



KTB.OBD.1356/2554

22<sup>nd</sup> April 2011

The President

Stock Exchange of Thailand

Dear Sir,

**Subject: The Appointment of Member of Audit Committee**

On Friday 22<sup>nd</sup> April 2011, the Board of Directors' Meeting No. 8/2554 (796) has passed the resolution to appoint Mr.Yarnsak Manomaiphiboon to be Member of Audit Committee in order to replace Mr.Nontigorn Kanchanachitra who remains being the Bank's Independent Director. Furthermore, form for report on name of members and scope of performance of the audit committee is hereby enclosed for your information. The Audit Committee will be comprised of

- |                               |                             |
|-------------------------------|-----------------------------|
| 1) Mr.Chulasingh Vasantasingh | Chairman of Audit Committee |
| 2) Mr.Santi Vilassakdanont    | Member of Audit Committee   |
| 3) Mr.Yarnsak Manomaiphiboon  | Member of Audit Committee   |

This is effective from 22<sup>nd</sup> April 2011 onwards.

Please be informed accordingly,

Yours Sincerely,

Krung Thai Bank PCL.

Mr.Parinya Patanaphakdee

(Mr.Parinya Patanaphakdee)

Company Secretary



1.2 Review with the Bank's auditor key issues that may adversely affect the reliability of the financial reports such as:

- (1) Significant difficulties or conflicts encountered during the course of the audit.
- (2) Issue of different facts and opinions between the auditor and the management.
- (3) Level of effectiveness of internal control.
- (4) Errors 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) Auditor's report

1.3 Review any related transactions or transactions that may cause conflict of interest when disclosing such information and accounting procedures to ensure accuracy, completeness and transparency.

1.4 Review the evidences in case of doubt about the operation that may significantly affect the Bank's business or conflict of interest that may have impact on the Bank's operation.

1.5 Review the information for submission to the regulatory unit to be in line with those in the financial reports.

## 2. Internal Control

2.1 Review the internal control system to ensure its effectiveness in accordance with the standards of the Committee of Sponsoring Organizations of the Treadway Commission. Internal auditor must 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 suitability and effectiveness of the risk management and internal control of IT system including the security and emergency plan.

## 3. The Auditor

3.1 Ensure independence of the auditor.

3.2 Review the scope of work of the 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 may review or audit any transaction deemed necessary and material together with presentation of crucial recommendations to the Board of Directors.

## 4. The Internal Auditor

4.1 Ensure independence of the internal auditor.

4.2 Directly supervise the Internal Audit Group. However, the management of the Internal Audit Group shall report 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 examination and review the 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, the annual audit plan as well as budget used in the internal audit process with the aim of efficiency and effectiveness and their prioritization with respect to risk levels.

4.6 Review the internal audit report and call closed-door meetings with the management of the Internal Audit Group in order to examine any interference from the executives and the management that may have impact on the independence and freewill of the internal auditor.

4.7 Review with the management of the Internal Control Group the utilization of the Bank's resources which must be in line with the policy or operating manual.

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

4.9 Give the opinion to the Board of Directors for approval of the appointment, transfer, dismissal, remuneration and goodness consideration of the Managing Director of Internal Audit Group.

Consider and give the opinion of the appointment, transfer, dismissal, goodness consideration and remuneration of Internal Auditor of Internal Audit Group.

4.10 Appraise the performance of the group head of Internal Audit.

4.11 Arrange for the Independent Quality Assessment Review by external auditor at least every five years.

#### 5. Compliance with laws, Articles of Association and Regulations

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

#### 5.2 Regulatory Compliance

(1) Review the policy and assess the efficiency of the operation risk management pursuant to the regulations in order to ensure the suitability of regulatory compliance tasks.

(2) Assess the annual performance of regulatory compliance unit in order to prevent the conflict of interest and be independent.

(3) Consider and approve the annual compliance report.

#### 5.3 Financial Business Group Compliance

(1) Oversee and pay attention to the practice pursuant to the policy of financial business group.

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

#### 6. Risk Management

6.1 Review major risk levels and the risk assessment of the internal auditor and that of the Bank's auditor whether they are adequate and up to standards.

6.2 Review the Bank's directors and top executives on their awareness of key risks and those related to strategic risk, credit risk, market risk, liquidity risk and operational risk.

7. Performance Assessment

Arrange for self-assessment and the Board of Directors will assess the Audit Committee's annual performance.

8. Charter Review

Review and revise the Charter of the Audit Committee on regular basis for submission to the Board of Directors for approval.

9. Other Responsibilities

9.1 Authorize to audit or investigate concerned persons under the scope of authority and responsibility of the Audit Committee and to hire or bring in specialist to assist in auditing or investigation.

9.2 Perform other jobs as assigned by the Board of Directors and approved by 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.

Apisak Tantivorawong  
(Mr. Apisak Tantivorawong)  
President