

# PRINCIPLES OF GOOD CORPORATE GOVERNANCE

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## 1. The Policy on Good Corporate Governance

The Bangkok Insurance Public Company Limited Board of Directors fully realizes the significance of good corporate governance, based on transparency, accuracy and fairness, as an important factor in enhancing the organization's efficiency and sustainably, creating value for the organization, and generating the greatest benefit for all stakeholders. It has thus defined, in writing, the policy on good corporate governance so that the Company's Board of Directors, management and all employees will understand, as well as attach and comply to it until it becomes the organization's culture. This, of course, will result in the Company's business having a standard, fair and transparent management system generating income and increasing the long-term value for investors, apart from creating confidence among all parties of stakeholders and supporting and promoting the Company's sustainable growth of competitiveness.

**The Section on Shareholders' Rights** The Company is well aware of and gives top priority to the shareholders' rights through its policy on supporting the shareholders' fundamental rights, for instance, the right to purchase, sell or transfer shares; right to receive the Company's profit share; right to obtain sufficient data and information so as to attend shareholders' general meeting to appoint or discharge a Board director; right to appoint an auditor and review an issue affecting the Company, for example, the allocation of dividends, determination or revision of the Company's requirements or memorandum of association for reducing or increasing the capital and approval of a special item, and the right to know, at an appropriate time, the regulations and methods of attending the meeting, and adequate data and information for consideration in each meeting agenda prior to the meeting, apart from having an opportunity to ask Board directors questions both during the meeting and by submitting questions in advance, and an opportunity to propose a meeting agenda, besides having the right to give a mandate to another person to attend the meeting.

**The Section on Equal Treatment of Shareholders** The Company's encouragement of equal and fair treatment of all shareholders are, for instance, its policy on providing an opportunity to the minority of shareholders to nominate, at an appropriate time, the Board's director in advance, giving an opportunity to a shareholder who cannot attend a meeting to exercise his/her rights by giving a mandate to another person to attend the meeting and vote on his/her behalf, and giving an opportunity to the minority of shareholders to add a meeting agenda in advance prior to the shareholders' meeting day; determination of measures preventing the Company's Board directors and executives from using insider information to seek any advantage for themselves or others illegally, including determination of Board directors' and executives' disclosure of data on their stakeholding and that of other concerned people.

**The Section on Consideration of Stakeholders' Role** The Company has defined a policy for each group of stakeholders such as customers, employees, business partners, shareholders or investors, communities, society or the government sector, including competitors, taking into account all stakeholders' rights in compliance with laws or agreements made to the Company, participation in enhancing the Company's operations, and sufficient disclosure of related significant data for acknowledgement so that they can efficiently perform their duties in the participation. The determination of the policy on corporate social responsibility, particularly the issues having a direct impact on the Company's business transactions, is aimed at generating confidence among parties concerned that the Company's business performance has taken into account social and environmental factors based on sustainable development, has a performance guideline which does not violate intellectual properties or copyrights, a policy on anti-corruption practices and whistle blowing and protection the whistle blower and provision of a channel for each group of stakeholders to give suggestions and comments or file a complaint to the Company's Board of Directors.

**The Section on Data Disclosure and Transparency** The Company has a policy on accurate, complete, timely and transparent disclosure of significant data and information, both financial and non-financial, relating to the Company through an easy-to-access channel so that the shareholders are equally informed of it. The important data the Company has to disclose includes the Company's vision and missions, type of business transactions, shareholders structure, Board of Directors and executives, Board's and sub-committees' charters or duties and responsibilities, financial statements and financial situation and the Company's operations, organization structure, the code of ethics for the Company's Board directors and employees, policies, and arrangements of an Investors Relations to equally and fairly communicate with related outsiders, apart from those responsible for disseminating data and information of the Company's performance and returns to the public through various media and the Company's website.

**The Section on the Board of Directors' Responsibilities** The Company has defined the qualifications of its Board directors, independent directors and directors of the Audit Committee, besides the structure of the Board and sub-committees, as well as their roles, duties and responsibilities, including work procedures. The Company's Board of Directors consists of directors possessing vision, leadership, knowledge, expertise, experiences and specific capabilities useful to the Company.

Details of the Company's policy on good corporate governance may be viewed on its website at [bangkokinsurance.com](http://bangkokinsurance.com).

## 2. Sub-Committees

The Company's management structure consists of 2 major groups of committees as the following:

1. Committees which directly report to the Board, comprise 5 committees, namely the Audit Committee, the Remuneration and Nomination Committee, the Corporate Governance Committee, the Investment Committee and the Risk Management Committee.

2. Committees which directly report to the Management Committee, consists of 7 committees, namely the Sustainable Development Committee, the Underwriting/Products and Claims Committee, the Information Technology Committee, the Safety, Health and Environmental Committee, the Information Security Management Committee, the High Loss or Complicated Claims Committee and the Procurement on Building Management Committee.

### 1. Committees Directly Reporting to the Board

The Company's Board of Directors has appointed 5 committees, which directly report to the Board, comprising the Audit Committee, the Remuneration and Nomination Committee, the Corporate Governance Committee, the Investment Committee and the Risk Management Committee. In this regard, Board directors and/or executives have been appointed as members of the 5 committees in order to help consider significant work cautiously and in compliance with the Company's policy on good corporate governance and the OIC's laws and regulations. Each committee has the following components and scope of duties and authority.

#### 1.1 The Audit Committee

The Audit Committee (as at December 31, 2019) is comprised of 3 independent Board directors, namely,

1. VDC Col Plengsakdi Prakaspesat  
Independent Director and Chairman of the Audit Committee
2. Miss Potjaneee Thanavaranit  
Independent Director and Director of the Audit Committee
3. Mr. Chor.nun Petpaisit  
Independent Director and Director of the Audit Committee

Each director of the Audit Committee has skills, knowledge, understanding and working experiences in accounting and finance. All 3 directors of the Audit Committee possess sufficient knowledge and experience to verify the reliability of the Company's financial statements.

#### The Director of the Audit Committee's Term of Office

The director of the Audit Committee has a three-year term.

#### The Scope of Duties and Authority of the Audit Committee

The Audit Committee has the following scope of duties and authority.

1. To verify the Company's financial statements to ensure that they are completely, accurately and reliably established in accordance with Thai Accounting Standards, while significant data is sufficiently disclosed.

2. To verify and make an assessment of the Company's systems of internal control, internal audit and risk management to ensure their appropriateness, effectiveness and compactness, based on the framework accepted by international standards, including defining the Internal Audit Office's duties, responsibilities, authority and independence, and an approval for the appointment, reshuffle and employment termination of the head of the Internal Audit Office.

3. To verify the Company's practices to ensure that they are in compliance with the Security Act and Security Exchange Act, the SET requirements, Non-Life Insurance Act, the OIC requirements, and other laws related to the Company's business.

4. To consider a selection and proposal for an appointment and employment termination of an independent person who acts as the independent auditor, and fix his/her remuneration, including attending a meeting, at least once a year, with the auditor but without the Management in attendance.

5. To oversee crossover transactions and those with conflicts of interest so that they are in compliance with laws and the SET requirements, and bring about maximum benefits to the Company.

6. To provide recommendations to the Management for its efficient and effective overseeing of the Company's operations, and report to the Board of Directors for an improvement within the time the Audit Committee sees appropriate, in the case the Audit Committee has found or become suspicious of the following transactions or acts.

(a) Transactions with conflicts of interest.

(b) Malfeasance, abnormality or significant deficiency in the internal control system.

(c) Violation of laws on non-life insurance or other laws related to the Company's business.

7. To prepare the Audit Committee's report, which shall be included in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and consist of a minimum of the following data:

(a) An opinion on the Company's financial statements' accuracy, completeness and reliability.

(b) An opinion on the Company's adequacy and effectiveness of internal control systems.

(c) An opinion on the practices in accordance with the Security Act, the SET requirements or other laws related to the Company's business.

(d) An opinion on the Company's auditor's appropriateness.

(e) An opinion on transactions with conflicts of interest.

(f) The number of the Audit Committee's meetings and each committee member's meeting attendance.

(g) An overall opinion or note that the Audit Committee has received due to its duty performance based on the Charter.

(h) Other items which the Audit Committee thinks that the Company's shareholders and general investors should know, within the scope of duties and responsibilities assigned to it by the Board of Directors.

8. To verify a self-evaluation form relating to anti-corruption measures to ensure that the Company possesses effective anti-corruption systems as reported in the IOD's self-evaluation form.

9. Any other implementations assigned to the Audit Committee by the Board of Directors, with an approval of the former.

#### **The Audit Committee's Meeting**

A minimum of four meetings a year is defined.

#### **1.2 The Remuneration and Nomination Committee**

The Remuneration and Nomination Committee (as at December 31, 2019) comprises 4 members, namely,

1. Mr. Singh Tangtaswas  
Independent Director and Chairman of the Remuneration and Nomination Committee
2. Mr. Suvarn Thansathit  
Independent Director and Director of the Remuneration and Nomination Committee
3. M.R. Supadis Diskul  
Independent Director and Director of the Remuneration and Nomination Committee
4. Mr. Virasak Sutanthavibul  
Independent Director and Director of the Remuneration and Nomination Committee

In case of an appointment of a new Board director, the Remuneration and Nomination Committee is responsible for a review of the Board of Directors' qualifications in order to define appropriate qualifications of a new Board director, who will strengthen the Board of Directors.

#### **The Director of the Remuneration and Nomination Committee's Term of Office**

The director of the Remuneration and Nomination Committee has a three-year term.

#### **The Scope of Duties and Authority of the Remuneration and Nomination Committee**

The scope of duties and authority of the Remuneration and Nomination Committee includes the following.

1. To ensure that the number and proportion, as well as the components of the Board of Directors are appropriate to the organization.

2. To select a suitable and qualified person to replace a Board member in case of his completing his term, resignation or other reasons, apart from nominating a new Board member to shareholders or the Board of Directors for consideration and appointment, based on the case and in accordance with the Company's regulations.

3. To select a suitable and qualified person to supersede the Chief Executive Officer and the President in case of an expiry of their term, resignation or other reasons, besides nominating a new person for the Board's scrutiny and appointment.

4. To oversee and define policies on remuneration and other benefits of the Board of Directors, the Chief Executive Officer and the President that are appropriate to their duties and responsibilities.

5. To ensure that there is a plan for a succession to the position of the Chief Executive Officer and the President.

#### **The Remuneration and Nomination Committee's Meeting**

This is a specific-purpose meeting which is convened when necessary but shall be no less than once a year.

#### **1.3 The Corporate Governance Committee**

The Corporate Governance Committee (as at December 31, 2019) comprises 3 Board directors, and whose chairman and one of its members are independent directors, namely,

1. Mr. Virasak Sutanthavibul  
Independent Director and Chairman of the Corporate Governance Committee
2. Mrs. Nintira Sophonpanich  
Independent Director and Director of the Corporate Governance Committee
3. Mr. Panus Thiravanitkul  
Director and Director of the Corporate Governance Committee

#### **The Director of the Corporate Governance Committee's Term of Office**

The director of the Corporate Governance Committee has a three-year term.

### The Scope of Duties and Authority of the Corporate Governance Committee

The scope of duties and authority of the Corporate Governance Committee includes the following:

1. To consider, define and review in order to improve the Company's policy on good corporate governance so that it appropriately goes in accordance with the principles of good corporate governance.
2. To consider, define and review in order to improve the requirements concerning the morality of business performance and good practices of the Company's Board directors, executives and employees.
3. To follow up the consequence of a continuous and appropriate implementation of the Company's policy on good corporate governance and code of corporate conduct.
4. To make a report on the performance consequence to the Company's Board of Directors concerning the Company's good corporate governance policy, including giving an opinion on the practical guideline, and making a suggestion in order to modify or improve the policy based on appropriateness.

#### The Corporate Governance Committee's Meeting

This is a specific-purpose meeting which is convened when necessary but shall be no less than once a year.

#### 1.4 The Risk Management Committee

The Risk Management Committee (as at December 31, 2019) comprises 5 members, who are a director and executives, namely,

##### Chairman

1. Dr. Apisit Anantanarat  
Director and Chief Executive Officer

##### Vice-Chairman

2. Mr. Suphat Yookongbandhu  
Executive Vice President

##### Members

3. Mr. Anon Vangvasu  
Executive Vice President
4. Mrs. Srichittra Pramojaney  
Executive Vice President
5. Mr. Sorat Vongankij  
Vice President of Actuarial Department

Each member of the Risk Management Committee has sound knowledge and understanding of the Company's risks of business transactions.

#### The Director of the Risk Management Committee's Term of Office

The director of the Risk Management Committee has a two-year term.

#### The Scope of Duties and Authority of the Risk Management Committee

1. To define, consider and review the risk management framework, as well as risk management policy and scope

so that they cover various types of principal risks which may have an impact on the Company's income, fund, reputation or existence.

2. To oversee and support the Company's implementation of its risk management in line with its strategies and business transaction goals.

3. To evaluate the adequacy of the Company's risk management measures and risk management efficiency.

4. To arrange for a meeting in order to follow up the risk status, apart from the progress of risk management and the provision of recommendations for what has to be improved or modified so that they are in accordance with the defined risk management framework and policy, and strategies and report it to the Board for acknowledgement at least once every three months.

5. To support the performance of the Enterprise Risk Management Division so as to fulfill the organization's risk management goals.

#### The Risk Management Committee's Meeting

A minimum of one meeting every three months.

#### 1.5 The Investment Committee

The Investment Committee (as at December 31, 2019) comprises 5 members, who are directors and executives, namely,

##### Chairman

1. Mr. Chai Sophonpanich  
Chairman of the Investment Committee

##### Members

2. Mr. Panus Thiravanitkul  
Director and Director of the Corporate Governance Committee
3. Dr. Apisit Anantanarat  
Director and Chief Executive Officer
4. Mrs. Srichittra Pramojaney  
Executive Vice President
5. Mr. Ekamol Aungkavattana  
Vice President of Investment Department

Each member of the Investment Committee has knowledge, skills and experiences in investment management, risk management or stocks analysis, apart from defining the Company's investment policy and other business transaction policies as appropriate.

#### The Director of the Investment Committee's Term of Office

The director of the Investment Committee has a two-year term.

#### The Scope of Duties and Authority of the Investment Committee

1. To define an investment policy and other business transaction policies appropriate and flexible to changing situations, with a consideration of risks and related laws, before presenting it to the Board for consideration for approval.

2. To consider and give approval for rules and orders and practice procedures of the Company's investment.

3. To consider for approval of investment in an amount of over Baht 500 million per investment, but not exceeding Baht 800 million. If it is over Baht 800 million per investment, it has to be presented to the Board for further consideration for approval.

4. To oversee the status of the Company's investment capital.

5. To verify and adjust the Company's investment policy to ensure its appropriateness to changing circumstances.

6. To have another duty to oversee other business transactions of which the duties and responsibilities are defined in the same manner as those of the Investment Committee.

#### The Investment Committee's Meeting

A minimum of one meeting every three months.

### 2. Committees Directly Reporting to the Management Committee

The Company's Management Committee has appointed 7 committees, which directly report to the Management, consisting of the Sustainable Development Committee, the Underwriting/Products and Claims Committee, the Information Technology Committee, the Safety, Health and Environmental Committee, the Information Security Management Committee, the High Loss or Complicated Claims Committee and the Procurement on Building Management Committee. In this regard, the Management Committee members have been appointed to the 7 committees to help verify significant issues so as to enable the Company's performance and activities to be in compliance with the OIC's laws and regulations and be implemented efficiently. Each committee has the following components and scope of duties and authority.

#### 2.1 The Sustainable Development Committee

comprises at least 7 executives from various business units, each having a two-year term and at least one meeting every month, with the following scope of duties and authority.

1. To oversee and support the implementation of activities promoting the Company's sustainable culture, such as BKI Spirit (Cool, Agile, Friendly) and the culture "Your Caring Partner".

2. To oversee and support the implementation of CSR activities under the guideline of sustainable development, in cooperation with the Bangkok Insurance Foundation, in order to perform connectively and fulfill the Company's CSR goals.

3. To consider and encourage the Company's performance supporting its responsibilities to society and the environment.

4. To consider new activities or projects affecting the organization development to keep pace with the Company's alteration and sustainable growth.

5. To define the direction of formulating a plan to increase the performance efficiency and a plan for personnel development so that they are in compliance with the Company's strategic plan, besides providing suggestions on presenting a work plan of business units.

6. To consider presenting to have the Company nominate for awards organized by external agencies, and control them till the goal is achieved.

7. To make a report on the performance consequence to the Management Committee at least once every six months.

#### 2.2 The Underwriting/Products and Claims Committee

comprises at least 3 executives, each having a two-year term and at least one meeting every three months, having knowledge, expertise and understanding of underwriting and a consideration of each category of risks, including reinsurance, with the following scope of duties and authority.

1. To define the policy on underwriting, policy on reinsurance allocation and claims management appropriate and flexible to changing conditions, with a consideration of risks and related laws, before presenting them to the Management Committee.

2. To consider for approval of a guideline for defining premium rates.

3. To verify and adjust the policy on underwriting, reinsurance and claims management so that it is appropriate for changing circumstances.

4. To define a policy, business plan and strategy giving significance to creating and transferring, in writing, the culture of a fair treatment to customers, apart from communicating and transferring the culture of a fair treatment to customers to all departments and personnel relating to customer service provision, including policy presenters for sale in all of the Company's channels.

5. To control and oversee the quality of service provision which is fair, systematic, updated and goes in the same direction, besides making a complete assessment of the overall business and risk of which achievement is measurable and problematic issues are analyzed, while problems are solved quickly and efficiently.

6. To consider and oversee the determination of form, content and development of the Company's insurance policies, apart from defining premium rates of insurance to be presented for sales so that they are proper to customers' demand, through management for customers' maximum profit.

7. To consider for approval of rules and orders and practice procedures of the Company's underwriting, reinsurance and claims consideration.

8. To consider for approval of the scope of authority of underwriting and claims.

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

1. To define the policy and strategy on the utilization of the information technology in the work performance and support of the Company's strategy.

2. To consider for approval of the new work plans or projects relating to the use of the information technology in support of the work performance.

3. To consider for approval, in principle, of the work plans or projects, including the budget concerned with the information technology.

4. To consider for approval of the procurement on the information technology work to generate the greatest benefit to the organization.

5. To follow up the success of the utilization of the information technology in various projects or work plans.

6. To review the policy and strategy on the use of the information technology in the work performance if they are not in accordance with the objectives.

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

1. To make a survey, at least once a month, on safety, hygiene and working environment.

2. To make a report and suggestion to the employer on the measure or guideline for improvement so that it is in compliance with the law on work safety and/or work security standards, aimed at the safety for work performance of employees, contractors and outsiders who come in to work for or use the service of a manufacturing establishment.

3. To encourage and support activities on safety, hygiene and working environment of a manufacturing establishment.

4. To define safety regulations and work safety standards of a manufacturing establishment, and present them to the employer.

5. To formulate policies and annual work plans on projects or activities on safety, hygiene and working environment in order to prevent and reduce accidents, hazards or illness stemming from work, or work insecurity, and present them to the employer.

6. To carry out a project or plan on training related to safety, hygiene and working environment, apart from the training on roles, duties and responsibilities for a safety issue of employees, work chiefs, executives, employers and all levels of staff in order to present it to the employer.

7. To follow up the progress of the issue presented to the employer.

8. To report to the employer on the annual performance consequence, including problems, impediments and suggestions for the Committee's performance when the one-year duty performance period is due.

9. To perform other duties related to safety, hygiene and working environment, as assigned by the employer.

10. To carry out the effective 5s activity and practice it constantly.

11. To make a report on the performance consequence to the Management Committee as least twice a year.

**2.5 The Information Security Management Committee** is composed of at least 3 executives, each having a two-year term and at least one meeting every two months, having knowledge, expertise and understanding of an information system within the organization, with the following scope of duties and authority.

1. To define the policy, objectives, structure and duties and responsibilities regarding information security.

2. To encourage the organization to give priority to the fulfillment of objectives of information security, practices in conformity with the policies and laws, including a necessity for a steady improvement and development of information security within the organization.

3. To support resources for the system establishment, utilization and management, inspection and review, maintenance, including an improvement of the information security management system.

4. To make a report on the performance consequence to the Management Committee at least twice a year.

**2.6 The High Loss or Complicated Claims Committee** comprises at least 5 executives, each having a two-year term and at least one meeting every year, having authority on making judgment on a complaint filed to the Company, with those responsible from claims unit, underwriting unit, legal unit and compliance unit, with the scope of duties and authority to scrutinize and make judgment on complicated issues or ones having high damages of Baht 50 million and over. A complaint consideration has to be completed within 30 days, starting from the date the complaint is filed or additional documents are provided (if any).

**2.7 The Procurement on Building Management Committee** comprises at least 3 executives, each having a two-year term and at least one meeting every three months, with the following scope of duties and authority.

1. To define the policy and strategy on the overall procurement on the building management, including a review of the policy so that it fulfills the Company's goals.

2. To consider for approval, in principle, the work plans and projects, including the budget concerned with the building management, besides following up the success of those work plans and projects.

3. To consider for approval, in due time, of general expenses and those for specific or routine work/projects, in an amount of over Baht 500,000.

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

### **3. The Nomination and Appointment of Senior Executives**

The Company's Board of Directors has assigned the Remuneration and Nomination Committee to take care of the issue of the proportion, number and components of the Board of Directors, as well as to nominate a qualified person, with sound knowledge and proficiency, to supersede a director, Chief Executive Officer or President in case of the expiry of his term, resignation or other reasons, apart from nominating a new Board member to shareholders or the Board for consideration and appointment, based on the case and in accordance with the Remuneration and Nomination Committee's duties and authority specified in "The Remuneration and Nomination Committee" section. In this connection, appropriate qualifications and nomination procedures for a selection of a new Board director and senior executive, including minor shareholders' rights to appoint Board directors, are defined as follows:

#### **1. Qualifications and Procedure for Nominations of the Board Directors and Independent Directors**

##### **1.1 Qualifications of Directors**

The Company's Board directors, without regard to their gender, possess comprehensive knowledge, experience and specific capability to perform their duties. Besides, they have a good understanding of their responsibilities and the characteristic of the Company's business transactions, including having readiness to independently express their opinions on decision-making on any issue, with a consideration of the Company's greatest benefit and a fair treatment to each group of stakeholders. Similarly, the Board directors, in their capacity as director, can fully devote their time and effort to the Company.

##### **1.1.1 Qualifications of Independent Directors**

Apart from having sound qualifications of the Company's Board directors, independent directors must possess the following additional qualifications.

1. Have no more than 0.5 percent of all the eligible votes in the Company, corporations, affiliated companies, associated companies or juristic persons that

are the Company's major shareholders or have authority to control. This includes shares held by any party concerned.

2. Have nothing to do with the Company's administration, nor are they its employees or advisers with a regular salary, nor do they have authority to control, all for no less than two years prior to an appointment. Nonetheless, such prohibited attributes do not include the case of having been government officials or the government sector's advisers who have authority to control.

3. Have no blood line relationship or through a registration in the manner of father, mother, spouse, brother, sister and offspring, including spouse of offspring's, executives, major shareholders, any party having authority to control, or person who will be nominated the management or party having authority to control the Company or affiliated companies.

4. Have no or did not use to have business relationship, through which the value ranges from 3 percent of all net assets or from Baht 20 million and over, depending on which is the less amount, with the Company, corporations, affiliated companies, associated companies, major shareholders or any party having authority to control. Neither are they nor used to be major shareholders or the party, who has authority to control, of those having business relation with the Company, corporations, affiliated companies, associated companies, juristic persons that are major shareholders or the party having authority to control of those having a business relationship with the Company's corporations, affiliated companies, associated companies, juristic persons that are major shareholders or the party having authority to control except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment.

5. Are not or did not use to be the auditor of the Company, corporations, affiliated companies, associated companies, juristic persons that are major shareholders or the party having authority to control. Nor are they major shareholders, the party having authority to control or partner of the auditing office to which the auditors of the Company, corporations, affiliated companies, associated companies, juristic persons that are major shareholders, or the party having authority to control except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment.

6. Are not or did not use to be providers of any professional services, for example, legal advisers, financial advisers, asset evaluators, etc. who derived a service fee of over Baht 2 million per year from the Company, corporations, affiliated companies, associated companies, juristic persons that are major shareholders, or the party having authority to control. Nor are they major shareholders, the party having authority to control, or partner of those professional service provider except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment.

7. Are not directors appointed to become representatives of the boards of major shareholding companies or shareholders related to the Company's major shareholders.

8. Do not have the same business transaction as, and a significant competition with the Company's or affiliated companies' business. Neither are they other companies' partner owning significant partnership, nor directors taking part in their administration, nor their employees, staff and advisers with a regular salary, nor have 1 percent of all the eligible votes in other companies having the same business transaction as, and a significant competition with the Company or affiliated companies.

9. Possess no other property that prevents them from independently expressing their opinions.

#### 1.1.2 Qualifications of the Audit Committee Members

The Audit Committee members shall have the following qualifications:

1. Have all the qualifications of independent directors.

2. Are not directors assigned by the Company's Board of Directors to make decisions on the operation of the Company, corporations, affiliated companies, associated companies, affiliated companies in the same order, or juristic persons that are the Company's major shareholders or party having authority to control.

3. Are not directors of corporations, affiliated companies, or affiliated companies in the same order, particularly those listed in the SET.

4. A minimum of one Audit Committee member has knowledge and experience sufficient to verify the Company's financial statements' reliability.

5. Be able to sufficiently devote their time and express opinions in the performance of their work as the Audit Committee directors.

#### 1.2 Procedure for Directors and Independent Directors Nomination

To appoint a new director of the Board replacing a director whose term is due, the Remuneration and Nomination Committee will nominate the qualified person to the Company's Board for consideration before proposing to the shareholders' general meeting for appointment approval. However, this has to be endorsed by the majority of shareholders at the meeting. The following are the criteria for the appointment of directors, as defined in the Company's rules and regulations:

1. The Board of Directors shall comprise at least 5 directors, and no less than half shall reside within the Kingdom.

2. No less than three-fourths of the directors must be of Thai nationality.

3. The directors shall be elected at the shareholders' meeting. Each shareholder shall have a number of votes equal to the number of shares held. Decisions shall be made by a majority vote. In the event of a tied vote, the chairman of the meeting shall have the casting vote.

4. At every annual general meeting, one-third of the directors shall retire. Directors who vacate office may be re-elected.

5. The shareholders' meeting may pass a resolution removing any director from office, prior to retirement, by reason of the expiration of the director's term of office, by a vote of not less than three-fourths of the number of shareholders attending the meeting, who have the right to vote and who hold shares totaling not less than half the number of shares held by shareholders attending the meeting and having the right to vote.

For an appointment of a new director of the Board superseding a director who quits the job for a reason other than his/her term is due, it has to be approved by the Board's meeting, with the votes of no less than three-fourths of the remaining Board directors. A new Board director appointed has a term equal to the remaining term of the director leaving his/her position.

#### Minor Shareholders' Rights to Appoint Directors

To protect minor shareholders' rights, with an aim to have all shareholders treated equally, the Company has provided an opportunity for all of them to nominate a new Board director who is of high proficiency and appropriate for an appointment as a Board member. This is carried out in advance from October 1 to December 31 of each year. In this regard, the Company has notified its shareholders through the SET's information report channel and the Company's website at [bangkokinsurance.com](http://bangkokinsurance.com). Similarly, the criteria for nomination of a new Board director are defined in advance, along with the nomination form, and also displayed on the website.

#### 2. Qualifications and Procedure for the Management Nomination

The Chief Executive Officer is authorized by the Board to make a consideration and appointment of a person of high proficiency, knowledge and experience in the non-life insurance industry as the Company's top management in order to perform his/her duties and operate the Company's business to fulfill the goals and objectives defined. The nomination procedure is based on the Company's regulations on its human resources management, and subsequently reported to the Board for acknowledgement.

#### **Data on Transaction Related to Business Relations or Provision of Occupational Services between Independent Directors and Companies, Affiliated Companies, Associated Companies or a Party that May Have Conflicts**

Through the effective procedure of the Board directors' nomination, the Company's independent directors are appropriately qualified and truly independent. Furthermore, they do not occupy the position of independent directors or members of corporations, affiliated companies or affiliated companies in the same order.

In addition, the Company has no commercial agreements or transactions related to business relations or provision of occupational services between the Company and its Board directors, independent directors, management, including corporations, affiliated companies, associated companies or any party that may have conflicts, which has a value exceeding that defined by the Securities and Exchange Commission (SEC).

Nonetheless, the Board of Directors' meeting (No.3/2008) held on August 14, 2008, had approved in principle, the permission for companies, associated companies and affiliated companies to do business which may have a related transaction with the Company's Board of Directors, management or any party concerned, both the transaction that was made earlier and/or one that will be made in the future. This is based on the condition that such a business transaction has commercial agreements in the same way as a reasonable man will treat a general party to a contract in the same situation, through the commercial bargaining power without the influence of his/her status as the Company's Board director, management or any party concerned. Please see more details in the section "Related Parties Transactions".

#### **The Company's Board of Directors' Requirements on a Succession Plan and Development of Executives**

The Company's Board of Directors has assigned the Remuneration and Nomination Committee to be responsible for selecting a qualified person appropriate for assuming the position of the Chief Executive Officer and the President, by nominating an insider first or an outsider in case of necessity, including taking charge of formulating a plan for a succession by reducing the risk or impact of a lack of successors as much as possible. Consequently, there has to be a plan for steadily developing successors in order to be prepared for the qualifications for a succession to a higher position via the following policy.

1. The Remuneration and Nomination Committee gives a policy on selecting the qualifications of a successor of the Chief Executive Officer and the President to the Chief Executive Officer for consideration and implementation.

2. The Chief Executive Officer defines the qualifications, knowledge, capability and competency of a successor of the Chief Executive Officer, the President, including the senior executives of departments, based on the organization structure.

3. The President has a duty on making an assessment of the knowledge, ability and consequence of performance according to competency of departments' senior executives, apart from formulating an individual development plan in accordance with the principle of personnel development, through controlling and overseeing to ensure that there is complete development in compliance with the plan defined, and making an evaluation of the development progress by providing a concrete feedback.

4. The Chief Executive Officer reports the consequence of development of executives who are successors of the Chief Executive Officer and the President to the Remuneration and Nomination Committee every time there is an annual meeting of the Remuneration and Nomination Committee. The report will be presented to the Company's Board of Directors at its annual meeting.

#### **Appointment of Executives**

The Company's Board has assigned the Remuneration and Nomination Committee to consider an appointment of the Chief Executive Officer and the President and to propose for approval to the Board at its annual meeting, while the Board will subsequently propose for approval to the shareholders' annual general meeting.

For an appointment of head of departments based on the organization structure, it is the duty of the Company's Chief Executive Officer and/or President to make a selection and appointment later.

#### **4. The Overseeing of Operating Performance of Affiliated Companies and Associated Companies**

For overseeing the operating performance of affiliated companies and associated companies, the Company possesses only 3 associated companies. To oversee its associated companies' operating performance, the Company has appointed some people as the associated companies' board directors. The Company's Board of Directors will nominate board directors to its associated companies and propose to the Chairman of the Board for approval. Those appointed as associated companies' board directors have duties to perform to the best advantage of the companies. Similarly, they have to get approval from the Company's Board prior to making a resolution on a significant issue, at the same level as that which has to derive approval from its Board if carried out by the Company itself.

## 5. Control over the Use of Insider Information

The Company has given top priority to overseeing the use of insider information in conformity with the principle of good corporate governance. As a consequence, access to the Company's information is limited to executives and employees, and all computerized data is available only to those entitled to be entrusted with a password. The Board of Directors and the Management will not, as fundamental to their management principles, disclose the Company's performance data to outsiders, or exploit their authority or opportunities at work to seek any advantage for themselves or related people, before the data is revealed to the general public. Besides, the Company's Board directors, executives and employees, informed of data substantial to securities price alteration, are forbidden to purchase or sell the Company's stocks during the period defined until such insider information is revealed to the general public and it

is beyond twenty-four hours starting from the date the data is displayed. In the case of violations of disciplinary rules and regulations, the Company will rule on their penalties in accordance with its policy.

The Company has formulated in writing regulations on security arrangements and security transference in accordance with those of the Security Act and Security Exchange Act of 1992, Section 59. In this regard, the scope of report, reporters, financial products to be reported, reporting methodology, and reporting time, including the report to the Company's Board, have been defined so that the Board, management and the people concerned will strictly comply with them. This is intended not only to create a correct understanding for those taking charge of reporting, but also to be a measure for effectively overseeing the use of insider information in accordance with its policy.

## 6. Remuneration for the Auditor

In 2019, the Company paid remuneration to its auditor as follows:

1. Remuneration for audit of annual financial statements and review of quarterly financial statement	2,060,000	Baht
2. Remuneration for review of a Risk-Based Capital (RBC) report for 2019 and audit in accordance with a jointly agreed method of the second quarterly RBC report for 2019	600,000	Baht
3. Other service expenses	-	Baht
<b>Total</b>	<b>2,660,000</b>	<b>Baht</b>

## 7. Practices Based on the Policy on Good Corporate Governance

In 2019, the Company had performed in compliance with its policy on good corporate governance as the following:

### 1. The Section on Shareholders' Rights

#### 1.1 Awareness of Significance of Shareholders' Rights

The Company has given priority to and respected the rights of all shareholders, who are regarded as the business's owners. Thus, all shareholders, either major or minor, are encouraged to exercise their rights equally based on the criteria defined by law, which is identified in the Company's rules and regulations, and policy on good corporate governance, for instance, the right to purchase, sell or transfer shares; right to receive the Company's profit share; right to attend shareholders' general meeting; right to give a mandate to any person to attend the meeting instead and vote on his/her behalf; right to nominate a Board director; right to vote for a Board director and determine his

remuneration; right to propose the meeting agenda; right to appoint an auditor and determine his service remuneration, and right to obtain sufficient data and information. In addition, shareholders will be equally and transparently provided with accurate, complete and updated information at every meeting. Details of shareholders' rights are given in the Company's policy on good corporate governance, and rules and regulations.

#### 1.2 Promotion of Shareholders' Rights

- The shareholders' meeting, normally held once a year, is regarded as a good opportunity for shareholders to exercise their rights in making a decision regarding the Company's performance on various issues. Generally, the meeting is held within 4 months of the Company's accounting year-end, or when there is an urgent need on special issues affecting or involving shareholders' interests, or relating to conditions or regulations and laws that have to be approved by shareholders. In these cases, the extraordinary shareholders' meeting will be convened.

- The Company will, 14 days in advance of every meeting, send out invitation letters to all shareholders, informing them of the date, time and place of the meeting, meeting agenda and the Board's recommendations, together with the necessary documents and information to guide their decisions on voting on significant issues. In this regard, the Company will disseminate the news in an invitation letter for the meeting through the SET and the Company's website.

- In the case a shareholder cannot attend the meeting, he/she can still exercise his/her rights by giving a mandate to any person or the Board's independent director, who also sits on the Audit Committee and whose name is identified in the mandate, to attend the meeting and vote on his/her behalf. The Company has also notified the independent director of its nomination of him to receive a shareholder's mandate so that the latter (director) can attend the meeting.

- For every shareholder's meeting, all 12 directors of the Company's Board, including the chairman of a sub-committee, and the Company's Management Committee attend the meeting in order to answer shareholders' questions on related issues.

- The Company also facilitates registration in advance. Before a meeting the Company secretary will inform the shareholders of the practice method for shareholders' general meeting, including the method of vote counting. Furthermore, the Company also arranges for the minority of shareholders to act as observers for vote counting.

- During the meeting, all shareholders can fully exercise their rights through a debate, interrogation and expression of opinion for all items on the agenda. Details of the meeting will be recorded and open to shareholders' examination.

- For a report on shareholders' general meeting, there is a notification of the names of directors attending the meeting and taking a leave of absence, and recording of an explanation of the practice method of vote casting for each agenda and the method of score result presentation to shareholders prior to the meeting, including giving them an opportunity to raise issues or ask questions but nobody asks questions. Similarly, voting results for each agenda of shareholders' meeting, whether agreed, or disagreed or abstention, are also recorded.

In 2019, the Company held a general meeting of shareholders on April 26, 2019, at 2.00 p.m. at room 1105, on the 11<sup>th</sup> floor of the Bangkok Insurance Building, 25 Sathon Tai Road, Thung Maha Mek, Sathon, Bangkok. All the 12 Board directors attended the meeting, while the meeting proceeded absolutely in accordance with the policy defined. Through the procedure of holding shareholders' meeting in a manner that promotes an equal exercise of

every shareholder's rights, the Thai Investors Association gave a full score of 100 in a quality evaluation of the Company's shareholders' general meeting for 2019.

## 2. The Section on Equality of Shareholders

The Company realizes the significance of every shareholder and attempts to generate the equality among all groups of shareholders, whether major or minor, institution investors or foreign shareholders, particularly minor shareholders, as the following:

- The Company informs of the meeting and meeting agenda and the Board's recommendations to the SET and disseminate them on the Company's website 30 days in advance of shareholders' general meeting.

- At the meeting, the Company secretary has informed shareholders of regulations used in the meeting, phases of vote casting, including the right to vote based on each category of share.

- The Company prepares invitation letters for shareholders' general meeting, together with the necessary documents in the English language to be submitted to foreign shareholders.

- The Company has allowed all shareholders to propose any important issues that should be put on the agenda of the Company's shareholders' annual meeting, including nominating, prior to the meeting, a new director who is of high proficiency and appropriate for appointment as a Board member.

- In order to have control over the use of insider information, access to the Company's information is limited to those directly concerned with the work performance only. A policy on the use of insider information for Board directors, executives and employees, informed of data substantial to stocks price alteration, has been defined for their implementation. The Company has also formulated in writing regulations on security arrangements and security transference in accordance with those of the Security Act and Security Exchange Act of 1992, Section 59. In this regard, the scope of report, reporters, reporting methodology, and reporting time, including the quarterly report to the Company's Board for its acknowledgement, have been defined so that they will be strictly complied with.

## 3. The Section on Stakeholders' Rights

The Company is fully cognizant of its stakeholders' rights and obviously defines its treatment of each group of stakeholders since it believes that the stakeholders' support benefits the Company's good reputation and ability to compete in the market, as well as helps build up the Company's profit in the long term. A guideline for the Company's treatment classified by group of stakeholders is summarized below.

- **Shareholders** The Company is determined to be a good representative of shareholders by taking good care of their benefits and providing them with the greatest satisfaction through high and continuous remuneration. Likewise, all reliable business information will be disseminated to them accurately, completely and transparently in conformity with generally accepted standard.

- **Employees** The Company will treat its employees at all levels equally on the basis of moral and fairness principles in order to encourage them to work efficiently, without regard to sex, race, religion or institutional differences as limitations to their career advancement. All employees are also consistently urged and trained to develop their skills and knowledge necessary to the successful implementation of their work, aimed at generating utmost satisfaction for customers, for instance, training on an insurance subject, and development of skills and knowledge necessary to the successful implementation of one's work.

Besides, all levels of employees are encouraged to study or seek new branches of knowledge, focusing on development of multi skills via training both inside and outside the company, on-the-job training, coaching, job rotation, counselling, scholarship provision and an assignment of work or projects, apart from giving importance to self-learning through creating and developing different patterns of learning to enable all employees to learn by themselves, promoting a learning organization in which employees can learn and enhance their experience in each job, aimed at their comprehensive knowledge in conformity with the organization's goals and strategies.

The policy on development of the Company's employees, including a budget spent in 2019, is revealed under the item "Policy on Employees' Development". Apart from fair remuneration, all other welfare schemes are, of course, higher than the requirements of the Ministry of Labour, i.e. provident fund scheme, life and health insurance coverage, 5s and relaxation programs, as well as the maintenance of a good working atmosphere and the protection of employees' health and safety.

- **Customers** The Company is determined to develop and offers various quality insurance products according to international standards, providing suitable coverage at a reasonable price, and indemnification made on a fair basis. In addition, the Company is well aware of its responsibilities to customers and the latter will be fully advised about the nature of these products, while the Company has specifically established a work unit to receive their complaints and comments.

- **Business partners** The Company regards its business partners as trading partners and therefore treats them on an honest, transparent, fair and equal basis, including being in strict compliance with the contracts or conditions agreed

upon, besides providing them with accurate, sufficient and equal information and data. These business partners will be given opportunities to comment and propose suggestions concerning any and all joint business issues. In addition, the Company has clearly defined the procedures for selecting its business partners and an assessment of their performance in its performance manual. To ensure that the rights of business partners are protected, the Company will treat business partners' secrets as strictly confidential.

For the procedures for selecting and evaluating its business partners, the Company has defined the following criteria and implementing stages.

1. Define qualifications of business partners doing business with the Company. The qualifications and measures for selecting business partners include the following.

1.1 Never be revoked of their license.

1.2 Not have an impaired reputation of fraud or malfeasance.

1.3 Give support to customer services.

1.4 Have potential of growing with the Company in the long term.

2. Define documents supplementing business partners' application.

3. Consider qualifications and documents supplementing business partners' application.

4. Inform business partners of consideration results to accept them as the Company's contractual business partners.

5. Arrange for a contract between the Company and business partners, apart from asking them for cooperation of being in compliance with an anti-corruption policy, and recording business partner list registration in the contract.

6. Annually make an assessment of business partners based on the criteria the Company has defined, including making a survey on customer satisfaction derived from their services.

7. Make a conclusion of an annual business partner assessment and present it to superiors for a consideration for approval.

8. Inform business partners of an annual assessment result.

- **Competitors** While maintaining its accepted professional business standards based on the benefit, the Company intends to maintain its position in the market and compete effectively, while refraining from seeking any business competitor's secrets through a dishonest or inappropriate method, or damaging its reputation for the Company's own benefit. The Company emphasizes the quality and efficiency of its services, stressing the greatest benefit to our customers and the standing of the insurance industry as a whole.

- **Creditors** The Company is strongly committed to a fair and equal treatment of all its creditors on an honest and fair basis for both sides, and will therefore follow all agreed conditions with its creditors. If the conditions agreed upon cannot be honored or there is a cause of default on its payment, the Company will notify its creditors in advance without concealing the fact so as to jointly find quick and fair solutions, apart from seeking for the capital management with structure to support the Company's business performance and retain the confidence among its creditors.

- **Society and Environment** The Company realizes its responsibilities to society and to the preservation of the environment. As a consequence, it has supported many activities that benefit the community, such as the development of society through employing disabled labor. It also provides support and assistance to communities jointly with other agencies both in the government and the private sector. For instance, the Company's management has offered a mobile medical service to treat people in poverty-stricken areas. In addition, the Company has supported royal activities via its financial contributions to the Ananda Mahidol Foundation, the Chai Pattana Foundation and the Graduates Go Home project, supported environmental development in collaboration with the Thai Environmental and Community Development Association (Magic Eyes) and the Rajapruek Institute Foundation, supported public health activities such as the Toilet Construction for Schools in Rural Areas project and the Clean Drinking Water for Students in Rural Area project, presented medical equipment to hospitals in rural areas, granted scholarships to poor students at the university level, promoted students' reading habit, supported Buddhism via organizing a merit-making ceremony of Phapa, provided archaeological support by rehabilitating the archaeological sites of Ban Promthintai in Lopburi, supported public disaster relief, presented bulletproof vests to soldiers in 3 southern border provinces, presented subsistence bags to flood victims, apart from offering various training programs and activities to its management and staff so that they can participate, as well as realize the significance of conducting themselves in a way that would benefit society. All activities and projects have been continuously implemented for the true and sustainable benefit to society.

Details of activities performed in 2019 can be viewed on the Company's website at [bangkokinsurance.com](http://bangkokinsurance.com).

- **The Government Sector** The Company has strictly carried out its business transactions under the requirements defined by laws, rules and regulations concerned, apart from cooperating and maintaining a good relation with government agencies and the regulator, through providing accurate, complete and sufficient information and data

requested by them in order to display its transparency, as well as generating mutual confidence and trust.

- **Practices according to Human Rights Principles** The Company is determined to abide universal human rights principles by knowledge and understanding of the issue among its employees so that they can appropriately apply the human rights principles to the performance of their work and duties.

- **Intellectual Property or Copyright** The Company constantly encourages its employees to initiate and develop new products, whether development of a work manual, product design or computer. This is aimed not only at benefiting business, but also at developing employees' potential. Nevertheless, any work which the Company's employees have created during the time they worked with it, whether assigned by the Company, or by use of the Company's data, or the work learned from the Company, is regarded as the Company's sole ownership, while such data, including the Company's confidential business data other confidential data, must not be disclosed to outsiders without the Company's permission. In addition, the Company has also defined policies and practice regulations to prevent violations of copyright laws and an act on the computer offense commission, as well as notified them to the Company's employees. Besides, the Company has an efficient control process for its employees' practices in compliance with rules and regulations.

- **Convention Against Corruption** The Company has a policy on anti-corruption for its Board directors, management and employees to strictly abide by it by banning them from demanding, practicing or accepting corrupt practices of all forms, exploiting their authority, whether directly or indirectly, to seek any advantage for themselves or others, offering unlawful interests to any other person as an incentive, accepting or giving gifts or giving a reception beyond necessity, besides forbidding them to lend their support in the form of money or other benefits, whether directly or indirectly, to political parties, and to donate money or provide financial support to other people or agencies as a channel for paying a bribe. Additionally, the Company has also steadily provided training to all its new employees, while the Internal Audit Office has inspected and made an assessment of the implementation in compliance with the Company's anti-corruption policy.

- **Communications with Stakeholders and Receiving Complaints** The Company has also arranged for channels to provide convenience to each group of stakeholders to communicate or file a complaint on matters that may cause damage to the Company, acts violating laws, orders, regulations and code of ethics, including frauds and corruption, to its Board of Directors through the Audit Committee, the Company secretary, the Internal Audit

Office and Quality Control Center. The complaints may be directly filed verbally or in writing, sent as a letter via an e-mail or the Company's website. Details of the method of complaint filing can be studied from the Company's policy on a report on corrupt practice clues revealed on its website at [bangkokinsurance.com](http://bangkokinsurance.com).

#### 4. Data Disclosure and Transparency

The Company's Board has given priority to the information disclosure since it is a matter affecting the decision of investors and stakeholders, and thus has had a policy for the Company to disclose both its financial and non-financial data, as defined by the SEC, SET and other government agencies. Data disclosure focuses on transparency, accuracy, completeness and timelessness, through press conferences and the channels of the SET, as well as the Company's annual report and the annual report presentation form (Form 56-1). Additionally, the data is disclosed both in Thai and English via the Company's website, and continually updated for reliability and easy and equal access by shareholders and other related persons. The following is a summary of the significant disclosed data.

1. Disclosure of financial and non-financial data accurately, completely and in time.
2. Preparation for a report on the Board of Directors' responsibility for financial statements.
3. Preparation for a summary report on the policy on good corporate governance, code of corporate conduct, policy on risk management and CSR policy as approved, as well as the consequence of performance based on those policies.
4. Disclosure of audit remuneration and remuneration for other services provided by the auditor.
5. Disclosure of the roles and duties of the Board and sub-committees, numbers of meetings and meeting attendance of each Board director in the previous year.
6. The constant training and development of occupational knowledge of the Board.
7. Having a get-together with analysts and investors.
8. Data disclosure on the Company's website and updating data listed below.
  - 1) The Company's vision and mission.
  - 2) The type of the Company's business transactions.
  - 3) A name list of the Board directors and executives.
  - 4) The Company's financial statements and a report on its operations both at present and of the year before.
  - 5) The annual report presentation form (Form 56-1) and the annual report, which can be downloaded.
  - 6) The shareholding structure of major shareholders and the proportion of shareholding.

- 7) Invitation letters for shareholders' general meeting.
- 8) A report on shareholders' general meeting.
- 9) The Company's rules and regulations.
- 10) The policy on good corporate governance.
- 11) The code of ethics for the Company's Board directors and employees.
- 12) The policy on anti-corruption.
- 13) The policy on a report on corrupt practices clues (whistle blowing).
- 14) The organization's structure.
- 15) The data on contacting sections or persons responsible for Investor Relations work.

#### 4.1 An Adjustment of the Corporate Governance Code

The Company's Board of Directors has considered and realized its roles and duties as the organization's leader, as well as encouraged an adjustment of the Corporate Governance Code : CG Code, issued by the SET, to the Company's context, aimed at generating the business's sustainable value, making business transactions based on a moral basis, respecting the rights of and having responsibilities to shareholders and stakeholders, being able to adapt itself to changes and being competitive through sound financial returns in the long run, benefiting society, as well as developing and reducing impacts on the environment.

In 2019, the Company's Board of Directors had completely scrutinized and comprehended the benefits and significance of a proper adjustment of the CG Code to the Company's performance to further create sound financial returns and sustainable business value. Nonetheless, for the practical guideline inappropriate for the Company's business transactions, its Board had considered and issued suitable substitute measures and recorded it as part of the Board's resolution for an annual consideration and review. In 2019, the Company had an issue it had not practiced and had an appropriate substitute measure as the following:

- 1) Defining the criteria limiting the number of listed companies in which the Company's Board directors may hold office, the total not exceeding 5 companies.
- 2) A policy allowing an independent director to continuously hold office not exceeding 9 years, starting from the day he/she is appointed to the post of an independent director for the first time.

Since compliance with such a principle may affect the nomination of qualified persons to sit on the Board. Nevertheless, the Board has constantly reviewed its directors' term each year and in the case of an independent director being appointed for another term, the Board will scrutinize the necessity, and his/her skills, experiences and specific capability beneficial to the Company.

#### 4.2 Remuneration for Directors and Management

It has been reported in Remuneration for Directors and Management section in “the Management”.

#### 4.3 The Board of Directors’ Responsibilities for Financial Statements

The Company’s Board of Directors is responsible for the accuracy of the Company’s financial statements preparation, which should display details of its financial data sufficiently, transparently and correctly, while significant data is adequately and steadily disclosed in notes of the financial statements in accordance with appropriate accounting standards. The Company’s financial statements are audited by a public accountant, certified by the SEC and/or related agencies, as well as verified by the Audit Committee. The Company’s Board has also prepared the report on its responsibilities for financial statements in the Company’s annual report and the annual report presentation form (Form 56-1).

#### 4.4 Role and Duty Performance of the Board of Directors

The Company reveals the names and history of each Board director, including the roles and duties of the Board of Directors, the Audit Committee, the Corporate Governance Committee and the Remuneration and Nomination Committee, along with details of their duty performance of the previous year in the section “Management Structure”, so that the shareholders and the people concerned may know about the knowledge, capabilities, experience and other significant data of the directors, who contribute to the Company’s success in its business transactions.

#### 4.5 Investment Relations

In 2019, the Company had a get-together with analysts and investors 3 times to provide data on the Company’s operating performance direction and returns. A detail is given below.

Date	Analysts/Investors (Item)	Number of Companies (Unit)
June 19, 2019	4	3
August 7, 2019	1	1
December 2, 2019	4	3

In addition, the Company has established an Investor Relations in charge of communicating the Company’s information and data with investors and outsiders, besides treating them equally and fairly, as well as in a well-arranged manner.

In this regard, investors can ask for more investment data at the phone number and e-mail address displayed on the Company’s website.

#### 4.6 Policy on Responsibilities to Society and the Environment and Implementation Consequence

This has been reported in the section Stakeholders' Rights in "Society and Environment".

#### 5. The Section on the Board of Directors' Responsibilities

The Company's Board fully realizes its roles and responsibilities as the shareholders' representative, principally responsible for making decisions on the Company's significant policies and strategies. In addition, the Board will see to it that the Company's management has implemented the policies and strategies defined for the Company's utmost benefit. To fulfill this goal, the Board has implemented the principles of good corporate governance as the following:

##### 5.1 The Board of Directors' Structure

1. **Components of the Board** It has been reported in the section Management Structure.

2. **The Board of Directors' Term of Office** The Company has clearly defined the Board of Directors' term of office in its rules and regulations, no.23, which is proclaimed on the Company's website at [bangkokinsurance.com](http://bangkokinsurance.com).

3. **Qualifications of Independent Directors** It has been reported in the section Qualifications and Procedure for Nomination of the Board Directors.

##### 5.2 The Sub-Committee

It has been reported in the section Sub-committees

##### 5.3 The Board of Directors' Roles, Duties and Responsibilities

###### 1. Leadership and Vision of the Board of Directors

The Company's Board of Directors consists of knowledgeable and experienced persons from various fields who are supportive of the Company's administration. All directors take part in cautiously defining, giving approval to and annually reviewing all important vision and policy statements, missions, strategies and business goals of the Company. They also ensure that the Company's management's performance will, as a matter of principle, be presented to the Board of Directors every three months. In addition, the Board also occasionally plays a role in giving approval to the performance guidelines of the various sub-committees, such as the Audit Committee, the Remuneration and Nomination Committee, and the Corporate Governance Committee. In 2019, the Board had reviewed, improved and approved the Company's vision, missions and strategies.

Exercise of authority in the performance of the Company's Board will strictly and honestly comply with laws, regulations and shareholders' meeting resolutions based on sound morality and rule of conduct. This is to ensure that the Management's performance will ultimately fulfill the Company's goals and generate the utmost benefits for shareholders.

##### 2. Approval of Policy on Corporate Governance

In 2005, the Board of Directors approved for the first time, in writing, the formulation of the Company's policy on corporate governance, as well as approved the policy modification 9 times. In this regard, the Board has assigned the Company's management to take charge of a follow-up of the policy implementation in order to report recommendations to the Corporate Governance Committee for an improvement of the policy in order that it is updated and appropriate for the changing situations, and increasingly has a practice guideline of international standard.

In 2019, there was a 9<sup>th</sup> improvement for more clarification of the policy on corporate governance on August 9, 2019, in conformity with OIC's Notice on non-life insurance companies' good corporate governance B.E. 2562, effective from August 26, 2019, regarding the components of executive directors, duties and responsibilities of the Company's Board of Directors and management, policy on conflicts of interest, communication with stakeholders and complaint reception, internal control and risk management.

Details of the Company's policy on good corporate governance may be viewed on the Company's website at [bangkokinsurance.com](http://bangkokinsurance.com).

##### 3. Business Code of Ethics

The Company's Board of Directors has approved the publication of the Company's code of ethics (rules of conduct) to be presented to the Board and staff, including propagating the code of ethics on the Company's Intranet. This aims at communicating good practices to the Company's Board and staff so that they will use them as a principle for their work performance. In this connection, it is the duty of all levels of management to make sure that their subordinates know, understand and actually perform according to the Company's code of ethics. In addition, the Company has steadily offered a training course on its code of ethics to all new staff.

Details of the Company's code of ethics can be viewed on the Company's website at [bangkokinsurance.com](http://bangkokinsurance.com).

#### 4. Conflict of Interest

The Company's Board of Directors has taken measures to impede conflicts of interest and the seeking of one's self-interest by defining this as a principle in the rule of conduct for both Board directors and staff. Additionally, the Board has assigned the Audit Committee to oversee and report to it on crossover transactions and those with conflicts of interest. These have been cautiously considered for appropriateness, with honesty, justification and independence based on the defined code of ethics, in the best interests of the Company, all of which is performed in the same manner as transactions made with outsiders. Furthermore, the Audit Committee has also performed in accordance with the SET's criteria in reporting on and disclosing such information each quarter in the Company's annual report and the annual report presentation form (Form 56-1).

- **Control over the Use of Insider Information** It has been reported in the section "Control over the Use of Insider Information".

#### 5. Controlling System, Internal Audit and Risk Management

Observing the important internal controls at both the managerial and operational levels, the Company's Board of Directors has set out the responsibilities of executives and employees in writing, and also requires that the executives assess the adequacy of internal controls at least once a year. Furthermore, the Company also possesses work units taking charge of auditing and evaluating all departments' performance so that it is in compliance with practice procedures, laws and orders, including all sections' risk management as the following:

- **The Internal Audit Office**, which reports directly to the Audit Committee, is in charge of auditing all sections' performance, apart from the accuracy and reliability of the Company's accounting data and financial statements so that their performance is in accordance with the Company's policy, declarations, rules and regulations, and laws, besides monitoring the accuracy and appropriateness of its work system and information control system so as to assess the efficiency and security of the work system, including following up and evaluating the Company's overall risk management efficiency.

- **The Compliance Office**, which reports directly to the Audit Committee, takes charge of the determination of a guideline for all departments' performance in compliance with laws, an assessment of the appropriateness of the Company's performance approach, including following up immediately when any deficiency or inappropriateness is detected, besides making an analysis and study on the

problem, providing advice on laws, regulations, requirements and practices to ensure all departments' performances are in conformity with laws, and steadily overseeing and following up the matter.

- **Enterprise Risk Management Division**, which reports directly to the Executive Vice President, is in charge of defining the strategy and guideline for the Company's risk management operation, along with the Risk Management Committee, determining the framework and guideline for risk management, apart from establishing KPIs together with other departments and giving suggestions and recommending steps of risk management operations to all of the Company's departments.

Additionally, the Company's Board of Directors has assigned the Risk Management Committee to be responsible for defining the framework of risk management and the policy on risk management, while such a framework and policy on risk management will be annually presented to the Board for a consideration for approval. Similarly, the Risk Management Committee will follow up the Company's risks so that they are at an acceptable level, including reviewing the sufficiency and efficiency of the Company's performance in line with its policy and procedure on risk management, and communicating with concerned staff for their acknowledgement. The report on risk management consequence to the Board of Directors has to be made at least once every three months.

In 2019, the Risk Management Committee had reviewed the framework of risk management and the policy on risk management and presented them to the Board for a consideration for approval on February 22, 2019, and submitted it to the Office of Insurance Commission (OIC) on March 20, 2019.

#### 5.4 The Board of Directors' Meeting

1. **The Meeting Schedule** The Company's Board of Directors will meet a minimum of once every three months. Nonetheless, there may be an additional extraordinary meeting as the Board thinks appropriate. Each Board member will be informed of the Board's meeting schedule in advance in the fourth quarterly meeting of each year so that he/she may set aside time for the meeting. In 2019, the Board of Directors' meeting proceeded according to the schedule planned, resulting in the Board members' average meeting attendance of over 80 percent of all the Board's plenary meetings.

**2. The Consideration of Meeting Agenda Determination** To define the meeting agenda, the Company secretary will compile significant issues to be put on the agenda and propose to the Company's Chairman of the Board of Directors for approval, and then arrange them as the meeting agenda, including other relevant documents to be scrutinized for each agenda. Each Board member is allowed to propose an issue to be inserted on the agenda through the Company secretary.

**3. The Delivery of Meeting Documents** For the delivery of the Board's meeting documents, the Company secretary will send out meeting invitation letters, including an agenda and other relevant documents, no less than 7 days prior to the date of the meeting, to all the Board members to ensure that they have sufficient time to scrutinize the data before the meeting. In 2019, meeting invitation letters and other relevant documents were submitted to each Board member in time for all meetings.

**4. The Meeting Procedure** For each meeting, the Chairman of the Board of Directors allows each director to comment and ask questions about business performance, risk management, internal control systems, and all other matters without prescribed time limit. In consideration of agenda, directors who are stakeholders in any item on the agenda have no right to vote and are not allowed to be at the meeting for that agenda. The Company secretary will report on the minutes of the meeting and the meeting's resolution for the Board's approval at the next meeting. In addition, for each meeting, a meeting report will also be systematically kept by the secretary as a convenient reference or for examination by the Board and other related people.

**5. The Invitation of Executives for Meeting Attendance** In 2019, for each of the Board of Directors' meetings, senior executives, namely, Director and Chief Executive Officer, Director and President, and Executive Vice President of Accounting and Treasury Department, would attend the meeting in order to answer the Board directors' questions and doubts.

**6. Information Access** For access to information, since the Board of Directors' meeting is not convened every month, the report on the Company's performance is presented to each Board director each month, starting from April 2007 onwards. This is aimed at allowing the Board to continuously oversee and control the Company's management's performance. Besides, the Board may ask the Company's Chief Executive Officer or secretary for additional explanations and examination of relevant

documents.

**7. The Meeting of Non-Executive Directors** For the meeting of non-executive directors, in 2006, the Board approved a policy encouraging its non-executive directors to convene a meeting among themselves, and assigned the Company secretary to facilitate such a meeting. Nonetheless, through 2019, apart from the meetings of the Audit Committee, the Remuneration and Nomination Committee, and the Corporate Governance Committee for an implementation of the missions assigned to them, the non-executive directors had never convened a meeting among themselves.

A summary of each Board director's meeting attendance in 2019 is given in the section "the Management" with respect to the Board of Directors.

#### **5.5 Board of Directors' Self-Evaluation**

The Company's Board of Directors has realized the significance of creating an effective Board and has arranged for an annual evaluation of the Board's duty performance so that the evaluation consequence will be subsequently used to improve and develop the Board's duty performance. The Board's evaluation consists of 3 parts as the following:

1. An evaluation of the entire Board's work performance: to be used to evaluate the Board of Directors' overall duty performance.
2. An evaluation of an individual Board director's work performance: to be used for a self-evaluation of a Board director's duty performance.
3. An evaluation of a sub-committee's work performance: to be used to evaluate the overall duty performance of the Audit Committee, the Corporate Governance Committee, and the Remuneration and Nomination Committee.

The Company has a procedure for a work performance evaluation of the entire Board of Directors, an individual Board director and a sub-committee, as the following:

1. Make an evaluation of the operating performance efficiency of the entire Board of Directors, an individual Board director and a sub-committee, at least once a year.
2. The Company secretary summarizes and proposes the consequence of the operating performance efficiency evaluation to the Company's Board of Directors.
3. The Corporate Governance Committee considers for improvement of the operating performance efficiency based on the evaluation consequence and proposes to the Company's Board of Directors for

acknowledgement.

The objective of a self-evaluation of an individual Board director will focus on an evaluation that can reflect the operating performance efficiency in accordance with the principle of good corporate governance. The criteria for a work performance evaluation is classified as follows:

**1. An Evaluation of the Entire Board's Work Performance:**

An evaluation of the operating performance efficiency of the entire Board of Directors is classified into 6 sections, namely,

- 1.1 The Board's policy
- 1.2 The Board's duty performance
- 1.3 The Board's structure
- 1.4 The Board's performance guideline
- 1.5 Preparation for and implementation

of the Board's Meeting

- 1.6 The Board director's characters

In 2019, the combined evaluation consequence from all sections was at an excellence level, with an average score of 4.85 from a full score of 5, representing 97.0 percent, approximate to an evaluation consequence in the previous year.

**2. An Evaluation of an Individual Board of Director's Work Performance** consists of 3 sections of an evaluation as the following:

- 2.1 The Board's structure and qualifications
- 2.2 The Board's meeting
- 2.3 The Board's roles, duties and responsibilities

In 2019, the combined evaluation consequence from all sections was at an excellence level, with an average score of 4.86 from a full score of 5, representing 97.2 percent.

**3. An Evaluation of a Sub-Committee's Work Performance** consists of 3 sections of an evaluation as follows:

- 3.1 A sub-committee's structure and qualifications
- 3.2 Preparation for and implementation of a sub-committee's meeting
- 3.3 A sub-committee's roles, duties and responsibilities

The evaluation consequences for the 3 sub-committees are given below.

- 1) The Audit Committee

In 2019, the combined evaluation consequence from all sections was at an excellence level, with an average score of 5.0 from a full score of 5, representing 100.0 percent.

- 2) The Corporate Governance Committee

In 2019, the combined evaluation consequence from all sections was at an excellence level, with an average score of 4.97 from a full score of 5,

representing 99.4 percent.

- 3) The Remuneration and Nomination Committee

In 2019, the combined evaluation consequence from all sections was at an excellence level, with an average score of 4.88 from a full score of 5, representing 97.6 percent.

**5.6 Procedure on the Determination and Appropriateness of Remuneration**

The Company's Board of Directors has a policy to determine the Board directors' remuneration to the amount paid to other listed companies' directors of similar businesses or companies with approximate returns. The Board thus assigns the Remuneration and Nomination Committee to determine the Board directors' remuneration based on the scope of their roles and responsibilities, including the benefits to be derived from them, before proposing it to the shareholders' general meeting for approval. Furthermore, the Remuneration and Nomination Committee has annually made an assessment of the performance of the Company's head of department and senior executives in order to be used for the determination of their remuneration, and presentation to the Board for a consideration for approval.

In 2019, the Remuneration and Nomination Committee had made an evaluation of the performance of the Company's head of department and senior executives and presented it to the Board of Directors for a consideration for approval of the remuneration.

**5.7 Development of the Board of Directors and Executives**

The Company's Board of Directors has a policy of promoting and supporting directors, executives and other staff, relating to the Company's corporate governance system, to receive regular training with an aim to constantly improve their performance, apart from encouraging directors and executives to attend a training course concerning the Company's business transactions, aimed at enhancing their knowledge and supporting their efficient duty performance.

For a new Board director orientation, the Company has realized the significance of its new director's duty performance. Every time there is a change in the Board, the Company has assigned its secretary to arrange for a new Board director instruction for the Company's overall operating performance, Board of Directors' structure, and corporate governance, aimed at his/her understanding and the benefit to his/her duty performance, besides submitting supplementary documents to a new director, such as the Company's annual report, policy on corporate governance, policy on anti-corruption, policy on a whistle blowing, and so on.