



# SET Group Corporate Governance Policy and Code of Conduct

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## Definition

SET	means	The Stock Exchange of Thailand
SET group	means	The Stock Exchange of Thailand and its subsidiaries
Subsidiary	means	A company in which SET is directly or indirectly holding 50 percent of shares with voting rights of such company
Affiliate	means	A company in which SET is holding more than 25 percent but not exceeding 50 percent of shares with voting rights of such company or a company in which SET is holding at least 20 percent but not exceeding 25 percent of shares with voting rights of such company and being a company that SET takes part in its decision-making process on significant subjects in a manner that does not differ from the shareholders who are holding more than 25 percent of shares with voting rights of such company. Both direct and indirect shareholdings are included.
Governors, committee members, experts	means	governors, committee members, and experts of the SET group
SET President	means	SET Governor and President
Senior managements	means	Senior Executive Vice President or an executive with a position equivalent to Head of Division
Stakeholders	means	Individuals or a group of individuals who may create impact and/or receive impact and may gain or lose benefits as a result of activities run by the SET group such as the Securities and Exchange Commission, SET member companies, listed companies, non-member securities companies, securities and asset management companies, investors, employees,

trading partners, creditors, competitors, government sectors, and other organizations within the society

Employees means SET President and employees as defined in SET's procedures related to human resources management

Business partners means Entities that provide products and services to the SET group

Customers means Persons who use the services of the SET group

State officials with direct supervisory power over the SET group Means state officials with direct supervisory power over the SET and subsidiaries in the SET group, who hold the following positions:

- (1) Secretary-General of the Securities and Exchange Commission;
- (2) Governor of the Bank of Thailand;
- (3) Secretary-General of the Anti-Money Laundering Board; and
- (4) Permanent Secretary of the Ministry of Finance and the Director-General or other equivalent positions in the agencies under the Ministry of Finance.

This definition shall also include spouses or persons who live with such officials as spouses without registering a marriage certificate as well as former state officials who have ceased to hold the specified positions for less than 2 years.

Gifts or benefits means Money or valuable objects such as discounts, entertainment privileges, use of services, financial sponsorship such as travelling expenses, accommodation expenses, or other related expenses; granting of special privileges that are not intended to be given to general public; and other benefits given to each party on the occasions of conventionalities

Conventionality	means Social customs or traditional activities including festivals or important days whereby there could be an exchange of gifts, opportunity to congratulate an individual, or social events
Intellectual property	Includes copyrights, patents, petty patents, trademarks, service marks, and trade secrets

## Monitoring and Reviewing

1. The SET Board of Governors (SET BoG) expects that the SET governors, committee members, experts, and employees at all levels of the SET group place importance on and strictly adhere to the SET group's Corporate Governance Policy and Code of Conduct to ensure that the corporate governance standard of the SET group is generally acknowledged.
2. The SET governors and executives should assume leadership roles and behave as role models for employees. Supervisors should oversee their subordinates to ensure that they comprehend and strictly comply with the SET group's Corporate Governance Policy and Code of Conduct. An ignorance of this guideline, stated in this manual, cannot be an excuse.
3. Once encountering any issue concerning compliance and interpretation of the SET group's Corporate Governance Policy and Code of Conduct,
  - (1) In case of SET governors, committee members, experts, or SET President, it is stipulated that the Sustainability Committee exercises discretion over the case
  - (2) In case of employees, it is stipulated that SET President exercises discretion over the case.
4. In case that the employees are doubtful about or unsure of compliance with the SET group's Corporate Governance Policy and Code of Conduct, they shall consult with their supervisors or the Compliance Department or other parties with different name but the same function and having responsibilities to oversee the compliance with the SET group's Corporate Governance Policy and Code of Conduct.
5. The Code of Conduct for employees is considered as a part of the discipline that all employees must practice and strictly follow. Any employee violating or not adhering to such Code of Conduct will be subject to disciplinary actions according to the SET's rules & regulations related to human resources management or be punished by laws if such act of violation is against the legal provisions. The following behaviors are regarded as violation of the Code of Conduct:
  - (1) Not in compliance with the Code of Conduct
  - (2) Advising, encouraging or supporting others against compliance with the Code of Conduct

- (3) Neglecting when exposed to a violation of or non-compliance with the Code of Conduct in case of knowing about it or should know such matters related to the work under one's responsibilities
  - (4) Not cooperating or obstructing the investigation and fact-finding into the claim of a violation, or non-compliance with the Code of Conduct
  - (5) Treating others unfairly because the person's report non-compliance with the Code of Conduct.
6. The Sustainability Committee is responsible for the review and assessment of the SET group's Corporate Governance Policy and Code of Conduct to make sure it is adequate, appropriate, and in line with international corporate governance practices at least once a year. Any significant adjustment shall be submitted to the SET BoG for approval.



## Section 1

### Introduction

The SET Board of Governors (SET BoG) establishes vision, mission, and core value in writing<sup>1</sup> to ensure that the SET group aims at the same targets and directions when operating its business, enabling the senior executives and employees to refer and adhere to such aforementioned principles to achieve the SET group's targets and objectives.

#### Vision

##### To Make the Capital Market “Work” for Everyone

The capital market is an integral tool for economic growth, and should not be privileged to only some. Hence, we work hard to ensure the capital market benefits all stakeholders both directly and indirectly.

We believe that good business growth will lead to national strength and this in turn leads to the betterment of society.

This is what we envision and are committed to.

#### Mission

1. To “plant” state-of-the-art financial Platform Development that is both innovative and accessible to our stakeholders locally, regionally, and globally
2. To innovatively “grow” Product Development that is not only relevant to market needs but also resonate with the sustainability of future growth
3. To “foster” People Development to ensure that our people will be best equipped with business competencies and professional integrity
4. To “implant” an Inclusive Growth Approach that will enable us to perform as the best business partners and social supporters
5. To continuously “cultivate” ourselves and our stakeholders by investing in Knowledge Management – creating, sharing, and generating knowledge as part of an intangible asset

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<sup>1</sup> Reference is made to current vision, mission, and core value of the SET group approved by the Board of Governors at its meeting No. 10/2559 dated July 27, 2016 and as appear on the SET's website and the annual report

## Core Values

SET stipulates core values under the theme called “SET DNA” which includes five desirable qualities as follows:

### 1. Leadership

- Have courage to think, make decision confidently in any circumstance, accept consequences, and follow the decision that is already made
- Lead change, have courage to express and stand for the righteousness, be willing to accept reasonable criticism to learn and develop
- Encourage participation, strengthen motivation to overcome obstacles and drive the organization towards the determined targets

### 2. Proactive

- Be visionary, forward-looking, be able to analyze changing environment, and adapt oneself to cope with circumstances in a correct manner
- Be ambitious, enthusiastic, internal-driven to make the impossible possible, have courage to encounter challenges, be willing to cope with problems, and be able to turn crisis into opportunity
- Be aware of global trends, create new things that can be translated into actual practices which lead to positive outcome to solve problems, develop and create opportunity as well as competitive advantages

### 3. Proficient

- Be professional, have ability to swiftly and correctly solve problems, and successfully accomplish any assigned task with quality
- Be punctual, flexible to adjust the operation in line with the situation, having ability to efficiently manage resources to obtain maximum benefits
- Complete tasks successfully according to the target and deadline with the performance that is widely recognized and exceeds expectations

### 4. Partnership

- Collaborate and constructively join force with others by focusing on mutual achievements
- Place importance on colleagues, communicate with each other constantly, and cultivate relationship for long-term collaboration

- Adhere to public interests and be willing to accept different opinions to achieve success together

#### 5. Sustainable

- Perform operations with one's utmost effort to ensure that the tasks of the employee, the functional unit, and the organization are continually successful
- Safeguard and participate in the development of economy, society, and environment of the organization, the community, and the country as a whole
- Take into consideration the benefits and participation of stakeholders to develop and grow together

## Section 2

### SET Corporate Governance Policy and Structure

#### Part 1

#### SET Corporate Governance Policy

SET formulates the SET group's Corporate Governance Policy by adopting principles for good corporate governance of the Organisation for Economic Co-operation and Development (OECD) as core guidelines and taking into consideration the principles for good corporate governance for listed company on a mutatis mutandis basis. All these are to ensure compliance with the set objectives and missions, expectation of stakeholders including business sectors, investors, capital market, and society to create the value for the organization in a sustainable manner.

#### **Corporate Governance Policy**

Corporate governance principles to which adhered by the SET group as core guidelines are derived from principles for good corporate governance of the Organisation for Economic Co-operation and Development (OECD). Furthermore, principles for good corporate governance for listed companies are also referred to on a mutatis mutandis basis with the aim to become responsible and transparent organization, as well as enhancing the organization's competitive capabilities, while serving as a business model for other organizations in the Thai capital market.

SET is an entity established with a specific purpose according to the Securities and Exchange Act. The SET Board of Governors (BoG) has the authority and duty to formulate the Corporate Governance Policy and other policies related to its operation in alignment with the requirements set forth in the Securities Exchange Act. In this regard, the structures, compositions, qualifications, and recruitments of the SET BoG shall correspond to legal requirements. As such, the nature of SET's businesses is different from other business entities whose shareholders serve as owners of the company, whereby the annual general meeting of shareholders is organized to nominate and appoint the directors to perform business-related tasks on behalf of the shareholders. Therefore, the guidelines related to the establishment and review of the structures

of the SET BoG, nomination and appointment of the chairman of the Board, and guidelines related to shareholders, etc. are not applicable to the SET group's Corporate Governance Policy.

However, the SET BoG stipulates SET's Corporate Governance Policy and has been adhering to good corporate governance principles and transparency as well as considering all stakeholders in a fair manner.

The compositions of the SET group's Corporate Governance Policy are as follows:

## **1. SET's Roles**

The SET BoG realizes the importance of SET's corporate governance as being a securities trading center, responsible for offering the core business and other related services, while taking a role as key economic mechanism of the country. The objectives of the organization are to promote and maintain stability, fairness, auditability, and compliance of listed-securities trading by placing primary focus on the capital market's benefits and investor protection. SET adheres to good corporate governance and responsibility towards all concerned parties in the capital market and runs the operations with integrity, transparency, fairness, and efficiency in line with the international standards. There is a process to listen to opinions or suggestions to create confidence among all stakeholders under good governance to ensure all transactions are in compliance with related regulations.

In addition, SET plays a significant role in enhancing the Thai capital market development basic infrastructure, competitive capabilities, and investment knowledge dissemination to investors, general public, and related entities in an effort to create sustainable and long-term growth quantitatively and qualitatively.

SET places emphasis on providing high quality products and services, standardizing corporate governance among listed companies, encouraging and supporting listed companies to disclose their information in a manner that is complete, correct, equal, and transparent to ensure that the values of securities reflect its actual value. Furthermore, SET also promotes liquidity in securities trading process, while supporting and promoting corporate governance principles and disclosure of the listed companies' information. In addition, SET also conducts studies of both advantages and disadvantages with hearing sessions to listen to opinions and recommendations from all stakeholders.

## **2. Roles and Treatment of Stakeholders**

The SET BoG insists on running business responsibly and exercises supervision to ensure transparency of SET operations where the benefits and fair treatment of all groups of stakeholders are taken into account. The guidelines related to fair treatment of stakeholders are outlined in Section 3 Principle 1: Policies and Code of Conduct for Conducting Business.

The SET BoG recognizes the importance of communication with all groups of stakeholders about the key information on the SET group's operations and such action is deemed as an essential aspect in the good governance practices. Additionally, SET arranges various and efficient communication channels to make sure that important information is comprehensively and swiftly communicated to all groups of stakeholders by taking into account the appropriateness of information acknowledgment ability of each group of stakeholders. Regarding the SET group's operations such as the development of products and services, among others, there will be a study of advantages and disadvantages where the opinions and recommendations from stakeholders are welcome. Furthermore, there is a promotion of participation mechanism to foster collaboration between the SET group and stakeholders. This is not only to create wealth, financial stability, and sustainability for the businesses but also to promote sustainability of economy, society, and environment.

## **3. Disclosure and Transparency**

The SET BoG exercises supervision over the disclosure of SET information to the public and stakeholders by taking into consideration correctness, appropriateness, timeliness, and transparency of such information which will be disclosed through channels that are easy-to-access, equal, and reliable. It is stipulated that key information namely the performance of the SET group as well as financial and non-financial information be disclosed in the annual report and SET's website both in Thai and English.

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

SET strictly performs its operation according to the Securities and Exchange Act and relevant laws. In this regard, the SET BoG exerts authority to formulate policies as well as governs and oversees the SET group's operations and other operations in compliance with the Securities and Exchange Act. The SET president is responsible for managing SET's business in accordance

with the policies, rules and regulations, as well as the SET BoG's resolutions. The details of the scopes of duties and responsibilities of the SET BoG are included in the Charter of SET Board of Governors already approved by the SET BoG to be prepared in writing.

## Part 2

### SET Corporate Governance Structures

#### 1. SET Board of Governors

The number of SET governors, tenure, nomination of SET governors<sup>2</sup>, and election of chairman of the SET BoG are in accordance with the requirements in the Securities and Exchange Act<sup>3</sup>.

Regarding the SET governors' remuneration, the Securities and Exchange Act stipulates that the SET's chairman, vice-chairman, and governors be entitled to receive remuneration as specified by the resolution of the member companies' meeting<sup>4</sup> and the SET president be entitled to receive salary and other remunerations as specified by the SET BoG<sup>5</sup>. The SET BoG assigns the Nomination and Remuneration Committee to consider and screen the policy and criteria for remuneration of the SET BoG, taking into consideration appropriateness of the duties and responsibilities.

The SET BoG's scope of responsibilities is in line with the Securities and Exchange Act<sup>6</sup>, the Charter of SET Board of Governors, and other relevant requirements. The SET BoG complies with the SET group's Corporate Governance Policy and Code of Conduct and has the authority to govern, form policies and control the SET's business to ensure sustainable growth, in line with the objectives and resolution of the SET BoG, including laws and relevant regulations. The SET BoG takes into consideration the utmost benefits of the organization, stakeholders, and the country's economic system as a whole.

Details related to the SET BoG composition are specified in the Charter of SET Board of Governors, consisting of term of office, responsibilities, duties of SET governors, duties of Chairman of the SET BoG, meeting of the SET BoG, assessment of the SET BoG's performance,

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<sup>2</sup> In order to serve as a guideline in selecting individuals whose names will be nominated to the Securities and Exchange Commission for consideration to be appointed as SET governors, the SET BoG deems appropriate that the initial qualifications be stipulated. That is, in addition to the fact that the nominated persons shall have the specified qualifications and shall not possess any of the characteristics prohibited by laws, the persons shall complete at least a bachelor's degree and shall have knowledge and experience that yield benefits for the capital market at a minimum of three years.

<sup>3</sup> Securities and Exchange Act B.E. 2535 Section 159 - 163

<sup>4</sup> Securities and Exchange Act B.E. 2535 Section 177

<sup>5</sup> Securities and Exchange Act B.E. 2535 Section 164

<sup>6</sup> Securities and Exchange Act B.E. 2535 Section 170 - 177



SET governors' remunerations, senior management and employees, as well as the enhancement for SET governors, senior management and employees.

## 2. Committees appointed by the Board of Governors

The SET BoG has established various committees based on the scope of authorities stated in the Securities and Exchange Act<sup>7</sup> with the objectives to promote good corporate governance and support the operations of the SET BoG, and to screen key areas that require expertise and specialization. The Committees appointed by the SET BoG consisting of;

### The committees in charge of good corporate governance

- (1) The Audit Committee
- (2) The Nomination and Remuneration Committee
- (3) The Sustainability Committee
- (4) The Risk Management Committee
- (5) The Information and Technology Committee
- (6) The Legal Committee

### The committees in charge of laws and regulations

- (1) the Disciplinary Committee
- (2) the Appeals Committee
- (3) the Securities Investor Protection Fund Committee.

These committees are independently working on the tasks assigned by the SET BoG. Furthermore, the SET BoG also assigns the Nomination and Remuneration Committee to screen the person who will be appointed as members of all these committees. After approval from the SET BoG, these members will be appointed. They must possess and must not possess the following characteristics:

- (1) not going bankrupt, or not having been a bankrupt;
- (2) not having been imprisoned by the judgement of a court which is final unless the offence is related to an act of negligence or a petty offence;
- (3) not being a civil servant having a permanent position or salary, a political official or an officer or employee of any government organization or state enterprise or district office or an elected member of a district council or district administration;

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<sup>7</sup> Securities and Exchange Act B.E. 2535 Section 17

- (4) not being a person who has been removed from the position by a resolution of the Securities and Exchange Commission; and
- (5) being a person who complies with the SET group's Corporate Governance Policy and Code of Conduct

In addition, the Chairman of the SET BoG should not be either a chairman or a member of any committee, to ensure independence of the committees' performance and best practice.

## **2.1 Committees in charge of good Corporate Governance**

### **2.1.1 Audit Committee**

The Audit Committee and the chairman of the Audit Committee, appointed by the SET BoG, consist of at least three but not more than five governors. Two members are governors appointed by the Securities and Exchange Commission and one member is a governor elected by the SET member companies.

All members of the Audit Committee are non-executive directors who are independent from the SET management and at least one member possesses knowledge, understanding or experience in accounting, finance or auditing.

To promote good corporate governance, the chairman of the Audit Committee shall not be a member of the Risk Management Committee; or the Information Technology Committee; or the Disciplinary Committee. In this connection, members of the Audit Committee shall not be the chairman of the Risk Management Committee; or the chairman of the Information Technology Committee; or the chairman of the Disciplinary Committee.

The Audit Committee's term of office is in accordance with the tenure of the SET BoG.

Duties of the Audit Committee are:

#### **(1) Financial Report**

- To review financial report of the SET group and the SET Foundation
- To consider and review the accounting policies as well as correctness and appropriateness of financial reports
- To review key or irregular transactions that could impact the financial statement

(2) Internal Audit

- To consider and review the operations of internal audit function
- To consider and approve the internal audit plan, the budget and resources of internal audit functions
- To consider and approve the appointment, transfer, termination of employment, remuneration, and appraisal of the head of internal audit function's performance

(3) External Audit

- To provide advice concerning the appointment, termination, remuneration, and performance assessment of the auditors of the SET group and the SET Foundation
- To review the audit scopes and auditing plans of the auditors of the SET group and the SET Foundation

(4) Internal Control and Risk Management

- To consider and assess the adequacy and appropriateness of internal control and risk management of the SET group

(5) Compliance

- To ensure compliance with the laws and regulations set by the SET regulatory authorities, as well as standards and internal regulations stipulated by the SET group
- To consider and provide advice concerning related party transactions or any transaction which may cause conflict of interest with the SET group's benefit

(6) Whistleblowing and Fraud

- To review and take actions concerning whistleblowing cases and investigate any controversial and suspicious action considered against laws, ethics, infringement of rights, incorrect financial report, defective internal control system and fraud
- To review the process for safeguarding and detecting fraud

The Audit Committee will organize a meeting at least once a quarter or at least four meetings a year. In this regard, the chairman of the Audit Committee may call additional meetings

as appropriate or upon request made by the Audit Committee, head of internal audit function, auditors, or Chairman of the SET BoG concerning particular issues that required various opinions.

The Audit Committee must perform self-assessment and report the result to the SET BoG for acknowledgement once a year.

Details of the Audit Committee structure, term of office, meetings, roles and responsibilities, self-assessment, and reports are in line with the Charter of the Audit Committee already approved by the SET BoG.

### **2.1.2 Nomination and Remuneration Committee**

The Nomination and Remuneration Committee members and the chairman are appointed by the SET BoG, consisting of at least three but not more than five members. At least half of the members must be governors appointed by the SEC. The chairman of the Nomination and Remuneration Committee must be a governor appointed by the SEC.

The Nomination and Remuneration Committee member's term of office is in accordance with the tenure of SET governors.

Duties of the Nomination and Remuneration Committee are:

(1) To screen the list of members of SET committees, directors and committee members of subsidiaries, and experts of SET and subsidiaries, as well as recruiting senior managements of SET and subsidiaries to ensure that the executives to become committee members, directors, experts, and senior management of SET and subsidiaries possess appropriate knowledge, competency, and experience

(2) To consider remuneration of the SET BoG, committee members, experts, and directors of subsidiaries appointed by the SET BoG, as well as SET President and senior management

(3) To carry out other tasks assigned by the SET BoG or related tasks such as reviewing the succession plan, including considering the SET's overall employee remuneration structure to be presented to the SET BoG

The Nomination and Remuneration Committee organizes a meeting at least once a quarter or at least four meetings a year. In this regard, the chairman of the Nomination and Remuneration Committee may call additional meetings as appropriate or upon request submitted by at least half of the committee members.

The Nomination and Remuneration Committee must perform self-assessment and report the result to the SET BoG for acknowledgement once a year.

Details of the Nomination and Remuneration Committee structure, term of office, meetings, roles and responsibilities, self-assessment, and reports are in line with the Charter of the Nomination and Remuneration Committee already approved by the SET BoG.

### **2.1.3 Sustainability Committee**

The Sustainability Committee members and the chairman are appointed by the SET BoG, consisting of at least three but not more than five members. At least half of the members of the committee must be governors appointed by the SEC. The chairman of the Sustainability Committee must be a governor appointed by the SEC or a governor appointed by members.

The Sustainability Committee members' term of office is in accordance with the tenure of SET governors.

Duties of the Sustainability Committee are:

(1) To consider and give advice to the SET BoG in formulating the SET group's Corporate Governance Policy and Code of Conduct as well as guidelines on the sustainability development of the SET group to meet the standards and to be in compliance with the corporate governance and sustainability best practices standards of both national and international levels.

(2) To consider and give advice to the SET BoG in formulating policy framework and guidelines on the development of corporate governance and sustainability of the stakeholders in order to improve their corporate governance system and structure, to conduct businesses with responsibilities for environment and society, and to promote responsible investment.

The Sustainability Committee organizes a meeting at least once a quarter or at least four meetings a year. The chairman of the Sustainability Committee may call additional meetings as appropriate or upon request submitted by at least half of the members of the Sustainability Committee.

The Sustainability Committee must perform self-assessment and report the result to the SET BoG for acknowledgement once a year.

Details of the Sustainability Committee structure, term of office, meetings, roles and responsibilities, self-assessment, and reports are in line with the Charter of the Sustainability Committee already approved by the SET BoG.

#### **2.1.4 Risk Management Committee**

The Risk Management Committee members and the chairman are appointed by the SET BoG, consisting of at least five but not more than nine members, as follows:

- (1) At least two SET governors
- (2) SET President
- (3) At least two experts in finance, accounting, risk management or IT, one of whom must be an expert in IT and another must be an expert in risk management

The Risk Management Committee's term of office is as follows:

(1) Members of the committee currently being SET governors or SET President shall have term of office in accordance with the tenure of SET governors or SET President as the case may be.

(2) Member of the committee from external party who is not a SET governor shall have a three-year term of office. Upon expiration, such person may be reappointed but shall not take more than two consecutive terms of office. However, if the SET BoG considers it necessary to grant permission to the person to take office more than the aforementioned terms, the extended term shall be only one term. The overall successive term of such person must not exceed nine years and the member who has completed such term shall not be eligible for a re-appointment for at least one year from the completion of the term.

Duties of the Risk Management Committee are:

(1) To consider and give opinions on the risk management policy and framework of the SET group including the information technology security and cyber security policies

(2) To consider and give opinions on the SET group's risk appetite and risk tolerance

(3) To consider and give opinions on risk assessment as well as the risk management guidelines and measures covering IT, cyber security, operation, as well as financial and investment risks

(4) To give opinions on the organization-wide risk management and continually support the improvement and development of the SET group's risk management systems

(5) To perform other tasks assigned by the SET BoG

The Risk Management Committee shall organize a meeting at least once a quarter or at least four meetings a year. The chairman of the Risk Management Committee may call an additional meeting as appropriate or upon requests submitted by at least half of the members of the Risk Management Committee.

The Risk Management Committee must perform self-assessment and report the result to the SET BoG for acknowledgement once a year.

Details of the Risk Management Committee structure, term of office, meetings, roles and responsibilities, self-assessment, and reports are in line with the Charter of the Risk Management Committee already approved by the SET BoG.

#### **2.1.5 Information Technology Committee**

The Information Technology Committee members and the chairman are appointed by the SET BoG, consisting of at least five but not more than nine members, as follows:

- (1) At least two SET governors
- (2) SET President
- (3) At least two experts in IT
- (4) Chairman of the Information Technology Club of the Association of Thai Securities Companies

The Information Technology Committee's term of office is as follows:

(1) Members of the committee currently being SET governors or SET President shall have terms of office in accordance with the tenure of SET governors or SET President as the case may be.

(2) Member of the committee from external party who is not a SET governor shall have a three-year term of office. Upon expiration, such person may be reappointed but shall not take more than two consecutive terms of office. However, if the SET BoG considers it necessary to grant permission to the person to take office more than the aforementioned terms, the extended term shall be only one term. The overall successive term of such person must not exceed nine

years and the member who has completed such term shall not be eligible for a re-appointment for at least one year from the completion of the term.

Duties of the Information and Technology Committee are:

(1) To support operations and give opinions which can benefit the development of SET's IT operations, as well as promoting the development of innovations and the proper use of technology to raise the standard of the Thai capital market

(2) To consider and approve the procurement of IT projects or the maintenance of IT systems in line with the specified authorization limits

The Information and Technology Committee organizes a meeting at least once a quarter or at least four meetings a year. The chairman of the Information and Technology Committee may call additional meetings as appropriate or upon request submitted by at least half of the members of the Information and Technology Committee.

The Information and Technology Committee must perform self-assessment and report the result to the SET BoG for acknowledgement once a year.

Details of the Information and Technology Committee structure, term of office, meetings, roles and responsibilities, self-assessment, and reports are in line with the Charter of the Information and Technology Committee already approved by the SET BoG.

#### **2.1.6 Legal Committee**

The Legal Committee is appointed by the SET BoG, consisting of at least 5 but not more than 9 members, as follows:

(1) At least 1 SET governor appointed by the Securities and Exchange Commission;

(2) SET President; and

(3) Legal and/or capital market experts.

The SET governor shall be the chairman of the Legal Committee. The members of the Legal Committee shall not be authorized directors of securities companies, managers, vice-managers or persons holding equivalent positions under any other names in the securities companies.

The important duties of the Legal Committee can be summarized as follows:



(1) To give advice, opinions and recommendations to the SET BoG and the SET group in relation to relevant legal issues as well as the rules and regulations of the SET group; and

(2) To consider important information which is beneficial to the progressive operation of

the SET group (Forward Looking) and to give advice on the proactive operation of the SET group (Proactive) or on the safeguard of the SET group's interest (Precaution).

## **2.2 Committees in charge of Legal or Regulatory Requirements**

### **2.2.1 Disciplinary Committee**

The Disciplinary Committee is appointed by the SET BoG, consisting of five members. At least one member must be a SET governor; one member must have expertise and experience in the stock market exchange businesses, securities business, or finance; one member must be a legal expert; as well as the SET President or an executive at executive vice president level or above as delegated by the SET President.

Regarding the recruitment of the Disciplinary Committee members, it is stipulated that a member of the Disciplinary Committee who is a SET governor be a governor appointed by the SEC. In addition, the members of the Disciplinary Committee who possesses comprehensive knowledge and experience in the stock market exchange businesses, securities business, or finance must be external person with independence and must not be serving as current authorized signatories of a securities company or president or executive vice president or other equivalent position with different names of securities companies.

The Disciplinary Committee members have three-year term of office and shall not take office more than two consecutive terms. However, such restriction shall not be enforceable on the committee member who is the SET President or executive with a position of executive vice president as delegated by the SET President.

Duties of the Disciplinary Committee are:

(1) To examine any alleged wrongdoing and punish any individual or juristic person who violates or associates with others in violating SET's rules and regulations, and to report the punishment to the SET BoG, except in the following cases where the Disciplinary

Committee is required to consider and provide viewpoints before escalating the cases to the SET BoG for consideration of the wrongdoings and punishments:

- (a) Securities delisting
- (b) Temporary trading suspension of a member company
- (c) Membership revocation
- (d) Other cases as specified by the SET BoG

(2) To examine and give explicit instructions according to SET's rules and regulations, including taking any other actions necessary for the disciplinary process

Details of the Disciplinary Committee structure, term of office, roles and responsibilities, and other matters are in accordance with the SET's rules and regulations related to disciplinary consideration and punishment

### **2.2.2 Appeals Committee**

The Appeals Committee is appointed by the SET BoG as approved by the SEC, consisting of at least three but not more than five members. Each of these members must be an expert who possesses comprehensive knowledge and experience in legal matters, accounting and finance, and securities business. In addition, the members of the Appeals Committee must not be the same persons who deliver punishment orders. The SET governor must not be appointed as a member of the Appeals Committee.

The Appeals Committee shall have a three-year term of office and shall not take office more than two consecutive terms.

Duties of the Appeals Committee are:

(1) To review any appeal made against any punishment or orders issued by the SET BoG, the Disciplinary Committee, and SET President, and to determine the innocence or guilt of appellants

(2) To review any request for suspension of execution of punishment or orders (if any) and may specify condition or collateral as necessary

(3) To present recommendations to the SET BoG regarding punishments, punishment reduction, punishment omissions or confirmation of the appealed punishment orders, or any other matters raised by appellants

(4 ) To order the termination of any withdrawn appeal prior to or during consideration by the Appeals Committee

Details of the Appeals Committee structure, term of office, roles and responsibilities, and other matters are in accordance with the SET's rules and regulations related to the consideration and final decision for the appeals.

### **2.2.3 Securities Investor Protection Fund Committee**

The Securities Investor Protection Fund Committee consists of six members as follows:

- (1) One SET governor appointed by the SEC
- (2) One SET governor elected by the SET members
- (3) One member elected by Securities Investor Protection Fund members
- (4) The Thai Investor Association President
- (5) The SET President or an executive delegated by the SET President
- (6) One SET executive being at least executive vice president of the Market Supervision

Division

The SET governor appointed by the Securities and Exchange Commission shall serve as the chairman of the Securities Investor Protection Fund Committee. The SET executive with the position at least executive vice president of the Market Supervision Division shall serve as the Committee's secretary.

The SET governor appointed by the SEC and the SET governor elected by the SET members shall have a term of office of one year. The committee member elected by the Securities Investor Protection Fund members shall have a term of office of one year unless the Securities Investor Protection Fund members determine otherwise.

Duties of the Securities Investor Protection Fund Committee are:

(1) To determine the investment policy of the fund which may be in securities or other assets, with other alternatives to gain profits, as appropriate

(2) To consider all relevant facts and evidences and present the viewpoints to the SET BoG in order to protect the investors who have submitted requests for protection from the Securities Investor Protection Fund

(3) To boost investor confidence in buying or selling securities traded on SET

(4) To carry out any other tasks assigned by the SET BoG

Details of the Securities Investor Protection Fund Committee structure, term of office, roles and responsibilities, and other matters are in accordance with the SET's rules of membership of the fund to protect investors in securities trading.

### **3. Management Functions**

#### **3.1 SET President**

The SET President is appointed by the SET BoG with duties to manage SET's operations in accordance with SET's policies and regulations, having authority to govern SET's employees and workers. In addition, the SET President is also a SET representative to conduct business activities with external parties and may assign in writing any individual to perform particular tasks that are not against the rules and regulations stipulated by the SET BoG. Furthermore, the SET President also acts on behalf of SET in providing information and expressing opinions to the public and external parties. The appointment, qualifications, term of office, authority and duty of the SET President are in compliance with the Securities and Exchange Act<sup>8</sup>.

#### **3.2 Management Committee**

The Management Committee consists of the persons with the following positions:

- (1) SET President serving as the chairman of the Management Committee
- (2) Senior executive vice president and an executive with a position equivalent to SET's

Head of Division serving as a member of the committee ex officio

The duties of the Management Committee are:

- (1) To screen and give opinions to the management functions on policies, strategic targets, operational plans, and budgets
- (2) To follow up work in progress in compliance with the policies, strategic targets, operational plans, and budgets
- (3) To follow up the operations of the SET group and report the results to the SET BoG and relevant committees
- (4) To follow up and ensure the implementation is in line with the policies, organizational targets, and resolutions of the SET BoG

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<sup>8</sup> Securities and Exchange Act B.E. 2535 Section 164 – 169

(5) To stipulate the overall policies, principles, systems, and guidelines related to human resources management as well as establishing the overall guidelines for human resources development

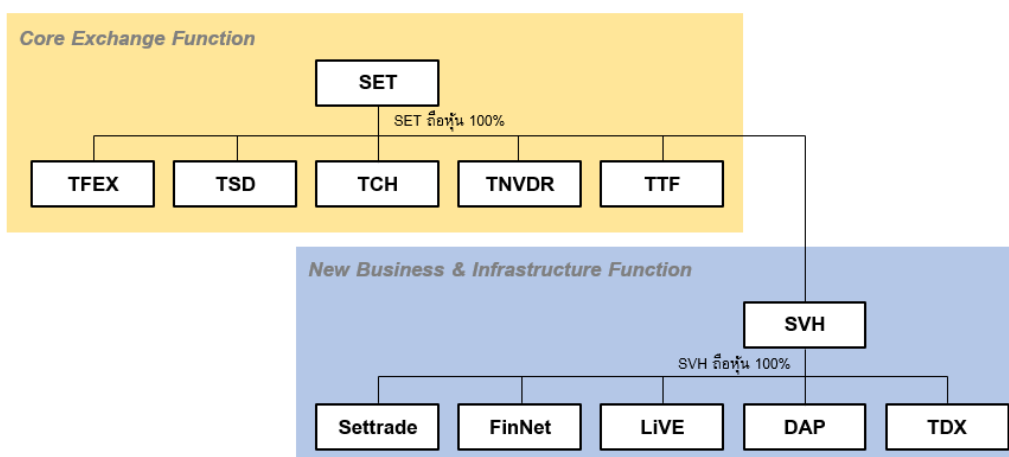
(6) To consider, suggest and screen the organization structure, salary structure, and various benefits

(7) To consider and specify the success plan for the key positions in the organization

(8) To perform other tasks as assigned by the SET President

#### 4. Corporate Governance of SET Subsidiaries and Affiliates

The SET Group consists of SET and SET subsidiaries and affiliates which can be divided into two main business groups according to the business structure of the SET Group<sup>9</sup> as details below:



##### Core Exchange Function

The business function is directly associated with the SET business as stipulated in the Securities and Exchange Act. This function is comprised of the following SET subsidiaries and affiliates:

- (1) Thailand Futures Exchange Public Company Limited (TFEX)
- (2) Thailand Securities Depository Company Limited (TSD)

<sup>9</sup> The business structure of the SET Group is in accordance with the resolution of the SET Board of Governors adopted during the meeting No.13/2019 dated 20 November 2019 and the resolution of the SEC Board adopted during the meeting No.6/2020 dated 2 April 2020

- (3) Thailand Clearing House Company Limited (TCH)
- (4) Thai NVDR Company Limited (TNVDR)
- (5) Thai Trust Fund Management Company Limited (TTF)

#### **New Business & Infrastructure Development Function**

The function focuses on new businesses or businesses related to infrastructure development to support SET business and build solid foundation for the capital market players. The function does not only enhance service quality by reducing redundant processes of the overall industrial sector but also cuts operational costs incurred to the overall industry. The function consists of the following SET subsidiaries:

- (1) SET Venture Holding Company Limited (SVH)
- (2) Settrade.com Company Limited (Settrade)
- (3) Finnet Innovation Network Company Limited (FinNet)
- (4) Live Fin Corp Company Limited (LiVE)
- (5) Digital Access Platform Company Limited (DAP)
- (6) Thai Digital Assets Exchange Company Limited (TDX)<sup>10</sup>

#### **Governance for New Business & Infrastructure Development Function ('New Business')**<sup>11</sup>

Regarding the corporate governance for the subsidiaries in the New Business, the SET Board of Governors (the SET BoG) has established the governance guidelines by implementing key governance and management policies of the SET Group. Such governance practices are under the supervision of the Corporate Governance Committee, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Social Responsibility

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<sup>10</sup> Thai Digital Assets Exchange Co., Ltd. Will operate the business after obtaining a business license according to the Emergency Decree on Digital Asset Business Operation B.E. 2561 (2018) and approval from SEC.

<sup>11</sup> The governance guidelines for subsidiaries in the New Business are in line with the resolution of the SET Board of Governors adopted in the meeting No.5/2020 dated 20 May 2020. They will serve as guidelines if SET Venture Holding Co., Ltd holds 100% of shares in the companies in the New Business. If there is a change of shareholding percentage which is less than 100%, there shall be an establishment of the governance guidelines in line with the said shareholding to be proposed to the SET Board of Governors for approval.

Committee, the Risk Management Committee, and the Information Technology Committee without appointing a new committee. Furthermore, the operations are to be reviewed by SET functions such as the Internal Audit Department, the Risk Management Department, and the Corporate Governance Department, similar to other subsidiaries in the SET Group.

As regards, the management of companies in the New Business, the key management policies shall be submitted through the SET governors assigned to hold a director-level position in the New Business. In this connection, SET Venture Holding ("SVH") Co., Ltd, as a holding company, will oversee the business of subsidiaries in the New Business under the flat organization structure. The subsidiaries under the management of SVH shall perform business as an operating company and shall not invest in or hold shares of other companies. SVH is a policy maker for all subsidiaries under the New Business to ensure uniformed practices and to be in line with the expected operating framework as stated in the Securities and Exchanges Act, Section 154/2 which entails key business practices namely stipulation of fair member registration criteria, measure to prevent and mitigate risks arising from the conflict of interest, and management of complaints and disputes which shall be both efficient and fair on a mutatis mutandis basis. The SVH's board of directors will report the operating performance of companies in the New Business to the SET BoG on a quarterly basis whereby the important issues shall also be reported to the SET BoG for acknowledgement—including incidents in the key operating system which widely cause impacts and the audit of regulatory authorities—similar to other subsidiaries in the SET Group.

In this connection, to ensure that important business undertakings of subsidiaries in the New Business are thoroughly considered, the SET BoG stipulates that the key transactions of subsidiaries in the New Business be proposed to the SET BoG for endorsement prior to taking a particular action namely:

1. Capital increase or decrease of the companies of which shares are held by SVH
2. Suspension or ceasing of business operations of the companies of which shares are held by SVH
3. Changing of shareholding proportion or sales of share in the companies of which shares are held by SVH
4. Having business partners investing in companies of which shares are held by SVH
5. Merger of the companies of which shares are held by SVH

## 6. Establishment of a new company under SVH

### Governance for Affiliates

As for the supervision over the affiliates of which shares are held by SET, namely TSFC Securities Public Company Limited, the SET BoG establishes governance guidelines by cascading the key operational management policies through the SET representatives assigned to serve as the board of directors of the affiliates based on the percentage of shares, where the BoD of the affiliates will take part in the consideration process. These are to ensure that the operations of the affiliates are monitored in accordance with the SET objectives.

## 5. Internal Control and Internal Audit

The SET BoG places importance on good internal control by supporting the management functions to stipulate the operating practices and organizing operational structures whereby there must be segregation of duty and responsibility to create check-and-balance environment. Scopes of authority of each function are specified in writing and there are clear systems to monitor the operations. The Audit Committee has been assigned to supervise and review the internal control measures to ensure efficiency and alignment with the international standards. In addition, the Internal Audit Department conducts the audits of internal control related to operations, financial reporting, compliance with regulatory requirements, computers and IT security by adhering to the internal control framework of the Committee of Sponsoring Organizations of the Tradeway Commission (“COSO”)

The Internal Audit Department is an independent function that directly reports to the Audit Committee, while the operational management reports to the SET President. In this regard, the Internal Audit Department is authorized to access necessary information to support the audit and conduct the audit to review and assess adequacy, appropriateness, and efficiency of internal control of certain operations and various computer systems according to the audit plan approved by the Audit Committee. The annual audit plan is formulated based on the risk-based approach principle which is reviewed during the year to be in line with changing risks. The Internal Audit Department directly reports the audit results as well as the follow-up results of actions taken by the management function to the Audit Committee on a regular basis.



## **6. Risk Management**

The SET BoG realizes the importance of risk management by supervising the management function to perform enterprise-wide risk management appropriately and effectively, as well as promoting and supporting the enhancement and development of internal risk management system continuously, being part of the corporate culture. In addition, the Risk Management Committee consists of experts who possess experience in managing risks and are responsible for screening and giving opinions to the SET BoG and management function. This is to ensure that the risk management operations are in line with the enterprise risk management policies, frameworks, and procedures. The significant risks of the SET group are regularly reported to the SET BoG. Additionally, the Risk Management Department is assigned to perform the task as a risk coordinator responsible for supporting and providing guidelines to the SET group to ensure compliance with the risk management frameworks and procedures. All these efforts are to ensure that the risk management of the SET group is appropriate and corresponds to the stipulated policies and international standard as well as completely covering the significant risks of the organization such as IT risks, cybersecurity risks, operational risks, and financial and investment risks, among others.

## **7. Overview of the Delegations of Authority of the SET Group**

The SET BoG and various committees appointed by the SET BoG are authorized to approve or undertake any action according to the scopes of authority set forth in the Securities and Exchange Act, rules, regulations, and relevant charters.

To ensure that the SET group's operations are efficiently managed and properly controlled, the SET BoG has approved the delegations of authority manual of the SET group where the scopes of authority regarding various matters have been delegated from the SET BoG to the SET President. The SET President has also delegated various authorities to executives and employees so as to decentralize the decision-making among relevant executives and employees corresponding to their responsibilities.

## Section 3 Policies and Code of Conduct

### Part 1 Policies and Code of Conduct for Conducting Business

The SET group is committed to operating its business that focuses on economic growth as well as social and environmental responsibilities with integrity, transparency, fairness, and impartiality. In this regard, the SET group strictly complies with ethical standards, laws, rules, and regulations related to the SET operations.

#### 1. Best Practice on Stakeholders

SET treats all groups of stakeholders with fairness in accordance with laws and relevant standards without infringing the stakeholders' rights. We also realize benefits, ownership, and equitable rights of other's intellectual property and arrange for channels through which the stakeholders can give their opinions and recommendations. Additionally, the information disclosure to stakeholders is transparent, adequate and appropriate.

(1) **Best Practice on Customers:** Strive to continually improve the quality of products and services in parallel with disseminating knowledge concerning such products and services by adhering to responsibility, transparency, and compliance with contracts, agreements, and conditions in accordance with relevant laws and standards. We seriously maintain the security of customer's confidential information and refrain from using the said information for the benefits of the organization and others, as well as conducting surveys to measure customer's satisfaction to develop the quality of products and services.

(2) **Best Practice on Business Partners:** Have in place transparent procurement process, create fair competitive environment between business partners, and treat each business partner equally by taking into consideration mutual benefits of both parties. In addition, we also encourage business partners to enhance their capabilities and uplift potential in offering products and services, support business partners to respect and consider about human rights, society, and environment, as well as evaluating the performance of the business partners on a regular basis to improve business undertakings between both parties in a sustainable manner.

(3) **Best Practice on Creditors:** Treat all creditors with discipline and transparency. In the event of being unable to comply with the agreements, there shall be an advanced negotiation to creditors to jointly find a solution to prevent damage. In addition, we also manage our funds prudently in order for the creditors to be confident in our financial stability and good debt servicing ability.

(4) **Best Practice on Employees:** Treat all employees with fairness and according to human rights standards and offer industry-competitive salary to employees. Furthermore, we take good care of the environment, occupational health, employee's safety; establish appropriate welfare programs that are not less than legal requirements; develop various skills and capabilities of employees on a regular basis; disseminate knowledge about savings, investment, personal financial management plan for retirement—in addition to employee's provident funds—; and establish a succession plan to develop personnel to hold key positions in line with the directions and strategies of the organization.

(5) **Best Practice on Competitors:** Place importance on fair competitions and treat all competitors acceptably according to the laws and ethical standards, refrain from obtaining competitor's trading confidential by using dishonest or inappropriate methods, and protect the competitor's confidential information which has not yet been disclosed to the public.

(6) **Best Practice on Society and Environment:** Adhere to a principle of good citizenship and take part in enhancing society, community, and environment, as well as supporting various activities by taking into account the responsibility towards the community, society, and environment. Additionally, we share our knowledge with the public, strictly place importance on managing the environment within the organization, in compliance with laws, regulations, and standards related to environment.

(7) **Best Practice on Government Sector:** Strictly comply with relevant laws, rules, and regulations, as well as cooperating with the government sector in attending meetings. In addition, we also give opinions and technical supports and participate in various activities, while refraining from taking any action that may tempt government officials to commit inappropriate actions.

(8) **Non-violation of Human Rights:** Establish a policy related to equitable recruitment, job security, career advancements, and other principles related to employees. Moreover, the employees are reassured that they are equipped with expertise necessary for their jobs and possess understanding about code of conduct, standards, and stipulated guidelines. In

addition, we offer self-development opportunities to our employees to ensure that they have sets of skill and knowledge that are consistent with the future business trends and directions. The executives and employees are also required to comply with the human rights principles which are considered as a part of their operations and shall not support any activity that violate human rights.

(9) **Non-infringement of Intellectual Property:** We acknowledge and realize the ownership and equitable rights in intellectual property of other persons. Therefore, before conducting any business undertaking concerning the intellectual property of others such as duplication, modification, and publication, the SET group shall seek approval from the owner or the persons with the rights in such intellectual property. The exception is in the case where such action is neither contrary to the normal pursuit of benefits from another person's intellectual property nor unreasonably impairing another person's legal rights in such intellectual property. Examples of these are: the use of another person's intellectual property for the purpose of research studies without profit-making intention, critique or comment on the intellectual property, among others.

## 2. Anti-Corruption

We focus on operating business with honesty, transparency, and strict compliance with the laws, rules, regulations and policy on SET's Anti-Corruption Program. We never give a promise or participate in any form of bribery and corruption; never ask for, or receive from, or grant any benefit to any person related to SET such as government officials, business partners, customers, among others, which may be at risk of fraud, corruption, or damage to the image and reputation of the organization. SET maintains its political neutral status and does not give support to any specific political party or group under the name of the SET group. In addition, SET does not participate in activities that may cause misunderstanding that SET involves in or gives support to a particular political party or group.

Moreover, the SET group shall not hire, nominate or appoint any state officials with direct supervisory power over the SET group as governors, committee members, experts or advisors of the SET group to prevent conflict of interest and the exercise of power which affects independence in the execution of duty.

SET must also support the entities, organizations, or activities related to anti-fraud and anti-corruption where there is establishment of transparent consideration and follow-up process to ensure the said support is not used as excuse to bribe or commit any fraudulent or corruption act.

### **3. Anti-Money Laundering**

We adhere to the Anti-Money Laundering (AML) laws and regulations. Employees must not receive, transfer or transform any of the assets which may involve in wrongdoings and must not support any activity that may involve money laundering. All these are in the effort to combat the use of products and services of the SET group for money laundering purposes.

### **4. Prevention and Management of Conflict of Interest**

The SET group places importance on prevention of any activity that may cause conflict of interest. Any stakeholder, either directly or indirectly, must not participate in any decision-making process to ensure that the operations are performed for the benefits of the organization. Furthermore, SET does not support related-party transactions except those transactions that are essential and create utmost benefits of the SET group. In addition, we also establish the organizational structures by clearly separating the functions of the unit and personnel in charge of confidential information from the other functions, as well as creating operating practices guidelines to prevent data leakage to unrelated personnel or outsiders.

### **5. Acquisition or Disposition of Listed Securities**

The acquisition or disposal of securities by the governors and employees of SET must be done with honesty and integrity, strictly compliance with the criteria set by SET. All these are to maintain public confidence on SET as the securities trading center.

### **6. Use of Insider Information and Safeguarding of Confidential Information**

We place emphasis on compliance with the regulations and requirements regarding the use of insider information. Such information must not be used for the benefit of the employees or others. Employees must not release the insider or confidential information, which is not under the scopes of their authority, or give comments about it in the public or share it with the irrelevant persons. Furthermore, they are required to maintain the confidential information of the

organization to prevent information leakage and strictly comply with the data classification practices based on its level of sensitivity and access method in order to safeguard against impact on the organization and all stakeholders.

## 7. Use of Information and Communication Technology

We arrange for the IT security maintenance practices which refer to a computer system and data stored in the computer according to the internal standard. In this regard, the use of technology and communication shall be performed cautiously to ensure correctness and efficiency in line with the legal requirements, directives, policies, regulations related to the use of technology and communication stipulated by SET to ensure maximum benefits of SET and to prevent negative impact on the organization or stakeholders.

## 8. Whistleblowing

The SET group places importance on whistleblowing by providing opportunities for all groups of stakeholders, both internal and external, to contact or voice their concerns to the SET BoG regarding controversial issues; doubts on unlawful or unethical conducts; infringement of rights; incorrect financial report; or defective internal audit system. The whistleblowing contact channels and reporting steps are as follows:

### Whistleblowing channels

Both internal and external stakeholders can report the issues or complaints to SET via the following channels:

#### Chairman of the Audit Committee

- Postal mail: Chairman of the Audit Committee  
The Stock Exchange of Thailand  
Ratchadaphisek Road, Dindaeng, Bangkok 10400
- Email: [ChairmanOfTheAuditCommittee@set.or.th](mailto:ChairmanOfTheAuditCommittee@set.or.th)

#### Internal Audit Department

- Postal mail: Internal Audit Department  
The Stock Exchange of Thailand  
Ratchadaphisek Road, Dindaeng, Bangkok 10400
- Email: [whistleblow@set.or.th](mailto:whistleblow@set.or.th)

### SET Contact Center

- Phone: 0 2009 9999  
During business day, Monday to Friday, 8.00 a.m. - 06.00 p.m.  
(closed on weekends and SET holidays)
- Online: [www.set.or.th/contactcenter](http://www.set.or.th/contactcenter)

The information about whistleblowing channels is published in the annual report and SET website.

In addition, employees can submit inquiries or report any misconduct or violating action or action that is against the Code of Conduct through the following channels:

- Internal Audit Department or other functions with the same duty but in other names
- Human Resources Department or other functions with the same duty but in other names
- Compliance Department or other functions with the same duty but in other names
- Supervisors at all levels that one trusts

### Whistleblowing information and complaint handling process

#### **(1) Receipt of the information and fact-gathering approaches**

Upon receipt of whistleblowing information or complaints, the officials who have received the information via various channels are required to respond to the whistleblower that his/her case has already been received (in case that the whistleblowers reveal their identity). The officials are also required to gather relevant information and submit it to the assigned functions for further actions.

#### **(2) Fact-finding process and actions taken against the reported person**

The functions assigned to investigate the case shall process and screen the information so as to analyze the impact, steps, and appropriate procedure and method to handle each case. The investigation results must be reported to the Audit Committee for opinions. If the

case is submitted against the chairman of the Audit Committee, the results shall be submitted to the SET BoG for opinions.

In the case that the Audit Committee views that the reported governors, committee members, experts, SET President, or employees may commit any wrongdoing that violates the laws, the corporate governance principles, and the SET group's Corporate Governance Policy and Code of Conductor, and may misbehave in such a way that may have impact on SET's reputation or integrity, the assigned functions shall report the opinions of the Audit Committee to the SET BoG or SET President or Human Resources Department or other functions with the same duty but different names as the case may be, according to the following details:

- In the case the whistleblowing report or complaints are filed against the SET governors, committee members, experts, and SET President, the report shall be submitted to the SET BoG for consideration.
- In the case the whistleblowing report or complaints are filed against the Head of the Human Resources Department, the report shall be submitted to the SET President for consideration.
- In the case the whistleblowing report or complaints are filed against the executives or employees, the report shall be submitted to the Human Resources Department or other functions with the same duty but different names to proceed to investigation and impose disciplinary actions as stipulated by SET's regulations related to human resources management.

Regarding the aforementioned process, the measures can stop the violation or non-compliance with the Code of Conduct while alleviating damage incurred to the impacted persons considering total damage into account. In addition, necessary measures need to be set up to protect the whistleblower who reports such misconducts or complaints and the persons who provide cooperation during fact-finding process.

### **(3) Summary and results reporting**

The assigned functions shall report the consideration result to the whistleblower (in case the whistleblowers reveal their identity) and then send a summary report on the action taken regarding the whistleblowing and complaints to the Audit Committee for acknowledgement on a quarterly basis.



**Measures to protect whistleblowers or the persons who submit complaints or the persons who provide cooperation during fact-finding process**

The whistleblowers or the persons who submit complaints or the person who provide cooperation during the fact-finding process shall be protected according to the following regulations:

(1) The whistleblowers or the persons who submit complaints or the person who provide cooperation during the fact-finding process can choose not to disclose their name if such disclosure may cause unsafety or damage. However, if they choose to reveal their name, it will facilitate the organization to report the progress of the case or give factual information or alleviate damage more conveniently and faster.

(2) The organization shall not disclose the name, surname, address, photo, or other details that may reveal the identity of the whistleblowers or the persons who submit complaints or the persons who provide coordination during the fact-finding process. The organization shall conduct the fact finding and investigate the case.

(3) The persons responsible for receiving the information about misconducts or complaints are required to strictly maintain the confidential information and will only disclose when necessary. They should take into account the safety and impact on the whistleblowers or the persons who submit complaints or the persons who provide cooperation during the fact-finding process, including information sources, or relevant persons.

(4) In the case the whistleblowers or the persons who submit complaints or the persons who provide cooperation during the fact-finding process feel unsafe or realize that it may lead to negative impact, they may request for appropriate protective measures from the organization. The organization may provide the protective measures for them during the fact-finding process not having to wait for the request if it is deemed that the said whistleblowing report may lead to negative impact or unsafety.

(5) The victims' damage will be alleviated through appropriate and fair process.

(6) If the whistleblowers or the persons who submit complaints or the persons who provide cooperation during the fact-finding process voice their concerns or raise rightful questions, the SET group cannot take the concerns or questions as excuses to take an action which causes negative impact on the said employees, covering position rotation, demotion, work suspension, and removal of employee welfare. In addition, no one shall retaliate against the

whistleblowers or the persons who submit complaints or the persons who provide cooperation during the fact-finding process. However, any action that aims at fighting back or retaliating against the whistleblowers or the persons who submit complaints or the person who provide cooperation during the fact-finding process who submit the complaints and rightfully report their concerns, that action is deemed as a violation of the Code of Conduct. The employee who commits such act may be subject to ethical charge and may result in disciplinary punishment according to the SET's regulations related to human resources management; and the punishment process shall be in accordance with the regulations related to human resources management.

## Part 2

### Code of Conduct for SET Governors, Committee Members, and Experts

The SET BoG expects that the SET governors, committee members, and experts performed operations by adhering to ethical standards and morality and they must perform tasks with integrity, prudence, and thoroughness for the maximum benefits of the SET group and all stakeholders. In addition, they should treat all stakeholders in a fair manner whereby the scopes and responsibilities of the SET BoG were already stipulated in the Charter of SET Board of Governors and there is a formulation of Code of Conduct for the SET governors, committee members, and experts as follows:

1. Comply with the laws and regulations with honesty and integrity, including the SET group Corporate Governance Policy and Code of Conduct
2. Perform duties at one's best, in full efforts for the organization's utmost benefits, including attending all meetings, except when necessary
3. Carry out duties independently and in an impartial manner. The SET governors, committee members, and experts are required to sign a Letter of Intent on Impartiality every time they are appointed for the first time or reappointed to the position, to confirm that they will conduct duties in line with good corporate governance. During the meeting, if a SET governor, committee member, or expert has conflict of interest in the issue being discussed, that person needs to leave the room and abstain from any participation in the decision-making process of such matter.
4. Perform duties by avoiding interests that conflict with the SET group's interest in order to maintain transparent and efficient management. The interests mentioned cover:
  - (1) Not using information from the operation to wrongfully seek benefits for personal or for others' gains
  - (2) Not exploiting the organization's confidential information and not disclosing it even after discontinuing or terminating the service
  - (3) Not seeking personal gains from the status of being a director
  - (4) Not creating obligations which can become a conflict to one's duty later on
  - (5) Not gaining benefits or stakes from the deal or contract on behalf of the organization

- (6) Not accepting gifts or other benefits that are considered a conflict of interest of the organization for personal or family gains
5. Properly safeguard the organization's confidential information, preventing it from leaking to outsiders, which may cause damage to the organization or stakeholders, except as explicitly allowed under applicable law
6. Person who gives information or delivers comments or speeches to the public or external person must not mention or reveal himself/herself to convince the audiences into believing that he/she is a representative of the SET BoG and SET.
  - (1) In case such action is performed on behalf of the SET BoG, the persons authorized to do so are the SET Chairman or a SET governor assigned by the SET BoG
  - (2) In case such action is performed on behalf of SET, the persons authorized to do so are the SET President or a person assigned by the SET President including senior management directly responsible for such matters.
7. Information giving, comments or speeches to the public or external persons must not be conducted in a manner that may damage the organization or result in lack of credibility. Such actions must not involve or cause damage to a third party whatsoever.
8. Regarding acquisition or disposition of listed securities of a SET governor, a spouse or partner who is living together as a husband or wife and a child or children who have yet to reach legal age are required to comply with SET's regulations about the practices and prohibition related to the acquisition or disposition of listed securities and the report on personal interest by SET governors.
9. Comply with the SET group's Anti-Corruption Program.

## Part 3

### Code of Conduct for Employees

The SET BoG expects that executives and employees insist on performing their operations under ethical and moral standards. The Code of Conduct is considered as a discipline where all employees are mandated to strictly comply with such Code of Conduct to ensure that the SET's operations reflect missions, cultures, and values of the organization. SET has established the guidelines for employees with details as follows:

#### 1. Best Practice for Customers, Related Persons, Society

The SET BoG arranges for the guidelines on the Best Practice for Customers, Related Persons, Society in accordance with the SET Policies and Code of Conduct for Conducting Business relating to Best Practice on Stakeholders as detailed below:

- 1.1 Deliver services to customers wholeheartedly, proficiently and promptly
- 1.2 Willing to listen to opinions or suggestions from other people and ready to clarify the correct information to the best of your knowledge
- 1.3 Value others, always respect them and treat them equally
- 1.4 Participate in creating and enhancing the community without damaging one's work or the organization's image.

#### 2. Best Practice for the Organization

The SET BoG arranges for the guidelines on the Best Practice for the Organization in accordance with the Policies and Code of Conduct for Conducting Business relating to Best Practice on Stakeholders, Prevention and Management of Conflict of Interest, Use of Insider Information and Safeguarding of Confidential Information, and Use of Information and Communication Technology as detailed below:

2.1 Compliance with laws, internal rules and regulations, orders and the SET BoG's resolutions:

- (1) Strictly comply with laws relating to the organization's operation, including rules and regulations, orders and the SET BoG's resolutions
- (2) Never participate in or conceal any illegal activity

- (3) Comply with vision, mission, strategy, and core values of the organization to support and drive the Thai capital market to grow strongly

## 2.2 The idea expression to the public or the media:

- (1) Never give opinions, provide comments, or disclose the organization's information to the public or external party where the information is about business operation obtained from one's assigned duties, other pieces of information that may negatively affect the organization's reputation and operation, as well as the information on unconfirmed policy or unclear operation guidelines. In this regard, the said information disclosure shall be handled by the senior management team who are directly responsible for such matters or the SET President or the person assigned by the SET President.
- (2) Giving of information or delivery of comments or speeches to the public or external persons shall not be undertaken in such a way that could damage the organization or result in lack of the organization's credibility. Such actions shall not involve or cause damage to a third party in any aspect.
- (3) Before releasing any news or information to the media and the public, the person(s) in charge of press releases must carefully consider it so as not to cause damage or tarnish the image of the organization.

## 2.3 The record, report, upkeep, usage and disclosure of corporate information:

- (1) Record and report the information correctly according to the set system and standard; never counterfeit or forge letters, reports or any document whatsoever
- (2) Do not use data, documents, software programs, books, articles, video tapes, audio tapes and work of any person, in such a way as to violate copyright laws no matter whether such data or work has shown copyrights protection or not
- (3) Keep the data and information relevant to one's jobs in a safe condition and always available for use to benefit the organization. Once the period for keeping the documents expires, employees in charge have to destroy the documents properly as categorized in accordance with the policy
- (4) Keep confidential information on the organization's operation, internal operating plans including resolutions and opinions of the SET BoG, committees, working

teams and management functions. Disclosure of such information to any person must be approved by the unit that owns the data and information.

- (5) Never disclose the organization's information about business operation obtained from one's assigned duties and other information that may negatively affect the organization's reputation and operation, including the information on unconfirmed policy or unclear operation guidelines
- (6) Never disclose or transfer any technology classified as confidential to other persons via any channel such as the Internet, e-mail or facsimile, etc.

#### 2.4 The use of the organization's property:

- (1) The work or outputs created while working for the organization are considered the organization's property, except for the particular case that the organization has stated clearly and approved that the work belongs to the creator, inventor, researcher or others.
- (2) Safeguard the organization's properties:
  - (a) Economize the use of the organization's property for maximum benefit
  - (b) Take good care of the organization's property, maintaining values and safeguarding from losses
  - (c) Never use the organization's property for the benefit of oneself or others
- (3) The use of computers and information technology:
  - (a) Strictly comply with the organization's policies regarding information technology security, such as IT Security Policy and Social Media Policy
  - (b) Never use computers and information technology for the benefit of oneself or others
  - (c) Use other communication tools provided by the organization such as laptop, telephone, fax machine and cell phone with consciousness and responsibility by taking into consideration the interests of the organization.

### 3. Best Practice among Employees

The SET BoG has set up the guidelines on Best Practice among Employees in accordance with the SET Policies and Code of Conduct for Conducting Business relating to Best Practice on Stakeholders as detailed below:

3.1 Promote team-working spirit by helping each other for the overall benefit of the organization and be determined to develop and support the operations in alignment with the strategic frameworks, vision, mission, and core values

3.2 Mutually create and enhance the atmosphere of unity and harmony among employees

3.3 Supervisors should behave well and earn respect and admiration from subordinates as well as be a good role model according to the core values

3.4 Treat supervisor with respect, be generous towards colleagues and respect others' pride and dignity

3.5 Do not claim other persons' work as yours.

#### **4. Best Practice for Individual Employee**

The SET BoG has set up the guidelines on Best Practice for Individual Employee in accordance with the SET Policies and Code of Conduct for Conducting Business relating to Best Practice on Stakeholders as detailed below:

4.1 Behave with honesty, integrity and fairness in all aspects

4.2 Perform duties with responsibility, prudence, dedication and commitment, physically and mentally, for the benefit of the organization to meet its objectives and targets, as well as supporting the organization's strategy, vision, mission, and core values

4.3 Carry out the duty diligently and always find ways to develop and enhance efficiency

4.4 Maintain self-respect and dignity to be accepted by the society

4.5 Stay disciplined and comply with the organization's rules and regulations, values and traditions that may or may not necessarily have to be in writing

4.6 Avoid any action that may impact the organization's reputation and image or may cause problems afterwards

4.7 Do not spend working time on other works or for one's personal benefits which results in a failure to fully perform the organization's tasks and do not commit any action which could lead to a conflict of interest regardless of the fact 'when' the actions occur—whether within or outside working hours



## **5. Prevention and Management of Conflict of Interest**

The SET BoG has set up the guidelines on the Prevention and Management of Conflict of Interest in accordance with the Policies and Code of Conduct for Conducting Business relating to Prevention and Management of Conflict of Interest as detailed below:

5.1 Uphold the organization's interests under legal justice and ethics without giving support or privileges to any person that can in turn benefit oneself either directly or indirectly

5.2 Never engage in any situation that is likely to result in conflict of interest

5.3 Comply with SET's regulations related to Prevention and Management of Conflict of Interest.

## **6. Acquisition or Disposition of Listed Securities of Employees**

The SET BoG has set up the guidelines on Acquisition or Disposition of Listed Securities of Employees in accordance with the SET Policies and Code of Conduct for Conducting Business relating to Acquisition or Disposition of Listed Securities as detailed below:

6.1 Never use inside information for personal or other persons' benefit wrongfully

6.2 Regarding the acquisition or disposition of listed securities of an employee, a spouse or partner who is living together as a husband or wife and a child or children who have yet to reach legal age, it is required to comply with SET's regulations about the practices and prohibition related to Acquisition or Disposition of Listed Securities.

## **7. Receiving and Giving of Gifts or Other Benefits**

The SET BoG has set up the guidelines on the Receipt and Giving of Gifts or Other Benefits in accordance with the SET Policies and Code of Conduct for Conducting Business relating to Anti-Corruption as detailed below:

7.1 Never request gifts or any other benefits from a person or juristic person doing business with the SET group, neither for oneself nor others

7.2 Never receive or give gifts or any other benefits from or to a person or juristic person doing business with the SET group. The exception is on special occasion or festive season with gift-giving tradition: the gift must not be over THB 3,000 for each person/each occasion. If the gift or any valuable item is over THB 3,000, it can be taken only to maintain good relationship and must be reported to the supervisor. Then, such gift should be handed over to the Office Service

Department or related unit for internal usage within seven days. However, the gift receiving must not dominate over decision making or be unfair towards one's duty.

7.3 Regarding the receipt of gifts or benefits during activities of internal functions or as gifts or benefits for friendly relations between organizations, the recipient must report his/her supervisor for acknowledgement and such gift should be handed over to the Office Service Department or related unit for internal usage within seven days.

7.4 Business entertainment is acceptable, but the expenses must be reasonable.

## **8. Use of Political Rights**

The SET BoG has set up the guidelines on the Use of Political Rights in accordance with the SET Policies and Code of Conduct for Conducting Business relating to Best Practice on Stakeholders as detailed below:

8.1 Exercise your rights as a good citizen according to the constitutional and related laws

8.2 Never participate in any activity that may cause misunderstanding that the organization is involved or supports any political party or movement group

8.3 Never use corporate assets to support any particular political party or movement group

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SET Board of Governors

Approved on January 19, 2022