Enterprise Risk Management Policy

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The current operation of the SET Group is facing changes whether from external factors such as change in economic conditions, politics and information technology, or internal factors such as stipulation of strategy for the operation of the SET, organizational structure, information management etc. Moreover, the board of governors and executives of the SET Group focus on the enterprise risk management, which is an important element for achieving good corporate governance system of the SET Group and creates added value for the related parties. The board of governors and executives are confident that enterprise risk management is a process which allows the SET Group to achieve the objective it has set, respond effectively to the change in the business environment, have in place decent internal control, reinforce the confidence and create added value for the related parties, enhance the competitiveness, and promote sustainable operation of the SET Group. At the same time, enterprise risk management also reduces obstacles which may occur in relation to the operation and reputation of the organization.

The Board of Governors stipulates the enterprise risk management policy of the SET Group as follows:

- Stipulate that risk management is within the responsibility of personnel of all levels, who must be cognizant of the risks that exist in the performance of work within their own unit and the organization. Risk management should cover key various aspects at an adequate and appropriate level.

- Have in place enterprise risk management process consistent with decent standard pursuant to international practice and covering the risk management process related to information technology so that there is effective risk management which may affect the operation, development, performance of

work throughout the organization in the same direction using the risk management system as an element for decision-making, strategic planning, action plan and operation, as well as focus on achieving the objective, goal, vision, mission and strategy stipulated in order to create excellence in the performance of work and confidence of the related parties.

- Stipulate risk mitigation plan of the operation or for the avoidance of damage or loss which may occur including following up and assessing the risk management result on a regular basis.

- Report risk management performance to executives, Risk Management Committee, Audit Committee and SET's Board of Governors and the Board of Directors of SET's subsidiaries

- Stipulate specific policies where it deems necessary such as Business Continuity Management Policy and IT Security Policy covering information technology (IT) risk management.