

(Translation)

## Notification of Bangkok Commercial Asset Management Public Company Limited

### Re: Compliance Charter

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The Board of Directors' Meeting No. 7/2021 on May 7, 2021 resolved to approve a review of the Notification of the Company regarding Compliance Charter to serve as the operation framework or guidelines for compliance risk management and to enable the work units concerned to understand the roles and duties of compliance work units, be aware of strict adherence to relevant rules and regulations, and give cooperation to compliance work units. Therefore, the Notification regarding Compliance Charter dated December 1, 2017 shall be repealed and replaced with this Notification as follows:

#### 1. Definition

- 1.1 "Company" means Bangkok Commercial Asset Management Public Company Limited
- 1.2 "compliance work units" means Corporate Governance and Compliance Department and work units under its supervision.
- 1.3 "management" means executives at the levels from department heads upward.
- 1.4 "top executives" means executives at the levels from Executive Vice President upward.
- 1.5 "compliance" means the process to independently identify, assess, advice, monitor and report risk of compliance with relevant rules, regulations and requirements (compliance risk) in order to prevent non-compliance with the relevant laws, rules, regulations and requirements in effect at present and to take effect or to be amended thereafter, which might cause statutory penalty, financial loss or impairment of reputation of the Company.
- 1.6 "external agencies" means external regulatory agencies which monitor the Company's performance under the authority and duties prescribed by the laws, e.g. Bank of Thailand (BOT), Anti-Money Laundering Office (AMLO), Stock Exchange of Thailand (SET) and Office of the Securities and Exchange Commission (SEC), etc.
- 1.7 "external regulations" means the laws, rules, regulations, requirements, standards and notifications issued by external agencies and to which the Company is required to adhere to.
- 1.8 "internal regulations" means the regulations, orders, notifications and requirements issued by the Company.
- 1.9 "regulations" means internal and external regulations.

1.10 “GRC” means the integration of governance, risk management and compliance operation processes.

## **2. Objectives of Compliance**

- 2.1 To create understanding and support regulatory compliance in relation to the Company’s business operation including compliance risk management in relation to the Company’s business operation.
- 2.2 To develop and improve regulatory compliance tools to strengthen compliance performance.
- 2.3 To promote and encourage awareness of the Company’s personnel of their roles and duties in the three lines of defense, i.e. business units (first line of defense), supporting units (second line of defense) and internal audit functions (third line of defense) to support the GRC integrated operation.
- 2.4 To support the Company’s business strategy (BAM Strategy) by enhancing clarity of the roles, duties and responsibilities of each work unit in relation to relevant regulatory compliance in conjunction with instillation of good compliance culture.
- 2.5 To develop and integrate compliance culture as part of the work performance, and promote employees’ awareness of the responsibility, integrity, transparency and report on corporate governance risk.

## **3. Roles, Duties and Responsibilities**

The roles, duties, and responsibilities of compliance work units are to monitor and ensure the Company’s internal work units perform in compliance with regulations applicable to doing transactions in conformity with good corporate governance principles. The roles, duties, and responsibilities of compliance work units are as follows:

- 3.1 To monitor and review the Company’s performance to ensure compliance with the rules, regulations, orders and requirements issued by the Company under the internal and external regulations, and to provide preventive and rectification recommendations and guidelines as well as report on results of the review to the management and/or relevant committees.
- 3.2 To study the laws, rules and regulations applicable to the Company’s business operation and to consistently keep abreast of any changes thereof.
- 3.3 To give advice on preparation of internal regulations, issuance of regulations, orders, announcements and requirements, as well as launch of new products or businesses of the Company to ensure consistency and accuracy according to external regulations in effect at present, and to review and make amendment in a timely manner to keep up with the changing regulations.

- 3.4 To identify or detect and assess risk of compliance with the laws, rules and regulations in relation to the Company's business operation.
- 3.5 To give advice to various departments to ensure regulatory compliance in relation to the Company's transactions, as well as give opinions, recommendations and concurrence of the issuance of internal regulations and launch of products.
- 3.6 To provide consultation and advice to the management on the laws, rules, regulations, code of conduct and standards relevant to the business operation and to inform the management without delay in case of any changes to the relevant laws, rules, regulations and standards.
- 3.7 In case new product launch and seeking of consultation or advice on new rules and regulations that may have impact on the work performance, the compliance work units should conduct a performance review (control and monitor) to ensure regulatory compliance in the initial period of the product launch and seeking of consultation or issuance of new regulations probably by conducting a random review during the first three months to ensure that the work units in the first line of defense strictly comply with the rules and regulations. This would enable the Company to monitor any deficiencies found in a timely manner. A random compliance testing may be conducted in conjunction with recommendation of improvement guidelines, etc.
- 3.8 To review the control process for preparation of reports for external agencies to ensure adequacy, appropriateness and regulatory compliance.
- 3.9 To perform works under specific responsibilities, such as those concerning anti-money laundering, etc.
- 3.10 To provide employees with knowledge on the laws, requirements, rules, regulations, ethics, code of conduct and standards relating work performance, serve as the contact center, give advice and respond to queries of the employees.
- 3.11 To perform duties as the compliance work units independently from other internal work units to ensure the Company strictly abides by the rules and regulations specified by external agencies and in line with the Company's business plans.
- 3.12 To review the Company's regulatory compliance principles on a regular basis in accordance with the international practices and recommendations from external agencies, and to recommend improvement guidelines for the Company's regulatory compliance principles for relevant committee's approval.
- 3.13 To perform duties as specified in the Company's compliance risk guidelines.

#### **4. Compliance Operation Criteria**

##### 4.1 Independence

- 4.1.1 To establish the clear and official structure of compliance work units and reporting work units, which allows for independence and completeness as well as efficiency in compliance operation.
- 4.1.2 To have independence in reporting to top executives any non-compliance with relevant rules and regulations, taking into account benefits from rectification of deficiencies and impacts from such non-compliance as well as potential damage and professional ethics (if any).
- 4.1.3 To have access to all work units within the organization in order to monitor and review their performance in the event of a potential risk of regulatory non-compliance.
- 4.1.4 To investigate for fact-finding in the event of likelihood of a breach of the Company's compliance policy and to seek assistance from other internal and external work units that have specialized expertise.
- 4.1.5 To undertake no act or have no participation in consideration of any matters in which compliance work units have either direct or indirect beneficial interests or which may give rise to conflict of interest.

##### 4.2 Access to information, documents and individual personnel

- 4.2.1 To have access to necessary information and personnel concerned for the benefit of independent performance of compliance duties.
- 4.2.2 If necessary, to take responsibility for supervision and review of regulatory non-compliance by requesting approval from the Chief Executive Officer or relevant committees to seek cooperation from internal work units, such as Internal Audit Department, or external agencies for accomplishment of work performance.

##### 4.3 Allocation of human resources and qualifications of personnel under the respective roles, duties and responsibilities

- 4.3.1 To enhance and ensure personnel have knowledge and understanding of relevant rules and regulations and are able to assess implications that such rules and regulations on the Company's operation, and to communicate with top executives to ensure their understanding of the risks and capability to provide deficiency rectification assistance.

- 4.3.2 To enhance and ensure personnel regularly gain proper knowledge and undergo training on relevant rules and regulations.
- 4.3.3 To ensure personnel adhere to code of ethics and have independence in performing their duties.
- 4.4 Clear determination of compliance duties, responsibilities and scope of authority
  - 4.4.1 To serve as the center to monitor compliance with rules and regulations and anti-money laundering as well as the center for gathering of relevant information on rules and regulations.
  - 4.4.2 To coordinate with relevant work units to jointly develop compliance risk management system, i.e. identification of compliance risk, review of performance to ensure regulatory compliance, and report on result of risk deviation assessment, and compliance program.
  - 4.4.3 To make available annual compliance report covering results of compliance policy review, results of misconduct, violation and non-compliance, and results of remedial measures according to recommendations by external agencies.
- 4.5 Relationship and communication with other work units
  - 4.5.1 Internal audit

Internal Audit Department shall have duties to examine the performance of compliance work units and to coordinate and exchange information to support the GRC integration.
  - 4.5.2 Risk management

Risk Management Department should coordinate and exchange information closely with compliance work units to support the GRC integration.
  - 4.5.3 Other internal work units

Compliance work units should coordinate and report compliance operation results to heads of other internal work units for their acknowledgment of such results and for the benefits of improvement, rectification and further determination of preventive measures or guidelines.

## **5. Compliance Reporting**

Compliance work units are duty-bound to report regulatory compliance results to supervisors in the function lines, the Chief Executive Officer and the Corporate Governance and Social Responsibility Committee of the Company in a timely and appropriate manner. Such report to the supervisors and the

Chief Executive Officer shall be submitted on a quarterly basis and/or when there is an incident. A summary report shall also be submitted to the Corporate Governance and Social Responsibility Committee on a quarterly basis.

#### **6. Coordination with External Agencies**

Compliance work units may coordinate with external agencies, such as Bank of Thailand (BOT), Anti-Money Laundering Office (AMLO), Stock Exchange of Thailand (SET) and Office of the Securities and Exchange Commission (SEC), etc. in order to, besides reporting according to the criteria specified by the external agencies, boost understanding and monitor amendments of any rules and regulations in a timely manner.

#### **7. Review of the Charter**

Compliance work units shall have the duty to review this Charter at least once a year. Any amendments shall be proposed to the Corporate Governance and Social Responsibility Committee for consideration and approval.

Taking effect from May 7, 2021 onward.

Given on June 1, 2021.

*-Signed-*

(Mrs. Tongurai Limpiti)

**Chairman of the Board of Directors**

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