

## Responsibility towards Employees

KBank has always recognized the value of our “human resources”. We, thus, place importance on recruitment and equal treatment of employees, while focusing on consistent employee enhancement. Career opportunities are open for capable personnel, so that potential staff members can grow along with us. Attractive and competitive rewards and compensation are offered to recognize our employees’ value. Emphasis has been put on internal communication and staff participation, thus keeping them happy with sufficient work inspiration; while best value is delivered to our stakeholders.

### Management Approach

As we believe that personnel are our most valuable assets, emphasis has been placed on taking care of employees in many aspects. The KBank Board of Directors has appointed the Human Resources and Remuneration Committee with duties to review and propose directions and strategies in relation to human resources, regarding occupational health, employee participation, remuneration, diversity and cultures in accordance with KBank’s business directions, regulatory requirements, and regulations on employment, labor relations, principle of humanity and human rights.

### Employee Diversity

KBank puts importance on managing diversity in the workplace with equality regarding gender, age, education and nationality. It is our policy to ensure equal and fair treatment of all employees, as well as adherence to principles of human rights and abstention from any form of discrimination, harassment or

abuse on basis of race, color, religion, gender, age, nationality, citizenship, sexual orientation or disability. Child labor or other illegal labor is prohibited; while we recognize human rights against all types of discrimination.

KBank encourages employee assembly and negotiation, as we regularly hold meetings with the Employee Committee of KASIKORNBANK to promote bilateral cooperation, four times a year. In addition to strengthening mutual relations, these meetings provide an opportunity for our employees to make suggestions beneficial to our business operations, which will finally lead to the rendering of impressive services to our customers. Through our labor union<sup>15</sup>, we welcome petitions and suggestions that eventually result in enhancements useful to KBank and our employees under better bilateral understanding. In 2015, at least 34 petitions from staff members related to labor practices have been fully resolved.

### Employee Communication and Participation

KBank’s focus on employees is always involved with their participation and engagement towards the organization. Each year, an annual employee opinion survey is conducted, while diverse internal communication channels are available to ensure thorough information access and sharing among staff members, both local and international, in accordance with our strategy towards serving as the AEC+3 Bank. Relevant activities have been organized to promote employee involvement, a pleasant work atmosphere and building of experience. Cross-division teamwork is promoted as our organizational culture.

#### Internal communication channels



Intranet:  
Lotus Notes  
internal system



eMagazine:  
KASOKORNBANK Newsletter



KASIKORNTV Station  
broadcasting nationwide



Activities to promote  
engagement within the  
organization and support  
KBank’s business



Public Address



Command Center



Line Group

<sup>15</sup> Staff members who have joined the labor union account for 33.12% of all employees.

## Organizational Culture (K-Culture)

 <p><b>Customer Centricity</b></p> <ul style="list-style-type: none"> <li>• Being Friendly and Approachable</li> <li>• Delivering Products and Services beyond Customer Expectation</li> <li>• Striving for Customer Success and Satisfaction</li> </ul>	 <p><b>Organization-Wide Teamwork</b></p> <ul style="list-style-type: none"> <li>• Trust and Respect</li> <li>• Constructive Communication</li> <li>• Collaboration</li> </ul>	 <p><b>Professionalism</b></p> <ul style="list-style-type: none"> <li>• Competence</li> <li>• Ownership Spirit</li> <li>• Integrity and Ethics</li> <li>• Social Responsibility</li> </ul>	 <p><b>Innovation</b></p> <ul style="list-style-type: none"> <li>• Courage to Initiate and Implement</li> <li>• Courage to Embrace Change</li> <li>• Continuous Development</li> </ul>
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Established in 1945, organizational culture has been a major mechanism shaping KBank ever since. Its importance and development has been emphasized by our senior executives, led by the Chief Executive Officer, while our Presidents regularly communicate the significance of K-Culture with staff members accordingly.

To create a successful organizational culture, the “K-Culture Representative” taskforce has been set up, the members of which are First Vice Presidents from each division. Their meetings are scheduled every two months.

Main duties of K-Culture Representatives:

1. To be a role model with behaviors in line with our organizational culture
2. To attend a K-Culture Meeting every two months
3. To support activities related to organizational culture creation
4. To share knowledge and experience in creating and promoting K-Culture activities in order to inspire and motivate all divisions to follow suit for sustainable organizational culture

Diverse annual K-Culture activities are the responsibility of and planned by the Human Resource Division:

1. The “K-Culture on Tour” activity is held to communicate and reinforce our organizational culture among staff members of KBank branches, business units and subsidiaries rotating in both Bangkok and the provinces, wherein our executives also share their views and work attitudes.
2. The “Miracle of K-Culture” activity is a series of interview video clips with the head of each division explaining the achievement of their respective team under the four core values, broadcast through KASIKORNTV for the whole year to highlight K-Culture achievement.
3. The “K-Wow Inno Campaign” upholds teamwork among staff members of each division to create innovative activities for the entire organization, organized regularly throughout the year.
4. The “Talent Show” activity gives an opportunity for employees to show their talents and creativity, while promoting teamwork among them. This activity has been held three years in a row, with this year’s show entitled “K-Digital Challenges: Search for the Brave”.

Tools enhancing staff behaviors in accordance with our organizational culture are provided as follows:

1. **Value U**

Developed by the taskforce since 2011, the “Value U” electronic template is aimed at persuading employees to admire their colleagues who follow the four core values for a positive work environment.

2. **K-Oops Magazine**

Sent through internal communication channels every two months, the electronic magazine is used for communication and presentation of the diverse K-Culture-promoting activities organized by each division, along with related views expressed by executives and staff members.

### Evaluation and Assessment

An Employee Engagement Survey is carried out annually by an external advisor, through which employees can provide feedback and opinions towards organization improvement. Summarized and analyzed by the advisor, survey results are used to create an index of employee engagement towards KBank and our subsidiaries in comparison to the industry at home and abroad. Information derived from the survey results will be used for related operational process enhancement for greater work efficiency, as well as better quality of working life. All data will be kept confidential, assuring that their comments will not affect their performance evaluation at KBank.

### Remuneration Management

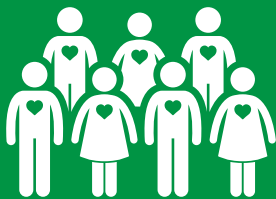
Remuneration has been thoroughly considered for our Board of Directors, executives and staff members. Supervised by the Board of Directors, precise policies are stipulated to ensure transparent and fair remuneration appropriate for each individual employee.

#### Remuneration for Board of Directors and Executives

Clear and transparent remuneration for the Board of Directors is stipulated by KBank and considered by the Human Resources and Remuneration Committee in accordance with appropriateness and the Board of Directors’ scope of duties and responsibilities, comparable to that of the industry, before being proposed to the general shareholders’ meeting for approval. Considered by the Human Resources and Remuneration Committee, appropriate executive remuneration is established with reference to policies and guidance provided by the Board of Directors, and is also related to KBank’s operating results, as well as individual performance, before being proposed to the Board of Directors for approval.

#### Employee Compensation

Employee compensation management is carried out based on our strategies, policies and practical approaches, with a focus on fairness and competitiveness in the job market, as well as equality<sup>16</sup> commensurate with staff competencies. It must encourage staff behaviors that match KBank expectations, and create employee engagement, thereby attracting and retaining talented employees for the Bank’s achievement and excellent customer service.



The 2015 Employee Engagement Survey showed that the level of engagement was higher compared to the Thai market average (during 2009-2013) and the financial segment norm (APAC, 2009-2013). KBank has strived to attain an employee engagement level at above or equal to that of the firms included Best Employers Thailand 2017.

<sup>16</sup> "Equality" refers to no significant difference of salary base between male and female staff members (1:1).

Regular compensation and benefits surveys are conducted for comparison with the industry, with annual salary raises, plus bonus payment, being issued in line with staff competencies. Special salary hikes during the year are considered in accordance with appropriateness. As we expand service networks abroad, KBank has established compensation and benefits for expatriate and local staff members in line with respective local regulatory requirements. Competitiveness in the foreign job markets is also considered, in comparison with average local compensation and benefits, together with their cost of living price index. Compensation and benefits handbooks are provided for domestic, expatriate and local employees.

### Employee Recruitment and Allocation

KBank recruits employees via a variety of channels; they are allocated in accordance with their qualifications appropriate for their respective positions. Rotations offer them opportunities for further career learning, enhancement, new experiences and challenges.

#### Employee Recruitment

KBank's staff recruitment through e-Recruitment System policy puts emphasis on competencies and qualifications suited to vacant positions, without discrimination based on race, nationality, ethnicity, color, origin, religion, social status, gender, age, disability, political stance and marital status. Diverse activities and effective communication channels are provided for job seekers' convenience, e.g., K-Executive Ambassador, Referral Program (Friend Gets Friend), and KBank Career Day, etc.

#### Rotations for Advancement

Staff members are encouraged to pursue additional knowledge and challenges in work, so that they can move ahead with new experiences such as working abroad, thus advancing their professional or personal skills. With regard to internal job changes, KBank must notify the employees involved at least two weeks in advance and one month before any merger or expansion of branches. Any organizational restructuring, such as departmental/ divisional reshuffling, will be announced at least two weeks beforehand.



Employees assuming a new role within KBank in 2015

**8,856** people



**22** positions

were filled through the "Friend Gets Friend" initiative.

## Employee Welfares

Welfares are provided for all staff members<sup>17</sup>, with some differences concerning the expenditure rate, e.g. hospital room rates. Diverse benefits are provided with an aim of improving employee living standards. In upholding the sufficiency economy philosophy, we constantly promote a sustainable self-reliance among our staff, by encouraging them to save through the Provident Fund system in accordance with the Provident Fund Act B.E. 2530 (1987).



### "KBank People Care for One Another"

KBank genuinely cares about employee occupational health and safety. This has given rise to the "KBank People Care for One Another" project that highlights our concern for employee welfares in three key areas: safe driving, good health, and workplace safety. KBank has created short videos to promote this project. We encourage good health among employees via sports clubs, e.g., bicycle club, badminton club and running club, with many sports matches and activities held.



## Human Resource Development

KBank has always seen personnel as our crucial resource for sustainable success and business growth, and has therefore systematically implemented an employee development plan on a continual basis. Human Resource Development policies, strategies, targets and performance indicators have been stipulated in accordance with KBank's business directions and strategies. Staff competency has been advanced in preparation for further business expansion, e.g., digital banking, as well as our strategic direction of serving as an AEC+3 Bank. A variety of employee learning channels are available, including in-house and outside learning, self-study and e-Learning.

We have enhanced our staff members with knowledge and skills relevant to their current positions, while improving their professional and leadership potential to guarantee readiness for further career promotion. Consequently, they will grow along with KBank.

<sup>17</sup> "Staff members" refer to full-time employees under KBank employment contracts only. For those under employment contracts of KBank's wholly-owned subsidiaries, and support companies, benefits are including life Insurance, healthcare, disability and invalidity coverage, parental leave and retirement provision.