



The Charter of SET Board of Governors

Foreword

The Charter of SET Board of Governors has been prepared to designate the role, duty and responsibility of the SET Board of Governors, which strictly adheres to important policy in its compliance with the law and pursuant to the SET Corporate Governance consistent with the standard of the Organization for Economic and Co-operation (OECD). In addition, the SET Board of Governors has adopted the principles of corporate governance for listed company (both SET CG Principles and SEC CG Code) and applied the principles to suit the SET which consists of the SET Board of Governors structure and operation as prescribed by the Securities and Exchange Act. The SET Board of Governors believes the performance of work in adherence to the good corporate governance principles will equip the Thai capital market with all the capability to develop the strength and growth on a long-term basis and promote confidence for all stakeholders and relevant parties such as supervisory bodies, member companies, listed companies and investors, as well as serving as a model example to other organizations within the Thai capital market.

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1. Definition

“Charter”	means	The Charter of the Board of Governors of the Stock Exchange of Thailand
“SET”	means	The Stock Exchange of Thailand
“Board”	means	The Board of Governors of the Stock Exchange of Thailand
“Chairman”	means	Chairman of the Stock Exchange of Thailand
“Governor”	means	Governor of the Stock Exchange of Thailand
“President”	means	President of the Stock Exchange of Thailand
“Sub-Committee”	means	Sub-Committee of the Stock Exchange of Thailand
“Subsidiary”	means	A company or juristic person in which the Stock Exchange of Thailand holds 50 percent or more of that shares whether directly or indirectly
“SET Group”	means	The Stock Exchange of Thailand and Subsidiary
“Securities and Exchange Act”	means	The Securities and Exchange Act B.E. 2535 (1992)

2. Composition of the Board

2.1 The composition of the Board, the number of Governors, the selection of Chairman and office terms shall be as prescribed in the Securities and Exchange Act.¹

2.2 The Board shall appoint the Secretary of the Board to support the performance of the Board by offering advice on the laws and regulations that the Board must be aware of and comply with including being in charge of the activities of the Board and coordinating to ensure compliance with the resolutions of the Board.

3. The Board’s Responsibility

3.1 The Board has the power and duty to supervise, formulate policy and control the operation of the SET to ensure sustainable growth in accordance with its objectives, the Board’s resolutions, and the laws² including relevant regulations, while exercising duty of care and loyalty and bearing in mind the best interests of the organization, stakeholders and relevant parties, and the overall economic system of the nation.

The Board shall adhere to the relevant legal provisions having as its important principle that it shall not order or act, or omits to order or act in any way that may cause the SET and Subsidiary to contravene the law, procedures, ethics, or code of conduct that the Board stipulates as a guideline in its performance.

¹ Refer to the Securities and Exchange Act B.E. 2535 (1992) Sections 159 – 163.

² Refer to the Securities and Exchange Act B.E. 2535 (1992) Sections 170 – 173.

3.2 The Board has formulated policy with regard to the holding of position as director in listed companies such that each Governor shall be a director in not more than 3 listed companies so that the Governors have the time to discharge their duty as Governors effectively.

3.3 For the purpose of good corporate governance and so that the Board performs their duty effectively and efficiently and as to be consistent with the relevant rules, the Board has appointed the following Sub-Committees:

3.3.1 Good Corporate Governance Sub-Committee such as the Audit Sub-Committee, Nomination and Remuneration Sub-Committee, Risk Management Sub-Committees, and Corporate and Social Responsibility Sub-Committee.

3.3.2 Relevant Law and Regulation Sub-Committee such as the Legal Committee, Disciplinary Sub-Committee, Appeal Sub-Committee, Securities Investor Protection Fund Sub-Committee. Moreover, the Board may appoint other Sub-Committees, experts or advisers as necessary and appropriate to the changing circumstances.

The Sub-Committees appointed by the Board above shall mean the sub-committees with the same duty and responsibility as such sub-committee under another name.

4. The Board's Duty

The Board has the power and duty as prescribed in the Securities and Exchange Act B. E. 2535 (1992)³ and the relevant rules and which are consistent with the good corporate governance and code of conduct of the SET Group as follows:

4.1 Determine vision, mission, goal and strategy in operating the business of the SET and revise such to be consistent with the changing circumstances.

4.2 Follow up and ensure there is report on the progress of the operation pursuant to the goal, indicator and strategy plan under the budget approved by the Board including formulating policy for the improvement and development of capability within the international arena.

4.3 Determine policy on good corporate governance and code of conduct of the SET Group such treatment of stakeholders, anti-corruption, anti-money laundering, prevention and management of conflict of interest, use of internal information and safeguarding of confidential information, receipt of evidence or complaints (Whistleblower). On this basis, the policy on good corporate governance and code of conduct shall be revised annually.

³ The duty of the Board shall be in accordance with the Securities and Exchange Act Sections 170 – 173 and 176, and the President shall have the power and duty under Sections 167 – 168

4.4 Ensure that there is in place effective and adequate internal control system and follow up on the effectiveness of the internal control system so as to comply with the accepted standard such as the Committee of Sponsoring Organization (COSO) by disclosing the adequacy of the internal control system and have it reported in the annual report.

4.5 Determine policy on risk and appropriate scope of risk management as well as following up on the effectiveness of the risk management on a regular basis by disclosing the adequacy of the risk management system in the annual report.

4.6 Determine the scope of policy on the management of information and technology and security and safety measure for the information and technology system so that it complies with the standard acceptable in the industry, and follow up and revise such to be consistent and appropriate with the risk associated with information and technology.

4.7 Promote the creation and appropriate use of technology to ensure effective operation and use of resources and to ensure mutual benefits to the SET's business, trading partners, relevant parties and society.

4.8 Supervise the operation of the SET to ensure financial stability so that it can operate the business on a continuous basis.

4.9 Ensure that there are preparation and disclosure of financial information that is correct, complete, timely and reflects the operating results and financial position in accordance with the accounting standard prescribed by the law on accounting as well as disclosing material information of the organization correctly and completely pursuant to the relevant regulations and procedures.

4.10 Determine the scope and mechanism in supervising the Subsidiary or affiliate. The Board shall determine the appropriateness of the person who will act as the SET's representative and become a director in the Subsidiary or affiliate in order to supervise the operation of the Subsidiary or affiliate at a level appropriate to each business.

4.11 Determine the criteria and process for recruiting President and executive which are transparent and clear as well as determining remuneration and assessment of performance on an annual basis⁴ as well as following up and ensuring that there is process for the replacement or succession of President and executive (Succession Planning) on an annual basis.

⁴ The matters with regard to the personnel's remuneration are entrusted to the Nomination and Remuneration Sub-Committee for consideration pursuant to such criteria and the Charter of the Nomination and Remuneration Sub-Committee.

5. The Chairman's Duty

The Chairman's role is to lead the Board, and whose duty is as follows:

5.1 Convene the meetings of the Board and act as the chairman of the meeting of the Board. In an event a final decision by the meeting is required and there is an equality of votes, the Chairman shall have a casting vote.

5.2 Determine the agenda of the meetings of the Board by consulting with the President to ensure that important matters are listed on the agenda.

5.3 Proceed with the meetings of the Board pursuant to the agenda, relevant laws and good corporate governance, allocate sufficient time and encourage all Governors to participate in the discussion, exercise prudent discretion and freely express opinion.

5.4 Follow up the performance of the duty by the Board to ensure effectiveness and achievement in accordance with the goal of the organization.

5.5 Build good relationship between the Board and the management team.

6. The Board's Meeting

6.1 The Board's meetings shall be planned for the whole year in advance so that the Governors can allocate their time to attend the meeting on each occasion. The Chairman may convene an additional meeting for special agenda as necessary.

6.2 All Governors shall have received the invitation to the meeting clearly specifying the agenda of the meeting together with documents used in the meetings at least 7 days prior to the meeting, except in cases of urgency where the documents may be received later but reasonably before the date of the meeting.

6.3 The Governors may propose matters for the Board's meeting to consider as additional meeting's agenda via the secretary of the organization or agency with the same duty and responsibility under another name.

6.4 Any Governors who have interests in any matter being considered shall report such interests and be prohibited from considering such matter.

6.5 The Governors may request information necessary to their decision-making from the management team or the secretary of the organization.

6.6 The Board encourages the executive to attend the meetings to provide further information as a person directly involved with the issues and to allow the Board an opportunity to make acquaintance for use in their consideration of succession planning.

6.7 Governors who are not an executive shall have the opportunity to convene meetings among themselves without any executive attending as necessary to discuss the various issues in relation to the management currently being focused at least once a year.

6.8 Entrust the secretary of the organization with the duty to prepare the minutes of the Board's meetings so as to contain complete material particulars and propose it to the Board for approval, and to keep the minutes and documents used in the meetings systematically.

7. Self-Assessment

7.1 The Board shall arrange for the self-assessment of the performance of the entire Board and individual Governor on an annual basis in order to consider revising the operating results, issues and obstacles confronted during the preceding year so as to enhance the effectiveness of the Board and management team's performance.

7.2 The Board shall determine the criteria used in the assessment by entrusting the Corporate and Social Responsibility Sub-Committee with the task of considering and offering advice on the process for the assessment of the Board's performance so as to be consistent with good corporate governance and code of conduct.

7.3 The Corporate and Social Responsibility Sub-Committee shall consider the assessment process, summarize the result of the assessment and report the result of the assessment to the Board so that the performance can be further revised and developed. On this basis, the assessment may be undertaken by a third party expert.

7.4 The Audit Sub-Committee, Nomination and Remuneration Sub-Committee, Risk Management Sub-Committee and Corporate and Social Responsibility Sub-Committee shall undertake self-assessment and present such to the Board's meetings at least once a year.

8. Remuneration of Governors, Executives and Personnel

8.1 The Board shall entrust the Nomination and Remuneration Sub-Committee with the task of considering screening policy and criteria for the payment of remuneration to the Governors. The rate shall be appropriated to the duty and responsibility, and shall be comparable to the industry of similar type and size. The Board then shall propose such to the Board prior to the proposal to the meeting of the SET members for approval.

8.2 The Board shall entrust the Nomination and Remuneration Sub-Committee with the task of considering screening policy and criteria for the payment of remuneration to the President, executive and personnel of the SET Group consistently with the operating results and the success of the goal prior to the proposal to the Board for approval.

9. Development of Governors, Executives and Personnel

9.1 The new Governors will be introduced to the overview of the organization, the operation of the SET Group, strategy plan, routine work plan, legal provisions, regulations and code of conduct relevant to the Governors. The executives and secretary of the Board shall present such information prior to the first meeting of the new Governors.

9.2 Encourage the Governors and executives to attend training and development in various forms such as seminar, lecture, and site visit in order to enhance their knowledge and experiences that are up-to-date and consistent with the changing circumstances for the benefit to their performance.

9.3 Ensure that there is continuous management and development of the personnel of the SET Group so that they are equipped with the knowledge and capability.

10. Revision of the Charter

The Board will review and assess the adequacy and appropriateness of the Charter at least once a year.

The Board of Governors of the Stock Exchange of Thailand

Approved on 19 July 2017