

Internal Control Policy

The Board of Directors realizes the importance of internal control, which is an important factor that for achieving the business's objectives and goals with efficiency and effectiveness. The internal control is also a tool to prevent or reduce operational risks as well as to mitigate the damage. The Company focuses on the sufficiency of the internal control system, the compliance with the risk management system including laws and regulations of regulator.

The Board of Directors assigns the Audit Committee to review the Company's internal control system to ensure effectiveness, suitable, adequacy and cover the Company's procedures as well as management, operation, accounting and finance and compliance with related laws and regulations, and in line with COSO internal control as follows:

1. Controlling Environmental

- 1.1 The Company conducts business with integrity and transparency and ensures employees to comply with Code of Conduct and Corporate Governance guidelines whereby the executives shall be good role models of the employees.
- 1.2 The Company designs an appropriate organizational structure and reporting lines by clearly distinguishing the roles and responsibilities of each department. The duties and responsibilities for supervision, auditing and operation are segregated. The duties and responsibilities for supervision, auditing and operation are segregated and conducted by knowledgeable and competent personnel. The clear written working manuals are prepared.
- 1.3 The Board is responsible for determining policies and oversees the operations to reach the Company goals. Subcommittees were appointed by the Board to be responsible for overseeing the operations as follows:
 - 1) Audit Committee is responsible for reviewing the internal control system, internal audit, financial reporting, risk management and compliance with relevant laws. The Audit Committee must be independence from the Management.
 - 2) Remuneration, Nomination and Governance Committee is responsible for supporting and following up to ensure that the Company has a Corporate Governance system in accordance with Good Governance principles and practices that are consistent with the regulations of the regulators to build confidence for stakeholders.
 - 3) Risk Management Committee is responsible for supervising the risk management to be in line with systematically and continuously efficient and productive for maximum benefits and according to the strategic plan of the Company and overall Risk Management policy.

4) Investment Committee is responsible to prepare and determine the Company's investment plan in accordance with the investment policy framework, Risk Management policy, regulations on investment practices according to the rules of the announcement of the Office of Insurance Commission (OIC).

5) Executive Board is responsible to conduct and prepare the Company's investment plan in accordance with the Investment policy framework, Risk Management policy, regulations on investment practices according to the rules of the announcement of the Office of Insurance Commission (OIC)

1.4 Office of Internal Audit is responsible for auditing operation and compliance with laws and regulations of each departments as well as internal control and risk management evaluation.

2. Risk Management

2.1 Risk Management Committee specifies Risk Management Policy which covers strategic, liquidity, market, credit, concentration and operational risks, and proposed to the Board for approval.

2.2 Risk Management Division is responsible for business risk evaluation and assessment in order to stipulate appropriate risk management measures and report to President and Risk Management Committee.

2.3 The Company prepares a business continuity plan (BCP).

3. Controlling Activities

3.1 Executives and managers are authorized to operate business. The scope of authority and responsibility is clearly defined in order to control, audit and risks to the acceptable level.

3.2 Roles and responsibilities of each position are clearly distinguished in accordance with the organization structure for checks and balances. Staff is rotated in appropriate time.

3.3 Related party transactions are considered with great care and would be submitted to the Audit Committee for consideration before presenting to the authorized person for approval.

3.4 Rule for computer system usage is stipulated to raise awareness of information system security among employees both in the use of information. The Company also determines the right to access relevant information for each staff.

3.5 The Company sets the rule for anti-money laundering internal control which suits the Company's risk and business size as well as complies with relevant laws

3.6 The Company develops the internal control system based on COBIT (Control Object for Information and Related Technology)

3.7 Office of Compliance is responsible for supervising the compliance with laws and regulations relating to the Company's business as well as giving legal advice to others.

4. Information and Communication Technologies

- 4.1 Suitable Information systems for the insurance business are regularly provided and continuously developed to increase work efficiency.
- 4.2 Data in the information system is accurate and up to date in order to be used in operation and analysis effectively.
- 4.3 Rights to access relevant data are identified for each level of executives and staff.
- 4.4 The Company provides Lotus Notes, which is an intranet system, for communication.
- 4.5 Multi-channels are provided for the Company's staff and all stakeholders to give suggestions, complaints and report illegal acts of any employees of the Company.
- 4.6 There are regularly business meetings to follow-up the Company's operating results as well as analyze conditions.

5. Monitoring and Evaluation

- 5.1 The Executive Board Meetings are held weekly to follow-up and evaluate the operating results.
- 5.2 Financial reports are prepared in accordance with generally accepted accounting principles and are audited by the external auditor as well as reviewed by the Audit Committee before approval by the Board of Directors.
- 5.3 Office of Internal Audit is responsible for overseeing the performance of each division in line with the principles of internal auditing
- 5.4 Office of Internal Audit is responsible for reviewing and evaluating an adequate system of the Company's internal control at least once a year and shall report to the Audit Committee and the Board of Directors respectively.

6. Policy revision plan

The Internal Control Policy shall be reviewed periodically and revised when there is a significant change in relevant laws.