the Parent Company, in 2015, there are also remuneration to be paid to directors who do not hold any directorship in TISCO and/or management position in other subsidiary companies in the same form and amount to TISCO Board member, to be valid until amended. The Board of Directors of each subsidiary company, under the authority delegated by its shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

In 2015, TISCO Bank paid remuneration to management (38 persons^{/2}, excluded 5 persons which are the Parent Company's management and seconded to manage TISCO Bank), was 161,771,362.84 baht. This was paid in form of monthly compensation, salaries, provident funds, and bonuses which varied according to TISCO Bank performance.

^{/1} Comprising 10 members of Management Committee and 31 managements as of December 31, 2015.

^{/2} TISCO Bank paid remuneration to 38 managements comprising 36 Managements of TISCO Bank (as of December 31, 2015), Mr. Songsak Niltiean (Advisor) and Mr. Pornpiboon Sukaviriya (Head of Hire Purchase Captive during January – June 2015).

8.4.3 Other Remuneration

The Company also provides other non-monetary benefits for directors as follow:

- i) Executive vehicle for the Chairman of the Board with full support of related expenses incurred including vehicle checkup, maintenance, annual registration, and auto insurance
- ii) Personal accident insurance with maximum summed insure of Baht 6,000,000
- iii) Directors & Officers Liability Insurance (D&O) with liability limit of no more than USD 6,000,000

8.5 Human Resources

As of December 31, 2015, the total number of employees at TISCO Group was 4,240 (excluding senior management) of which 3,986 were permanent employees and 254 contract staff.

Major Function	As of	
	December 31, 2014	December 31, 2015
1. Retail Banking	2,421	2,434
2. Corporate Banking	157	134
3. Wealth & Asset Management	981	991
4. Corporate Affairs & CSR	676	681
Total	4,235	4,240

At the end of 2015, the number of employees of TISCO Group was increased by 5 additional staffs (0.1% YoY). Meanwhile, TISCO Group's total employee remuneration in the form of salaries, bonuses, and provident fund contributions was 2,346,633,700.31 baht.

8.5.1 TISCO Group Registered Provident Fund

TISCO Group established a Provident Fund in accordance with Ministerial Regulation 162 (B.E. 2526). The fund, called the "TISCO Group Registered Provident Fund", as per Ministerial Regulation 162 (B.E. 2526), has been registered in compliance with the Provident Fund Act B.E. 2530 since June 21, 1990. Rules and regulations of the fund, including the rights of members for the entire duration of their membership to the fund, have been set up to comply with Provident Fund Act B.E. 2530. The purpose of the fund is to encourage long-term savings among employees for their retirement or in the event of their leaving TISCO Group.

Employee's Contribution: Members shall remit contributions to the fund by granting the Employer permission to make deductions from their monthly salary. Members have two alternatives; to remit contributions at 5% of monthly salary, or at the same rate as the employer's contribution, which can be changed once a year.

Employer's Contribution: Employer is obligated to contribute to the fund on the same day as the employee, and the percentage of the employer's contribution depends on the employee's years of service as follows:

Years of Service	Employer's Contribution (% of salary)		
	Normal Rate	Special Rate	Total Rate
1st year	5	-	5
2nd year	6	-	6
3rd year	7	-	7
4th year	8	-	8
5th year	9	-	9
6th year	10	-	10
7th year	10	1	11
8th year	10	2	12
9th year	10	3	13
10th year	10	4	14
11th year and above	10	5	15

The fund is supervised by the fund committee, which is comprised of the employee's elected representatives and the employer's appointed representatives. Terms for fund committee members are valid for two years, and any individual can be re-elected or re-appointed. The fund committee is responsible for the supervision of fund management and investment policy. To broaden choices of employees for more suit their risk appetite and needs, TISCO Group Provident Fund employs a master fund with 4 investment policies (sub funds) which are Fixed Income, Mixed, Equity and Foreign investments. There are 15 predefined investment allocation choices for members to choose from. Presently, the TISCO Group Master Fund Committee allows members to switch their investment policies twice a year, in April and October.

8.5.2 General Human Resources Policies

To strengthen the group's corporate identity and brand personality, TISCO Group had established one Human Resources Policy that applies to all TISCO entities. Human Resources system and tools are developed to ensure the most effective human resource management and development. Human Resources operations are centralized for work efficiency and consistency. Meanwhile, decentralized authority and empowerment is embedded to allow business lines to execute competitive HR practices for competitive advantage in their own business environment and industry. The policy is shown as follows:

1. Principles of Dealing with People at TISCO Group

Because professionalism and trust in financial services is crucial, TISCO Group has established a clear definition of its corporate values in order to foster their development in TISCO Officers. The key to accommodate the journey of the organization towards success is to foster our officers to be sensible and do like TISCO Officers who are smart, well-doing and happy according to TISCO Group's values as below:

- 1 Mastery
- 2 Creativity
- 3 Integrity
- 4 Reliability
- 5 Customer Priority
- 6 Guidance

2. Hiring

In order to serve various business aims while maintaining a uniform corporate culture across the group, the selection and hiring of TISCO Group employees is based on corporate values and the required competency, i.e. Organizational Core Competencies, Functional Competencies, and Leadership Competencies.

To ensure good corporate governance, close relatives and immediate family members of the Board of Directors, the Executive Board, and the Management Committee, will not be considered for any job vacancy in the TISCO Group. The same condition will apply to senior employees with managerial authority. Kin and immediate family members of other employees are to be considered on a case-by-case basis by senior management and the human resources function. Every candidate will be assessed to match their competency with the requirements of the position and potential for growth in the future.

TISCO Group has job promotion and job rotation policy in case of job vacancy in the TISCO Group. Even, the executive and human resource function also have duty to select the candidate from outside who have appropriate qualification in order to maintain the good quality of human resource. It is as important to hire the right person as it is to integrate newcomers into the organization so that their skills and behaviors can merge smoothly with TISCO Group culture.

3. Employment at TISCO Group

To uphold the highest standards of Good Corporate Governance, TISCO Group has established a "**Business Code of Conduct**" that demonstrates its determination to be a good corporate citizen in society. These principles are to be respected everywhere and under all circumstances. The management will implement the necessary processes to ensure that these principles are enforced at all levels. Employees who fail to abide with the Business Code of Conduct cannot be maintained in employment and will be asked to leave the organization. Employees should also inform vendors, suppliers and the providers of outsourced services of our Business Code of Conduct in the issues related to them and they should comply.

TISCO Group favors a policy of long-term employment. Separations are only for cases violating the Bank's principles, business misconduct, retirement, leaving voluntarily, and falling into the separation criteria as stated in the rules and regulations that TISCO Group has registered with the Department of Labor. Whenever an operation or business cannot be maintained under the parent company's umbrella (TISCO Financial Group Public Company Limited), reasonable steps will be undertaken to avoid overall loss of employment and by fully respecting all related labor laws. Reasonable efforts will be undertaken to reduce, as much as possible, the suffering of our employees.

4. Assessment and Development

4.1 Assessment

Employees are assessed in all steps of employee movements from selection of new candidates to promotion, career development and succession planning. Assessments and evaluations are carried out in many aspects, including knowledge, skills, competencies, performance, and leadership, as well as alignment with corporate values. This ensures that quality of people be fit with TISCO Group's strategy, culture, technology and environment, which in turn ensure maximum human resources value. The Human Resources function will provide assessment tools at the corporate level, whereas business units will have the freedom to customize assessment tools under corporate HR consultation to suit each business environment while maintaining corporate standards of people quality.

4.2 Development

To sustain organizational growth, TISCO has prioritized human resources development as a primary policy. Learning culture is established by providing development solutions that satisfy both organizational requirements and individual development. A policy that encourages continuous self-improvement through learning leads to sustainable growth and, finally, a High Performance Organization.

Employee development plans are specific to each job positions in TISCO and covers 4 types of competencies, namely, organization core, business, technical, and leaderships.

The Human Resources function is responsible for providing knowledge and skills development at the corporate level for corporate competitive advantage. At the Business Unit level, the Human Resources function provides consultation and advice on development methodology and techniques to maximize learning and development of human capital to add value to the business. Human Resources is also responsible for the recording of organizational knowledge and the skills inventory of all business units in TISCO Group. The Human Resources Development activities in TISCO are handled by a dedicated team – "TISCO Learning Center".

5. Career Management

To motivate employees and build up the organization's strength, every employee has opportunities for career progression, both vertically and horizontally. TISCO Group emphasizes "***promotion from within***" for available job positions. Should there be no best fit within the organization, hiring from outside then comes into consideration. Promotions in TISCO are in accordance with employee competencies level and degree of matched competencies.

Career development and progression are open for upwards, downwards and lateral movements both within business units and functions and cross-functions across TISCO Group. Open communication in career development and progression is mandatory between line managers and employees to ensure transparency and clear expectations.

6. Performance Management

The objective of Performance Management is to build a workforce committed to the delivery of quality service while building a trusting relationship between line managers and job performers. Performance Management will be a key responsibility of every employee who assumes a supervisory role. Regular counseling and guidance are the best tools for improving performance and helping people develop their skills. Efficient performance management emphasizing the achievement of agreed objectives is a prime responsibility for each manager. Candidates for managerial positions should clearly have demonstrated a willingness and ability to apply the performance management system and process. The components of the performance management system and process are outlined in the guidelines and manuals that support Human Resource policy and will be developed, updated and maintained by the Human Resources function.

7. Employee Compensation and Benefits

TISCO Group recognizes that its employees are its most important resource and thus places great emphasis on their health, safety and well being TISCO Group arranges for all employees to have annual physical checkups, and has set up programs to promote continuous exercise for employees to promote good health and immunity to illness. The nursing facilities are also available at main sites to provide first aid and healthcare and provide advice on health and well beings to the employees.

TISCO Group favors competitive, stimulating and fair remuneration structures offering an overall competitive and attractive compensation package. Various forms of compensation are designed in combination to best match the nature of various jobs, as well as supply and demand. Remuneration includes salary, fixed and variable incentives/bonuses, social welfare, provident fund, health care and other benefits.

TISCO Group has adopted market benchmarking compensation system, incorporated with the job levels and job family, so that it is flexible and able to adapt to the evolution of market conditions. Its structure allows sufficient flexibility to effectively reward high professional insight and performance as well as individual potential in both generalist and specialist employees.

TISCO Group will establish a compensation practice based on relevant external compensation levels as well as the requirement of internal fairness. It is the responsibility of each manager to propose, within the framework of TISCO Group policy, the remuneration of his/her employees, taking into account the local market, competency in financial industry, individual performance, skills and potential for development.

It is also the responsibility of each manager, if needed, with the support of the Human Resources function, to communicate properly, clearly and with sufficient transparency, the individual remuneration of each staff member regarding his/her specific responsibilities. The quality of communication in these matters is an essential part of the dialogue that each manager will have with his/her employees. It should be realized that, however important remuneration is for each employee, it is not remuneration alone that will stimulate the motivation of staff.

TISCO Group rewards employees in the following aspects:

7.1 Pay for roles and responsibilities

All jobs in TISCO Group are clearly identified by key roles and responsibilities and slotted into the broad banding system. Certain pay levels are determined for each job by market surveys and benchmarking. The jobholders will be rewarded within the pay range of their particular job and band.

Individual remuneration is considered from skills, knowledge, behavior, attitude and potential to contribute to the business. Development of competency level will be valued and rewarded. Line managers have a direct responsibility to assess team members for a fair reward.

7.2 Pay for performance

Performance objectives and targets for each employee are preset and agreed at the beginning of the financial year. Employees who meet their target are entitled to earn rewards in the form of monetary bonuses or incentives of any form that TISCO Group will announce in the future.

Different types of businesses in TISCO Group can have different combinations and methods of pay, with senior management agreement and CEO and President approval, in order to drive business success.

8. Human Resources Administration

To be fully in compliance with labor laws and regulations, all HR practices related to labor laws are centralized at the Human Resources function so as to be handled properly. Any policies and/or HR practices that contradict national labor laws will be automatically superseded and the Bank's rules will be revised in accordance with new labor laws.

Employee data recording is centralized at the Human Resources function for overall and high-level workforce management. Transfers or changes in employee status at all business units across TISCO Group are to be reported and processed according to the corporate HR guidelines and procedures.

9. Succession Planning

To prepare the organization for the future, all key positions are required to develop successors and put development plans in place. Succession planning is overseen by the HR Committee and Nomination and Compensation Committee with support from the Human Resources function.

In addition, Nomination and Compensation Committee of the Company responsible to prepare the succession plan of the senior executives of all companies in TISCO Group for tranquil and continuous business operation. The succession plan will periodically review. The Nomination and Compensation Committee of the Company will select and nominate names of qualified candidates to the Board of Director for the position of senior executives in the Company and its subsidiaries which contribute more than 25% of total revenue of TISCO Group.

8.5.3 Organizational Development & the Learning process

As a part of an ongoing plan towards becoming a learning organization, TISCO Group has continue to invest substantially in a program to develop all levels of personnel so that they can fully contribute to the organization and it's stakeholders. The TISCO Learning Center has been formed as a new unit dedicating to deliver training programs and roadmaps to enhance the organization competencies, including performance and competency development, productivity improvement, leadership and developmental effectiveness. TISCO Group continued to implement various development programs as follows;

1. Development programs to support business & marketing plans

1.1 The Teller academy

Teller Academy Program has been designed and continuously updated to equip new TISCO Bank tellers with all the necessary bank teller skills plus the awareness of risk management as well as customer services. Regular refresh courses are also administrated for all existing tellers to ensure that desired level of expertise can be maintained.

1.2 Wealth Academy for Wealth Relationship Managers

Along with the improvement of tellers as customer service team, a dedicate and expertise team of wealth relationship managers has been developed for all segments of customers. The program aims to build financial and investment expertise and customer priority of the growing team of relationship managers .This is to ensure that the objective of increasing share of depositors can be achieved.

1.3 Hire Purchase Marketing Development Program

The hire purchase marketing team plays an important role in providing retail finance solutions to TISCO clients. This newly designed program aims at the roles and comprehensive knowledge on retail finance products as well as customer service skills. This is to secure positioning of the all-in-one solution provider for retail finance clients and ensure a continuous growth in retail finance business.

1.4 Hire Purchase Manager Program

HPM – Hire Purchase Manager plays an important role as a leader of a marking team and strengthens a good relationship with TISCO clients. Designed by TISCO Group, this program aims at the roles and comprehensive knowledge on TISCO products including loan products, banking products and investment. To secure positioning of the all-in-one solution provider for our clients and to meet clients 'needs, this reflects our corporate's professionalization and is critical to our corporate's success.

1.5 Debt Collection Guidance Program

In 2015, the Fair Debt Collection Practices Act was amended. TISCO designed this program to educated law knowledge update as well as proper practice to related officers to ensure their understanding and proper compliance with this law.

2. TISCO Leadership Development Program

TISCO continuously develop its middle management team to support a rapid growth in business which leads to dynamic changes in organization size, corporate vision, missions, strategies, and branding. To cope with these changes effectively, Managers and Leaders play important roles in the organization. Being a role model and driving force, they have to understand and aware of rapid external changes as well as ability to motivate their teams and be adaptive to the changes around them. To lead into a single direction and synergies, TISCO Leadership program was launched for all managers and leaders. The program provides skills and knowledge on team management, leadership, and strategic management. This ensures effective and flexible management in TISCO as a modern organization.

3. Competencies Development Program

TISCO Group consistently values employee development and promotes training and development on specific job-related competencies, including organization core, business and technical competencies. The development programs are offered as per organizational learning roadmap and individual development plan and promotes employees to be developed continuously to ensure possession of necessary skills and knowledge, both from internal training and external training programs.

4. TISCO Culture and Value enhancement

TISCO Group emphasizes on organizational culture and corporate values, namely, Mastery, Integrity, Reliability, and Customer Priority, including the two behaviors, Creativity and Guidance so that TISCO employee could open up new opportunities for their clients and the society. The statement is further emphasized in 2013 as the group logo was changed to the "Ring of Opportunity". The campaign and communication was clearing designed and embedded with all other programs, from orientations, trainings, and other activities. A more specific campaign was administrated to promote and recognize adoption of corporate values

into daily lives, including the Financial Architect of the month, and CEO awards program as well as incorporation in CSR activities to share employee expertise in personal financial management to students in the learning camp. Dedicated employee relation team was set up to ensure promotion of corporate values, culture and workplace environment as well as maintain strong and healthy relationships among all parties in the organization.

5. Knowledge Management, Learning Management System and e-Learning

TISCO Group is aware that employees are entitle to competencies development and therefore can assess to the organization knowledge. The learning management system has been implemented to allow employee to self-study and track their own development progress. It also systematically accumulates organization knowledge which serves as pool resources that enable future human resources development in the future.

6. Knowledge Management

TISCO Group values expertise and successful factors which have been accumulated and inherited in our corporate traditionally. To gather and apply this knowledge efficiently, this KNOWLEDGE MANAGEMENT is established to completely collect corporate's knowledge. This process begins from gathering knowledge from expert and experienced personnel as well as retired employees and systematically categorized to publish to our employees to learn and as a resource in continuously developing personnel in the future.

9. Corporate Governance

9.1 Corporate Governance Policy

TISCO Group is dedicated to providing competitive and innovative financial solutions that ensure complete customer satisfaction. Our commitment to the highest ethical standards and good corporate governance is the result of our belief that a truly successful business is one that conducts itself as a good corporate citizen of the society in which it operates. This can only be achieved by ensuring that the rights and interests of all stakeholders, which includes shareholders, employees, customers, business partners and creditors, competitors, society and the environment, are fully protected.

TISCO Corporate Governance Policy, developed from the 2006 Good Corporate Governance Policy for listed companies in aligning with the guideline set by the Stock Exchange of Thailand, is established to define group governance structure, code of conduct, operating structure, charters of governance bodies, as well as centralized operating policies in various areas for coherent adoption across all subsidiary companies in TISCO Group. The parent and subsidiary companies of TISCO financial group are required to strictly comply with this Corporate Governance Policy.

However TISCO has reviewed and updated Corporate Governance Policy which was approved by Board of Directors on 30 October 2014, it is set up to provide guiding principles of good corporate governance to the directors, management, and employees of TISCO Group in order to ensure that the Group complies with all relevant laws and regulations and carries out duties with maximum accountability, transparency, and equitable treatment to all stakeholders so as to promote managerial integrity, effectiveness, and efficiency across the group. The Corporate Governance Principle covers 5 main areas, namely, the Rights and Equitable Treatment of Shareholders, Interest of Stakeholders, Disclosure and Transparency, Responsibilities of the Board, and Integrity and Ethics (details of Corporate Governance Policy are presented on www.tisco.co.th).

To ensure that all employees understand and effectively carry out their duties in compliance with the relevant regulations and business code of conduct, TISCO Group launched the compulsory Compliance and Human Resource Policy Test through the TISCO intranet system. The test results will be evaluated to determine the level of understanding so that appropriate communication methods will be carried out to enhance the staff's awareness of their roles and responsibilities in good corporate governance. Employees taking the test will be able to learn instantly from the provided answers to all questions. The Company has revised the test in compliance with changes in laws and regulations. Completion of the test is required by all employees as one of their Compulsory Key Performance Indicator. All new staff employed during the year is required to complete the test in addition to attending the orientation. The result of the test will be considered as part of their evaluation.

TISCO Group strictly and consistently applies good corporate governance at all levels within the organization. This commitment has yielded TISCO much recognition and honors from many institutes. With continuous determination in Corporate Governance, which suits the organization's environment, structure, and necessity, the company has received honorable mentions from many institutes such as "NACC Integrity Awards 2013", for the second time, from the National Anti-corruption Commission (NACC) which reflects TISCO as one of the top leading organization in term of transparency and good governance practices, Board of the Year for Distinctive Practices 2012-13, Board of the Year for Exemplary Practices 2014-2015, Audit Committee of the Year 2012-2013 and 2014-2015, and Board with Consistency Best Practices 2012-13 and 2014-15 with a corporation from seven institutes, namely Thai Institute of Directors (IOD), Stock Exchange of Thailand, The Thai Chamber of Commerce, The Federation of Thai Industries, The Thai Bankers' Association, Thai Listed Companies Association and Federation of Thai Capital Market Association. This is a significant evidence of the Board of Directors' determination and dedication to run the business with transparency, at full capability, under business ethics, focusing on shareholders' best interests and giving importance to stakeholders who are shareholders, customers, partners and creditors, competitors, employees, including the society and the environment with continuity.

From the ASEAN CG Scorecard 2013-2014, provided by the Thai Institution of Directors and the Stock Exchange of Thailand, TISCO achieved score at 101.52 points of total score 142 points. In this regards, TISCO ranked as 1 of 17 publicly listed companies achieved score 90 points and above. The Stock Exchange of Thailand also provided the recommendation to improve Corporate Governance, all applicable recommendations were considered and incorporated into the Corporate Governance Policy.

In addition, TISCO's Shareholder Ordinary General Meeting for the year 2015 has achieved a full score from the Ordinary General Meeting Assessment Program conducted by the Securities and Exchange Commission in cooperation with the Thai Listed Companies Association, and the Thai Investors Association. In addition, TISCO has honored for the fourth time the SET Awards 2014 in Top Governance Report Awards Category. The award, organized by the Stock Exchange of Thailand in corporation with the Money and Banking magazine, is given to the listed company presented with distinctive governance report appraising from the information disclosed in Annual Registration Statement (Form 56-1), the Annual Report, the Company's website, and Notice and Minutes of Shareholder Ordinary General Meeting. Besides the above mentioned recognition given, for the year 2015, the Thai

Institute of Directors (IOD) also evaluated TISCO as the listed company with "Excellent" corporate governance recognition level considering from information disclosed through the Stock Exchange of Thailand's information dissemination channel and other Company's public documents. The Company will report the assessment result to the Corporate Governance Committee, which will further report to the Board of Directors to review IOD's recommendations to continuously develop and improve corporate governance of TISCO Group.

TISCO Group emphasizes on information disclosure. Thus, regular meetings with investors both local and foreign were held to illustrate TISCO Group's policies, exchange viewpoints, and respond to any queries on the basis of trustworthiness and professionalism concerning all stakeholders.

1. Rights and Equitable Treatment of Shareholders

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

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

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

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

The Company delivers Notice of the shareholder meeting to summon shareholders to join the meetings, attached with Proxy Form A (a simple form for general shareholders), Form B (a specific detail form for general shareholders) and Form C (for foreign shareholders who appointed custodians within Thailand to be responsible for the shares), any shareholders who cannot attend the meeting can have their proxies taken part on their behalf. In addition, the Company has contacted institutional investors, who are funds or custodians, to send in representatives for the meeting and facilitating on advance meeting document checking and providing information or responding to any inquiries.

With regard to shareholder meetings, in addition to the annual general meeting which must be convened within 4 months of the date ending the accounting period, the Board of Directors may summon an extra-ordinary meeting at such date, time and place as determined by the Board. Shareholders who hold an aggregate number of shares not less than one-fifth of the total number of paid-up shares may also request that the Board of Directors convene an extra-ordinary meeting by listing their names in a notice and submitting their reasons. Similarly, a group of shareholders numbering not less than 25, who hold an aggregate number of shares not less than one-tenth of the total number of paid-up shares, may also request an extra-ordinary meeting. In such cases, the Board of Directors must set the date, time and place of the meeting within 1 month of the date of receiving the notice.

The Company also gives great emphasis to shareholders' meetings as important occasions in which the shareholders have the right to participate in the decision-making process. TISCO strongly encourages shareholders to fully exercise their rights by facilitating in the following aspects:

- Invitation to shareholders to propose agenda items in the annual general meeting and nominate qualified candidates for director position

TISCO allocates sufficient time frame for the shareholder either one shareholder or combined shareholders, who is holding minimum shares of 100,000 shares or equivalent to less than one percent of total issued and paid-up capital of the Company, to propose agenda items that they deem worthy of being placed on the annual general meeting agenda, and to propose qualified director candidates. The shareholders can submit their proposals in advance of the meeting according to the criteria set by the Company. Regarding agenda items, the Board of Directors shall add items that are considered appropriate for the agenda and make sure that the items are included in the Notice of the annual general meeting. For nominations of qualified candidates for director positions, the Nomination and Compensation Committee shall review and propose candidates for the Board of

Directors' consideration for further recommendation to the shareholders at the annual general meeting. In cases wherein proposals are disapproved by the Board and/or the Nomination and Compensation Committee, the Company shall state the reason for refusal to the shareholders in the shareholders' meeting, on the Company's website or any other appropriate information dissemination channels.

For the 2015 Annual General Meeting, TISCO invited shareholders to propose agenda and qualified candidates for director positions in advance, from August 29, 2014 to December 31, 2014. Before mailing out the Notice, the Company posted on the Company's website to inform shareholders their rights to propose additional agenda in the annual general meeting together with related procedures, deadline for the proposal of agenda so that the Board of Directors shall consider include or not include the agenda in the Notice, and methods of proposing qualified candidates for director position to the Nomination and Compensation Committee for further recommend to the Board of Directors and propose to the shareholders at the annual general meeting. In this regard, upon the posting of information, the Company also disclosed through the Stock Exchange of Thailand's information dissemination channel.

- Notification of Meeting Details and Materials

The Company prepares Notice of the shareholder meeting in both Thai and English and notifies the meeting details to investors prior to the meeting date through the Stock Exchange of Thailand's information dissemination channel and its website to allow shareholders adequate time to study meeting materials. Such notice and materials shall be sent to the shareholders not less than 7 days before the date set for the meeting in accordance with the law. The information presented on the website shall be the same as that presented in the meeting materials sent to the shareholders; which include (1) Notice of the meeting (2) Procedure for meeting registration (3) Profile of the independent directors nominated to serve as proxies for shareholders (4) the Company's Articles of Association in the category of company's shareholder meetings, directors; with regard to the number of directors section, an election of directors, director's term of office and dividend (5) Agenda of the meeting (6) Annual Report (7) Proxy Forms (8) Registration and Voting Form (9) Meeting location map and (10) Return envelope. In addition, the Company shall publish Notice of the shareholder meeting in a Thai daily newspaper for 3 consecutive days and not less than 3 days before the date set for the meeting. All agenda items shall indicate clearly whether it is a matter being proposed for acknowledgement, for approval, or for consideration, as the case may be, and include the opinions of the Board of Directors in said matters.

For the 2015 Annual General Meeting, TISCO disclosed Agenda of the meeting via the Stock Exchange of Thailand information dissemination channel since February 16, 2015 and disclosed Notice of the shareholder meeting in both Thai and English languages through the Stock Exchange of Thailand's information dissemination channel and its website since April 3, 2015. The Company mailed notice and materials to shareholders since March 23, 2015.

- Meeting attendance

To protect shareholders' rights to attend the meeting and ensure equitable treatment for shareholders, TISCO assigned officers to check shareholders' or proxies' documents according to the requirements stated in the notice. Moreover, TISCO allowed enough time for any shareholder to register to attend the meeting in advance of the meeting time. TISCO utilized a computer and barcode system for registration and printing of voting forms for each agenda item to facilitate shareholder participation, and to ensure prompt and accurate registration, and for vote counting procedure. In addition, shareholders are also able to register to attend and exercise their voting rights on the agenda that they have not cast the vote in advance after the meeting's commencement. For shareholders unable to attend the meeting and would like to appoint a proxy, TISCO proposes more than one independent directors by presenting director profiles for the shareholders' selection, in addition to management, director or any other person attending the meeting on their behalf. TISCO has also attached Proxy Forms, which allows shareholders to specify their voting decision, with the notice. Moreover shareholders could cast their votes in advance on the Voting Form which had been sent out together with notice of shareholders' meeting. The shareholders can download other types of proxy forms and Voting Form from the Company's website.

For the 2015 Annual General Meeting, the Company proposed four independent directors, Chairman of Board of Directors, Chairperson of the Audit Committee and Chairperson of the Nomination and Compensation Committee, Chairperson of Corporate Governance Committee including their profiles for shareholders to appoint as proxy. Proxy Form B which allows shareholders to indicate their voting directions was also enclosed in the Notice. In addition, shareholders can download other Proxy Forms from the Company's website.

- Shareholders' opportunity for query and comment

Before the date set for the meeting, TISCO invites shareholders to submit questions regarding the Company and meeting agenda that requires clarification by the Board of Directors and the management at the meeting. The question may be submitted in advance via fax or email to Investor Relations. In the meeting, the Chairman shall allocate appropriate time and encourage equal opportunity for shareholders to express their opinions and raise their queries at the meeting as per the agenda. TISCO shall endeavor to arrange for all directors, executives of the Company and subsidiaries, as well as the auditors to attend the shareholders' meeting to answer the queries. The Company's directors and management will clearly explain and clarify such matters.

For the 2015 Annual General Meeting, 11 directors (out of 12 members), TISCO Management Committee members, and the auditors attended the meeting. In addition, representatives from the Bank of Thailand were also observed the meeting.

- Conduct of the meeting and voting

The meeting is conducted in accordance with the order of agenda as arranged in the notice of the meeting, unless the shareholders holding an aggregate number of shares not less than two-third of total number of shareholders attending the meeting resolve to change the order of the agenda. In addition, the shareholders holding an aggregate number of shares not less than one-third of the total number of paid-up shares may request that the meeting consider other matters in addition to those specified in the notice of the meeting. Before the meeting starts considering the agenda, the shareholders will be informed of number and proportion of shareholders or proxy attended the meeting, their voting rights, total votes required for each agenda and the voting process for each agenda. Every shareholder present in person or being represented by proxy is entitled to one vote per share, with the exception of cumulative voting for the appointment of directors. For the purpose of transparency and equitable treatment of the shareholders in the voting process, the Company shall utilize voting forms for all agenda and under cumulative voting for the appointment of director. The Company assigns inspectors to oversee and monitor the shareholders meeting to ensure that the meeting is conducted with transparency and compliance with the law and its Articles of Association. After the vote count is completed, voting results of each agenda will be announced to the meeting, by specifying the vote results as "For", "Against", and "Abstain" together with number of votes.

For the 2015 Annual General Meeting, the meeting was conducted according to the Company's Articles of Association with no additional agenda, no changes to the agenda order, or no changes in important information without prior notification to shareholders. In addition, the Company assigned DIA Audit Company Limited to ensure that the meeting was conducted with clear and transparency and in accordance with laws and the Company's Articles of Association. There were representatives of DIA Audit Company Limited to observe in the registration and vote counting throughout the meeting.

For director election agenda, TISCO has introduced a Cumulative Voting process, which allows minority shareholders to take part in nominating and electing Independent Directors. To ensure transparency and equitable treatment, shareholders are allowed to cast their votes for individual director.

The Company shall give notification of the shareholders' meeting resolutions to all investors through the SET's information dissemination channel within the same day of the meeting or at least one hour before the opening of the Stock Exchange of Thailand on the next working day. In addition, the Company shall also prepare the minutes of the meeting in which all relevant information, including all clarifications, queries, opinions, and resolutions are recorded and categorized into "For", "Against", and "Abstain" votes. TISCO shall disseminate the above minutes on its website and submit it to the Stock Exchange of Thailand within 14 days from the date of the meeting. The minutes of the meeting will be kept at the office. In addition, TISCO has arranged for a recording of the shareholders' meeting to be available on CD. Shareholders who are interested may request a copy of the CD from Investor Relations.

For the 2015 Annual General Meeting held on April 23, 2015, the Company notified the shareholders' meeting resolutions through the SET's information dissemination channel within the same day of the meeting and disclosed the minutes of the meetings on May 8, 2015, in compliance with the above mentioned timeframe.

Regarding measures taken to prevent conflict of interest, the Company has set the code of conduct for employees to ensure that employees comply with stipulated laws and regulations, conduct their duties with integrity, consider the Company's interests above their own, and refrain from exploiting inside information for their own benefit. Directors, Top Management or top 4 management whose ranks are subsequent to the Top Management, any person holding equivalent position of the fourth ranked management, and Accounting department managers must firstly file with the Company a report on his/her interest or related person's interest in relation to management of the Company upon the appointment and within 3 working days from the date of the change. In addition TISCO has set out rules regarding securities trading by employees, stating that all employees must open trading accounts only with its subsidiary, TISCO Securities Company Limited. Also, employees are required to seek approval from

their supervisors and the Compliance Unit before executing trades. Moreover, it also prohibits Management Committee and insiders from trading TISCO's shares 7 days prior to the last working day of the month until 2 days after the financial statements or the summary statements of assets and liabilities of TISCO are published.

Directors, Top Management or top 4 management whose ranks are subsequent to the Top Management, any person holding equivalent position of the fourth ranked management, and Accounting department managers must report their securities holdings in TISCO, as well as the securities holding of their spouses and any minor children, to the Office of Securities and Exchange Commission. This report on securities holding must be filed within 30 days from the date of appointment and within 3 working days from the date of the change. Directors must also notify the Board via the Audit Committee of their shareholdings at the end of each quarter. The Audit Committee reviews director's shareholding and report to the Board for acknowledgement every quarter under Audit Committee's activities.

The above-mentioned persons must file a copy of their report on securities holdings to TISCO within the same date on which such a report is filed to the Office of Securities and Exchange Commission. In addition, Directors and management shall file with TISCO a report on his/her interest or a related person's interest in relation to management of TISCO or the subsidiaries in accordance with the rules, conditions and procedures specified by the Company in compliance with the Securities and Exchange Commission requirement.

TISCO Group has placed great emphasis on managing its business operations effectively under good governance guidelines. TISCO Group has no policy to encourage transactions between related parties or any other transactions that may result in a conflict of interest. Should any such transactions occur, they must be considered thoroughly by the Audit Committee. The Audit Committee shall report and/or propose to the Board of Directors Meeting for approval, as the case may be. The Company shall consider said transactions with the same conditions as those governing normal business transactions. Persons with vested interests shall not be entitled to vote for the approval of said transactions.

2. Interest of Stakeholders

TISCO treats all stakeholders fairly in accordance with TISCO Corporate Governance Policy – Section : Rights and Equitable Treatment of Shareholders, and their legal rights, either established by law or through mutual agreements. TISCO continues to develop processes to deliver superior financial products and services in order to meet stakeholders' expectations.

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

2.1 Shareholders

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

2.2 Employees

TISCO compensates its employees, permanent or contracted, fairly and they are rewarded based on an equitable performance evaluation system. They are equipped with the required standard of education and professional training, and provided with health care benefits and work place safety.

2.3 Customers

TISCO fulfills its contractual commitments to customers by providing professional and practical solution in accordance with the highest standard and code of conduct.

2.4 Business Partners and Creditors

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

2.5 Competitors

TISCO operates its business with respect for fair competition and integrity, works within the framework of applicable competition regulations, and refrains from action that may have a negative impact on the financial industry.

2.6 Social and Environment

TISCO recognizes its social responsibility and has continuously undertaken development initiatives to make a better society. Resources and expertise are focused on sustainable issues which are important to stakeholders and TISCO, such as supporting education and financial literacy. Other CSR activities are allocated to social welfare, cultural and environment preservation, which are driven mostly by voluntary staff, and occasionally with customers and business partners, to cultivate their moral values and social conscience.

In addition, TISCO Group provides variety of channels, for instance, TISCO Contract Center, service counters, TISCO Group website, and TISCO dedicated functions. For example, Investor Relations Function is responsible for feedbacks from shareholders and investors community while TISCO HR Help Line is responsible for those from employees. Moreover, Compliance Function has been assigned to receive suggestions, complaints or any other concerns related to TISCO business operation and regulatory matters. Significant issues shall be reported to the Compliance Committee for consideration. The Compliance and Operation Control Committee will preliminary screen the issue before reporting to the Audit Committee in case of critical corporate issues. The Audit Committee will further review, advise and report the issues and/or outcome to the Board of Directors. In addition, in order to protect the rights and privacy of claimants, the company has set clear policies and operational procedures to handle with claims from customers, employees and stakeholders. Comments, complaints or any information given will be protected and kept confidential.

Complaint Channels

- | | |
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| Channel 1 | Inform the complaint at TISCO Bank's Head Office or branches through officers or filling the form and submit to officers. |
| Channel 2 | Send a letter to the address below:

Compliance Department
TISCO Financial Group Public Company Limited
TISCO Tower, 21st Floor
48/49 North Sathorn Road
Silom, Bangrak
Bangkok, 10500 |
| Channel 3 | Call TISCO Contact Center at 0 2633 6000 or fax the complaint to 0 2633 6800. |
| Channel 4 | Post your complaint on TISCO's website |
| Channel 5 | TISCO HR Help Line for employee |

3. Disclosure and Transparency

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

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

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

TISCO prepares reports for submission to relevant authorities and for public dissemination on the basis of equality and simplicity. The Board of Directors shall provide a report indicating the performance of the Company and important business activities over the course of the year to shareholders. Moreover, the Board of Directors is accountable for assessing the Company's internal control system, which is primarily assessed by the Executive Board and reviewed by the Audit Committee. The Board of Directors is also responsible to certify the accuracy of information in financial statements, the Board assigns the Audit Committee to review the financial statements of the Company and its subsidiaries to ensure that they are presented in accordance with generally accepted accounting principles and disclosed in an accurate and transparent manner to allow investors to make informed investment decisions. The Board provides the Statement of the Board of Directors' Responsibility for Financial Statements, while the Audit Committee provides reports on audit issues along with the auditor's report. Reports from the Board, the Audit Committee and the auditor's report are included in the Annual Registration Statement and Annual Report.

TISCO arranges for the disclosure of the names and responsibilities of directors and other committees, the number of meetings, each director's meeting attendance record, their remuneration, profile of directors and management, and other corporate information in the Annual Report and the Company's website.

The Company assigned its Corporate Secretariat Office and Investor Relations Function to represent the Company in communications with shareholders, investors, analysts, credit rating agencies and related regulatory bodies. The Company's information is publicly disseminated for easy access to interested parties through various channels, including reports submitted to the SET, the SEC, and the Company's website under the topic of "Investor Relations". Furthermore, TISCO has set up numerous activities to portray or update the Company's information as well as to provide responses to inquiries from investors such as Quarterly Analyst Meetings, Press Conferences, One-on-One meetings and Meetings with investors, both local and international. The mentioned activities are also participated by senior management. In this respect, the activities arranged in 2015 were as follows;

1. 4 Quarterly Analyst Meetings with approximately 60 persons attended each meeting
2. 1 Press Conferences with approximately 50 media representatives attended each conference
3. 1 SET Opportunity Day, arranged by the Stock Exchange of Thailand, with approximately 60 analysts and investors attended the meeting
4. 37 Company Visits and 24 conference calls with investors and equity analysts, both local and foreign
5. Meetings with investors, both local and foreign in America, Europe and Asia including the United States, United Kingdom, Japan, and Singapore. The details are as follows;
 - 5.1 12 Investor Conferences; comprising 8 local conferences and 4 international conferences, covering 160 investors attended

For more information, please contact Investor Relations at:

Address	:	TISCO Tower, 48/2 North Sathorn Road, Bangrak, Bangkok, 10500
Telephone	:	0 2633 6868
Fax	:	0 2633 6855
Email	:	ir@tisco.co.th
Website	:	www.tisco.co.th

Directors and management shall file with the Company a Report of their Securities Holding in the Company and Report on their Conflict of Interest as details in 4 mentioned below.

4. Responsibilities of the Board

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

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

4.1 Board Structure

The Board members are selected on the basis of, among other things, knowledge, experience, skill, diversity of expertise, integrity, ability to make independent analytical inquiries, and their understanding of TISCO Group's business environment. TISCO has clearly established the proper structure of the Board as well as Guidelines for Board Composition and Selection Criteria with regard to the proportion of independent directors, management directors, and directors nominated by major shareholders to ensure the appropriateness of the Board's composition. In addition, the term of office of TISCO's directors is 1 year as specified in the Articles of Association, whereby the whole Board of Directors shall be simultaneously elected at the annual general meeting each year. However, the former Board of Directors shall remain in office to conduct the business of the Company as necessary until the new Board of Directors take office.

Recognizing the crucial of their roles and to be in compliance with the Bank of Thailand regulations, directors, managers and person with controlling power are allowed to assume the position of Chairman, executive director, or director with signatory authority in no more than 3 listed companies. Directors and management should avoid other positions or jobs that may lead to conflicts of interest.

The Chairman of the Board of Directors shall be non-executive, and the Chairman of the Board of Directors and the Chairperson of the Audit Committee shall not be a member in any other committees. Moreover, the Board also clearly separates its roles and responsibilities from those of management to ensure a balance of power and authority, and to avoid a situation where a single individual has unfettered power in decision-making. For example, the Chairman of the Board of Directors and the top management shall not be the same person, and their roles and responsibilities must be clearly separated. To achieve high standards of performance, the Board delegates other committees to take on tasks that require in-depth consideration, such as the Executive Board, the Audit Committee, the Nomination and Compensation Committee and Corporate Governance Committee. TISCO assigns the responsibility of Corporate Secretary to take care of the Board's activities, monitoring compliance to the Board's resolution, handling Board Meeting and shareholders' meeting on matters concerning notice, minutes, including other duties as required by related laws and regulations of the governing authorities.

Moreover, to be compliance with the Securities and Exchange Act B.E. 2535, the Company assigned Committees and authorized persons in management (according to the Financial Institution Operation Act, B.E. 2551) to compile reports on their own interests and any involving persons to Corporate Secretary. Once any changes on the information are made, Corporate Secretary is responsible for restoring the data and reporting the changes to Chairman of the Board and Chairperson of the Audit Committee.

4.2 Board Self-assessment

In order to improve its performance, the Board of Directors has formulated self-assessment process to assess Board performance and efficiency according to corporate governance best practices. The Board of Directors assigns the Nomination and Compensation Committee to prepare and recommend Board Performance Self-assessment Guidelines for the Board's approval. The Nomination and Compensation Committee then reports the assessment result to the Board for acknowledgment.

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

In 2014, the Nomination and Compensation Committee revised the self-assessment form to be in compliance with the Thai Director Association (IOD) and to be more accurate and suitable for the Company's business. The assessment divided into 6 areas: 1) Board Policy, 2) Board Performance, 3) Board Structure, 4) Board Style, 5) Board Meetings, and 6) Board Members. The aforementioned self-assessment consists of two aspects, which are 1) comparison between usual practice and best practice and 2) efficiency. In the year 2014, the Committee agreed that the Board Performance, Board Structure, Board Members, Board Policy, Board Performance and Board Meetings were up to best practice standard. As for the efficiency, most Board members give the 'excellent' score to all 6 areas of assessment. Certain areas naming Board Policy, Board Performance and Board Meeting were evaluated as 'satisfied'. Thus, the Committees added comments and suggestions in the assessment so that the Company could take it to consideration for further improvement.

For 2015, the Nomination and Compensation Committee presented the assessment to the Board of Directors for approval. The assessment was submitted to the Directors, then the result will be presented in the Board of Directors' Meeting during early 2016.

4.3 Remuneration

To ensure that the remuneration policies are set up with transparency, the Board of Directors assigns the Nomination and Compensation Committee to formulate director remuneration policies with clear and transparent criteria. Director remuneration shall reflect their duties and responsibilities. Directors who are assigned with extra work should receive appropriate remuneration for special assignments. The Committee shall propose the remuneration to the Board Meeting and shareholders' meeting for approval. Remuneration for directors should be comparable to general practice in the industry with regard to work experience, expertise, commitment, as well as the contribution or benefit each director brings.

4.4 Board and Management Training

When a new director is appointed to the Board, senior management will arrange for an orientation regarding TISCO Group's business operations and past performance to provide clear understanding and enable the director to fully perform his/her duties. The Company shall also provide a copy of the Director Manual and the Corporate Governance Policy and to such director. It is TISCO Group's policy to encourage trainings and educational activities for directors on a regular basis. The Company has subscribed for membership in The Thai Institute of Directors Association for directors in order to keep abreast of news and updates as well as to attend trainings beneficial to a listed company directorship. Training schedules shall be regularly notified to the

director in advance.

Details of the Board of Directors and Top Management attending training programs and seminars as of December 31, 2015 are as follows:

Name	Training Program
Mr. Pliu Mangkornkanok	IOD Training Program <ul style="list-style-type: none"> • Role of the Chairman Program • Directors Certification Program • Audit Committee Program Capital Market Academy Training Program <ul style="list-style-type: none"> • Certificate of Capital Market Academy Leadership Program Thai Energy Academy Training Program <ul style="list-style-type: none"> • Executive Program in "Energy Literacy for a Sustainable Future"
Ms. Oranuch Apisaksirikul	IOD Training Program <ul style="list-style-type: none"> • Directors Certification Program • IOD Anti-Corruption Training Program for Corporate and Executives Capital Market Academy Training Program <ul style="list-style-type: none"> • Certificate of Capital Market Academy Leadership Program OIC Advanced Insurance Institute Training Program <ul style="list-style-type: none"> • Thailand Insurance Leadership Program Other Seminars <ul style="list-style-type: none"> • National Director Conference 2012 • The 2nd National Director Conference 2013
Assoc.Prof.Dr. Angkarat Priebjrivat	IOD Training Program <ul style="list-style-type: none"> • Role of the Chairman Program • Monitoring the Internal Audit Function Program • Audit Committee Program • Directors Certification Program • Directors Accreditation Program • Monitoring the System of Internal Control and Risk Management Program • Monitoring Fraud Risk Management Program • Anti-Corruption for Executive Program Capital Market Academy Training Program <ul style="list-style-type: none"> • Certificate of Capital Market Academy Leadership Program Training Program of the Institute of Chartered Accountants in England and Wales <ul style="list-style-type: none"> • Certificate in International Financial Reporting Standards Other Seminar <ul style="list-style-type: none"> • TLCA Annual Risk Management Conference 2012
Prof. Dr. Pranee Tinakorn	IOD Training Program <ul style="list-style-type: none"> • Role of the Compensation Committee • Directors Certification Program • Directors Accreditation Program • Audit Committee Program • Monitoring the Internal Audit Function Program • Monitoring the System of Internal Control and Risk Management Program • Monitoring Fraud Risk Management Program • Monitoring the Quality of Financial Reporting Program • Financial Institutions Governance Program • Anti-Corruption for Executive Program
Ms. Patareeya Benjapolchai	IOD Training Program <ul style="list-style-type: none"> • Directors Certification Program

Name	Training Program
	<ul style="list-style-type: none"> Financial Institutions Governance Program Directors Certification Program Update <p>Capital Market Academy Training Program</p> <ul style="list-style-type: none"> Certificate of Capital Market Academy Leadership Program <p>Training Program of University of Michigan, USA</p> <ul style="list-style-type: none"> Certificate of the Executive Program <p>Training Program of Chulalongkorn University</p> <ul style="list-style-type: none"> Certificate of Advanced Accounting and Auditing <p>Other Seminars</p> <ul style="list-style-type: none"> CG Forum 1/2014 Effectiveness in boardroom Audit Committee Effectiveness Seminar Thailand's Economic Outlook 2014
Ms. Panada Kanokwat	<p>IOD Training Program</p> <ul style="list-style-type: none"> Directors Certification Program Directors Accreditation Program Financial Institutions Governance Program Anti-Corruption for Executive Program Risk Management Committee Program Director Certification Program Update <p>Capital Market Academy Training Program</p> <ul style="list-style-type: none"> Certificate of Capital Market Academy Leadership Program <p>Training Program of Stanford-National University of Singapore</p> <ul style="list-style-type: none"> Certificate of Executive Program in International Management <p>Training Program of Sloan School of Management, Massachusetts Institute of Technology, USA</p> <ul style="list-style-type: none"> Certificate of Building, Leading & Sustaining Innovation Organization <p>Other Seminars</p> <ul style="list-style-type: none"> Economic and Business Outlook in 2016: Hot-button Issues for Directors National Director Conference 2015 CG Forum 2/2015 CG Forum 1/2014 Effectiveness in boardroom TLCA Annual Risk Management Conference 2012 Anti-Corruption Seminar 1/2012 Audit Committee Effectiveness Seminar Thailand's 3rd National Conference on Collective Action Against Corruption Thailand CG Forum: Governance as a driving force for business sustainability
Prof. Dr. Teerana Bhongmakapat	<p>IOD Training Program</p> <ul style="list-style-type: none"> Directors Certification Program Financial Institutions Governance Program Director Certification Program Update <p>Capital Market Academy Training Program</p> <ul style="list-style-type: none"> Certificate of Capital Market Academy Leadership Program <p>Other Seminar</p> <ul style="list-style-type: none"> The UK Experience on Implementing the Enhanced Auditor Reporting
Mr. Yasuro Yoshikoshi	<p>IOD Training Program</p> <ul style="list-style-type: none"> Director Certification Program

Name	Training Program
Mr. Suthas Ruangmanamongkol	IOD Training Program <ul style="list-style-type: none"> Directors Certification Program Other Seminar <ul style="list-style-type: none"> Thailand's Economic Outlook 2014
Mr. Sakchai Peechapat	IOD Training Program <ul style="list-style-type: none"> Directors Certification Program Directors Accreditation Program OIC Advanced Insurance Institute Training Program <ul style="list-style-type: none"> Thailand Insurance Leadership Program Other Seminars <ul style="list-style-type: none"> Economic and Business Outlook in 2016: Hot-button Issues for Directors Thailand's 3rd National Conference on Collective Action Against Corruption
Mr. Pitada Vatcharasiritham	Capital Market Academy Training Program <ul style="list-style-type: none"> Certificate of Capital Market Academy Leadership Program
Mr. Metha Pingsuthiwong	IOD Training Program <ul style="list-style-type: none"> Director Certification Program
Ms. Araya Thirakomen	IOD Training Program <ul style="list-style-type: none"> Directors Certification Program CGI Corporate Governance for Capital Market Capital Market Academy Training Program <ul style="list-style-type: none"> Certificate of Capital Market Academy Leadership Program
Mr. Paiboon Nalinthrangkurn	IOD Training Program <ul style="list-style-type: none"> Directors Certification Program Directors Accreditation Program Audit Committee Program Capital Market Academy Training Program <ul style="list-style-type: none"> Certificate of Capital Market Academy Leadership Program Commerce Academy Training Program <ul style="list-style-type: none"> Certificate of Top Executive Program in Commerce and Trade (TEPCOT5) Training Program of the Association National Defence College of Thailand under the Royal Patronage of His Majesty the King <ul style="list-style-type: none"> Certificate of Advanced Security Management Program Thai Energy Academy Training Program <ul style="list-style-type: none"> Certificate of Thailand Energy Academy (TEA 3)
Mr. Chalit Silpsrikul	IOD Training Program <ul style="list-style-type: none"> Director Certification Program Training Program of the Thai Institute of Banking and Finance Association <ul style="list-style-type: none"> Financial Executive Development Program (FINEX 14) Crestcom Bullet Proof Manager Training Program <ul style="list-style-type: none"> Management Skill Development Course Other Seminar <ul style="list-style-type: none"> Thailand's 3rd National Conference on Collective Action Against Corruption
Ms. Yutiga Sonthayanavin	IOD Training Program <ul style="list-style-type: none"> Director Certification Program
Mr. Chatri Chandrangam	IOD Training Program <ul style="list-style-type: none"> Director Certification Program

4.5 Group Chief Executive Performance Assessment

The Board of Directors assigns the Nomination and Compensation Committee to prepare and recommend the Group Chief Executive Performance Assessment Guidelines for the Board's approval. The Nomination and Compensation Committee shall arrange the meeting(s) between the Board and Management in absence of the Top Management at least once a year prior to his/her annual performance Assessment. The Nomination and Compensation Committee then reports the assessment result to the Board Meeting. The assessment shall be divided into 2 main parts: Financial KPI and Non-Financial KPI. The set KPI is aligning with Company Vision Mission and long-term goal of the Company in considering the business situation and environment.

To ensure the most effectiveness on the assessment, the Nomination and Compensation Committee will arrange the meeting(s) between the Board and Management of TISCO Group, in absence of the Top Management at least once a year prior to his/her annual performance Assessment. In addition, for the performance assessment of TISCO Group's Chief Executive the assessment will take into the consideration the assessment result from sub-committees, namely the Audit Committee and the Corporate Governance Committee, and together with the assessment from the Nomination and Compensation Committee. The assessment result will be reported in Board of Directors Meeting.

4.6 Succession Planning

To ensure stability and continuity of TISCO Group business operations, successor of all key positions has been determined. The Board of Directors assigns the Nomination and Compensation Committee to oversee the preparation of Top Management's succession plan. Said plan shall be regularly reviewed as appropriate. For other senior management positions, Top Management and Human Resources Function shall review and evaluate the successors for the Executive Board's approval.

5. Integrity and Ethics

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

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

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

Anti-Corruption Policy

In 2011, Board of Directors approved to set up '**TISCO Group Anti-Corruption Policy**', with an aim to enhance integrity and ethically business operation within TISCO group. Besides, the set up policy which is held as business conduct guidance, the company has, over the year, consistently supported and participated in numerous anti-corruption activities. On October 8, 2013, TISCO was among the CAC member companies, certified as allies of the Thailand's Private Sector Collective Action Coalition Against Corruption. For many years, the company has continuously support the activities held by the coalition e.g. participating in the anti-corruption walk rally on "Anti-Corruption Day 2015" on September 6, 2015 at Central World. Furthermore, TISCO enters into integrity pacts with other business when dealing with procedures related to the bidding and procurement of supplies, materials, equipment and construction.

For several times, TISCO Management has been invited to be key speakers in notable talks as well as taking part in numerous corporate governance supporting activities such as in 2015 being a keynote speaker of "Ethical Leadership Program (ELP) – Tone at the Top" by IOD, joining the discussion forum "Role of Top Management for driving the Policy- Corporate Anti-Corruption Policy " by the Thai Listed Companies Association, being a member of Financial and Social Responsibility Club (FSR), attending the academic activities, and participating in the declaration of intention to promote business moral and integrity arranged by other business entities.

9.2 Other Committees

To optimize the efficiency of its corporate governance and achieve high standards of performance, the Board of Directors delegates committees to take on tasks that require detailed review or in-depth consideration. Such committees as the Executive Board, the Audit Committee, the Nomination and Compensation Committee, and others if necessary, are entitled to make decisions on behalf of the Board of Directors or submit recommendations for consideration, depending on the committee's specific charter. The structure of each committee shall be determined by the size of business, the scope of operation, the composition of the committee, the experience and expertise of each director, and in compliance with the Principles of Good Corporate Governance. The scope of authority given to other committees shall exclude approval for conducting transactions in which the committee member has or may have conflict of interest.

The Board of Directors is accountable for clearly defining and separating the roles and responsibilities of the Board of Directors, the Audit Committee, the Nomination and Compensation Committee, the Corporate Governance Committee and the Executive Board as detailed below. (Detail of Management Structure is described under Section 8.1.)

Audit Committee

TISCO Audit Committee provides an independent oversight and review of financial reports, internal controls and audits, and compliance of TISCO Group business activities to internal policies and related laws and regulations. It also ensures transparency and completeness of disclosure and is responsible for ensuring independent checks and balances to produce financial statements that fairly present and make timely disclosures to investors. The Audit Committee engages an independent auditor of TISCO to audit the financial statements prepared by management and issue an opinion that such statements are fairly stated in accordance with recognized accounting principles, as well as to oversee the relationship with the external auditor.

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

The Audit Committee is appointed by the Board of Directors. Currently, the Audit Committee, consisting of three Independent Directors, namely Assoc. Prof. Angkarat Priebjivat, Chairperson of the Audit Committee, Ms. Patreeya Benjapolchai and Prof Dr. Teerana Bhongmalapat. All members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements. Details of their experiences in financial statement are in Attachment 1

Nomination and Compensation Committee

The Nomination and Compensation Committee is charged with the responsibility of identifying qualified candidates for directorships, executive and advisor(s) to the Board and/or committees whose functions, responsibilities and authorities are directly given by the Board. The Committee ensures that only the most competent individuals, who can contribute to the institution and discharge their responsibilities in the interests of all shareholders, are appointed. The candidate shall be fit and proper for the office and shall be the best and most qualified candidate nominated for the office, taking into account the candidate's track record, age, experience, capabilities and other relevant factors. The Committee also ensures that the remuneration of directors is appropriate, with regard to their responsibilities and commitment. Directors who are assigned with extra work should receive additional compensation. In addition, the Committee reviews and recommends remuneration and benefit policy for the Board, advisors and TISCO Group's employees with clear and transparent criteria. The performance assessment criteria for Board members and TISCO Group's employees for annual remuneration review should be devised by the Committee, taking into account their responsibilities and risks as well as enhancement of long-term shareholder value. Moreover, the Nomination and Compensation Committee is in charge of conducting performance assessments of TISCO's Group Chief Executive and presenting the result to the Board of Directors for approval, reviewing and approval of promotion, compensation and other benefits of TISCO's Group Chief Executive, including reviewing proposals on appointment, assessments, promotions, compensations and benefits of the members of the Management Committee and one further level down.

The Nomination and Compensation Committee is appointed by the Board of Directors. Currently, the Nomination and Compensation Committee, consisting of four Directors, namely Prof. Dr. Pranee Tinakorn, Chairperson of the Nomination and Compensation Committee, Mr. Hon Kit Shing (Alexander H. Shing), Mr. Yasuro Yoshikoshi and Mr.Sathit Aungmanee . Details of their experiences in financial statement are in Attachment 1

Corporate Governance Committee

TISCO Corporate Governance Committee establishes Corporate Governance Policy and Code of Conduct, oversees the practices of the Board of Directors, Board committees, and management in compliance with the Corporate Governance Policy, Code of Conduct, and related laws and regulations.

The Corporate Governance Committee is appointed by the Board of Directors. Currently, the Corporate Governance Committee, consisting of three Directors, namely Ms. Patareeya Benjapolchai, Chairperson of the Corporate Governance Committee

Mr.Sathit Aungmanee and Ms. Panada Kanokwat.

Executive Board

The Executive Board is authorized to act in operational matters that require in depth consideration in policy, procedural, human resources and administrative issues, which includes among other things, making recommendations to the Board on matters of budget allocation. The Executive Board also handles matters that, in ordinary circumstances would require Board review, but due to a particular circumstance needs immediate attention. This is usually relevant to urgent matters, which arise during the period between full Board Meetings. The Executive Board may also appoint and supervise other committees for specific operations in order to improve TISCO Group's efficiency.

Currently, the Executive Board, consisting of four Director's Executives¹, are Ms. Oranuch Apisaksirikul (Chairperson of the Executive Board), Mr. Suthas Ruangmanamongkol and Mr. Yasuro Yoshikoshi and one non-management director, Mr.Chi-Hao Sun (Mr. Howard Sun).

Specific-Area Committee of TISCO Financial Group

- The Risk Management Committee comprises senior management of key business and control areas of TISCO Group. It is appointed by TISCO Executive Board to determine overall risk management policies, risk limits and strategies of the group.

TISCO Risk Management Committee proposes risk management policies and strategies, as well as reports risk monitoring results to TISCO Executive Board and TISCO Board regularly.

TISCO Bank, in particular, has its own Risk Management Committee, which adopts risk management policies and strategies from TISCO and ensures effective and efficient implementation of such policies and strategies across the Bank's operations. TISCO Bank Risk Management Committee reports to TISCO Risk Management Committee under the Guidelines on Consolidated Supervision of the Bank of Thailand.

- TISCO Management Committee comprises senior management of key business and control areas of TISCO Group appointed by Nomination and Compensation Committee with the proposal from the Group CEO and ratified by the Board of Directors. The Management Committee is responsible to formulate TISCO Group's business strategy, financial goals, business plan, including annual budget, and ensure that operations are in accordance that with strategies and business plan, and are in compliance with Corporate Governance Policy and related regulations.
- The Compliance and Operation Control Committee is appointed by Group CEO to review operational productivity, risks, and control activities, to ensure an optimal level of operations that promotes both operating efficiency and adequate risk controls.

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

- The Information Technology Committee is appointed by the Group CEO to determine IT strategies and platforms for the group. It also ensures smooth and effective central IT and operating infrastructures including core servers, application architecture, MIS, building and office-related infrastructure and equipment. In addition, the Committee reviews IT capital expenditure and ensures sound IT and infrastructure security policy within TISCO Group.
- TISCO Human Resources Committee is appointed by Group CEO to review and determine organization structure and job structure, human resources policies and guidelines, succession and talent management, performance evaluation, job promotions and remuneration of TISCO Group.

Specific-Area Committee of TISCO Bank and other subsidiaries

- The Risk Management Committee of TISCO Bank is responsible for controlling and monitoring the adoption of TISCO Financial Group's risk management policy to ensure effective managements in the bank's various business units. The Enterprise risk management and risk research functions support the committee in assessing and monitoring bank risks at the portfolio level, under the guidelines and limits approved by the Risk Management Committee. It regularly reports on risk positions to the Risk Management Committee and relevant business lines, and performs risks analyses of new businesses.
- The Credit Committee of TISCO Bank and other credit-granting subsidiaries and the Problem Loan Committee of TISCO Bank are responsible for setting up credit granting criteria and controlling loan approval procedures at the transaction level to ensure comprehensive monitoring and control of credit risk. The Credit Control business line supports the

committees in assessing and controlling the credit approval process of each transaction. In addition, the Internal audit function regularly reviews compliance to the credit approval guidelines and procedures.

9.3 Directors, Independent Directors and Management Selection Guidelines

9.3.1 Director and Independent Director Nomination

The Nomination and Compensation Committee shall, upon contemplating Company's need and good corporate governance, identify and propose qualified nominees, with knowledge, experiences, sufficient understanding of banking and finance including securities business, economics, law or any other fields deem appropriate. The Nomination and Compensation Committee shall consider the recommendation from minority shareholders on the nomination of directors or independent directors according to the Company's criteria as specified under Section 9.1.1

The Nomination and Compensation Committee shall recommend the Board to consider the appointment of new director and/or independent director for replacement of any vacancy occurring otherwise than by rotation, or propose the shareholders the election of directors to replace those who retire by rotation or appointment of additional directors and/or independent director. The election, appointment and removal criteria are as follows:

1. The shareholders shall, from time to time, by resolution of a general meeting of shareholders, determine the number of directors, which shall not be less than five, provided that not less than one half of the directors must domicile in Thailand. In addition, the number of directors who are persons of Thai Nationality shall be in compliance with related law.
2. The general meeting of shareholders shall elect directors on the following criteria and procedures:
 - (1) Each shareholder shall have a number of votes equal to the number of shares multiplied by the number of the directors to be elected.
 - (2) Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may allot his or her votes to any person in any number.
 - (3) The candidates shall be ranked in descending order from the highest number of votes received to the lowest, and shall be elected as directors in that order until all of the director positions are filled. In case that number of votes for candidates are tied and would otherwise cause the number of directors to be exceeded, the remaining elections shall be made by drawing lots.
3. At the general meeting of shareholders of each calendar year, the whole board of directors shall be simultaneously elected. However, the former board of directors shall remain in office to conduct the business of the company for the time being, as necessary, until the new board of directors takes office. Retired directors are eligible for re-election.
4. A director can be elected or removed only by the shareholders at a general meeting. A Board vacancy occurring for any reason other than rotation or retirement may be filled up by the remaining directors, unless, the term of the original director is less than two months. For the purpose thereof, the resolution of the appointment of new directors shall be valid with the vote of not less than three-fourths of the number of remaining directors. However, any person so appointed shall hold office only for the remainder of the term of the director to whom he has succeeded. If a general meeting of the shareholders removes a director, and appoints another person in his place, the person so appointed shall hold office only for the remainder of the term of the director so removed.
5. A general meeting of shareholders may resolve to remove a director before expiration of office with the votes of not less than three-fourths of the number of shareholders who attend the meeting and have right to vote. Such a motion must also represent an agreed number of shares equal to or not less than half of the total shares held by the shareholders who attend the meeting and have right to vote.

In terms of balance of power, it was determined to be in the Company's interest to have more non-executive directors than executive directors whereby directors who are representative of shareholders shall be determined based on proportion of their shareholding.

9.3.2 Management Selection

The Nomination and Compensation Committee shall identify and propose qualified nominees with necessary expertise to be appointed as Top Management to the Board. The prerequisites in selection should generally include consideration on the candidates' character, technical competence, and employment experience in the financial services field. The successful candidate should share the board's operating philosophy and vision of the Company's future in order to ensure that the institution's goals are

met. It is important that mutual trust and a close working relationship are established. The Nomination and Compensation Committee shall recommend qualified candidates to the Board of Directors for approval.

For other senior executive positions, Top Management shall identify and propose qualified nominees for the Nomination and Compensation Committee's consideration and further recommendation to the Executive Board for approval.

9.3.3 Qualifications of Independent Director

The following are the qualifications of an Independent Director set up in accordance with the TISCO's Corporate Governance Policy, which are stricter than those specified by the Capital Market Supervisory Board and the Bank of Thailand:

1. Holding not exceeding 0.50 per cent of the total number of voting rights of the Company, its parent company, subsidiary companies, associated companies or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director.
2. Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary companies, associated companies, or juristic person who may have conflicts of interest unless the foregoing status has ended not less than 2 years.
3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and son/daughter, including spouse of the son/daughter, management, major shareholders, controlling persons, or persons to be nominated as management or controlling persons of the Company or its subsidiary companies.
4. Not having any business relationship, as defined by the Capital Market Supervisory Board, with the Company, its parent company, subsidiary companies, associated companies or any juristic persons who may have a conflict of interest that could be barrier to independent judgment; or not being existing or previous major shareholder, director other than independent director or management of the stakeholders of the Company, subsidiary companies, associated companies or any juristic persons who may have a conflict of interest unless the foregoing relationship has ended not less than 2 years.
5. Neither being nor having been an auditor of the Company, its parent company, subsidiary companies, associated companies or juristic persons who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary companies, associated companies or juristic person who may have conflicts of interest unless the foregoing status has ended not less than 2 years.
6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the Company, its parent company, subsidiary companies, associated companies or juristic person who may have conflicts of interest, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing status has ended not less than 2 years.
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.
8. Not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary companies or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary companies.
9. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

9.3.4 Direct or indirect business relationship or being provider of any professional service by Independent director over the past accounting period¹

- None -

¹ According to the Notification of Capital Market Supervisory Board No. Tor Chor 4/2009, Application for and Approval of Offer for Sale of Newly Issued Shares (No.2)

9.4 Corporate Governance of Subsidiary Companies and Joint Companies

The Company, the parent company of TISCO Group, oversees, monitors and controls business operations of all subsidiary companies to ensure that all companies in TISCO Group operate under the same standard to maximize shareholders' benefit. The corporate governance, risk management, business development, compliance and corporate support functions are centralized at the Company. Subsidiary companies function as strategic business unit, responsible for marketing & customer relationship, and transaction processing & credit control activities. Details on management structure are as shown on page 8-2.

The Board structure is comprised of 4 boards/committees: (1) Board of Directors, (2) Executive Board, (3) Audit Committee and (4) Nomination and Compensation Committee. In addition, in 2010, the Company transferred certain Management Committee and management supervising important functions within TISCO Group from subsidiary companies to be employed under the Company. The Company seconded those management to the same subsidiary companies for the same responsibilities on full time basis. This is to ensure that they shall devote their time to effectively manage subsidiary companies under TISCO Group strategy and plan approved by the Board of Directors.

To ensure coherent adoption of Corporate Governance across all subsidiary companies in TISCO Group², roles and responsibility of the Directors and the Management who the Company seconded to manage the subsidiary companies has been clearly set. There are follow-ups procedures set to subsidiaries to ensure their promptly disclosure of any important information in accordance with relevant laws and regulations and to ensure that the subsidiaries are sufficient and appropriate internal control system, including monitoring Directors and the Managements to fulfill their duties and responsibilities according to the governed law and regulations. As stated, the Board of Directors has delegated its monitoring and supervising roles to certain Management and sub-committees. Details on scope of authorities, duties and responsibilities of Sub-Committees are as shown in subtopic 8.1 and 9.2. For subsidiary companies' related party transaction with related parties, significant acquisitions or dispositions of assets, or other significant transactions of subsidiary companies, i.e. termination of subsidiary companies, capital share increase or reduction must be approved by the Board of Directors or in the Shareholders' Meetings prior to conducting the transactions. Over the period, the Company has strictly followed Regulations of Stock Exchange of Thailand, Notification of the Securities and Exchange Commission, and relevant Notification of Capital Market Supervisory Board regarding any related party transactions and any transaction that may cause conflicts of interest.

9.4.1 Roles and Responsibilities of the Board

Key roles of the Board of Directors are divided into 2 areas: Performance roles, and Compliance roles. This illustrates that the Board of Directors not only places great emphasis on overseeing the Company's policy and strategic planning, but that it is also responsible for monitoring the Company's operations to ensure that key policies are implemented effectively and efficiently and in accordance with all laws, rules and regulations as well as upholding the highest ethical standards.

(1) Performance roles of the Board – Strategy and policy formulation

The Board oversees the development of a long-term strategic plan, which reflects the Board's general business philosophy and vision for the future of the Company. Short-term business plans should outline specific and measurable targets that management adheres to and that are evaluated at regular intervals. The Board approves a business plan as a guideline for staff and annual budgets prepared by the management. The business plan also includes key performance indicators and business targets wherein variation from these targets is regularly measured and analyzed. In addition, business performance analysis prepared by management is regularly reported to the Board to provide updates on progress and achievement of targets. Timely performance monitoring and assessment helps the Company identify significant deviations of results from predefined business plans in order to perform corrective actions promptly.

The Board determines the operational policies designed to regulate areas of fiduciary and insider activities, human resource management, financial disclosure, auditing and investments that are consistent with TISCO Group's long-term and short-term strategic plans. By approving the implementation of such policies and procedures developed by management, the Board defines what practices are acceptable and in line with the overall business philosophy of the institution. Policies should be devised to assist management in determining what actions to take in various situations, limiting unnecessary errors resulting from ill-informed judgments.

All major activities of TISCO Group are to be regulated by policy which shall be flexible. When required, they should extend to cover new or improved practices and adapt to changing business conditions. Having clearly written policies prevents

² According to the Notification of Capital Market Supervisory Board Re: Application for and Approval of Offer for Sale of Newly Issued Shares

miscommunication. Newly introduced activities should not be undertaken without proper implementation of policy. The Board should specify appropriate procedures in monitoring and reporting risk activity.

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

TISCO Group has placed great emphasis on managing its business operations effectively under good governance guidelines. TISCO Group has no policy to encourage transactions between related parties or any other transactions that may result in a conflict of interest. Should any such transactions occur, they must be considered thoroughly by the Audit Committee. The Audit Committee shall report and/or propose to the Board of Directors Meeting for approval, as the case may be. The Company shall consider said transactions with the same conditions as those governing normal business transactions. Persons with vested interests shall not be entitled to vote for the approval of said transactions.

(2) Compliance roles of the Board – Supervising, Monitoring, and Accountability

Although the Board delegates a substantial part of its administrative function including day-to-day operations to a full-time management team of executives, in fulfilling its compliance roles, the Board is responsible for monitoring the Company's operations. The Board must be continually aware of the institution's operating environment. Directors are to be well informed of internal and external factors affecting the institution, including business environments, legal and regulatory frameworks. Directors also be aware of the potential liabilities imposed on them by law or regulations and ensure that the Company has appropriate policies and procedures in place to maintain compliance with them. Directors should also be aware and keep themselves updated on local, regional, national, and international financial trends and any statutory and regulatory changes affecting the Company.

The primary mechanism for overseeing TISCO Group's operations is regularly reported to the Board from the management containing relevant information regarding financial performance, management of the loan portfolio, liquidity risk, market risk, investment, assets and liabilities, and compliance. The Board shall carefully review reports and be aware of any warning signs of deteriorating performance, increased risk, abuse of power within the management, problems with internal control systems, compliance issues or issues relating to the accuracy and reliability of the reports.

In addition to providing the reports noted above, management should regularly brief the Board on the business environment, market trends, industry benchmarks, regulatory changes and macro-economic indicators. Management should be expected to promptly alert the Board of any competitive threats, business opportunities and changes within the industry, regulatory procedures that may impact the institution or information which would assist the Board in strategic planning, setting policy, or monitoring operations or business performance.

On the Board's role in supervising risk management, the Board ensures that management has identified potential risks and has established an adequate risk management process to assist in identification, measurement, monitoring and control of various categories of risk commonly encountered by financial institutions. It is the responsibility of the Board to approve and periodically review TISCO Group's risk management strategies that are ultimately implemented by management.

TISCO Group needs to comply with a large number of regulatory requirements, including various reporting obligations. It is the responsibility of the Board to establish and maintain rigorous internal controls to ensure that TISCO Group complies with all relevant laws and regulations and to highlight potential or actual breaches if and when they occur.

9.5 Control of Internal Information

TISCO Group's compliance manual acts as a set of guidelines to help employees perform their duties fairly and honestly, comply with applicable laws and regulations, avoid conflicts of interest, and not seek to benefit from insider information. Business guidelines, regulations, and the code of conduct have all been compiled to create the Company's compliance manual. With respect to TISCO Group's regulations governing employee securities trading, the Group requires management and employees to open trading accounts with TISCO Securities, its subsidiary. In this regard, he or she must, however the case may be, report their transaction to the Compliance function. Furthermore, the Group also prohibits senior management and insiders from trading the Company's shares within 7 working days before last day of the month until 2 days after the Company's monthly financial statements or concise assets and liabilities statement (C.B 1.1) are published. Penalties shall be imposed for any breaches.

9.6 Auditor's Fee

9.6.1 Audit Fee

The Company and its subsidiaries for the year 2015 amounting of 7,600,000 baht to EY Office Limited.

9.6.2 Non Audit Fee

- None -

9.7 Compliance with Related Corporate Governance Practices

9.7.1 Business Ethics

TISCO Group has introduced a code of business ethics into the compliance manual and has established an Employee Code of Conduct to assist employees in performing their duties with integrity and fairness. The Corporate Governance Guidelines are displayed on the intranet system, "mytisco" for the management and employees at all level to follow. Additionally, in order to ensure honest and fair performance of the management and employees with regard to TISCO Bank, stakeholders and the public, TISCO Bank requires compliance with these regulations, and will impose serious penalties for any violations. The Compliance Function is charged with monitoring performance in accordance with the code of business ethics. A summary of TISCO Bank's code of business ethics is as follows:

1. Honest and fair conduct	Employees shall conduct their duties with honesty and fairness and refrain from exploiting their position for their own benefit or that of any particular group, or committing any dishonest action that may damage TISCO Bank or customers.
2. Prudence	TISCO Group shall ensure that the business has been operated with prudence and due professional care that a prudent and competent expert would exercise under a given set of circumstances. TISCO Group employees must ensure that they have operated the business with prudent business practice at all time.
3. Legal and regulatory compliance	Employees shall comply with applicable laws and regulations, and refrain from assisting others to violate any laws, regulations, or ethical principles. Employees shall make an effort to learn, understand, and monitor changes to relevant laws and regulations, as well as keep up to date with their professional code of conduct.
4. Record keeping and reporting duties	TISCO Group's financial and other record keeping must be accurate and complete. TISCO Group shall not withhold any information from appointed auditors or other supervisory agencies, and shall disclose information required to evaluate the accuracy of financial statements and the integrity of TISCO Group's operations.
5. Duty of confidentiality towards TISCO Bank and customers	Confidentiality towards TISCO Bank and customers is fundamental to TISCO Group's business operations. Employees must protect all "Proprietary Information" they receive, whether or not such information is related to them, including financial information pertaining to TISCO. Customer transactions and activities within TISCO are deemed confidential and shall not be exploited for any employee's own benefit, nor be disclosed to any other party who is not authorized to receive such information. This obligation continues to apply after employment ends. To protect the privacy of fellow employees, employees must maintain the confidentiality of their personal information.
6. Conflict of interest	Employees shall concentrate on their responsibilities to TISCO regardless of personal interest. Their business decisions shall be made to ensure maximum benefit for TISCO and its clients. Employees shall protect the interest of TISCO, as well as avoid the appearance of conflict of interest. Employees should not personally pursue business opportunities that would otherwise be available to TISCO as a reasonable business opportunity. Employees should avoid situations or arrangements in which employees are or could be perceived as competing with TISCO. Employees are not allowed to receive any benefits such as cash or gifts related to their involvement in situations or activities that lead or appear to lead to a conflict of interest between employees and TISCO or clients.
7. Political support	According to the rules laid down by TISCO Group, donations to political parties or political candidates including payments to government officials, is prohibited.
8. Customer Complaints	TISCO is committed to resolving and reporting the result of customer complaints using the highest standards and best practice procedures. All complaints shall be submitted to the responsible persons and should be

	resolved as soon as possible. A contact center is open 24 hours a day to receive complaints and other inquiries from customers.
9. Advertisement and Sales Literature	TISCO offers products and services that meet customers' needs, and discloses details and conditions for their understanding and clearness. TISCO realizes the importance of customers' rights and strictly complies with related rules and regulations.
10. Anti-Corruption	TISCO implements a zero-tolerance policy against corruption. TISCO Directors, management and employees are prohibited from receiving or offering bribes in any form and in all activities under the company's control. TISCO also ensures that charitable contributions, sponsorships, gifts, hospitality and other expenses, are transparent and will not be for the purpose of attempting to influence the recipient, whether government or private, into an improper exercise of functions, duties or judgment.
11. Environment, Health and Safety	TISCO complies with all applicable laws and relevant industry standards of practice concerning protection of health and safety of its employees in the work place and other persons affected by its business activities and the prevention of environmental pollution. TISCO is committed to continual improvement of Environment, Health and Safety management practices.
12. Respecting Human Rights	TISCO operates its business by strictly respecting human rights principles and believes that a successful business must operate with ethics and humanity, with everyone entitled to full equality.
13. Protecting TISCO's Property	In order to operate in an efficient and cost-effective manner, employees should properly maintain, protect from theft and waste, and use TISCO's property in an appropriate manner and for legitimate business purposes.
14. Strong Work Ethic	Employees must work full time for TISCO and show a high level of dedication to TISCO, feel personally responsible for their own job performance, be punctual, perform to the best of their ability, care about the quality of their work, respect their peers, and help a team meet its goal.
15. Outside Employment or Activities	Employees must not engage in any outside employment, business or activities, which create a real or an apparent conflict of interest or interference with TISCO's assigned duties, or in conflict with TISCO's hours of employment. After normal working hours, full-time employees should not engage in any business, work or paid-activities, which may have a detrimental effect on their working performance with TISCO.
16. Care with External Relationships	To maintain a good relationship with the public, employees should take special care in dealing with the media, government officials and community groups.
17. Reporting Illegal or Unethical Behavior or Retaliatory Action	Employees have the responsibility to seek appropriate guidance regarding their actions when necessary and to report violations of laws, rules, and regulations that apply to our business, as well as violations of this Code of Conduct and other TISCO policies, to the extent that they know any violation has occurred. By reporting the misconduct, employees promote the ethical culture at TISCO. TISCO has also set up a whistle-blowing procedure to receive reports of illegal or unethical behavior or retaliatory action from any person, both internally and externally. Reporter could report through the provided channel such as Official Website and an assigned e-mail address. TISCO is committed to ensuring confidentiality and protecting any person from retaliation who reports in good faith illegal or unethical behavior.
18. Disciplinary Action	Actions, which violate or appear to violate the code of conduct, will be investigated and processed according to disciplinary guidelines of TISCO. The facts that a particular action by any employee is not mentioned in the Code of Conduct and other guidelines do not prevent it from being unacceptable or discreditable, and therefore, the employee can be liable for disciplinary

10. Corporate Social Responsibility

10.1 Overview

TISCO Group has placed great importance on doing business responsibly by integrating economic, social and environmental concerns into their business operations, to create long-term sustainable value for business and society at large. Realizing that success in business is not measured solely by profitability or performance growth, but also by good corporate citizenship, business ethics, involvement in community development and helping underprivileged people to be self-reliant and independent as the society with solid foundation is a critical factor for sustainable development, TISCO Group has therefore run its business responsibly in parallel with social development with regard to systematical and ongoing working process to create substantially lasting value.

For over 46 years, TISCO Group has cultivated a strong sense of social responsibilities through the exemplary conduct of management conveyed to its employees and also expanded to all involved parties to create sustainably long-term value with 8 practical standards reflecting business operations with social responsibility of TISCO Group as follows:

1. Ethical Business Operation
2. Anti-corruption
3. Respect on Human Rights
4. Labor Justice
5. Responsibility on Consumers
6. Environmental Conservation
7. Community and Social Development
8. Innovation from Social and Stakeholders Responsibilities

Apart from conducting business in an ethical manner, TISCO Group has continuously carried out the projects beneficial to the society to create a sense of giver by enabling its employees to take part in public activities such as sustainable social development, promotion of arts and culture, and environmental preservation. Each CSR activities has a working group in charge of operating and following up the output, along with recommendation providing and performance tracking by TISCO committees. Hence, TISCO Group's projects have been largely driven by the "Volunteer Spirits" of the company with Corporate Social Responsibility unit (CSR), serving as the CSR project center, plans the CSR directions, sets up the budgets, organizes CSR projects and public activities, follows up the project performance and reports the progressions to the board of directors, and serves itself as the CSR communication center with the external organizations. All will be performed in accordance with TISCO Group's core values: to create sustainable development in the society.

10.2 Framework and Approach to Reporting

10.2.1 Approach to Reporting

TISCO Group has reported the Corporate Social Responsibility (CSR) activities in the Company's Annual Report and separately in Sustainability Report since 2006, both are available in Thai and English language. The 2015 Annual Report includes the information collected from 1 January 2015 – 31 December 2015 from all involved parties based on the Global Report Initiative (GRI) reporting framework. All such information covers the practices on economic, social and environment according to international indicators, to disseminate the idea, working process, and ESG (ESG: Environmental, Social and Governance) works, disclosed on CSR webpage: www.tisco.co.th/th/aboutus/social.html. However, the information in some areas may not be comprehensive as it is in the process of developing and improving data collection as well as information review to be more perfectly completed.

10.2.2 Framework

The implementation following the Company's policy has not been recorded only in writing, but also strictly adopted as follows:

1. Ethical Business Operation

In response to fair business policy, TISCO Group emphasizes on the Corporate Good Governance including employees' operations to comply with the company's principles, Articles of Association and Code of Conduct. The Board of Directors therefore set the Corporate Governance Policy based on the guidelines of the Stock Exchange of Thailand (SET) and OECD which indicates Vision, Objectives, Core Values, Structures, Duties, Guideline of Corporate Governance, and Code of Conducts for directors,

management and employees. And all of these are being communicated and implemented throughout TISCO Group and publicized on the company's website.

The Management of TISCO Group has strictly adopted the policies for monitoring and reviewing all measurements following the Legal Justice, Good Governance, rules and regulations. The Board of Directors appointed and assigned the Corporate Governance Committee, a sub-committee of the Board, to review and update the policy and guidelines in accordance with the Law and International Standard. TISCO Group adheres to the Principle of Know Your Customer – KYC and explores the customer information corresponding with risk – 'Customer Due Diligence' to ensure that there are neither illegal matters in our services nor negative effects to social and environment. All operations of TISCO Group have been being audited and monitored regularly by the Compliance Unit and Internal Audit Unit as well as the External Auditors and governmental regulatory offices i.e. the Bank of Thailand (BOT), the Office of the Securities and Exchange Commission, Thailand (SEC), the Stock Exchange of Thailand (SET), Anti-Money Laundering Office (AMLO) and the Office of Insurance Commission (OIC). The audit results have been reported to both the Compliance and Operation Control Committee and the Audit Committee.

TISCO Group enacts non-discrimination policy to our clients, employees, customers and parties and takes the precaution of benefits and legal rights of either customers or stakeholders. The Corporate Governance Policy of TISCO Group emphasizes on doing business with ethics and fairness, concerns every groups of the stakeholders' rights, carries out duties with maximum accountability, transparency, and equitable treatment to all stakeholders, for example, TISCO recognizes the basic rights of its shareholders and commits to protect and facilitate the exercise of shareholders' rights i.e. the right to buy, sell or transfer their shares; to receive their rightful portion of TISCO's profits; to easily obtain the relevant and adequate information on TISCO on a timely and regular basis; to participate effectively and equitable treatment in all groups of shareholders, minority shareholders are protected from abusive actions including insider trading and any conflict of interest. TISCO Group fulfills its contractual commitments to customers by providing professional and practical solution in accordance with the highest standard and code of conduct when the customers are certain to acquire the service fairly without discrimination practices even different charges or service fee are collected. Our Human Resources Policy stresses on the compensation that our permanent or contracted employees are responded fairly and rewarded based on an equitable performance evaluation system and non-discrimination. TISCO Group provides the opportunities to them by self-development program, professional training, health care benefit, workplace safety, and career path plan. In part of business partners and creditors, TISCO treats them fairly and honestly and honors any conditions agreed by both parties with the standard procurement guidelines, allocating proper duties to ensure the fair system which is emphatic on quality and price.

TISCO Group has disclosure and transparency management policy when making decision, operating, processing, and fair & disclosure procurement so as to the shareholders' structure. According to the Corporate Governance Policy, TISCO Financial Group Public Company Limited, as the parent company, administrates and centralizes all subsidiaries companies for efficiency, segregates duties to balance the authorities. The Board of Directors appointed the sub-committees which consist of the non-management such as the Audit Committee, the Nomination and Compensation Committee, and the Corporate Governance Committee, to support good governance in any matters which require transparency i.e. Financial Reports and the Information Disclosure, being fully compliant with the Rules & Regulations and Code of Conduct, Error- Mistakes Solving, Complaints, and Disciplines Breaking and etc. and periodically report to the Board of Directors. At the operating levels, roles and responsibilities are completely separated between each function for better control, transparency and fair in every transactions for example loan, deposit, investment, brokerage, procurement, etc. With such policy, TISCO Group provides Manual and Guidance including standard criteria covering activities and transactions. We regularly announce interest rates and fee to customers, the financial status can be monitored on web-site and ATM system by the accounts' owners. Any complaints and requests from customers can be communicated and monitored via TISCO Contact Center. Moreover, the Independent Regulating Sub-Committee always monitors and controls every functions and processes to comply with the governmental rules and regulations including any practices to prevent conflict of interest, for example; the officers are prohibited from trading TISCO's shares before the financial statement is published, the officers are prohibited from buying shares of the company which TISCO is the financial consultant according to the conditions, the management are enforced to report on trading, report on securities holding, Directors must notify the Board via the Audit Committee of their TISCO Financial Group's or TISCO Bank's shareholdings as well as must submit form of the interest report to the Chairperson of the Audit Committee for reviewing and submit to the Bank of Thailand respectively. Besides the internal control system and risk management will be reviewed by independent Internal Audit function, external auditor and regulatory bodies.

Based on the Policy which is cautious about conflict of interest and complying with the relevant rules and regulations, the employees will not violate the law or ethics and not use the company's assets or properties in contrary to the law. In response to policy of business dealing with fairness, TISCO provides Code of Corporate Ethics in the operating manual for the general staff, which covers honesty, justice, avoidance of action which is implied to benefit specific groups, compliance to regulations and laws, confidentiality of client information, etc. Every employee is required to study guidelines, regulations and Code of Conduct as they are written and appeared in the Employee's HR Manual, Compliance Manual, Business Code of Conduct, Working Manual, Anti-Corruption Guideline. Communications are through variety of channels such as Intranet, E- Learning, Training Class, and cartoons.

Annual test of knowledge about the guidelines is part of annual performance evaluation of all employees (Competency KPI) to ensure that the guidelines are understood and complied.

TISCO Group operates and monitors overall work in accordance with the Risk Management Policy. Employees, management and the directors are required to strictly perform under the principles and practices, rules and regulations. TISCO do not provide the credit loan to any projects that destroy environments, are unethical, or against rule of laws, resulted in the community and national problems. The monitoring system of Risk Management Policy comprises Risk Profile, Key Risk Indicator and etc. as early warning and reporting to the Risk Management Committee. (Details are in Item 9.7.1 Business Unit of Part 2 Section 9 of Corporate Governance)

For error and mistakes which may affect economy, society, and environment, TISCO Group copes with them rapidly and efficiently. The management sets the Whistle Blowing Policy that persons can inform tips or file complaint through many choices of channels i.e. Customer Service Center Tel (02) 633-6000, TISCO Website, Letter to the Compliance office, or Direct Complaint at the Head Office or branch of TISCO Bank. TISCO employee can file complaint to TISCO HR Help Line. Personal identity and information of whistle-blower will be protected and kept confidential. All comments, complaints or any information given will be brought to the Risk Management Procedures for analysis, solving and report within 7 days for the high-impact matter and 14 days in general case.

2. Anti-corruption

TISCO Group emphasizes on Corporate Governance policy and has followed this path with high standard for more than 46 years. Therefore, we are ready to bring our knowledge and idea into practice and embed "Integrity" as an integral part of company's core values and include therein the Compliance Manual as well.

In 2010, TISCO Group signed a mutual agreement with the Private Sector Collective Action Coalition Against Corruption in "Private Sector Collective Action Coalition Against Corruption Seminar" hosted by Thai Institute of Directors Association (IOD), Thai Chamber of Commerce (TCC), Joint Foreign Chambers of Commerce (JFCCT), the Listed Companies Association, Thai Bankers' Association, Federation of the Thai Capital Market Organizations and Federation of Thai Industries to create awareness against corruption in Private Sector. This national project was well-supported by Office of the National Anti-Corruption Commission and Center for International Private Enterprise (CIPE). TISCO was certified as allies of the Thailand's Private Sector Collective Action Coalition Against Corruption on October 8, 2013. TISCO has prepared to apply for the recertification of Anti-Corruption program with an aim to explicitly express the standing point of TISCO and intent to support Private Sector's anti-corruption program by participating the anti-corruption activities every year. TISCO has also provide full cooperation to supervisory authority in regard to the support on proceeding for prevention of involvement with the corruption

TISCO Group has launched the "Anti-corruption policy and guideline" and appropriately revised on regular basis to ensure the effectiveness. The key essences of such policy and guideline are regularly communicated to all staff the perception by including in the Compulsory KPI report. In addition, the company's directors and executives have expressed intents to fight with corruption through the participation in activities arranged by organization, association or Private Sector Collective Action Coalition Against Corruption. (See more details in Section 10.5 Anti-corruption Guideline).

3. Respect on Human Rights

TISCO Group operates its business by strictly respect to human rights principles, placing in mind that a successful business must operate with ethics and humanity. TISCO Group believes that everyone is entitled in full equality. Hence, the company respects the rights and benefits of its employee and all group of involved party equally.

TISCO Group treats all shareholders fairly and equally. All shareholders received important and accurate information at the same time. TISCO Group has introduced a Cumulative Voting process, which all minority shareholders take part in nominating and appointing Independent Directors to ensure transparency and equitable treatment.

TISCO Group always places great importance on employee rights. TISCO employees are equally treated and given opportunities to develop themselves for professional advancement. We use a fair compensation and merits system to measure employees' performance. In addition, TISCO encourages employees to participate in recreational activities. TISCO provides corporate intranet systems and performance evaluation system for their employees to share their ideas and also launch many activities for employees' quality of life improvement.

4. Labor Justice

TISCO Group views is human resources as the beginning of value-creation and plays a large part in helping the company to remain competitive, as well as helping to build lasting growth. Therefore, TISCO Group places a high value on education and learning as an important part of its corporate culture. As such, training and development activities are therefore aligned with corporate goals and policy directives. While every employee is responsible for their own career path development, the group encourages them to express their goals and expectations through the performance management system and equips them with

appropriate tools. The group also invests in human resources development to improve employee potential, thus enabling them to meet the highest requirements of professional ethics.

TISCO Group promotes employee engagement by implementing company intranet network within the company. Moreover, TISCO Group is a host of other benefits including the following: medical expense, reimbursement, life insurance, tuition reimbursement for employee's children, provident funds, supporting fees for professional development course, giving appropriate salaries and remuneration, overtime fees, hire purchase fee, hire purchase loan services, mortgage loan services, emergency loan services, and other various monetary bonuses. In addition, TISCO Group also sponsors in employee's sports activities and new year activities.

The group's policies and objectives are delivered through "continuous training" and development programs including specific knowledge and skills training, basic training courses, and strategic policy training to enable our employees to easily adapt themselves to the company's ethics.

TISCO Group also established TISCO Learning Center to train employees, develop courses for basic and specific knowledge and skill training including, and instill corporate values. In other words, TISCO Learning Center plays an important role in increasing organization competency. (see more details in Section 8.5 Personnel Development, Part 8 Management)

In 2015, the Human Resource & Organization Development department has continually arranged several training programs for TISCO employees throughout the year.

5. Responsibility on Consumers

TISCO Group aims to operate its business with the highest ethical standards and exert effort to respond to all financial needs to create wealth and sustainable value for consumers, shareholders, employees, and society. For the past 46 years, TISCO has focused on providing financial service in every business with professional expertise. We place great importance on customer centricity to respond to customers' needs with a wide range of products. To maximize client value, 4 pillars of focused business areas serving key clients and all stakeholders have been identified, comprising of Retail Banking, Corporate Banking, Wealth & Asset Management, and Corporate Affairs & CSR.

TISCO Group offers products and services that meet customers' needs and discloses details and conditions for their clarification and understanding. The company realize the importance of customers' rights and strictly complies with rules and regulations of related- parties. Twenty-four contact center services to serve our customers.

TISCO Group's financial products and services do not inflict negative consequences on society. Its commercial banking business, operated by TISCO Bank, does not provide personal loans or credit card service, which may result in overspending and huge debts. The products and services of TISCO Bank are mainly offered in the form of consumer loans and related financial services, in response to customer demand for housing, vehicles, and cash flow for business operations. TISCO Group also provides savings and investment products to boost long term savings and prudent investment under the advisory services of well-trained investment consultants and marketing officers, and offers monthly seminars for customers seeking a better understanding of financial services.

6. Environmental Conservation

TISCO Group recognizes the importance of environmental conservation and its relation to business operation as one of sustainability factor. The company encourages wisely resources usage in operation practices along with instilling environmental consciousness among its employees with the goal to minimize environmental impacts from business operation and to promote stakeholders' cooperation in environmental conservation.

During the past year, TISCO Group's energy and resources saving process and practices include promoting all employees to wear uniform to work and providing five polo shirts to every employee to help them save budget for clothing, setting the office air conditions temperature to 25 Celsius for energy saving, installing energy control equipment for cooling system water pumps at TISCO headquarters to limit waste energy during non-working hours which could save energy for 870,000 baht, turning off computer screens when not in use and during lunch break, and using technology in day-to-day operation i.e. electronic communications, video conference calls, and paperless meetings. In business transactions with clients, no-slip ATM and e-statement services are provided. Besides, TISCO Group also adopted environmental conservation principle as one of the criteria in project loan approvals and doing business with vendors and business partners.

In after process activity, TISCO Group continues its annual reforestation which started more than 25 years ago to raise environmental awareness among its employees. In 2015, the reforestation activity was held at Luk Phra Dabos project development area in Samut Prakan Province for the 4th consecutive year with 100 employees to plant 1,500 trees to restore the ecosystem of brackish water with an aim to develop the area into a learning center of Southeast Asia in the future.

7. Community and Social Development

TISCO Group is committed to social sustainable development along with business operation. In 2015, the company actively joined hand with Thai Credit Guarantee Corporation (TCG) in credit guarantees project to facilitate small and medium-sized enterprises (SMEs) suffering from economic downturns, to be in financial institution inclusion so that they can carry on businesses, reduce funding costs, and avoid underground lending system offering high interest rate with threatened debt collection behaviors leading to social problem. Our microfinance business called "Somwang Ngern Sang Dai" also promotes social financial inclusion in provincial areas expanded to 100 branches in 2015.

Providing financial knowledge to the Thai people has been one of the company's social mission with yearly goal to achieve along with business goal. Our practice during the year includes 1) TISCO Financial Camp for high school students nationwide, the program was held under the theme "Saving before Spending, Creating Financial Discipline", aiming to build awareness and promote basic practices of financial consciousness to the young generation to apply in daily life and share to their families as well as hometown communities. In 2015, TISCO Group held 3 financial literacy camps including 305 participants throughout the country 2) Teacher Financial Camp, focusing on debts and expenses management, fundamental investment, and retirement planning. 3) Financial Guidance for Communities, the program was held under the theme "Smart Saving, Smart Spending" by our Somwang branch team around the country sharing personal finance knowledge to local communities, mostly farmers and local administrators with focus on household financial planning, shark loan awareness, saving and spending wisely. 4) Financial Guidance Program for TISCO Staff, TISCO Learning Center has developed financial planning training course for all TISCO staff by e-learning and classroom teaching as well as holding lecture of financial planning, investment, debts management, retirement planning for staff both in the headquarters and branches.

Long-term social and community development activity of TISCO Group has been carried out by TISCO Foundation for Charity for more than 30 years in 3 major areas, i.e. providing educational scholarships to needy students nationwide, providing medical funds to needy destitute and disabled patients, and business start-up funds for underprivileged people to earn a living. In 2015, TISCO Foundation granted 7,001 educational scholarships to needy students from over 800 schools throughout the country. Sixty percent of these scholarships are ongoing supports for the students to continue higher education and make a living after graduation. Beside student scholarships, TISCO Group also supports sustainable development for needy schools. In 2015, the company supported funds to construct a new kindergarten building for Ban Bueng Kan School in Bueng Kan Province which will be completed early in 2016 following the construction of a new building for needy school in Lopburi Province, the project of the 2014 completed in 2015.

In addition, TISCO has joined "Sathorn model" project, a collaboration project between private sector and public sector to relieve traffic congestion on Sathorn Road, working on possible solutions to be a prototype of sustainable traffic solution to save energy and improve quality of life for people commuting in Sathorn areas.

8. Innovation from Social and Stakeholders Responsibilities

TISCO Group recognizes the increasing role of innovation and technology in business world nowadays. The company has tried to develop new products and services responding to market needs, concerning stakeholders' benefits as well as social and environmental impact. In 2015, TISCO Group encouraged and motivated its employee to propose innovative products/service ideas through the organization's CEO Awards project. The process allows all employees to show their business idea/new working system, or alternative way of work to improve effectiveness of existing system. Five innovative projects from different business areas were short listed for recognition and considered to be developed further.

New development in 2015 also includes an application on tablet called "TISCO Pro Car" in leasing business with real-time connect to the company's internal system. The application function was designed to facilitate working process of customer marketing representatives (CMR), comprising customer profile analysis, product recommendation, and credit approval consideration. TISCO Pro Car is one of service channels developed to shorten working time, reduce duplication of works and data errors, leading to better service to customers. Electronic reports and communication channel have been developed to replace resource consumption, increase effectiveness of out-of-office work for marketing staff as well.

"Somwang Sabai Jai" is also a new product development of "Somwang Ngern Sang Dai", a microfinance business unit under TISCO Group, in cooperation with Thai Credit Guarantee Corporation (TGCG) to provide source of fund for small vendors who do not possess any security to apply for bank loan. The product is a clean loan which borrowing amount can be 5 times of income, starting from 50,000 – 200,000 baht at interest rate of 0.99% with TGCG helps guarantee loan amount for these vendors.

On investment business, in 2015 the company is a co-founder and fund manager of Thailand's first "Philanthropic Investment Fund" project, a mutual fund to selectively invest in the Stock Exchange of Thailand's ESG100 listed companies. The project aims to bring at least 50% of return on investment to sustain CSR projects.

The company also launched a product campaign for social cause, i.e. "One Million Hearts for Cancer Patients" for Faculty of Medicine, Mahidol University and Ramathibodi Hospital with "TISCO Zero Cancer Insurance Plan" (ZCP). On every ZCP contract a customer buy in 2015, TISCO will donate 100 baht to research and development of cancer treatment fund of Mahidol University. In addition, for the first 100 contracts buying online through www.tiscoinsure.com, TISCO will donate 1,000 Baht per contract. The campaign will end in March 2016.

10.3 Impacts of Business Operation on Social Responsibility

TISCO Group has committed to conducting business responsibly. In 2015, the company did not receive any notice from related authorities for violating the 8 corporate social responsible principles. However, there are some individual legal cases related to normal business transaction. (Details in part 1, section 5)

As for the publicized case of providing syndicated loan for Sahaviriya Steel Industries PLC and its subsidiary, Sahaviriya Steel Industries UK Ltd, TISCO Bank has monitored debt restructuring process by progressively setting up loan loss provisions to support the exposure to 100% in the third quarter. Consequently, there was no significant impact on operating performance as a result of careful business operation focusing on effective risk management as well as taking into account the company's business value preservation and the prevention of negative impact on employees, customers, shareholders including other stakeholders. (Details in part 1, section 2)

Anti-Corruption Guideline

TISCO Group has launched "Anti-Corruption Policy" and "Anti-Corruption Guideline" to enforce the company's directors, executives and all staff of TISCO Group. The objective of guideline establishment is to guide the group of companies to practice with honesty, efficiency and effectiveness to prevent or minimize for possibly being vehicle of corruption. Additionally, the determination regarding the practice with counterparty or business partners, whistle blowing channel, the disclosure of information to public relating to the intent of company in combating with corruption, the report to the executives and the examination on the implementation of anti-corruption program were also included therein the Anti-Corruption Guideline.

In 2010, TISCO signed mutual agreement with the Private Sector Collective Action Coalition Against Corruption in Private Sector Collective Action Coalition Against Corruption seminar hosted by Thai Institute of Directors Association (IOD), Thai Chamber of commerce (TCC), Joint Foreign Chambers of Commerce (JFCCT), the Listed Companies Association, Thai Bankers' Association, Federation of the Thai Capital Market Organizations and Federation of Thai Industries to create awareness against corruption in Private Sector. This national project was well-supported by Office of the National Anti-Corruption Commission and Center for International Private Enterprise (CIPE)

TISCO will assess risk related to corruption, implement compliance program and provide business conduct guidance to directors, senior managements and all level of employees to fight against corruption, with details as follows:

1. Place "Integrity" as the company's core values. All of TISCO Group's employee conduct themselves with honesty and follow the code of ethics of the highest standards
2. Evaluate the company's annual Corruption Risk Evaluation during the company's annual Risk Assessment Evaluation
3. Adjust the level of the company's Anti-Corruption implementation to correspond with the result of the ~~annual~~ Risk Assessment Evaluation and implement the company's bribery policy
4. Provide Anti-Corruption training programs to employee to promote integrity, honesty, and accountability in the exercise of their duties and responsibilities by adding "Anti-Corruption Policy" into Competency KPI report which required 100% of test result.
5. Provide appropriate channels of communication to the employee and other stakeholders to report suspicious circumstances in confidence without risk of reprisal, and a designed officer will be tasked with investigating all report received.
6. TISCO Group's top executives take part in promoting Anti-Corruption activities with other organizations on regular basis. In year 2015, the fifth year when TISCO has joined and participated as part of private sector in supporting the anti-corruption activities. In year 2015, TISCO has joined the activities to show power against corruption arranged by (Anti-Corruption Organization of Thailand together with partners and private sector under the theme "Active Citizen Against Corruption. In this campaign, the participations of government agencies, private sector and citizens for over 3,000 persons were presented at the Central World Plaza.
7. Strengthen and enhance the control measures for procurement process to minimize the possibility of corruption or bribery. Additionally, the steering committee is appointed to assist in screening the appropriateness of price as well as the term of conditions for the high value procurement.
8. Provide full cooperation to the supervisory authority to disclose the Anti-Corruption Progress Indicator. At present, TISCO Group was ranked at level 4 which referred to the company passed the certification and is one of members of

Private Sector Collective Action Coalition Against Corruption in Private Sector. TISCO is on the preparation process to upgrade to level 5 by extending the anti-corruption practice to counterparty and business partners.

9. In regard to the securities company and asset management company, the subsidiaries within the TISCO Group, they also well provide the support on proceeding for prevention of involvement with the corruption. TISCO Securities Co., Ltd. where undertakes the research business for listed company has disclosed the Anti-Corruption Progress Indicator of such listed company in the research articles of the company in order to be the supportive information for investors.

Meanwhile, as for TISCO Asset Management Co., Ltd., has disclosed the Anti-Corruption Progress Indicator of the company in the fund fact sheet. Additionally, the factors regarding Anti-Corruption Progress Indicator as well as the being certified company of Private Sector Collective Action Coalition Against Corruption in Private Sector will be taken into account as considering factors for making investment for funds under management of the company.

For further Anti-Corruption policy was disclosed on TISCO's website at <http://www.tisco.co.th/en/aboutus/governance.html>

In addition, TISCO Group received 2 awards, representing the company's integrity and successful anti-corruption policy which were:

- **NACC Integrity Awards 2013:** TISCO Financial Group received NACC Integrity Awards for the year 2014 by the office of the National Anti-Corruption Commission. The National Anti-Corruption Commission (NACC) organized the Integrity Award to honor and support those with ethics and integrity and transparency.
- **Certificate of Membership by CAC Council:** TISCO Group received the certificate of membership by Collective Action Coalition Against Corruption. TISCO Group has met the commitments to the CAC declaration on anti-corruption by putting in place good business principles and control against bribery and now a full member of CAC

Honors & Awards in 2015

TISCO Group has received several awards related to performance standards reflecting its standard policy and outstanding accomplishment in various fields of business. The awards received in the year 2015 are as follows:

Board of the Year Awards 2015

TISCO Financial Group received "Board of the Year-Exemplary Practices" from Board of the Year Awards 2015, organized by Thai Institute of Directors Association (IOD) in collaboration with the Stock Exchange of Thailand, the Thai Chamber of Commerce, the Federation of Thai Industries, the Thai Bankers' Association, the Thai Listed Companies Association, and the Federation of Thai Capital Market Organizations, to recognize top performing boards of Thai listed companies for their effective operation and good corporate governance practices, based on five criteria: Board Policy, Board Members, Board Structure, Board Process, and Board Performance.

Audit Committee of the Year 2015

TISCO Financial Group received "Audit Committee of the Year" from Board of the Year Awards 2015, organized by Thai Institute of Directors Association in collaboration with six private sector organizations to honor the audit committee that perform their duties effectively in accordance with good governance practices and achieve top-five average scores on audit committee practices. TISCO Group has transparently operated its business according to corporate governance principles to protect the shareholders' interests and to sustainably enhance business growth.

Board with Consistent Best Practices

TISCO Financial Group received "Board with Consistent Best Practices" from Board of the Year Awards 2015, organized every 2 years by Thai Institute of Directors Association in collaboration with six leading private sector organizations to honor boards of directors that have won the Board of the Year Awards for three consecutive times in 2011, 2013 until present as special recognition of their consistent best performance. TISCO Group has maintained its quality and efficiency standard and was bestowed such award for three consecutive years.

The Consumer Protection Thailand Call Center Award 2015

TISCO Financial Group received "The Consumer Protection Thailand Call Center Award 2015" from the Office of the Consumer Protection Board (OCPB) in cooperation with the Management System Certification Institute (Thailand) to honor the entrepreneurs having the outstanding services in effective consulting and managing consumer complaints in compliance with five

standard provisions of OCPB. TISCO Contact Center has been awarded for 2 consecutive years reflecting its effort to provide the best service for the highest consumer satisfaction.

Top Bank in the Secondary Market, Corporate Bonds in Asian Local Currency Bonds Award 2015

TISCO Bank, as a provider of corporate bond Thai baht, received the first rank in “Top Bank in the Secondary Market, Corporate Bonds in Asian Local Currency Bonds” from the Asset Benchmark Research Awards Dinner 2015 held by The Asset Magazine according to the survey result of institutional investors using bond trading in Asia. TISCO has been trusted and voted from investors for this award for bond traders (private sector bonds) in Thailand.

Best Securities Company Awards 2015

TISCO Securities received “Best Securities Company Awards – Retail Investors” from SET Awards 2015 organized by the Stock Exchange of Thailand in collaboration with Money & Banking Magazine. This award was presented to the securities company possessing excellent brokerage and good service as well as having inclusively quality and diversified securities analysis based on quantitative and qualitative data from key performance areas. Moreover, the survey of clients and good practices of staff and company are also considered in the evaluation.

Outstanding Securities Company Awards 2015-Institutional Investors

TISCO Securities received “Best Securities Company Awards – Institutional Investors” in SET Awards 2015 organized by the Stock Exchange of Thailand in collaboration with Money & Banking Magazine. This award was presented to the securities company possessing excellent brokerage and good service as well as having inclusively quality and diversified securities analysis based on quantitative and qualitative data from key performance areas. Moreover, the survey of clients and good practices of staff and company are also considered in the evaluation.

11. Internal Control and Risk Management

TISCO Group has realized and emphasized the sound risk management and adequacy and appropriateness of internal control system in order to support and sustain the effective and efficient business undertaking of TISCO Group. The control structure has started with the established control environment for transparently operating businesses under good corporate governance, check and balance organizational structure, centralized policies and guidelines for enterprise-wide adoption, written and thoroughly communicated code of conduct, disciplinary punishment and the establishment of channels for accepting complaints and appropriate consideration process.

Oversight of Internal Control System and Risk Management

The business undertakings as well as the sound and adequacy of control system are under the supervision of the Board of Directors of TISCO Financial Group through the Executive Board and the Audit Committee. The centralized supervision has been conducted by TISCO Group in accordance with the consolidated supervision principles of the Bank of Thailand with major structures as follows;

1. The Executive Board of the parent company oversees entire risk management and internal control systems of TISCO Group by appointing and delegating specific sub-committees to oversee and control the dedicated responsible areas. In regard to the TISCO Financial Group, the parent company, the specific sub-committees have been appointed to centralize the oversight functions, namely: the Risk Management Committee, the Compliance and Operation Control Committee, and the Information Technology Committee. Meanwhile, the TISCO Bank, a subsidiary within the TISCO Group has also established specific sub-committees in relevant with the banking business, namely the Risk Management Committee, the Credit Committee, and the Problem Loan Committee. As for other subsidiaries within the TISCO Group, the appointment of the sub-committees have been considered and established to be in line with the complexity of the business undertaking of each subsidiary as deemed necessary and appropriate. The risk management and control system of each subsidiary within TISCO Group shall be implemented in accordance with Internal Control Policy, Corporate Governance Policy and Risk Management Policy as well as the relevant guidelines determined by the parent control as enterprise-wide adoption.
2. The Audit Committee of TISCO Financial Group shall perform duties independently in assessing the adequacy of the TISCO Group's internal control system established and supervised by the Executive Board including the effectiveness of the audit system. The Audit Committee of TISCO Financial Group shall consider Internal Control Assessment Form prepared by the management of the TISCO Group on an annual basis prior proposing to the Board of Directors for consideration and approval. In regard to the oversight function for the group's risks, the Audit Committee reviews the policy and guidelines for internal audit, oversee the appropriateness of internal control system through the performance of duties of Internal Audit Function and Risk Management Function as well as supervise the performance of duties of the Compliance and Operation Control Committee and the Audit Committee of other subsidiaries. The oversight functions are aimed to assess the fair accuracy of financial statements, the transparency of business undertakings, the adequacy and appropriateness of internal control and audit system of every business operations including the proceeding in compliance with laws and regulations. For other subsidiaries those been regulated by supervisory authorities, the Audit Committee, internal control and internal audit reporting process have been established in each company. In regard to the Audit Committee of the TISCO Bank, it has been appointed by the TISCO Bank to independently perform duties in assessing the adequacy of the Bank's internal control system and provide assurance on the fairly accurate and transparent financial statement reports as well as the work proceedings in compliance with the stipulated regulations. The committee shall directly report to the Audit Committee of TISCO Financial Group, whilst internal audit and control process in other companies shall also be reported directly to the Audit Committee of TISCO Financial Group as well.

Overview of TISCO Group's Internal Control System and Risk Management

TISCO Group has implemented the internal control system and integrated-enterprise risk management framework, which are the international best practices, to ensure the achievement of objectives, efficiency and effectiveness of operations and compliance with laws and regulations. The internal control system has 5 key components those are described as follows;

1) *Control Environment*

TISCO Group has developed appropriate control environment to promote the sound internal control system. The established control environment has started by defining "Integrity" as one of corporate core values, establishing Internal Control Policy and Guideline, structuring check and balance organization and supervisory lines and determining the appropriate approval authority and accountabilities to drive the pursuit of business objectives. In regard to the oversight function, the Board shall supervise the performance of duties of the Management

Committee as well as the effectiveness of establishment of sound control system and risk management process. Meanwhile, the Corporate Governance Committee shall oversee the performance of duties of the Board, directors and managements to assure that the proceedings are undertaken in accordance with Corporate Governance Policy, code of business ethics and relevant laws and regulations.

Pursuant to the control environment of TISCO Group, in regard to the control aspect, three lines of defenses are determined. The first line of defense is accountable by the managements and business operations in determining effective control measures in accordance with defined Risk Management policy and guideline to mitigate possible risks. The second line of defense is oversight function with main responsibilities in establishing risk management policy and guideline formulation under supervision of corporate policy. The third line of defense is independent assurance line of defense responsible by Audit Committee which performs duties through the operations of Internal Audit Function in assessing the effectiveness of risk management and control system.

2) *Risk Assessment*

TISCO Group places great importance on effective risk management and controls. The Risk Management Committee is delegated to be responsible for establishing effective risk management policies, prudent risk management guidelines and limits as well as the monitoring and controlling process. The Risk Management Committee assesses and measures key risks, particularly in the areas of credit, market, funding, operational and fraud risks. With effective risk management framework and system, Risk Management Function is accountable for measuring and monitoring risks according to the defined Risk Management Guideline, regularly report the monitoring results to the senior management and relevant committee while overall risk management process is also examined by independent internal auditors on regular basis.

3) *Control Activities*

TISCO Group has designed control system to be centralized management in order to provide assurance that all subsidiaries within TISCO Group operate businesses under the effective control system with standardized key processes. The determination of control system shall be developed to align with each environment and business operations. To manage potential risks might affect to the achievement of business objectives and might damage the TISCO Group to be at the optimum level, TISCO Group develops clear role and responsibilities, segregation of duties among operators, reviewers and evaluators through policies and procedures for assuring the check and balance controls as well as the appropriate audit system. The establishment of guidelines and procedures as well as the regular monitoring and controlling process have been placed more importance and emphasized on. Additionally, the consideration for any businesses or activities shall be regard to the optimized benefit to the TISCO Group including the related transactions. The related transaction is treated on arm's length basis in accordance with the principles of good corporate governance and the group's related party transaction policy.

4) *Information and Communication*

TISCO Group has continuously developed information technology system in order to provide the efficient information and communication management to support the achievement of control objectives. TISCO Group has brought the appropriate information technology and information security to adopt for business operations in order to secure the key information. Additionally, TISCO Group has also determined the channel and process to communicate or provide adequate and accurate information either to internal or external parties in timely manner.

5) *Monitoring Activities*

TISCO Group has established ongoing and separate evaluations of internal control process to ascertain whether the components of internal control are efficiently functioning. Other than the oversight function taken by Operational Risk Management Function, the TISCO Group has also arranged the reporting and communicating channel to report the internal control deficiencies to the responsible person for timely taking corrective action, including the establishment of audit process through the performance of duties of Internal Audit Function and Compliance Function. The examination result of the control effectiveness as well as the compliance with the laws and regulations stipulated by the supervisory authorities shall be regularly reported to senior management and the relevant committees.

11.1 Board of Directors' Report on Internal Control System

At the Board of Directors' Meeting No. 1/2016 on February 19, 2016 where the 7 members of independent directors including 3 members of Audit Committee were present, the Board considered the Company's internal control assessment form as prepared by the managements and reviewed by the Audit Committee. According to the assessment form, the evaluation was made to cover five aspects; Organizational Control and Environmental Measures, Risk Management Measures, Management Control

Activities, Information and Communication Measures and Monitoring. The Board viewed that the Company's internal control system is adequate and appropriate for business undertakings. The Company has established sound control system and sufficient resources to carry out according to the determined processes including sufficient monitoring controls for supervising business operations of subsidiaries to ascertain that they operate businesses under the sound control systems with appropriate control measures to prevent the conflict of interests.

11.2 Audit Committee's and Independent Auditor's Comment on Internal Control System

Audit Committee has agreed with Board of Directors' report on Internal Control System and had no comments on the internal control system. The details are provided in Attachment 5 Report of Audit Committee. Moreover, in year 2015, Ernst & Young Office Limited as independent auditor of the Company had no comments on the internal control system.

11.3 Head of Internal Audit Unit and Head of Compliance Unit

(1) Head of Internal Audit

TISCO Group appointed Miss Jiraporn Sawsukpaiboon as a Head of Internal Audit who is qualified to take charge for Internal Audit function with her competency and auditing experience. Ms. Jiraporn is able to independently perform her duties with the support of the Audit Committee. Ms. Jiraporn is also appointed as the Secretary to the Audit Committee. Qualification of the current Head of Internal Audit is provided in the Attachment 4.

(2) Head of Compliance

TISCO Group appointed Mrs. Dulyarat Taveephol to be a Head of Corporate Compliance to oversee the business operations in compliance with related laws and regulations. Compliance Function is under supervision of Governance Office which is headed by Mr. Pairat Srivilairit. Qualification of the current Heads is provided in the Attachment 4.

12. Related Party Transactions

The Company disclosed the detail of related party transaction under section 3.34 of notes to the consolidated financial statement for the year ended December 31, 2015. The Company and its subsidiaries had business transactions with related parties whereby such transactions shall be done on the same basis and conditions as applied to external parties.

12.1 Necessity and justification for the transactions

The related party transactions were necessary and justified in order to obtain maximize benefit of the group. These transactions were the supporting transaction for normal business operation of TISCO Group, according to the consolidated supervision principle by the Bank of Thailand. These transactions did not incur any conflict of interests.

12.2 Measures or procedures for approval of related party transactions

All transactions between related parties shall be done on the same basis and conditions as applied to external parties. Personal vested interests shall not be entitled to vote for the approval of said transaction. In addition, TISCO Group will be disclosed information in a transparent manner according to the Good Governance principle.

12.3 Policy or Future related transaction policy

The Group puts a strong emphasis on effective management under Good Governance and in accordance with rules and regulation of related regulators. In addition, the Group has set up "Related Party Transaction Policy" and implemented across the group, and therefore the Group has no policy to encourage transactions between related parties. Should any such transactions occur, the conditions would be the same as in normal business transactions for the group.