



(Translation)

Notification of Bangkok Commercial Asset Management Plc.

Re: Compliance Policy

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 Policy to ensure that the Company's business operation is in compliance with the laws, rules, regulations, requirements and notifications, both internal and external. Therefore, the Notification regarding Compliance Policy dated December 1, 2017 shall be repealed and replaced with this Notification as follows:

1. Principle and Rationale

According to the corporate governance principle to ensure compliance with the laws and the rules, regulations, orders, requirements and notifications of external agencies and the Company, it is crucial for the management and employees to perform in adherence to the laws, rules, regulations, requirements and notifications relevant to the Company's business operation.

1.1. Definition

- 1.1.1 "Company" means Bangkok Commercial Asset Management Public Company Limited.
- 1.1.2 "compliance work units" means Corporate Governance and Compliance Department and work units under its supervision.
- 1.1.3 "management" means executives at the levels from department heads upward.
- 1.1.4 "top executives" means executives at the levels from Executive Vice President upward.
- 1.1.5 "compliance risk" refers to risk arising from the Company's non-compliance with or failure to fully or correctly comply with the laws, rules, regulations, requirements, standards, notifications and guidelines that are enforceable to its business transactions, which may lead to huge financial losses or damages to the Company's reputation or intervention by official authorities.
- 1.1.6 "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.

- 1.1.7 “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.
- 1.1.8 “internal regulations” means the regulations, orders, notifications and requirements issued by the Company.
- 1.1.9 “regulations” means internal and external regulations.
- 1.1.10 “GRC” means the integration of governance, risk management and compliance operation processes.

1.2. Importance of Compliance Risk Management

Compliance risk is part of the operational risk. If occurring, compliance risk will severely affect the position, operating results and reputation of the Company. Some of compliance risks are lack of internal work unit in charge of regulatory compliance, operation handbook which is non-compliant with the rules and regulations or inconsistent with the requirements of external agencies, lack of any system to support monitoring and prevent failure to follow the operation handbook which may open room to commission of internal fraud, etc. All these may result in the Company being regarded as non-compliance with the regulations of external agencies.

At present, the Company is required to comply with the rules, regulations, standards and guidelines of external agencies. Thus, compliance risk management plays a key role in supporting the Company’s full compliance with the relevant regulations. The Company’s Board of Directors and management serve as role models while all employees are duty-bound to study and understand regulatory compliance, integrating it as part of the work under their responsibility that requires prudence and caution, e.g. preparation of reports for submission to external agencies, compliance with the anti-money laundering law and the securities and exchange law, etc. Availability of internal work unit to specifically take charge of regulatory compliance will enhance efficiency in the Company’s compliance risk management.

2. Objectives

- 2.1 To encourage the Board of Directors, management and all employees to acknowledge and recognize the importance of compliance with the rules and regulations of external agencies as well as internal rules, regulations, orders, requirements and notifications.
- 2.2 To enhance efficiency and effectiveness of compliance risk management which is part of operational risk management.
- 2.3 To ensure that the Company’s business operation is carried out smoothly and with accurate, complete and timely regulatory compliance.
- 2.4 To promote the GRC integration and encourage development of GRC culture and atmosphere organization-wide.

3. Compliance Criteria

- 3.1 The management and employees have the duty to strictly abide by the rules and regulations relevant to the operation.
- 3.2 Non-compliance or performance inconsistent with the relevant rules and regulations may cause damage to the Company. The management and employees thus have the duty to understand which rules and regulations are applicable to their work or are to be abided by. In case of any issues of doubt, the management and employees have the duty and responsibility to first search for information or seek information or advice from their supervisors, as well as enquiry with the Compliance Department in case of additional issues of doubt.
- 3.3 The management has the duty to encourage the employees under their supervision to learn and comply with the regulations as well as to always observe and keep updated of the regulations relevant to their work in order to ensure complete regulatory compliance, as well as enquiry with the Compliance Department in case of additional issues of doubt.
- 3.4 If the management or employees have found any non-compliance with or failure to conform to the regulations of external agencies, they are duty-bound to immediately report to their supervisors and further to the Chief Executive Officer for his/her command, and to report to the Compliance Department without delay.
- 3.5 In the non-compliance reporting process, factual information and that on causes/problems along with results of duly concluded rectifications or those expected to be concluded and improvement guidelines to avoid non-compliance recurrence must be indicated and reported via the operational loss data system of the Risk Management Department which serves as the reporting center for operational damage of all work units. In case a significant non-compliance with the regulations of external agencies is found, which necessitates consideration of corrective and preventive measures looking forward, the management must discuss with the Compliance Department before preparation of the report to the supervisors in the supervision line and send a copy of the report to the Compliance Department for information.
- 3.6 The Compliance Department has the duty to supervise the operation of various departments that require regulatory compliance to ensure compliance with the relevant rules and regulations. It is also duty-bound to provide consultation/recommendation on compliance with the relevant rules and regulations.
- 3.7 Contact with external agencies
 - 3.7.1 In case the management or employees are contacted by external agencies concerning regulatory compliance issues, such as the BOT, the AMLO, the SET and the SEC, etc., to request for information, or may be demanded to give written answers or clarification, before meeting with

officials of the external agencies or preparing any documents for representatives of such agencies, the management or employees must inform the Compliance Department and seek opinions from whom on such incident without delay. In case of submission of report or information to the external agencies according to the regulations set forth in general, or in case the information has been requested for use in the review and examination under the external agencies' regular plans, the respective work units may submit the report or information to the external agencies without seeking opinions from the Compliance Department.

- 3.7.2 The employees must be cautious in preparing the requested information, which must be checked by the authorized person to ensure correctness before delivery to the requesting external agencies. The employees must also be well-prepared to answer questions from the external agencies.
- 3.8 The management or employees are in charge of safekeeping customers' documents/evidences on a secure and complete basis and for the period as required by laws.

4. Compliance Roles and Duties of the Board of Directors

The Board of Directors plays a key role in supporting the Company's adherence to the principles of integrity, righteousness and morality considering compliance with the relevant laws, rules, regulations and standards is the duty of all employees. The Board of Directors has the duty to oversee compliance risk management as follows:

4.1 Approve the Compliance Policy:

The Board of Directors considers and approves the Compliance Policy, makes available and ensures regulatory compliance function in the operation, determines the rights and duties of compliance work units and other work units to coordinate and exchange information to support the GRC integration.

4.2 Review the policy and evaluate the efficiency in compliance risk management:

The Board of Directors must be informed of important information regularly to ensure that the regulatory compliance function is appropriate, and that a review and evaluation of compliance management efficiency is performed as necessary and appropriate.

4.3 Give opinion on the annual compliance report:

In order to acknowledge and take responsibility of regulatory compliance, the Board of Directors has the duty to give opinions on the annual compliance report.

5. Compliance Roles and Duties of Top Executives

Top executives have the duty to supervise and monitor compliance risk management as follows:

5.1 Give recommendations on the formulation and review of the Compliance Policy:

Top executives have the duty to give recommendations on the formulation and review the Compliance Policy in response to business requirements to ensure practicality and examinability, and to put in place corrective measures for appropriate, prompt and timely solutions to compliance problems.

5.2 Perform compliance risk management:

Top executives have the duty to support development of compliance risk management system to ensure efficiency and serve as the center of risk management, as well as identification and assessment of compliance risk as necessary and appropriate.

5.3 Ensure compliance operation:

Top executives have the duty to ensure that the regulatory compliance operation is in accordance with the criteria set forth.

6. Roles of the Compliance Work Units

Compliance work units which perform duties independently serve as the center of compliance monitoring and carry out tasks as prescribed in the Compliance Charter, including other tasks to support top executives in the efficient compliance risk management. In addition, compliance work units coordinate and exchange information with concerned departments to support the GRC integration and joint development of compliance risk management system correspondingly with the Company's strategies, and to provide consultation and recommendations on the operation under this Policy.

7. Roles and Duties of Relevant Work Units

7.1 Internal audit:

The Internal Audit Department performs audit on the performance of compliance work units and other relevant work units in the Company, and reports the results of the internal audit on non-compliance issues to compliance work units to support the GRC integration.

7.2 Risk management:

The Risk Management Department should coordinate closely with compliance work units to boost compliance efficiency, and report relevant operational loss events caused by non-compliance of internal work units to compliance work units to support the GRC integration.

7.3 All work units:

All work units must have their own compliance coordinator to coordinate with the coordinator of the compliance work units, to provide knowledge and information to the employees in the respective work units, and to support monitoring of compliance with the rules, regulations, standards, notifications and guidelines enforceable to the Company's transactions to enable efficient compliance risk management.

7.4 Employees:

All employees have the duty to study, understand and take responsibility of carrying out tasks accurately, completely and in strict compliance with the rules and regulations, and to maintain the highest ethical standards in compliance with the requirements, laws, rules and regulations.

8. Review of the Policy

Compliance work units shall have the duty to review this Policy at least once a year. Any amendments shall be proposed to the Corporate Governance and Social Responsibility Committee for consideration and scrutiny, and further proposal to the Board of Directors for consideration and approval.

Given on June 1, 2021.

-Signed-

(Mrs. Tongurai Limpiti)

Chairman of the Board of Directors

Corporate Governance and Compliance Group
Corporate Governance and Compliance Department
Tel. (02) 267-1900 Ext. 3601, 3603