

# **Corporate Governance Policy**

**Of**



**Samart Telcoms Public Co., Ltd.**

(The Updated Version has been reviewed by the Board of Directors of the Company on November 12, 2024)

## **PREFACE**

Good Corporate Governance has always been the foremost priority of Samart Telcoms in establishing all business guidelines. The Company's Board of Directors has played a key role in initiating a set of policies as well as regulatory frameworks to ensure optimum efficiency and effectiveness for the organization. Therefore, the written Policy of Corporate Governance has been set and approved by the Board since 2005 and have been revised continuously.

Prime objectives of practicing good corporate governance are not only to materialize Company's goals in achieving accountability and transparency in all operations, but also to create and instill ethical mindsets among employees. Such implementation demonstrates the Company's highest standards and its commitment to pertain a robust and sustainable growth. Stability and sheer determination allow the Company's to gain acceptance in both domestic and international realms and to bring forth myriad of benefits to stakeholders, our society and country.

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(General Sumpun Bunyanun)  
Chairman

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## 1. Rights of Shareholders

The Company emphasizes and recognizes the importance of the rights of all shareholders equitably. The rights that the Company provides for its shareholders as fundamental are as follows:

- **Rights to get share certificate, sell, purchase or transfer the Company's shares**

Thailand Securities Depository Co., Ltd. ("TSD") has been appointed as the Company's registrar to provide all services for all transactions related to registration of the Company's shares.

- **Rights to propose agenda and send question in advance of the Shareholders' Meeting**

The Company is aware of the shareholders' rights and equitable treatment to the shareholders under the good corporate governance and to comply with laws. It's the Company policy to allow the shareholders to propose matter(s) for consideration of the Board of Directors as agenda of the shareholders' meeting. The shareholders are allowed to submit any enquiries prior to the Annual General meeting of shareholder. During the period that no rules or criteria from the Capital Market Supervisory Board been announced, shareholders who would like to propose the agenda have to comply with the Company's procedures and criteria of the above matter. The Company allow the shareholders to propose the matter for consideration as agenda or submit the enquiries at least 3 months in advance prior the ending date of the fiscal year and has specified the shareholding proportion of the shareholders entitled to propose the agenda must not be less than 4 percent of total number of the voting rights. The Company will notify and disclose contact channels and period for proposing agenda and enquiries via SET and also provide details of the procedures on the company' website ([www.samtel.com](http://www.samtel.com)).

- **Participation in the Shareholders' Meeting.**

The Company is aware of the shareholders' rights and equitable treatment to participate in the shareholders' meeting, be informed conditions and procedures of meeting as well as having proxy to vote and comment in the meeting on behalf of the shareholders. With realize on convenience to shareholders and to encourage them to attend the shareholders' meeting, the Company is prior to notify and specify date, time and place that comfort the shareholders to participate in the meeting. In addition, the Company is aware of Shareholders' convenience and the rights of shareholders to participate in the meeting are as follows:

### Before the Meeting Date

The shareholders will be informed on the date and agenda of the meeting via SET's communication system prior to the meeting date which been complied with SET's regulations. At the same time, the Company will also disclose the invitation letter as well as related documents in both languages, Thai and English, on the Company's website not less than 28 days before meeting date for the shareholders to have sufficient time for consideration. Same documents will be directly delivered to the shareholders by TSD, the Company's registrar, at least 7 days or 14 days before the meeting date depends on consideration matter that required by law and regulations. The invitation letter will contain facts, rationales, opinion from the Board of Directors for each agenda, conditions and procedures of meeting as well as other related document with sufficient information for shareholders' consideration. Moreover, the invitation letter will be 3 days continually published in accordance with the law governing public limited companies and other relevant laws for 3 consecutive days at least 3 days prior to the meeting date.

To facilitate the institutional investors to participate in the shareholders' meeting, the Company tries to contact them in advance to assist them in proxy preparation and registration.

### On the Meeting Date

Meeting procedures has been set to conform to regulations and considering on shareholders' convenience. The Company is aware of the equitable of shareholders' right and their comfort to participate in the shareholders' meeting. Appropriated technology and equipments are sufficient for registration reviewed on required documents more than one hour prior to commencement of the meeting.

In every Shareholders' Meeting, Chairman of all committees including the Audit Committee and the Company's management and external auditors will also present in the meeting. Chairman of the Board of Directors who is Chairman of the meeting will introduce all Board members and the management to the shareholders. The Chairman will also declare to the shareholders how to exercise their right and vote before commencement and conducts the meeting to be in line with the agenda without any additional topic from what have been expressed in the invitation letter. Voting cards will be provided for significant agenda. Voting result in term of approval, disapproval, abstained, and invalid ballots for each agenda will be transparently presented to the meeting. The shareholders will be encouraged to express their opinions and raise any questions, either in the agenda or any other questions related to the Company's business, at the meeting. All questions will be answered and taken in the minutes of meeting as well as the opinions from the shareholders.

### After the Shareholders' Meeting

Resolutions of the meeting will be disclosed to SET with voting details, approval, disapproval, abstained, and invalid ballots, of each agenda on the next day after the meeting date. Full minutes of meeting of which contained the attendance record of the directors, summary of questions and answers during the meeting in both Thai & English will be sent to SET and related parties within 14 days after the meeting date as well as posed on the Company's website ([www.samtel.com](http://www.samtel.com)) for verification.

### • **Appointment / Dismission of Directors of the Company and Approve their Remuneration**

According to the Company's Articles of Association, at the Annual General Meeting of Shareholders, one third (1/3) of the Directors has to be retired by rotation. Election for replacement is required. The retired directors are eligible to be re-elected for another term.

The election of the Board of Directors shall be in accordance with the rules and procedures as follows:

- Each shareholder shall have one vote on each share.
- In voting, a shareholder shall vote in accordance with the number of votes each shareholder has under (1) for one or several directors. The said shareholder may not allot any number of his votes to any person.
- The person obtaining the highest and higher votes respectively shall be elected as directors equal to the number of directors required or ought to be elected at such a meeting. In the event that persons receiving votes in respective orders receive equal votes and the number of directors exceeds the positions required or ought to be, the chairman of the meeting shall have a casting vote.

Apart from the appointment of Directors, the shareholders also have rights to remove any director from the office before the expiration of his term of office by having votes of not less than three quarters (3/4) of the number of shareholders attending the meeting and having the rights to vote and the aggregate number of shares shall be not less than one half (1/2) of the shares held by all the shareholders attending the meeting and having the rights to vote.

In every General Meeting of Shareholders, the shareholders have the rights to consider and approve the remuneration for all directors and members of sub-committees. Adequate Information of all candidates for being considered and appointed as directors or members of sub-committees was also delivered for shareholders' consideration.

- **Appointment of Auditors and approval of their remuneration**

In every Annual General Meeting of Shareholders, one of the agenda is the appointment of Company's auditors and consideration of their remuneration. The Company will propose name of the auditors with sufficient details and remuneration for consideration of the shareholders.

- **Regularly and timely obtained adequate information, business performance and management policy**

The Company concerns on Shareholders' rights and not only disclosed Company's information via SET's communication system but also posed all significant and updated information on the Company's website ([www.samtel.com](http://www.samtel.com)).

- **Getting profit**

The Company will return profit to its shareholders by way of dividend payment. The Company has policy to pay dividend to the shareholders of no less than 50% of its consolidate net profit after deduction of all reserves as stated in the Company's Articles of Association and related laws. However, the dividend payment is subject to the Company's future investment plans and business expansion, including other necessity and suitability.

In addition, payment for dividend will derive from profits from disposal of investments or fixed assets of the Company or its subsidiaries. The management and the Board of Director will decide whether or not to pay dividend or amount to be paid by taking into account the Company's future investment plans and business expansion, including other necessity and suitability.

The subsidiaries' dividend payment policy will be the same as that of the Company.

## **2. Equitable Treatment of Shareholders**

The Company realizes to protect and due care for the interests of all major and minor shareholders as fairly basis. In addition, the Company sets policy for equitably treatment to all shareholders for attending and vote in the shareholders' meetings, sharing in profits, regularly and timely obtained adequate information, business performance and management policy. In the shareholders' meeting, each shareholder shall have one vote on each share. Proxy form requiring documents were delivered together with the invitation letter for shareholders who would like to appoint a proxy. Proxy form, which contains detail of voting as approve, disapprove or abstain, as well as details of all independent directors also are attached for shareholders consideration as alternative proxy. In addition, voting cards were provided for each agenda, especially, the agenda of appointment of directors of which been appointed by individual. In every shareholders' meeting, the meetings were conducted to be in line with the agenda without any additional topic from what have been expressed in the invitation letter otherwise rights of the shareholders who could not participate in the meeting by themselves will be deprived.

### **Inside Information Monitoring**

The inside information is supervised by the Board of Director of the Company to be in accordance with the law and principles of good corporate governance that the Company has established various measures to prevent directors, managements and employees from using inside information which has not been disclosed to the public for the benefit of oneself or others in the wrong way as the following below;

1. The Company will inspect to ensure no inside information of which is material, undisclosed and confidential leak to public or be used from unauthorized for personal benefit. Any trading of the Company's securities within 1 month prior to disclosure of either Company's financial performance or any other information that may affect securities' price is prohibited. The Directors and managements of the Company according to the definition of the SEC had been informed on their duties and punishment regarding to report on securities and derivative holdings of themselves, spouse, cohabiting couple and any minor children as well as juristic person holding shares in an amount of exceeding 30% of the total number of voting right of such person, including the securities and derivatives held by spouse or cohabiting couple and minor children to the SEC within 3 business days from the date of securities' change, except in cases the value of each transaction is less than Baht 3 million, it can be reported within 3 business days from the cumulative transaction value reaches Baht 3 million or reaches 6 months from the date of the first transaction, whichever comes first together with the penalty of the Securities and Exchange Act B.E. 2535. Any change in securities and derivatives holdings, such directors and managements have to report the Company Secretary for proposing the agenda to the Board of Director's in the next meeting and coordination as well as preparing report submit to the SEC.
2. The Company has set as a policy for the directors and the managements according to the definition of the SEC to notify the Company about the purchase, sale or transfer the Company's securities and contracts at least 1 day in advance before making the transaction through the Company Secretary. Then, the Company Secretary has to report the changes on such securities holdings of directors and managements in every Board of Directors' Meeting.
3. In case of conflict of interest, it is the Company's Policy to have the directors, management, employees and related parties to disclose such interests to the Audit Committee for consideration of the transaction to be complied to SET's regulations and any governing laws and regulations prior to further submit for consideration of either the Board of Directors or the shareholders' meeting. The directors who have conflict of interest will not participate in any agenda that they have conflict of interest. Moreover, any conflict of interest transactions with the connected persons will be disclosed in the Company's Annual Registration Statement / Annual Report (Form 56-1 One Report).
4. The Company has been implemented for a secure access for all users inside and outside the firewall in conjunction with the Company's own user authentication and security system.
5. The Company sets as policy that all employees shall acknowledge and sign the agreement of non-disclosure confidential information, non-violation of concealment of computer related and non-infringement of intellectual property. New employee shall sign this agreement together with employment contact, including directors, managements and employees of the Company to refuse using Company's inside information for personal benefits.
6. General practices for conflict of interest protection have been set in the Company's Business Ethics. Such practices have been delivered to all directors, management and employees. The Corporate Governance Committee will monitor and ensure that Company's regulations, Corporate Governance Policy and Business Ethics have been strictly and continually complied.

### **3. Attention to Stakeholders**

The Company is aware of the support from each stakeholder should increase the competitiveness and ability to generate more benefit for long-term succession and realized the importance of all stakeholders i.e. shareholders, employees of the Company and its subsidiaries, customers, competitors, lenders, societies and environment. Thus, general rules and practices have been set for directors, management and employees in the Company's Business Ethics for directors, managements, and employees to perform and disclosed on the Company's website ([www.samtel.com](http://www.samtel.com)) as well as providing more channels for the stakeholders to contact directly to the Company in order to provide either comments or recommendations which will be benefit to the Company.

#### 4. Disclosure and Transparency

The Company has strong determination to reveal accurate complete, consistent and updated information, both financial and general information that related to Company's business. The Complete, consistent and updated information will truly reflect Company's financial performance and future business direction. Such information were disclosed to shareholders, investors and any related parties via SET's Communication system, Company's website (www.samtel.com), press release and Company's the Form 56-1 One Report as well as participated in the "Opportunity Day" which arranged by SET.

The Board of Directors has supervised to ensure that any person involved in the preparation and disclosure of any information of the Company has relevant knowledge, appropriate skills and experience needed for their responsibilities, and sufficient resources as well as ensure that the Company's disclosures are transparency and strictly complied by laws, the Company's and any related regulations. The Board has major concerned on transparency and disclosure in the following area:

- **Information Disclosure Policy**

The Company appreciates on management and business operations in accordance with the principles of good corporate governance. In order to ensure that the information disclosure is accurate, complete transparency and equal, complied with laws and the relevant regulations. Therefore, the Company has established information disclosure policy to be a guideline for directors and employees as follows:

1. Information disclosure in both financial and non-financial should be accurate, complete, sufficient, reliable and on time to ensure that shareholders and stakeholders of the Company receive the information equally.
2. Information disclosure of the Company must be prepared carefully, clearly, accurately and transparently.
3. Be careful to disclose important information that affects the price or value of the Company's securities and complying with the regulations and announcement of the SET.
4. Clearly appoint a responsible person to disclose the Company's information to public.

**The persons who have the right to disclose important information not yet disclosed to the public are as follows:**

1. Executive Chairman
2. Chief Executive Officer (CEO) or President
3. Manager of Investor Relation of the Company
4. Authorized person from Executive Chairman or Chief Executive Officer or President

Those who do not relevant or assigned duties cannot provide information or interview to the media or public about the Company's business.

- **Provide multi channels for disclosure of information apart from SET's Communication system**

Annual Registration Statement / Annual Report (Form 56-1 One Report)

The Board of Directors has to ensure that Annual Registration Statement / Annual Report (Form 56-1 One Report) contained adequate information with accuracy, clarity and could create understanding to the shareholders and related parties on the Company's operation and its performance for the previous year as well as the management structure, performance of the Board of Directors and all Committees.

Company's website

The Board of Directors is aware of the efficiency of website disclosure to the shareholders and related persons as well as equitably and easily of getting information. The Board of Directors therefore ensure the Company not only provide all significant information of the Company in the Company's Form 56-1 One



Report but also on the Company's website (www.samtel.com) in both languages, Thai and English. The disclosed information comprised of Corporate Governance Policy, Business Ethics, General News, Financial Statement as well as Form 56-1 One Report, etc.

### Investors Relation

The Company has also set up an Investors Relation section to provide Company's information and activities for investors, shareholders, analysts and general public via Company's website, Road Shows, analysts meetings and conference calls etc. The Company's Investor Relations could be contacted at telephone number 0-2502-6726 or via www.samtel.com or the e-mail address at Dhilokpat.N@samtel.com. Ethics of the investor relations are as follows:

1. Conduct duties with integrity
2. Disclose necessary information completely and fairly to all relevant groups equally
3. Allow all relevant groups to access and enquire the information
4. Perform duties by mainly adhering to benefits of the shareholders and the stakeholders
5. Preserve confidential information of the Company and must not use inside information for personal gain
6. Perform duties at his/her best and professionally
7. Keep on studying to develop efficiency of the work
8. Observe the principle on not accepting the appointment during the period close to financial statement announcement and the practical guidelines on securities trading specified by the Company.

In addition to above, the announcement on the Company's financial performance have been arranged for public, investors and analysts by quarterly basis with participation of the executives.

#### • **Disclosure of Information of the Board of Directors and Committees**

- Structure, Roles and Responsibilities of the Board as well as performance of the Board and each Committee;
- Directors' Remunerations: Policy of Directors' Remuneration has been clearly and transparently set to be comparable to the general practice in same industry, consistent with the Company's strategies and objectives, and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any Committees will be paid appropriately more in accordance with the extra work. The Nominating & Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders.

The remuneration of the Board of Directors and the Management has been disclosed in the Company's Form 56-1 One Report.

#### • **Accountability to the Financial Statements**

The Board of Directors is responsible for the Company's consolidated financial statements and any financial information which been disclosed in the Company's Form 56-1 One Report. They consider financial information consistent with strategies and core policies. Such financial statements were prepared in accordance with the general acceptance-accounting standard in Thailand with appropriated financial policy. The reports were carefully considered and prepared with sufficient information in the notes to the financial statements. The financial statements have been audited and commented independently by the authorized auditors of SEC.

The Board of Directors also set out and maintained for the efficiency of the Company's internal control system to ensure that the financial information had been correctly and accurately booked and sufficient to maintain the Company's assets and be aware of weak point in order to prevent whether from any dishonesty or significant error. The Board of Directors had appointed the Audit Committee of which comprised independent directors to be responsible for the quality of the financial statements and the internal control system and disclosed such opinion in the Form 56-1 One Report under the Report of the Audit Committee.

The opinion of the Audit Committee has already been disclosed in the Form 56-1 One Report. Moreover, Report of the Board of Directors' responsibility on the Company's Financial Statements was also attached in the Company's Form 56-1 One Report.

## **5. Role and Responsibilities of the Board of Directors**

### **5.1 Composition**

The Company's Board of Directors comprises of the members who are knowledgeable, skillful and have transparent work experiences, good moral, and responsibility. The Board must comprise of members of various professions and experiences which are beneficial to business operations of the Company, i.e. accounting/finance, management, strategic planning, legal and corporate governance without having any gender discrimination. The composition of the Board of Directors are as follows:

1. The Board of Directors shall have the number as specified by the shareholders' meeting not more than 5 persons. The directors not less than one half of the total number of directors shall have residence within the Kingdom;
2. The Board of Directors must be at least one-third of independent director out of total number of directors, and at least 3 persons;
3. The Board of Directors may elect one of the directors as chairman. When considering appropriate, the Board of Directors may elect one or many directors to be vice chairman(s);
4. The Board of Directors should consist of at least 3 persons experiencing in the Company's business and at least 1 person with experience in accounting and finance.

### **5.2 Qualifications**

1. Has qualifications and shall not be under any of prohibitions which comply to Public Company Act B.E. 2535 (Including the additional revised), or any other related laws. Moreover, the directors shall not lack of confidence which comply to the regulations of Securities and Exchange Commission ("SEC"), and Company's Articles of Association;
2. Does not run any business, which is competed with the Company, and not being a shareholder of any legal entities whose business is the Company's competitors, whether doing it for one's own benefit or others, except informing to the shareholders' meeting before having a resolution to appoint;
3. Should have leadership, vision, and independent consideration for best benefit of the Company and the shareholders;
4. Has various knowledge, experience, and specific skill that suitable for the Company business;
5. Should have responsibility, due care, careful, loyalty and business integrity;
6. Having sufficient time for fully participated as a Director of the Company.

#### **Qualifications of Independent Director**

1. Holding not more than 0.5 percent of the total number of voting rights of the Company, parent company, subsidiaries, affiliates, major shareholders or controlling person of the Company which include the shares held by related persons of the independent director;
2. Neither being nor used to be an Executive director, employee, staff or advisor who receives a salary; or controlling person of the Company, parent company, subsidiaries, affiliates, same-level subsidiaries, major shareholder or controlling person of the Company unless the foregoing status has ended not less than two years prior to the date of appointment;
3. Not being a person related by blood or legal registration such as father, mother, spouse, sibling and child, including spouse of child of other directors, executive, major shareholder, controlling persons, or persons to be nominated as directors, executive or controlling person of the Company or subsidiaries;

4. Neither having nor used to have a business relationship with the Company, parent company, subsidiaries, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, parent company, subsidiaries, affiliates, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment;  
The business relationship as mentioned shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the applicant or the counterparty being subject to indebtedness payable to the other party in an amount starting from 3 percent of the net tangible assets of the applicant or from 20 million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, mutatis mutandis. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of 1 year to the date of establishing the business relationship with the related person;
5. Neither being nor used to be an auditor of the Company, parent company, subsidiaries, affiliates, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, parent company, subsidiaries, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment;
6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, parent company, subsidiaries, associate companies, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of appointment;
7. Not being a director who has been appointed for being a representative of the Company's director, major shareholder or shareholder who is related to the Company's major shareholder;
8. Not undertaking any business in the same nature and in significant competition to the business of the Company or subsidiaries or not being a partner which is significant in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding 1 percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in significant competition to the business of the Company or subsidiaries;
9. Not having any characteristic which cause the inability to express independent opinions with regard to the Company's business operations.

### **5.3 Terms of positions**

Pursuant to the Public Company Acts B.E. 2535, at first Annual General Meeting of Shareholders after the registration of the Company and at the first Annual General Meeting of Shareholders in every subsequent year one-third of the directors, who have been longest in office, shall retire. The retired directors are eligible to be re-elected for another term by obtaining majority vote from the Nominating & Compensation Committee. However the independent directors shall be in post no longer than 3 terms except getting a unanimous approval from the Nominating & Compensation Committee due to his/her contribution to the Company and the Committee ensures that the extra term will not cause or impact to the independent of such director as well as obtain an approval from Board of Directors and/or the Company's shareholders.

## **5.4 The Independent of the Board of Directors**

### **5.4.1 Separation of Executive Chairman and Chairman**

For best benefit of the shareholders and to strike a balance of power within the Company, the positions of Chairman of the Board of Directors and Executive Chairman must not be attained by the same person. The Company's Chairman of the Board of Directors is an independent director who has the qualification of independent director in accordance with SET's notification and has no business relation with any management of the Company.

### **5.4.2 Balance between members**

More than half of the members of the Board of Directors are not a part of executive team. Within this half, one third of the directors at least 3 members are independent and have no relations, business or personal, with the Company's executives. Free from executives' influences, they oversee the Company's direction with neutrality and pay careful attention to the rights of shareholder and stakeholder. To strike a balance of power within the Company, the positions of Chairman of Board of Directors and Executive Chairman must not be attained by the same person. The Chairman of Board of Directors should be an independent member.

### **5.4.3 Separate Roles and Responsibilities of the Board of Directors, Chairman of the Board of Directors and Executive Chairman**

#### **Authority, roles and responsibilities of the Board of Directors**

The Board of Directors must take part in setting out the Company goals and carry out all the policies with an objective to optimize benefits to all shareholders and stakeholders without an obligation to personal benefits or any particular party. They must avoid all actions that may cause conflicts of interest between companies within the same umbrella. They have to operate the business with morality, responsibility, due care and integrity, as well as supervise the management to comply with Company's Objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting along with rules and regulations stated by The Stock Exchange of Thailand and Office of the Securities and Exchange Commission (SEC). Their duties include:

1. Conduct business with responsibility, due care, and integrity also uphold the Company's operations to be according to the law, Company's objectives, Articles of Association, resolutions of the Board of Directors and shareholders' meeting to protect the rights and benefits of the Company and all shareholders;
2. Formulate policies and directions for the Company's operations. The Board must also supervise managerial and administrative departments to deliver all policies and strategies with effectiveness and efficiency;
3. Set out and review the Company's vision, missions, strategies by applying the appropriate and safe innovation and technology in order to enhance the business opportunities including engaging everyone in the organization to run business in the same direction;
4. Approve annual budget and investment of the Company and ensure proper resource allocation and effective systems and controls as well as monitor the implementation of the Company's strategies and plans;
5. Appoint directors to replace of those who will retire by rotation as well as consider the remuneration package for such directors and committee members, which are proposed by Nominating & Compensation Committee, prior to propose for further consideration of the shareholders and consider to approve in case a directorship becomes vacant by any reason other than the expiration of the term, the Board of Directors shall elect a person possessing the qualifications and being under no prohibitions under the relevant laws as a replacing director at the Board of Directors' Meeting, unless the remaining term of such director is

- less than 2 months. The replacing director shall hold office only for the remaining term of the replaced director;
6. Appoint committees to oversee administrative process and internal system to coincide with Company's policies, also approve the committees' charters;
  7. Appoint and define its roles and responsibilities as well as ensure that Executive Chairman perform its duties as assigned;
  8. Appoint and define its roles and responsibilities as well as ensure that Company Secretary perform its duties as assigned;
  9. Approve policy, structure, criteria of remuneration for directors, committees, Executive Chairman, top management, management and employees as well as propose remuneration for directors and committees for further approval from the shareholders' meeting;
  10. Prepare quarterly and annual financial statements to disclose or propose to the shareholders' meeting for approval, as the case may be, as well as supervise to disclose the important information accurately, sufficiently and on time to comply with the relevant rules and regulations;
  11. Nominate appropriated persons with remuneration, which are proposed by Audit Committee, prior to propose for further consideration and approval of shareholders for the appointment of the Company's auditors;
  12. Ensure the Company's to have written Corporate Governance Policy and Business Ethic as well as to ensure that there will be no conflicts of interest at the same time to establish systematic plans for internal control and risk management;
  13. Ensure that good corporate governance is implemented to demonstrate Company's commitment to operate the business with ethics and to bring fair treatment to all stakeholders;
  14. In case of entering into any direct or indirect transaction with the Company and subsidiaries, such director should immediately inform his/her or related parties' personal interest to the Company;
  15. Supervise to ensure that development and succession plans for Executive Chairman and key executives are in place;
  16. Encourage and promote innovation and meet social and environmental responsibilities;
  17. Approve interim dividend payment to the Company's shareholders and report the interim dividend payment in the next shareholders' meeting;
  18. Approve the acquisition or disposal of the Company's assets according to the rules of the Capital Market Supervisory Board;
  19. Approve the connected transactions of the Company according to the rules of the Capital Market Supervisory Board;
  20. Organize an annual general meeting of shareholders within 4 months from the end of the Company's fiscal year;
  21. Continuously monitor performance of the Company and subsidiaries to comply with the operation plans and budgets of the Company;
  22. Supervise subsidiary and affiliate to comply with the Company's policy.

#### **Roles and Responsibilities of the Chairman of the Board**

The Chairman of the Board has an important role in supervising and supporting the Board of Directors to be able to perform their duties in accordance with the direction and strategy for the best benefit of the Company and all shareholders. Moreover, the Chairman of the Board has to lead the Board of Directors as the Chairman of the Board of Directors' Meeting, Shareholders' Meeting and Non-executive Directors' Meeting which covers the following;

1. Oversee, monitor, and ensure that the Board of Directors efficiently carries out its duties to achieve the Company's objectives;
2. Ensure that all directors contribute to the Company's ethical culture and good corporate governance;

3. Set the board meeting agenda by discussing with the Executive Chairman and/or President which important matters should be included;
4. Allocate sufficient time for management to propose topics, and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of the Company;
5. Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.

### **Roles and Responsibilities of Executive Chairman**

Roles and responsibilities of the management have been clearly classified. The Executive Chairman will be the chairman of the management in terms of running the business of which will cover the following roles:

1. General operation management and control in business of the Company to comply with its objectives, policy and the Articles of Association;
2. Consideration in business investment plans prior to propose for the Executive Board and the Board of Directors for further approval;
3. Consider the criteria and procedures for nomination and recruiting person to be top management together with the Nomination and Compensation Committee;
4. Act on behalf or in the name of the Company as delegation of authorities defined in the Company's policy and practice;
5. Carry out any assignment from the Board of Directors and/or the shareholder of the Company.

The delegation authorities of the Executive Chairman should not be delegated or further assigned that authorize the Executive Chairman or its attorney to approve any transactions between themselves or any persons who may have conflict of interest (according to the concept of conflict of interest of the Securities Exchange Commission's notification) with the Company or subsidiaries except such transactions are handled in line with the connected transaction procedure or policy which been approved by the Board of Directors of the Company shareholders' meeting to be complied to regulations of SET / SEC or any related laws and regulations.

## **5.5 Being Director in other Listed Companies**

- **Policy for directors on being director in other listed companies**

For efficiency of being the director, the Board of Directors of the Company has set the policy for all directors to be the director in any listed companies not exceeding 5 companies.

- **Policy for the top management and senior managements on being director in other listed companies**

The top management and senior managements of the Company will also be obtained approval from the Executive Board prior to be a director in any companies of which are not have either similar business or being the Company's competitors.



## 5.6 Transparency of Nomination of Directors and Managements

### Nomination of Directors

The Nominating and Compensation Committee has been appointed by the Board of Directors in order to select, and nominate appropriate candidates for positions of Chairman of the Boards, members of the Boards, other committees and Executive Chairman as well as consider the appropriate remuneration for such directors and management with the following criteria and procedures:

1. The Nominating and Compensation Committee will select and nominate the appropriate candidate with regard to qualifications, experience, knowledge, ability that will be beneficial to the Company and consider the diversification in the board's structure, including gender, age, ethnicity and nationality. The Nominating and Compensation Committee will also consider the necessary skills that are still lacking to achieve the Company's business strategy and using the database of IOD. The appropriate candidates, who have qualifications as specified by the relevant laws, will propose to the Board of Directors' or the Shareholders' Meeting for approval in accordance with the Company's Articles and Association.
2. For election of independent directors, the Nominating and Compensation Committee will nominate any person who is fully compliant with the qualifications of Independent Directors under the Company's policy and requirements of the SEC and the SET to propose to the Board of Directors' and/or the Shareholders' Meeting for approval in case of rotation or others.
3. Determining whether to recommend a director for re-election, the Nomination and Compensation Committee will consider relevant factors such as past performance, directors' dedication, history of attendance and participation in meeting, number of listed companies that each director holds tenure in of not exceeding five listed companies, and other contributions to the activities undertaken by the Board of Directors. In the case of independent directors, their respective independent qualifications shall also be considered.
4. The appointment of the Board members shall comply with the Company's Articles of Association and all relevant laws. Selection of the directors shall be transparent and clear through initially consider of the Nomination and Corporate Governance Committee with the following criteria and procedures in the shareholders' meeting:
  - (1) Each shareholder shall have one vote on each share.
  - (2) In voting, a shareholder shall vote in accordance with the number of votes each shareholder has under (1) for one or several directors. The said shareholder may not allot any number of his votes to any person.
  - (3) The person obtaining the highest and higher votes respectively shall be elected as directors equal to the number of directors required or ought to be elected at such a meeting. In the event that persons receiving votes in respective orders receive equal votes and the number of directors exceeds the positions required or ought to be, the Chairman of the meeting shall have a casting vote.

The Company proposed shareholders to elect the directors on an individual basis to allow shareholders to elect the desirable directors.

In case a directorship becomes vacant by any reason other than the expiration of the term, the Board of Directors shall elect a person possessing the qualifications and being under no prohibitions under the relevant laws as a replacing director at the Board of Directors' Meeting, unless the remaining term of such director is less than two months. The replacing director shall hold office only for the remaining term of the replaced director. The resolution of the Board of Directors' Meeting must be passed by votes of not less than three-fourths of the remaining directors.

5. For nomination of sub-committee, the Nominating and Compensation Committee will consider appropriate knowledge and ability, composition of the entire committees, criteria of directorship and independence of director prior to propose to the Board of Directors for approval.

### **Nomination of Management**

The Company has criteria and procedures for nomination of the Executive Chairman who is the top management of the Company with the process start from recruiting internal and external persons who have leadership skills, ability to manage the organization and good understanding of company's products and services and propose to the Nominating and Compensation Committee consider favor of person to be Top Management to propose to the Board of Directors for approval. For recruiting of senior management, the Board of Directors assigns the Executive Board to consider qualified persons to appoint as senior management and report to the Board of Directors for acknowledgment.

### **Managements Succession Plan**

The Company is aware of the importance of executive succession for top management and key executive positions. In case any position is vacant, apart from the appointment of the Nominating and Compensation Committee to select and nominate appropriate candidates for directors and top management, the Company also provides managements succession plan for top management and senior management positions. The managements succession included the specifying key positions in the Company's business and determining criteria for selecting of the successors by considering knowledge, ability, experience, potential of each position and management vision in order to select the qualified managements as specified in the criteria. In addition, the Company also set up a development plan to prepare them to be able to support their positions in the future. This is to build confidence among investors, shareholders and employees that the Company's operations will be carried out in a timely manner. The Company reviews the succession plan for top management and senior management on an annual basis.

In addition, the Company should encourage the Executive Chairman to invite senior management to attend the Board of Directors' meetings and/or the Executive Board meetings to present details on the agenda items related to matters that they are directly responsible for, and to allow the board to gain familiarity with key management and assist succession planning.

### **Ethic of the Directors and the Executives**

The Company wishes its directors and executives to express their intentions on performing the Company's business operations with transparently and morally as well as perform their duties pursuant to the ethical standards on integrity, with carefulness and cautiously for benefits of the shareholders and the stakeholders. Hence, the ethics which shall be used as operating guidelines for the directors and the executives have been specified as follows:

1. To perform duties by compliance with laws, rules and regulations concerning business operation;
2. To perform the Company's business operations with integrity, fairness, transparent and morality;
3. To perform their duties with fullest capacity to maximize benefits of the Company;
4. To have the independence in making decision and their actions must be based on the righteousness basis;
5. To perform duties by avoiding the conflicts of their own interests with the Company's benefits so that the management tasks can be effectively achieved;
6. Must not have any benefits or interests in any business made with the Company or in any business which is regarded as the competition with the Company, irrespective of directly or indirectly;
7. To keep the confidential information of the Company and the stakeholders from leaking to non-relevant people that might cause damages to the Company of the stakeholders.



## 5.7 Remuneration of Directors and Management Policy

- **Directors' Remuneration Policy**

Policy of Directors' Remuneration have been clearly and transparently set to be comparable to the general practice in same industry, consistent with the Company's strategies and objectives, and be appealing enough to attract and retain qualified directors. The directors who also be appointed to be the member of any sub Committees will be paid appropriately more in accordance with the extra work. The Nominating & Compensation Committee will consider the remuneration and propose for consideration of the Board of Directors prior to further approval from the shareholders. The directors' remuneration by individual has been disclosed in the Company's Form 56-1 One Report.

- **Management's Remuneration Policy**

Remuneration of the top managements shall be in accordance with principles and policies specified by the Nominating & Compensation Committee. Such remuneration is in the appropriated level and can be comparable with the rate of the same industry by taking into consideration duties, responsibilities and performance of the Company as well as performance of each top management. In addition, it must be able to motivate and retain the qualified and capable personnel.

Annual remuneration and bonus of the top managements shall have the fixed consideration criteria by based on performance of the Company, overall economic conditions and performance of each top managements. These criteria shall be explained in advance before they can be used for the assessment at the end of the year. The Nominating and Compensation Committee shall consider prior propose to the Board of Directors for approval.

- **Executive Chairman's Remuneration Policy**

Remuneration of the Executive Chairman, who is the top management of the Company, is not only consideration in accordance with Management's Remuneration Policy, but the Board of Directors also set the performance evaluation of Executive Chairman annually by each Director in order to be a reference for remuneration consideration.

The policy of remuneration are as follows:

Category		The purpose & link to the principle of remuneration
<b>Fixed Pay</b>	Salary & other benefits, such as, Provident fund	To motivate and retain the competent Executive Chairman.
<b>Short Term Incentive</b>	Annual bonus	To reward for the success of achieving the goals as defined for each year.
<b>Long Term Incentive</b>	Compensation according to Stock Option* & provident fund in the part that the Company contributes and increases according to year of work experience	<ul style="list-style-type: none"> <li>• To motivate and retain the competent Executive Chairman.</li> <li>• To ensure alignment between interests of Executive Chairman and shareholder.</li> <li>• To promote the growth and value to shareholders in long term.</li> </ul>

Remark \* The Stock Option will be depend on the Board of Directors' consideration which will be based on the appropriate time and situation.

## **5.8 Accountabilities of the Board of Directors**

### **5.8.1 Set Policy and Business Direction**

The Board of Directors has determined and reviewed the Company's vision, mission, Corporate Governance Policy, Business Ethics, strategies, goal, direction, business plan, budget, internal control and internal audit systems, and risk management as well as to govern the management to follow such business plan and budget with efficiency and profitability for economic value to the Company and the best stability to the shareholders. In addition, the Board of Directors has not only ensure the Company and its management to oversee the value of all stakeholders, neither derive personal benefit nor create any rivalry with the Company and its subsidiaries, but also conducted the business with great awareness in ethical, moral and compliance to the Company's Articles of Associations as well as laws and regulations of the SET and the SEC.

The Company has communicated vision, mission, objective and business goals throughout the Company in order to drive the business in the same direction.

### **5.8.2 Set up of Committees**

For governing the management to comply with the approved policies and having better efficiency, the Board of Directors appointed the following committees to help the Board for consideration in significant matters.

#### **1) Audit Committee**

The Audit Committee's members have to be the independent directors who were elected by the Nominating & Compensation Committee and proposed for the Company's Board of Directors' and/or the Company's shareholders for further approval. The Audit Committee has at least 3 members.

#### **Qualifications of the Audit Committee**

1. Has been appointed from the Board of Directors and/or the shareholders;
2. All members of the Audit Committee should be Independent Directors with the qualifications as specified in the announcement of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand;
3. Not being a person who has been empowered by the Board of Directors for any decision in the business operation of the Company, Parent Company, Subsidiaries or affiliated Companies, Same-Level of Subsidiaries as well as major shareholder or controlling person of the Company;
4. Not being a director in parent Company, Subsidiaries and any same-Level of Subsidiaries which is a listed Company;
5. Having sufficient knowledge, experience, and time to perform duties as the Audit Committee members;
6. At least 1 member of the Audit Committee should have sufficient knowledge and experience in accounting or financial to review the financial statement credibility and the Company has to put his/her name in the Form 56-1 One Report. In addition, such qualification also has to be put in the committee certified letter which will be submitted to SET.

Term of the Audit Committee member is 3 years. All members shall be in post no longer than 3 terms except getting a unanimous approval from the Nominating & Compensation Committee and the Committee ensures that the extra term will not cause or impact to the independent of such director as well as obtain an approval from Board of Directors and/or the Company's shareholders.

### **Authorities, Roles and Responsibilities of the Audit Committee**

1. Review the Company's financial report to ensure its accuracy that is adequate, reliable and timely disclosure;
2. Review the Company's internal control and internal audit systems to ensure that they are suitable and efficient, and consider the independence of the internal audit unit as well as to propose the appointment, rotation or dismissal the chief of internal audit unit or any other related function who takes responsibilities to internal audit;
3. Consider and approve the manpower and necessary resources for working process of the internal audit unit, approve the annual audit plan including significant changes in the audit plan;
4. Review the Company's compliance with the Securities and Exchange Act, the regulations of the SET and the law relating to the Company's business;
5. Propose for consideration and approval of the Board of Directors and Shareholders' meeting on the selection, appointment, termination of the external auditors including propose their remuneration for further consideration;
6. Arrange the Audit Committee's meeting with auditors without the management of the Company at least once a year;
7. Review the connected transactions or the transactions that may lead to conflict of interest to comply with the Securities and Exchange Act, and the regulations of the SET/SEC including the laws relating to the Company and/or the Company's business and ensure that the transactions are reasonable and for the highest benefit of the Company;
8. Prepare the Audit Committee report for disclosure in the Form 56-1 One Report of the Company with minimum contents as required by regulations of SET;
9. Review the scope of Roles and Responsibilities of the Audit Committee in accordance with the situation;
10. Audit and investigate concerned persons in order to gain the clearly information within the scope of authority;
11. Engage the specialist for competent advice and assistance auditing as considered by the Audit Committee with Company's expenses;
12. Perform any other activities assigned by the Board of Directors.

### **2) Executive Board**

Term of the Executive Board members is one year. The Nominating & Compensation Committee will annually consider and select appropriate persons from the members of the Board of directors and the management propose for further consideration and approval of the Board of Directors for the appointment in its first meeting after the Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term. The Board of Directors will consider and appoint appropriate members as the Chairman of the Executive Board.

### **Authorities, Roles and Responsibilities of the Executive Board**

1. Set and review Company's vision, mission, strategies and business plan as well as the Company's management structure and delegation of authorities for further approval of the Board of Directors;
2. Supervise the subsidiary and associated companies to be in accordance with the Company policy including review and monitor the operating performance of the Company and subsidiaries to achieve the goal;
3. Monitor, audit and set the management policies for efficiency and productivities as well as to conform with the instruction of the Board of Directors;
4. Consider and approve annual budget and investment of the Company for further approval of the Board of Directors;

5. Determine policy, structure, criteria for remuneration of employees and management together with the Executive Chairman and propose to the Nominating and Compensation Committee for consideration prior to further approval from the Board of Directors;
6. Consider and appoint qualified persons as senior management and report to the Board of Directors for acknowledgment;
7. Consider entering into any transactions binding the Company within its authorities under the Company's Delegation of Authorities;
8. Report the significant performance of the Executive Board to the Board of Directors on a regular basis;
9. Review the roles and responsibilities of the Executive Board in accordance with the situation;
10. Perform any other activities as assigned by the Board of Directors.

The delegation authorities of the Executive Board should not be delegated or further assigned that authorize the Executive Board or its attorney to approve any connected transactions between themselves or any persons who may have conflict of interest (according to the concept of conflict of interest of the Securities Exchange Commission's notification) with the Company or subsidiaries except such transactions are handled in line with the connected transaction procedure or policy which been approved by the Board of Directors of the Company. The connected transaction has to be considered and approved either by the Company's Board of Directors or shareholders' meeting to be complied with regulations of SET/SEC or any related laws and regulations.

### **3) Corporate Governance Committee**

Term of members of the Corporate Governance Committee is one year. The Nominating & Compensation Committee will annually consider and select appropriate persons from the members of the Board of directors and/or any qualified candidates propose for further consideration and approval of the Board of Directors for the appointment in its first meeting after the Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term.

#### **Roles and Responsibilities of the Corporate Governance Committee**

1. Responsible for governing and monitoring business operation and committees' activities as well as managements and employees of the Company to strictly comply with law and related regulations;
2. Specify the corporate governance policy and sustainability development including anti-corruption;
3. Ensure that good corporate governance policy is being conducted at all level in accordance to legal requirements, Company's policies and other related authorities;
4. Formulate and review the Company's rules concerning good corporate governance;
5. Provide suggestions relevant to ethical practices to the directors, managements and employees of the Company;
6. Yield continuity and appropriate regulations in carry out good corporate governance policy;
7. Review the scope of Roles and Responsibilities of the Corporate Governance Committee in accordance with the situation;
8. Report to the Board the recommendations for improvement on the Corporate Governance of the Company as appropriate;
9. Perform any other activities assigned by the Board of Directors.

#### **4) Nominating & Compensation Committee**

One-third of the Nominating and Compensation Committee, who have been longest in office, shall retire by rotation every year. The retired directors are eligible to be re-elected for another term by obtaining majority vote from the Board of Directors. In case of vacancy, the Nominating and Compensation Committee will consider an appropriate person from the members of the Board of Directors and/or any qualified candidates propose to the Board of Directors for further consideration.

#### **Roles and Responsibilities of the Nominating & Compensation Committee**

1. Specify and review the criteria and procedures for nomination of directors, committees, Executive Chairman and senior managements to propose for consideration and approval of the Board of Directors;
2. Recruit, select, and nominate appropriate candidates for independent directors, Chairman of the Boards and Board members proposed to consideration of Board of Directors and/or further approval of the shareholders when those positions are vacant due to termination of terms or other reasons;
3. Recruit, select, and nominate appropriate candidates for members of the committee and Executive Chairman proposed for consideration of the Board of Directors when such position is vacant as well as propose and review criteria for considering and selecting candidates for the successor of the top management and senior management, annually;
4. Specify remuneration's structure policy, forms and criteria of remuneration's payment (whether in cash or any properties) of directors, committees, Executive Chairman, senior management, management and employees of which must be complimented to the Company's strategies, objective as well as conform to the Company's operating performance and market's atmosphere to propose for consideration and approval of the Board of Directors;
5. Review the scope of Roles and Responsibilities of the Nominating & Compensation Committee in accordance with the situation;
6. Perform any other activities assigned by the Board of Directors.

#### **5) Risk Management Committee**

Term of members of the Risk Management Committee is 1 year. The Nominating & Compensation Committee will annually consider and select appropriate persons from the members of the Board of directors for further consideration and appointment from the Board of Directors in the first board meeting after Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term.

#### **Roles and Responsibilities of the Risk Management Committee**

1. Establish clear business objectives, identify, analyze, assess significant risks and formulate risk strategies, also risk appetite;
2. Develop risk management policy and propose for consideration and approval of the Board of Directors to be used as practices in the areas for which they are accountable. However, it must be covered risks at least 4 topics as follow:
  1. Financial Risk
  2. Operational Risk
  3. Strategic Risk
  4. Compliance Risk
3. Ensure that the above standards and practices are fully communicated to and have active support of all employees, continuously;
4. Review the scope of Roles and Responsibilities of the Risk Management Committee in accordance with the situation;

5. Ensure that the management has regularly, continually and systematically identify, analyze and review risk exposures, which may have, to cover all processes of the business;
6. Support and develop to have the managements and all employees to continually aware of risk management as well as to ensure the Company's Risk Management Policy is complied with the international standard;
7. Provide professional opinions from external consultants regarding matters to be considered with the Company's expense, if necessary;
8. Perform any other activities assigned by the Board of Directors.

#### **6) Sustainable Development Committee**

Term of each member is 1 year. The Nominating and Compensation Committee will annually consider and select appropriate persons from the members of the Board of Directors and management and/or any qualified candidates propose for further consideration and appointment from the Board of Directors in the first board meeting after the Annual General Meeting of Shareholders. However, the retired members are eligible to be re-elected for another term.

#### **Roles and Responsibilities of the Sustainable Development Committee**

1. Establish policy, strategy including operation plans for sustainable development which is consistent with the Company's business operations with regards to economic, social and environmental aspects to propose for consideration and approval of the Board of Directors;
2. Promote and support the Company's activities, such as, Labor and employee management, employee welfare, employee development and training as well as the promotion and development of communities and societies around the Company's area in order to make them achieve the targets pursuant to the sustainable development policy;
3. Supervise, review, follow-up progress of operations and evaluate efficiency on performance of the sustainable development policy;
4. Review the scope of Roles and Responsibilities of the Sustainable Development Committee in accordance with the situation;
5. Perform any other activities assigned by the Board of Directors.

#### **5.8.3 Board of Directors' Meeting**

1. At a meeting of the Board of Directors, there must be directors present not less than one half of the total number of directors to form a quorum. In the event that the Chairman is absent or is unable to perform the duties, if there is a Vice-Chairman, the Vice-Chairman shall be the chairman of the meeting. In the absence of the Vice-Chairman or the Vice-Chairman is unable to perform the duties, the directors present at the meeting shall elect one among themselves to be the chairman of the meeting.  
The Board of Directors meeting shall be attended by at least half of all the directors in order to constitute a quorum. In addition, the Board of Directors set its quorum of the meeting to be at least 2/3 of all directors.
2. Each director shall have one vote. Decisions of the meeting shall be by a majority of votes. For a director who has an interest in any matter who shall have no right to vote on such matter. In the case of an equality of votes, the Chairman of the meeting shall have an additional casting vote.
3. The Board of Directors' Meeting schedule have been set at least 5 times a year with certain agenda. The annual meeting schedule will be sent to each director by the Company Secretary for preparation and arrangement for meeting participation. The operating results will be regularly reviewed. The invitation letter as well as meeting materials will be delivered



by the Company Secretary to all directors at least 5 working days prior to the meeting date for consideration. To comply with the Company's Articles of Association, unless any urgent matters, the invitation letter as well as meeting materials will be delivered by the Company Secretary to all directors 7 days prior to the meeting date. However, additional unscheduled Board meetings may be called upon appropriate notice at any time either to address specific needs of the Company or to fulfill requirement of any directors.

#### **5.9 Internal Control System and Internal Audit**

The Company organized an internal audit department to review compliance control of all departments to investigate the errors and weaknesses and then proposes the suggestions to improve the operational efficiency. This is to ensure the consistent and appropriate compliance with existent internal control as well as strengthen the confidence of management and stakeholders. This department is independent and reports directly to the Audit Committee. The Company organized that good internal control allows the Company to notice irregularity and gives early warning for possible risks as well as manage risk to acceptable level.

The Company provides Internal Control system in accordance with the system suggested by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) that covers organizational and control environment, risk management, management control, information and communication and monitoring.

#### **5.10 Risk Management**

The Board of Directors has appointed the Risk Management Committee to assess overall business situations and analyzed risks both internally and externally, likelihood of risks which may impact to goal achievement of company and stakeholders in order to specify risk reduction measure to keep such risk in the appropriated level. In addition, risks shall also been assessed by the Internal Audit Department who will present the results to the Audit Committee and the management to jointly find guidelines to prevent such potential risk as well as to monitor and review the assessment results continually.

The Company set up comprehensive Risk Management Policy to mitigate any potential impact caused by economic and political changes, and the effects from global fiscal crisis. Policy also includes the criteria for risk prevention and detection. The Risk Management Committee therefore complied with the policy and implemented the risk prevention and mitigation measures in accordance with the risk management plan with the collaboration of concerned department as follows:

1. Preparation of risk management plan by each department to follow the Company's master business plan and risks may be happen for business operation in order to the risk management plan consistent with business risks for the Company's objectives, business plan, master Goal, strategies and the acceptable risk levels of the business operation.
2. Risk management will be carried according to the plan mentioned above. Each responsible department has prioritized the risks by evaluating the overall risk profile and its potential impact to the organization. The appropriate risk mitigation criteria shall be determined and implemented in conjunction with each department where as Internal Audit department undertaking role as risk coordinator and reviewer.
3. Risk Management countermeasures shall be implemented and regularly followed up by the Risk Management Committee comprising of each concerning management in a quarterly meeting as outlined in the risk management plan. All countermeasures shall be followed and reviewed by Internal Audit department to assure that the final outcome is agreeable with the Company's proposed objectives.

Besides, the Company held risk management seminar and training for each business as well as adapting it as the key performance factor for performance evaluation of both operational and management staff in order to build up self-consciousness. The training also focused on concepts and principles of practicing on risk management through out the organization which would contribute in ensuring the sustainable growth of the Company as well as create value for stakeholders and shareholders.

## **5.11 The assessment of the Board of Directors, Sub-committee, Executive Chairman and Company Secretary**

### **5.11.1 Board Self-assessment and Director Self-assessment**

The Corporate Governance Committee is responsible for Self-assessment of the Board of directors and Director Self-assessment to annually review and evaluate directors' performance to comply with Corporate Governance of the Company. Comments and recommendations from the assessments are further considered in the Board of Directors' meeting for improvement.

### **5.11.2 Sub-committee Self-assessment**

The Corporate Governance Committee conducts the self-assessment of sub-committees annually; Executive committee, Corporate Governance Committee, Nominating and Compensation Committee, Risk Management Committee, and Sustainable Development Committee in subject of Structure and Qualification, Meeting, Role & Responsibilities, and Self-Development. For topics for the self-assessment of the Audit Committee are consisted of Structure and Qualification, Meeting, Role & Responsibilities, Development & Training, the activities of the Audit Committee, and the relationship among the head of internal audit, auditors and the management team. Results of the self-assessment of each sub-committee will use to develop working performance of them for more efficiency and to be in line with the responsibilities assigned from the Board of Directors.

### **5.11.3 Executive Chairman Assessment**

The Corporate Governance Committee conducts Executive Chairman assessment annually in subjects of leadership, board relations, risk management and internal control, human resources management, and corporate governance for consideration of his remuneration.

### **5.11.4 Company Secretary assessment**

The Corporate Governance Committee conducts the Company Secretary assessment annually relating skill, knowledge and ability of the Company Secretary, Compliance, Communication and Coordination, Documentation, Meeting and Corporate Governance. Results of the assessment will use to develop working performance of Company Secretary to support the Board of Directors to comply with the roles and regulations of the SET and the SEC.

## **5.12 Development of Directors and Management**

The Company will provide Directors' Manual and orientation program to new directors. Information on Company's business and directions as well as Corporate Governance Policy of the Company will be advised. The Directors' Manual will comprise of:

- Related Laws and Regulations
- Company's Businesses
- Roles and Responsibilities of Directors of Listed Companies
- Corporate Governance Policy and Business Ethics

In addition to support and increase knowledgeable of directors, the Company also encourages all directors to strengthen their skills and knowledge for performing their duties including knowledge and understanding of relevant law and standards, and other applicable obligations, risk factors, and the Company's business environment. The board should receive accurate, timely and clear information, including timely and regular updates.



### **5.13 Company Secretary**

The Board of Directors considered and appointed a potential and experienced person as the management proposed and considered to appoint as the Company Secretary. Roles and responsibilities of the appointed Company Secretary are as follows:

1. Perform his/her duty with accountability, duty of care and duty of loyalty as well as has to comply by laws and any other related regulation;
2. Support the Board of Directors for their activities including provide consultation with related to Company's Articles of Association, and any other regulations from related authorities;
3. Arrange meetings for Board of Directors, Committees and Shareholders as well as coordinate to ensure all resolutions have been implemented complying with Company's objectives, Articles of Association, laws and related regulations;
4. Prepare and keep the company's documents such as register of directors, notice calling directors' and shareholders' meetings as well as the minutes of such meetings and the Form 56-1 One Report, etc.;
5. Keep a report on interest filed by a director and executive as well as submit a copy of the report to the Chairmen of Board of Directors and Audit Committee within 7 business days from the date on which the company has received such report.

In case where the Company Secretary vacates her position or is incapable of performing her duty, the Board of Directors shall select a new Company Secretary as the management proposed and consider to appoint within 90 days from the date on which the Company Secretary has vacated her position or has been incapable of performing her duty; in this regards the Board of Director shall be empowered to assign any director to perform the duty as the substitutes during such period.

### **5.14 Supervision on Operation of the Subsidiaries and the Associated Companies**

The Company has supervised on operations of its subsidiaries and associated companies which have the Board of Directors as the direction leader and the overall strategic goals of the business group. The operating procedures are as follows:

1. Before establishment of any new company, the Executive Chairman shall propose such matter to the meeting of the Board of Directors for consideration and approval before the registration of the new company is arranged. The Board of Directors shall consider on appointment of the executives who shall hold positions of director and management of such subsidiaries and the associated companies including scope of authority and responsibility of the directors and the management who shall be the Company's representatives in such company.
2. An additional new director appointment or the director whose position is vacant because of any other reason except the retirement, the Board of Directors has assigned to the Executive Board to consider the appointment properly and report to the Board of Directors for further acknowledgment.
3. The management of the subsidiaries and associated companies shall report business performance of the Company they are responsible to the Executive Board every month. Any investments or substantial operations as per specified in the delegation of authorities must be performed pursuant to the policies specified and they must be presented to the meeting of the Executive Board as well.
4. The management of the subsidiaries and associated companies must present the annual business plan to the meeting of Executive Board and the Board of Directors for consideration and approval every year. If performance of any company has not achieved as per the targeted plan, the management must clarify to the meeting of Executive Board. In case business operation encountered a lot of problems, the management is required to clarify to the Executive Board as the watch list so that precaution and corrective measures can be closely monitored and taken.
5. The subsidiaries and associated companies must have the internal control system or measure that the Company's Internal Audit Department can audit and report to the Audit Committee and the Executive Committee. If internal control system of any company is defective which may likely cause risks and damage to the Company, the Executive Committee shall order such company to make good and rectify defects in such internal control system immediately. In addition, if the subsidiary

has to conduct any transaction which is required to comply with the regulations of the Company or of the relevant laws and which is required to be approved from the shareholders' meeting of such subsidiary, i.e. capital increase, capital decrease or dissolution of subsidiary and etc., such transaction shall be proposed for the Executive Committee's consideration and approval on voting guideline during the shareholders' meeting of such subsidiary.

6. Establishment of a new company or investing in significant portion in other businesses between 20% and 50% of shares with voting rights, and the amount of investment or may have to more invest significantly, the Board of Directors should ensure that shareholder agreements or other agreements are in place to enable the Company's performance monitoring and participation in management, including for approval of significant transactions and decisions. This is to ensure that the Company has sufficient, accurate, and timely information for the preparation of its financial statements that conform to the relevant standards.
7. In the event where the subsidiary performs any transaction about acquisition or disposal of assets, the Company shall treat the same way as criteria on acquisition and disposal of assets of its own which must be pursuant to criteria on undertaking the significant transaction on asset acquisition or disposal as per specified by the Capital Market Supervisory Board. In case the subsidiary has performed any transaction with its related persons, the Company shall not involve in such matter, except the subsidiary has performed any transaction with the related person of the Company, then the Company shall comply with the criteria on related transaction announced by the Capital Market Supervisory Board.