

Summary of Market Conduct & Responsible Lending Policy

In accordance with the notifications issued by the Bank of Thailand, namely Notification No. SorKorSor. 2.4/2563 on Market Conduct and Notification No. 3/2568 on Responsible Lending, Krungthai Card Public Company Limited (KTC) has established the Market Conduct Policy to serve as a guideline, define roles and responsibilities, and provide a management framework for ensuring fair treatment of customers, as set out below.

Roles and Responsibilities

1. Board of Directors and Senior Management

- Establish implementation guidelines, approve policies, and communicate to employees to ensure awareness of the importance of and responsibilities for Market conduct
- Uphold good corporate governance by exercising authority with transparency and accountability and demonstrate leadership in embedding Market conduct as a core organizational culture.

2. Market Conduct Committee

- Establish policy framework, strategic plans, and implementation guidelines, and oversee the overall management of market conduct.
- Supervise, monitor, and review market conduct practices, including approving relevant matters for both the Company and its subsidiaries.
- Promote, communicate and embed a culture of fair customer treatment across all business units and relevant personnel.

3. Risk Management Committee

- Oversee and establish appropriate risk management approaches for market conduct, as well as review and approve matters related to such risk management implementation.

4. Compliance Function

- Develop the Market Conduct & Responsible Policy framework and conduct periodic reviews for submission to the relevant committee for consideration.
- Coordinate with relevant functions to oversee market conduct management and the review of operational processes, ensuring compliance with minimum standards for control, supervision, and audit under the “3 Lines of Defense” framework.

5. Internal Audit

- Monitor and audit operations to ensure compliance with minimum standards for control, supervision, and audit under the “3 Lines of Defense” framework.

- Perform control, supervision, and audit functions as assigned by the Market Conduct Committee.

6. Other Business Units

- Execute policies related to fair customer service management and comply with all nine standards within their respective scopes and responsibilities.

Key Principles and Practices

1. Corporate culture and roles and responsibilities of board of directors and senior management

- The board of directors and senior management must share responsibility for promoting fair market conduct in a concrete and effective way, while fair market conduct must be treated as the core of corporate culture.

2. Product development and client segmentation

- Offer aligned with customer needs, financial capability, and comprehension, tailored to each segment, sales capability, and operational systems, while ensuring fair pricing and conditions.
- There are loan products that are suitable for customers' needs and do not encourage excessive debt. They assess the customer's repayment ability, taking into account all existing debts and considering the net remaining income after all debt repayments, so that borrowers can afford payments and still have enough money for living expenses. The loan conditions are also fair to customers.
- Apply repayment ability assessments based on Residual Income and Debt Service Ratio (DSR) in accordance with credit risk management policies.

3. Remuneration Scheme

- Establish compensation and penalty measures that emphasize service quality for all employees involved in customer service, including supervisory management, to promote fair service delivery.

4. Sales Process

- Ensure that sales practices do not intrude on customers' privacy.
- Ensure that customers receive key information that is accurate, complete, not misleading, and sufficient to support informed decision-making.
- Offer products and services suitable for customers' needs, repayment ability, and understanding.
- Advertising and sales communications are clear, accurate, and complete; enable comparison of interest rates and fees avoid encouraging excessive debt, and include clear warnings and cost disclosures.

5. Communication and Training

- Provide communication and training to ensure employees understand the importance of fair service and have adequate knowledge and capability to perform their duties.

6. Data privacy

- Ensure secure handling of customer data, respecting privacy and confidentiality.
- Implement appropriate security measures to safeguard customer privacy.

7. Problem and complaint handling

- Provide fast, efficient, fair, and systematic problem resolution and complaint handling.
- Inform customers about risks of indebtedness and provide standardized assistance aligned with regulatory guidelines.

8. Control, Monitoring, and Audit (3 Lines of Defense)

- Establish and maintain robust management processes for customer service, with effective control, supervision, and audit mechanisms to ensure fair treatment of customers, enable timely identification and monitoring of risks and irregularities, and ensure compliance with applicable regulatory relevant.

9. Operations and Business Continuity

- There must be operating systems, risk management and business continuity plans, under ordinary circumstances and in the event of an emergency, to ensure that customers' instructions or wishes have accurately, completely and timely been responded and that the customers are provided undisrupted services and fairly treated.