

Principle 3 Strengthen Board Effectiveness

Structure, Composition and Qualifications of the Board of Directors

- The Board of Directors had the appropriate and the adequately portion in business operation, consists of the directors at least 5 directors according to the bank's Articles of Associate which have the fair and appropriate portion. For the independent of the Chairman and classify the roles and the duties in the operation, the Chairman will not be the same person with the President and classified the roles clearly for power balancing and the business management reviewing.
- The independent director at least 3 directors or one third of all directors in the committee whichever is higher
- The Board of Directors and the Independent Directors must be the qualifications in line with the laws, the regulations of the regulator agencies, and the bank's Articles of Associate about the directors and the good corporate governance principle. Including the directors had the knowledge, the experiences, the skills, the various expert, integrity, special abilities which as the benefits to the bank, ability to give the independent opinion, understanding the bank business and no discourage in sex and must to pass in consider and nomination process by the Nomination and Remuneration Committee

The Board of Directors appointment set by following the agenda with transparency and clearly, for proposing the person or the existing director to be re-elected as the director with attach his/her appropriate profile and details including nomination rules and methods for the benefits in the resolutions of the shareholders.

Director, President and the authority to handle will be in the position of Chairman, Executive Director or the authorized director which will be one or more in other companies which is not more than 3 business groups.

Term of Directorship must be according to the Public Limited Company Act and the bank's Articles of Associate

In the Annual General Meeting of the shareholders, the directors who are in the longest position shall retire by one-third of total number of directors but the retired director may be re-elected.

The Sub-Committees

The Board of Directors has appointed the subcommittees to help to study the details and screen the work so as to ease the burden of the Board of Directors. The bank had the committees to consider any special matter by must be direct report their operation to the Board of Directors consists of:

1. The Executive Committee
2. The Audit Committee
3. The Nomination and Remuneration Committee
4. The Corporate Governance Committee
5. The Risk Management Committee

However, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, and the Chairman of the Corporate Governance Committee as the Independent Director who are transparent and independent in performing the duties.

The Bank Secretary

The Board of Directors has appointed Mr. Vichian Amornpoonchai, Executive Vice President, Corporate Affairs and Legal Group as the Bank Secretary since March 21, 2008 to perform the duties to recommend the laws. The bank encouraged the Bank Secretary to receive training and development of knowledge in law, accounting, or corporate secretarial duties.

The remuneration of the directors and the executives

Determine the policies, methods and the criteria of the remuneration determination to the directors and the President fairly, reasonable, transparency, connection and according to their duties and the bank's performance as well as the performance of the individual directors as the same industry level including appropriate supervising the qualification directors. However, the remuneration's director must to propose for approval from the shareholder's meeting annually

Self-Assessment of the Board of Directors

The Board of Directors has evaluated its overall performance to review the performance and the trouble last year and provide more efficiency performance because the boards of directors are clearly aware of their responsibilities. The self-evaluation is essential to assess the appropriateness of the Board of Directors' composition and performance. The board of directors shall analyze the evaluation results, recommendations and remarks from the board of directors' member by using form of self-evaluation of the Stock Exchange of Thailand and consider applying according to the bank's business environment and operations. The self-evaluation is of the following details:

- Self- Assessment of the Board of Directors and all sub-committees
- Self- Assessment of the Board of Directors and the sub- committees as individual basis
- Corporate Governance Self-Assessment by the Corporate Governance Committee and the Board of Directors

Self-assessment of the Board of Directors and all Sub-Committees

Self-assessment divided into 6 areas as follows;

1. Structure and qualifications of the Board of Directors
2. Roles, duties and responsibilities of the Board of Directors
3. Meeting of the Board of Directors
4. Performance of the Board of Directors
5. Relationship with the management team
6. Self-improvement of the directors and the development of the executives

Scoring To ensure year-to-year comparison, scoring can be marked in different methods but standardized. Here is the sample of scoring system from 0 to 4.

- 0 = Strongly disagree or never conducted
- 1 = Disagree or seldom conducted
- 2 = Fair or moderately conducted
- 3 = Agree or well conducted
- 4 = Strongly agree or excellently conducted

Evaluation Method and Results, at the meeting of the Board of Directors and the individual sub-committees, the directors thereof jointly conducted an evaluation by giving score in each assessment item. In a 2017 whole team self-evaluation, most assessment items were given the score of 4.

Self -Assessment of the Board of directors and the Sub-Committees as Individual Basis

The Assessment divided into 3 areas as follows;

1. Structure and qualification of the Board of Directors
2. Meeting of the Board of Directors
3. Roles, duties and responsibilities of the Board of Directors

Scoring To ensure year-to-year comparison, scoring can be marked in different methods but standardized. Here is the sample of scoring system from 0 to 4.

- 0 = Strongly disagree or never conducted
- 1 = Disagree or seldom conducted
- 2 = Fair or moderately conducted
- 3 = Agree or well conducted
- 4 = Strongly agree or excellently conducted

Evaluation Method and Results, the bank secretary sent the self-assessment of the individual members of committees in which they hold an office, for their self-evaluation. The completed forms were then returned to the bank secretary for compilation and notification to the Board of Directors. Overall, in the year 2017 result of the evaluation the self-assessment of the individual members of committees, most assessment items were given the score of 4.

Corporate Governance Self-Assessment

The Board of Directors has provided the self-assessment of implementation according to the principles of good corporate governance for the Board of Directors and the management team of the bank to evaluate on the issue that the bank has done or not, which issue need to do and for an adequate disclosure of the bank. The Board of Directors shall analyze the evaluation results, recommendations and remarks from the Board of Directors' member and consider applying according to the bank's business environment and operations.

The Assessment divided into 4 areas as follows;

1. Right of Shareholders and equitable treatment of shareholders
2. Roles of stakeholders
3. Disclosures and transparency
4. Responsibilities of the Board of Directors

No score levels are specified in the evaluation form; only check boxes are provided for ticking off whether a particular practice had been followed or not:

- Put a check mark (✓) in a Yes field for a practice that had been followed
- Put a check mark (✓) in a No field for a practice that hadn't been followed or completed

Evaluation Method and Results, at the meeting of the Board of Directors and the corporate governance committee, the directors thereof jointly conducted an evaluation by the result of the self- assessment of implementation according to the principles of good corporate governance of the year 2017, most assessment items were given "Yes".