

Corporate Governance

The Company realizes the importance of Good Corporate Governance as believes that Good Corporate Governance shows efficient, transparent and accountable management which helps build confidence and reliance to shareholders, investors, stakeholders and relating parties and it conduces to the Company's value adding and long-term sustainable growth. The Company is operating continuously to support Good Corporate Governance and aim the Committees and Management to improve and follow Corporate Governance according with International standard by bringing Good Corporate Governance which set by the Stock Exchange of Thailand to be principle of Company's Good Corporate Governance and determine the follow up to improve the principle to be related with guideline from the Stock Exchange of Thailand which may be changed in the future as of the appropriation and in accordance with changed situation. There are regulations which cover 5 sections as follows;

Section 1 Right of Shareholders

The Company is aware and give precedence to basic rights of shareholders as an investor in stock and company's owner such as right in buy, sell, transfer their holding properties, right to receive Company's profit shares, rights to receive adequate information, rights in shareholders meeting attendance; vote in election or impeach Directors, appoint the financial auditor, approve any important and influential business transactions and any issues effect to Company such as dividend allocation, memorandum and Company's regulations determination or correction, capital increase or decrease and special transaction approve, etc.

The Company realizes and gives precedence to rights of shareholders. Accordingly, The Company has the obligation to support and facilitate in exercising rights of shareholders as follows;

- 1) The Company shall inform date, time, place and agenda by providing explanation and reason in each agenda or resolution as request in Annual and Extraordinary General Meeting of Shareholders Invitation Letter or in any documents attached agenda and avoids any actions that limit shareholders opportunity to learn Company's information.

- 2) The Company shall facilitate shareholders to exercise their rights to attend the meeting and vote properly and avoid any actions that limit shareholders opportunity to attend the meeting, for example, For shareholders meeting, the Company shall select the venue where is convenience to travel and shall attach location map in meeting invitation letter as well as selecting appropriate date and time and provide adequate meeting duration hours.
- 3) Before the date of shareholders meeting, the Company shall allow shareholders to submit opinions, suggestions or any inquiries prior to the meeting date by clearly setting the rule of inquiry submission and inform shareholders with shareholders invitation letter. The Company shall publish mentioned principle on the Company's website.
- 4) The Company shall support shareholders to use proxy right which is allowed to determine the direction of voting and nominate at least 1 independent committee as an alternative of giving proxy of shareholders.
- 5) In the shareholders meeting, the chairman shall manage the meeting in a timely manner and the Company shall allow shareholders to share their opinions, suggestions or ask a question in each agenda independently before determining by vote in any agendas.
- 6) The Company shall encourage all committees to attend the shareholders meeting to answer the question in the meeting.
- 7) The Company shall provide a resolution in the shareholders meeting in each matter in case there are many matters in each agenda such as Agenda for the appointment of directors.
- 8) The Company shall encourage using ballots in any important agendas such as connected transactions, acquisitions or dispositions, etc. to ensure transparency and accountability in vote counting.
- 9) The Company shall assign independent personnel to count votes in each agenda.
- 10) After the date of shareholders meeting, the Company shall prepare a minute correctly and completely in main point including take a minute of necessary inquiries, opinions and suggestions to shareholders for the review. Furthermore, the Company shall publish vote counting result as well as a minute of the shareholders' meeting on the Company's website for next consideration.



- 11) The Company shall send copy of a minute of the shareholders' meeting to the Stock Exchange of Thailand a minute of the shareholders' meeting within 14 days after the date of meeting.

Section 2 Equitable Treatment

The Company gives precedence to equal treat to all shareholders including minority shareholders and foreign shareholders as the guideline to protect the rights from any discriminatory actions and build confidence in the investment with the Company. Hence there has been determined good corporate governance to behave to shareholders as follows;

- 1) The Company allows shareholders to propose meeting agenda, nominate directorship candidates and submit inquiries prior to the meeting date. Subsequently, proposing meeting agenda or nominating directorship candidates must be in the line with laws and the Company's regulations as well as determined principles and should be published on the Company's website.
- 2) The Company allows a proxy for shareholders who are unable to attend the meeting and set guidelines of voting to third parties or the Company's independent committees to be proxies to attend the meeting by specifying name, profile, and work experience of all independent committees to be considered one person to be proxy of shareholders.
- 3) The Company shall not introduce any additional agendas or change any important information without prior notice.
- 4) The Board of Directors encourages to vote by using ballots in every agendas as well as individual appointment for transparency and accountability.
- 5) The Company sets ethics of the Company's internal information and the securities trading to protect against the directors, management and employees abusing internal information to do so for personal gains or other persons' gains. The Company shall inform the guidelines and policies to everyone in the organization and monitor the results regularly.
- 6) Directors and Executives have a duty to report their security holdings and changes in their holdings in accordance with the Securities and Exchange Commission Act and report to the Board of Directors every time of stick trading.

Section 3 Role of Stakeholders

The Company realizes all the Company's stakeholders should be treated by the Company as the rights required by law or co-agreement by considering the relationship and good cooperation for financial stability and organization stability. The good corporate governance is as follows;

- 1) The Company determined the ethics to stakeholders such as shareholders, customers, employees, partners and creditors, competitors, social and environment by announcing to directors, executives and all employees to be aware and perform strictly as well as set the discipline when not follow the code of conduct. Stakeholder regulations are as follows;

Shareholder : The Company shall operate business with transparency and efficiency in order to create value to business sustainably, aim to make great overall operation and sustainable growth for the maximum benefits to shareholders in long term as well as ensure transparent and reliable disclosure to shareholders.

Employee : The Company shall treat all employees equally, fairly and ensure appropriate compensation. Besides, the company also constantly gives precedence to personnel's skill, ability and potential development such as providing training class and seminar to all employees and trying to build motivation to skillful employees so that they will remain in the Company and continue develop the organization. Moreover, the Company has set the guidelines of anti-corruption as well as implanting all employees to follow laws and concerned regulations such as internal data restriction, etc.

Partner : The Company has procedure in selecting partner by allowing partners to compete on the same and fair basis then select partners under fairness and rule of assessment and selection. Besides, the Company also has made a contract properly and fairly to all partners, created tracing system to ensure the condition of contract well-following and protected corruption or misbehavior in all steps of selection procedures. The Company buys product from partner along with trade condition as well as follow the contract strictly.

Customer : The Company is responsible for customers by maintaining quality and standard of products and service as well as responding customers need completely and inclusively

in order to emphasize long term customer satisfaction. Moreover, the Company considers customer's safety and hygiene on product consumption and Company service, correct and complete product and service information providing as well as providing channel for customers to contact or share feedback of improper product or service so that the Company will protect and solve the product and service problem quickly along with protect customers privacy and ensure not bringing for own or others' benefit improperly.

Creditor : The Company shall follow the condition on contract to creditor including principal repayment, interest payment and other collateral protection under concerned contract.

Competitor : The Company behaves in accordance with good competition under morality and law as well as supports and encourages competition policy freely and fairly.

Social and Public : The Company pays attention and gives priority to safety of social, environment and concerned people's life quality and support employees to be conscious and responsible for environment and social as well as ensure that employees abide by law and regulations strictly. In addition, the Company made an effort to take part in other activities which concern environment preservation and protection as well as promote the culture of the Company's local area.

- 2) The Company determined whistleblower rights protection to the Board of Directors in the issues of law violation financial report accuracy, and impaired internal control system or ethics abuse to the Board of Directors and audit committee directly.
- 3) The Company announced that Directors, Executives and employees acknowledge significant internal information may have an effect on change of stock price and the Company's stock trading must be suspended for 7 days prior to the day of overall operation announcement or any internal information public disclosure.

Section 4 Information Disclosure and Transparency

The Company recognizes the importance of disclosing its important information on a correctness, completeness, adequacy, consistency and timely basis in order that stakeholders will use for decision

making. The Company has set the strict guidelines for Information Disclosure and Transparency as follows;

- 1) The Board of Directors or assigned person discloses information in accordance with the requirement via the Stock Exchange channel both information of periodic reports such as Financial Statement Form 56-1 and Annual Report Form 56-2 and non-periodic reports such as acquisition/disposition of assets, connected transactions, joint ventures start/termination, capital increase/decrease, new security issuing, treasury stock, dividend/non-dividend paying, etc. as well as disclose information via Company's website on a complete, consistent, quick and timely basis.
- 2) The Board of Directors reports result of corporate governance via Annual Report Form 56-1 and Annual Report Form 56-2.
- 3) The Board of Directors and Management submit Property Interest Report and Concerned Parties Interest Report under section 89/14 of the Securities Act and the Stock Exchange of Thailand 2008 and send to Company Secretary Office.
- 4) The Board of Directors submits the report of the Board of Directors regarding the responsibility to Financial Statements, shown along with the auditor's report and provides the audit committee's corporate governance report in Annual Report.
- 5) The Board of Directors determines to disclose name lists, roles of the Board of Directors and specific Directors, number of meeting time and number of Directors attendance in each year in Annual Report.
- 6) The Board of Directors determines to disclose each remuneration type on each person as well as details of Management remuneration in Annual Report Form 56-1 and in Annual Report Form 56-2.
- 7) The Board of Directors determines to establish Secretary Office in order to disclose Information as the Stock Exchange of Thailand's regulation along with provide business basic information, business operation guidelines and Company's future direction to people, shareholders, institutional investors, analysts and concerned government sector under fairness and morality.



- 8) The Board of Directors determines to have Investor Relations to always communicate and deliver information to the Company, stakeholders and social.
- 9) The Board of Directors encourages the Company to make the Management Discussion and Analysis or MD&A in order to be along with financial statement disclosure in every quarter. Accordingly, it is to ensure that investors will be informed and more realize in the change of financial status and overall operation aside from only numeric data in financial statement.
- 10) The Board of Directors discloses auditor's fees and other services provided by the auditors.

Section 5 Responsibilities of the Board of Directors

The Board of Directors as representatives of shareholders has the duties and responsibilities to oversee the Company's business operation under laws, objectives and Company's regulations by setting vision, mission, policy, target and business plan under professionalism and mainly morality in business operation. Main guideline points of Responsibilities of the Board of Directors are

1. Structure of the Board of Directors

- 1.1 Structure of the Board of Directors consists of members who are various equipped with knowledge, expertise, honesty, morality in business operation. The Board of Directors discloses policy of this structure of the Board of Directors as well as term position of each Director in the Annual Report.
- 1.2 The Board of Directors is composed of at least 5 directors but less than 10 directors. The number of directors at least one third or 3 directors of total number of directors must be an independent director in order to create appropriate balance in the consideration and voting matters. Consequently, all independent directors have the required qualifications as in Securities and Exchange Commission, Regulations of the Stock Exchange of Thailand as well as criteria, restriction and other related laws.
- 1.3 The Board of Directors has term of office not more than 3 years by concerned law. An independent director should hold term of office not exceed 9 consecutive years unless the Board of Directors considers that the person deserve to be an independent director. In addition, Directors and Management can hold positions of Directors or Management in affiliates or other companies but must be under regulations of The Securities and Exchange

Commission, the Stock Exchange of Thailand, other concerned criteria, regulations and laws by notifying in the Board of Director's meeting. However, each director can hold position of director in not more than 5 registered companies.

- 1.4 The Board of Directors is a representative of overall shareholders, not a representative of one shareholders group.
- 1.5 The Board of Directors sets the policy of non-independent director proportionally on a fairness of Controlling Shareholders' capital.
- 1.6 Ensure the committee's appointment is in the line with the Company's regulation and applicable laws while upholding transparency and clear in committee's recruitment and to pass the process of Nomination and Remuneration Committee. Consideration must consist of sufficient each person's educational background and work experience for benefit of decision making to the Board of Directors and shareholders.

As a regulation of the Company, in every Annual General Meeting, Directors must quit the position at least one third. If number of directors is unable to divide by three, number of resign must be nearest to one third. Directors who have to quit the position in their first year and second year after the company registration, there must be a drawing to select only one director. For the next years, the Directors who hold longest position will leave the position and may still be re-election.

- 1.7 The Board of Directors considers clear segregation of responsibilities in corporate governance and daily management. Chairman and Managing Director are elected from the Board of Directors. Chairman and Managing Director are considered a different person for the clear of roles and responsibilities to establish policies, oversee work and manage the operation. Accordingly, the Company clearly separates the roles and responsibilities between the Board and Management to hold the balance of operation power. The Board's duty is to establish policies and oversee Management's work at the policy level. Management's duty is to administer the Company's operations in accordance with the established policies. The Chairman is not involved in daily management but supports and gives advice of business operation via Managing Director consistently while Managing Director is responsible for the Company's management under the established authority framework from the Board of Directors.

1.8 The Board of Directors determined that the Directors can hold the position in maximum 5 registered companies by considering work efficiency deliberately to ensure the Directors can still devote their time on the responsibilities adequately.

1.9 The Board of Directors set the policy of holding position in other companies as the established Company's regulations that the Directors are unable to run a business or hold shares in ordinary partnership or general partner in limited partnership or being directors of limited company or public limited company which operate the same business condition and being a the Company's competitor except there is notification in the shareholders meeting before the appointment resolution.

Besides, the Board of Directors does not have any policies to send Management to be a director in other companies out of the Group. In case that Executive Directors will hold a Director position in other company, there must be approval from the Board of Directors except for holding a position of Director in the non-profit organization. Accordingly, holding a position must not conflict with business concerned laws or regulations and must not use the Company's position to refer and encourage external business.

1.10 The Board of Directors appointed Company Secretary who is qualified with appropriate experience, has duties and responsibilities as Securities and Exchange Act, has the duties to counsel in law and other rules which the Board should be aware, performs duty to oversee the Board's activities including coordinates with other functions to ensure that the resolutions of the Board is implemented. Company Secretary Qualifications and Experiences are disclosed in Annual Report and published on the Company's website.

1.11 The Board of Directors support and encourage the Company Secretary to enhance the ability continually by joining training and developing knowledge in law, accounting or Company Secretary's duties.

2. Sub-Committees

2.1 The Company has appointed sub-committees which consist of 1) Audit Committee as the regulations of The Securities and Exchange Commission and the Stock Exchange of Thailand 2) Nomination and Remuneration Committee and 3) Executive Board of Directors to carry

out specific duties and bring up issues to the Board of Director for approval or acknowledgement.

2.2 Sub-committee has right as established in each sub-committee authority. The Committee Chairman is not the chairman or a member in any sub-committees to ensure an exact independence of sub-committee's responsibility.

3. Roles, Duties and Responsibilities of Committee

3.1 Duties and Responsibilities of Committee

The Board of Directors is responsible for shareholders regarding the Company's business operation and has duties to set the policy and direction of the Company's operation as well as oversee management in the line with targets, objectives, vision, strategy and business direction for long term business benefits to shareholders under the law framework and ethics of business operation. In the meantime, all groups of stakeholders' interest must be considered. Details are spelled out in the Charter of the Board of Directors.

3.2 Good Corporate Governance Policy

The Company has established the written policy of Good Corporate Governance to be presented in the Board of Director's meeting for approval. Corporate Governance Guide was published as an objective of being guideline to Committee, Executives and employees. Consequently, the Company will review the policy annually.

3.3 Code of Conduct

The Board of Directors adhere the right and fair business operation by setting the policy to establish written Code of Conduct in order to utilize and disperse to Committee, Executives and employees, realize the moral standard in business operation and be a practical guideline, disclose the intention to operate business with fairness, morality and responsibility to stakeholders, consider social and environment through joining the training and other internal communications. These ethics reflect value and guideline that all employees perform themselves and carry out their works under code of ethics. The Company announces and informs all employees to acknowledge and follow strictly. The Committees have traced and ensured to follow those ethics strictly.

3.4 Conflict of Interests

The Board of Directors has reviewed conflict of interests cautiously. Consideration on transactions with potential to cause conflict of interest has clear guideline and in the best interests of the Company. The Committee has established the ethics of conflict of interests, the policy which not allow Committees, Executives and employees as well as related parties to seek for their own benefits that in conflict with the Company's benefits. The Committee should avoid any actions that related to cause conflict of interests. Any person who is in related parties, stakeholders or related transaction has to inform the Company regarding related transactions and these persons are not involved in the transaction decision.

Audit Committee shall present the Board of Directors related transactions and conflict of interests which are carefully reviewed the appropriation. In addition, the Company strictly follows the regulations of Securities and Exchange Commission and the Stock Exchange of Thailand in the issue of pricing and other conditions with any parties who may have conflict of interest as if making transactions with third party.

Accordingly, the Board of Directors shall oversee and ensure to follow the regulations which related to procedure and information disclosure of transactions with potential to cause conflict of interest. Information disclosure is published in Financial Statement, Annual Report and in Annual Report Form 56-1.

3.5 Internal Controls

The Board of Directors recognizes the importance of corporate governance and internal control of both management level and efficient operation level. Internal control is an important strategy which builds the confidence to operation department to help decreasing business risk and help business operating efficiently. Resource allocation is appropriate and it brings Company operations to achieve their goals. Internal control helps protecting assets of leakage, loss or from any corruptions, ensuring the correct and trustworthy financial report, ensuring personnel abide by laws and concerned regulations and protecting shareholders' investment fund. Therefore, the Company has established written internal controls policy to control and protect the Company's assets efficiently and provided budget plan and feasibility study before the investment decision. There is an internal control system which responsible by the department head to ensure the great system standard, protect any

adverse events that may cause damage to the Company, develop personnel to be engaged with these regulations as well as applicable laws and be ready to be assessed and audited all the time.

The Board of Directors has assigned Audit Committee to response and review the suitability and efficiency of internal control system which provided by Management and also has created and reviewed control system in operation, financial report procedure, rules, regulations and policy adherence, operation conduct as well as risk management and given priority to alarms and irregularities.

The Company hires outside personnel which is independent to balance and perform the duty of internal system controller to review and ensure the sufficient internal control system. An Internal Controller shall report directly to Audit Committee. The Company shall regularly follow up the assessment to ensure the effective system. An internal control assessment and necessary system should be reviewed at least once a year and revealed in the Company's Annual Report.

3.6 Risk Management Policy

The Company will provide and review the risk management policy to decrease an effect to the Company appropriately. Risk Management Committee shall consider the policy both external and internal risk management to cover and comply with business's strategy and direction and report to the Board of Director for approval.

3.7 Whistleblowing Channel

The Committee has provided the clear guidelines to all stakeholders who would like to report clues via website or direct to the Company by report to Independent Committee or Audit Committee to review the details as the procedure and continue report to the Board of Director.

4. Board Meeting

4.1 The Board of Director's meetings requires at least half of the total number of members to be present. In case the Chairman is absent or unable to perform duty, the Vice Chairman will

act as Chairman of the meeting (if any). If there is no Vice Chairman or unable to perform, the members present will elect one among them to preside over the meeting.

4.2 Decisions in the Board of Director's meetings are reached by a majority vote. One director has one vote except Directors who have conflict of interest in any agenda are not entitled to vote on that agenda. In case of tied votes, Chairman will have a casting vote.

4.3 The Board of Director's meeting is held at least once every 3 months. The Chairman sends the notice to the directors. In necessary cases, 4 or more directors have the right to request a meeting and the meeting date must be set within 14 days from the date of request.

4.4 The Chairman or assigned director from Chairman is a person who set the date, time and place of the Board of Director's meeting. The place of meeting can be other places apart from the Company head office area or it can be nearby province. If the Chairman or assigned director has not set the meeting place, the Company's head office will be held for the meeting.

4.5 The Chairman or assigned director will send the meeting notice by registered mail or deliver directly to directors or representatives by giving specific date, time, place and meeting agenda not less than 7 days prior to the date of meeting or faster than that.

5. Directors' Self-Performance Evaluation

5.1 The directors and sub-committees have to do Self Assessment at least once a year in order to consider the problems for the resolution.

5.2 The Company reveals the rules, procedures and result of assessment as an overall in the Annual Report.

6. Remuneration

6.1 Remuneration of Directors is related to experiences, scope of duties, accountability and responsibility including benefits that the Company shall receive from each director. The Board of Director has set the obvious policies and rules of remuneration of directors and asked for approval from the shareholders meeting every year by considering from transparency and accountability as well as proper level, comparable with similar industry and adequate to persuade and maintain qualified directors. Moreover, wider scope of

responsibilities is considered for assigned directors in sub-committee such as Audit Committee, etc.

6.2 Remuneration of Managing Director and Executive should be along with regulations and policy the Board of Director and/or Nomination and Remuneration Committee and/or Executive Committee has determined. For the most out of the Company, remuneration as salary bonus and compensation is at an appropriate level and related to each Executive's performance. Executive who has more duties and responsibilities shall receive more and appropriate remuneration as well as receiving same rate as business competitor to maintain quality management. Nevertheless, the Company and shareholders' benefit must be considered.

6.3 Nomination and Remuneration Committee evaluates Managing Director every year for remuneration consideration by using agreed norm with Managing Director as concrete criteria including financial performance, long term strategy objective performance and Executive Development. Committee shall consider the assessment and the Chairman shall inform the notification of result to all directors.

7. Director and Executive Development

7.1 Directors support and facilitate to have training and provide knowledge to concerned person in corporate governance, committee, Audit Committee, Executive and Company Secretary to ensure continuous improvement.

7.2 Every time of new director's appointment, Management Division shall provide necessary documents and information as well as providing business introduction and business operation guideline to new director.

7.3 Directors determine Managing Director to report development plan and follow up on a regular basis. Managing Director and Chief Executive are well prepared to hand on their jobs when unable to perform their duties.

7.4 Directors provide Executive Development Program. Managing Director reports yearly regarding the annual overall operation and consider simultaneously when considering succession plan.

Directors Structure

Board of Directors

The Board of Directors consists of Expert Directors with knowledge, abilities and experiences in Management Level from many organizations and able to utilize their knowledge for setting business direction efficiently as well as causing the maximum benefit to the Company and shareholders. Directors play an important role in setting policy and overall operation as well as playing a role to monitor, review, oversee management operation and evaluate the Company's overall operation to be established plan.

At the present time, the Company consists of 7 directors; 3 Executives and 4 non-Executives which are inclusive of 3 Audit Committees. This committee structure will help balance the vote in any agenda. Besides, the Board of Director has appointed sub-committees in order to support corporate governance as follows;

Directors Organization

- 1) The Board of Directors does not need to be the Company's shareholder.
- 2) The Board of Directors consists of at least 5 Directors and not less than half of total Directors must reside in the Kingdom of Thailand.
- 3) The Board of Directors consists of at least one third Independent Committee of total number of directors but not less than 3 committees.
- 4) The Board of Directors selects one director to be a Chairman. In case The Board of Directors considered as deemed appropriate, they are able to select one director or more to be Vice Chairman. Vice Chairman has duties as established regulations which Chairman assigns.

Scope of Duties of the Board of Directors

- 1) Oversee the Company's operations to ensure that they are in line with the applicable laws, the Company's articles of association, and the resolution of the shareholders' meeting while upholding "Best Practice for Directors of Listed Companies" as determined by the Stock Exchange of Thailand.
- 2) Prepare the shareholders' meeting as the Annual General Meeting within 4 months after the end of the fiscal period.

- 3) Ensure to have Balance Sheet and Profit and Loss Statement at the end of fiscal period which are proved by auditor and present to the shareholders' meeting in the Annual General Meeting for consideration and approval.
- 4) Set the Company's vision, mission, goals, guidelines, policies, business plans and budget. Oversee the Company's management to ensure adherence to the established policies. However, the issues which required by law that the Company should receive votes in the shareholders' meeting such as increasing or decreasing capitals, issuing debentures, sale or transfer of all or part of company to others or buy or receive transfer all company to be under company, editing memorandums or regulations, etc., the Board of Directors must approve before the procedure.
- 5) Monitor the Management's operation and ensure to be in line with established plan and budget continuously. Review the policies, plans and budgets regularly.
- 6) Oversee the Company to be in accordance with applicable laws of Securities and Exchange, Notification of the Stock Exchange of Thailand such as related transactions, Acquisition and Disposition of assets, other applicable laws, etc.
- 7) Consider and set the management structure. Appoint the Executive Board of Directors, Chairman of the Executive Board of Directors, other sub-committees and Chief Executive Officer. Set the scope of duties and responsibilities of the Executive Board of Directors, Chairman of the Executive Board of Directors, other sub-committees and Chief Executive Officer.
- 8) Provide Annual Report of the Board of Directors and response to prepare and reveal financial statement to show financial status and overall operation in the past year. Present to the shareholders' meeting for consideration and approval.
- 9) Assign one director or more or other person to perform on behalf of the Board of Directors which is under control of the Board of Directors or give proxy to those people and ensure they have proper right as the Board of Directors in a timely manner. The Board of Directors may cancel, abrogate, change or edit the authorization when deems appropriate. Accordingly, giving an authorization must not be in line that allow those people to be able to consider and approve related transactions between themselves and stakeholders or may cause any conflicts with Company or subsidiaries in other ways as announced in the Notification of the Capital Market Supervisory Board and/or Stock Exchange of Thailand

and/or other concerned notifications except transactions which approved due to policies and regulations that the Board of Directors has considered and approved.

- 10) Appoint Company Secretary to have responsibilities in other operations to ensure the Company or the Board of Directors' benefit such as preparing the Board of Directors' registration, invitation letter of the Board of Directors' meeting, invitation letter of the shareholders' meeting, etc.

Sub-Committees

(1) Audit Committee

(A) Structure

- 1) Audit Committee must be the Company's Independent Committee.
- 2) Audit Committee must be appointed by the Board of Directors.
- 3) Audit Committee must consist of at least 3 Independent Committees which are knowledgeable with adequate experiences.
- 4) At least 1 Audit Committee must be adequate knowledgeable and experienced in finance or accounting to review the financial statement's accountability.
- 5) Audit Committee can hold the position of Audit Committee not more than 5 listed companies.
- 6) The Board of Directors elects one Audit Committee to be the Chairman of Audit Committee.

(B) Duties and Responsibilities of Audit Committee

1) The Charter of Audit Committee

- 1) Prepare the Charter of Audit Committee; Responsibilities of Audit Committee.
- 2) Content in the Charter of Audit Committee must be clear and indicate the meaning, definition as well as duties of Audit Committee.
- 3) Review the Charter of Audit Committee to be updated and related to the Company's operation and ensure that it is able to utilize efficiently at least once a year.

2) Financial Report

Oversee the Company and ensure the disclosure of Financial Report to be accurate, complete, adequate, reliable and timely by cooperating with Financial Auditor and concerned Management who response in the Financial Report both quarterly and annually.

3) Related Transactions and Conflict of Interests

- 1) Consider related transactions and conflict of interests to be in line with laws and regulations of the Stock Exchange of Thailand to ensure those transactions are reasonable and in the best interests of the Company.
- 2) Review the disclosure in case that related transactions or any transactions may cause conflict of interests to be accurate and complete.

4) Internal Control

- 1) Review the Company's internal control to be appropriate and effective.
- 2) Consider the audit report and suggestion from financial auditor and internal control division. Report to Management for resolution as well as follow up the result from that suggestion.

5) Internal Audit

- 1) Review the Company's internal audit to be independent and with effective internal audit system.
- 2) Review activities and internal audit division's structure and approve the Charter of Internal Audit.
- 3) Consider the appointment, transfer, remove or layoff including setting and evaluating annual performance of Internal Audit Supervisor to ensure independence of this division.
- 4) Review internal audit plan with Internal Audit Supervisor especially in any plans concerned internal control system and financial management.
- 5) Consider and monitor budget and manpower of Internal Audit Division and bring up to Management for approval.
- 6) Consider audit plan and scope of audit of the Company's internal auditor and financial auditor as well as internal audit advisor (if any) and ensure to have good relationship and not overlapping.

6) Financial Audit

- 1) Consider, select, nominate, propose remuneration to Financial Auditor and ensure the get independent financial auditor by considering trustworthiness, resource sufficiency, audit volume of that audit organization and experiences of assigned personnel to audit the Company's finance including reviewing overall operation in the past years and considering terminate a financial auditor. Accordingly, Audit Committee shall present all opinions to the Board of Directors for next consideration.

- 2) Review scope and method of auditing and consider reasons to adjust auditing plan (in case there is an adjustment afterwards).
 - 3) Advise Financial Auditor to review or verify any transactions which are considered that they are necessary and important during auditing the Company or subsidiaries' financial statement.
 - 4) Review the Financial Audit Report, present to Management for resolutions and monitor the operation afterwards.
 - 5) Consider adequacy and effectiveness in cooperation between Financial Auditor and Internal Auditor.
 - 6) Acknowledge the Financial Audit Report without delay when there are any suspicious behaviors that the Chairman of Executive Board of Directors or any persons concerned the Company's operation committed an offence as Section 281/2 Paragraph 2 Act 305, 306, 308, 309, 310, 311, 312 or 313 of Act and process the investigation immediately as well as reporting primary investigation report to The Securities and Exchange Commission and Financial Auditor within 30 days from the date of incident report.
- 7) Laws and concerned regulations
- 1) Review the Company's compliance with Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and all other applicable legislation.
- 8) Report of Audit Committee
- 1) Audit Committee must report the overall operation to the Board of Directors' meeting for acknowledgement and consider the report at least once per quarter.
 - 2) Prepare the results of annual overall operation by showing the established transactions by the Stock Exchange of Thailand and must be signed by the Chairman of Audit Committee as well as preparing disclosure and being disclosed in the Company's Annual Report.
 - 3) During performing duties of Audit Committee, if there are any inquiries or any of following matters which may have a significant impact on the Company's financial position and results of operations, the Audit Committee must report to the Board of Director for resolution within the time that the Audit Committee deems appropriate.
 - (3.1) Conflict of Interests
 - (3.2) Corruption, irregularities or any significant errors in the internal control system
 - (3.3) Failure to comply with acts, regulations of the Stock Exchange of Thailand or other laws relevant to the Company's business.

4) If the Board of Director or Management do not process any resolutions on transactions or any actions in accordance with (3.1), (3.2) and (3.3) above within the time that the Audit Committee deems appropriate, any one of Audit Commit may be able to report transactions or any actions in accordance with (3.1), (3.2) and (3.3) to The Securities and Exchange Commission or the Stock Exchange.

9) Good Corporate Governance

- 1) Review and ensure the Company has consistent good corporate governance development procedure. Give guidelines and necessary advices for improvement.
- 2) Give priority and support the Company to set the good corporate governance to be an agenda in the Board of Directors' meeting and the shareholders' meeting.
- 3) Oversee the Chairman of Audit Committee to receive the copy of interest according to Section 89/14 of Act from Company Secretary within 7 business days from the date of report.

10) Risk Management

- 1) Review the Company's risk management to be standardized with efficiency and effectiveness.
- 2) Coordinate with Risk Management Committee and Management to consider, discuss and report the Company's risk management progress.

11) Anti-Corruption

Review the Company's business operation according to anti-corruption policies, financial statement, internal control system and internal auditing to ensure all operations in each division is effective, abide by law, related to regulations, moral and ethic. If there is any inquiries of transactions any actions which have significant impact to the Company's financial position and results of operation including corruption, the Audit Committee must report to the Board of Directors for improvement within the time that the Audit Committee deems appropriate.

12) Other responsibilities

- 1) Other duties assigned by the Board of Directors with deems appropriate from the Audit Committee. Audit Committee has responsibilities to the Board of Directors as duty and responsibility assigned from the Board of Directors. While entire activities and responsibilities of the Company to external people still under responsibility of entire Board of Directors.
- 2) Have duties as required by the regulations of the Stock Exchange.
- 3) Oversee the whistle blowing procedure in case employees or any stakeholders have inquiries or found any suspicious actions of violation, breaking the laws, rules,

regulations, ethics or corporate governance policies. Ensure the independent investigation to the whistle blower and appropriate monitoring.

- 4) Oversee special investigation as necessary.

(1) Nomination and Remuneration Committee

(A) Structure

- 1) Nomination and Remuneration Committee is appointed by the Board of Directors and composed of at least 3 members, comprising of more than half of the independent directors.
- 2) Independent Director holds position of Chairman of Nomination and Remuneration Committee.

(B) Duties and Responsibilities of Nomination and Remuneration Committee

1) Nomination

- (1) Establish the rules and policies on nomination of directors and sub-committees. Consider the appropriation in numbers, structure and director organization which is in accordance with size, type and business complication. Set the directors' qualifications to present to the Board of Directors and/or ask for approval in the shareholders' meeting.
- (2) Recruit, select and offer the qualified candidates to replace Directors who have completed their terms and/or for open positions and/or new appointment.
- (3) Perform other tasks as assigned by the Board of Directors.
- (4) Review and summarize the succession plan for executive management positions yearly and report to the Board of Directors.

2) Remuneration

- (1) Set the rules of remuneration determination of the Board of Directors and subcommittees. Present to the Board of Directors and/or ask for approval in the shareholders' meeting.
- (2) Consider necessary and reasonable remuneration in the form of money and other forms of compensation of the Board of Directors and sub-committees individually.

Remuneration of the Board of Directors and sub-committees is considered from duties, responsibilities, performance and comparing with similar industry in other companies and benefits which may receive from directors. Review and present to the shareholders' meeting for approval.

- (3) Responsible for the Board of Directors, give advice, answer the questions regarding remuneration in the shareholders' meeting.
- (4) Report policies, rules/reasons of remuneration determination of directors and sub-committees as required by the Stock Exchange of Thailand which published in the Company's Annual Report and Form 56-1.
- (5) Perform other tasks assigned by Management regarding remuneration determination. Other divisions must report or present information and concerned documents to Nomination and Remuneration Committee to support the operation and ensure the accomplishment.

(2) Executive Board of Directors

(A) Structure

- 1) Executive Board of Directors consists of directors and/or the Company's management at total of not less than 2 members.
- 2) The Board of Directors appoints one of Executive Board of Directors to be Chairman of Executive Board of Directors.
- 3) Executive Board of Directors can appoint one employee to be Secretary of Executive Board of Directors to support operations regarding the meeting arrangement, agenda preparation, document sending and minute of meeting matters.

(B) Duties and Responsibilities of Executive Board of Directors

- 1) Oversee and manage the Company's business in accordance with the laws, objectives, regulations of the shareholders' meeting, regulations of the Annual General Meeting under honesty, carefulness to the Company's benefit. Hold the Executive Board of Directors' meeting at least once a month.
- 2) Consider matters before being presented to the Board of Directors for approval and accordingly.

(A) Policies, objectives, the Company's Annual Plan

- (B) The Company's Annual Financial Budget
 - (C) Guidelines, Policies, and Investment Goals to be operational framework for Management's Operation
 - (D) Wage Rate Structure, Employee Welfare as a reasonable compensation to employees
- 3) Perform other tasks as assigned by the Board of Directors.
- 4) Authorize and approve to open deposit account and manage deposit account of domestic and oversea bank under appropriate consideration among overall financial management.
- 5) Authorize following matters under the specific scope as following details;
- (A) Control and set the Company's investment management guidelines within scope that assigned by the Board of Directors and required by laws.
 - (B) Announce rules, regulations, announcements and memos to ensure the operation is in the line with policies and the best interest of the Company and to maintain the discipline in the organization.

(3) Risk Management Committee

(A) Structure

- 1) Risk Management Committee is appointed by the Board of Directors.
- 2) Risk Management Committee consists of the Board of Directors and/or the Company's Management with total at least 3 members. Risk Management Committee appoints one member to be Chairman of Risk Management Committee.
- 3) Chairman of Risk Management Committee appoints one member to be Secretary of Risk Management Committee.
- 4) Risk Management Committee holds tenures which last 3 years each term. Risk Management Committee who completed their terms may still be re-nominated for re-election.
- 5) Besides completing the terms, Risk Management Committee will last remaining the term when pass away, resign, lack of qualifications or due to any reasons that not holding tenure of the Board of Directors or the Company's employees (as the case may be).

- 6) In case when position of Risk Management Committee becomes vacant due to reasons other than retirement by rotation, Risk Management Committee appoints one person who is qualified as mentioned above to hold a tenure which last remaining time of the tenure of the Director whom they replace.

(B) Duties and Responsibilities of Risk Management Committee

- 1) Establish a risk management policy framework and other risk management strategy which are related to business operation properly and efficiently.
- 2) Set a risk management plan and procedure throughout the organization to be guidelines in overall operations.
- 3) Set the budget or type of business according to the risk. Bring up to the Board of Directors for approval to be operational criteria on each risk category.
- 4) Oversee and ensure the measures are well communicated and employees follow those measures.
- 5) Provide the assessment and analysis of damage which may cause systematically and continuously to ensure that the risk explore are covered all procedures of business operations.
- 6) Support and develop risk management for entire organization.
- 7) Perform other tasks assigned by the Board of Directors which cover all concerned operations with other important risks to the Company.

4) Corporate Governance Committee

(A) Structure

- 1) Corporate Governance Committee is appointed by the Board of Directors and comprising of at least 3 members.
- 2) Corporate Governance Committee holds tenures which last 3 years each term. Corporate Governance Committee who completed their terms may still be re-nominated for re-election.
- 3) In case when position of Corporate Governance Committee becomes vacant due to reasons other than retirement by rotation as 2.2 that is dismissal of being directors or employees, resign or impeachment by the Board of Directors, the Board of Directors will appoint a qualified person to be Corporate Governance Committee to ensure the complete number of members as required by the Charter. Mentioned person who is appointed will hold a tenure which last remaining time of the tenure of the Director whom he/she replaces.

(B) Duties and Responsibilities of Corporate Governance Committee

- 1) Consider, set the guidelines, suggest, and propose policies / regulations of business ethics and morality as in accordance with good corporate governance. Present to the Board of Directors and Management to be the standardized organization's regulations and right guidelines.
- 2) Oversee, supervise, assess and review the policies, good corporate governance and business ethics for development and implementation of good corporate governance to International Standard.
- 3) Perform other tasks assigned by the Board of Directors.

11.1 Nomination of Directors and Management

Board of Directors Appointment

Selecting candidates to be the Company's committee will consider from qualifications as Section 68, Public Limited Companies Act, B.E. 2535 and concerned Notifications of the Stock Exchange of Thailand. Besides, The Committee selects candidates taking into account their competence, expertise in various fields which will affect good business operation with their advices, opinions from direct experience, leadership, vision, integrity, ethics transparent work experience and ability to voice their opinions independently. Then, all name lists will be presented in the shareholders' meeting for appointment consideration.

- 1) Nomination and Remuneration Committee recruits and present name of qualified person as required by the Charter to hold the position of the Board of Directors. Name will be presented in the Board of Directors' meeting for approval in the next shareholders' meeting.
- 2) The Shareholders' meeting appoints the Board of Directors. However, the appointment of the vacant position due to reasons other than retirement by rotation must be done by Nomination and Remuneration Committee by selecting qualified person as required by the Charter and presenting to the Board of Directors' meeting for approval except that tenure of those directors are less than 2 months. Accordingly, appointed directors will hold a tenure which last remaining time of the tenure of the Director whom they replace.
- 3) At every annual shareholders' meeting, one third of the total directors will be retire from their positions. If the number of directors cannot be divided by three, the directors will retire by the number nearest to one third of the total directors. Directors who are retired by

rotation may be re-elected. Directors who required to retire at the first year and the second year after registration, drawing lots will be provided. In subsequent years, the directors who have been in the longest term will retire. Besides the above retirement, the Board of Directors may dismiss from the position with following reasons;

- 1) Pass Away
- 2) Resign
- 3) Lack of qualifications which required by the Charter or having prohibited characteristics according to law
- 4) The shareholders' meeting voted the position dismissal with votes not less than three quarter (3/4) of total shareholders who attended the meeting, have the right to vote and hold shares total not less than half of total shares holding by shareholders who attended the meeting and have the right to vote.
- 5) A court order

Any directors may resign from their positions by submitting a letter of resignation to the Company. The resignation will be deemed effective from the date on which the letter of resignation is received by the Company.

Independent Directors Appointment

The Board of Directors and Nomination and Remuneration Committee will coordinate considering basic qualifications and disqualifications of persons who will hold the position of Independent Directors as in accordance with Public Limited Companies Act, applicable laws of the Stock Exchange, Notifications of the Capital Market Supervisory Board as well as announcements, regulations and concerned rules, consider from highly competent candidates' past work experience and bring up to the Board of Directors and the shareholders' meeting for appointment consideration. The number of independent directors will not be less than 3 directors and each independent qualification will accord with the Notification of the Securities and Exchange Commission No. Tor Jor 39/2559, Application for Approval and Granting of Approval for Offering of Newly Issued Shares as follows;

- 1) Hold share not more than 1% of total shares with voting rights of the Company, its parent company, subsidiary, associate company, major shareholder or the controlling

person. Accordingly, any shares held by related person with independent director will be included.

- 2) Neither being nor used to be Executive Director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company subsidiary, associate company, same level subsidiary, major shareholder or controlling person unless the foregoing status has ended not less than 2 years prior to the date of filling an application with the Stock Exchange of Thailand. Such prohibited characteristics will exclude the case where the independent directors used to be a government official or advisor of a government agency which is major shareholder or controlling person of the applicant;
- 3) Not being a person related by blood or legal registration as father, mother, spouse, sibling and child as well as spouse of child, executive, major shareholder, controlling person or nominated person to be director, executive or controlling person of the Company or its subsidiary.
- 4) Not having or having had a business relationship with the applicant, its parent company, subsidiary, associate company, major shareholder or controlling persons in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business relationship with the applicant, its parent company, subsidiary, associate company, major shareholder or controlling person, unless such foregoing relationships have ended for at least 2 years prior to the date of filing the application with the Stock Exchange Of Thailand.

The business relationship under Paragraph 1 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 three percent of the net tangible assets of the applicant or from Baht 20 Million 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) Not being or having been an auditor of the applicant, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the applicant, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than 2 years prior to the date of filing the application with the Stock Exchange of Thailand.
 - 6) Not being or having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than two million baht per year by the applicant, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than 2 years prior to the date of filing the application with the Stock Exchange of Thailand.
 - 7) Not being a director who is appointed as the representative of directors of the applicant, major shareholder, or shareholder who is a connected person of a majority shareholder.
 - 8) Not undertaking any business of the same nature and in significant competition with the business of the applicant or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning regular monthly salary, or holding more than 1% of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the applicant or its subsidiary.
 - 9) Not having any other characteristics that cause the inability to express independent opinions on the business operation of the applicant.

Audit Committee Appointment

- 1) Nomination and Remuneration Committee recruits and presents qualified person as required by the Charter to hold the position of Audit Committee. Name will be presented in the Board of Directors' meeting for the consideration.
- 2) Audit Committee has 3 years of each term from the date of appointment.

- 3) Audit Committee who completed their tenure may be re-elected but not an automatically extension.
- 4) Audit Committee may resign from the position at any time before the tenure by informing and submitting a letter of resignation with reasons to the Company. The Company will send copy of a letter of resignation to the Stock Exchange of Thailand as well as delivering to The Securities and Exchange Commission.
- 5) In case when position of Audit Committee becomes vacant due to reasons other than retirement by rotation, the Board of Directors will appoint a qualified person to be Audit Committee to ensure the complete number of members. A person who is appointed will hold a tenure which last remaining time of the tenure of the Director whom he/she replaces.
- 6) Audit Committee may dismiss from position when
 - (A) Termination
 - (B) Complete the tenure
 - (C) Lack of qualifications of Audit Committee
 - (D) Pass Away
 - (E) Resign
 - (F) Be Impeached
 - (G) Serve a term of imprisonment or any legitimate order of imprisonment except offenses committed by negligence or misdemeanor
 - (H) Be an incompetent person or a quasi-incompetent person
 - (I) Be a bankrupt
- 7) If there are less than 3 Audit Committees, the Company should hasten the new committee appointment instantly or at least within 3 months from the date of incomplete audit committees to ensure the operations continuity of the Audit Committees which is related to regulations of maintaining the listing status on the Stock Exchange of Thailand.

Supervisory of Subsidiaries and Associate Companies' Business Operation

The Company will invest as the policy that the Board of Directors approved. Investment in subsidiaries or associate companies in case of approval, the Company will supervise by sending the Company's representative which is director to be a representative in subsidiary or associate company at

least as proportion of the Company's shareholding and follow the regulations of the Stock Exchange of Thailand which regarding related transactions or acquisition and disposition of assets strictly. In the event that may have a significant impact to the Company, the Board of Directors' meeting must approve the transactions.

Internal Information Usage Policy

The company realized the importance of internal information control to be in line with good corporate governance, adhere with good governance, honesty in business operation and to ensure that an investor in the Company's assets receive reliable information equally and in time. The Company has set the internal information regulations and securities trading regulations of Executive Board of Directors and employees to be in accordance with applicable assets laws and focus on business transparency which can be summarized as follows;

1. Directors, Executives and the Company's employees who receive internal information, must not be the Company's financial information or any internal information that has impacts on the change of securities price which is not disclosed to public or the Stock Exchange of Thailand for purchase or sell the Company's securities which may be personal gain and others gains by avoid or refrain doing so during 30 days prior to the public disclosure and at least 2 business days after the disclosure to the public.
2. The Company has duties to disclose information of important business operation to public thoroughly by media and the method which is required and set by the Stock Exchange of Thailand and the Company's information disclosure policy and through other media of Investor Relations and Public Relations to ensure the information reach all investor group in good time and equally.
3. The Company has strict discipline of computer and information security protection to ensure that information is secure and not disclosed. Accordingly, the Company has limited to access internal information which is not disclosed to public but only to concerned person such as Finance and Accounting Officer, Investor Relations Officer and Corporate Governance Officer.

If there are any actions which violate the above rules and disciplines, the Company will apply the disciplinary actions as deems appropriate such as verbal warning, written warning, salary reduction, suspension, termination without compensation or legal action.

Audit Fees

The Company and subsidiaries' financial statement were audited and reviewed by Miss Nopanuch Apichatsatien, Certified Public Accountant No. 5266, PricewaterhouseCoopers ABAS Ltd. Audit fees of 2017 and 2018 were total Baht 2.60 Million and Baht 2.79 Million (Total Audit Service Fee).