

KTB.OBD. 912/2016

29<sup>th</sup> April 2016

The President

Stock Exchange of Thailand

Dear Sir,

Subject: The Appointment of Member of the Audit Committee of Krung Thai Bank PCL.

On Wednesday 27<sup>th</sup> April 2016, the Board of Directors' Meeting No. 9/2559 (929) has passed the resolution to appoint the Audit Committee because of completing the term of the office in the 23<sup>rd</sup> Annual Ordinary General Meeting (Year 2016). This is effective from 29<sup>th</sup> April 2016 onwards as follows

Members who complete the term of the office	Members who are assigned
(1) Mr.Kittipong Kittayarak Chairman	(1) Mr.Kittipong Kittayarak Chairman
(2) Mr.Nontigorn Kanchanachitra Member	(2) General Tienchai Rubporn Member
(3) General Tienchai Rubporn Member	(3) Mr.Somchai Boonnamsiri Member
(4) Mr.Somchai Boonnamsiri Member	(4) Mr.Thanwa Laohasiriwong Member

Furthermore, the form to report on names of members and scope of work of the Audit Committee is hereby enclosed for your information.

Please be informed accordingly.

Yours Sincerely,

*Suchart Dejittirut*

(Mr.Suchart Dejittirut)

Corporate Secretary

Office of the Board of Directors

0-2208-4133

Form to Report on Names of Members and Scope of Work of the Audit Committee
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The Board of Directors meeting of Krung Thai Bank PCL. No.9/2559 (929) held on 27<sup>th</sup> April 2016 resolved the meeting's resolutions in the following manners:

- Appointment of the Audit Committee
- Chairman of the Audit Committee                       Member of the Audit Committee

As follows:

Mr.Thanwa Laohasiriwong to be member of the Audit Committee replacing Mr.Nontigorn Kanchanachitra.

The appointment of which shall take an effect as of 29<sup>th</sup> April 2016

- Determination/Change in the scope of duties and responsibilities of the audit committee with the following details:

.....  
 .....

The determination/change of which shall take an effect as of .....

The Audit committee is consisted of:

- |                                      |                  |               |
|--------------------------------------|------------------|---------------|
| 1. Chairman of the Audit Committee : | Mr.Kittipong     | Kittayarak    |
| remaining term in office:            | 3 years          |               |
| 2. Member of the Audit Committee :   | General Tienchai | Rubporn       |
| remaining term in office:            | 3 years          |               |
| 3. Member of the Audit Committee :   | Mr.Somchai       | Boonnamsiri   |
| remaining term in office:            | 3 years          |               |
| 4. Member of the Audit Committee :   | Mr.Thanwa        | Laohasiriwong |
| remaining term in office:            | 3 years          |               |

Secretary of the Audit Committee :                      Miss Pannipa                      Apichatabutra

Enclosed hereto is   1   copies of the certificate and biography of the Audit Committee. The Audit Committee number   2   and   3   have adequate expertise and experience to review creditability of the financial reports.

The Audit Committee of the Bank has the scope of duties and responsibilities to the Board of Director on the following matters:

1) Financial Reporting and Public Disclosure

- 1.1) Review the financial reports to ensure their adequacy, accuracy and reliability in accordance with the generally accepted accounting principles.
- 1.2) Review with the Bank's auditor key issues that may adversely affect the reliability of the financial reports such as:
  - (1) Significant problems or conflicts encountered during the course of the audit
  - (2) Different facts and opinions between the auditor and the management
  - (3) Effectiveness of internal control
  - (4) Deficiencies or losses found in the current accounting period and the possibility to recur in the following periods
  - (5) The draft of the annual financial statements and notes to the financial statements
  - (6) The auditor's report
- 1.3) Review any related transactions or transactions that may cause conflict of interest or signify chances of fraud to ensure accurate accounting procedures, completeness and transparency and disclosure of information.
- 1.4) Review the evidences when doubt about the operation that may significantly impair the Bank's business or conflict of interest that may cause negative impact on the Bank's operation.
- 1.5) Oversee the information submitted to the regulator to be in line with that in the financial reports.

2) Internal Control

- 2.1) Review the internal control system to ensure its effectiveness and compliance with the standards of the Committee of Sponsoring Organizations of Treadway Commission (COSO). Assess the entire internal control system at least once a year in addition to the assessment of financial reporting with the Bank's auditor.
- 2.2) Review the appropriateness and effectiveness of risk management, internal control of the Bank's IT system and its security including business continuity plan.

3) Auditor

- 3.1) Ensure independence of the auditor.
- 3.2) Review the scope of work of auditor and internal auditors to avoid duplication of work in financial auditing with due consideration of efficiency in the use of resources in the audit process.
- 3.3) Consider the appointment and remuneration of the auditor for submission to the general meeting.

3.4) Review the annual audit report of the Office of the Auditor General of Thailand and suggest revision of any transactions deemed necessary together with presentation of crucial recommendations to the Board of Directors.

4) Internal Auditor

4.1) Ensure independence of the internal auditor.

4.2) Directly supervise the Internal Audit Group but management of the Internal Audit Group reported directly to the President.

4.3) Oversee the Internal Audit Group to adhere to moral ethics and corporate governance with generally accepted audit standards as well as examine and review Code of Business Conduct of audit officers prior to submission to the Board of Directors for approval.

4.4) Regularly examine and review the Charter of the Internal Audit Group.

4.5) Consider and approve the strategic plan for internal audit, organization structure, manpower, annual internal audit program as well as budget used in auditing stressing efficiency and effectiveness including their prioritization with regard to risk levels.

4.6) Review the internal audit reports and call confidential meetings with Managing Director of the Internal Audit Group to see if there is any interference from the executives and the management that may cause negative impacts on the independence and freewill of the internal auditor.

4.7) Review with the Internal Audit Group Managing Director the utilization of resources to be in line with the established policy or operating manual.

4.8) Review with management the material deficiencies found from auditing and their responses.

4.9) Submit opinions to the Board of Directors concerning the appointment, transfer, dismissal, remuneration fixing and appraisal of the Internal Audit Group Managing Director and all internal auditors of the Internal Audit Group.

4.10) Assess the performance of the Internal Audit Group Managing Director.

4.11) Perform the Independent Quality Assessment Review by external auditor at least every five years.

5) Regulatory Compliance

5.1) Review all compliances with relevant laws, rules and regulations stipulated by the official authorities and the regulators so as to prevent penalty charges, warning or reputation of the Bank and its executives.

5.2) Supervision in financial business group

(1) Supervising and monitoring operation in accordance with financial business group policy.

(2) Review accuracy and adequacy of financial report of financial business group.

6) Risk Management

- 6.1) Review crucial risk levels and risk assessment methods used by the internal auditor and the Bank's auditor whether they are adequate and reliable.
- 6.2) Review the awareness of the Board of directors and top executives on key risks and those related to strategic risk, credit risk, market risk, liquidity risk and operational risk.

7) Performance Assessment

Conduct self-assessment and the Board of Directors will appraise the Audit Committee's annual performance.

8) Charter Establishment and Review

Establish and review Charter of the Audit Committee at least once a year for submission to the Board of Directors for approval.

9) Other Responsibilities

- 9.1) Authorized to audit or investigate concerned persons under the scope of authority and responsibility of the Audit Committee and to hire specialist to assist in auditing or investigation.
- 9.2) Perform other jobs as assigned by the Board of Directors and with consent from the Audit Committee.

The company hereby certifies that

- 1. The qualifications of the aforementioned members meet all the requirements of the Stock Exchange of Thailand; and
- 2. The scope of duties and responsibilities of the audit committee as stated above meet all the requirements of the Stock Exchange of Thailand

Krung Thai Bank PCL.

*Krait Euchukanonchai*

(Mr. Krait Euchukanonchai)

Vice Chairman of the Board of Directors

*Somchai Poolsavasdi*

(Mr. Somchai Poolsavasdi)

Director