

## **Risk Management Committee Charter**

**Contents**

<b>1. Objective</b>	<b>Page 3</b>
<b>2. Definition</b>	<b>Page 3</b>
<b>3. Composition and Office Term</b>	<b>Page 3</b>
<b>4. Meeting</b>	<b>Page 5</b>
<b>5. Duty and Responsibility</b>	<b>Page 5</b>
<b>6. Self-Assessment</b>	<b>Page 6</b>
<b>7. Revision to the Charter</b>	<b>Page 7</b>
<b>8. Reporting</b>	<b>Page 7</b>

### 1. Objective

The Board of Governors of the Stock Exchange of Thailand (“**SET Board of Governors**”) has established the Risk Management Committee to perform the following duties:

- 1.1 Review and provide opinions to the SET Board of Governors and the management to appropriately establish the Risk Management Policy and Framework including the Information Technology Security Policy in order to ensure that all divisions can efficiently manage risks which cover the risks in relation to the business operation of organization e.g. information technology risks, cyber securities, operational risks, and financial and investment risks.
- 1.2 Provide advice and recommendations on the management of all types of risks-related matter.
- 1.3 Consider the appropriateness of the risk assessment and risk management measures to ensure that material risks are appropriately managed.

### 2. Definition

- “Charter” means the Risk Management Committee Charter;
- “SET” means the Stock Exchange of Thailand;
- “Subsidiary” means a company or juristic person in which the SET holds more than 50 percent of the shares whether directly or indirectly
- “SET Group” means the SET and Subsidiaries;
- “Committee” means the Risk Management Committee; and
- “Management” means executives holding the position of at least department head or equivalent.

### 3. Composition and Office Term

- 3.1 The Committee and the Chairman of the Committee shall be appointed by the SET Board of Governors.
- 3.2 The Committee shall comprise of at least 5 members but not more than 9 members as follows:
  - (1) At least 2 governors of the SET;

- (2) President of the SET; and
  - (3) At least 2 experts in finance, accounting, risk management or information technology, at least one of whom must be an information technology expert and another must be a risk management expert.
- 3.3 The office term of the members of the Committee is as follows:
- (1) Member of the Committee who is a governor of the SET or President of the SET shall have an office term pursuant to the office term of the governor of the SET or President of the SET, as the case may be.
  - (2) Member of the committee who is a third party and is not a governor of the SET shall have an office term of 3 years on each occasion and may be eligible for reappointment after the end of the office term provided that he or she may not hold the position for more than 2 consecutive office terms unless the SET Board of Governors has considered and opined that it is necessary for him or her to hold the position for a longer period, in which case the position may be extended for another 1 office term albeit the office term shall not consecutively exceed 9 years. Upon the end of such term, he or she must hold may be eligible for reappointment after a period of 1 year has lapsed.
- 3.4 When a member of the Committee has held his or her position until the end of the office term or there exists any reason which prevents him or her from holding position until the end of the office term, the SET Board of Governors may consider appointing a new replacement member as deemed appropriate for the purpose of continuity in the performance of work unless the remaining office term of such member is less than 2 months, in which case the remaining members may continue performing their duty without appointing a new replacement member. The new replacement member may resume the position only for the remaining office term of the member he or she replaces.
- 3.5 The Committee shall have the power to appoint the secretary of the Committee.
- 3.6 On each occasion of the appointment of a new member of the Committee, the secretary of the Committee shall make available documents and information beneficial to the performance of the duty by the new member including providing recommendations and guideline for the performance of work in relation to the role and duty of the Committee (Orientation) to the new member.

#### **4. Meeting**

- 4.1 The Committee shall convene a meeting at least once per quarter or at least 4 times per year. The Chairman of the Committee may convene additional meetings

for a special purpose as deemed appropriate or upon request by at least half of the members of the Committee.

- 4.2 The meetings of the Committee shall be scheduled at the dates and times for 1 year in advance so that members may allocate time to attend the meetings on each occasion.
- 4.3 The quorum of a meeting shall be constituted by at least half the number of all the members of the Committee.
- 4.4 In an event the Chairman of the Committee is not present at a meeting, the members who attend such meeting shall select any one of the members to act as the Chairman for the meeting.
- 4.5 The Committee may invite related person or person deemed suitable to attend a meeting or to provide clarification on any relevant matter.
- 4.6 The Committee may invite any third party with the knowledge and expertise as an advisor to attend a meeting at the expenses of the SET.
- 4.7 The Committee shall convene a meeting with the Audit Committee on a regular basis every year.
- 4.8 The secretary of the Committee shall have the duty to schedule the meetings, prepare the meeting agenda, submit the documents for the meetings and record the minutes of the meetings. In this regard, the meeting invitation and documents for the meeting shall be delivered 7 days prior to the date of the meeting unless in case of necessity and urgency where the secretary of the Committee may notify about the meeting via other means and deliver the documents for the meeting less than 7 days prior to the date of the meeting.
- 4.9 A resolution shall be passed by a majority of votes. In case of a tie, the Chairman of the Committee shall have the casting vote.
- 4.10 Any member of the Committee who possesses interest in the matter being considered shall notify about such interest and shall not consider such matter.

## **5. Duty and Responsibility**

The Committee has the duty and responsibility as assigned by the SET Board of Governors in various matters as follows:

- 5.1 Consider and provide opinions on the Risk Management Policy and Framework of the SET Group including Information Technology Security Policy to present to the SET Board of Governors for consideration and approval.

- 5.2 Consider and provide opinions on setting Risk Appetite and Risk Tolerance to present to the SET Board of Governors for consideration and approval.
- 5.3 Acknowledge, consider, and provide opinions on the result of risk assessment, risk management guidelines & measures, and operational plan to manage risks to be at an acceptable level, where such risks covering information technology risks (IT risks), cyber security risks, operational risks, financial and investment risks, Environmental, Social and Governance risks (ESG risks), and emerging risks.
- 5.4 Monitor the operational plans to continuously manage risks.
- 5.5 Provide recommendations on enterprise risk management as well as continuously encourage and support the improvement and development of the SET Group's internal risk management system.
- 5.6 Regularly report the corporate's key risk status and the risk management implementation to the SET Board of Governors for acknowledgment.
- 5.7 Provide opinions and recommendations on engaging the services provided by external third parties to ensure that independent advice on risk management is given to the risk management department.
- 5.8 Preliminarily consider and review the appointment of risk management experts in case of the absence of relevant committee before proposing to the Nomination and Remuneration Committee (NRC)'s meeting for consideration.
- 5.9 Perform other tasks as assigned by the SET Board of Governors within the relevant scope of work.

## **6. Self-Assessment**

The Committee shall perform self-assessment and report the result to the SET Board of Governors for acknowledgement once a year.

## **7. Revision to the Charter**

The Committee shall review and assess the adequacy and appropriateness of the Charter regularly on a yearly basis and propose it to the SET Board of Governors for consideration and approval.

## **8. Reporting**

- 8.1 The performance of work by the Committee shall be reported to the meetings of the SET Board of Governors on a regular basis.
- 8.2 The report on the performance of work by the Committee signed by the Chairman of the Committee shall be prepared and disclosed in the annual report pursuant to the principles of good corporate governance.

---

SET Board of Governors

Approved on 18 January 2023