

## Corporate Governance Policy of The Siam Commercial Bank Public Company Limited

### Introduction

Further to its strict observance of laws and rules or regulations applicable to the commercial banking business and SET-listed companies, the Siam Commercial Bank PCL (“the Bank”) has adhered to its Corporate Governance Policy, which encompasses the articles of association, policies and internal regulations of the Bank, and the corporate governance standards. In doing so, the Bank aims to enhance its business governance for higher levels of efficiency, transparency, and fairness to all stakeholders in order to bolster the trust of all stakeholders - shareholders, customers, employees, the society and the regulators – and strengthen its competitiveness with ethics and social responsibilities to achieve sustainable growth both for the Bank and the society at large. The Corporate Governance Policy requires approval from the Board of Directors and serves as a guiding framework for directors, executives and employees of the Bank.

### [Section 1 – Vision, Mission, Core Values, and Codes of Conduct](#)

#### 1.1 Vision

The Bank has set its vision to be “The Most Admired Bank” with an aspiration to be recognized by each of its constituents as follows:

- Customers: The Most PREFERRED Partner
- Employees: The Most CARING Employer
- Shareholders: The Most SUSTAINABLE RETURN Company
- Society: The Most RESPONSIBLE Corporate Citizen
- Regulators: The Most PRUDENT Bank

#### 1.2 Mission

The Bank has clearly set its mission to be the best universal bank in Thailand, with a strong focus on key financial markets and core customer segments, by leveraging from the SCB Financial Group’s network, with a strong commitment to social responsibility.

#### 1.3 Core Values

The Bank’s core values are known as iSCB which stands for innovation, social responsibility, customer focus, and building our people.

## 1.4 Code of Conduct

The Bank has formulated the Code of Conduct of SCB and SCB Group (“SCB Code of Conduct”) and the SCB Supplier Code of Conduct as follows:

1. **SCB Code of Conduct** consists of the Code of Business Conduct and the Code of Conduct for Directors, Executives, and Employees. The Code of Business Conduct is focused on ensuring that customers and stakeholders be provided with standards of services. The Code of Business Conduct also enumerates the Bank’s accountability for its customers and stakeholders, handling of conflicts of interest, information disclosure, and responsibility towards the society and environment. The Code of Conduct for Directors, Executives, and Employees is intended for fostering corporate governance practices across the organization and providing relevant guidelines for directors, executives and employees in order to ensure that the Bank’s business is carried out in accordance with applicable policies, laws and regulations.
2. **SCB Supplier Code of Conduct** is formulated by the Bank with an aim to encourage its suppliers to conduct their businesses ethically by adopting the principles of corporate governance and sustainability into business operation. In doing so, the Bank would like to uphold an adherence to business ethics with respect for liberty and right, care for labor and human rights, occupational health, safety, and environment, and compliance with applicable laws and requirements.

The SCB Codes of Conduct are shown on the Bank’s website ([www.scb.co.th](http://www.scb.co.th)) under the sequence of menu headings “About SCB” → “Corporate Governance” → “Code of Conduct”.

## Section 2 – Corporate Governance Structure

### 2.1 Board of Directors

#### A) Authority, Roles, Duties and Responsibilities of the Board of Directors

The authority, roles, duties and responsibilities of the Board of Directors (“the Board”) shall be in accordance with the applicable laws and the Bank’s objectives and Articles of Association, as well as resolutions passed by the Board and the shareholders. In addition, the Board is responsible for formulating key strategies and policies, ensuring that the Bank has an efficient mechanism for effective control and audit, and continuous monitoring of the Bank’s performance by taking into account fair business practices, transparency, accountability towards stakeholders, corporate governance principles, and long-term values for the Bank.

Duties and responsibilities of the Board are shown on the Bank’s website ([www.scb.co.th](http://www.scb.co.th)) under the sequence of menu headings “About SCB” → “Corporate Governance” → “Charter & Independent Director Definition” → “Charter of the Board of Directors” respectively.

## **B) Meetings of the Board**

The meetings of the Board shall be regularly held; and each director is required to attend at least 75 percent of the total meetings held in each year, unless there is any reasonable justification and necessity. The Presidents shall attend every board meeting to provide relevant information in addition to presentations given by members of the management team who are directly in charge of matters proposed.

The Chairman of the Board and the Chief Executive Officer shall jointly determine the agenda of each meeting based on the importance and urgency of matters to be listed on the agenda. Meeting time shall be reasonably allocated to enable comprehensive presentation by management and adequate discussion of material issues among the board members. The meeting schedule and agenda of Board meetings are planned in advance for the entire year to facilitate each director's meeting attendance.

An invitation to a board meeting, meeting agenda, and supporting documents are sent to all directors at least five (5) business days prior to the meeting date (unless an urgent meeting is required to protect the Bank's rights or benefits) so that directors have sufficient time to study the information.

The Board will receive the drafted meeting minutes which contain a detailed record of key points discussed at the meeting within 14 days from the meeting date. The meeting minutes being adopted by the Board will be submitted to relevant regulators in accordance with applicable requirements and will be kept for reference by internal and external entities.

A board retreat is arranged at least annually as a venue for the board members and senior executives to closely familiarize with each other. In addition, a non-executive director meeting is regularly held every six months to provide a forum for non-executive directors to freely discuss and exchange opinions about management-related issues without the participation of executive directors.

The Bank additionally include an option of electronic meeting for board meetings to facilitate meeting attendance by all directors whereby the electronic meeting procedures shall be in accordance with the Bank's Articles of Association and applicable regulations.

## **C) Board Composition**

The Board consists of independent directors, non-executive directors, and executive directors according to the number of seats approved by the meeting of shareholders which shall not be less than five. At least three directors or one-third of the total directors (whichever is higher) shall be independent directors and the number of executive directors shall not exceed one-third of the total directors. The Bank has set a policy that the Board must consist of a comprehensive and diverse mix of experience, professional skills, knowledge and abilities, including IT-related acumen, that are appropriate for and in line with the Bank's business directions.

The Board shall elect an independent director or a non-executive director to serve as the Board Chairman.

The definitions of “independent director,” “executive director,” and “non-executive director” of the Bank shall be as specified in the Bank of Thailand’s Notification No. SorNorSor. 10/2561 Re: Corporate Governance of Financial Institutions, and the Capital Market Supervisory Board’s Notification No. TorJor. 39/2559, Re: Application and Approval for Offering Newly Issued Shares, including other amendments thereto (if any).

The Bank’s definition of “independent director” applies more stringent criteria than the standards stipulated by the laws. Details of which are shown on the Bank’s website (www.scb.co.th) under the sequence of menu headings “About SCB” → “Corporate Governance” → “Charter & Independent Director Definition” → “Independent Director Definition” respectively.

#### **D) Directors’ Term of Office**

The term of office of directors shall be as specified in the Board Charter. In order to uphold the good corporate governance principles, the Bank has limited the office term of independent directors to a period of nine (9) consecutive years.

#### **E) Nomination and Election of Directors**

The Nomination, Compensation and Corporate Governance Committee is in charge of screening the qualified candidates based on the nominations submitted by shareholders and directors and the Director Pool. The candidates’ skills, knowledge and expertise are considered against a board skill matrix to ensure the right fit for the Bank’s strategy and business direction. The Bank’s director nomination criteria are free from any preferential treatment or discrimination based on gender, nationality, race, religion, or marital status. The Nomination, Compensation and Corporate Governance Committee will propose the qualified candidates for directorship to the Board and/or shareholders for approval (as applicable) whereby the appointment of such persons as directors is subject to endorsement by the Bank of Thailand.

#### **F) Treatment of New Directors**

The Bank arranges orientation sessions to brief all new directors on the Bank’s vision, strategies, key business targets, performance highlights and desired practices and conducts applicable to directors of commercial banks and listed companies. Senior executives of the Bank such as the Chief Executive Officer, the President(s), and/or other executives also join such sessions to share relevant information.

#### **G) Director Development**

The Bank puts an emphasis on director development and encourages each director to regularly participate in training and development programs to keep up with the competition and disruptive environment of the banking industry. Directors are urged to regularly attend courses and activities, in addition to knowledge sessions concerning the Bank’s businesses and innovations, to enhance their knowledge and performance as members of the Board and the Board Committees. This includes courses and activities arranged by the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, the Thai Institute of Directors Association, including other entities and institutions. Directors are

also offered opportunities to attend overseas seminars and activities relating to corporate governance practices and are regularly informed of relevant training courses.

#### **H) Positions of Directors and Senior Executives in Other Companies/Entities**

The Bank has established a clear policy on holding of positions by the Bank's directors and senior executives in other companies in accordance with best practices as stipulated by supervisory bodies. According to the policy, they are not allowed to hold directorship in more than five listed companies, both in Thailand and other countries, i.e. SCB and other four listed companies. This excludes listed companies acquired by the Bank through debt restructuring. Furthermore, directors and senior executives of the Bank may assume position as a chairman or an executive director of other companies not exceeding three business groups (exclusive of positions at the Bank). If such companies are not business groups, each company shall be considered as a business group. Companies that are acquired by the Bank through the debt restructuring shall belong to the same group as companies under the SCB Financial Group.

Furthermore, the Bank requires directors and persons with management authority to report their incumbency in other companies or entities and each change thereto to the Nomination, Compensation and Corporate Governance Committee and the Board. Holding of directorship in other companies and/or entities by the Bank's senior executives at executive vice president level and above (including the Chief Executive Officer) must be endorsed by the Nomination, Compensation and Corporate Governance Committee.

## **2.2 Board Committees**

Board committees are appointed by the Board to assist the Board in considering specific matter. Presently, the Bank has six (6) board committees, namely the Executive Committee, the Audit Committee, the Nomination, Compensation and Corporate Governance Committee, the Risk Oversight Committee, the Technology Committee, and the Corporate Social Responsibility Committee.

The composition, roles and duties of each board committee are as summarized below. (Detailed information about duties and responsibilities of the six board committees are shown on the Bank's website ([www.scb.co.th](http://www.scb.co.th)) under the sequence of menu headings "About SCB" → "Corporate Governance" → "Charter & Independent Director Definition" → "Board Committee Charters" respectively.

### **1. Executive Committee**

The Executive Committee consists of the Bank's directors and may include any other persons who hold management positions at the Bank or are outside individuals. The Chairman of the Executive Committee shall be a director of the Bank, and the Chief Executive Officer of the Bank shall be an ex-officio member of the Executive Committee.

Major duties and roles of the Executive Committee are to ensure that the Bank's business and operations are in line with its strategies, policies and regulations, to oversee the Bank's businesses, and to perform tasks as assigned by the Board in order to achieve the Bank's vision, mission and core values.

## 2. Audit Committee

The Audit Committee consists of at least three directors of the Bank. Members of the Audit Committee shall be an independent director and their qualifications shall meet the eligibility criteria as stipulated by the Bank of Thailand, the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand.

Duties and responsibilities of the Audit Committee are to review the accuracy and adequacy of the Bank's financial statements, to ensure the Bank's effective internal control systems and regulatory and legal compliance including the corrective actions against non-compliant practices (if any), to review work processes, and to oversee related-party transaction or potential conflicts of interest, compliance with the Anti-Corruption and Bribery Policy. In addition, the Audit Committee is responsible for considering and proposing the appointment and discharge of external auditors and their audit fees as well as for reviewing the auditor performance on an annual basis.

## 3. Nomination, Compensation and Corporate Governance Committee

The Nomination, Compensation and Corporate Governance Committee consists of at least three non-executive directors of the Bank and the majority of the Nomination, Compensation and Corporate Governance Committee shall be independent directors.

Major duties and responsibilities of the Nomination, Compensation and Corporate Governance Committee are as follows:

(1) **Nomination** - To formulate policies, criteria and procedures for nomination of directors and persons with management authority; to select and nominate qualified candidates to serve as directors, members of Board committees, persons with management authority, and advisors of the Bank; and to oversee and establish the policies and procedures applicable to the nomination of directors and persons with management authority of companies under the SCB Financial Group. **In nominating directors**, the Bank adopts criteria that are free from any preferential treatment or discrimination based on gender, nationality, race, religion, or marital status. In addition, a board skill matrix that defines the desirable skills, knowledge, and expertise based on the Bank's strategy and business direction is applied as a screening and nomination criterion.

The Nomination, Compensation and Corporate Governance Committee is responsible for ensuring that the Bank has proper succession plans for the Chief Executive Officer, the Presidents, and persons with management authority to achieve continuity in its business administration.

(2) **Remuneration** – To formulate policies governing the payment of remuneration and other benefits; to determine the amount of remuneration and other benefits to be offered to directors, members of Board committees, and persons with management authority of the Bank based on each individual's scope of duties and responsibilities and

associated risks; and to establish guidelines for the annual performance evaluation applicable to directors and persons with management authority of the Bank. In addition, the Nomination, Compensation and Corporate Governance Committee is in charge of overseeing the formulation of policies and procedures governing the payment of remuneration and other benefits to directors and persons with management authority of companies under the SCB Financial Group.

(3) **Corporate Governance** - To formulate and regularly review and update the Corporate Governance Policy of the Bank to ensure appropriateness; to monitor compliance with the Corporate Governance Policy of the Bank including corporate governance principles established by supervisory bodies; and to arrange for the annual performance evaluation of the Chairman of the Board, individual directors, the Board, and the Board Committees.

#### **4. Risk Oversight Committee**

The Risk Oversight Committee consists of at least three members who are directors and/or executives of the Bank. At least one-half of the Risk Oversight Committee shall be independent directors, non-executive directors, or advisors of the Bank whose duties are similar to directors.

Duties and responsibilities of the Risk Oversight Committee are to provide advice to the Board regarding the risk oversight framework of the Bank and companies under the SCB Financial Group; to review the overall risk management policies and strategies, and the risk tolerance for all risks including emerging risks at least annually or upon material change to ensure their adequacy, effectiveness and proper implementation; to report to the Board risk positions, risk management effectiveness, status of the risk culture adoption, significant risk factors and issues, and risk management policy/strategy gaps; to provide advice to the Board concerning organization-wide risk culture cultivation; to supervise the culture adoption and the management and risk function heads' compliance with the risk management policies and strategies and the risk tolerance; and to render opinions on or evaluate the performance of Chief Risk Officer.

#### **5. Technology Committee**

The Technology Committee consists of directors and/or executives of the Bank. Members of the Technology Committee shall have appropriate expertise and experience, as well as understanding of their functions and responsibilities, and shall not possess characteristics that are prohibited by applicable laws.

Duties of the Technology Committee are to oversee technology strategies and architecture of the Bank; explore technological advancements to upgrade the quality of banking services in line with the Bank's risk appetite; and promote the Board's information technology awareness.

#### **6. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee consists of at least three (3) directors of the Bank. Members of the Corporate Social Responsibility Committee shall have appropriate knowledge, abilities, qualifications, and experience.

Duties of the Corporate Social Responsibility Committee are to establish the corporate social responsibility policy and framework of the Bank; to develop a working policy and coordinate with the Siam Commercial Foundation; and

to consider and allocate resources and budget for corporate social responsibility projects and activities either run by the Bank or the Siam Commercial Foundation.

### 2.3 Segregation of Positions between the Board Chairman, the Chairman of the Executive Committee, and the Chief Executive Officer

For purposes of corporate governance and transparency, the Bank segregates the authority and duties of the Board Chairman, the Chairman of the Executive Committee, and the Chief Executive Officer. This practice is consistent with the principle of segregation of roles in corporate governance policy-making and administration duties under the following details:

**Board Chairman** - The Board shall appoint an independent director or a non-executive director as the Board Chairman. Duties of the Board Chairman are to oversee the Board's performance effectiveness; to chair the meetings of the Board; to ensure that matters which are essential to the Bank's operations and/or performance are placed on the meeting agenda, particularly matters relating to corporate strategy; to allocate sufficient time for the management's presentation of important information and for thorough discussion; to direct the Company Secretary to accurately record the minutes of the meetings; and to ensure that the Bank's governance practices comply with adopted policies. The Board Chairman also presides over the shareholder meetings.

**Chairman of the Executive Committee** – The Chairman of the Executive Committee is selected from the directors and appointed by the Board. The Chairman of the Executive Committee is in charge of directing the Executive Committee's performance of duties in alignment with the Charter of the Executive Committee which includes the oversight of the Bank's performance in accordance with strategies, policies, and regulations of the Bank and the undertaking of other responsibilities as assigned by the Board. The Chairman of the Executive Committee does not have the authority to solely sign and bind the Bank.

**Chief Executive Officer** - The Board shall appoint a director as the Chief Executive Officer who shall also serve as an ex-officio member of the Executive Committee and shall be vested with the authority to solely sign and bind the Bank. The Chief Executive Officer is the Bank's top-ranking executive who is chiefly responsible for directing and driving the Bank's business and operations towards the policies, strategies, and goals as set forth by the Board, recommending alternatives and strategies that are fit for the changing business environment to achieve sustainable growth, considering and approving matters according to the Bank's regulations and as assigned by the Board and/or the Board Committees. The Chief Executive Officer shall also assume responsibility for building corporate cultures.

Additionally, the Board shall appoint certain numbers of executives as **Presidents** who shall directly report to the Chief Executive Officer and shall be collectively responsible and accountable for managing and stewarding the Bank in alignment with the established policies and strategies. The roles and duties of the Presidents also include formulating policies and strategies and making decisions on key matters that are interconnected and require the orchestration of interdepartmental efforts.

## 2.4 Remuneration of Directors and Persons with Management Authority

### A) Remuneration of Directors

The Nomination, Compensation and Corporate Governance Committee has the duty to recommend suitable remuneration of directors and members of Board Committees to the Board for escalating to shareholders for approval on an annual basis. With respect to this, the Board has a policy that remuneration of directors and members of the Board Committees shall be appropriate and commensurate with their duties and responsibilities in light of stakeholder expectations, associated risks, and compliance with applicable laws and regulations.

### B) Remuneration of Persons with Management Authority

The Nomination, Compensation and Corporate Governance Committee is responsible for proposing remuneration of persons with management authority to the Board for consideration. Such remuneration shall be based on corporate and individual performance, transparent criteria and the scope of functional duties and responsibilities as well as the Bank's competitiveness in light of the benchmarks against other banks and leading companies in Thailand.

### C) Other Benefits for Directors and Persons with Management Authority

Directors are entitled to other benefits as specified in the Bank's regulations such as medical check-up and treatment, travel and accommodation allowances for foreign directors attending meetings in Thailand, life insurance and accident insurance.

Benefits and welfare for persons with management authority are the same as those offered to the Bank's employees, such as medical treatment, life and accident insurance, travel allowances, welfare loans, and contribution towards provident funds.

## 2.5 Assessment of the Board and Persons with Management Authority

A) Board assessment is comprised of: (1) Board assessment, (2) Board Chairman assessment, (3) Individual director assessment, and (4) Board committee assessment.

The Board assessment is arranged annually and involves a self-evaluation and/or a cross-evaluation. Suggestions derived from the Board assessment will be applied to enhance the performance effectiveness of the Board and its governance of the Bank.

The Bank engages an external consultant with professional expertise and experience in corporate governance field in determining assessment guidelines and topics and in facilitating a board assessment at least every three years.

B) Assessment of persons with management authority – Assessment of the Chief Executive Officer, the Presidents, and persons with management authority is held annually under the responsibility of the Nomination, Compensation and Corporate Governance Committee.

As for the assessment of the Chief Executive Officer and the Presidents, the Nomination, Compensation and Corporate Governance Committee has the duty to review performance targets and criteria prior to proposal thereof to the

Board for consideration and approval, and to monitor and assess their performance which will subsequently proposed to the Board for consideration.

In regard to performance assessment of persons with management authority, the Bank's management is responsible for defining key performance indicators based on annual strategy and goals as well as monitoring and assessing the performance. The performance assessment results shall be subsequently proposed to the Nomination, Compensation and Corporate Governance Committee and the Board for consideration and determination of suitable remuneration and other benefits.

## 2.6 Succession Planning

The Nomination, Compensation and Corporate Governance Committee is entrusted with the responsibility of succession planning for the positions of the Chief Executive Officer, the Presidents and executives at the level of Executive Vice President and higher that incorporates the nomination, selection, and training for key positions. The Bank has developed succession plans that are intended for ensuring its preparedness in terms of workforce availability and quality to ensure the continuity in business management and smooth transition as well as to facilitate the selection and development of successors for key jobs of the Bank or any other key positions in the Bank's management structure or business operation or any specialized jobs.

## 2.7 Company Secretary

The Board appoints a qualified officer of the Bank as the Company Secretary to take responsibility for matters connected with board meetings and shareholder meetings and to promote the Bank's compliance with corporate governance principles.

Details about duties and responsibilities of the Company Secretary are shown on the Bank's website ([www.scb.co.th](http://www.scb.co.th)) under the sequence of menu headings "About SCB" → "Corporate Governance" → "Duties and Responsibilities of Company Secretary".

## Section 3 – Rights and Treatment of Stakeholders

### 3.1 Treatment of Stakeholders

The Bank is cognizant of the rights of all stakeholders, i.e. shareholders, customers, employees, business partners, competitors, creditors, society, communities and the environment, and this underpins the Bank's vision and codes of conduct. It is the Bank's policy to ensure that the rights of each group of stakeholders are fully enjoyed and exercised based on the principle of fairness for sustainable growth among all.

All stakeholders may directly contact the relevant units of the Bank. For example, customers can communicate with the Bank via branch or the officer/relationship manager in charge. The Bank also makes available other communication

channels, as detailed in its Corporate Governance Report, through which stakeholders may submit their complaints, suggestions, recommendations and feedback to the Board and the management.

Details about the treatment of stakeholders are shown on the Bank's website ([www.scb.co.th](http://www.scb.co.th)) under the sequence of menu headings "About SCB" → "Corporate Governance" → "Code of Conduct".

## 3.2 Treatment of Shareholders

### A) General Treatment of Shareholders

It is the Bank's policy to ensure that shareholders enjoy their fundamental rights in buying, selling, or transferring shares; profit sharing; participating in meetings to exercise their voting rights in an independent and equitable manner; taking part in material business decisions; and receiving timely, adequate and complete information about the Bank through easily accessible channels.

### B) Treatment of Shareholders in Relation to Shareholder Meetings

The Bank is committed to ensuring that its shareholder meetings are in accordance with all applicable laws and regulations, including the principles of corporate governance, which is demonstrated through practices such as the invitation to shareholders to propose matters to be included in the meeting agenda, director nomination and questions in advance of the meeting, the submission of meeting notice that contains accurate, complete and adequate information to shareholders in advance and the release of such meeting notice on the Bank's website 30 days prior to the meeting date, the facilitation of the meeting in a transparent and efficient manners that promotes the shareholders' exercise of their rights, and the preparation and disclosure of the meeting resolutions and minutes through the Stock of Exchange and the Bank's website within 14 days from the meeting date.

### C) Dividend Payment

Dividend policies of the Bank and its subsidiaries are as follows:

**Dividend policy of the Bank** – The Bank has a policy to pay dividends in the range of 30-50 percent of its consolidated net profit by taking into consideration long-term return for shareholders. Dividends will be considered in any year that the Bank records a profit after deduction of all statutory and other reserves, provided that there is no accumulated loss, and the Bank is able to maintain adequate capital funds to comply with the regulatory requirements.

**Dividend policies of subsidiaries** – As for subsidiaries which are under the full control of the Bank and are not listed on the Stock Exchange of Thailand, their dividend policies are to pay dividends at the maximum amount from the net profit after appropriation for legal reserve or for their capital needs.

As for SET-listed subsidiaries or subsidiaries which the Bank does not have full control, their dividend policies shall be in accordance with their announced policies as well as applicable laws, rules and regulations.

### 3.3 Disclosure and Transparency

The Bank has a policy governing the complete, proper, equal and timely disclosure of information to shareholders and all stakeholders as well as regulates the disclosure of information that are confidential and may affect the prices of the Bank's securities. Disclosure of the Bank's information are entrusted to the Chief Executive Officer, the Presidents, the Chief Financial Officer, the Manager of Investor Relations, the Company Secretary, and any authorized persons who may be subsequently designated by the Board.

The Bank's disclosure of information to stakeholders are made through multiple channels such as the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, the Bank's website ([www.scb.co.th](http://www.scb.co.th)), investor conferences, and press releases.

Details about public disclosure through the websites of the Stock Exchange of Thailand and the Bank are shown on the Bank's website ([www.scb.co.th](http://www.scb.co.th)) under the menu heading "Investor Relations".

## Section 4 – Internal Control

### 4.1 Internal Control for Prevention Against Conflicts of Interest and Use of Inside Information by Directors, Executives and Employees

The Board has established measures in support of the disclosure and prevention of transactions that may involve conflicts of interest and unauthorized use of inside information. These measures are set out in the Code of Business Conduct, the regulations governing confidentiality and disclosure of customers information, prevention against the use of inside information, and trading of securities by employees as well as guidelines applicable to trading of securities by directors. In addition, non-trading period applicable to directors, executives and employees involved in the preparation of financial statements is defined to prohibit the trading of the Bank's securities during one month prior to the release of quarterly, semi-annual, and annual financial statements and 24 hours after the release of such financial statements. Directors and executives (as defined by the notifications of the Capital Market Supervisory Board) are required to disclose and report their holding of securities in accordance with applicable laws.

As an internal control for prevention against conflicts of interest and use of inside information by directors and executives, the Bank requires directors and persons with management authority (as defined by the Financial Institution Business Act B.E. 2551) to report to the Company Secretary any conflict of interest concerning themselves and their related persons on a quarterly basis or upon change to any previously reported items.

With regard to related-party transactions or transactions with potential conflicts of interest, the Bank has a policy requiring that pricing, terms and conditions of such related-party transactions shall be on an arm's length basis. In addition, the Board (without related directors) shall have the authority to approve credit transactions and investments in businesses that have connected interest with the Bank, directors, persons with management authority, and their related parties (as defined by the Financial Institution Business Act B.E. 2551). For related-party transactions that exceed the size limits defined

by the notifications of the Stock Exchange of Thailand, the Board assigned the Audit Committee to review relevant operational processes and oversee all of material transactions to ensure that the execution of such transactions is in accordance with applicable laws and/or regulations.

Details about Internal Control for Prevention Against Conflicts of Interest and Use of Inside Information by Directors, Executives and Employees are shown on the Bank's website ([www.scb.co.th](http://www.scb.co.th)) under the sequence of menu headings "About SCB" → "Corporate Governance" → "Code of Conduct".

#### 4.2 Anti-Corruption and Bribery Policy

In recognition of the importance of anti-corruption and bribery, the Bank is determined to fight corruption and bribery in all forms and has formulated its Anti-Corruption and Bribery Policy which all directors and employees are required to comply with. Specifically, prohibitions under the provisions of this policy include but are not limited to: (1) Soliciting, arranging or accepting bribes for the benefit of directors or employees of the Bank and its subsidiaries or for the benefits of their related parties including the members of their family, friends, or persons who are related to them in any manner; (2) directly or indirectly offering, promising or giving bribes to officers of public or private organizations, either in the name of or for the benefit of the Bank, and (3) Abuse of power and authority. Details about the Anti-Corruption and Bribery Policy are shown on the Bank's website ([www.scb.co.th](http://www.scb.co.th)) under the menu heading "Anti-Corruption and Bribery Policy".

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Persons with management authority of the Bank are as defined by the Financial Institution Business Act B.E. 2551 (A.D. 2008).