

## **Policy on Assessing the Independence of Directors**

In performing its role, the Board of Directors of TISCO Financial Group Public Company Limited (the “Board”) recognizes the importance of transparency in its determination of a Director’s independence and the clarity this brings for the benefit of its shareholders and stakeholders. This policy applies to the Directors of TISCO and its subsidiaries (“TISCO Group”).

### **Test of Independence**

The Board’s test to determine a Director’s independence is whether the Director is independent of management and free of any interest, position, association or other relationship that might **materially** influence, or be reasonably perceived to **materially** influence, the Director’s capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of TISCO Group and its shareholders generally.

### **Independence Criteria**

1. A Director of TISCO Group (a “Director”) will be considered independent if he/she passed the test and assessment under the following criteria.

#### **I. Regulatory requirement**

The following person is disqualified from being an Independent Director or a candidate of Independent Director.

- a) Director and his/her related persons collectively hold shares exceeding 0.50 per cent of the total number of voting rights of TISCO, its subsidiary and affiliate, or juristic person which may have conflict of interest.
- b) Be an non-independent director, persons with power of management, employee, staff, or advisor who receives salary, or a controlling person of TISCO, its subsidiary and affiliate, same-level subsidiary, or juristic person who may have conflict of interest, or has left from such status but for less than two years.
- c) Be an independent director for more than 9 consecutive years in TISCO or its subsidiaries, except those who were appointed before 23 June 2018 can still be in position until 1 May 2022.
- d) Be related by blood or registration under laws, such as father, mother, spouse, sibling and child, including spouse of the children; of the executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of TISCO or its subsidiary.
- e) Have business relationship with TISCO, its subsidiary, affiliate or juristic person who may have conflict of interest, which may interfere with his/her independent judgment; or be a major shareholder, non-independent director or executive of any person having business relationship with TISCO, its subsidiary, affiliate or

juristic person who may have conflict of interest, or has quitted from such relationship but for less than two years.

- f) Be an auditor of TISCO, its subsidiary, affiliate or juristic person who may have conflict of interest; or be a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of TISCO, its subsidiary, affiliate or juristic person who may have conflict of interest, or has quitted from such relationship but for less than two years.
- g) Be any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million baht from TISCO, its subsidiary, affiliate or juristic person who may have conflict of interest; or a major shareholder, non-independent director, executive or partner of the professional advisor, or has quitted from such relationship but for less than two years.
- h) Be a director who has been appointed as a representative of TISCO's director, major shareholder or shareholders related to major shareholder.
- i) Have other characteristics which could make, or appear to make, him/her incapable of expressing independent opinions with regard to TISCO's business affairs.

## **II. Past performance**

The Director demonstrated excellent performance and participation at the Board and sub-committee(s) in TISCO Group in the past.

## **III. Internal perception**

Other Board or sub-committee(s) members expressed their view, based on their observations on the Director being assessed, that the Director's contribution, behavior and effectiveness in management's performance monitoring and feedback meet what they expect from independent director.

## **IV. External perception**

The Director being assessed has other role or performance outside TISCO Group which support the predication that he/she has maintained the highest standard of ethics and integrity and his/her continued independence could be warranted.

- 2. The assessment of the independence of Director will be conducted by the Board, or by the Nomination and Compensation Committee ("NCC") and reported to the Board:
  - a) upon appointment of new Independent Director;
  - b) annually for Director whose tenure is approaching or exceeds the cumulative term of nine (9) years from the first day of service in the next term. The annual review is usually at or around the time the NCC considers candidate for election; and
  - c) when any new, or change in, interests or relationships, which may affect independence, are disclosed by a Director.

The Assessment Form in Attachment 1 will be used in this process. The assessment of the independence of Director, either by the Board or by the NCC, must be conducted in absence of the Director(s) being assessed in order to avoid conflict of interest.

3. The assessment of the independence of director will be based on the nature, circumstances and activities of the Director having regard to the criteria in Clause 1. The **materiality** with regard to these criteria will be considered from the perspective of TISCO Group, the persons or organizations with which the Director has an affiliation, and from the perspective of the Director.
4. The Board will consider all facts and circumstances in determining the independence of a Director under the above test and assessment. The Board may form an opinion that a Director is independent notwithstanding the presumption of non-independence by term of service as specified in the Corporate Governance Code or other best practices if such presumption can be complemented by other qualities of the Director that increase the probability of his/her effective independence. The Board will disclose an explanation of why the Board is of that opinion.

### **Director Obligations**

1. Directors will update the Board as soon as practicable with any new information in relation to interests or relationships relevant to their independence.
2. All Directors, regardless of their independence, are expected to bring their independent and objective judgment in the interests of the Company to bear on Board decisions.

### **Disclosures**

1. The Company will make the following disclosures to shareholders:
  - a) this policy, on the Company's website
  - b) in the Company's Annual Report
    - i. Each Director's independence status
    - ii. Each Director's period of office
2. Where a Director is standing for election or re-election, the Notice of Shareholders' Meeting will disclose the details of any interest, position, association or relationship that might be relevant to an assessment of their independence, as well as disclosure of the results of Board's assessment of the Director's independence.

### **Review of Policy**

This policy will be reviewed by the NCC and approved by the Board every year.