

Risk Management Committee Charter

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1. Objectives

The Stock Exchange of Thailand (SET)'s Board of Governors (the Board) has appointed the Risk Management Committee (RMC) to carry out the following duties:

- 1.1 Review and provide opinions to the Board and management to ensure that risk management policy and framework are appropriate and all departments can efficiently manage their risks, completely covering all the risks related to the organization's operations.
- 1.2 Provide consultations and suggestions to risk management department for all types of risk-related matters.
- 1.3 Consider the appropriateness of risk assessment to ensure that key risks are well managed.

2. Definition

- "Charter" means the Risk Management Committee Charter
- "SET" means The Stock Exchange of Thailand and its subsidiaries
- "Committee" means the Risk Management Committee
- "Senior executives" means the executives holding the position of senior executive vice president and executive vice president at SET

3. Composition and Terms of Appointment

- 3.1 The Committee and the Chairperson of the Committee shall be appointed by the Board.
- 3.2 The Committee shall consist of 4 SET governors (including the SET President) and at least 2 Committee members who are experts in finance, accounting or risk management.
- 3.3 The term of appointment of a Committee member is 1 year.
- 3.4 Upon expiration of term or there exists circumstances whereby a member of the Committee is unable to complete his or her term of appointment, the Board shall deem it necessary to consider appointing a new member of the Committee in replacement promptly or at the latest within 3 months commencing from the date the number of members is incomplete to constitute an entire composition for the purpose of continuation of performance of the Committee. A new Committee member shall resume the position for only the period left by the member whom he / she has replaced.
- 3.5 The Committee shall have the authority to appoint the Secretary of the Committee.

4. Meeting

4.1 The Committee shall convene a meeting at least quarterly or 4 times a year. The Committee may invite related parties who are not Committee members to attend the meeting.

4.2 A quorum shall consist of at least half of the members of the Committee.

4.3 In an event the Chairperson of the Committee cannot attend the meeting and no one has been appointed to act on his or her behalf, the Committee members who are attending that meeting shall elect one of the Committee members to chair the meeting.

4.4 The Chairperson of the Committee may convene a special meeting of the Committee if there is a request from a member of the Committee to consider any additional key risk issue which requires joint discussion and consultation.

4.5 The Committee may invite related parties responsible for or involving with the meeting agenda to attend the meeting or present such matter.

4.6 The Committee has a joint meeting with the Audit Committee (AC) every year.

4.7 The meeting schedule of the Committee for the whole year have been arranged in advance so that the Committee members can allocate their time to attend all of the meetings.

4.8 The Secretary of the Committee has the duties to arrange the meetings, prepare the agenda, deliver supporting documents required for the meetings, and record the minutes of the meetings. The meeting invitation and supporting documents required for the meetings shall be delivered not less than 7 days prior to the meeting.

4.9 In the case of voting for a resolution, the majority vote shall be required. The Secretary of the Committee shall not have the right to vote. In the case of an equal number of votes, the Chairperson of the Committee shall have a casting vote.

4.10 Any Committee member who has a conflict of interest in a matter for consideration, has to inform the Committee of such conflict of interest and is not allowed to attend the meeting.

5. Duties and Responsibilities

- 5.1 Consider and provide opinions on Risk Management Policy and Framework to be presented to the Board for consideration and approval
- 5.2 Consider and provide opinions on Risk Appetite and Risk Tolerance to be presented to SET's BoG for consideration and approval
- 5.3 Acknowledge, consider and provide opinions on risk assessment, guidelines, and risk measurement, including action plans to manage risks at the acceptable level.
- 5.4 Monitor and follow up the action plan to continuously manage risks.
- 5.5 Provide suggestions on risk management at the corporate level as well as continuously encouraging and supporting improvements, including the development of risk management system within the organization.
- 5.6 Report the status of key corporate risks, including the risk management implementation to the Board on a regular basis.
- 5.7 Provide opinions and recommendations on hiring independent external party to provide consultation and advice on risk management to risk management department or other related units.
- 5.8 Preliminarily screen and consider the appointment of risk management specialist before proposing to the Nomination and Remuneration Committee (NRC) for consideration.

6. Self-Assessment

The Committee shall conduct self-assessment of its performance and report to the Board once a year.

7. Self-Development

7.1 The Committee members should continuously develop their professional skills in various forms such as seminars, training, lecturing, self-studying, implementing, including the visits to other organizations to be arranged by SET to be presented to the Committee for consideration.

7.2 When a new Committee member is appointed, the Secretary of the Committee shall ensure that the new Committee member is equipped with useful documents and information.

8. Revision of the Charter

The Committee shall review and evaluate the adequacy and appropriateness of the Charter on an annual basis. Any significant revision needs to be approved by the Board.

9. Reporting

9.1 The Committee shall report on its operation to the Board on a regular basis.

9.2 The report on the performance of the Committee, signed by the Chairperson of the Committee, shall be prepared and disclosed in the Annual Report in accordance with the principles of good corporate governance.

Approved by the SET's Board of Governors
On February 21, 2018
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