



**Notification of the Government Pension Fund Committee on Member  
Governance Policy B.E. 2560 (2017)**

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Whereas it is expedient to announce the policy on Member of the Government Pension Fund under good governance;

By virtue of Section 26 of the Government Pension Fund Act B.E. 2539 (1996) and the resolution of the Government Pension Fund Committee meeting No. 6/2017 on May 11, 2017, the committee issued the following Notification:

Clause 1. This Notification is called the Notification of the Government Pension Fund Committee on Member Governance Policy B.E. 2560 (2017).

Clause 2. The statement of Member policy according to the resolution of the Board of Directors No. 1/2512 dated January 17, B.E. 2552 (2009) shall be repealed.

Clause 3. The Member Governance Policy as attached hereto shall come into force shall come into force from this time forth.

Announced on the 18 Day of May B.E. 2560(2017)

*(signature)*

Mr. Somchai Sujjpongse

Permanent Secretary

Chairman of the Government Pension Fund

*Translated Document*



## Member Governance Policy

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## **Member Governance Policy**

### **1. Introduction**

The Government Pension Fund (GPF) was established under the Government Pension Fund Act B.E.2539 (1996). Its objectives are to guarantee pension payment to government officials upon retirement, promote member savings, and provide welfare and other benefits to members.

GPF has to face challenges from the situation where Thailand is rapidly becoming an aging society as the population lives longer. At the same time, the rate of increase in the number of working-age people, which is the source of income for taxation, decreases. Therefore, the need for members to be sufficiently self-sufficient after retirement is extremely important. Accordingly, the GPF must formulate an appropriate member management strategy based on the "Aim to provide quality service for the best benefit of members." It covers investment benefits that will provide members with a sufficient income level for retirement, welfare benefits, and benefits that increase savings levels and reduce living expenses, with services from work systems and personnel at the forefront of the country.

### **2. Objectives of the Member Governance Policy**

This Member Governance Policy outlines the member work structure that GPF has created following transparent and accountable governance principles. It includes the guidelines and measures that the GPF aims to implement in the best interests of its members and provides a policy framework, requirements, and operational guidelines for the Board, Subcommittees, Secretary General, Executives, and Employees to uphold in administering the GPF. It also sets a supporting plan to enable the operation to achieve the specified goals. In addition, the essence of the member governance policy is to make members and

stakeholders aware of and understand GPF's management process, thereby enhancing the confidence of members and stakeholders.

The GPF requires a review of its member governance policy when significant changes in member-related policies and related regulations. It enables members and stakeholders to be informed of the members' operational policies that are timely and consistent with the operational plans at each period.

### **3. Member governance structure**

GPF structured the work to achieve equilibrium in the check and balance review as follows:

3.1 The Board has the powers and duties to formulate policies, rules, regulations, notifications, and orders for the fund's administration and supervise the management of both member investment and office administration. It also determines the investment policy according to the rules prescribed in the law with accuracy and fairness for the best benefit of members.

3.2 The Investment Sub-Committee has the powers and duties to advise the Board on investment and determine criteria for selecting financial institutions to assign to manage capital funds. It also monitors the operations of such financial institutions, approves investment operations as assigned by the Board, and reports investment performance to the Board.

3.3 The Member Relations Sub-Committee has the powers and duties as a mediator between the GPF and its members, enhancing the members' knowledge and understanding, disseminating information, reporting on the progress of the fund management, and listening to opinions and problems from the members. It also makes recommendations to the committee on providing welfare and other benefits to members.

3.4 Annual General Meeting of Representatives of the Government Pension Fund Act B.E.2539 (1996), GPF is required to hold a general meeting of representatives of members at least once a year to report GPF's performance, financial position, and payments to members for consideration. It allows representatives of members attending the meeting to express opinions and

suggestions on the operation of GPF. GPF shall consider such suggestions to improve its operations and report such comments or suggestions along with the audit report to the cabinet for acknowledgment.

The selection of representatives of members to attend the annual general meeting follows the rules and procedures prescribed by the Minister of Finance. As the case may be, the government agency at the department level or its equivalent or the provincial governor shall conduct the selection of civil servants in the affiliation and in the member provinces. It is according to the determined method by the government agency or province with the number notified by the GPF, in the proportion of 4,000 members of the government agency per representative person. Suppose any government agency has members of less than 4,000 people and can have one representative and one member representative from each province. There will be approximately 500 members' representatives attending the meeting each year.

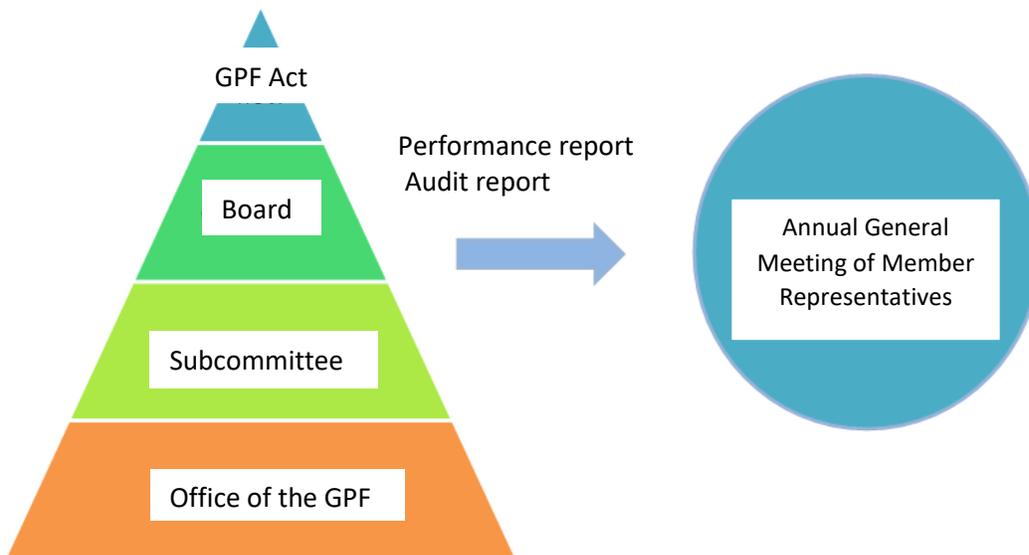
The duties of attending the Annual General Meeting of Representatives of the Government Pension Fund consist of:

(1) Represent members attending the meeting to consider reports on the performance, financial position, and expenses of GPF and disseminate the meeting results to members.

(2) Express opinions and suggestions on GPF operations to the Board for the benefit of further improvement of GPF operations.

(3) Be a medium for enhancing correct understanding between members and GPF, including public relations and providing information about GPF to members in government agencies or provinces, as the case may be; GPF will deliver the information.

## Member governance structure



### 4. Philosophy and principles of operation for Member

The management philosophy for members of the GPF is "to provide quality services for the best benefit of members" with the following Guiding Principles:

(1) Commit to providing service to members with politeness, humility, willingness, and readiness to provide professional service to achieve maximum satisfaction for members under the GPF establishment's objective.

(2) Provide service to members with speed, prudence, accuracy, equality, and fairness.

(3) Provide innovation in providing quality services to members.

(4) Organize the member information system to be accurate, reliable, and developed to be standardized, up-to-date, with reasonable control, correctly

recognize the members' needs, and maintain the level of a leading organization of development and leadership with creativity and interest.

(5) Uphold integrity, credibility, transparency, value for money, efficiency, and morality in service.

(6) Comply with the laws, rules, regulations, and standards of business conduct and do not support any illegal actions.

(7) Keep member information and other business secrets and be careful not to leak them to unrelated parties.

(8) Provide a system to prevent the performance of duties against the use of powers and duties for personal gain or cause an advantage over the public.

(9) Educate and create understanding among members in various essential matters related to GPF.

(10) Engage members and their respective government agencies to participate in operations and opinions to improve service quality to be appropriate, efficient, transparent, and in members' best interest.

## **5. Investment Management**

(1) GPF manages investments with skill, care, prudence, and diligence. It aims to benefit its members within the framework of the laws, ministerial regulations, rules, regulations, and policies. It plans for long-term capital allocations, sets up a control framework, and segregates duties and responsibilities. Also, risk management and performance measurements are carried out with appropriate benchmarks with standardized reports prepared with transparency.

(2) GPF manages investments with honesty and integrity by establishing measures to prevent conflicts of interest from trading securities for their benefit based on insider information. It also establishes ethics, codes of conduct and investment management practices, disclosure of interests, and authorization of investment decisions by clearly defining the scope of powers and responsibilities in writing. GPF precludes the use of inside information which has not been disclosed

in general, which may cause unfairness to outsiders with measures to protect business secrets from leaking to uninvolved people.

## **6. Work system development**

(1) Properly manage the member database with modern and efficient systems and processes. It includes issuing an annual statement to members and delivering useful information to members according to international or industry standards.

(2) Monitor the remittance of members' funds in a complete, accurate, timely manner and pay the members efficiently, comprehensively, accurately, and timely.

(3) Allocate and develop service channels that members can access and check information conveniently and reasonably.

(4) Advice to the government agency in charge and its members in compliance with laws, ministerial regulations, rules, regulations, and policies of the GPF, including answering inquiries and problems of government agencies and members about individual information and remittances to GPF.

(5) Confidentiality of members' records under appropriate standards and do not use such information to disclose or seek benefits unless with the consent of the Member who owns the information or in the case where it is permitted by law.

(6) Develop products and services that respond to members' needs.

(7) Provide efficient and cost-effective work systems and processes to support operations to achieve objectives, and develop personnel to enhance their potential and bond with the organization to provide services to members effectively and create maximum satisfaction for members.

## **7 Welfare and other benefits**

(1) Provide savings services that will help increase members' retirement income levels, such as further savings, additional savings, and member investment choice.

(2) Provide welfare and benefits to reduce the burden of living expenses and promote members' quality of life.

(3) Communicate and disseminate information about welfare and benefits so that members can know and use the services provided. It will give members the most significant benefit and satisfaction.

## **8. Communication**

(1) disseminate various information relating to members, obtaining money from GPF, providing services, and investment management. It includes welfare and benefits that GPF provides to members through efficient and effective communication channels, both in direct communication to members and through various media.

(2) Provide information services and answer inquiries to members through the Contact Center.

## **9. Financial education**

(1) Provide knowledge on money management, investment, and financial planning through training programs and seminars of the GPF to create an understanding of saving for retirement.

(2) Promote education and research to raise awareness of saving and building quality of life after retirement for society.

(3) Support government policies related to personal financial planning education.

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