

## Part 2

### Management and Corporate Governance

#### 7. Securities and Shareholders Information

##### 7.1 Registered and Paid-up capital

###### (1) Registered and paid-up capital as of December 31, 2020 comprising of :

Registered capital : Baht 8,007,032,950

(Eight thousand and seven million thirty-two thousand and nine hundred and fifty Baht)

Paid-up capital : Baht 8,006,554,830

(Eight thousand and six million five hundred and fifty four thousand eight hundred and thirty Baht) comprised of

800,645,624 common shares (Eight hundred million six hundred forty-five thousand six hundred and twenty-four shares) and

9,859 preferred shares (Nine thousand eight hundred and fifty nine 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 30, 2020, 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 80,426,214 shares, or 10.05% of paid-up capital, consisting of 80,418,914 common shares and 7,300 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 Stock Exchange of Thailand ([www.set.or.th](http://www.set.or.th)).

## 7.2 Shareholders

### (1) The Company's Major Shareholders

The top 10 major shareholders whose names appeared in the share registration book as of December 30, 2020, are as follows.

No.	Shareholders	Outstanding Stock			
		Common Stock	Preferred Stock	Total Stock	Percentage
1	THAI NVDR CO., LTD.	80,418,914	7,300	80,426,214	10.05
2	CDIB & PARTNERS INVESTMENT HOLDING PTE.LTD.	80,065,320	-	80,065,320	10.00
3	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	55,315,107	-	55,315,107	6.91%
4	TOKYO CENTURY CORPORATION	39,482,767	-	39,482,767	4.93%
5	STATE STREET EUROPE LIMITED	33,467,971	-	33,467,971	4.18%
6	STATE STREET BANK AND TRUST COMPANY	18,572,195	-	18,572,195	2.32%
7	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	16,379,338	-	16,379,338	2.05%
8	SOCIAL SECURITY FUND	14,562,530	-	14,562,530	1.82%
9	KRUNGSRI DIVIDEND STOCK LTF	14,354,000	-	14,354,000	1.79%
10	THE BANK OF NEW YORK MELLON	9,885,800	-	9,885,800	1.23%
<b>TOTAL SHAREHOLDING OF TOP 10 MAJOR SHAREHOLDERS</b>		<b>362,503,942</b>	<b>7,300</b>	<b>362,511,242</b>	<b>45.28%</b>
OTHER SHAREHOLDERS		438,141,682	2,559	438,144,241	54.72%
<b>GRAND TOTAL</b>		<b>800,645,624</b>	<b>9,859</b>	<b>800,655,483</b>	<b>100.00%</b>

Remarks:

- CDIB & Partners Investment Holding Pte. Ltd. is 100% owned by CDIB & Partners Investment Holding Corporation (Taiwan) via CDIB & Partners Investment Holding Corporation (Cayman). CDIB & Partners Investment Holding Corporation (Taiwan) is 28.71% and 4.95% owned by CDIB Capital Group and KGI Bank, respectively. Both CDIB Capital Group and KGI Bank are 100% subsidiaries of China Development Financial Holding Corporation which is a listed company in Taiwan Stock Exchange.
- SOUTH EAST ASIA UK (Type C) Nominees Limited are a global custodian keeping securities for customers who are end beneficiaries. Each customer holds less than 5% in TISCO.

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

Details of TISCO Bank Public Company Limited which Subsidiary Company operated as Core Company of the Group

#### (2.1) Registered and paid-up capital as of December 31, 2020 comprising of:

Registered capital : Baht 9,215,676,920

(Nine billion two hundred fifteen million six hundred seventy six thousand nine hundred and twenty Baht)

Paid-up capital : Baht 9,215,676,920

(Nine billion two hundred fifteen million six hundred seventy six thousand nine hundred and twenty Baht) comprised of

921,567,588 common shares (Nine hundred twenty one million five hundred sixty seven thousand five hundred and eighty eight common shares) and

104 preferred shares (One hundred and four preferred shares)

at par value of 10.00 Baht per share.

## (2.2) Major Shareholders of the Company

The top 10 major shareholders of TISCO Bank Public Company Limited, whose names appeared in the share registration book as December 25, 2020, were as follow.

No.	Shareholders	Outstanding stock			
		Common Stock	Preferred Stock	Total Stock	Percentage
1	TISCO Financial Group Public Company Limited	921,452,713	-	921,452,713	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 Tangkvij	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
<b>TOTAL SHAREHOLDING OF TOP 10 MAJOR SHAREHOLDERS</b>		<b>921,522,484</b>	<b>-</b>	<b>921,522,484</b>	<b>100.00</b>
OTHER SHAREHOLDERS		45,104	104	45,208	0.00
<b>GRAND TOTAL</b>		<b>921,567,588</b>	<b>104</b>	<b>921,567,692</b>	<b>100.00</b>

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

As of December 31, 2020, TISCO Financial Group Public Company Limited has unsubordinated, unsecured, without bond holders' representation short-term debenture with interest rate of 0.55%-1.05% per annum. The total outstanding debenture was at 1,629 million baht.

#### Subsidiary and Affiliate Companies

As of December 31, 2020 TISCO Bank Plc. has subordinated and unsubordinated debentures with total outstanding of 8,840 million baht. The details are provided as follows:

Name	Coupon Rate per annum (percentage)	Tenor (year)	Maturity Date	Issue Size (million baht)	Payment Date
1. The Debenture of TISCO Bank Plc. No. 1/2020 Tranche 1 Due 2022 (TISCO223B) Issuing Date: March 30, 2020 TRIS Issue Rating: "A"	1.40	2	March 30, 2022	2,200	Twice a year
2. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2016 Due 2026 (TISCO268A) 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 Issuing Date: August 10, 2016	3.875	10	August 10, 2026	680	4 times a year
3. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2017 Due 2027 (TISCO272A) with the Issuer's right to early redeem, which may be	4.00	10	February 23, 2027	1,000	4 times a year

Name	Coupon Rate per annum (percentage)	Tenor (year)	Maturity Date	Issue Size (million baht)	Payment Date
required to be written off (fully or partially) when the regulatory authorities decide to grant financial assistance to the Issuer Issuing Date: February 23, 2017					
4. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2017 Due 2027 (TISCO27NA) 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 Issuing Date: November 15, 2017	3.70	10	November 15, 2027	600	4 times a year
5. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2019 Due 2029 (TISCO292A) 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 Issuing Date: February 1, 2019	4.00	10	February 1, 2029	1,200	4 times a year
6. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2019 Due 2029 (TISCO292B) 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 Issuing Date: February 22, 2019	4.00	10	February 22, 2029	1,200	4 times a year
7. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 1/2019 Due 2030 (TISCO306A) 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 Issuing Date: June 10, 2020	3.15	10	June 10, 2030	690	4 times a year
8. Subordinate Instruments intended to qualify as Tier 2 Capital of TISCO Bank Plc. No. 2/2019 Due 2030 (TISCO300A) 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 Issuing Date: October 21, 2020	3.50	10	October 21, 2030	1,250	4 times a year

#### Subsidiary Companies

As of December 31, 2020, TISCO Bank had outstanding short-term bills of exchange totaled 36.92 million baht with 2.50% coupon rate, all in forms of callable bill of exchange.

As of December 31, 2020, Hi-Way Company Limited had outstanding short-term bill of exchange totaled 3,180 million baht with 1.75% coupon rate, all in forms of callable bill of exchange.

## **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

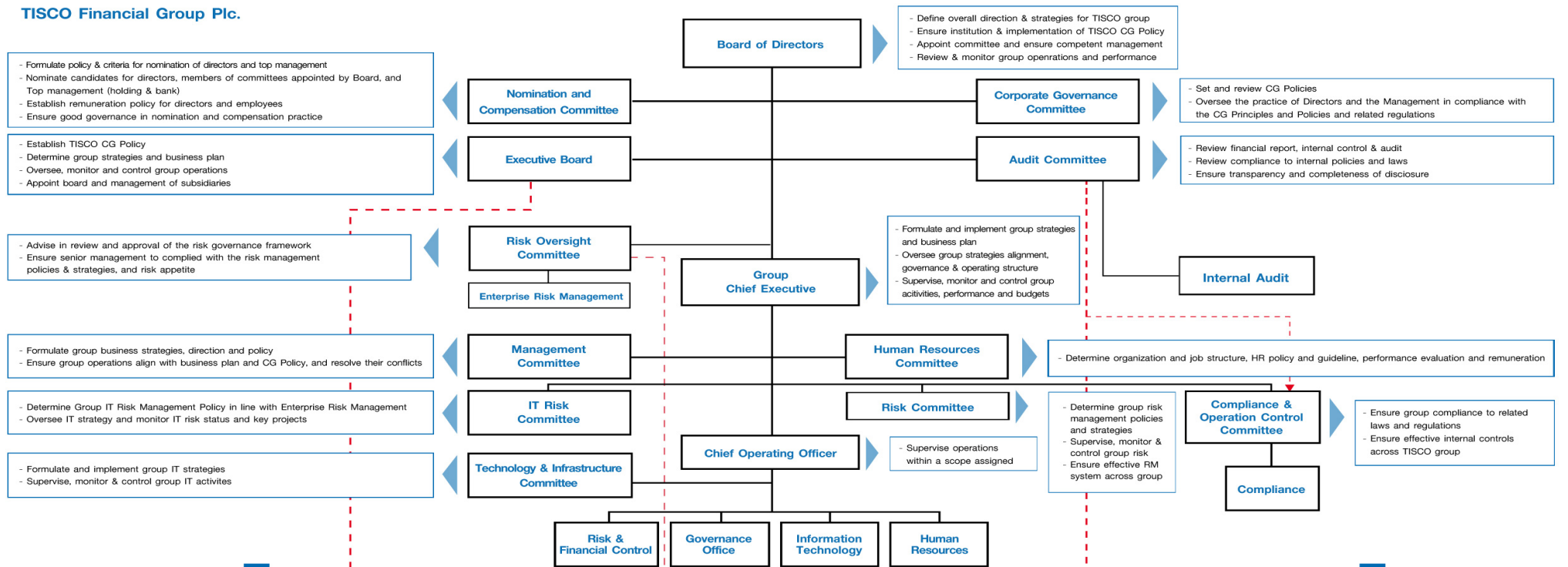
### 8.1 Management Structure and Board of Directors

TISCO Financial Group Public Company Limited, the parent company of TISCO Group, oversees, and monitors 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 for the Company and its subsidiaries to operate the business in accordance with TISCO Group's Corporate Governance Policy. Subsidiary companies function as strategic business unit, responsible for marketing, transaction, and processing and credit control activities.

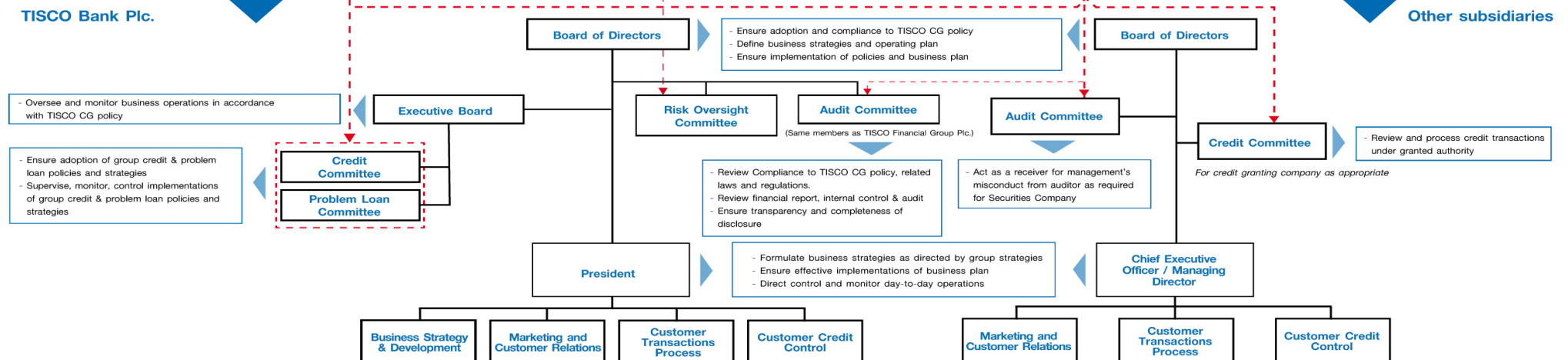
The Board of Directors is responsible for monitoring and controlling business operations of TISCO Group. Other Boards and committees will be appointed according to the needs and suitability to carry out specific missions and tasks. The governance structure of TISCO Group is exhibited as follows:

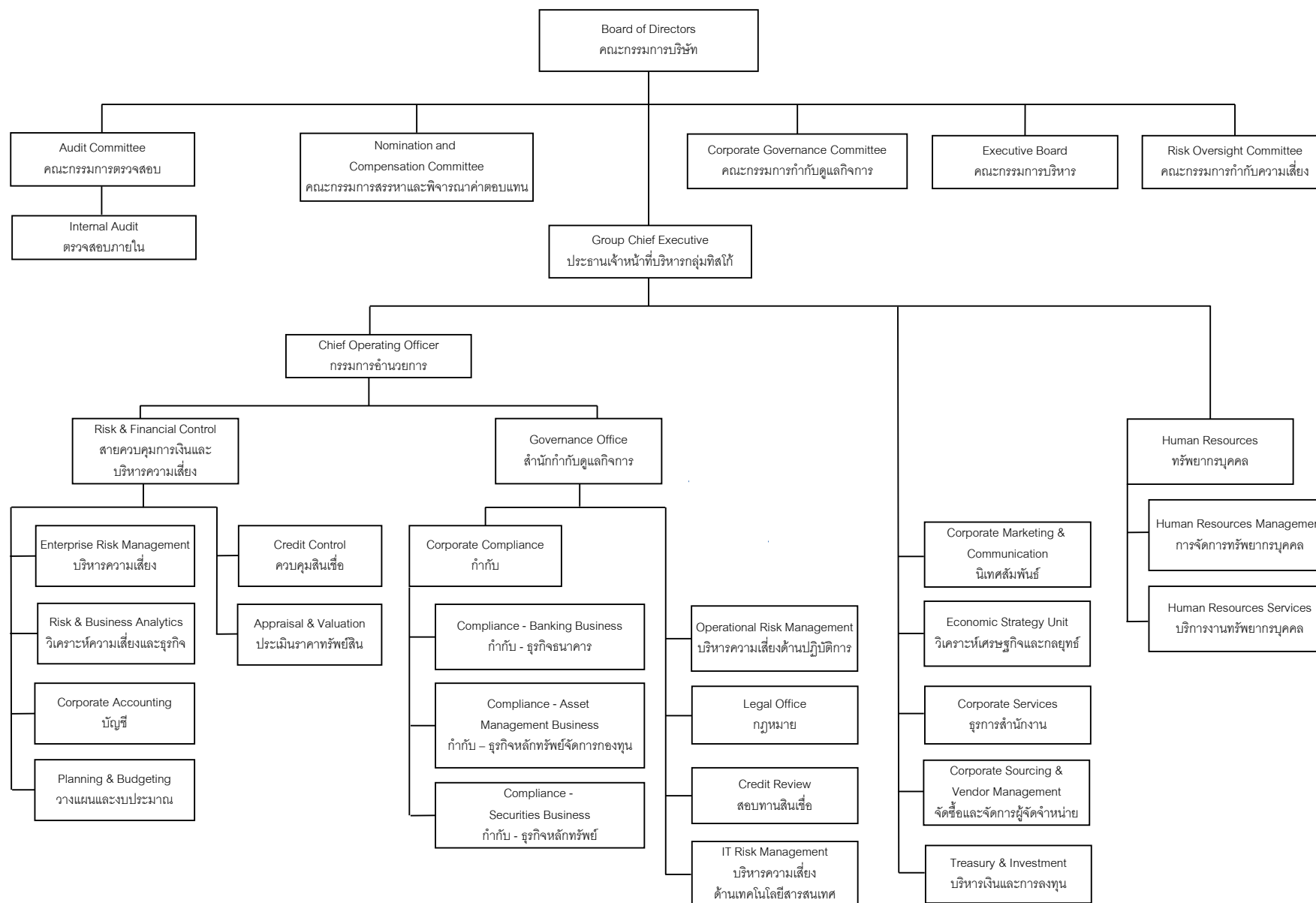
## Governance Structure

### TISCO Financial Group Plc.

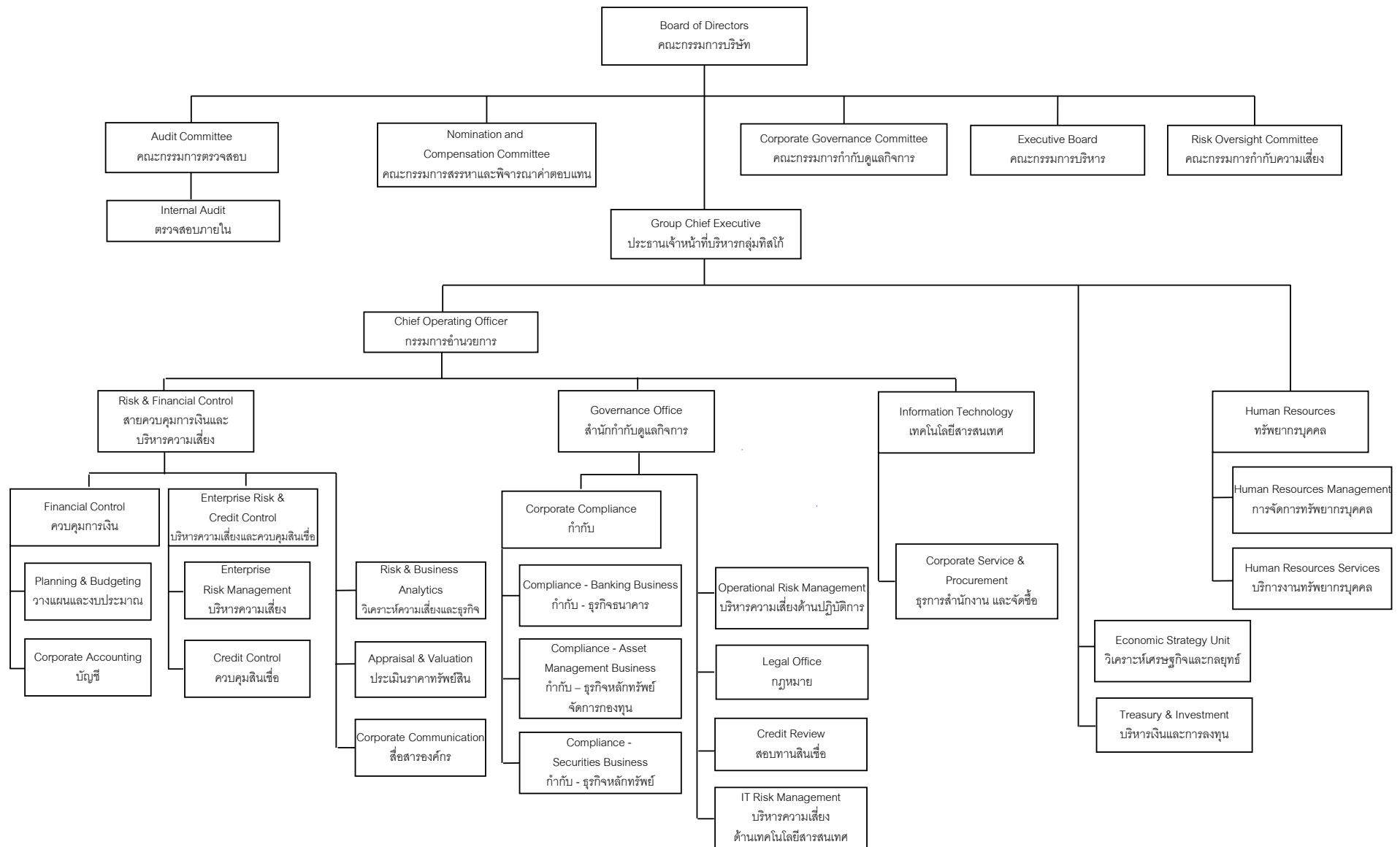


### TISCO Bank Plc.



**Management Structure of TISCO Financial Group Public Company Limited as of December 31, 2020**




**Management Structure of TISCO Financial Group Public Company Limited as of January 1, 2021**


The Board structure is comprised of Board of Directors and 5 subcommittees were appointed by the Board of Directors: (1) Executive Board, (2) Risk Oversight Committee (3) Audit Committee, (4) Nomination and Compensation Committee, and (5) Corporate Governance Committee. In addition, the Company assigned certain Management Committee and management supervising important functions within TISCO Group from subsidiary companies to be employed under the Company. The Company seconded those managements 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.

### Board of Directors Structure

The Board of Directors consisted of Directors from diversified backgrounds and experience, with sufficient understanding of banking and finance, accounting, economics, strategy, law and information technology deemed appropriate. On December 31, 2020, the Board of Directors consisted of 12 directors, including 3 females (25% of the total number of directors) and 9 males (75% of the total number of directors), the number of directors is appropriate for the Company's business operations. The election of Board members followed the resolution of the shareholders meetings, as well as the laws and regulations and the Company's Articles of Association. The composition is in conformity with the notifications of the Bank of Thailand, the Capital Market Supervisory Board and the regulations of the Securities and Exchange Commission, as well as the diversity of vocation, skill, age, gender, experience, and any other appropriate qualifications. As of December 31, 2020, the Board of Directors comprised the following directors:

- The six Independent Directors<sup>1</sup>, 50% of the total number of directors, are Mr. Pliu Mangkornkanok, Assoc. Prof. Dr. Angkarat Priebjrivat, Prof. Dr. Pranee Tinakorn, Mr. Sathit Aungmanee, Dr. Charatpong Chotigavanich and Dr. Kulpatra Sirodom
- The two Non-executive Directors, 16.67% of the total number of directors, are Mr. Hon Kit Shing (Alexander H. Shing) and Prof. Dr. Teerana Bhongmakapat
- The four Executive Directors<sup>2</sup>, 33.33% of the total number of directors, are Mr. Suthas Ruangmanamongkol, Mr. Chi-Hao Sun (Howard Sun), Mr. Satoshi Yoshitake and Mr. Sakchai Peechapat

<sup>1</sup> "Independent Director" has the meaning specified in the Bank of Thailand's Notification No. SorNorSor. 13/2552 Re: Corporate governance of financial institutions, and the Capital Market Supervisory Board's Notification No. TorJor. 28/2551, Re: Application and approval for offering newly issued shares, and/or their amendments (if any). Moreover, the number of shares held by an independent director and his/her related parties combined shall not exceed 0.5% of the total voting shares of the Bank, or the Bank's parent company, subsidiaries, or associate companies, or major shareholders, or the persons having the authority to control the Bank. This shareholding restriction of not more than 0.5% is the Bank's standard, which is a higher standard than that set by the Capital Market Supervisory Board, which prohibits an independent director from holding more than 1% of the total voting shares of the company of which he/she is a director.

<sup>2</sup> "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 signs on transactions which have been approved by the board of directors and jointly with other directors, following the Capital Market Supervisory Board's Notification No. TorJor. 28/2551 Re: Application and approval for offering newly issued shares, and/or their amendments (if any).

### 8.1.1 Board of Directors

As of December 31, 2020, the Board of Directors was appointed by the resolutions of the shareholders' meeting of the year 2020. The Board of Directors comprised the following 12 directors:

Name	Position
1. Mr. Pliu Mangkornkanok	Chairman and Independent Director
2. Mr. Hon Kit Shing (Alexander H. Shing)	Vice Chairman, Non-Executive Director and Member of the Nomination and Compensation Committee
3. Mr. Suthas Ruangmanamongkol	Executive Director, Chairman of the Executive Board and Group Chief Executive
4. Assoc. Prof. Dr. Angkarat Priebjivat	Independent Director and Chairperson of the Audit Committee
5. Prof. Dr. Pranee Tinakorn	Independent Director, Chairperson of the Nomination and Compensation Committee and Member of the Corporate Governance Committee
6. Prof. Dr. Teerana Bhongmakapat	Non-Executive Director, Chairman of the Risk Oversight Committee and Chairman of the Corporate Governance Committee
7. Mr. Sathit Aungmanee	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee
8. Dr. Charatpong Chotigavanich	Independent Director, Member of the Risk Oversight Committee and Member of the Corporate Governance Committee
9. Dr. Kulpatra Sirodom	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee
10. Mr. Chi-Hao Sun (Howard Sun)	Executive Director and Member of the Executive Board
11. Mr. Satoshi Yoshitake	Executive Director and Member of the Executive Board
12. Mr. Sakchai Peechapat	Executive Director, Member of the Executive Board, Member of the Risk Oversight Committee and Chief Operating Officer

#### Authorized Signatory

Two of the following executive directors namely Mr. Suthas Ruangmanamongkol, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Sakchai Peechapat, jointly sign with the seal of the Company affixed.

#### Authority and Responsibilities of Chairman of the Board:

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. Maintain access to senior management for vital information related to TISCO business as is necessary and useful, and provide access, advice and support to the Group CEO in the development of strategy.
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 Vice Chairman of the Board:

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 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 Board of Directors, or
  - b. recommended by the Nomination and Compensation Committee and approved by Board of Directors.

Authority and Responsibilities of the Board of Directors:

1. Approve TISCO Corporate Governance Policy as well as oversee TISCO Group Governance and corporate governance disclosure.
2. Approve TISCO Company Statement: Vision and Mission.
3. Approval and monitoring of Group's business model, corporate strategies, business plan, financial budgets, and policies.
4. Approval of M&A, investment, divestment and disposal transaction involving high risk or materially impact TISCO in line with risk management policies, strategies and appetite.
5. Oversee TISCO fair market conduct according to the Bank of Thailand Notification on Market Conduct Guidelines, which cover all service operation processes.
6. Ensure and monitor the effectiveness of whistleblowing policy and internal control system.
7. Approval of the Risk Governance Framework and oversee the cultivation of risk awareness culture and remuneration structure promoting risk awareness.
8. Approval of the appointment, relocation and dismissal of Head of Risk Management Function and Head of Internal Audit Function.
9. 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.
10. Oversee the annual evaluation of the Board's performance as a whole and on individual director level in the forms of self-assessment and cross-evaluation or third party evaluation (if necessary).
11. Select, appoint, and evaluate Group CEO from the candidates as well as a succession plan as proposed by the Nomination and Compensation Committee.
12. Work in partnership with the Group CEO and senior management in defining overall direction and strategies of TISCO Group concerning sustainable business and ensuring coherent implementation of those strategies through the institution of a Corporate Governance Policy to produce long-term value for shareholders.
13. Together with the Group CEO and senior management, set example at the top that establishes a culture of legal compliance and integrity.
14. Appoint Board Committees, namely, TISCO Audit Committee, TISCO Nomination and Compensation Committee, TISCO Corporate Governance Committee, TISCO Risk Oversight Committee, and TISCO Executive Board as proposed by TISCO NCC, to carry out the tasks assigned by the Board.

The following activities require approval of the Board of Directors:

1. Vision, Mission, Brand and Corporate Value
2. TISCO's business model, corporate strategies, business plan, and financial budgets
3. Corporate Budget & Major Expenditure includes Head Count and Resource of TISCO

4. Merger & Acquisition, investment, divestment and disposal transaction involving high risk or materially impact TISCO
5. Appointment of Board of Directors and Subcommittees as well as delegation of authority
6. Nomination and appointment names of qualified candidates for Group Chief Executive
7. Performance Evaluation of Group Chief Executive

For the business operations which 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 8.1.7 and Attachment 1-2.

### 8.1.2 Executive Board

As of December 31, 2020, the Executive Board which was appointed by the Board of Directors comprised the following four Executive Directors:

Name	Position
1. Mr. Suthas Ruangmanamongkol	Chairman of the Executive Board
2. Mr. Chi-Hao Sun (Howard Sun)	Member of the Executive Board
3. Mr. Satoshi Yoshitake	Member of the Executive Board
4. Mr. Sakchai Peechapat	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. Ensure the effectiveness of the implementation of risk management framework and risk management guidelines in alignment with approved risk management policies, strategies and appetite.
8. Appoint and supervise Credit Committee and Problem Loan Committee.
9. Conduct assessment of the adequacy of the Company's internal control system and propose for the Risk Oversight Committee and Audit Committee's review and to the Board of Directors for approval.
10. Oversee and monitor the significant compliance matters of TISCO Group.
11. Appraise annual performance of compliance function with involvement of TISCO Risk Oversight Committee to balance the power of management and promote good governance.
12. Approve annual compliance report of TISCO Group in order to ensure the acknowledgement and accountability of the Board with compliance.
13. Approve compliance policy and compliance function charter.
14. Review compliance policy and assess the efficiency of compliance risk management including approval of compliance program and plan.

15. Ensure that all subcommittees appointed by Group CEO are established, composed and operated appropriately and professionally.

### 8.1.3 Risk Oversight Committee

As of December 31, 2020, the Risk Oversight Committee was appointed by the Board of Directors. The Risk Oversight Committee comprised the following Non-executive Director, Independent Director, Executive Director and management, totaling 4 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Risk Oversight Committee
2. Dr. Charatpong Chotigavanich	Member of the Risk Oversight Committee
3. Mr. Sakchai Peechapat	Member of the Risk Oversight Committee
4. Mr. Chatri Chandrangam	Member of the Risk Oversight Committee

#### Authority and responsibilities of Risk Oversight Committee:

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

### 8.1.4 Audit Committee

As of December 31, 2020, the Audit Committee which was appointed by the Board of Directors comprised the following three Independent Directors:

Name	Position
1. Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson of the Audit Committee
2. Mr. Sathit Aungmanee	Member of the Audit Committee
3. Dr. Kulpatra Sirodom	Member of the Audit Committee

Remark: All 3 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 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. Review 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, and approve Internal Audit Policy, Internal Audit charter, annual audit plan, strategy, key performance indicators, staffing and budget.
9. Appoint, transfer, or dismiss Head of Internal Audit and review an effectiveness and efficiency of Head of Internal Audit's performance

10. 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.
11. Conduct the businesses as assigned by the Board of Directors in agreement of the Audit Committee.
12. Review and assess compliance with policies on conflict of interest and significant issues which may incur between TISCO Bank and investors in the funds managed by TISCO Asset Management and report to the Board of Directors.
13. Joint Meeting – The Committee shall attend an annual joint meeting with the Risk Oversight Committee to acknowledge and exchange views on the sufficiency and effectiveness of TISCO risk management policies and strategies.

### 8.1.5 Nomination and Compensation Committee

As of December 31, 2020, the Nomination and Compensation Committee was appointed by the Board of Directors. The Nomination and Compensation Committee comprised the following Independent Directors and Non-executive Director, totaling 4 persons:

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

#### Authority and Responsibilities of Nomination and Compensation Committee:

##### Nomination

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. Evaluate the Group CEO's performance with input from Chairman of the Board of Directors, Chairpersons of the Audit Committee, the Corporate Governance Committee, and the Risk Oversight Committee and propose result to the Board of Directors for approval.
5. 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.
6. 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.
7. Ensure that the professional development program for Directors and Management are assorted properly.
8. Disclose the nomination policy and process in the Annual Report.



### Compensation

9. 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.
10. Ensure that the Board remuneration is commensurate with their duties and responsibilities. Board members who handle the extra assignments should be compensated accordingly.
11. 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.
12. Review and approve promotion, remuneration, and benefit of Group CEO.
13. 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.
14. 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.
15. 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.
16. Report activities to the Board of Directors on a regular basis.
17. Conduct the activities as assigned by the Board of Directors in agreement of the Nomination and Compensation Committee.

### **8.1.6 Corporate Governance Committee**

As of December 31, 2020, the Corporate Governance Committee was appointed by the Board of Directors. The Corporate Governance Committee comprised the following Independent Directors and Non-executive director, totaling 3 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Corporate Governance Committee
2. Prof. Dr. Pranee Tinakorn	Member of the Corporate Governance Committee
3. Dr. Charatpong Chotigavanich	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 for 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 and oversee the corporate governance practice of the Board of Directors, Board committees, and the Management in compliance with Corporate Governance Policy, Code of Conduct and related laws and regulations including communication to directors, management, and employees.
4. Review result of corporate governance and sustainable development assessments by outside agencies and make recommendation to the Board of Directors.
5. Review corporate governance and sustainable development practices of TISCO by benchmarking to that of domestic and international standards and 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 Policy and Guidelines, TISCO Sustainable Development Policy, TISCO Code of Conducts, TISCO Whistleblowing Policy and report its findings to the Board.
8. Review Sustainable Development Policy, oversee work-plans and practices to ensure alignment with TISCO sustainable development policy, framework and strategy, and provide advice related to sustainable development issues.
9. Consider the self-authorized transaction on expenses and business leave as reported by the Chairperson of the Executive Board and the Group CEO on a monthly basis.
10. Monitor the adequacy of the company's disclosure practices relevance to sustainability development and corporate governance.
11. Perform other duties as assigned by the Board of Directors.



## Board of Directors Meeting of the Company

Board Meetings and Subcommittee 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 or the Subcommittee 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, and notify related committees and managements 14-21 days prior each meeting. In case of the most confidential document the Corporate Secretary may hand over the documents with header label 'CONFIDENTIAL' during the meeting then collect them back after the meeting adjourned.

The Board of Directors Meeting No. 6/2020 on October 29, 2020 approved the preliminary schedule of the Board of Directors Meetings and the Subcommittee Meetings for the year 2021 in advance which not include special meeting and the schedule may be changed. Details are as follows:

No. of the Meeting	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
1/2021	Wednesday February 24	Thursday January 28	Wednesday January 20	Friday January 8	Tuesday January 12	Thursday February 18
2/2021	Friday April 23	Tuesday February 23	Thursday February 11	Tuesday February 9	Tuesday February 23	Thursday July 8
3/2021	Monday June 21	Thursday March 25	Wednesday March 24	Friday March 5	Friday April 23	Thursday November 11
4/2021	Tuesday June 22	Friday April 23	Wednesday May 19	Friday April 2	Friday June 18	-
5/2021	Tuesday August 24	Thursday May 27	Wednesday July 21	Tuesday May 11	Monday August 23	-
6/2021	Monday October 25	Friday June 18	Wednesday September 22	Friday June 4	Thursday October 21	-
7/2021	Tuesday October 26	Thursday July 22	Wednesday November 17	Friday July 9	Monday December 13	-
8/2021	Monday December 20	Monday August 23	-	Thursday August 10	-	-
9/2021	-	Thursday September 23	-	Friday September 10	-	-
10/2021	-	Wednesday October 20	-	Friday October 8	-	-
11/2021	-	Thursday November 25	-	Wednesday November 10	-	-
12/2021	-	Wednesday December 15	-	Friday December 3	-	-

The Board of Directors 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 Board of Directors Meetings and the Executive Board meetings should be ensured that a number of Directors present at the meeting is not less than three-fourth and one-half of total Board members to constitute a quorum in accordance with Corporate Governance Policy, respectively. Before the meeting, the Chairman should inform that the director(s) (who is interested director in any agenda would not allow to vote and comment) may relate to interest in any agenda, would not allow to vote and comment. For all the Subcommittee Meetings comprising Risk Oversight Committee, Audit Committee, Nomination and Compensation Committee, and Corporate Governance Committee also should be ensured that a number of Directors present at the meeting is not less than two-thirds of total Board members to constitute a quorum in accordance with Corporate Governance Policy. After the Board of Directors Meetings and the Subcommittee meetings, the Corporate Secretary and the Subcommittee Secretary are responsible for preparing minutes of the meeting in which all issues, contents, and opinions are properly recorded and kept for inspection.

The Company also encourages non-executive directors to hold meetings as necessary to discuss issues without executive attendance.

**Details of Board of Directors meeting and subcommittee meeting attendance of TISCO Financial Group Public Company Limited's directors in 2020 are as follows:**

Name	Time of Attendance					
	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
No. of total meetings (times) (percentages)	8 (100.00)	12 (100.00)	6 (100.00)	14 (100.00)	5 (100.00)	2 (100.00)
1. Mr. Pliu Mangkornkanok	8 (100.00)	-	-	-	-	-
2. Mr. Hon Kit Shing (Alexander H. Shing)	6 <sup>1</sup> (75.00)	-	-	-	4 <sup>1</sup> (80.00)	-
3. Mr. Suthas Ruangmanamongkol	8 (100.00)	12 (100.00)	-	-	-	-
4. Assoc. Prof. Dr. Angkarat Priebjirivat	8 (100.00)	-	-	14 (100.00)	-	-
5. Prof. Dr. Pranee Tinakorn	8 (100.00)	-	-	-	5 (100.00)	2 (100.00)
6. Prof. Dr. Teerana Bhongmakapat	8 (100.00)	-	6 (100.00)	-	-	2 (100.00)
7. Mr. Sathit Aungmanee	8 (100.00)	-	-	14 (100.00)	5 (100.00)	-
8. Dr. Charatpong Chotigavanich	8 (100.00)	-	6 (100.00)	-	-	2 (100.00)
9. Dr. Kulpatra Sirodom	8 (100.00)	-	-	14 (100.00)	5 (100.00)	-
10. Mr. Chi-Hao Sun (Howard Sun)	6 <sup>1</sup> (75.00)	10 <sup>1</sup> (83.33)	-	-	-	-
11. Mr. Satoshi Yoshitake	8 (100.00)	12 (100.00)	-	-	-	-
12. Mr. Sakchai Peechapat	8 (100.00)	12 (100.00)	6 (100.00)	-	-	-

Remark <sup>1</sup> Due to the spread of Coronavirus disease 2019 (COVID-19), Mr. Hon Kit Shing and Mr. Chi-Hao Sun are unable to attend the meetings in person one time. However, both of directors has fully attended the Board of Directors meeting and/or the Executive Board Committee meeting and/or the Nomination and Compensation Committee meeting through electronic channel before the law comes into effect that it shall be counted as a quorum.

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

**8.1.7.1 TISCO Bank's Board of Directors**

As of December 31, 2020, TISCO Bank's Board of Directors was appointed by the resolutions of the shareholders' meeting of the year 2020. TISCO Bank's Board of Directors consisted of 10 directors as follows:

Name	Position
1. Mr. Pliu Mangkornkanok	Chairman and Independent Director
2. Mr. Suthas Ruangmanamongkol	Executive Director, Chairman of the Executive Board and Group Chief Executive
3. Assoc. Prof. Dr. Angkarat Priebjirivat	Independent Director and Chairperson of the Audit Committee
4. Prof. Dr. Teerana Bhongmakapat	Non-Executive Director and Chairman of the Risk Oversight Committee
5. Mr. Sathit Aungmanee	Independent Director and Member of the Audit Committee
6. Dr. Charatpong Chotigavanich	Independent Director and Member of the Risk Oversight Committee
7. Dr. Kulpatra Sirodom	Independent Director and Member of the Audit Committee
8. Mr. Chi-Hao Sun (Howard Sun)	Executive Director and Member of the Executive Board
9. Mr. Satoshi Yoshitake	Executive Director and Member of the Executive Board
10. Mr. Sakchai Peechapat	Executive Director, Member of the Executive Board, Member of the Risk Oversight Committee and President

**Authorized Signatory**

Two of the following executive directors namely Mr. Suthas Ruangmanamongkol, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Sakchai Peechapat, jointly sign with the seal of the Company affixed.

#### Authority and Responsibilities of TISCO Board of Directors:

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 corporate 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 Bank's Board of Directors.
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 Bank's Board of Directors.
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.

#### 8.1.7.2 TISCO Bank's Executive Board

As of December 31, 2020, TISCO Bank's Executive Board was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Executive Board comprised the following four executive directors:

Name	Position
1. Mr. Suthas Ruangmanamongkol	Chairman of the Executive Board
2. Mr. Chi-Hao Sun (Howard Sun)	Member of the Executive Board
3. Mr. Satoshi Yoshitake	Member of the Executive Board
4. Mr. Sakchai Peechatpat	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 corporate communications. The Executive 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. Conduct assessment of the adequacy of the Company's internal control system and propose for the Risk Oversight Committee and Audit Committee's review and to the Board of Directors for approval.
6. Review compliance policy and assess the efficiency of compliance risk management including approval of compliance program and plan.
7. Approve annual compliance report of TISCO Bank in order to ensure the Board's acknowledgement and accountability on compliance.

#### 8.1.7.3 Risk Oversight Committee

As of December 31, 2020, TISCO Bank's Risk Oversight Committee was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Risk Oversight Committee comprised the following non-executive director, independent director, executive director and management, totaling 4 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Risk Oversight Committee
2. Dr. Charatpong Chotigavanich	Member of the Risk Oversight Committee
3. Mr. Sakchai Peechapat	Member of the Risk Oversight Committee
4. Mr. Metha Pingsuthiwong	Member of the Risk Oversight Committee

#### Authority and responsibilities of Risk Oversight Committee:

Under consolidated supervision framework, the Risk Oversight Committee 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 corporate communications. The Risk Oversight 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.

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

#### **8.1.7.4 Audit Committee**

As of December 31, 2020, TISCO Bank's Audit Committee was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Audit Committee comprised the following three independent directors:

Name	Position
1. Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson of the Audit Committee
2. Mr. Sathit Aungmanee	Member of the Audit Committee
3. Dr. Kulpatra Sirodorn	Member of the Audit Committee

Remark: - All members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements.  
- The Audit Committee is same members of the parent company, TISCO Financial Group Public Company Limited

#### 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 corporate 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 2020 are as follows:**

Name	Time of Attendance			
	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee
<b>No. of total meetings (times) (percentages)</b>	<b>7 (100.00)</b>	<b>12 (100.00)</b>	<b>6 (100.00)</b>	<b>14 (100.00)</b>
1. Mr. Pliu Mangkornkanok	7 (100.00)	-	-	-
2. Mr. Suthas Suangmanamongkol	7 (100.00)	12 (100.00)	-	-
3. Assoc. Prof. Dr. Angkarat Priebjrivat	7 (100.00)	-	-	14 (100.00)
4. Prof. Dr. Teerana Bhongmakapat	7(100.00)	-	6 (100.00)	-
5. Mr. Sathit Aungmanee	7 (100.00)	-	-	14 (100.00)
6. Dr. Charatpong Chotigavanich	7 (100.00)	-	6 (100.00)	-
7. Dr. Kulpatra Sirodom	7 (100.00)	-	-	14 (100.00)
8. Mr. Chi-Hao Sun (Howard Sun)	5 <sup>1</sup> (71.43)	10 <sup>1</sup> (83.33)	-	-
9. Mr. Satoshi Yoshitake	7 (100.00)	12 (100)	-	-
10. Mr. Sakchai Peechapat	7 (100.00)	12 (100.00)	6 (100.00)	-

**Remark** <sup>1</sup> Due to the spread of Coronavirus disease 2019 (COVID-19), Mr. Chi-Hao Sun is unable to attend the meetings in person one time. However, he was fully attended the Board of Directors and the Executive Board Committee meeting through electronic channel before the law comes into effect that it shall be counted as a quorum.



## 8.2 Management

The Company transferred certain senior management and management supervising major functions from subsidiary companies to be employed under subsidiary company. Simultaneously, the Company seconded those managements 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.

As of April 1, 2021, Management Committee of the TISCO Group as defined by the Securities and Exchange Commission comprised the following members:

Name	Position in the Company	Position assigned in subsidiary company
1. Mr. Sakchai Peechapat	Group Chief Executive	-
2. Mr. Metha Pingsuthiwong	Chief Operating Officer President	President, TISCO Bank Public Company Limited
3. Mr. Pitada Vatcharasiritham	Senior Executive Vice President	Senior Executive Vice President - Corporate Banking, TISCO Bank Public Company Limited
4. Mr. Chalit Silpsrikul	Senior Executive Vice President	Senior Executive Vice President - Retail Banking, TISCO Bank Public Company Limited
5. Mr. Chatri Chandrangam	Senior Executive Vice President Chief Financial Officer	-
6. Mr. Paiboon Nalinthangkurn	Senior Executive Vice President	Chief Executive Officer, TISCO Securities Company Limited
7. Mr. Yuttpong Sriwongjanya	First Executive Vice President	First Executive Vice President Retail Banking - Sales & Marketing 2, TISCO Bank Public Company Limited
8. Mr. Dejphinun Suthadsanasoung	First Executive Vice President	First Executive Vice President - Retail Banking Operations, TISCO Bank Public Company Limited
9. Mr. Rungroj Jarasvijitkul	First Executive Vice President	First Executive Vice President - Retail Banking - Sales & Marketing 1, TISCO Bank Public Company Limited
10. Mr. Picha Ratanatam	First Executive Vice President	First Executive Vice President - Wealth Management & Banking Services, TISCO Bank Public Company Limited
11. Ms. Pavinee Ongvasith	First Executive Vice President	Chief Executive Officer, TISCO Asset Management Company Limited
12. Mr. Pairat Srivilairit	First Executive Vice President - Governance Office	-
13. Ms. Wanthana Chotchaisathit	Executive Vice President - Information Technology	Managing Director, TISCO Information Technology Company Limited
14. Ms. Rachada Pruksanubal	Executive Vice President	Executive Vice President - Banking Services, TISCO Bank Public Company Limited
15. Mr. Theeranat Rujimethapass	Executive Vice President	President, TISCO Asset Management

#### 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 suggest 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 Risk Management Committee, TISCO Compliance & Operation Control Committee, TISCO IT Risk Committee, TISCO Human Resources Committee, and TISCO Management Committee, TISCO Technology and Infrastructure Committee and other committees, to carry out specific tasks.
14. Nominate members of TISCO Management Committee and management of one further level down for NCC approval.
15. Ensure that all committees appointed by the Executive Board and Group CEO are established, composed and operated; that the committees' decisions are made on a sound and well-informed basis; and 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 Corporate Governance Policy and Code of Conduct.

As of April 1, 2021, the Company has management members as defined by the Securities and Exchange Commission as follows:

Name	Position
1. Mr. Sakchai Peechapat	Group Chief Executive
2. Mr. Metha Pingsuthiwong	President and Chief Operating Officer
3. Mr. Pitada Vatcharasiritham	Senior Executive Vice President
4. Mr. Chalit Silpsrikul	Senior Executive Vice President
5. Mr. Chattri Chandrangam	Senior Executive Vice President, Chief Financial Officer, Acting Head of Corporate Communication
6. Mr. Paiboon Nalinthrangkurn	Senior Executive Vice President
7. Mr. Yuttpong Sriwongjanya	First Executive Vice President
8. Mr. Dejphinun Suthadsanasoung	First Executive Vice President
9. Mr. Rungroj Jarasvijitkul	First Executive Vice President
10. Mr. Picha Ratanatam	First Executive Vice President
11. Ms. Pavinee Ongvasith	First Executive Vice President
12. Mr. Pairat Srivilairit	First Executive Vice President - Governance Office
13. Ms. Wanthana Chotchaisathit	Executive Vice President - Information Technology
14. Ms. Rachada Pruksanubal	Executive Vice President
15. Mr. Theeranat Rujimethapass	Executive Vice President
Risk and Financial Control	
16. Mr. Kontee Sunthornpradit	Financial Controller / Acting Head of Planning & Budgeting
17. Ms. Chutintorn Vigasi	Head of Corporate Accounting
18. Mr. Nipon Wongchotiwat	Head of Enterprise Risk & Credit Control / Acting Head of Enterprise Risk Management
19. Ms. Surang Techarungnirun	Head of Credit Control
20. Mr. Puvarin Kullaphatkanon	Head of Risk and Business Analytics
21. Mr. Pichit Treethephasumphan	Head of Appraisal and Valuation
Governance Office	
22. Ms. Dulyarat Taveebhol	Head of Corporate Compliance
23. Ms. Maneerat Wattanajak	Head of Compliance - Banking Business
24. Ms. Yaninee Papnum	Head of Compliance - Asset Management Business
25. Ms. Sakornrat Manuwong	Head of Compliance – Securities Business
26. Ms. Nudtinee Suwanpanitch	Head of Legal Office
27. Mr. Prayuk Charocharaskul	Head of Operational Risk Management
28. Ms. Jiraporn Sawsukpaiboon	Head of Credit Review
29. Mr. Ekarat Pongkitvanitchkul	Head of IT Risk Management
Internal Audit	
30. Ms. Chuenchit Trakarnratti	Head of Internal Audit

Name	Position
Information Technology	
31. Ms. Aree Archamongkol	Head of Corporate Services & Procurement
Economic Strategy Unit	
32. Mr. Komsorn Prakobphol	Head of Economic Strategy Unit
Treasury & Investment	
33. Ms. Kwannapa Ampornvisaroot	Head of Treasury & Investment
Human Resources	
34. Mr. Watsakorn Thepthim	Head of Human Resources
35. Mr. Kittipong Tiyaboonchai	Head of Human Resources Management
36. Ms. Chutiporn Luangrungsawang	Head of Human Resources Services

### 8.2.1 Management of TISCO Bank

As of April 1, 2021, TISCO Bank has management members as defined by the Securities and Exchange Commission as follows:

Name	Position
1. Mr. Metha Pingsuthiwong	President
2. Mr. Pitada Vatcharasiritham	Senior Executive Vice President - Corporate Banking
3. Mr. Chalit Silpsrikul	Senior Executive Vice President - Retail Banking
4. Mr. Yuttpong Sriwongjanya	First Executive Vice President - Retail Banking - Sales & Marketing 2
5. Mr. Dejphinun Suthadsanasoung	First Executive Vice President - Retail Banking - Operations
6. Mr. Rungroj Jarasvijitkul	First Executive Vice President - Retail Banking - Sales & Marketing 1
7. Mr. Picha Ratanatam	First Executive Vice President - Wealth Management & Banking Services
8. Ms. Rachada Pruksanubal	Executive Vice President - Banking Services
Corporate Banking	
9. Mr. Manop Petdamrongsakul	Head of Corporate Finance
10. Ms. Sunee Tongsombutpanich	Head of Business and Risk Assessment
11. Mrs. Malatip Swintara	Co-Head of Business and Risk Assessment
12. Ms. Rapeeporn Ounchalanon	Head of Loan Administration
13. Mrs. Savika Jongpakpaisal	Head of Loan Documentation
Retail Banking – Sales & Marketing 1	
14. Mr. Wittaya Mettaviharee	Deputy Head of Retail Banking - Sales & Marketing 1 and Acting Head of Branch Channel 3
15. Mr. Noppadol Chumwong	Head of Hire Purchase
16. Ms. Parichat Suthatsanasuang	Head of Hire Purchase - Captive
17. Mr. Teerayuth Praserttrattanadacho	Head of Retail Marketing & Business Development
18. Mr. Suthep Trivannakij	Head of Branch Channel 1
19. Mr. Somboon Siriruck	Head of Branch Channel 2
Retail Banking – Sales & Marketing 2	
20. Ms. Wipa Mettaviharee	Head of All Finance & Direct Sales
Retail Banking - Operations	
21. Mr. Sukit Sakulwongyai	Assistant Head of Retail Banking Operation / Acting Head of Retail Collection
22. Ms. Penthip Laoboontharoen	Head of Retail & SME Credit
23. Mr. Worapoth Tirakaron	Head of Retail Service & Support
24. Mr. Taworn Suphadechochai	Head of Retail Follow-up & Legal
25. Mr. Nattanan Ananpreeyavit	Head of Contact Center

Name	Position
26. Mr. Konchai Udomsrisuk	Head of Retail Solution Development
27. Ms. Supissara Srikwanthong	Head of Retail Data Analytics
SME	
28. Mr. Phongsophon Wongthongkam	Deputy Head of SME
Mortgage Loan	
29. Mr. Prakrit Shoonhasriwong	Head of Mortgage Loan
Branch Operation Support	
30. Mrs. Wantana Kitchpanich	Head of Branch Operations Support
Wealth Management	
31. Mr. Thanom Chairoondeekul	Deputy Head of Wealth Management
32. Ms. Pitchapa Wongsarasak	Head of Wealth Product
33. Mr. Satit Pawahan	Head of Private Banking
34. Ms. Saranya Weeramahawong	Head of Personal Banking 1
35. Mrs. Atchara Petchsangroj	Head of Personal Banking 2
36. Mrs. Vorasinee Sethabutr	Head of Wealth Product Development & Marketing Communication
37. Mr. Nattakrit Laotaweessap	Head of Wealth Advisory
Banking Services	
38. Ms. Lapanant Tanwanna	Head of Custodian Service
39. Mrs. Suwandee Khaolaorr	Head of Cash Management
40. Mr. Kittichai Tonnajarn	Head of Counter Services
41. Mr. Worawit Rungsiriopas	Head of Processing & Settlement
42. Ms. Mayura Sanguansaksri	Head of Logistic & Control
43. Ms. Yupha Janpoom	Head of Fund Operation
Bancassurance	
44. Mrs. Kusumar Pratomsrimek	Head of Bancassurance and Acting Head of Telemarketing Channel
Marketplace & Digital Deposits	
45. Mr. Noppawat Tangburanakij	Head of Marketplace & Digital Deposits
Digital Banking & Business Innovation	
46. Mr. Tula Rodsalub	Head of Digital Banking & Business Innovation

As TISCO Corporate Governance Policy, all support and control functions will be centralized at the parent company. These centralized operations cover the areas of risk oversight. The parent company will applied across all subsidiary companies including TISCO Bank. Therefore, all heads of risk oversight functions are management of TISCO Financial Group Public Company Limited, such as head of risk management function, compliance function, and internal audit function.

#### 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, effective from September 1, 2013, 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 1*)

### **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.

Directors who are assigned with extra work (being members of other sub-committees, for example) should be paid appropriately. The remuneration to be paid to such director or directors will be approved by the board. Remuneration for Group Chief Officer and management (called "management") shall be linked to short and long term performance of TISCO Group, in and that of each management member. The remuneration should be determined in accordance with Director and Management Remuneration Policy 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.

Apart from the remuneration payable to directors of TISCO Financial Group Public Company Limited, the Parent Company, in 2020, 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.

#### **8.4.2 Financial Remuneration**

The Company's shareholders approved at the Shareholders Annual General Meeting for the year 2020, the directors' remuneration including member of sub-committees and advisor in the form of monthly fee and meeting fee, 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. 5/2020 on June 29, 2020 approved directors' remuneration to be allocated as follows:

(Unit: Baht)

	Monthly Fee	Meeting Fee
<b>Board of Directors</b>		
Chairman	240,000	60,000
Member	50,000	50,000
Advisor	40,000	-
<b>Executive Board</b>		
Chairman	-	60,000
Member	-	50,000
<b>Risk Oversight Committee</b>		
Chairman	-	60,000
Member	-	50,000
<b>Audit Committee</b>		
Chairperson	-	60,000
Member	-	50,000
<b>Nomination and Compensation Committee</b>		
Chairperson	-	60,000
Member	-	50,000
<b>Corporate Governance Committee</b>		
Chairman	-	60,000
Member	-	50,000

**Total of Board of Directors' remuneration of TISCO Financial Group Public Company for the Year 2020**

(Unit: Baht)

Name	Monthly Fee	Meeting Fee						Total
		Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee	
1. Mr. Pliu Mangkornkanok	2,880,000	480,000	-	-	-	-	-	3,360,000
2. Mr. Hon Kit Shing (Alexander H. Shing)	600,000	300,000	-	-	-	200,000	-	1,100,000
3. Mr. Suthas Ruangmanamongkol	600,000	-	-	-	-	-	-	600,000
4. Assoc. Prof. Dr. Angkarat Priebjirivat	600,000	400,000	-	-	840,000	-	-	1,840,000
5. Prof. Dr. Pranee Tinakorn	600,000	400,000	-	-	-	300,000	100,000	1,400,000
6. Prof. Dr. Teerana Bhongmakapat	600,000	400,000	-	360,000	-	-	120,000	1,480,000
7. Mr. Sathit Anugmanee	600,000	400,000	-	-	700,000	250,000	-	1,950,000
8. Dr. Charatpong Chotigavanich	413,333.33	400,000	-	300,000	-	-	100,000	1,400,000
9. Dr. Kulpatra Sirodom	415,000	400,000	-	-	700,000	250,000	-	1,950,000
10. Mr. Chi-Hao Sun (Howard Sun)	600,000	300,000	500,000	-	-	-	-	1,400,000
11. Mr. Satoshi Yoshitake	415,000	-	-	-	-	-	-	600,000
12. Mr. Sakchai Peechapat	415,000	-	-	-	-	-	-	600,000
13. Ms. Krisna Theravuth <sup>1</sup>	480,000	-	-	-	-	-	-	480,000
<b>Total</b>	<b>9,960,000</b>	<b>3,480,000</b>	<b>500,000</b>	<b>660,000</b>	<b>2,240,000</b>	<b>1,000,000</b>	<b>320,000</b>	<b>18,160,000</b>

Remark: <sup>1</sup> Ms. Krisna Theravuthi was appointed to be Advisor to TISCO's Board of Directors since April 26, 2013, with monthly remuneration of Baht 40,000.

In 2020, total remuneration for the Board of Directors was Baht 17,680,000, and Advisor to the Board of Directors was Baht 480,000, additionally, the Management was Baht 463,628,652, the total amount was Baht 481,788,652. This was paid in the form of monthly compensation, meeting fees, provident fund, and bonuses, which varied according to TISCO Group's performance.

Regarding the remuneration for subsidiary companies' directors in 2020, TISCO Bank, the core company of TISCO Group, paid remuneration to the Managements (the Management who are in the Parent Company and seconded to manage TISCO Bank), was Baht 189,215,060. This was paid in form of monthly compensation, salaries, provident funds, and bonuses which varied according to TISCO Bank performance.

### 8.4.3 Other Remuneration

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

1. Executive vehicle for the Chairman of the Board
2. Group Life and Accident Insurance, or Health Insurance for director(s) who are Thai national and over 60 years old
3. 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, 2020, the total number of employees at TISCO Group was 4,997 (excluding senior management) of which 4,532 were permanent employees and 465 contract staff.

Major Function	As of	
	December 31, 2019	December 31, 2020
1. Retail Banking	3,198	3,237
2. Corporate Banking	50	46
3. Wealth & Asset Management	1,057	1,014
4. Corporate Affairs & CSR	710	700
<b>Total</b>	<b>5,015</b>	<b>4,997</b>

At the end of 2020, the number of employees of TISCO Group decreased by 18 staffs (0.36% YoY). Meanwhile, TISCO Group's total employee remuneration in the form of salaries, bonuses, and provident fund contributions was 4,550,215,597 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% or 10% or 15% 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 committee 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 17 predefined investment allocation choices for members to choose from. Presently, employees are able to switch their investment policies four times per year.

### 8.5.2 General Human Resources Policies

To strengthen the group's human resources management and operations in order to satisfy needs of stakeholders with high efficiency, 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. In addition, the skills required to cope with changing technology and business environment are also considered.

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.

TISCO Group sets up performance management system to ensure that individual employees perform according to business plans. Line managers review goals and key performance indicators for each position under his/her scope of responsibility to ensure alignment to an annual plan. Goals and key performance indicators then are communicated to individual employees at the beginning of the year. Throughout the year, employee performance is monitored with coaching and feedbacks to ensure employees are performing toward the defined goals.

### 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 from job evaluation. 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. In term of target setting, the individual performance measures must be aligned with business target e.g. business volume, operating expenses, as well as risks related to business activities, and etc.

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.

Human Resources function will record employee data 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.

#### Occupational Safety and Health

TISCO Group has established policies and guidelines regarding occupational safety, health and working environment for TISCO employees and external service providers operating in the office area of the TISCO Group including those who visiting TISCO to have safety and good health in TISCO working environment which conforms to the Occupational Safety, Health and Environment Act, BE 2554 and according to the Ministerial Regulation on the Standard for Administration and Management of Occupational Safety, Health and Environment, BE 2549.

Safety, health and working environment are considered the responsibility of and involving with every employee. Therefore, it is critical that all employees must understand and cooperate well according to the prescribed guidelines and procedures in order to mitigate risks and hazards either to themselves or others. TISCO set up learning plans that every new employee must attend and pass the E-learning class for the topic of "Safety in the Office" through TISCO Learning Management System in order to complete or pass the requirement for work probation period. In addition, TISCO provides information and knowledge about accident prevention through various channels such as HR News, Health Tips, Health Alert and Knowledge Management (KM) as well as through related projects such as workplace inspection with ergonomic tools, risk assessment and work environment etc.

From the statistics report on injury, occupational diseases and death due to the work in 2020, there were no employees who died from work. However, there were 88 employees that injured or sick due to work related illnesses, which can be divided into various cases as follows:

Type of injuries, occupational diseases and number of work-related fatalities	Employees' Location	Number of reported case		Number of lost day	
		Male	Female	Male	Female
Injuries					
• Minor Wound	Head Office	-	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-
Occupational Diseases					
• Noise-induced hearing loss	Head Office	10	3	-	-
	Bangkok Metropolitan Region	9	8	-	-
	Provincial	-	-	-	-
• Musculoskeletal strain	Head Office	3	11	-	-
	Bangkok Metropolitan Region	1	1	-	2

Type of injuries, occupational diseases and number of work-related fatalities	Employees' Location	Number of reported case		Number of lost day	
		Male	Female	Male	Female
• Vision	Provincial	-	1	-	-
	Head Office	30	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-
• Pulmonary function	Head Office	11	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-
<b>Fatalities</b>					
• Work-Related Fatalities	Head Office	-	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-

### Details of Occupational Safety and Health

Data	Unit	January - December 2020					
		Male	Female	Head Office	Bangkok Metropolitan Region	Provincial	TISCO Group
Injury Rate: IR	Number of employee per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Lost Time Injury Rate: LTIR	Number of employee per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Lost Day Injury Rate: LDIR	Number of lost day per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Occupational Disease Rate: ODR	Number of employee per 200,000 working hours	5.01	2.82	3.74	6.57	7.41	1.80
Absentee Rate: AR	Percent	1.00	1.07	1.25	0.69	0.71	1.04
Number of sick leave	Day	4,695	9,029	10,485	1,073	2,166	13,724
Total of sick leave days unrelated to work	Day x 7.30 working hours	34,273.50	65,911.70	76,540.50	7,825.60	16,439.60	100,185.20

Remark: 1. The calculation is based on the International Labor Organization standard: ILO-OSH 2001

2. Lost Time Injury - refers to an injury that stops work from 1 day or more (start counting holidays from the date of the accident)

3. Lost Day Injury Rate, once used, Lost Day Rate:

4. Working hours - refers to working hours information from the Employee Self Service system of the full time employees during January and December 2020. Working hours include overtime and actual working hours of employees resigned during the year

TISCO concerns for dangers that may arise from violence and abuse by customers or adversary as well as the situation of bank robberies, protests and other terrorism. Therefore, security measures such as space access control by defining the classes of security and the types of access were implemented with electronic Access Control system, security guards, intrusion alarm system and CCTV equipment. TISCO also developed contingency plan in case of emergency to guide TISCO BCM Team, employees and visitors within the TISCO office area to protect the lives of employees and reduce any potential losses.

In 2020, TISCO Group continued the normal work processes but due to the spread of COVID-19 in many areas, its impact resulting to the workflow process, human resource as well as company policy. Nonetheless, TISCO Group concerns on health and welfare of employees and therefore applies the Business Contingency Plan (BCP) plan into the working plan. Central's employees has split sites of workplace or Work From Home in order to reduce risk, follow social distancing policy from the public health practices, including shifting of work hours to reduce congestion and increase transportation convenience. Moreover, TISCO Group also monitors employees who working in high-risk areas.

## 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 continued to invest substantially in a program to develop all levels of personnel so that they can fully contribute to the organization and its 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 which totaled 9 programs as follows;

## **1. Development programs to support business & marketing plans**

There are 9 development programs for business managers and staff as follows:

### **1.1 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.

### **1.2 Branch Manager Program**

Branch managers are executives of bank branches. Their roles and responsibilities are managing and monitoring branches to achieve business targets. TISCO group has designed this program to update Branch Managers on business knowledge, current economy, regulations and work procedures. The program also aims to improve leadership and management skill which reflects our leading corporate's professionalization and meets business goals.

### **1.3 Somwang Onboarding 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 Somwang Trainer Program**

According to expand Somwang business in suburban areas, additional trainers and mentors are to be built to support new branches countrywide. The trainers will be trained and equipped with skills and knowledge to ensure maximum effectiveness of teaching to build new high quality staffs for the branch network.

### **1.5 All Finance Program**

All Finance representatives are personal finance product advisors who offer products to clients. They are trained on product knowledge, work process, market conducts, and marketing skills.

### **1.6 Retail Credit Program**

Retail credit team analyzes clients loan requests and credit decisions. They need to have solid skills and knowledge on credit analysis in order to correctly determine credit quality which is key to retail finance business.

### **1.7 Customer Service Program**

Customer service team is a touch point at our branches. The need to possess knowledge and skills on professional services to create pleasant customer experience. They are also updated with necessary work process and related regulations.

### **1.8 SME Credit Program**

SME credit team analyzes loan proposals for SME projects. They need to have solid skills and knowledge on credit analysis in order to correctly determine credit quality with proper risk justification.

### **1.9 The Teller Refresher Program**

Teller refresher 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 administered for all existing tellers to ensure that desired level of expertise can be maintained. All tellers are trained on the newly implemented core deposit system; ensure smooth operation which will allow tellers to provide better serve the clients.

## **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 Development 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. Executive Trainee Development Program**

The objective of this program is to improve multi-functional skills and capabilities of executive trainees (or selected-high-potential employees) to meet business strategies and to develop each of them for being an executive in the future. These executive trainees have comprehensive knowledge of TISCO business. In addition, communication and relationship skill have been built through activities with each colleague from different business

unit. Not only those necessary knowledge and skill, but also philosophy which leads them to achieve happy and high quality work, including being open and adaptive to changes in society.

#### **4. New Manager Orientation Program**

The objective of this program is to equip newly promoted manager with management and supervisory skills to lead and manage their teams effectively. The new managers are provided with basic leadership strategy and tools so that they can apply and implement, including strategic thinking for planning and making business decisions.

#### **5. 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.

#### **6. TISCO Values cultivation program**

TISCO values are the essence qualities we cultivate in our people through induction, training, into TISCO culture and attitude. Our values; Mastery, Integrity, Reliability, Customer priority, creativity and Guidance are adhere with all employees to practice values behaviors to everyday life. TISCO Values align with our vision and mission. The cultivation of values commences from top management team who structure value behaviors to managers who, then, shape and encourage employees to practice accordingly. This project is called "Value in practice"; an aligned mutual understanding of values across all level which employees can practice accordingly through communication, training, induction program and employee activities.

Training and induction program; create value awareness and understanding of the desire value behavior in the onboarding program. Design training courses that aligned with Values such as "Mastery and creativity" is reflected regularly on Product knowledge and process improvement training program. "Guidance" is encouraged by developing in-house trainers to teach financial literacy camp. "Integrity" is emphasized in "market conduct" intensive training, ensuring proper information disclosure to customers.

Employee Activities and internal communication is also emphasis in maintains value behaviors. "Creativity" is enhanced in recognition, innovation contest, and creates opportunities for employee to freely participate in developing solutions.

TISCO employee survey of 2020 indicates that TISCO employees are able to reflect six values of TISCO outstandingly at average score of 8.47 out of 10, increased from 8.31 in 2019. "Integrity, Customer Priority, Guidance, and Mastery" are top values that employees valued and reflect distinctively which aligned with TISCO vision and mission. Compared to the survey scores of external organizations on the same topic, found that employees had knowledge, understanding and core value perception at average score of 84%.

In addition to the annual job satisfaction survey, TISCO invite external independent consultant to conduct employee engagement survey regularly. In 2019, Hi-Way Company Limited, a subsidiary of TISCO Financial Group, was awarded "Thailand Best Employer 2019" by Kincentric Thailand and SASIN School of Management of Chulalongkorn University. This is the 3<sup>rd</sup> time Hi-Way is named "Thailand Best Employer" and the 4<sup>th</sup> time of TISCO as TISCO Bank was also named "Thailand Best Employer 2013". The engagement score has been high at 92% overall, 81% Agility, 84% Engaging leadership and 84% talent focus.

#### **7. 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.

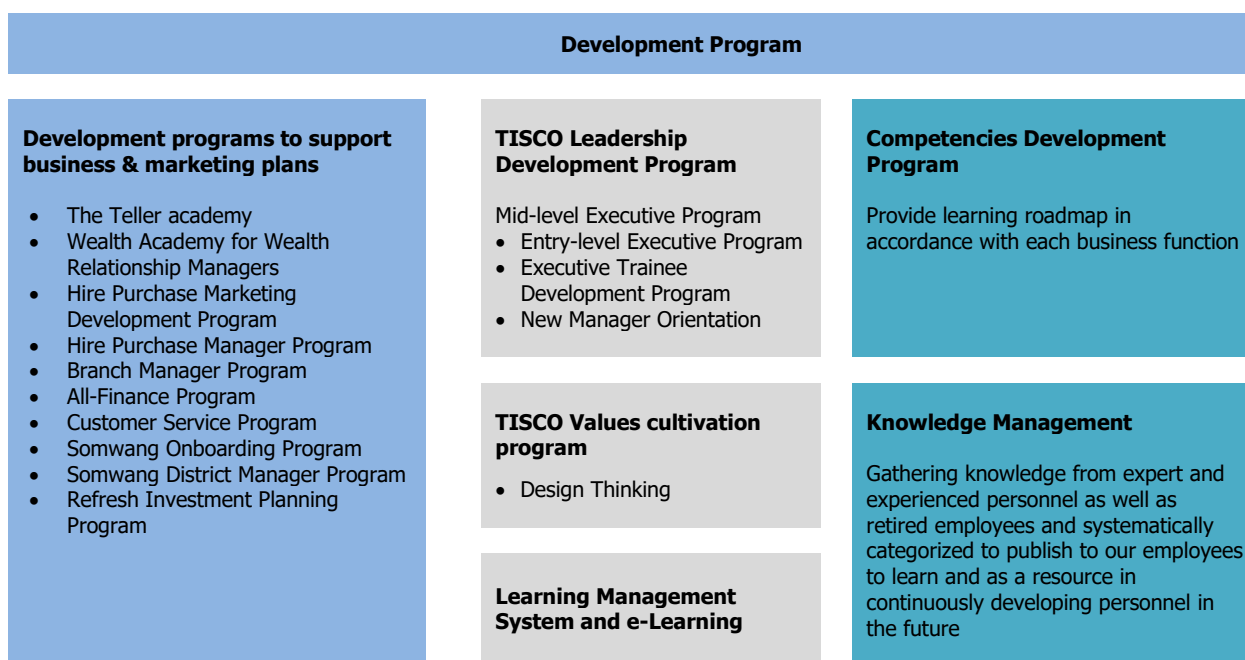
#### **8. Knowledge Management**

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. In addition, there are other staff development programs of 392 programs.

#### **9. OASIS Growth Mindset Campaign**

TISCO Group adapts to continuous changes in economic and technology and initiates a culture change program to build grown mindset for employees at all levels. The objective is to build employees who are open for changes and being adaptive, as well as able to accumulate and share knowledge within the organization. The OASIS project (Open – Adaptive – Sharing) enables employees to keep up and adapt to changing environment. It is the foundation infrastructure for innovation by having employees who learn, develop, and deliver continuously.

In addition, TISCO has more 226 training programs.



Training Program	2018	2019	2020
Total training hours (Hour/Staff/Year)	33.34	26.37	24.55
<b>Breakdown by Sex (Hour/Staff/Year)</b>			
Male	31.59	24.95	23.30
Female	34.32	27.16	25.24
<b>Breakdown by Position (Hour/Staff/Year)</b>			
Executive <sup>(1)</sup>	50.98	41.76	27.51
Non-executive <sup>(2)</sup>	32.89	26.00	24.48
<b>Breakdown by Business Pillar (Hour/Staff/Year)</b>			
Retail Banking	28.72	24.20	25.79
Corporate Banking	17.20	16.67	14.63
Wealth and Asset Management	47.82	31.97	26.46
Corporate Affairs & CSR	32.50	28.47	16.87

Remark: (1) Executive means function-head rank to managerial rank.

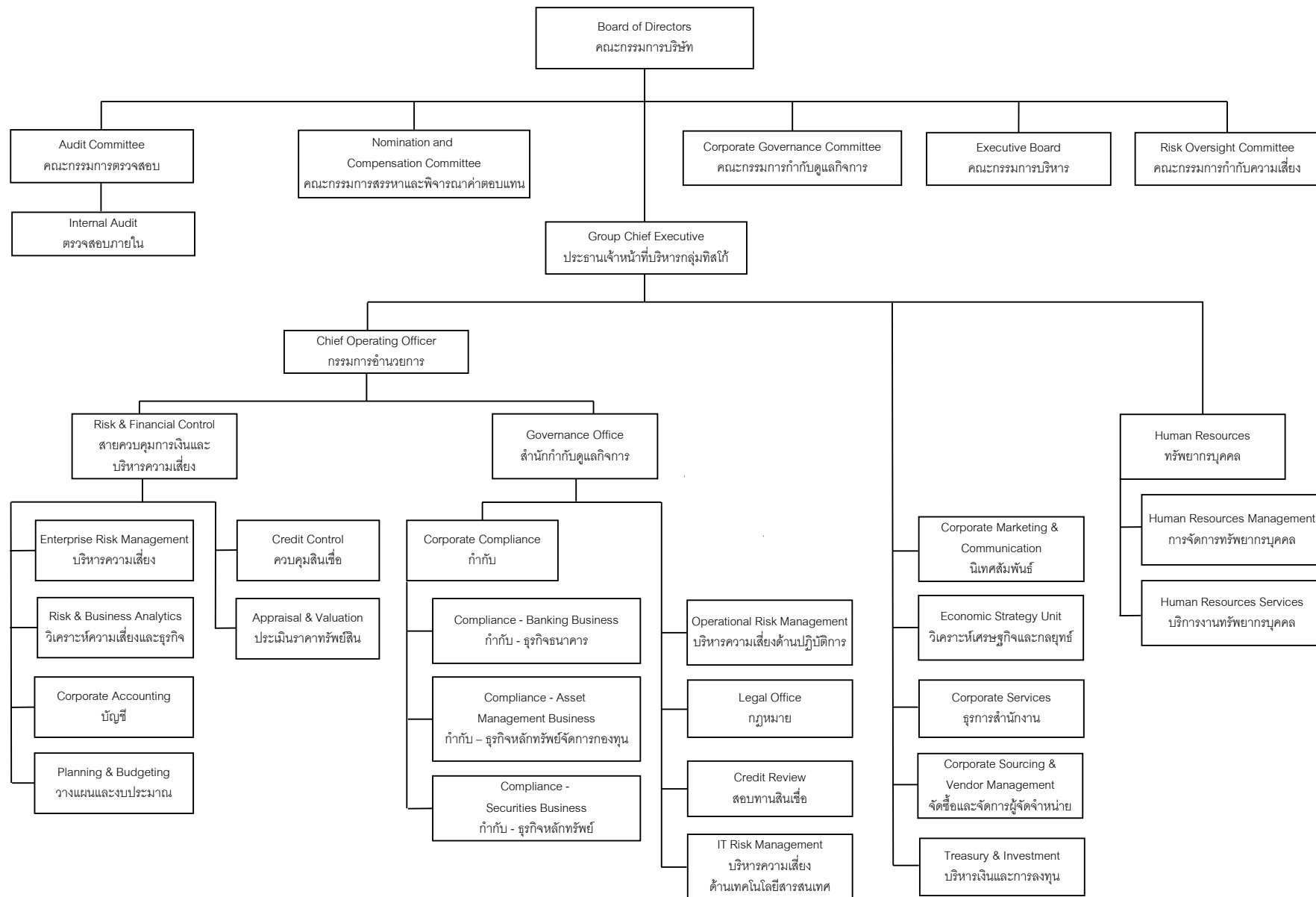
(2) Non-Executive means employees under function-head rank.

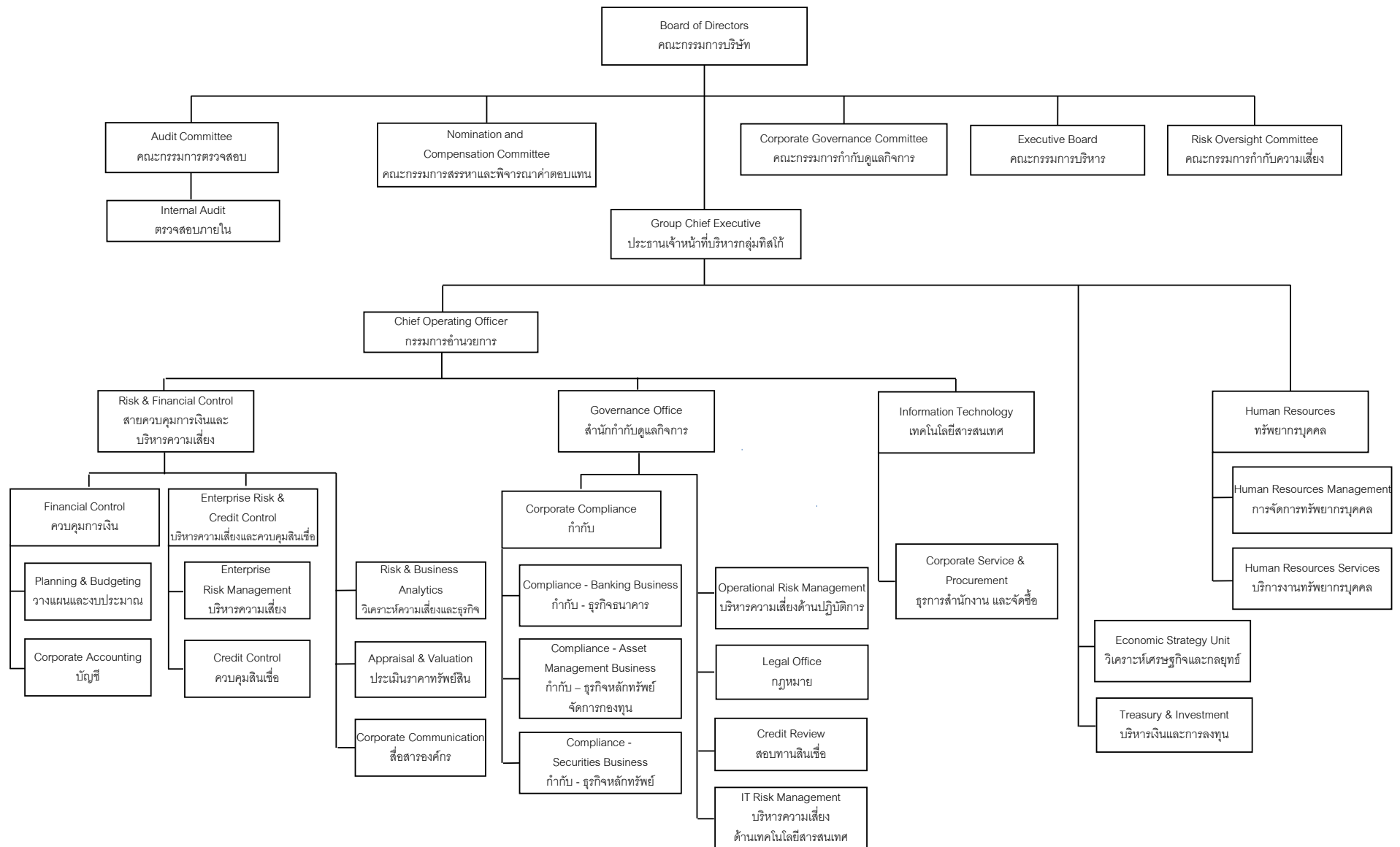
## **8. Management**

### **8.1 Management Structure and Board of Directors**

TISCO Financial Group Public Company Limited, the parent company of TISCO Group, oversees, and monitors 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 for the Company and its subsidiaries to operate the business in accordance with TISCO Group's Corporate Governance Policy. Subsidiary companies function as strategic business unit, responsible for marketing, transaction, and processing and 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:

**Management Structure of TISCO Financial Group Public Company Limited as of December 31, 2020**


**Management Structure of TISCO Financial Group Public Company Limited as of January 1, 2021**




The Board structure is comprised of Board of Directors and 5 subcommittees were appointed by the Board of Directors: (1) Executive Board, (2) Risk Oversight Committee (3) Audit Committee, (4) Nomination and Compensation Committee, and (5) Corporate Governance Committee. In addition, the Company assigned certain Management Committee and management supervising important functions within TISCO Group from subsidiary companies to be employed under the Company. The Company seconded those managements 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.

### Board of Directors Structure

The Board of Directors consisted of Directors from diversified backgrounds and experience, with sufficient understanding of banking and finance, accounting, economics, strategy, law and information technology deemed appropriate. On December 31, 2020, the Board of Directors consisted of 12 directors, including 3 females (25% of the total number of directors) and 9 males (75% of the total number of directors), the number of directors is appropriate for the Company's business operations. The election of Board members followed the resolution of the shareholders meetings, as well as the laws and regulations and the Company's Articles of Association. The composition is in conformity with the notifications of the Bank of Thailand, the Capital Market Supervisory Board and the regulations of the Securities and Exchange Commission, as well as the diversity of vocation, skill, age, gender, experience, and any other appropriate qualifications. As of December 31, 2020, the Board of Directors comprised the following directors:

- The six Independent Directors<sup>1</sup>, 50% of the total number of directors, are Mr. Pliu Mangkornkanok, Assoc. Prof. Dr. Angkarat Priebjrivat, Prof. Dr. Pranee Tinakorn, Mr. Sathit Aungmanee, Dr. Charatpong Chotigavanich and Dr. Kulpatra Sirodom
- The two Non-executive Directors, 16.67% of the total number of directors, are Mr. Hon Kit Shing (Alexander H. Shing) and Prof. Dr. Teerana Bhongmakapat
- The four Executive Directors<sup>2</sup>, 33.33% of the total number of directors, are Mr. Suthas Ruangmanamongkol, Mr. Chi-Hao Sun (Howard Sun), Mr. Satoshi Yoshitake and Mr. Sakchai Peechapat

<sup>1</sup> "Independent Director" has the meaning specified in the Bank of Thailand's Notification No. SorNorSor. 13/2552 Re: Corporate governance of financial institutions, and the Capital Market Supervisory Board's Notification No. TorJor. 28/2551, Re: Application and approval for offering newly issued shares, and/or their amendments (if any). Moreover, the number of shares held by an independent director and his/her related parties combined shall not exceed 0.5% of the total voting shares of the Bank, or the Bank's parent company, subsidiaries, or associate companies, or major shareholders, or the persons having the authority to control the Bank. This shareholding restriction of not more than 0.5% is the Bank's standard, which is a higher standard than that set by the Capital Market Supervisory Board, which prohibits an independent director from holding more than 1% of the total voting shares of the company of which he/she is a director.

<sup>2</sup> "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 signs on transactions which have been approved by the board of directors and jointly with other directors, following the Capital Market Supervisory Board's Notification No. TorJor. 28/2551 Re: Application and approval for offering newly issued shares, and/or their amendments (if any).

### 8.1.1 Board of Directors

As of December 31, 2020, the Board of Directors was appointed by the resolutions of the shareholders' meeting of the year 2020. The Board of Directors comprised the following 12 directors:

Name	Position
1. Mr. Pliu Mangkornkanok	Chairman and Independent Director
2. Mr. Hon Kit Shing (Alexander H. Shing)	Vice Chairman, Non-Executive Director and Member of the Nomination and Compensation Committee
3. Mr. Suthas Ruangmanamongkol	Executive Director, Chairman of the Executive Board and Group Chief Executive
4. Assoc. Prof. Dr. Angkarat Priebjivat	Independent Director and Chairperson of the Audit Committee
5. Prof. Dr. Pranee Tinakorn	Independent Director, Chairperson of the Nomination and Compensation Committee and Member of the Corporate Governance Committee
6. Prof. Dr. Teerana Bhongmakapat	Non-Executive Director, Chairman of the Risk Oversight Committee and Chairman of the Corporate Governance Committee
7. Mr. Sathit Aungmanee	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee
8. Dr. Charatpong Chotigavanich	Independent Director, Member of the Risk Oversight Committee and Member of the Corporate Governance Committee
9. Dr. Kulpatra Sirodom	Independent Director, Member of the Audit Committee and Member of the Nomination and Compensation Committee
10. Mr. Chi-Hao Sun (Howard Sun)	Executive Director and Member of the Executive Board
11. Mr. Satoshi Yoshitake	Executive Director and Member of the Executive Board
12. Mr. Sakchai Peechapat	Executive Director, Member of the Executive Board, Member of the Risk Oversight Committee and Chief Operating Officer

### Authorized Signatory

Two of the following executive directors namely Mr. Suthas Ruangmanamongkol, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Sakchai Peechapat, jointly sign with the seal of the Company affixed.

#### Authority and Responsibilities of Chairman of the Board:

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. Maintain access to senior management for vital information related to TISCO business as is necessary and useful, and provide access, advice and support to the Group CEO in the development of strategy.
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 Vice Chairman of the Board:

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 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 Board of Directors, or
  - b. recommended by the Nomination and Compensation Committee and approved by Board of Directors.

Authority and Responsibilities of the Board of Directors:

1. Approve TISCO Corporate Governance Policy as well as oversee TISCO Group Governance and corporate governance disclosure.
2. Approve TISCO Company Statement: Vision and Mission.
3. Approval and monitoring of Group's business model, corporate strategies, business plan, financial budgets, and policies.
4. Approval of M&A, investment, divestment and disposal transaction involving high risk or materially impact TISCO in line with risk management policies, strategies and appetite.
5. Oversee TISCO fair market conduct according to the Bank of Thailand Notification on Market Conduct Guidelines, which cover all service operation processes.
6. Ensure and monitor the effectiveness of whistleblowing policy and internal control system.
7. Approval of the Risk Governance Framework and oversee the cultivation of risk awareness culture and remuneration structure promoting risk awareness.
8. Approval of the appointment, relocation and dismissal of Head of Risk Management Function and Head of Internal Audit Function.
9. 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.
10. Oversee the annual evaluation of the Board's performance as a whole and on individual director level in the forms of self-assessment and cross-evaluation or third party evaluation (if necessary).
11. Select, appoint, and evaluate Group CEO from the candidates as well as a succession plan as proposed by the Nomination and Compensation Committee.
12. Work in partnership with the Group CEO and senior management in defining overall direction and strategies of TISCO Group concerning sustainable business and ensuring coherent implementation of those strategies through the institution of a Corporate Governance Policy to produce long-term value for shareholders.
13. Together with the Group CEO and senior management, set example at the top that establishes a culture of legal compliance and integrity.
14. Appoint Board Committees, namely, TISCO Audit Committee, TISCO Nomination and Compensation Committee, TISCO Corporate Governance Committee, TISCO Risk Oversight Committee, and TISCO Executive Board as proposed by TISCO NCC, to carry out the tasks assigned by the Board.

The following activities require approval of the Board of Directors:

1. Vision, Mission, Brand and Corporate Value
2. TISCO's business model, corporate strategies, business plan, and financial budgets
3. Corporate Budget & Major Expenditure includes Head Count and Resource of TISCO

4. Merger & Acquisition, investment, divestment and disposal transaction involving high risk or materially impact TISCO
5. Appointment of Board of Directors and Subcommittees as well as delegation of authority
6. Nomination and appointment names of qualified candidates for Group Chief Executive
7. Performance Evaluation of Group Chief Executive

For the business operations which 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 8.1.7 and Attachment 1-2.

### 8.1.2 Executive Board

As of December 31, 2020, the Executive Board which was appointed by the Board of Directors comprised the following four Executive Directors:

Name	Position
1. Mr. Suthas Ruangmanamongkol	Chairman of the Executive Board
2. Mr. Chi-Hao Sun (Howard Sun)	Member of the Executive Board
3. Mr. Satoshi Yoshitake	Member of the Executive Board
4. Mr. Sakchai Peechapat	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. Ensure the effectiveness of the implementation of risk management framework and risk management guidelines in alignment with approved risk management policies, strategies and appetite.
8. Appoint and supervise Credit Committee and Problem Loan Committee.
9. Conduct assessment of the adequacy of the Company's internal control system and propose for the Risk Oversight Committee and Audit Committee's review and to the Board of Directors for approval.
10. Oversee and monitor the significant compliance matters of TISCO Group.
11. Appraise annual performance of compliance function with involvement of TISCO Risk Oversight Committee to balance the power of management and promote good governance.
12. Approve annual compliance report of TISCO Group in order to ensure the acknowledgement and accountability of the Board with compliance.
13. Approve compliance policy and compliance function charter.
14. Review compliance policy and assess the efficiency of compliance risk management including approval of compliance program and plan.

15. Ensure that all subcommittees appointed by Group CEO are established, composed and operated appropriately and professionally.

### 8.1.3 Risk Oversight Committee

As of December 31, 2020, the Risk Oversight Committee was appointed by the Board of Directors. The Risk Oversight Committee comprised the following Non-executive Director, Independent Director, Executive Director and management, totaling 4 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Risk Oversight Committee
2. Dr. Charatpong Chotigavanich	Member of the Risk Oversight Committee
3. Mr. Sakchai Peechapat	Member of the Risk Oversight Committee
4. Mr. Chatri Chandrangam	Member of the Risk Oversight Committee

#### Authority and responsibilities of Risk Oversight Committee:

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

### 8.1.4 Audit Committee

As of December 31, 2020, the Audit Committee which was appointed by the Board of Directors comprised the following three Independent Directors:

Name	Position
1. Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson of the Audit Committee
2. Mr. Sathit Aungmanee	Member of the Audit Committee
3. Dr. Kulpatra Sirodom	Member of the Audit Committee

Remark: All 3 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 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. Review 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, and approve Internal Audit Policy, Internal Audit charter, annual audit plan, strategy, key performance indicators, staffing and budget.
9. Appoint, transfer, or dismiss Head of Internal Audit and review an effectiveness and efficiency of Head of Internal Audit's performance

10. 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.
11. Conduct the businesses as assigned by the Board of Directors in agreement of the Audit Committee.
12. Review and assess compliance with policies on conflict of interest and significant issues which may incur between TISCO Bank and investors in the funds managed by TISCO Asset Management and report to the Board of Directors.
13. Joint Meeting – The Committee shall attend an annual joint meeting with the Risk Oversight Committee to acknowledge and exchange views on the sufficiency and effectiveness of TISCO risk management policies and strategies.

### 8.1.5 Nomination and Compensation Committee

As of December 31, 2020, the Nomination and Compensation Committee was appointed by the Board of Directors. The Nomination and Compensation Committee comprised the following Independent Directors and Non-executive Director, totaling 4 persons:

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

#### Authority and Responsibilities of Nomination and Compensation Committee:

##### Nomination

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. Evaluate the Group CEO's performance with input from Chairman of the Board of Directors, Chairpersons of the Audit Committee, the Corporate Governance Committee, and the Risk Oversight Committee and propose result to the Board of Directors for approval.
5. 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.
6. 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.
7. Ensure that the professional development program for Directors and Management are assorted properly.
8. Disclose the nomination policy and process in the Annual Report.



### Compensation

9. 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.
10. Ensure that the Board remuneration is commensurate with their duties and responsibilities. Board members who handle the extra assignments should be compensated accordingly.
11. 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.
12. Review and approve promotion, remuneration, and benefit of Group CEO.
13. 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.
14. 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.
15. 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.
16. Report activities to the Board of Directors on a regular basis.
17. Conduct the activities as assigned by the Board of Directors in agreement of the Nomination and Compensation Committee.

### **8.1.6 Corporate Governance Committee**

As of December 31, 2020, the Corporate Governance Committee was appointed by the Board of Directors. The Corporate Governance Committee comprised the following Independent Directors and Non-executive director, totaling 3 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Corporate Governance Committee
2. Prof. Dr. Pranee Tinakorn	Member of the Corporate Governance Committee
3. Dr. Charatpong Chotigavanich	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 for 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 and oversee the corporate governance practice of the Board of Directors, Board committees, and the Management in compliance with Corporate Governance Policy, Code of Conduct and related laws and regulations including communication to directors, management, and employees.
4. Review result of corporate governance and sustainable development assessments by outside agencies and make recommendation to the Board of Directors.
5. Review corporate governance and sustainable development practices of TISCO by benchmarking to that of domestic and international standards and 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 Policy and Guidelines, TISCO Sustainable Development Policy, TISCO Code of Conducts, TISCO Whistleblowing Policy and report its findings to the Board.
8. Review Sustainable Development Policy, oversee work-plans and practices to ensure alignment with TISCO sustainable development policy, framework and strategy, and provide advice related to sustainable development issues.
9. Consider the self-authorized transaction on expenses and business leave as reported by the Chairperson of the Executive Board and the Group CEO on a monthly basis.
10. Monitor the adequacy of the company's disclosure practices relevance to sustainability development and corporate governance.
11. Perform other duties as assigned by the Board of Directors.



## Board of Directors Meeting of the Company

Board Meetings and Subcommittee 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 or the Subcommittee 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, and notify related committees and managements 14-21 days prior each meeting. In case of the most confidential document the Corporate Secretary may hand over the documents with header label 'CONFIDENTIAL' during the meeting then collect them back after the meeting adjourned.

The Board of Directors Meeting No. 6/2020 on October 29, 2020 approved the preliminary schedule of the Board of Directors Meetings and the Subcommittee Meetings for the year 2021 in advance which not include special meeting and the schedule may be changed. Details are as follows:

No. of the Meeting	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
1/2021	Wednesday February 24	Thursday January 28	Wednesday January 20	Friday January 8	Tuesday January 12	Thursday February 18
2/2021	Friday April 23	Tuesday February 23	Thursday February 11	Tuesday February 9	Tuesday February 23	Thursday July 8
3/2021	Monday June 21	Thursday March 25	Wednesday March 24	Friday March 5	Friday April 23	Thursday November 11
4/2021	Tuesday June 22	Friday April 23	Wednesday May 19	Friday April 2	Friday June 18	-
5/2021	Tuesday August 24	Thursday May 27	Wednesday July 21	Tuesday May 11	Monday August 23	-
6/2021	Monday October 25	Friday June 18	Wednesday September 22	Friday June 4	Thursday October 21	-
7/2021	Tuesday October 26	Thursday July 22	Wednesday November 17	Friday July 9	Monday December 13	-
8/2021	Monday December 20	Monday August 23	-	Thursday August 10	-	-
9/2021	-	Thursday September 23	-	Friday September 10	-	-
10/2021	-	Wednesday October 20	-	Friday October 8	-	-
11/2021	-	Thursday November 25	-	Wednesday November 10	-	-
12/2021	-	Wednesday December 15	-	Friday December 3	-	-

The Board of Directors 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 Board of Directors Meetings and the Executive Board meetings should be ensured that a number of Directors present at the meeting is not less than three-fourth and one-half of total Board members to constitute a quorum in accordance with Corporate Governance Policy, respectively. Before the meeting, the Chairman should inform that the director(s) (who is interested director in any agenda would not allow to vote and comment) may relate to interest in any agenda, would not allow to vote and comment. For all the Subcommittee Meetings comprising Risk Oversight Committee, Audit Committee, Nomination and Compensation Committee, and Corporate Governance Committee also should be ensured that a number of Directors present at the meeting is not less than two-thirds of total Board members to constitute a quorum in accordance with Corporate Governance Policy. After the Board of Directors Meetings and the Subcommittee meetings, the Corporate Secretary and the Subcommittee Secretary are responsible for preparing minutes of the meeting in which all issues, contents, and opinions are properly recorded and kept for inspection.

The Company also encourages non-executive directors to hold meetings as necessary to discuss issues without executive attendance.

**Details of Board of Directors meeting and subcommittee meeting attendance of TISCO Financial Group Public Company Limited's directors in 2020 are as follows:**

Name	Time of Attendance					
	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee
No. of total meetings (times) (percentages)	8 (100.00)	12 (100.00)	6 (100.00)	14 (100.00)	5 (100.00)	2 (100.00)
1. Mr. Pliu Mangkornkanok	8 (100.00)	-	-	-	-	-
2. Mr. Hon Kit Shing (Alexander H. Shing)	6 <sup>1</sup> (75.00)	-	-	-	4 <sup>1</sup> (80.00)	-
3. Mr. Suthas Ruangmanamongkol	8 (100.00)	12 (100.00)	-	-	-	-
4. Assoc. Prof. Dr. Angkarat Priebjirivat	8 (100.00)	-	-	14 (100.00)	-	-
5. Prof. Dr. Pranee Tinakorn	8 (100.00)	-	-	-	5 (100.00)	2 (100.00)
6. Prof. Dr. Teerana Bhongmakapat	8 (100.00)	-	6 (100.00)	-	-	2 (100.00)
7. Mr. Sathit Aungmanee	8 (100.00)	-	-	14 (100.00)	5 (100.00)	-
8. Dr. Charatpong Chotigavanich	8 (100.00)	-	6 (100.00)	-	-	2 (100.00)
9. Dr. Kulpatra Sirodom	8 (100.00)	-	-	14 (100.00)	5 (100.00)	-
10. Mr. Chi-Hao Sun (Howard Sun)	6 <sup>1</sup> (75.00)	10 <sup>1</sup> (83.33)	-	-	-	-
11. Mr. Satoshi Yoshitake	8 (100.00)	12 (100.00)	-	-	-	-
12. Mr. Sakchai Peechapat	8 (100.00)	12 (100.00)	6 (100.00)	-	-	-

Remark <sup>1</sup> Due to the spread of Coronavirus disease 2019 (COVID-19), Mr. Hon Kit Shing and Mr. Chi-Hao Sun are unable to attend the meetings in person one time. However, both of directors has fully attended the Board of Directors meeting and/or the Executive Board Committee meeting and/or the Nomination and Compensation Committee meeting through electronic channel before the law comes into effect that it shall be counted as a quorum.

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

**8.1.7.1 TISCO Bank's Board of Directors**

As of December 31, 2020, TISCO Bank's Board of Directors was appointed by the resolutions of the shareholders' meeting of the year 2020. TISCO Bank's Board of Directors consisted of 10 directors as follows:

Name	Position
1. Mr. Pliu Mangkornkanok	Chairman and Independent Director
2. Mr. Suthas Ruangmanamongkol	Executive Director, Chairman of the Executive Board and Group Chief Executive
3. Assoc. Prof. Dr. Angkarat Priebjirivat	Independent Director and Chairperson of the Audit Committee
4. Prof. Dr. Teerana Bhongmakapat	Non-Executive Director and Chairman of the Risk Oversight Committee
5. Mr. Sathit Aungmanee	Independent Director and Member of the Audit Committee
6. Dr. Charatpong Chotigavanich	Independent Director and Member of the Risk Oversight Committee
7. Dr. Kulpatra Sirodom	Independent Director and Member of the Audit Committee
8. Mr. Chi-Hao Sun (Howard Sun)	Executive Director and Member of the Executive Board
9. Mr. Satoshi Yoshitake	Executive Director and Member of the Executive Board
10. Mr. Sakchai Peechapat	Executive Director, Member of the Executive Board, Member of the Risk Oversight Committee and President

**Authorized Signatory**

Two of the following executive directors namely Mr. Suthas Ruangmanamongkol, or Mr. Chi-Hao Sun, or Mr. Satoshi Yoshitake, or Mr. Sakchai Peechapat, jointly sign with the seal of the Company affixed.

#### Authority and Responsibilities of TISCO Board of Directors:

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 corporate 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 Bank's Board of Directors.
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 Bank's Board of Directors.
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.

#### 8.1.7.2 TISCO Bank's Executive Board

As of December 31, 2020, TISCO Bank's Executive Board was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Executive Board comprised the following four executive directors:

Name	Position
1. Mr. Suthas Ruangmanamongkol	Chairman of the Executive Board
2. Mr. Chi-Hao Sun (Howard Sun)	Member of the Executive Board
3. Mr. Satoshi Yoshitake	Member of the Executive Board
4. Mr. Sakchai Peechatpat	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 corporate communications. The Executive 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. Conduct assessment of the adequacy of the Company's internal control system and propose for the Risk Oversight Committee and Audit Committee's review and to the Board of Directors for approval.
6. Review compliance policy and assess the efficiency of compliance risk management including approval of compliance program and plan.
7. Approve annual compliance report of TISCO Bank in order to ensure the Board's acknowledgement and accountability on compliance.

#### 8.1.7.3 Risk Oversight Committee

As of December 31, 2020, TISCO Bank's Risk Oversight Committee was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Risk Oversight Committee comprised the following non-executive director, independent director, executive director and management, totaling 4 persons:

Name	Position
1. Prof. Dr. Teerana Bhongmakapat	Chairman of the Risk Oversight Committee
2. Dr. Charatpong Chotigavanich	Member of the Risk Oversight Committee
3. Mr. Sakchai Peechapat	Member of the Risk Oversight Committee
4. Mr. Metha Pingsuthiwong	Member of the Risk Oversight Committee

#### Authority and responsibilities of Risk Oversight Committee:

Under consolidated supervision framework, the Risk Oversight Committee 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 corporate communications. The Risk Oversight 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.

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

#### **8.1.7.4 Audit Committee**

As of December 31, 2020, TISCO Bank's Audit Committee was appointed by the Bank's Board of Directors with the approval from the parent company, TISCO Financial Group Public Company Limited. The Audit Committee comprised the following three independent directors:

Name	Position
1. Assoc. Prof. Dr. Angkarat Priebjivat	Chairperson of the Audit Committee
2. Mr. Sathit Aungmanee	Member of the Audit Committee
3. Dr. Kulpatra Sirodorn	Member of the Audit Committee

Remark: - All members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements.  
- The Audit Committee is same members of the parent company, TISCO Financial Group Public Company Limited

#### 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 corporate 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 2020 are as follows:**

Name	Time of Attendance			
	Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee
<b>No. of total meetings (times) (percentages)</b>	<b>7 (100.00)</b>	<b>12 (100.00)</b>	<b>6 (100.00)</b>	<b>14 (100.00)</b>
1. Mr. Pliu Mangkornkanok	7 (100.00)	-	-	-
2. Mr. Suthas Suangmanamongkol	7 (100.00)	12 (100.00)	-	-
3. Assoc. Prof. Dr. Angkarat Priebjrivat	7 (100.00)	-	-	14 (100.00)
4. Prof. Dr. Teerana Bhongmakapat	7(100.00)	-	6 (100.00)	-
5. Mr. Sathit Aungmanee	7 (100.00)	-	-	14 (100.00)
6. Dr. Charatpong Chotigavanich	7 (100.00)	-	6 (100.00)	-
7. Dr. Kulpatra Sirodorn	7 (100.00)	-	-	14 (100.00)
8. Mr. Chi-Hao Sun (Howard Sun)	5 <sup>1</sup> (71.43)	10 <sup>1</sup> (83.33)	-	-
9. Mr. Satoshi Yoshitake	7 (100.00)	12 (100)	-	-
10. Mr. Sakchai Peechapat	7 (100.00)	12 (100.00)	6 (100.00)	-

**Remark** <sup>1</sup> Due to the spread of Coronavirus disease 2019 (COVID-19), Mr. Chi-Hao Sun is unable to attend the meetings in person one time. However, he was fully attended the Board of Directors and the Executive Board Committee meeting through electronic channel before the law comes into effect that it shall be counted as a quorum.



## 8.2 Management

The Company transferred certain senior management and management supervising major functions from subsidiary companies to be employed under subsidiary company. Simultaneously, the Company seconded those managements 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.

As of April 1, 2021, Management Committee of the TISCO Group as defined by the Securities and Exchange Commission comprised the following members:

Name	Position in the Company	Position assigned in subsidiary company
1. Mr. Sakchai Peechapat	Group Chief Executive	-
2. Mr. Metha Pingsuthiwong	Chief Operating Officer President	President, TISCO Bank Public Company Limited
3. Mr. Pitada Vatcharasiritham	Senior Executive Vice President	Senior Executive Vice President - Corporate Banking, TISCO Bank Public Company Limited
4. Mr. Chalit Silpsrikul	Senior Executive Vice President	Senior Executive Vice President - Retail Banking, TISCO Bank Public Company Limited
5. Mr. Chatri Chandrangam	Senior Executive Vice President Chief Financial Officer	-
6. Mr. Paiboon Nalinthrangkurn	Senior Executive Vice President	Chief Executive Officer, TISCO Securities Company Limited
7. Mr. Yuttpong Sriwongjanya	First Executive Vice President	First Executive Vice President Retail Banking - Sales & Marketing 2, TISCO Bank Public Company Limited
8. Mr. Dejphinun Suthadsanasoung	First Executive Vice President	First Executive Vice President - Retail Banking Operations, TISCO Bank Public Company Limited
9. Mr. Rungroj Jarasvijitkul	First Executive Vice President	First Executive Vice President - Retail Banking - Sales & Marketing 1, TISCO Bank Public Company Limited
10. Mr. Picha Ratanatam	First Executive Vice President	First Executive Vice President - Wealth Management & Banking Services, TISCO Bank Public Company Limited
11. Ms. Pavinee Ongvasith	First Executive Vice President	Chief Executive Officer, TISCO Asset Management Company Limited
12. Mr. Pairat Srivilairit	First Executive Vice President - Governance Office	-
13. Ms. Wanthana Chotchaisathit	Executive Vice President - Information Technology	Managing Director, TISCO Information Technology Company Limited
14. Ms. Rachada Pruksanubal	Executive Vice President	Executive Vice President - Banking Services, TISCO Bank Public Company Limited
15. Mr. Theeranat Rujimethapass	Executive Vice President	President, TISCO Asset Management



#### 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 suggest 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 Risk Management Committee, TISCO Compliance & Operation Control Committee, TISCO IT Risk Committee, TISCO Human Resources Committee, and TISCO Management Committee, TISCO Technology and Infrastructure Committee and other committees, to carry out specific tasks.
14. Nominate members of TISCO Management Committee and management of one further level down for NCC approval.
15. Ensure that all committees appointed by the Executive Board and Group CEO are established, composed and operated; that the committees' decisions are made on a sound and well-informed basis; and 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 Corporate Governance Policy and Code of Conduct.

As of April 1, 2021, the Company has management members as defined by the Securities and Exchange Commission as follows:

Name	Position
1. Mr. Sakchai Peechapat	Group Chief Executive
2. Mr. Metha Pingsuthiwong	President and Chief Operating Officer
3. Mr. Pitada Vatcharasiritham	Senior Executive Vice President
4. Mr. Chalit Silpsrikul	Senior Executive Vice President
5. Mr. Chattri Chandrangam	Senior Executive Vice President, Chief Financial Officer, Acting Head of Corporate Communication
6. Mr. Paiboon Nalinthrangkurn	Senior Executive Vice President
7. Mr. Yuttpong Sriwongjanya	First Executive Vice President
8. Mr. Dejphinun Suthadsanasoung	First Executive Vice President
9. Mr. Rungroj Jarasvijitkul	First Executive Vice President
10. Mr. Picha Ratanatam	First Executive Vice President
11. Ms. Pavinee Ongvasith	First Executive Vice President
12. Mr. Pairat Srivilairit	First Executive Vice President - Governance Office
13. Ms. Wanthana Chotchaisathit	Executive Vice President - Information Technology
14. Ms. Rachada Pruksanubal	Executive Vice President
15. Mr. Theeranat Rujimethapass	Executive Vice President
Risk and Financial Control	
16. Mr. Kontee Sunthornpradit	Financial Controller / Acting Head of Planning & Budgeting
17. Ms. Chutintorn Vigasi	Head of Corporate Accounting
18. Mr. Nipon Wongchotiwat	Head of Enterprise Risk & Credit Control / Acting Head of Enterprise Risk Management
19. Ms. Surang Techarungnirun	Head of Credit Control
20. Mr. Puvarin Kullaphatkanon	Head of Risk and Business Analytics
21. Mr. Pichit Treethephasumphan	Head of Appraisal and Valuation
Governance Office	
22. Ms. Dulyarat Taveebhol	Head of Corporate Compliance
23. Ms. Maneerat Wattanajak	Head of Compliance - Banking Business
24. Ms. Yaninee Papnum	Head of Compliance - Asset Management Business
25. Ms. Sakornrat Manuwong	Head of Compliance – Securities Business
26. Ms. Nudtinee Suwanpanitch	Head of Legal Office
27. Mr. Prayuk Charocharaskul	Head of Operational Risk Management
28. Ms. Jiraporn Sawsukpaiboon	Head of Credit Review
29. Mr. Ekarat Pongkitvanitchkul	Head of IT Risk Management
Internal Audit	
30. Ms. Chuenchit Trakarnratti	Head of Internal Audit

Name	Position
Information Technology	
31. Ms. Aree Archamongkol	Head of Corporate Services & Procurement
Economic Strategy Unit	
32. Mr. Komsorn Prakobphol	Head of Economic Strategy Unit
Treasury & Investment	
33. Ms. Kwannapa Ampornvisaroot	Head of Treasury & Investment
Human Resources	
34. Mr. Watsakorn Thepthim	Head of Human Resources
35. Mr. Kittipong Tiyaboonchai	Head of Human Resources Management
36. Ms. Chutiporn Luangrungsawang	Head of Human Resources Services

### 8.2.1 Management of TISCO Bank

As of April 1, 2021, TISCO Bank has management members as defined by the Securities and Exchange Commission as follows:

Name	Position
1. Mr. Metha Pingsuthiwong	President
2. Mr. Pitada Vatcharasiritham	Senior Executive Vice President - Corporate Banking
3. Mr. Chalit Silpsrikul	Senior Executive Vice President - Retail Banking
4. Mr. Yuttpong Sriwongjanya	First Executive Vice President - Retail Banking - Sales & Marketing 2
5. Mr. Dejphinun Suthadsanasoung	First Executive Vice President - Retail Banking - Operations
6. Mr. Rungroj Jarasvijitkul	First Executive Vice President - Retail Banking - Sales & Marketing 1
7. Mr. Picha Ratanatam	First Executive Vice President - Wealth Management & Banking Services
8. Ms. Rachada Pruksanubal	Executive Vice President - Banking Services
Corporate Banking	
9. Mr. Manop Petdamrongsakul	Head of Corporate Finance
10. Ms. Sunee Tongsombutpanich	Head of Business and Risk Assessment
11. Mrs. Malatip Swintara	Co-Head of Business and Risk Assessment
12. Ms. Rapeeporn Ounchalanon	Head of Loan Administration
13. Mrs. Savika Jongpakpaisal	Head of Loan Documentation
Retail Banking – Sales & Marketing 1	
14. Mr. Wittaya Mettaviharee	Deputy Head of Retail Banking - Sales & Marketing 1 and Acting Head of Branch Channel 3
15. Mr. Noppadol Chumwong	Head of Hire Purchase
16. Ms. Parichat Suthatsanasuang	Head of Hire Purchase - Captive
17. Mr. Teerayuth Praserttrattanadacho	Head of Retail Marketing & Business Development
18. Mr. Suthep Trivannakij	Head of Branch Channel 1
19. Mr. Somboon Siriruck	Head of Branch Channel 2
Retail Banking – Sales & Marketing 2	
20. Ms. Wipa Mettaviharee	Head of All Finance & Direct Sales
Retail Banking - Operations	
21. Mr. Sukit Sakulwongyai	Assistant Head of Retail Banking Operation / Acting Head of Retail Collection
22. Ms. Penthip Laoboontharoen	Head of Retail & SME Credit
23. Mr. Worapoth Tirakaron	Head of Retail Service & Support
24. Mr. Taworn Suphadechochai	Head of Retail Follow-up & Legal
25. Mr. Nattanan Ananpreeyavit	Head of Contact Center

Name	Position
26. Mr. Konchai Udomsrisuk	Head of Retail Solution Development
27. Ms. Supissara Srikwanthong	Head of Retail Data Analytics
SME	
28. Mr. Phongsophon Wongthongkam	Deputy Head of SME
Mortgage Loan	
29. Mr. Prakrit Shoonhasriwong	Head of Mortgage Loan
Branch Operation Support	
30. Mrs. Wantana Kitchpanich	Head of Branch Operations Support
Wealth Management	
31. Mr. Thanom Chairoondeekul	Deputy Head of Wealth Management
32. Ms. Pitchapa Wongsarasak	Head of Wealth Product
33. Mr. Satit Pawahan	Head of Private Banking
34. Ms. Saranya Weeramahawong	Head of Personal Banking 1
35. Mrs. Atchara Petchsangroj	Head of Personal Banking 2
36. Mrs. Vorasinee Sethabutr	Head of Wealth Product Development & Marketing Communication
37. Mr. Nattakrit Laotaweesap	Head of Wealth Advisory
Banking Services	
38. Ms. Lapanant Tanwanna	Head of Custodian Service
39. Mrs. Suwandee Khaolaorr	Head of Cash Management
40. Mr. Kittichai Tonnajarn	Head of Counter Services
41. Mr. Worawit Rungsiriopas	Head of Processing & Settlement
42. Ms. Mayura Sanguansaksri	Head of Logistic & Control
43. Ms. Yupha Janpoom	Head of Fund Operation
Bancassurance	
44. Mrs. Kusumar Pratomsrimek	Head of Bancassurance and Acting Head of Telemarketing Channel
Marketplace & Digital Deposits	
45. Mr. Noppawat Tangburanakij	Head of Marketplace & Digital Deposits
Digital Banking & Business Innovation	
46. Mr. Tula Rodsalub	Head of Digital Banking & Business Innovation

As TISCO Corporate Governance Policy, all support and control functions will be centralized at the parent company. These centralized operations cover the areas of risk oversight. The parent company will applied across all subsidiary companies including TISCO Bank. Therefore, all heads of risk oversight functions are management of TISCO Financial Group Public Company Limited, such as head of risk management function, compliance function, and internal audit function.

#### 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, effective from September 1, 2013, 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 1)*

### **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.

Directors who are assigned with extra work (being members of other sub-committees, for example) should be paid appropriately. The remuneration to be paid to such director or directors will be approved by the board. Remuneration for Group Chief Officer and management (called "management") shall be linked to short and long term performance of TISCO Group, in and that of each management member. The remuneration should be determined in accordance with Director and Management Remuneration Policy 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.

Apart from the remuneration payable to directors of TISCO Financial Group Public Company Limited, the Parent Company, in 2020, 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.

#### **8.4.2 Financial Remuneration**

The Company's shareholders approved at the Shareholders Annual General Meeting for the year 2020, the directors' remuneration including member of sub-committees and advisor in the form of monthly fee and meeting fee, 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. 5/2020 on June 29, 2020 approved directors' remuneration to be allocated as follows:

(Unit: Baht)

	Monthly Fee	Meeting Fee
<b>Board of Directors</b>		
Chairman	240,000	60,000
Member	50,000	50,000
Advisor	40,000	-
<b>Executive Board</b>		
Chairman	-	60,000
Member	-	50,000
<b>Risk Oversight Committee</b>		
Chairman	-	60,000
Member	-	50,000
<b>Audit Committee</b>		
Chairperson	-	60,000
Member	-	50,000
<b>Nomination and Compensation Committee</b>		
Chairperson	-	60,000
Member	-	50,000
<b>Corporate Governance Committee</b>		
Chairman	-	60,000
Member	-	50,000

**Total of Board of Directors' remuneration of TISCO Financial Group Public Company for the Year 2020**

(Unit: Baht)

Name	Monthly Fee	Meeting Fee						Total
		Board of Directors	Executive Board	Risk Oversight Committee	Audit Committee	Nomination and Compensation Committee	Corporate Governance Committee	
1. Mr. Pliu Mangkornkanok	2,880,000	480,000	-	-	-	-	-	3,360,000
2. Mr. Hon Kit Shing (Alexander H. Shing)	600,000	300,000	-	-	-	200,000	-	1,100,000
3. Mr. Suthas Ruangmanamongkol	600,000	-	-	-	-	-	-	600,000
4. Assoc. Prof. Dr. Angkarat Priebjirivat	600,000	400,000	-	-	840,000	-	-	1,840,000
5. Prof. Dr. Pranee Tinakorn	600,000	400,000	-	-	-	300,000	100,000	1,400,000
6. Prof. Dr. Teerana Bhongmakapat	600,000	400,000	-	360,000	-	-	120,000	1,480,000
7. Mr. Sathit Anugmanee	600,000	400,000	-	-	700,000	250,000	-	1,950,000
8. Dr. Charatpong Chotigavanich	413,333.33	400,000	-	300,000	-	-	100,000	1,400,000
9. Dr. Kulpatra Sirodom	415,000	400,000	-	-	700,000	250,000	-	1,950,000
10. Mr. Chi-Hao Sun (Howard Sun)	600,000	300,000	500,000	-	-	-	-	1,400,000
11. Mr. Satoshi Yoshitake	415,000	-	-	-	-	-	-	600,000
12. Mr. Sakchai Peechapat	415,000	-	-	-	-	-	-	600,000
13. Ms. Krisna Theravuth <sup>1</sup>	480,000	-	-	-	-	-	-	480,000
<b>Total</b>	<b>9,960,000</b>	<b>3,480,000</b>	<b>500,000</b>	<b>660,000</b>	<b>2,240,000</b>	<b>1,000,000</b>	<b>320,000</b>	<b>18,160,000</b>

Remark: <sup>1</sup> Ms. Krisna Theravuthi was appointed to be Advisor to TISCO's Board of Directors since April 26, 2013, with monthly remuneration of Baht 40,000.

In 2020, total remuneration for the Board of Directors was Baht 17,680,000, and Advisor to the Board of Directors was Baht 480,000, additionally, the Management was Baht 463,628,652, the total amount was Baht 481,788,652. This was paid in the form of monthly compensation, meeting fees, provident fund, and bonuses, which varied according to TISCO Group's performance.

Regarding the remuneration for subsidiary companies' directors in 2020, TISCO Bank, the core company of TISCO Group, paid remuneration to the Managements (the Management who are in the Parent Company and seconded to manage TISCO Bank), was Baht 189,215,060. This was paid in form of monthly compensation, salaries, provident funds, and bonuses which varied according to TISCO Bank performance.

### 8.4.3 Other Remuneration

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

1. Executive vehicle for the Chairman of the Board
2. Group Life and Accident Insurance, or Health Insurance for director(s) who are Thai national and over 60 years old
3. 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, 2020, the total number of employees at TISCO Group was 4,997 (excluding senior management) of which 4,532 were permanent employees and 465 contract staff.

Major Function	As of	
	December 31, 2019	December 31, 2020
1. Retail Banking	3,198	3,237
2. Corporate Banking	50	46
3. Wealth & Asset Management	1,057	1,014
4. Corporate Affairs & CSR	710	700
<b>Total</b>	<b>5,015</b>	<b>4,997</b>

At the end of 2020, the number of employees of TISCO Group decreased by 18 staffs (0.36% YoY). Meanwhile, TISCO Group's total employee remuneration in the form of salaries, bonuses, and provident fund contributions was 4,550,215,597 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% or 10% or 15% 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 committee 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 17 predefined investment allocation choices for members to choose from. Presently, employees are able to switch their investment policies four times per year.

### 8.5.2 General Human Resources Policies

To strengthen the group's human resources management and operations in order to satisfy needs of stakeholders with high efficiency, 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. In addition, the skills required to cope with changing technology and business environment are also considered.

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.

TISCO Group sets up performance management system to ensure that individual employees perform according to business plans. Line managers review goals and key performance indicators for each position under his/her scope of responsibility to ensure alignment to an annual plan. Goals and key performance indicators then are communicated to individual employees at the beginning of the year. Throughout the year, employee performance is monitored with coaching and feedbacks to ensure employees are performing toward the defined goals.

### 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 from job evaluation. 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. In term of target setting, the individual performance measures must be aligned with business target e.g. business volume, operating expenses, as well as risks related to business activities, and etc.

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.

Human Resources function will record employee data 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.

#### Occupational Safety and Health

TISCO Group has established policies and guidelines regarding occupational safety, health and working environment for TISCO employees and external service providers operating in the office area of the TISCO Group including those who visiting TISCO to have safety and good health in TISCO working environment which conforms to the Occupational Safety, Health and Environment Act, BE 2554 and according to the Ministerial Regulation on the Standard for Administration and Management of Occupational Safety, Health and Environment, BE 2549.

Safety, health and working environment are considered the responsibility of and involving with every employee. Therefore, it is critical that all employees must understand and cooperate well according to the prescribed guidelines and procedures in order to mitigate risks and hazards either to themselves or others. TISCO set up learning plans that every new employee must attend and pass the E-learning class for the topic of "Safety in the Office" through TISCO Learning Management System in order to complete or pass the requirement for work probation period. In addition, TISCO provides information and knowledge about accident prevention through various channels such as HR News, Health Tips, Health Alert and Knowledge Management (KM) as well as through related projects such as workplace inspection with ergonomic tools, risk assessment and work environment etc.

From the statistics report on injury, occupational diseases and death due to the work in 2020, there were no employees who died from work. However, there were 88 employees that injured or sick due to work related illnesses, which can be divided into various cases as follows:

Type of injuries, occupational diseases and number of work-related fatalities	Employees' Location	Number of reported case		Number of lost day	
		Male	Female	Male	Female
Injuries					
• Minor Wound	Head Office	-	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-
Occupational Diseases					
• Noise-induced hearing loss	Head Office	10	3	-	-
	Bangkok Metropolitan Region	9	8	-	-
	Provincial	-	-	-	-
• Musculoskeletal strain	Head Office	3	11	-	-
	Bangkok Metropolitan Region	1	1	-	2

Type of injuries, occupational diseases and number of work-related fatalities	Employees' Location	Number of reported case		Number of lost day	
		Male	Female	Male	Female
• Vision	Provincial	-	1	-	-
	Head Office	30	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-
• Pulmonary function	Head Office	11	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-
<b>Fatalities</b>					
• Work-Related Fatalities	Head Office	-	-	-	-
	Bangkok Metropolitan Region	-	-	-	-
	Provincial	-	-	-	-

### Details of Occupational Safety and Health

Data	Unit	January - December 2020					
		Male	Female	Head Office	Bangkok Metropolitan Region	Provincial	TISCO Group
Injury Rate: IR	Number of employee per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Lost Time Injury Rate: LTIR	Number of employee per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Lost Day Injury Rate: LDIR	Number of lost day per 200,000 working hours	0.00	0.00	0.00	0.00	0.00	0.00
Occupational Disease Rate: ODR	Number of employee per 200,000 working hours	5.01	2.82	3.74	6.57	7.41	1.80
Absentee Rate: AR	Percent	1.00	1.07	1.25	0.69	0.71	1.04
Number of sick leave	Day	4,695	9,029	10,485	1,073	2,166	13,724
Total of sick leave days unrelated to work	Day x 7.30 working hours	34,273.50	65,911.70	76,540.50	7,825.60	16,439.60	100,185.20

Remark: 1. The calculation is based on the International Labor Organization standard: ILO-OSH 2001

2. Lost Time Injury - refers to an injury that stops work from 1 day or more (start counting holidays from the date of the accident)

3. Lost Day Injury Rate, once used, Lost Day Rate:

4. Working hours - refers to working hours information from the Employee Self Service system of the full time employees during January and December 2020. Working hours include overtime and actual working hours of employees resigned during the year

TISCO concerns for dangers that may arise from violence and abuse by customers or adversary as well as the situation of bank robberies, protests and other terrorism. Therefore, security measures such as space access control by defining the classes of security and the types of access were implemented with electronic Access Control system, security guards, intrusion alarm system and CCTV equipment. TISCO also developed contingency plan in case of emergency to guide TISCO BCM Team, employees and visitors within the TISCO office area to protect the lives of employees and reduce any potential losses.

In 2020, TISCO Group continued the normal work processes but due to the spread of COVID-19 in many areas, its impact resulting to the workflow process, human resource as well as company policy. Nonetheless, TISCO Group concerns on health and welfare of employees and therefore applies the Business Contingency Plan (BCP) plan into the working plan. Central's employees has split sites of workplace or Work From Home in order to reduce risk, follow social distancing policy from the public health practices, including shifting of work hours to reduce congestion and increase transportation convenience. Moreover, TISCO Group also monitors employees who working in high-risk areas.

## 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 continued to invest substantially in a program to develop all levels of personnel so that they can fully contribute to the organization and its 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 which totaled 9 programs as follows;

## **1. Development programs to support business & marketing plans**

There are 9 development programs for business managers and staff as follows:

### **1.1 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.

### **1.2 Branch Manager Program**

Branch managers are executives of bank branches. Their roles and responsibilities are managing and monitoring branches to achieve business targets. TISGO group has designed this program to update Branch Managers on business knowledge, current economy, regulations and work procedures. The program also aims to improve leadership and management skill which reflects our leading corporate's professionalization and meets business goals.

### **1.3 Somwang Onboarding 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 Somwang Trainer Program**

According to expand Somwang business in suburban areas, additional trainers and mentors are to be built to support new branches countrywide. The trainers will be trained and equipped with skills and knowledge to ensure maximum effectiveness of teaching to build new high quality staffs for the branch network.

### **1.5 All Finance Program**

All Finance representatives are personal finance product advisors who offer products to clients. They are trained on product knowledge, work process, market conducts, and marketing skills.

### **1.6 Retail Credit Program**

Retail credit team analyzes clients loan requests and credit decisions. They need to have solid skills and knowledge on credit analysis in order to correctly determine credit quality which is key to retail finance business.

### **1.7 Customer Service Program**

Customer service team is a touch point at our branches. The need to possess knowledge and skills on professional services to create pleasant customer experience. They are also updated with necessary work process and related regulations.

### **1.8 SME Credit Program**

SME credit team analyzes loan proposals for SME projects. They need to have solid skills and knowledge on credit analysis in order to correctly determine credit quality with proper risk justification.

### **1.9 The Teller Refresher Program**

Teller refresher 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 administered for all existing tellers to ensure that desired level of expertise can be maintained. All tellers are trained on the newly implemented core deposit system; ensure smooth operation which will allow tellers to provide better serve the clients.

## **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 Development 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. Executive Trainee Development Program**

The objective of this program is to improve multi-functional skills and capabilities of executive trainees (or selected-high-potential employees) to meet business strategies and to develop each of them for being an executive in the future. These executive trainees have comprehensive knowledge of TISCO business. In addition, communication and relationship skill have been built through activities with each colleague from different business



unit. Not only those necessary knowledge and skill, but also philosophy which leads them to achieve happy and high quality work, including being open and adaptive to changes in society.

#### **4. New Manager Orientation Program**

The objective of this program is to equip newly promoted manager with management and supervisory skills to lead and manage their teams effectively. The new managers are provided with basic leadership strategy and tools so that they can apply and implement, including strategic thinking for planning and making business decisions.

#### **5. 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.

#### **6. TISCO Values cultivation program**

TISCO values are the essence qualities we cultivate in our people through induction, training, into TISCO culture and attitude. Our values; Mastery, Integrity, Reliability, Customer priority, creativity and Guidance are adhere with all employees to practice values behaviors to everyday life. TISCO Values align with our vision and mission. The cultivation of values commences from top management team who structure value behaviors to managers who, then, shape and encourage employees to practice accordingly. This project is called "Value in practice"; an aligned mutual understanding of values across all level which employees can practice accordingly through communication, training, induction program and employee activities.

Training and induction program; create value awareness and understanding of the desire value behavior in the onboarding program. Design training courses that aligned with Values such as "Mastery and creativity" is reflected regularly on Product knowledge and process improvement training program. "Guidance" is encouraged by developing in-house trainers to teach financial literacy camp. "Integrity" is emphasized in "market conduct" intensive training, ensuring proper information disclosure to customers.

Employee Activities and internal communication is also emphasis in maintains value behaviors. "Creativity" is enhanced in recognition, innovation contest, and creates opportunities for employee to freely participate in developing solutions.

TISCO employee survey of 2020 indicates that TISCO employees are able to reflect six values of TISCO outstandingly at average score of 8.47 out of 10, increased from 8.31 in 2019. "Integrity, Customer Priority, Guidance, and Mastery" are top values that employees valued and reflect distinctively which aligned with TISCO vision and mission. Compared to the survey scores of external organizations on the same topic, found that employees had knowledge, understanding and core value perception at average score of 84%.

In addition to the annual job satisfaction survey, TISCO invite external independent consultant to conduct employee engagement survey regularly. In 2019, Hi-Way Company Limited, a subsidiary of TISCO Financial Group, was awarded "Thailand Best Employer 2019" by Kincentric Thailand and SASIN School of Management of Chulalongkorn University. This is the 3<sup>rd</sup> time Hi-Way is named "Thailand Best Employer" and the 4<sup>th</sup> time of TISCO as TISCO Bank was also named "Thailand Best Employer 2013". The engagement score has been high at 92% overall, 81% Agility, 84% Engaging leadership and 84% talent focus.

#### **7. 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.

#### **8. 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. In addition, there are other staff development programs of 392 programs.

#### **9. OASIS Growth Mindset Campaign**

TISCO Group adapts to continuous changes in economic and technology and initiates a culture change program to build grown mindset for employees at all levels. The objective is to build employees who are open for changes and being adaptive, as well as able to accumulate and share knowledge within the organization. The OASIS project (Open – Adaptive – Sharing) enables employees to keep up and adapt to changing environment. It is the foundation infrastructure for innovation by having employees who learn, develop, and deliver continuously.

In addition, TISCO has more 226 training programs.

Development Program		
<b>Development programs to support business &amp; marketing plans</b> <ul style="list-style-type: none"> <li>The Teller academy</li> <li>Wealth Academy for Wealth Relationship Managers</li> <li>Hire Purchase Marketing Development Program</li> <li>Hire Purchase Manager Program</li> <li>Branch Manager Program</li> <li>All-Finance Program</li> <li>Customer Service Program</li> <li>Somwang Onboarding Program</li> <li>Somwang District Manager Program</li> <li>Refresh Investment Planning Program</li> </ul>	<b>TISCO Leadership Development Program</b> <ul style="list-style-type: none"> <li>Mid-level Executive Program</li> <li>Entry-level Executive Program</li> <li>Executive Trainee Development Program</li> <li>New Manager Orientation</li> </ul>	<b>Competencies Development Program</b> <p>Provide learning roadmap in accordance with each business function</p>
	<b>TISCO Values cultivation program</b> <ul style="list-style-type: none"> <li>Design Thinking</li> </ul>	<b>Knowledge Management</b> <p>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</p>
	<b>Learning Management System and e-Learning</b>	

Training Program	2018	2019	2020
Total training hours (Hour/Staff/Year)	33.34	26.37	24.55
<b>Breakdown by Sex (Hour/Staff/Year)</b>			
Male	31.59	24.95	23.30
Female	34.32	27.16	25.24
<b>Breakdown by Position (Hour/Staff/Year)</b>			
Executive <sup>(1)</sup>	50.98	41.76	27.51
Non-executive <sup>(2)</sup>	32.89	26.00	24.48
<b>Breakdown by Business Pillar (Hour/Staff/Year)</b>			
Retail Banking	28.72	24.20	25.79
Corporate Banking	17.20	16.67	14.63
Wealth and Asset Management	47.82	31.97	26.46
Corporate Affairs & CSR	32.50	28.47	16.87

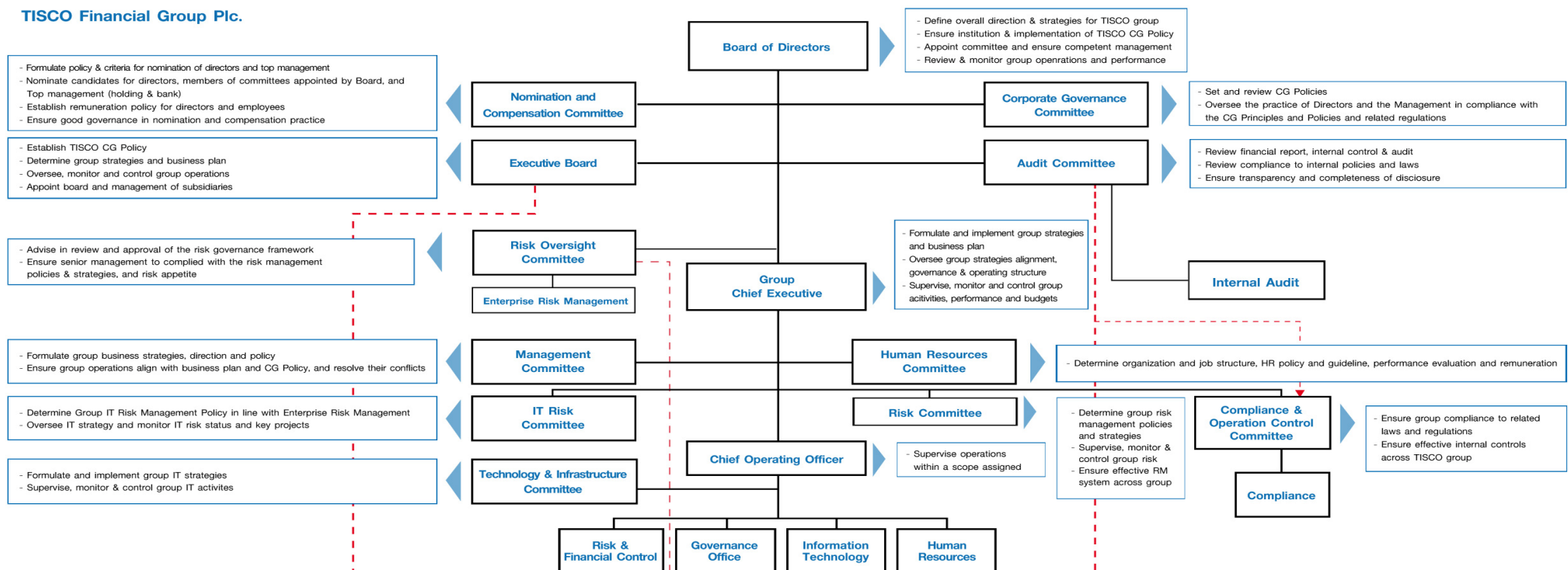
Remark: (1) Executive means function-head rank to managerial rank.

(2) Non-Executive means employees under function-head rank.

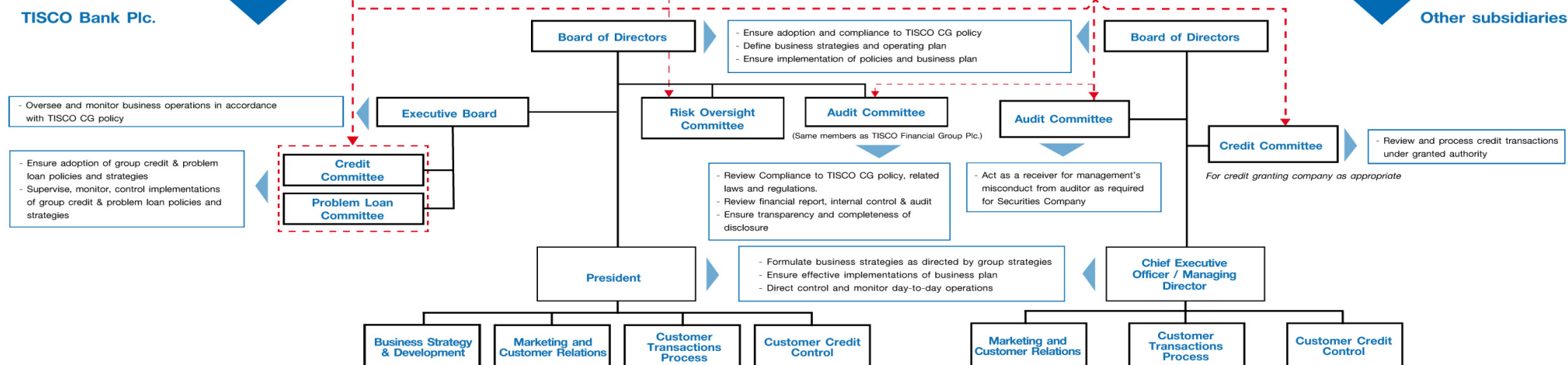


## Governance Structure

### TISCO Financial Group Plc.



### TISCO Bank Plc.



## 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 stems from 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 include shareholders, employees, customers, business partners, creditors, competitors, society and the environment, are fully protected with maximum accountability, transparency, equitable treatment, adequate disclosure, and protection of customer data. This commitment applies to TISCO as well as its subsidiaries, directors, management, and subsidiaries' employees.

In addition to following the 2017 Corporate Governance Code for listed companies from the Securities and Exchange Commission, TISCO Group reviews its Corporate Governance Policy every year to ensure it reflects the Group's business and social sustainability objectives, including maximization of shareholder value and benefits for all stakeholders, and to define a framework for the practices of directors, management, and TISCO Group employees in accordance with related laws, regulations, policies and code of conduct. The Corporate Governance Committee considers the Policy and makes recommendations to the Board of Directors for approval.

TISCO's Corporate Governance Policy covers the composition, roles, and responsibilities demonstrated in Corporate Governance Structure, Corporate Governance Practices, Governance Structure, Corporate Compliance Roles and Responsibilities, and Centralized Policies. The Company and its subsidiaries, including directors, management, and employees, are expected to strictly comply with the Group's Corporate Governance Policy and the principles of good Corporate Governance: Rights of Shareholders, Equitable Treatment of Shareholders, Roles of Stakeholders, Disclosure and Transparency, Board Responsibilities, and Integrity and Ethics. This compliance is in order to ensure that TISCO Group's subsidiaries carry out duties with maximum accountability, transparency, and equitable treatment to all stakeholders so as to promote managerial integrity, effectiveness, and efficiency across the Group. *(Details of Corporate Governance Policy are presented on [www.tisco.co.th](http://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 holds a compulsory Compliance and Human Resource Policy Test annually through the TISCO Intranet system. The test results are evaluated to enhance staff awareness of their roles and responsibilities as part of good corporate governance. Employees taking the test will be able to learn instantly from the provided answers to all questions. The Company has developed and revised the test in alignment with changes in laws and regulations. Completion of the test is required for all employees as one of the Compulsory Key Performance Indicators. All new staff hired during the year are required to complete the test in addition to attending the orientation. The results of the test will be considered part of their evaluation.

TISCO not only abides by domestic regulations but also follows international regulations, as reflected in the ASEAN Corporate Governance Scorecard 2019. TISCO is one of 42 companies in ASEAN Asset Class PLCs with at least a 97.50 score in the assessment of ASEAN Capital Markets Forum (ACMF) and Asian Development Bank (ADB), which is made up of the Capital Market Authority of each country in ASEAN. In 2020, TISCO received an **Excellent Corporate Governance Report** from the Thai Institute of Directors (IOD) for the 13th consecutive year since 2007. Given that 692 listed companies received a corporate governance assessment, one can be assured that TISCO adhered to good corporate governance policy. TISCO as a listed company also passed the **2020 AGM Checklist** with a full 100 score, the 6th consecutive year doing so. The evaluation, involving 712 companies, was conducted by the Thai Investor Association in collaboration with the Securities and Exchange Commission and the Thai Listed Companies Association. TISCO received the awards for corporate governance in the areas of sustainable development, environment, society and good governance. These reflect the Company's intention to develop financial products and services which take shareholders into consideration, and represent good corporate governance by benefiting society and the environment. These have been principle parts of the organization's sustainable development for more than 50 years. The Company proposed the

assessment result to the Corporate Governance Committee, which subsequently reported it to the Board of Directors to review recommendations and improve the corporate governance of TISCO Group.

TISCO Group emphasizes 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 to maintain 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 shareholder 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 relevant and adequate information on TISCO on a timely and regular basis, to participate effectively and vote in general shareholder meetings and 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 of decisions concerning fundamental company changes.

TISCO fairly and equally treats all shareholders, majority or minority, individual or institutional, foreign or Thai, 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 the Notice of the shareholder meeting to shareholders with an attached 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 have appointed custodians within Thailand to be responsible for the shares). Any shareholders who cannot attend the meeting can have their proxies participate on their behalf. In addition, the Company contacts institutional investors who are funds or custodians, to send representatives to the meeting and facilitates the process by conducting document checking in advance 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 four months of the date marking the end of the accounting period, the Board of Directors may summon an extraordinary meeting at such date, time and place as determined by the Board. The Company allows minor shareholders to request the Board of Directors convene an extraordinary general meeting of shareholders under the laws and company regulations.

The Company emphasizes shareholder meetings as important occasions in which the shareholders have the right to participate in the decision-making process. TISCO encourages shareholders to fully exercise their rights and facilitates the process by:

- Inviting shareholders to propose agenda items at the annual general meeting and nominate qualified candidates for directorship

TISCO allocates sufficient time for either one shareholder or combined shareholders who hold a minimum of 100,000 shares or equivalent to less than one percent of the 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/or to propose qualified director candidates. The shareholders can submit their proposals in advance of the meeting in accordance with 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 not approved by the Board and/or the Nomination and Compensation Committee,

the Company shall state the reason for refusal to at the shareholders' meeting, on the Company's website or through any other appropriate information dissemination channel.

For the 2020 Annual General Meeting, TISCO invited shareholders to propose agenda and qualified candidates for directorship in advance, from September 1 to November 30, 2019. Before mailing out the Notice, the Company posted on its website information for shareholders regarding their right to propose additional agenda items at the annual general meeting, along with related procedures, deadline for the proposal of agenda items, and methods of proposing qualified candidates for directorship to the Nomination and Compensation Committee for further recommendation to the Board of Directors and proposal to shareholders at the annual general meeting. Posting of the information on the Company website coincided with similar disclosure through the Stock Exchange of Thailand's information dissemination channel and website. No shareholders had proposed additional agenda items and qualified names for directorship as of the stated date of the Annual General Meeting.

- Notification of Meeting Details and Materials

The Company prepares the Notice of the shareholder meeting in both Thai and English and notifies investors of the meeting details prior to the meeting date through the Stock Exchange of Thailand's information dissemination channel and its website so as to allow shareholders adequate time to study the meeting materials. Such notice and materials shall be sent to the shareholders no less than seven days or 14 days, in case of a special meeting agenda, 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 includes (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 regards 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 the Notice of the shareholder meeting in a Thai daily newspaper for three consecutive days and not less than three 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, and include the opinions of the Board of Directors in said meeting agenda.

TISCO conducted the 2020 Annual General Meeting on June 26, 2020 amid the backdrop of the coronavirus (COVID-19) pandemic. Attendees were made to strictly comply with regulations, guidelines, and recommendations from TISCO, the government, and related health institutions, in order to reduce transmission risk. These included a one-meter social distancing guideline and check-in and check-out through the Thai Chana platform. TISCO disclosed the Agenda of the meeting via the Stock Exchange of Thailand's information dissemination channel on May 21, 2020, disclosed the Notice of the shareholder meeting in both Thai and English through the Stock Exchange of Thailand's information dissemination channel and its website on May 26, 2020 and sent the Notice of the shareholder meeting and the meeting materials to shareholders on June 11, 2020, or 15 days before the date of the shareholders meeting. Note that this did not affect the assessment of the Corporate Governance Report of Thai Listed Companies (CGR) by Thai Institute of Directors Association (IOD) because the IOD permits consideration of some related criteria scoring in the non-applicable form for listed companies affected by the COVID-19 situation.

- Meeting attendance

To protect shareholders' rights to attend the meeting and ensure equitable treatment for shareholders, TISCO assigned officers to check that shareholder or proxy documents are in accordance with 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 ensure prompt and accurate registration for vote counting. Shareholders were able to register to attend and exercise their voting rights on agenda items for which they have not voted for in advance once the meeting commenced. For shareholders unable to attend the meeting and who would like to appoint a proxy, TISCO presented independent director profiles for shareholder selection as proxy, while also allowing management, directors or any other person to attend the meeting on their behalf. TISCO attached Proxy Form B, which allows shareholders to specify their voting decision with the notice. Moreover, shareholders could cast their votes

in advance on the Voting Form sent out with the Notice of shareholders meeting. The shareholders can also download other types of proxy forms and Voting Forms from the Company's website.

For the 2020 Annual General Meeting, the Company proposed three independent directors, Chairman of the Board of Directors, Chairperson of the Audit Committee, and Chairperson of the Nomination and Compensation Committee, and included their profiles for shareholders to appoint as a proxy.

- Shareholder opportunity for queries and comments

Before the date was set for the meeting, TISCO invited shareholders to submit questions regarding the Company and meeting agenda that require clarification by the Board of Directors and management at the meeting. Questions may be submitted in advance via fax or emailed to Investor Relations. At 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.

For the 2020 Annual General Meeting under the COVID-19 pandemic, there were 10 out of 12 members of the Board of Directors in attendance (83.3333 per cent). TISCO Management Committee members, auditors and representatives from the Bank of Thailand 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 the 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 agenda items, the shareholders will be informed of the number and proportion of shareholders or proxies in attendance, their voting rights, total votes required for each agenda item, and the voting process. 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 items and cumulative voting for the appointment of directors. The Company assigns inspectors to oversee and monitor the shareholders' meeting to ensure that the meeting is conducted with transparency and in compliance with the law and the Articles of Association. After the vote count is completed, voting results of each agenda item will be announced to the meeting, by specifying the number of "For", "Against", and "Abstain" votes.

The 2020 Annual General Meeting was conducted according to the Company's Articles of Association with no additional agenda items, no changes to the agenda order, and 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 clarity and transparency and in accordance with laws and the Company's Articles of Association. Representatives of DIA Audit Company Limited observed the registration and vote counting throughout the meeting.

For the election of directors, TISCO 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 directors.

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 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 has disseminated the minutes on its website and submitted them 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 head office. In addition, TISCO has arranged for a recording of the shareholders meeting. Shareholders who are interested may request a copy of the DVD from Investor Relations and Corporate Secretariat Office.



For the 2020 Annual General Meeting held on June 26, 2020, the Company reported the shareholders' meeting resolutions through the SET's information dissemination channel on the same day of the meeting and disclosed the minutes of the meetings on July 10 2020, in compliance with the above-mentioned timeframe.

Regarding measures taken to prevent conflicts of interest, the Company has set a 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 four management whose ranks are below Top Management, any person holding equivalent position of the fourth ranked management, and Accounting department managers must first file with the Company a report on his/her interest or related person's interest in relation to management of the Company upon appointment and within three working days of 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, the rules prohibit 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 of statements of assets and liabilities of TISCO are published.

Directors, Top Management or top four management whose ranks are below the Top Management, any person holding equivalent position of the fourth ranked management, and Accounting department managers must report their securities holdings or change(s) of such or derivatives in TISCO, as well as those of their spouses, cohabitants, and any minor children, to the Office of Securities and Exchange Commission. This report on securities holdings must be filed within 30 days of the date of appointment and within 3 working days of 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 reports the director shareholdings and activities report to the Board for acknowledgement under the Audit Committee's activities.

The above-mentioned persons must file a copy of their report on securities holdings or derivatives with TISCO on the same date that the 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 requirements.

TISCO Group has placed great emphasis on managing its business operations effectively under the good corporate governance framework. 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 the transactions to the Board of Directors Meeting for approval on a case-by-case basis. The Company shall consider said transactions with the same standards and 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 the TISCO Corporate Governance Policy – Section: Rights and Equitable Treatment of Shareholders, and their legal rights, either those 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, creditors, competitors, and society at large.

### **1. Shareholders**

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

## 2. Employees

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

## 3. Customers

TISCO strives to maintain a sustainable relationship with customers. TISCO fulfills its contractual commitments with customers by providing professional and practical solutions which are beneficial and worthwhile for customers in accordance with the highest standards and code of conduct without accepting any bribes or providing benefits in an improper manner.

## 4. Business Partners and Creditors

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

## 5. Competitors

TISCO operates its business with respect for free and 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, including support of cartels, monopolies, or criticism of other banks.

## 6. Social

TISCO recognizes its social responsibilities and thus undertakes development initiatives to build a better society. TISCO is prudent when considering any action that may affect public interest. Furthermore, TISCO aims to promote financial inclusion and literacy as part of a healthy and strong society and supports activities beneficial to communities and society.

## 7. Environment

TISCO recognizes the importance of a healthy environment and thus has rolled out environmental policy that builds a framework for environmentally-responsible business practices.

TISCO Group provides a variety of contact channels, including the TISCO Contact Center, service counters, TISCO Group website, and TISCO dedicated functions. These include the Investor Relations Function which is responsible for feedback from shareholders and the investor community and the TISCO HR Help Line which is responsible for feedback from employees. Moreover, the Compliance Function has been assigned to receive suggestions, complaints or any other concerns related to TISCO business operations and regulatory matters. Significant issues shall be reported to the Compliance Committee for consideration. In cases of critical corporate issues, the Compliance and Operation Control Committee will preliminarily screen the issues before reporting them to the Audit Committee. The Compliance and Operation Control Committee will further review, advise upon, and report the issues and/or outcome to the Board of Directors. In addition, to protect the rights and privacy of claimants, the company has created a Whistleblowing Policy and operational procedures to handle claims from customers, employees and stakeholders. Comments, complaints or any information given is protected and kept confidential.

### **Whistleblowing Policy**

Reflecting its organizational commitment to transparency and fairness to all groups of stakeholders, TISCO Group has formulated a Whistleblowing Policy which has been approved by the Board of Directors. The stipulations given therein include the Process for Accepting and Handling the Report of Improper Activities and availability of Reporting Channels for both employees and external parties. The policy is formulated to fairly treat all involved parties and encourage them to raise any serious concerns they may have about management instances of unethical behavior, actual or suspected, fraud, wrongdoing, malpractice or violation of the laws and regulations, including but not limited to misconduct.



TISCO Group provides avenues for all stakeholders to raise concerns, complaints or to report any improper activities which include but are not limited to infringement of the Business Code of Ethics.

Complaints or reports of improper activities can be filed by sending a letter to the Chairman of Audit Committee or Compliance Function at 48/49 TISCO Tower, North Sathorn Road, Silom sub-district, Bangrak district, Bangkok 10500. The availability of reporting channels is publicized through the corporate website of the Company.

TISCO Group provides a channel for employees to complain or raise concerns related to improper activities through the HR Help Line which has been thoroughly communicated via the organizational intranet. The process for dealing with complaints from employees through the HR Help Line includes consideration and investigation into whether the complaint concerns a wrongful act. Any actions, which reveal wrongdoing, unethical behavior, or violations of Code of Conduct by any employees will be processed according to disciplinary guidelines.

TISCO has measures to protect the rights of information providers and provides necessary safeguards for the protection of employees from reprisals or victimization. In 2020, no significant complaint or ethical issue was noted.

#### **Complaint Channels**

- Channel 1** Complaints can be submitted at TISCO Bank's Head Office or branches directly to officers or by filling out a form and submitting it to officers.
- Channel 2** Mail to the address below:  
Chairperson of the Audit Committee or 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 complaint to 0 2633 6800
- Channel 4** Post complaint on TISCO's website
- Channel 5** TISCO HR Help Line for employees

### **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.

Disclosure is conducted in Thai and English and made available through easily accessible 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 voting results for all resolutions from the annual general meeting and extraordinary general meetings.

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 on 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 assessment of 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 for certification of the accuracy of information in financial statements and 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 (Form 56-1), Annual Report, and Sustainability Report reflecting value-creating practices for a sustainable business.

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, individual remuneration, profiles of directors and management, and other corporate information in the Annual Report and the Company's website.

The Company has 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 "Investor Relations". Furthermore, TISCO has set up numerous activities which provide updates on the Company's information as well as responses to inquiries from investors such as Quarterly Analyst Meetings, Press Conferences, One-on-One meetings and Investor meetings, both local and international. The mentioned activities are participated in by senior management. Activities arranged in 2020 were as follows:

1. 4 Quarterly Analyst Meetings with approximately 60 persons attending each meeting
2. 1 SET Opportunity Day event, arranged by the Stock Exchange of Thailand, with approximately 30 analysts and investors attending the meeting
3. 2 Company Visits (reduced due to the COVID-19 situation) and 31 conference calls with investors and equity analysts, both local and foreign
4. Meetings with investors, both local and foreign, were changed to Virtual Conferences in accordance with the Social Distancing guidelines outlined by the Securities Company; there were a total of 21 meetings, covering 211 investors in attendance.

For more information, please contact Investor Relations at:

Address	:	TISCO Tower Floor 7, 48/49 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 Holdings in the Company and Report on their Conflicts of Interest.

#### **4. Responsibilities of the Board**

The Board of Directors is appointed by the shareholders to take overall responsibility for TISCO. These responsibilities include directing, approving, and overseeing the implementation of 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 responsibility for TISCO's business, risk strategy, and financial soundness as well as how TISCO organizes and governs itself. *(See Roles and Responsibilities of the director positions mentioned above in Part 8: Management Structure)*

Given the above responsibilities, TISCO has a policy to select a Board that possesses, both as individual board members and collectively, appropriate and diverse experience, relevant competencies and personal qualities, including professionalism, personal integrity, ability to make independent and analytical inquiries, and a sufficient understanding of the business.

##### **4.1 Board Structure**

Structure, director composition and nomination practices, and independent directors, executive directors, and directors nominated by major shareholders have been thoroughly examined in order to ensure the appropriateness of the Board's composition.

Board members are selected on the basis of, among other things, knowledge, experience, skill, diversity of expertise, integrity, ability to make independent analytical inquiries, understanding of TISCO Group's business environment, and alignment with TISCO Group's strategy. TISCO has clearly established a proper structure of the Board as well as Guidelines for Board Composition and Selection Criteria with regard to the proportion of independent directors,

non-executive directors, directors who are part of management, and directors nominated by major shareholders to ensure the appropriateness of the Board's composition. In addition, term of office for TISCO's directors is one 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. Note that the former Board of Directors shall remain in office to conduct the business of the Company as necessary until the new Board of Directors takes office.

Recognizing the importance of their roles and to be in compliance with the Bank of Thailand regulations, directors, managers and persons with controlling power are allowed to assume the position of Chairman, executive director, or director with signatory authority in no more than three listed companies and are allowed to hold directorship or management roles or serve as an authorized person or advisor who possesses director duties within five locally and internationally listed companies, excluding listed companies from debt restructuring. Directors and management should avoid other positions or jobs that may lead to conflicts of interest with the Company.

In achieving transparency and the proper balance of power, the Chairman of the Board shall be independent directors and/or non-executive directors. In addition, the Chairman of the Board shall not be a member in any other committees. This is to ensure the independent views of the committees. The Chairperson of the Audit Committee must not be Chairman of the Board, Nomination and Compensation Committee and/or Risk Oversight Committee. Moreover, the Board must clearly separate its roles and responsibilities from those of management to ensure a proper balance of power and avoid a situation whereby a single individual has absolute power in decision making. For example, the Chairman of the Board and 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 Risk Oversight Committee, the Audit Committee, the Nomination and Compensation Committee, and the Corporate Governance Committee. Each committee will have a proper structure as well as guidelines for composition and selection criteria. They also have their own written charter that sets out mandates, operating policies and guidelines.

TISCO assigns the Corporate Secretary the responsibility of taking care of the Board's activities, monitoring compliance with the Board's resolutions, handling Board Meetings and shareholder meetings on matters concerning notice, meeting minutes, and other duties as required by the related laws and regulations of the governing authorities.

Moreover, to be in compliance with the Securities and Exchange Act B.E. 2535, the Company has 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 involved persons to the Corporate Secretary. Once any changes to the information are made, the Corporate Secretary is responsible for reporting any conflict of interest to the Chairman of the Board and Chairperson of the Audit Committee.

The Board of Directors contributes in two roles: operations and corporate governance. Priority is given to the Company's strategy, including monitoring and controlling the Company's operations to ensure key policies are sufficiently and effectively carried out and in accordance with the applicable laws and regulations.

#### (1) Operations Role – The Board as Strategy and Policy Maker

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 TISCO Group. Short-term business plans should outline specific and measurable targets which management adheres to and which are evaluated at regular intervals. Any significant departures from such plans should be carefully considered and approved well in advance of their implementation. The planning process should also include alternative strategies to meet unanticipated operational contingencies as they occur, avoiding unnecessary risk.

The Board shall establish strict operational policies designed to regulate personnel administration, financial disclosure, auditing and investments. These must be consistent with the institution's long-term and short-term strategic plans to ensure that the company operates its business as assigned. By approving the implementation of such policies and procedures developed by management, the Board defines what practices are

acceptable and in line with the overall business philosophy of the institution. Policies should be devised to assist the institution's management in determining what actions to take in various situations, limiting unnecessary errors resulting from ill-informed judgment.

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

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

TISCO emphasizes effective operations under good corporate governance; related party transactions or transactions that may cause conflicts of interest are generally discouraged across TISCO Group. The Audit Committee shall thoroughly review and report and/or propose such transactions to the Board for approval, on a case-by-case basis. TISCO will consider the mentioned transactions as normal business transactions - those which may be within the scope of conflict of interest shall be disqualified from approval.

## (2) Corporate Governance Role – Board Oversight

Although the Board delegates a substantial part of its administrative function, including day-to-day operations, to a full-time management team, in fulfilling its compliance roles it 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 environment and legal and regulatory frameworks. Directors should also be aware of the potential liabilities imposed on them by laws or regulations and ensure that TISCO Group has appropriate policies and procedures in place to maintain compliance. Directors should also be aware and keep themselves updated on local, regional, national, and international financial trends and any statutory and/or regulatory changes affecting TISCO Group.

Management shall present reports to the Board on status and operating results, including financial information, loan risk management, liquidity, market trends, investment, assets and debts, and legal and regulatory compliance as these are vital in ensuring the Board can properly oversee the company's operations. The Board shall review those reports and information with due care in order to be aware of signals such as regression in operating results, increasing risks, management abuse of power, internal control issues, breach of laws and regulations, and other matters affecting reliability and accuracy of reports.

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

The Board should ensure that management has identified potential risks and 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 the risk management strategies ultimately implemented by senior management

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

#### **4.2 Board Performance Self-assessment**

In order to improve its performance, the Board of Directors has formulated an annual self-assessment process to gauge Board performance and resolve any issues they may have as a whole and on an individual director level. The assessment is based on self-evaluation against a benchmark system set in advance. 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 ensure the appropriateness of the Board's composition and Board performance, in accordance with corporate governance best practices. The Board of Directors shall analyze the assessment results, recommendations and remarks from Board members and consider application in accordance with the Company's business environment and operations. In 2019, the Nomination and Compensation Committee divided the self-assessment into two forms: whole and individual self-assessment and a cross-assessment. Approval was granted by the Board of Directors.

The Director's Individual Cross-assessment randomly paired directors' names for evaluation. The Corporate Secretary sent out the following assessments:

1. The Board of Director Performance Self-assessment as a whole, comparing compliance with best practices and efficiency in:
  - a) Board Policy
  - b) Board Performance
  - c) Board Structure
  - d) Board Style
  - e) Board Meetings
  - f) Board Members
2. The Director's Individual Self-Assessment and Cross-Assessment
  - a) Board Structure and Qualifications
  - b) Board Meeting
  - c) Roles, Duties and Responsibilities of the Board

The Corporate Secretary subsequently collected all assessments within the schedule for the evaluation.

The Nomination and Compensation Committee, as proposed by the Corporate Secretariat Office, reported the assessment results to the Board for acknowledgement, discussion, and recommendations for improved efficiency at the Board of Directors' Meeting No. 1/2021 held on February 24, 2021.

Results for 2020 indicated that Board Performance, Board Structure, Board Members, Board Policy, Board Performance and Board Meetings were up to best practice standards. As for efficiency, almost all board members were rated "Excellent" or "Satisfactory" for effective ratings in all six areas of assessment.

As for the Self-Assessment and Cross-Assessment, "Excellent" or "Satisfactory" ratings were given for the topics of knowledge and experience of board members and useful comments were given during the meeting for further improvement.

In 2020, the Board of Directors also formulated performance self-assessments for all sub-committees, specifically the Executive Board, the Risk Oversight Committee, the Audit Committee, the Nomination and Compensation Committee and the Corporate Governance Committee. The self-assessments are conducted annually and the results were presented at the

Board of Directors' Meeting No. 1/2021 held on February 24, 2021. In addition, the 2020 performance self-assessments of each committee are disclosed as part of the committees' reports in the Annual Registration Statements (Form 56-1) and the Annual Report.

Recognizing the importance of transparency in determination of a Director's independence and to provide greater clarity for the benefit of shareholders and stakeholders, the Board reviewed and approved the **Policy on Assessing the Independence of Directors** on August 21, 2020, in order to make determinations for all independent directors annually, in addition to those whose term of service as independent director falls under the 9-year presumption of non-independence. Each Independent Director was evaluated by every director. Assessments were kept and compiled secretly by the Company Secretary to prevent conflicts of interest and were proposed to and considered by the Nomination and Compensation Committee. The assessment of the independence of six independent directors, namely Mr. Pliu Mangkornkanok, Assoc. Prof. Dr. Angkarat Priebjrivat, Prof. Dr. Pranee Tinakorn, Mr. Sathit Aungmanee, Dr. Charatpong Chotigavanich and Dr. Kulpatra Sirodom, revealed that their independence is still effective.

### 4.3 Remuneration

To ensure transparency and propriety of duties, the Board of Directors assigns the Nomination and Compensation Committee to formulate director remuneration policies with transparent criteria. Director remuneration shall be commensurate with duties and responsibilities. Directors who are assigned extra work shall 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 given to work experience, expertise, commitment, as well as the contributions or benefits each director brings. Such criteria should help avoid excessive payment.

### 4.4 Board and Management Training

It is TISCO Group's policy to encourage regular training and educational activities for directors. The Company has arranged membership in the Thai Institute of Directors Association for all directors in order to help them stay abreast of news and updates as well as trainings beneficial to directorship in a listed company. Training schedules shall be regularly notified to the directors in advance.

When a new director is appointed to the Board, senior management will arrange for an orientation on TISCO Group's business operations and past performance to provide a clear understanding and enable the director to fully perform his/her duties. The Company shall also provide a copy of the Director's Manual and the Corporate Governance Policy to such directors.

Each director has already completed programs related to the roles and responsibilities of directors. Ten out of twelve (83.33 per cent) of the members of the Board of Directors attended training programs and seminars to enhance knowledge and skills in 2020. Details are as follows:

Name	Training Program
1. Mr. Pliu Mangkornkanok	<b>Public Training</b> <ul style="list-style-type: none"> <li>Cyber Resilience, Bank of Thailand</li> </ul> <b>In-house Training</b> <ul style="list-style-type: none"> <li>IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd.</li> <li>Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain &amp; Company, Inc.</li> </ul>
2. Mr. Suthas Ruangmanamongkol	<b>In-house Training</b> <ul style="list-style-type: none"> <li>Corporate Sustainability Development, SBDI Co., Ltd.</li> <li>IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd.</li> <li>Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain &amp; Company, Inc.</li> </ul>
3. Associate Prof. Dr. Angkarat Priebjrivat	<b>In-house Training</b> <ul style="list-style-type: none"> <li>Corporate Sustainability Development, SBDI Co., Ltd.</li> </ul>



Name	Training Program
	<ul style="list-style-type: none"> <li>IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd.</li> <li>Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain &amp; Company, Inc.</li> </ul>
4. Prof. Dr. Pranee Tinakorn	<b>In-house Training</b> <ul style="list-style-type: none"> <li>Corporate Sustainability Development, SBDI Co., Ltd.</li> <li>IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd.</li> <li>Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain &amp; Company, Inc.</li> </ul>
5. Prof. Dr. Teerana Bhongmakapat	<b>In-house Training</b> <ul style="list-style-type: none"> <li>IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd.</li> <li>Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain &amp; Company, Inc.</li> </ul>
6. Mr. Sathit Aungmanee	<b>In-house Training</b> <ul style="list-style-type: none"> <li>Corporate Sustainability Development, SBDI Co., Ltd.</li> <li>IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd.</li> <li>Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain &amp; Company, Inc.</li> </ul>
7. Dr. Charatpong Chotigavanich	<b>Public Training</b> <ul style="list-style-type: none"> <li>Corporate Strategy beyond the Crisis, a Chairman/Board Perspective, Thai Institute of Directors</li> </ul> <b>In-house Training</b> <ul style="list-style-type: none"> <li>Corporate Sustainability Development, SBDI Co., Ltd.</li> <li>IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd.</li> <li>Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain &amp; Company, Inc.</li> </ul>
8. Dr. Kulpatra Sirodom	<b>Public Training</b> <ul style="list-style-type: none"> <li>Cyber Resilience, Bank of Thailand</li> </ul> <b>In-house Training</b> <ul style="list-style-type: none"> <li>Corporate Sustainability Development, SBDI Co., Ltd.</li> <li>IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd.</li> <li>Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain &amp; Company, Inc.</li> </ul>
9. Mr. Satoshi Yoshitake	<b>In-house Training</b> <ul style="list-style-type: none"> <li>Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain &amp; Company, Inc.</li> </ul>
10. Mr. Sakchai Peechapat	<b>Public Training</b> <ul style="list-style-type: none"> <li>Innovating from Necessity: The Digital Business Building Imperative in the Current Crisis, Thai Institute of Directors</li> <li>Super Thailand Insurance Leadership Program, Class 1 Office of Insurance Commission (OIC)</li> </ul> <b>In-house Training</b> <ul style="list-style-type: none"> <li>Corporate Sustainability Development, SBDI Co., Ltd.</li> <li>IT Security Awareness for Top Management, ACIS Professional Center Co., Ltd.</li> <li>Chairman/Board perspectives on Corporate Strategy, beyond the crisis, Bain &amp; Company, Inc.</li> </ul>

In addition, board members and top management attended other training programs and seminars in 2020, as presented in Attachment 1.



#### **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 two parts: Financial KPI and Non-Financial KPI. The KPIs set are in alignment with the Company Vision Mission and short-term, mid-term, and long-term goals of the Company with consideration for the business situation and environment.

To ensure the effectiveness of the assessment, the Nomination and Compensation Committee will arrange 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, the performance assessment of TISCO Group's Chief Executive will take into consideration the assessment result from the Chairperson of each sub-committee, namely the Executive Board, the Risk Oversight Committee, the Audit Committee and the Corporate Governance Committee, together with the assessment from the Nomination and Compensation Committee. The assessment result will be reported at the Board of Directors Meeting.

#### **4.6 Succession Planning**

To ensure stability and continuity in TISCO Group business operations, successors are determined for all key positions. The Board of Directors assigns the Nomination and Compensation Committee to oversee preparation of a Top Management succession plan. Said plan shall be regularly reviewed as appropriate. For other senior management positions, Top Management and the Human Resources Function shall review and evaluate the successors for the Nomination and Compensation Committee's approval by considering factors such as qualifications, knowledge, ability, experience, and evaluations of qualified management.

### **5. Integrity and Ethics**

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

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

- a) Compliance with applicable laws and regulations.
- b) Conflicts 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.

#### **9.2 Other Committees**

To optimize the efficiency of its corporate governance and maintain a high performance standard, the Board of Directors delegates committees to take on tasks that require detailed review or in-depth consideration. Such committees, including the Executive Board, the Risk Oversight Committee, the Audit Committee, the Nomination and Compensation Committee and the Corporate Governance Committee, and others as 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, scope of operation, composition of the committee, experience and expertise of each director, and compliance with the Principles of

Good Corporate Governance. The scope of authority given to other committees shall exclude approval for conducting transactions in which a committee member has or may have a conflict of interest.

The Board of Directors is accountable for clearly defining and separating the roles and responsibilities of the Board of Directors, the Executive Board, the Risk Oversight Committee, the Audit Committee, the Nomination and Compensation Committee and the Corporate Governance Committee as detailed below. *(Details of Management Structure are described under Section 8)*

The Executive Board is authorized to act in operational matters that require in-depth consideration of policy, propose business strategy and recommendations to the Board on matters of budget allocation, procedural issues, and human resources and administrative issues, which include compliance policy, law, regulation, and business ethics. The Executive Board also handles matters that in ordinary circumstances would require Board review, but due to a particular circumstance need 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.

The subsidiary companies may set up their own Executive Board Committees in accordance with regulatory requirements under the Guidelines on Consolidated Supervision of the Bank of Thailand, to ensure adoption and implementation of responsibilities as defined by the TISCO Executive Board Committee.

The Executive Board consists of four Executives Directors appointed by the Board, namely Mr. Suthas Ruangmanamongkol as the Chairman of the Executive Board, Mr. Chi - Hao Sun (Howard Sun), Mr. Satoshi Yoshitake and Mr. Sakchai Peechapat.

The Risk Oversight Committee is responsible for overseeing the effectiveness of risk management practices while ensuring the risk management strategies and action plans are in line with approved risk management policies, strategies and appetite.

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

The Risk Oversight Committee consists of four Directors appointed by the Board, namely Prof. Dr. Teerana Bhongmakapat as the Chairman of the Risk Oversight Committee, Dr. Charatpong Chotigavanich, Mr. Sakchai Peechapat and Mr. Chatri Chandrangam.

The Audit Committee provides independent oversight and review of financial reports, internal controls, and audit matters related to TISCO Group business activities. It also ensures transparency and completeness of disclosure and is responsible for ensuring independent checks and balances to produce financial statements that are fair in presentation and to make timely disclosures to investors. The Audit Committee engages as an independent auditor of TISCO to audit the financial statements prepared by management and to issue an opinion on whether 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 in accordance with regulatory requirements. To ensure adoption and implementation of responsibilities as defined by the TISCO Audit Committee, the Audit Committees of the Bank, where applicable, must report to the TISCO Audit Committee under the Guidelines on Consolidated Supervision of the Bank of Thailand.

The Audit Committee consists of three Independent Directors appointed by the Board, namely Associate Prof. Angkarat Priebjivat as the Chairperson of the Audit Committee, and Mr. Sathit Aungmanee and Dr. Kulpatra Sirodom as members. All members of the Audit Committee have sufficient knowledge and experience to review the trustworthiness of financial statements. *(See Attachment 1 Details of Director, Management, control persons, and Company Secretary)*

The Nomination and Compensation Committee is charged with the responsibility of overseeing directors and the Top Management nominating policies and criteria of TISCO Group, including identifying qualified candidates for directorships, Chairman and Vice Chairman of the Board, Chief Executive Officer ("CEO"), subcommittees,

and senior management (i.e. MC and one further level down) to the Board and/or committees whose functions, responsibilities and authorities are directly given by the Board. It nominates candidates for the Board and CEO/President of subsidiary companies, which are directly supervised by financial and capital market regulators, and submits them for acknowledgement by TISCO's Board. These subsidiaries are TISCO Bank, TISCO Securities and TISCO Asset Management. TISCO's Nomination and Compensation Committee adopts and oversees the implementation of selection and compensation policies for the Board and management. It also establishes goals for performance-based compensation and determines the compensation of the Group CEO and senior management to create long-term value for the company.

The Nomination and Compensation Committee consists of four Directors appointed by the Board, namely Prof. Dr. Pranee Tinakorn as the Chairperson of the Nomination and Compensation Committee, and Mr. Hon Kit Shing (Alexander H. Shing), Mr. Sathit Aungmanee and Dr. Kulpatra Sirodom as members.

The Corporate Governance Committee establishes Corporate Governance Policy and Code of Conduct including communication to directors, management, and employees, oversees the practices of the Board of Directors, Board committees, and ensures management is in compliance with the Corporate Governance Policy, Code of Conduct, and related laws and regulations.

The Corporate Governance Committee consists of three Directors appointed by the Board, namely Prof. Dr. Teerana Bhongmakapat as the Chairman of the Corporate Governance Committee, and Prof. Dr. Pranee Tinakorn and Dr. Charatpong Chotigavanich as members.

#### Specific-Area Committees of TISCO Financial Group

- The TISCO Management Committee comprises senior management of key business and control areas of TISCO Group appointed by the Nomination and Compensation Committee with proposal from the Group CEO and ratification by the Board of Directors. The Management Committee is responsible for formulating TISCO Group's business strategy, financial goals, business plan, and annual budget, and to ensure that operations are in accordance with the strategies and business plan and comply with Corporate Governance Policy and related regulations.
- The TISCO Risk Management Committee comprises senior management of key business and control areas of TISCO Group. The committee is appointed by the Group CEO to determine overall risk management policies, risk limits, and strategies of the Group. TISCO's Risk Management Committee proposes risk management policies and strategies, as well as reports risk monitoring results to the TISCO Executive Board and TISCO Board regularly.
- The Compliance and Operation Control Committee is appointed by the Group CEO to review operational productivity, risks, and control activities, and to ensure an optimal level of operations that promote both operating efficiency and adequate risk control. The TISCO Compliance & Operation Control Committee ensures that TISCO complies with related laws and regulations and that internal controls across TISCO Group are effective, and reviews and determines mitigation plans and actions in response to significant operational risk incidents.
- The IT Risk Management Committee is appointed by the Group CEO to determine IT Risk Management Policies as an integral part of the Enterprise Risk Management Policy of TISCO Group. The committee ensures compliance in IT processes with related laws and regulations and the IT Risk Management Policies. The committee promotes effective IT risk management processes across TISCO Group and oversees, monitors, and controls IT risk management activities and key risk indicators, as well as key IT strategies and projects from a risk perspective.
- The Technology and Infrastructure Committee is appointed by the Group CEO to determine IT strategies and platforms for the Group. It also ensures smooth and effective central IT and operating infrastructure, including core servers, application architecture, MIS, and building and office-related infrastructure and equipment. In addition, the committee reviews IT capital expenditure and ensures sound IT and infrastructure security policy within TISCO Group.

- The TISCO Human Resources Committee is appointed by the 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 Committees 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 management of the bank's various business units. The TISCO Bank Risk Management Committee reports to the TISCO Risk Management Committee under the Guidelines on Consolidated Supervision of the Bank of Thailand.

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 Credit Review function regularly reviews compliance with the credit approval guidelines and procedures.
- The Problem Loan Committee of TISCO Bank ensures adoption and implementation of problem loan and provisioning policies and strategies. It is also responsible for effective implementation of policies, guidelines and control procedures for review, handling and monitoring of problem loan accounts in compliance with TISCO Group policies and guidelines. The Problem Loan Committee report problem loans, provisioning activities and all significant issues to the TISCO Executive Board and to the TISCO Risk Management Committee on a regular basis.

### **9.3 Directors and Management Selection Guidelines**

#### **9.3.1 Director and Independent Director Nomination**

The Nomination and Compensation Committee shall, upon considering the Group's needs and good corporate governance, identify and propose qualified nominees with knowledge, expertise, and experience in accordance with TISCO Group's strategy, and sufficient understanding of banking and finance, including securities, economics, law, information technology or any other fields deemed appropriate to the Board's structure so as to ensure a variety of opinions in the Board. This includes diverse board composition in terms of age, sex, knowledge, expertise, experience, and other key qualifications in order to generate a healthy range of opinions and judgments on business matters. Number of Independent Directors is set to be more than Non-Executives while the number of directors nominated by each major shareholder shall be in accordance with the shareholding proportion for the appropriate balance of power and authority. The Nomination and Compensation Committee shall consider recommendations from minority shareholders on the nomination of directors or independent directors, in accordance with the Company's criteria as specified under Section 9.1.

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

1. 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 half of the directors are domiciled in Thailand. In addition, the number of directors who are persons of Thai Nationality shall be in compliance with related laws.
2. The general meeting of shareholders shall elect directors in accordance with 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 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, at 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 the number of votes for candidates would result in a tie or cause the number of directors to exceed the limit, 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, as necessary, until the new Board 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 by the remaining directors, unless the term of the original director is less than two months. For the purposes thereof, the resolution of the appointment of new directors shall be valid with a 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. Likewise, 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 a vote of not less than three-fourths of the number of shareholders who attend the meeting and have the 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 the right to vote.

In terms of balance of power, it was determined to be in the Group's interest to have more non-executive directors than executive directors whereby directors who are representative of shareholders shall be determined based on the 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 for selection should generally include consideration of the candidates' character, technical competence, and employment experience in the financial services field. Successful candidates 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 recommend them to the Executive Board for approval.

### **9.3.3 Qualifications of Independent Directors**

A person to be nominated or appointed as an independent director must comply with the rules of the Bank of Thailand, the Capital Market Supervisory Board, the Securities and Exchange Commission, and the Stock Exchange of Thailand, including qualification requirements as defined in the policy and guidelines of TISCO's Corporate Governance, all of which are summarized below.

- (1) Holding shares not exceeding 0.50 per cent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate 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 a non-independent Director of TISCO, its subsidiary and affiliate, same-level subsidiary, or juristic person who may have a conflict of interest within the last two (2) years.
- (3) 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, affiliate, or juristic person who may have conflicts of interest within the last two (2) years.
- (4) Not being a person related by blood or registration under laws, (such as father, mother, spouse, sibling, and child, including spouse of the children) of executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary.
- (5) Not having a business relationship as specified by the Capital Market Supervisory Board with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in a manner which may interfere with independent judgment, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest within the last two (2) years.
- (6) Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person 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, affiliate or juristic person who may have conflicts of interest within the last two (2) years.
- (7) 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, affiliate 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 within the last two (2) years.
- (8) 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.
- (9) Not undertaking any business in the same nature or in competition with the business of the Company or its subsidiary companies or being a significant partner in a partnership or an executive director, employee, staff, advisor who receives salary or holds shares exceeding one percent of the total number of shares with voting rights in another company which undertakes business of the same nature or in competition with the business of the Company or its subsidiary companies.
- (10) Not being an independent director for more than 9 (nine) consecutive years in TISCO or its subsidiaries. This excludes those who were appointed as Independent Directors before 23 June 2018; such directors can be Independent Directors for more than 9 (nine) years, effective until 1 May 2022.
- (11) Not having business or taking part in management or benefiting from the financial institution or having any characteristics which make him/her incapable of expressing independent opinions, decisions, or voting with regard to the Company's business affairs.

#### **9.3.4 Direct or Indirect Business Relationship or Being a Provider of Any Professional Service by an Independent Director Over the Past Accounting Period<sup>1</sup>**

- None –

<sup>1</sup> 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

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

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

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

All support and control functions will be centralized at TISCO in order to create good governance standards, promote synergies, and maximize the operating efficiency and effectiveness of TISCO Group operations. These centralized operations cover the areas of governance, strategy & planning, finance & accounting, risk management, credit controls, internal control & compliance, human resources, as well as business development and process improvement activities. Centralized policies will be set up on these aspects for application across all subsidiary companies. Subsidiary companies serve as strategic business units which focus on various financial services. The key roles of strategic business units consist of sales & marketing, customer relationships, and delivery of products and services to customers. The companies also have their own transaction processing and credit controls. The subsidiary companies will operate their businesses within the policies, guidelines and strategic directions given by TISCO, the parent holding company. Ongoing monitoring and feedback of the performance and key business activities of all subsidiaries will be carried out and reported to the TISCO Board of Directors, as well as supervision of key decision making and controls. As a guiding principle, all key decisions regarding investments or divestments, asset acquisitions or disposal, business joint ventures or strategic alliances by subsidiary companies shall be approved by TISCO.

In addition, the Company has assigned certain Management Committees and management supervising functions within TISCO Group from subsidiary companies to be employed under the Company. The Company seconded such management to the same subsidiary companies for the same responsibilities on a full-time basis. This is to ensure that they devote their time to effectively managing subsidiary companies under the TISCO Group strategy and plan approved by the Board of Directors.

To ensure coherent adoption of corporate governance across all subsidiary companies in TISCO Group<sup>2</sup>, the roles and responsibilities of the Directors and the Management who the Company has seconded to manage the subsidiary companies have been clearly set. Follow-up procedures are set for subsidiaries to ensure prompt disclosure of any important information, in accordance with relevant laws and regulations, and to ensure that the subsidiaries are sufficient and appropriate for the internal control system, including ensuring Directors and Management fulfill their duties and responsibilities in accordance with the governing laws and regulations. As stated, the Board of Directors has delegated its monitoring and supervising roles to certain Management and sub-committees. Details on the scope of authorities, duties and responsibilities of Sub-Committees are shown in subtopic 8.1 and 9.2. For subsidiary companies' related party transactions with related parties, significant acquisitions or dispositions of assets, or other significant transactions of subsidiary companies, i.e. termination of subsidiary companies,

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



capital share increase or reduction, approval must be sought from the Board of Directors or at the Shareholder Meetings prior to conducting such transactions. The Company strictly follows the regulations of the Stock Exchange of Thailand, Notifications of the Securities and Exchange Commission, and relevant Notifications of the Capital Market Supervisory Board regarding any related party transactions and any transactions that may cause conflicts of interest.

## **9.5 Control of Internal Information**

TISCO Group determines the best practices for employees to carry out their duties with integrity, fairness, and compliance with related rules and regulations, confidentiality towards customers, and no preference to pursue personal opportunities over TISCO Group's responsibilities, including making no use of non-public information or disclosing information to persons outside of TISCO. 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 to not seek benefits from insider information. Business guidelines, regulations, and the code of conduct have all been compiled in the creation of the Company's compliance manual.

With respect to TISCO Group's regulations governing employee securities trading, the Group requires that management and employees open trading accounts only with TISCO Securities, its subsidiary. In this regard, employees must report transactions to the Compliance function. Furthermore, the Group prohibits senior management and insiders from trading the Company's shares within seven working days of the last day of the month until two days after the Company's monthly financial statements or concise assets and liabilities statement are published. A Director privy to important information about TISCO that has not been disclosed to the public must keep such information confidential. It is a violation of the law to purchase or sell TISCO stock on the basis of such important non-public information. Directors may not do so and may not provide such information to others for that or any other purpose. Directors shall maintain the confidentiality of any non-public information learned in the performance of their duties on behalf of TISCO, except when disclosure is authorized or legally mandated. Directors shall disclose to TISCO the securities trading accounts of themselves and their related persons for the purpose of monitoring and preventing the use of non-public information. Directors shall notify the Corporate Secretary at least one day before dealing in any TISCO shares, in accordance with the Corporate Governance Policy.

Penalties shall be imposed for any breach and use of non-public information for one's own benefit as determined in the Company's regulations.

## **9.6 Auditor's Fee**

### **9.6.1 Audit Fee**

Audit fee paid to EY Office Limited for the Company and its subsidiaries for 2020 amounted to Baht 10,530,000, increased 4.9% or Baht 490,000 year on year, mainly due to implementation of new accounting standards and related regulations, inflation, and the increase in transactions from expansion in number of branches, and new businesses in Hi-Way Co Ltd. Meanwhile, the audit fee of TISCO Investment Advisory was decreased as the company was dissolved in 2020.

### **9.6.2 Non-Audit Fee**

There is no non-financial audit fee for 2020.

## **9.7 Implementation of the 2017 Corporate Governance Code for Listed Companies**

The Company reviews the Corporate Governance Policy at least once a year through the Corporate Governance Committee. The Company adopted most principles and proposed them to the Board of Directors at Meeting No.6/2020 for acknowledgement. As of October 29, 2020, the Company is in the process of reviewing the Corporate Governance Policy to be in alignment with the 2017 Corporate Governance Code ("CG Code") for Listed Companies as prescribed by the Office of Securities and Exchange Commission and the Banking Industry Code of Conduct set by the Thai Banker's Association. Having assessed TISCO Group's compliance with the CG Code in detail and comparison with the TISCO CG Policy and actions, it was determined that TISCO Group has a policy, measures, and work processes that align with the CG Code guidelines. In addition, TISCO Group's CG system is developed to suit its business growth and the trends among international leading companies. The Board has also received some CG Code guidelines which are in the process of being applied to the Company, as seen below.

CG Code Guidelines	Explanation
1. The company should appoint an external consultant to set guidelines and provide recommendations for a board assessment at least once every three (3) years. This information should be disclosed in the Annual Report.	The Board of Directors agreed with the Corporate Governance Committee that the current assessment TISCO performs is appropriate. However, an external advisor could still be used in the future.
2. The Board should establish a policy that the tenure of an independent director should not exceed a cumulative term of nine (9) years from the first day of service. Upon completing nine years, an independent director may continue to serve on the Board, subject to the Board's rigorous review of his/her continued independence.	The Nomination and Compensation Committee as delegated by The Board of Directors has set up a Policy on Assessing the Independence of Directors whose tenure has exceeded nine years. The Board will announce a policy limiting the tenure of an independent director to not exceed a cumulative term of nine (9) years after May 1, 2022, in accordance with the Corporate Governance of Financial Institutions announcement from the Bank of Thailand.

#### 9.8 Comparison of Information Adjustment from the Bank of Thailand, the Securities and Exchange Commission of Thailand and the Office of Insurance Commission.

- None -

## 10. Social Responsibility

### Sustainable Business Practices

Throughout the five decades of our existence, TISCO Group has been committed to conducting business in a sustainable manner. We have incorporated the sustainability principle into our business to balance our management across environmental, social and governance (ESG) dimensions. The group's sustainability management is not only limited to our own corporate existence but also covers the sustainability of the banking sector and our rapidly changing world. The sustainability strategy encompasses four areas, namely economic, governance, social and environmental, which are integrated into our operation to clearly reflect our missions. We conduct business with responsibility to all stakeholders under the principle of corporate governance while adding value to society and the environment. For our sustainable banking journey, we have come up with a sustainability framework, which is implemented as a guideline to determine sustainability actions that respond to the priorities of each group of stakeholders. The framework has been approved by senior executives and incorporated as part of our mission. We also aspire to be part of the force working to achieve the UN's Sustainable Development Goals (SDGs).

This sustainability framework has been translated into a three-year sustainability roadmap already approved by the management. The roadmap articulates activities that correspond to sustainability priorities underlined by each stakeholder group and incorporates both short and long-term goals. The roadmap should give us a clear direction and operational goals. In addition, to ensure that it really reflects sustainability as anticipated by each stakeholder group, TISCO will review our operation plans annually. The sustainability framework is divided into three areas with main activities listed in the roadmap as follows:

1. To promote the responsible financial products and services (Marketplace)
  - Customer-centric
  - Integration of supervision, data management and protection for data privacy
  - Sustainable banking
  - Digitalization of financial products and services
2. To be the responsible financial institution with good governance (Workplace)
  - Corporate governance (CG)
  - Sustainable supply chain management
  - Anticipated risk and risk management
  - Quality and wellbeing of employees
3. To create a community and environment with responsibility (Community & Environment)
  - Financial service for sustainable quality living
  - Financial literacy
  - Support of social activities
  - TISCO Group's environmental management

Our operations in 2020 can be summarized as follows:

- 1) Responsible leadership in financial products

TISCO Group is fully supporting responsible banking through responsible lending. We have formulated a responsible lending policy, set up operational plans regarding responsible lending and issued a black list/prohibited list while encouraging responsible investment in companies that take into account social and environmental impacts. We also invite customers to take part in our social activities, where the proceeds derived from our financial products are partially donated to, amongst others, the Faculty of Medical Science, Chulalongkorn University's project to boost immunity against cancer.

- 2) Responsible financial institution under the principle of corporate governance

TISCO Group's supervision under the Market Conduct policy is conducted to ensure service access that takes into account customers' interests, protects customers through sound risk management and which can effectively handle any outcome. TISCO also focuses on all forms of anti-corruption actions, ensures fair and equal treatment of employees and provides ongoing capacity building activities to staff.

- 3) Responsible social and environmental endeavors

TISCO Group actively pursues business with social and environmental responsibility, as evidenced by our attempt to expand financial access through the Somwang, Ngern Sang Dai (Somwang, You can have Money when you Want) financial channels. In addition, TISCO promotes financial literacy, educating the public about possible financial threats through a series named Chum Chon Somwang Moo 8 (Somwang Village 8 Community) on our YouTube channel. We support government measures for less person-to-person contact and social distancing through our mobile banking. In addition, we pay attention to reducing environmental impacts by minimizing greenhouse gas emissions in

our operations, reducing the use of paper and electricity, refraining from using foam packaging in every TISCO office, restricting the use of single-use plastic bags and encouraging plastic bag recycling through waste separation, carrying your own bag and the “won” (recycling) plastic bag recycling project.

The Group’s sustainability endeavors are reported in the 2020 Sustainability Report published in accordance with the GRI Standards and the Financial Services Sector Disclosures. The report includes corporate information, direction of sustainability management and the 2020 key performance indicators (KPI) covering economic, social and environmental operations. The report takes into account relevance and values benefitting all groups of stakeholders. It also connects our operation in this area with the Sustainable Development Goals 2030 (SDG 2030).

### Anti-Corruption Actions

TISCO Group has underlined the importance of anti-corruption practice and has actively committed to this agenda. We have vigorously campaigned against corruption throughout our existence. Integrity is part of our corporate values and employees must comply with it. Anti-corruption policies and practices are published in the employee’s manual as well as on the company’s website in the corporate governance section for comprehensive access by relevant parties. (Additional details of the Group’s anti-corruption policy can be accessed at <https://www.tisco.co.th>).

The following are among the anti-corruption activities we have implemented:

1. Anti-corruption policies and practices have been established to minimize any chance that the organization could be exploited as a vehicle to commit corruption. The policy and practices are regularly reviewed in compliance with the industry’s best practice. Their essence is communicated to the management and employees through various channels such as the intranet, e-Training, meetings to announce changes and anti-corruption training toolkits incorporated as part of each employee’s compulsory KPI.
2. Tightening of our gift policy where no gift in any shape and form can be accepted from customers, suppliers and other parties relating to the business on any occasion. If refusal is impossible, the Group will donate such gift to charity or to TISCO Foundation and other charitable organizations. We announced the no-gift policy during the 2021 New Year Season on our website and issued letters informing our customers, suppliers and others of the no-gift policy either to employees or the management.
3. We have issued a whistleblowing policy and set up channels to receive complaints and grievances from internal and external parties. Third parties can access our grievance channel as detailed on our website. Information, which will be kept confidential, will be used for fact finding.
4. The corruption risk is assessed annually and the results are reported to a relevant committee.
5. With regard to the declaration of our anti-corruption intention,
  - a. TISCO has sent out an invitation letter to each supplier to invite them to become an anti-corruption partner. The Supplier’s Code of Conduct in which anti-corruption practices are detailed is also delivered to suppliers.
  - b. TISCO has expressed a strong intention to fight against all forms of corruption through collaboration with other agencies or associations. In 2020, TISCO was part of a private Thai anti-corruption coalition that saw us taking part in an online activity held on the theme “Power of Data” to celebrate the Anti-Corruption Day on September 15, 2020.
6. An evaluation of our anti-corruption activities shows that our current ranking is 4, which underlines TISCO’s status as a company with certified membership of the Thai Coalition Against Corruption (Thai CAC). We are also on a journey towards No. 5 ranking, defined as a company that promotes or expands anti-corruption practices among suppliers or other relevant actors.
7. Our securities and asset management subsidiaries also extend their collaboration to anti-corruption agencies.
  - a. TISCO Securities Co., Ltd. has disclosed an assessment of its anti-corruption involvement in its analysis report for investors to review.
  - b. TISCO Asset Management Co., Ltd. has done the same by disclosing its anti-corruption assessment result in the company’s fund documents. Assessment by and corporate membership in the Thai CAC are one of the factors determining whether for TISCO Securities’ funds should be invested in a particular company or not.

### Awards in 2020

Thanks to our commitment in financial service and product development in which the interests of all stakeholders are taken into account as well as the principle of corporate governance and social and environmental responsibility that has resulted in more than five decades of our sustainability, in 2020, TISCO was again lauded by local and international institutes. The details are given below.

## **International award**

### **Products and services**

#### **Pension Fund Provider of the Year Thailand 2020 (3<sup>rd</sup> year)**

TISCO Asset Management Co., Ltd. was awarded Pension Fund Provider of the Year Thailand 2020 for the third consecutive year by world-renowned financial media, the Global Banking and Finance Review. The award was given in recognition of regular returns the company produced for pension fund members while maintaining service standards that well responded to their diverse needs.

## **National Level**

### **Operating Results**

#### **The Best Company of the Year 2020**

TISCO Financial Group Public Company Limited was bestowed the Best Company of the Year 2020 Award in the financial sector at the Money & Banking Award 2020 Live Virtual event held by Money & Banking Magazine. The award is given to listed companies with excellent performances in four areas, namely, business size, profitability, investment returns and investment liquidity. The award strongly reflects TISCO's management efficiency.

#### **The Outstanding Asset Management Company Award**

TISCO Asset Management Co., Ltd. was honored with the Outstanding Asset Management Company Award 2020 at the SET Awards 2020 event held by the Stock Exchange of Thailand (SET) and Money & Banking Magazine. The award underlined the asset management company's ability to generate outstanding returns, the variety of fund products it offered to investors, its success in mobilizing funds from various unit offerings and its reliable compliance with rules and regulations.

## **Corporate Governance**

#### **Sustainable Equity (4<sup>th</sup> Year)**

TISCO Financial Group Public Company Limited was selected as Thailand Sustainability Investment (THIS) 2020 equity by the Stock Exchange of Thailand (SET) for the fourth consecutive year. The award underlined our commitment to sustainable growth taking into account the ESG factors.

#### **Excellent CG Scoring (13<sup>th</sup> Year)**

TISCO Financial Group Public Company Limited was ranked "Excellent" and was one among the Top Quartile of listed companies with more than Baht 10 billion market capitalization for the 13<sup>th</sup> consecutive year by the Thai IOD Co., Ltd. in its 2020 CG scoring survey result.

#### **ESG100 (6<sup>th</sup> Year)**

TISCO Financial Group Public Company Limited was selected as one of 100 listed companies with outstanding ESG (environmental, social and governance) performance known as the ESG100 in 2020 by Thaipat Institute for the sixth consecutive year. The first recognition came in 2015 when the ESG100 group of securities was first established.

#### **"Excellent" Annual General Meeting in 2019 (6<sup>th</sup> Year)**

TISCO Financial Group Public Company Limited was given a full 100 score for its 2019 Annual General Meeting of Shareholders (AGM). The award was bestowed on us for the sixth consecutive year by the Association of Thai Investors, the Association of Listed Companies and the Securities and Exchange Commission (SEC).

#### **Sustainability Disclosure Awards 2020**

TISCO Financial Group Public Company Limited was lauded through the Sustainability Disclosure Award given during the State of Corporate Sustainability in 2020 event hosted by Thaipat Institute. The award honoured our sustainability disclosure to the public and relevant stakeholders through a comprehensive sustainability report that also effectively fulfilled the SDGs.

#### **Outstanding Calendar "Suriya Sasithorn"**

TISCO Financial Group Public Company Limited's 2020 Table Calendar was recognised for its outstanding contents and production in the category of social and environmental promotion at the "Suriya Sasithorn" event held by the Association of Public Relations of Thailand at the Department of Public Relations.

## **Human Resource Management**

### **The Thailand HR Innovation Award 2020**

TISCO Group was bestowed the Thailand HR Innovation Award 2020 for its “TISCO Oasis Inviting, Adapting and Giving Over” project. The event was organised by PMAT, FTPI and NIDA’s School of HR Development.

## **Products and Services**

### **The Outstanding Fund from Morning Star**

TISCO Asset Management Co., Ltd. was awarded the Excellent Equity Fund 2020 in the category of mid/small cap equity fund at the Morningstar Thailand Fund Awards 2020 event. The award specifically recognised the excellent performance of TISCO Mid/Small Cap Equity Fund (TISCOMS), which has produced remarkable returns.

### **The Best Mutual Fund of the Year 2020**

TISCO Asset Management Co., Ltd. received the Best Mutual Fund of the Year 2020 Award in the Equity General category at the Money & Banking Awards 2020 Live Virtual event held by Money & Banking Magazine. The award recognized the management of TISCO Strategic Fund that resulted in excellent performance.

### **The Outstanding Investor Relations Award**

TISCO Financial Group Public Company Limited was bestowed the Outstanding Investor Relations Award in the category of listed companies with market capitalization between Baht 30-100 billion at the SET Awards 2020 event held by the SET and Money & Banking Magazine.

## **Individual**

### **BEST CFO Award 2020**

Mr. Chatri Chandrangam, Senior Executive Vice President, Risk and Financial Control, TISCO Bank, was declared the Best CFO in the finance sector for the third consecutive year at the IAA Awards for Listed Companies 2020 event held by the Investment Analysts Association (IAA). Mr. Chatri was selected through peer nominations and votes by peer analysts and fund managers, reflecting his acumen and expertise in the industry.

### **The Best Analyst, Energy Sector, Award 2020**

Mr. Wattana Punyawattanakul of TISCO Securities Co., Ltd. was recognized as the Best Analyst, Energy Sector, winning the IAA Best Analyst Award 2020 in the category of institutional investor announced by the IAA.

### **The Outstanding Analyst, Technology Sector, Award 2020**

Mr. Thapana Panich, Chief of Research Center, TISCO Securities Co., Ltd., was recognised with the Outstanding Analyst, Technology Sector, Award 2020 during the 2020 IAA Best Analyst Award event held by the IAA.

### **The Best Technical Analyst Award 2020**

Mr. Viwat Techapoonpol, Vice President and Head of Technical Analysis Department, TISCO Securities Co., Ltd., was bestowed the Best Analyst Award in the category of Technical Analysis (including both retail and institutional investors) at the 2020 IAA Best Analyst Awards 2020 event held by the IAA.

### **The Outstanding Investment Analysis Team Award**

TISCO Securities Co., Ltd. won the Outstanding Investment Analysis Team Award in the category of Institutional Investor at the 2020 IAA Best Analyst Awards 2020 held by the IAA.



## 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, Risk Oversight Committee 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, formulate risk governance culture to support the organizational business operations according to the determined business direction and targets, ensures the effectiveness of the implementation of risk management framework and control systems of TISCO Group. The specific sub-committees have been appointed and delegated 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 Audit Committee, the Risk Oversight Committee, the Risk Management Committee, the Compliance and Operation Control Committee, Information Technology Management Committee and the Technology and Infrastructure 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 Audit Committee, the Risk Oversight Committee, 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 and concurred by Risk Oversight Committee 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, Risk Management Function 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 whilst internal audit and control process in other companies shall also be reported directly to the Audit Committee of TISCO Financial Group as well.
3. The Risk Oversight Committee shall perform duties in ensuring the compliance with the risk management policies & strategies, and risk appetite. And exchange views with the Audit Committee in reviewing the sufficiency and effectiveness of overall risk management policies & strategies and risk appetite on regularly

basis. The Report shall also be made to the Board regarding risk exposures, effectiveness of risk management, implementation progress of risk culture, significant issues and required improvement in compliance with risk management policies & strategies.

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

Risk Management Framework is a set of interrelated components starting with governance and risk management culture, synchronization between strategic objective setting and risk management process, risk assessment and management for supporting the achievement of business objectives, monitoring process and finally, communication and reporting. Internal Control system is inherent component of risk management that raises the values and enhances the effectiveness of each other. 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 bellows;

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, create and cultivate risk culture, 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 as well as the provision of the continuing education to employees for enhancing the skills and competencies. In regard to the oversight function, the Risk Oversight Committee as appointed and delegated by the Board shall supervise the performance of duties of the Management Committee in complying with the risk management policies and strategies as well as the review of effective establishment of sound control system and risk management process. The Audit Committee performs duties through the operations of Internal Audit Function in assessing the effectiveness of risk management and control system. 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.

TISCO Group places great importance on effective risk management and controls. The Risk Oversight Committee has been established to transparently and independently oversee and govern the corporate risks. 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 including IT 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.

In order to provide assurance that all subsidiaries within TISCO Group operate businesses under the effective control system and align with each environment and business operations with an aim to manage potential risks affected to the achievement of business objectives and damaged the organization, TISCO Group has designed control system to be centralized management. The centralized policies and guidelines and the appropriate authority delegation are developed to govern with enterprise wide adoption as well as the regular monitoring and governing process for ensuring the work proceeding under the standardized practices. Additionally, under the internal control framework, segregation of duties among operators, reviewers and evaluators are well defined with sound practice for assuring the check and balance controls as well as the appropriate audit system.

TISCO Group has continuously developed information technology system and enhanced the quality of information in order to provide the efficient and timely information as well as the establishment of IT Risk Management Function responsible for governing and supporting the provision of sound control to support the achievement of control objectives and appropriately supervise the proceeding with compliance with laws and regulations related to IT. 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.

To ascertain whether the components of internal control are efficiently functioning, TISCO Group has established ongoing monitoring and control assessment process. Other than that, 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. The establishment of audit process through the performance of duties of Internal Audit Function and Compliance Function are well determined. 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. 1/2021 on February 24, 2021 where the 6 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 which concurred and reviewed by the Risk Oversight Committee and 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 6 Report of Audit Committee. Moreover, in year 2020, 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 Ms. Chuenchit Trakarnratti as a Head of Internal Audit who is qualified to take charge for Internal Audit function with her competency and auditing experience. Ms. Chuenchit is able to independently perform her duties with the support of the Audit Committee. Ms. Chuenchit is also appointed as the Secretary to the Audit Committee. Qualification of the current Head of Internal Audit is provided in the Attachment 3.

#### **(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 Mr. Pairat Srivilairit - Chief Governance Officer. Qualification of the current Heads is provided in the Attachment 3.

## **12. Related Party Transactions**

The Company disclosed the details of related party transactions under section 4.35 of the notes to the consolidated financial statement for the year ended December 31, 2020. The Company and its subsidiaries conducted business transactions with related parties at an arms-length basis to ensure fairness 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 for the Group. These transactions were the supporting transactions for the normal business operations of TISCO Group, in accordance with the consolidated supervision principle of the Bank of Thailand. Hence, these transactions did not involve any conflicts of interest.

### **12.2 Measures or procedures for approval of related party transactions**

All transactions between related parties shall be done on the same basis and with the same conditions applied to external parties. Those with personal vested interests shall not be entitled to vote for the approval of said transactions. In addition, TISCO Group will disclose information in a transparent manner and in accordance with good governance principles.

### **12.3 Related transaction policy**

The Group puts a strong emphasis on effective management under good governance and in accordance with the relevant rules and regulations. In addition, the Group has set up a "Related Party Transaction Policy", implemented across the Group, which states that the Group has no policy to encourage transactions between related parties. Should any such transactions occur, the conditions would be the same as for normal business transactions for the Group.