



# **Corporate Governance Policy**

**(Revision No.3 Dated 21 September 2016)**



## Table of Content

Subject	Page
Message from Chief Executive Officer	1
Corporate Governance Policy	2
Definition of Keywords	3
Vision, Mission, Common Value, and Corporate Culture	4
Section 1 Right of Shareholder	5
Section 2 Equal Shareholder Treatment	9
Section 3 Role of Stakeholder	12
Shareholder	12
Customer	12
Business Partner	12
Competitor	13
Creditor	13
Government Sector Treatment	13
Staff	13
Community and Society	14
Environment	14
Occupational Safety and Health Emphasis	14
Disclosure of Policy Compliance and Preparation of Social Responsibility Report	15
Section 4 Information Disclosure and Transparency	16
Section 5 Responsibility of the Board	18
Director Structure	18
Independence of Director	18
Role, Duty and Responsibility of the Board	20
Scope and Authorization of the Board of Directors	21
Appointment and Office holding term of the Director	22
Meeting and Quorum	22
Sub-Committee	23
Management Committee	24
Role and Duty of Chief Executive	25
The Company's Secretary	25
Criteria of Director and Top Executive Nomination and Remuneration	26
New Director Orientation	26
Determination of Number of the Director Position Holding Companies in Other Companies	26
Performance Appraisal for the Board of Directors and Sub-Committee	26



Remuneration of the Board	27
Knowledge Development for Director and Executive	27
Succession Plan for Top Executive Position	27
Practical Guideline for Management and Internal Control	28



**Message from Chief Executive Officer**

As Syntec Construction Public Company Limited (“Company”) realizes on the significance of good corporate governance and is confident that good corporate governance shall promote the Company to have competitive potential, leading to business growth and also building confidence to the stakeholders for all parties to be consistent with “Principle of Good Corporate Governance for the Listed Company for 2006”, the Company therefore has approved the corporate governance policy according to the Board of Directors’ Meeting on 21 December 2007 as practical guideline of the Company’s director, executive and staff so that the operation shall be in line with good corporate governance plan.

The Company aims at operating according to the guideline for good corporate governance under regular consideration and review of the said principle to be consistent with vision, mission, objective and guideline for the Company’s operation and in line with rule and regulation determined by the regulating agencies. However, the Company has considerably hoped that all directors, executives and staffs shall be cooperative in study and strict compliance with Corporate Governance Policy (Revision No. 3 Dated 21 September 2016) to carry the Company to attain the determined target as well as creation of sustainable stability and growth accordingly.

Mr. Somchai Sirilertpanitch  
Acting for Chairman of the Executive Board  
Syntec Construction Public Company Limited  
21 September 2016



### **Corporate Governance Policy**

Syntec Construction Public Company Limited (“Company”) realizes on the significance of management according to the principle of good corporate governance whereas the meaning of Corporate Governance is defined according to the meaning of the Stock Exchange of Thailand that it is the system of which the structure and process of relationship between the Board, Management and shareholders are organized for competitiveness, leading to growth and value addition to its shareholders in long run under concern on other stakeholders. The good principle and practical guideline of corporate governance are classified into five as follows.

1. Right of Shareholder
2. Equal Shareholder Treatment
3. Role of Stakeholders
4. Information Disclosure and Transparency
5. Responsibility of the Board

The objective is the honest, transparent, fair and accountable business operation of the Company for effective operation and formulated target attainment.

The Board of Directors therefore has prepared Corporate Governance Policy Manual containing the detail of guideline for good corporate governance, practical guideline for management, role and duty of the Board of Directors, and internal control. However, corporate governance policy has been disseminated on the Company’s website for acknowledgement of the outsider and internal communication so that the director, executive and staff shall understand and can apply them for operation.



### Definition of Keywords

Company	means	Syntec Construction Public Company Limited
Managing Director	means	Chief Executive or the person with equivalent role and duty
Independent Director	means	Independent director of the listed company from the major shareholder or the group of the major shareholders and the executive of that company whereas the said director shall be completely qualified according to the criteria determined by Capital Market Supervisory Board
Non-Executive Director	means	The non-executive director who is irrelevant to regular management of the said company.
Sub-Committee	means	Sub-Committee established to contribute to study and screen any area of work.
Audit Committee	means	Sub-Committee established to perform the duty in governing the preparation of financial report, govern the preparation of proper and complete financial reports and information disclosure to be in line with the reporting standard under adequately concise internal control and internal audit standard. However, the element, qualification and duty of the Audit Committee shall be line with the announcement prescribed by Capital Market Supervisory Board and the Stock Exchange of Thailand.
Nomination and Remuneration Committee	means	Sub-Committee established by the Board to perform the duty in considering remuneration of the director and top executive, and perform the duty in nomination of the director and top executive.



## **Vision, Mission, Common Value and Corporate Culture**

### **Vision**

We shall be the leader in construction industry with effectively continuous development on quality, time, expense, safety, and social and environmental responsibility.

### **Mission**

- Develop the personnel to possess skill, knowledge, competency and expertise in construction work to acquire high quality achievement.
- Develop work method applying innovation for leadership building.
- Efficiently manage cost for competitiveness enhancement.
- Retain the contractual mission for customer confidence and satisfaction creation.
- Construct under concern on standard safety and social and environmental responsibility.

### **Common Value**

Common value between in-house people is created for unity and expectation that everyone “works in team with love and concord as SYNTEC family that has virtue and awareness of environmental care.”

### **Corporate Culture**

The Company has forcefully built and complied with its culture for long time as if high rise building construction. The significance is at the secure and solid foundation laying. The Company’s culture is the same. When it is practiced and transmitted from generation to generation, everyone can be converged in the Company as unanimity and mutually overcome obstacle for maximum benefit of working efficiency creation under below mutual agreement.

- We shall mutually help in working.
- We shall mutually share resources and worthily use them as much as possible.
- We shall mutually develop organization.
- We shall mutually open mind and discuss.



## Section 1 Right of Shareholder

### Principle

The basic right of the shareholder includes trading or transfer of shares, business profit sharing, acquisition of adequate business news and information and meeting attendance for exercise of his or her right in voting right in the Shareholders' Meeting for appointment or removal of the director, appointment of the auditor, and affected issue of the Company such as dividend allocation, determination or revision of Articles of Association and Memorandum of Association, capital increase or decrease, and approval of special transaction, etc.

Therefore, the Board of Directors realizes and gives precedence to the shareholder's right, without performing any act which is the violation or diminishing of the shareholder's right.

### Practical Guideline

#### 1. Shareholders' Meeting

1.1 Hold the Shareholders' Meeting in not exceeding 120 days from the date of accounting year end period by giving the shareholders the opportunity to have right to propose and add the meeting agenda, nominate the qualified person who will hold the director position, and send queries required for response to the Shareholders' Meeting in advance before the Company will deliver Meeting Convocation Notice. The shareholders shall be notified about the proposal method and proposal expiry period via news system of the Stock Exchange of Thailand and the Company's website.

1.2 Deliver General Meeting of Shareholders Convocation Notice and meeting documentation both in Thai language and English language containing (1) map of meeting holding venue, (2) information detail for each agenda, (3) Annual Report, (4) Proxy Form B, (5) information of independent directors specified by the Company to be proxy from shareholder so that the shareholder can use the said information in case that the said shareholder intends to select the independent director as the proxy, (6) explanation that whichever document or evident shall be presented by the shareholder in the meeting attendance, (7) Articles of Association in the part related to the Shareholders' Meeting for all shareholder in advance prior to meeting for at least 21 days for opportunity giving to shareholders to have time in studying the detail of each agenda.

1.3 Disseminate Meeting Convocation Notice, meeting documentation both in Thai language and English language via the Company's website, notify news via Stock Exchange of Thailand for at least 30 days in advance, and publicize Shareholder's Meeting Convocation Notice in newspaper for 3 consecutive days so that the shareholders can thoroughly recognize news as much as possible.

1.4 In case of inconvenience to attend the meeting by presence, the shareholder can authorize other person or independent director. The Company shall deliver Proxy Form B together with Meeting Convocation Notice to the shareholders prior to the meeting date in advance.

1.5 Facilitate and encourage the shareholders and institutional investors to attend the Shareholders' Meeting by preparing the document of at least one (1) independent director to be authorized from the institutional investor.





1.6 Facilitate and encourage the shareholders to attend the Meeting by selecting meeting holding venue whereas the space is adequate for number of meeting attending shareholders, and convenient for travel. In addition, the clear meeting holding venue map shall be enclosed in Meeting Convocation Notice.

1.7 Shareholders' Meeting Convocation Notice shall completely specify detail of meeting date, time, venue and agenda, as well as clearly specify objective, reason and opinion of the director in each agenda under significant agenda as follows.

- Director Consideration and Appointment Agenda specifies name, surname, age, educational background and working history, number of the director position holding companies by separating into the listed company and general company, nomination criteria and method, type of the directors proposed for appointment, shareholding in the Company, meeting attendance information in last year, and appointing date, month and year as the Company's director.

- Auditor Consideration and Appointment Agenda clearly specifies name of at least two (2) auditors, the subordinate company, the auditor's license, number of the audited years for the Company, opinion of the Audit Committee toward the proposal of the auditor's appointment, as well as the aspects of the auditor's independence and remuneration.

- Dividend Payment Consideration and Approval Agenda informs the Company's dividend payment policy, dividend ratio proposed for payment in comparison with net profit together with reason, supporting information, comparative information for dividend payment ratio in last year. In case that dividend payment suspension is proposed, the clear consideration supporting reason and information shall be notified.

1.8 Facilitate the shareholders to fully exercise right to attend the meeting and vote and omit to perform any act that limits the shareholder's opportunity to attend the meeting such as meeting attendance for voting and resolving without the complicated method or expense.

## 2. Execution in the Shareholders' Meeting Date

2.1 Schedule meeting holding date, time and venue under concern on the meeting attending convenience of the shareholder without holding the meeting in public days or bank holidays of Siam Commercial Bank from three (3) consecutive days and over.

2.2 Apply barcode system technology and shareholders' meeting holding program in the meeting whether registration, voting, vote count, and result display so that the meeting can be rapidly, properly and accurately carried out. Stamp duties are arranged to facilitate the authorizing/authorized shareholders.

2.3 Give the shareholder the opportunity to nominate the shareholder's representative who is the independent person and the verifier of vote count in the meeting for confidence building to the shareholders.

2.4 Notify the number/proportion of the shareholders by presence and the shareholders by proxy, clarify the method of the shareholder's voting and vote count according to Articles of Association, prior to the meeting's commencement. In addition, the voting ballot shall be used for each agenda so that the shareholders can exercise their voting right, and disclose voting result in each agenda in the Shareholders' Meeting, specifying shareholder voting result for agreed, disagreed and voting abstained resolution.



2.5 Carry out the meeting to be in line with Articles of Association and agenda determined in Meeting Vocation Notice, and avoid the addition of other agenda which is not determined in advance in the Shareholders' Meeting. This shall be deemed as unfair for the non-meeting attending shareholders.

2.6 The Chairman and the Board of Directors, the Chairman of the Sub-Committee for every set, and the Company's Secretary as well as the Company's auditor shall attend the Shareholders' Meeting every time to mutually respond queries in the relevant aspect.

2.7 Chief Executive Officer and/or Managing Director (Chief Executive of the Company and Chief Financial Officer) shall attend the Shareholders' Meeting every time for mutual response of query in the relevant aspect.

2.8 Give shareholder the opportunity to vote and select the director in individual persons, distribute and keep the voting ballots from all meeting attending shareholders (whether in case of agreeing, disagreeing and abstaining for voting) so that the shareholders shall have true right to select the required director.

2.9 In Annual General Meeting of Shareholders, all forms of director remuneration such as regular remuneration, meeting allowance, bonus/pension and other privileges shall be regularly proposed to the shareholders for consideration and approval every year. In addition, the remuneration determination policy as well as remuneration giving criteria for each director position shall be proposed to support the shareholder's consideration.

2.10 Give shareholder the opportunity to inquire/express the opinion in the meeting whereas the Company shall completely respond the shareholder's queries in significant aspect.

### 3. Preparation of the Meeting Minutes and Disclosure of Resolution of Shareholders' Meeting

#### 3.1 Prepare Minutes of Shareholders' Meeting under below significant detail.

- Record the quorum requirement according to law and according to Articles of Association, requirement of the voting method in the Shareholders' Meeting according to the Articles of Association, the voting and vote count procedure; and summarize the announcement and invitation result for advance proposal of meeting agenda for acknowledgement of the shareholder prior to meeting commencement.

- Record the aspect of query and response inquired by the shareholder, or propose the opinion in various agenda in the meeting so that the non-meeting attending shareholders for acknowledgement.

- Clearly record the meeting resolution and record number of votes in each agenda whether agreeing, disagreeing, and abstaining for voting in each agenda with voting.

- Record name list and position of the director who attends the meeting and the director who take leave from the meeting for verification on the participation of the director in each meeting.

#### 3.2 Disseminate Minutes of the Shareholders' Meeting under below significant detail

- Disseminate the resolution of the Shareholders' Meeting via news system of the Stock Exchange of Thailand and the Company's website within the following working day. The said resolution shall specify the resolution result (agreed/disagreed) and voting result (agreed/disagreed/abstained for voting) in each agenda.

- Disseminate the unabridged edition of the Minutes of Shareholders' Meeting via the Company's website, and deliver Minutes of Meeting to Stock Exchange of Thailand within 14 days from the meeting date.



- Disseminate recording tape of the meeting in the Company's website.
4. Clearly disclose the shareholding structure in the Company and in subsidiary, which is verifiable without cross shareholding in the group of the Company.
  5. The Company has more than 40% for shareholding proportion of minor shareholders (Free Float) and the Board of Directors of the Company shall hold total shares for not over than 25% of the issued shares of the Company.
  6. Equally treat shareholders in the matter of buyback of share and giving shareholders the opportunity to enable to mutually communicate.
  7. The Company has no agreement between the shareholders that will significantly affect the Company or other shareholders.

## **Section 2 Equal Shareholder Treatment**

### **Principle**

The Company gives precedence to the basic right of the shareholder, promotes shareholder to exercise his or her right according to legal requirement. In addition, the Company also equally treats all shareholders without concern on number of holding shares, race, religion, social position, or political opinion so that the shareholder trusts and is confident on the investment and creation of the confidence to the shareholder that the Board and the Management shall oversee the money spending of the shareholder to be appropriate and to be the significant factor in confidence on investment with the Company. The Board therefore should govern the shareholder to be equally treated and protected for basic right as mentioned in the principle in Section 1 of Right of the Shareholder.

The Board should arrange the Shareholders' Meeting Process in the supporting nature for equal treatment to all shareholders. The equal treatment to all shareholders shall be determined. In addition, the policy shall be determined to give minor shareholders the opportunity to enable to nominate the name of the person to assume the director position in reasonable time in advance, to give shareholder who is unable to attend the meeting by presence can exercise his or her voting right by authorizing other person to attend the meeting and resolving instead, and to give minor shareholder the opportunity to enable to propose the addition of the meeting agenda prior to the Shareholders' Meeting in advance.

The Board should have protection measure in case that the director and executive uses inside information to wrongfully exploit for self-benefit or other person's benefit (abusive self-dealing) which is taking advantage against other shareholder, such as insider trading in securities, and use of inside information for disclosure to the person related to director and executive should be taking advantage or may cause overall damage to shareholders, etc.

The Board should determine the director and executive to disclose information about their gain and loss and other person's gain and loss so that the Board can consider the Company's transaction that may have conflict of interest, and can make decision for overall benefit of the Company. However, the director and executive who have gain and loss with the transaction performed with the Company should not participate in making decision on performing the said transaction.

### **Practical Guideline**

#### **1. Information Provision Prior to Shareholders' Meeting**

1.1 Grant the voting right to all types of shareholders in the way of one share per one vote for equality of the shareholder.

1.2 Prepare the meeting-related documents such as Shareholders' Meeting Invitation and Convocation Notice, Proxy, Minutes of Shareholders' Meeting, Annual Report both in Thai language and English language, and prepare the Company's website in both languages for dissemination to both Thai people and foreigners

1.3 Disseminate the unabridged edition of Shareholders' Meeting Convocation Notice on the Company's website at least 30 days prior to meeting date in advance, notify via website of the Stock Exchange of Thailand within the same day, and deliver by post to the shareholder at least 21 days prior the meeting date in advance.

1.4 Facilitate the shareholder, who is unable to attend the meeting by presence, can authorize other person or independent director by advance delivery of Proxy Form B together with Meeting Invitation and Convocation Notice to



shareholders prior to the meeting date. The delivered Proxy shall clearly specify the detail, document, evidence required for use, and advice of the authorization procedure.

1.5 The Company does not determine rules or conditions that cause difficulty of authorization to other person for meeting attendance instead. It just determines the document certification by the attorney and the proxy only for confirmation that the right to attend the Shareholders' Meeting is properly exercised and granted.

## 2. Protection of the Minor Shareholder's Right

2.1 Channel for participation of the minor shareholders in the Company's management shall be available by giving minor shareholder the opportunity to enable to propose the addition of the meeting agenda, nominate the name of the qualified person, to be considered on appointment of the Company's director prior to the Shareholders' Meeting. The Company shall notify the shareholder for acknowledgement via website of the Stock Exchange of Thailand and the Company's website.

2.2 The Company shall not add the meeting agenda which is not prior-notification without necessity, particularly the significant agenda that must take time by the shareholder in studying the information prior to decision making.

2.3 Give shareholder the opportunity to exercise the right to appoint director in individual persons.

## 3. Protection for the Use of Inside Information

The Board shall announce the application of the policy for information disclosure, use of inside information and confidentiality, as part of the Manual of the Company's Business Code of Conduct that create confidence on strict compliance. The said guideline shall be notified to everyone in the organization to adhere and practice, and disclosed in Annual Report. The practice of the said guideline is as follows.

3.1 The director, executive and staff shall not use the inside information of the Company and the information of the Company's business partner for self-benefit, or use inside information for other person. In addition, the director, executive and staff shall keep secret and inside information in the responsible part not to be leaked to other person and the Company's irrelevant personnel.

3.2 Limit the access to inside information which has not yet been publicly disclosed and it has been recognized particularly by the relevant person only.

3.3 The disclosure of the Company's information shall be performed by the personnel who has the duty to disclose information. The personnel without authority are unable to disclose the information.

3.4 The duty of all directors, executives and staffs is to protect and retain inside information, and not exploit benefit from acknowledged inside information even though they are free from the Company's staff status.

3.5 The duty of the director and top executive is to report the security possession and report the change in security possession under Section 59 of Securities and Exchange Act B.E. 2535 (1992) within three (3) working days from the buying, selling, transfer or transfer accepting date to the Office of the Securities and Exchange Commission, gather for regular reporting to the Board of Director, and disclose in Annual Report.



3.6 The director and top executive should avoid selling, buying, transfer or transfer accepting of the Company's securities in one month period before public disclosure of the Company's financial statements; and should wait for elapse of 48 hours so that normal trading shall be started.

3.7 The person who disclose the inside information which has not yet been permitted and information which has not yet been publicly disclosed until resulting in damage to the Company, shall be legally liable.

#### 4. Stakeholding of the Director

4.1 Determine the director with gain and loss to report his or her stakeholding at least prior to consideration on the said agenda, and record in the minutes of the Board of Directors' Meeting whereas the participation in the meeting for consideration on the said agenda shall be refrained.

4.2 Disclose the detail and reason to perform the connected transaction which is within scope of information disclosure or approval request from the shareholder according to the requirement of the Stock Exchange of Thailand. The name and relationship of the connected person, pricing policy, transaction value, and opinion of the Board about the said transaction, shall be clearly and carefully disclosed for the shareholder's acknowledgement without violation or non-compliance with the regulations prescribed by the regulating agencies in connected transaction performing.

4.2 Disclose that the inter-transaction performing is fairly performed based on market price and according normal trade business, and disclose the said transaction in the Company's Annual Report.

5. The Company has no business group-type structure with inter-transaction performing in the way that may have conflict of interest. If considering from the shareholding structure and level of inter-transaction performing within the business group under consideration on the Company's revenue and expenditure from business doing in the group, and comparison of total revenue and expenditure. However, the performing level of transaction either being revenue or expenditure shall not be less than 25%, except the case that it is the normal business transaction performing, and the case that it is the transaction performing with subsidiary or associated company that has none of the connected person who holds shares more than 10%.

6. The Company has no financial aid provision policy such as money lending or credit guarantee to the company which is non-subsiary of the Company except in case of lending or loan guarantee according to shareholding proportion under joint venture contract and upon consent from the Board of Directors.

7. The Company is careful for security trading not to be in the nature of violation and non-compliance with the rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

8. Determine the policy that the director and top executive shall notify the Company for prior-acknowledgement at least one (1) day in advance before security selling/buying via Rules and Regulations Section, and monthly report the Board of Directors' Meeting for acknowledgement.



### Section 3 Role of Stakeholder

#### Principle

The Company gives precedence to the right of all groups of stakeholders such as shareholder, customer, staff, business partner, competitor, as well as social and environmental responsibility, to ensure that all groups of stakeholders are well supervised according matters of law and relevant set of regulations, without any action which is the violation of the stakeholder's right. The compensation measure shall be available in case that the stakeholder is damaged from right violation.

#### Practical Guideline for Each Group of Stakeholders

##### 1. Shareholder

1.1 Honestly function as well as prudently, carefully and fairly make decision on any action to every shareholder for overall maximum benefit of shareholder.

1.2 Equally, regularly and completely disclose the financial and non-financial reports and turnover of the Company to shareholders on fact basis.

1.3 Treat shareholder according to the criteria of good corporate governance in the Section of Shareholder Right, give precedence to holding of Annual General Meeting of Shareholders under compliance with the principle of evaluation on the General Meeting of Shareholders' holding quality prescribed by the Office of Securities and Exchange Commission, Stock Exchange of Thailand and Thai Investors Association.

##### 2. Customer

2.1 Honestly and fairly treat customer under equal responsibility toward all customers without specific discrimination against any person.

2.2 Construct the projects to be consistent to the customer objective and comply with the working profession standard, work quality and delivery according to the contractual terms.

2.3 Disclose information related to service works of the project constructions in all procedures from startup of the project construction until work completion for customer.

2.4 Strictly comply with the conditions entered with the customer and hurriedly notify the customer for acknowledgement in case of compliance failure for mutual consideration on finding the corrective guideline.

2.5 Keep the customer secret and not use the customer information for self-benefit or the relevant person's benefit.

##### 3. Business Partner

3.1 Equally treat every business partner based on the fair and reasonable return gaining for both parties.

3.2 Comply with unfair anti-competition policy, and give the opportunity to all business partners to equally offer goods and services without barrier not to permitting any business partner to participate in competition. The Company shall select the business partner as appropriate.



3.3 Strictly comply with the agreed contract and conditions and urgently notify for mutual consideration on finding the corrective solution in case of compliance failure for any clauses of the condition.

3.4 The contract and/or condition with the business partner shall be clearly and fairly entered under the same standard of the contractual form.

3.5 Give precedence to duly payment to business partner as agreed.

3.6 Not seek for secret information of the business partner with dishonest method.

#### 4. Competitor

4.1 Have fair policy and practical guideline for competitor responsibility and practice under the covenant framework of free and fair competition within the legal framework.

4.2 Not seek for secret information or information that affects the decision making of the business competitor with dishonest method or improper method.

4.3 Not discredit the business competitor's reputation with adverse accusation.

4.4 Support and promote free and fair trade without monopoly, or determination that the Company's customers shall do business with the Company only.

4.5 Support collaboration with the business competitor which is useful for consumer and not for monopoly of revenue and market share allocation.

#### 5. Creditor

5.1 Strictly comply with the condition entered with the creditor in debt settlement, collateral supervision, guarantee condition, capital management and other fair conditions.

5.2 Properly and completely report financial position to the creditor according to the terms in loan contract.

5.3 Report creditor if failing to comply with the contractual condition and mutually find the corrective guideline.

#### 6. Government Sector Treatment

The Company strictly observes laws and rules prescribed by the government sector whether it is payment of tax and other expenses, supports government policy for national benefit and performs none of any acts that violates labor, employment, consumer, trade competition, and environmental laws.

#### 7. Staffs

7.1 The Company's children and human right respect policy gives precedence to the respect of humanity dignity, liberty right and equality of the person without segregation of any race, sex, age, skin color, religion or status which is not related to the direct working.

7.2 Give equal employment opportunity for the disabled and lady whereas the number and detail of the in-house staffs are clearly disclosed.





7.3 Have clear and concrete policy for staff remuneration and welfare determination, and disclose the practice for supervision on remuneration and welfare which is consistent with the Company's operating result both in short-term and long-term of the staff. The remuneration shall be considered to be equivalent to the same type of business group. In addition, welfare shall be arranged to staffs more than the law requirement such as provident fund for indication of fair practice of the Company on long-term staff care.

7.4 Have personnel development guideline as part of Manual of the Company's Business Code of Conduct that has concrete practical guideline and encourages the Company's personnel from staffs until top executives to attend the training for learning necessary skills to reinforce working efficiency. The figure of annual average number of staff training hours shall be disclosed in Annual Report.

7.5 Give the staffs the opportunity to mutually express the opinion in various issues and accept the right of integration and mutual bargaining of the staff.

## 8. Community and Society

8.1 Have fair social responsibility policy and practical guideline without any actions that damage community, society and public benefit.

8.2 Support social activity organizing and focus social and community development whereas it is determined to be social and business innovation development policy which is clearly disclosed.

8.3 Responsible for community, nearby houses and society, under strict action according to labor, employment and consumer laws, and relevant regulations and laws of construction works.

## 9. Environment

9.1 Comply with the environmental management policy which is regarded as the part of the Company's Business Code of Conduct whereas it shall be executed under the determined environmental regulation and law that covers building quality, noise level, vibration and sewerage.

9.2 Comply with the effective resource consumption policy, and support environmental conservation, promote knowledge provision and training for staffs in the matter of environment, as well as campaign effective energy and resource consumption.

## 10. Emphasis on Occupational Safety, Health and Environment

The occupational safety, health and environment policy and measure shall be regarded as part of the Manual of the Company's Business Code of Conduct. It is the obvious and concrete policy regarding to the care of sanitation and safety in various forms as the result of the occurred accident, fire, occupational injury and errors, preservation of the safe occupational environment for the staffs, and disclosure of the statistics of accident occurrence, off rate and occupational illness rate in Annual Report.



### **Disclosure of Policy Compliance and Social Responsibility Report Preparation**

1. Not demand, not receive or pay any interest which is mercenarily dishonest against the business partner and customer, under action of the Company's anti-corruption policy, assessment of risk in part of the relevant works, follow-up of the assessment from the relevant work unit, and training and knowledge provision for the said policy to staffs.

2. Execute according the Company's intellectual property respect policy under the clear practical guideline that will not perform any acts which infringes intellectual property whether being copyright, patent or trademark.

3. The Company has whistle-blowing policy and measure that gives the stakeholders and staffs the chance to enable to directly notify the Board of Directors about the clues of offence, corruption, right infringement or other issues that may be the problem. The Board of Directors has entrusted the relevant work section to investigate and report to the Board of Directors under the Company's guideline for offence whistle-blower protection.

4. The Company shall prepare sustainable development reporting in social responsibility in Annual Report and disclose on the Company's website.



## Section 4 Information Disclosure and Transparency

### Principle

The Company shall operate under transparency, accountability, compliance with the Principle of Good Corporate Governance, supervision of the proper, complete and timely information disclosure, and equal information access of all parties according to the criteria of the Office of the Securities and Exchange Commission, and Stock Exchange of Thailand via the channel of easy information accessibility by all relevant parties. Apart from dissemination via the Stock Exchange of Thailand's website, the Company also disseminates in the Company's website which is prepared in Thai language and English language.

### Practical Guideline

#### 1. Information Disclosure

The Company shall properly and completely disclose the key information related to the Company both of financial information and non-financial information. Besides the Company shall disseminate the information according to the determined criteria via the channel of the Stock Exchange of Thailand, Annual Registration Statement (Form 56-1), and Annual Report, the Company also discloses the information via the Company's website whereas the information is always revised to be updated. The information shall be disclosed as follows.

1.1 Disclose the shareholders and/or investors for acknowledgement on ownership structure for the business invested by them and their rights in comparison with other shareholders, as well as disclose the shareholding structure of the group of the companies to indicate the real regulator of the Company.

1.2 Disclose the structure of business group, structure of the Company's latest shareholders, structure of the major shareholders, and proportion of minor shareholders to be clearly presented for acknowledgement of the information user about the real shareholders of the Company.

1.3 Disclose both direct and indirect shareholding of the director and executive, as well as disclose the change in share possession by showing the number of holding shares at the beginning of the year, the end of the year, and upon trading during the year in Annual Report.

1.4 Indicate the factor causing the major risk of the Company's business operation whereas nature of risk, cause and impact, as well as risk prevention or abatement guideline.

1.5 Disclose the Company's objective/long-term target, including the nature of business engagement and competitive situation as well as competitive status and potential of the Company.

1.6 Disclose the information of financial position, operating result, financial statements which are unqualified certified by the auditor, auditor's report, analytic explanation about financial position, operating result, significant changes as well as factor which is causative or affects financial position.

1.7 Disclose the information of the director and sub-committee, specifying name-surname, age, position, educational background, experience, shareholding proportion, director office holding in other listed company under clear separation of the topic of the listed company and other companies, the appointing date/month/year as director in the first time, type of director, number of meeting times, number of times for each director in meeting attendance, development and training attendance.



- 1.8 Disclose the non-financial indicator of the Company's operating result such as customer satisfaction level.
- 1.9 Disclose the criteria of director remuneration payment, clearly and transparently explicating the detail for the types of monetary and non-monetary remunerations obtained by each position of director under consideration of the Nomination and Remuneration Committee.
  - 1.10 Clearly disclose policy and form for remuneration given to top executive.
  - 1.11 The Company has dividend payment policy and the shareholders shall be clearly informed.
2. The Company's director and executive shall report share trading, change in the Company's security possession to be in line with the criteria of the Office of the Securities and Exchange Commission, and report to the line superior and the Board of Directors' Meeting.
3. Inter-transaction performing shall be considered and approved from the Board of Directors and disclose the details by specifying the name of the persons who perform inter-transactions, relationship, transaction nature, price condition/policy, and transaction value and practical guideline.
4. The director and the executive shall report to be aware of their stakeholding or other relevant person's stakeholding whereas the gain and loss is related to the Company's or the subsidiary's business management according to the criteria, condition and method determined by Capital Market Supervisory Board.
5. Equally and fairly treat each group of stakeholders. Therefore, there shall be whistle-blowing policy and measure, and arrangement of complaint receiving channel if the stakeholder is affected from the Company's business operation from the staff operation, corruption or improper and unfair act, as well as suggestions. The Company also has monitoring process leading to fact as well as whistle-blowing protection measure.
6. Employ the accepted independent and qualified auditor upon consent from the Office of the Securities and Exchange Commission; and disclose audit fee and other service charges in Annual Report.
7. Open the communication channel for the Company's information whereas the meeting shall be held for the executives to meet the security analyst (Analyst's Meeting) and Subgroup Typed Analyst's Meeting, whereas the Managing Director is the informant. In part to telephone query response to the reporter, analyst, institution, investor, shareholder or general interested person, the investor relations officer shall be the informant.
8. Establish Investor Relations Work Unit and the convenient contact channel to perform the duty in communication with the investor, security analyst and shareholder. The Company's information shall be disseminated in appropriate time via the telephone and website channels and the channels of Stock Exchange of Thailand and Office of the Securities and Exchange Commission.



## **Section 5 Responsibility of the Board**

### **Principle**

The role of the Board of Directors is the leadership in charge in business management for benefit. The duty is to formulate target, strategy and policy of the business operation, as well as monitor the operation and disclose the Company's information. The Board shall function with responsibility, caution and prudence, honesty for the Company's maximum benefit and fairness for the relevant person under the principle of good corporate governance. In addition, the role and duty is to govern and control the Management to execute according to the determined policy.

### **Practical Guideline**

#### **1. Structure of the Board**

1.1 The structure of the Board consists of the diversified qualified persons with specialized skills, experiences and competencies which are useful for the Company. The Company has determined the policy for the variety of the Board's structure consisting of sex, age, educational level and professional skill. In addition, the Board and the executive shall never be the staff or the partner of the external audit firm that the Company uses its services in last two years period.

1.2 The Board shall disclose the policy for determination of various elements of the Board as well as number of director office holding years in the Company for each director in Annual Report and on the Company's website.

1.2.1 Disclose the director nomination method, and number of director office holding years in the Company for each director in Annual Report and on the Company's website.

1.2.2 Disclose name list of the director, biography, qualification and working experience via Annual Report and on the Company's website.

1.2.3 Clearly disclose the information in Annual Report that which director is not executive / independent director / executive director.

1.3 Have appropriate and adequate size for effective function in the number which shall not be less than 5 persons but should not exceed 12 persons.

1.4 The Board consists of the independent directors who can freely comment about the Management's working.

1.5 Specify number of office holding years in each term but not specify number of the longest consecutive office holding terms.

However, when any person is appointed as the Company's director, the Company shall be prepared for directorship to recognize the director's responsibility and the Company's operation policy, as well as creation of knowledge and understanding on the Company's business.

#### **2. Independence of Director**

The director's duty is to diagnose, express opinion, make decision and vote in the important issues for the Company's operation. If the decision making of the director is under working pressure or gain and loss situation in the issue required for making decision, it will affect decision making to be distorted or decision making that sympathize



oneself and intimate or for self-interest. Therefore, the independence of the director is the issue required for considerable emphasis.

The Company therefore determines the qualification of the independent director according to the criteria according to the Announcement of the Securities and Exchange Commission and the Stock Exchange of Thailand, to be independent from the Management and major shareholders of the Company; and other qualifications according to the Company's requirement to participate in independently opinion expression and making the voting decision for equal benefit of every shareholder.

## 2.1 Definition of Independence of Independent Director

1) Hold shares for not more than 1% of total number of shares with voting rights of the Company, holding company, subsidiary, associated company, major shareholder, or regulator of the Company. However, the shareholding of the relevant person of the said independent director shall be also counted.

2) Never or ever been the director who participates in management, employee, staff, consultant who earns fixed salary or the regulator of the Company, the holding company, subsidiary, associated company, subsidiary in the same sequence, major shareholder or of the Company's regulator, unless it is free from the said nature for not less than two years prior to submission date of the permission application to the governing official agency. However, the said forbidding nature shall exclude the case that the independent director has ever been the government officer or consultant of the administrative agency who is the major shareholder or the regulator of the Company.

3) Never been the cognate person or by legal registration in the nature of being father, mother, spouse, brother and sister, and child, as well as the spouse of the child, of the executive, of the major shareholder, of the regulator, or of the person who is proposed as the executive or the regulator of the Company, or of the subsidiary.

4) Never and ever had business relationship with the Company, the holding company, subsidiary, associated company, the major shareholder, or the regulator of the Company in the nature that may obstruct the independent exercise of his or her discretion. Never and ever been the significant shareholder or the regulator of the person who has business relationship with the Company, the holding company, subsidiary, associated company, major shareholder or regulator of the Company, unless they are free from the said nature for not less than two years prior to submission date of the permission application to the governing official agency.

5) Never or ever been the auditor of the Company, the holding company, subsidiary, major shareholder, or regulator of the Company. Never been the significant shareholder, regulator or partner of the audit office which is under by the auditor of the Company, the holding company, subsidiary, associated company, major shareholder or regulator of the Company, unless it is free from the said nature for not less than two years prior to submission date of the permission application to the governing official agency.

6) Never or ever been the provider of any professional services including legal consulting service or financial consulting service that earns more than 2 million Baht of annual service charge from the Company, the holding company, subsidiary, associated company, major shareholder or regulator of the Company. Never been the significant shareholder, regulator or partner of provider the said profession service, unless it is free from the said nature for not less than two years prior to submission date of the permission application to the governing official agency.



### 3. Role, Duty and Responsibility of the Board

The Board's duty is to govern the Company for proper operation according to laws and rules. The role, duty and responsibility between the Board and Management shall be clearly separated whereas the duty of the Board of Directors is as follows.

3.1 Manage the business for the best benefits to shareholder under adherence to four practical guidelines.

3.1.1 Responsible and cautious function

3.1.2 Honest function for retention of the Company's and shareholder's benefits

3.1.3 Observance to law, objective, regulation, resolution of the Board, and resolution of the Shareholders' Meeting

3.1.4 Proper, complete, transparent and timely information disclosure

3.2 Participate in determining visions, missions, strategies and targets under consideration, review and approval every accounting period, to be consistent with the Company's operating direction.

3.3 Monitor to apply the Company's strategy for practice and disclose in the Board's Report in Annual Report.

3.4 Initiate and participate in preparation and approval of Corporate Governance Policy and Manual of Business Code of Conduct, to encourage directors, executives and staffs for use as the compliance guideline, and disclose in Annual Report and the Company's website.

3.5 Regularly promote the compliance with business code of conduct, and monitor practice via audit from the Risk Management Committee, and use the concluded assessment result as the standard in strict adherence to practice of business code of conduct.

3.6 Encourage the staffs to comply with the principle of corporate governance, supervise to have appropriate internal control and internal audit system to reduce risk for fraud and abuse of power, and protect illegality, and disclose in Annual Report.

3.7 Determine risk management policy whereas Risk Management Committee performs the duty to govern companywide risk management, determine framework of risk management to be proper for the Company's business, guideline for major risk management and advance alert, determine the measure of risk management protection, review and create risk management tool that contributes to support and promotion of the business operation according to formulated target, and disclose in Annual Report.

3.8 Determine the appropriate policy of conflict of interests, connected transactions or inter-transactions under fair operation. The said transactions shall be considered and approved from the Board of Directors only.

3.9 Prepare the report of the Board of Directors' responsibility toward the financial reporting and declare together with the Auditor's Report presented in Annual Report.

3.10 Consider top executive development plan and managing director succession plan, oversee to regularly appraise the performance of the top executive every year, and have top executive remuneration determination system which is proper and consistent with the operating result to generate both short-term and long-term motivation.



3.11 Attend the Board of Directors' and Shareholders' Meeting unless the case of force majeure. The directors who are unable to attend the Meeting shall notify the Chairman of the Board or the Company's Secretary for advance acknowledgement prior to the meeting.

#### 4. Scope and Authorization of the Board of Directors

The Company has two-third authorized signatory directors on behalf of the Company who countersign to authorize other directors for representation in the Company's business within a certain period of time.

##### 4.1 Detail of Authorization

1) Consider the approval of the transaction performing for asset acquisition or disposal unless the said transaction must be approved from the Shareholders' Meeting. In consideration of the said approval, it shall be in line with the announcement, regulation and/or rule relevant to the Office of the Securities and Exchange Commission.

2) Consider the approval of the connected transaction performing unless the said transaction shall be approved from the Shareholders' Meeting. However, In consideration of the said approval, it shall be in line with the announcement, regulation and/or rule relevant to the Office of the Securities and Exchange Commission.

3) Consider the approval of interim dividend payment to the shareholders when it deems that the Company earns fair profit for such action, and report the said dividend payment for acknowledgement of the Shareholders' Meeting in the next Shareholders' Meeting.

4) Have power to consider the approval of any borrowing or credit applying from financial institution or setting new working capital limit as well as disbursement for investment.

##### 4.2 Detail of Power Scope

1) Have power to appoint one director as the Chairman of the Board, and appoint the Vice Chairman of the Board as deemed as appropriate.

2) Have power to appoint one director as the Chief Executive Officer and have power to appoint any person as the Company's Secretary as deemed as appropriate.

3) Possess right to attend the training or participate in activities for enhancement of knowledge in the relevant works utilizing the Company's resources.

#### 5. Role and Duty of the Chairman of the Board of Directors

5.1 Take responsibility on behalf of the leader of the Board in controlling, monitoring and supervising the management of the Executive Board to attain the objective based on the determined plan.

5.2 Be the Chairman of the Board of Directors' and Shareholders' Meeting of the Company.

5.3 Be the casting voter in case that both parties have equal votes in the Board of Directors' Meeting.

However, the Board should select the independent directors to hold the position of the Chairman of the Board of Directors.



## 6. Appointment and Office Holding Term of the Director

The Board of Directors shall entrust the Nomination and Remuneration Committee and propose to the Shareholders' Meeting for appointment approval request according to the criteria and method determined in Articles of Association under the following essence.

6.1 In voting for director selection, the director shall be selected by counting major votes of total votes of the meeting attending shareholders with voting rights. Every shareholder shall be counted to have votes equaling to one share per one vote.

6.2 In position holding of the director, at least one-third of the directors shall retire by ratio. If the number of directors is unable to be divided into three portions, they shall retire in nearest number with one-third portion. The directors who shall retire in the first year and the second year after the Company's registration, shall draw lots that which directors shall retire. In the following years, the director who is in the office for longest time shall retire from the director position. The retired director may be selected to resume the position again.

6.3 Apart from retirement by rotation, the director may vacate the office upon the following:

- 1) Death
- 2) Resignation
- 3) Disqualification or forbidden characteristic according to Public Limited Company Law.
- 4) The Shareholders' Meeting for resignation
- 5) The Court's order for resignation

6.4 In case that the director position is vacant due to other reason apart from retirement by rotation, the Board shall select the qualified person without forbidding characteristic according to Public Limited Company Law to assume as the director in replacement in the next Board of Directors' Meeting unless the remaining term of the director is not less than two months.

1) The said person who assumes the director in replacement shall be in the office of the director position for just the term equaling to the remaining term of the replaced director.

2) Resolution of the Board under paragraph one shall consist of votes for not less than three-fourth of the remaining number of directors.

6.5 The Shareholders' Meeting may resolve any directors to early retire before the term of retirement by rotation with votes for not less than three-fourth of number of the meeting attending shareholders who have total voting rights and shares for not less than the moiety of number of shares held by the meeting attending shareholders with voting rights.

However, the Company shall not determine the number of the director's office holding terms since it shall be deemed that the office holding term shall not obstruct working due to well understanding of the director on the Company's business and provision of advice which is useful for the Company's operation.

## 7. Meeting and Quorum

The Company shall schedule the Board of Directors' Meeting Timetable in advance under regular meeting for at least every month unless the cause of failure. However, the meetings shall be held for at least three months per time



whereas the meeting agenda shall be clearly determined for consideration and prepare Meeting Invitation Letter and the meeting agenda, and meeting supporting documents for at least seven days in advance. The said documents shall present proper and complete information and the offer shall be clearly concluded for time adequacy of the directors to study the information prior to meeting attendance. The meeting minutes shall be properly and completely recorded by writing, specifying details of discussion and disputation on the significant issue, and resolution of the meeting, to be completed within 14 days from the meeting date. The meeting minutes which are certified and ready for verification by the Board and the relevant persons shall be filed.

However, the information of number of meeting holding times, and number of times that each director attends the meeting shall be disclosed in Annual Report. Every director shall attend the meeting for not less than 75% of the total number of the Board of Directors' Meetings held in the year.

#### 7.1 Quorum Detail

1) In the Board of Directors' Meeting, the directors for not less than moiety of total number of the directors shall attend the Meeting to be regarded as quorum. In case that the Chairman of the Board is unable to attend the Meeting, the Vice Chairman of the Board shall act for presiding over the Meeting. However, if the Vice Chairman of the Board is absent, the directors who attend the Meetings shall select any director to preside over the Meeting.

2) The major votes shall be deemed as ruling of the meeting.

3) A committee shall have one vote for resolving unless the directors with interest in the resolving matter has not voting right in that matter.

4) If the resolution is performed with equal votes, the Chairman of the Meeting shall the casting voter.

5) The minimum quorum at the time of resolution in the meeting shall consist of the Committee for at least two-third of total number of committee members.

However, the Company gives the opportunity to the non-executive director to convene the inter-meeting as necessary for problem discussion.

## 8. Sub-Committee

The Board of Directors shall appoint the committee members with appropriate knowledge, expertise and experience as the sub-committee to help considering the significant issues in each area and propose the Board of Directors for opinion request. The Sub-Committee consists of the following.

### 8.1 Audit Committee

The role and duty is to propose the appointment, removal of the internal auditor and auditor, govern the compliance with rules and policies, regularly convene the meeting with the external auditor, internal auditor, management and executive in charge in the Company's accounting and finance to quarterly and yearly verify financial reports, connected transactions, inter-transactions, and acquisition and disposal of asset. The impact, interest and risk shall be considered as proper and appropriate, and indicate the operating guideline which is identical to rules and regulations to maintain the Company's maximum benefit and all parties of stakeholders, evaluate, verify and report the available opinion toward the adequacy of the internal control system, risk management of the Company in Annual Report, and report function, performance or operating opinion in different areas.



The Board of Directors shall appoint the Audit Committee consisting of the independent directors for at least one-third of the number of all directors or at least three directors for 3 years office holding term. If they retire by rotation, they may be re-appointed. The biography, qualification, number of meeting holding times, and statistics of the meeting holding in individual persons shall be disclosed in Annual Report.

#### 8.2 Nomination and Remuneration Committee

The role and duty is to determine the qualification of the director required for nomination considering from the necessary and lacked skill in the current Committee, and determine criteria of selection and appointment process for director and consider and screen the director's remuneration.

The Nomination and Remuneration Committee is appointed by the Board of Directors and consists of at least three committee members. However, the Chairman of the Committee and the committee members should be mostly the independent committee members for three years office holding term. If they retire by rotation, they may be reappointed. The biography, qualification, number of meeting holding times, and statistics of the meeting attendance in individual persons shall be disclosed in Annual Report.

#### 8.3 Risk Management Committee

The role and duty is to determine the framework of risk management to be proper for the Company's business, govern and monitor according to the policy in order to assure on determination of risk and advance alert, adequate measure of the said risk protection and management, and review and creation of the risk management tool to contribute to support and promotion of business operation to be in line with the formulated target.

The Risk Management Committee consists of number of at least three committee members from at least one independent committee members and two executives of the Company for 3 years office holding term. The committee members who retired from rotation may be reappointed. The biography, qualification, number of meeting holding times, and statistics of the meeting attendance in individual persons shall be disclosed in Annual Report.

### 9. Management Committee

Management Committee consists of Managing Director, Deputy Managing Director, Assistant Managing Director, and Department Directors.

#### 9.1 Scope of the Management Committee's Obligation

1) Formulate target, and guideline for the policies in various areas for proposing to the Board of Directors for consideration.

2) Execute according to the policy guideline obtained from the Board of Directors.

3) Consider and follow up the performance of the Company's work units according to the formulated target and plan.

4) Consider and select the new project and study the feasibility of the tender participation.

5) Consider and adjust plan and budget for operation of the projects.

6) Give suggestion, advice and policy guideline to the entrusted working groups.

7) Consider and approve expense budget of the Company.

8) Consider and determine practice, regulation, rule and criteria of the Company's operation.



9) Execute the areas entrusted by the Board of Directors.

#### 10. Role and Duty of the Chief Executive

##### 10.1 Scope of the chief executive's obligation

1) Operate the Company according to the policy and power determined by the Board of Directors.

2) Formulate business target both in short-term and long-term as well as budget, expense and long-term strategic plan for approval of the Board of Directors, and progress report according to plan and budget approved by the Board of Directors.

3) Properly manage via the Management Committee to attain the target formulated in business plan under competitiveness creation and return granting to shareholders.

4) Allocate resources and recruit potential personnel to work for the Company's maximum benefit.

5) Fill, appoint, discharge, remove, promote or demote the position, cut salary or wage, disciplinarily punish staff, as well as retire according to the determined rule.

6) Promote and create strong corporate culture, and support vision and business growth of the Company.

7) Monitor the Company's operation, measure operating result and periodically report the executed operating result to the Management to the Board of Directors.

8) Consider, screen and propose to request for approval of the Board of Directors about the Company's business operation policy.

9) Prepare the detail of internal operating power, decentralization for the staff ability to effectively work and make decision.

10) Quarterly report financial position, and financial statements to the Board of Directors for consideration and approval.

#### 11. The Company's Secretary

The Board of Directors shall appoint the Company's qualified and experienced personnel for holding the Company's Secretary Position, function as determined in Section 89/15 and Section 89/16 of Securities and Exchange Act (Issue No. 4) B.E. 2551 (2008) which is effective from 31 August 2008, with responsibility, carefulness and honesty, and shall perform according to law, objective and Articles of Association, resolution of the Board, as well as resolution of the Shareholders' Meeting. The duty and responsibility shall include the following.

11.1 Prepare the Board of Directors' Meeting and Shareholders' Meeting of the Company to be in line with the requirement of the relevant laws and regulations and best practice.

11.2 Give primary advice and suggestion to the Board of Directors in the aspects relevant to rules and regulations of the governing agencies and practice of good corporate governance.

11.3 Retain stakeholding report which is reported by the director or executive, and deliver copy of the stakeholding report according to Section 89/14 to the Audit Committee within seven (7) working days from the reported date of the Company.

11.4 Oversee the proper and complete information disclosure and information report to the governing agencies and public according to laws.



11.5 Contact and coordinate with the governing agencies such as Office of the Securities and Exchange Commission.

## 12. Criteria of Director and Top Executive Nomination and Remuneration

The Company's policy and criteria for director (including new director) and executive nomination and appointment is in Manual of the Company's Business Code of Conduct.

## 13. New Director Orientation

The Company gives precedence to function of the new director and therefore, it has the new director orientation policy for preparedness of the director's function and acknowledgement of the new director on the director's responsibility, the Company's policy and operation, as well as creation of business knowledge and understanding, and preparedness for the new director under below summary.

13.1 The new director shall acquire information and lecture about the Company's information such as Articles of Association, Certificate of the Company, Public Limited Company Act, Securities and Exchange Act, the Company's Code of the Conduct, Good Corporate Governance Policy, and the Company's policies in other areas, as well as the relevant significant laws that are useful for the Company's directorship.

13.2 Arrange new director to meet the Chairman of the Board, the Board of Directors and the Company's executives for acknowledgement of the Company's business operation information.

## 14. Determination of Number of the Director Position Holding Companies in Other Companies by the Director (including Managing Director)

The Board determines the following policy for limitation of number of the listed companies that the director (including managing director) will hold the director position in other listed companies for maximum benefit of the Company from the director's function and can effectively devote functional time.

14.1 Director position holding in other companies shall be proposed to the Board of Directors for consent consideration via the consideration of the Nomination and Remuneration Committee.

14.2 Director position holding in other companies shall not exceed five companies upon consent of the Board of Directors' Meeting prior to entry to hold the said position.

## 15. Performance Appraisal for the Board of Directors and Sub-Committee

The Company arranges the performance appraisal for the Board of Directors and Sub-Committee once a year whereas Appraisal Form shall be consistent with obligation and responsibility of the Board. Two ways of the performance appraisal consist of performance appraisal for the whole body of the Board of Directors and Sub-Committee and individual performance appraisal (self-appraisal).

### 15.1 Performance Appraisal Process

1) In December period, the Company's Secretary shall deliver Performance Appraisal Form for each director to independently appraise.

### 2) Gather Appraisal Form



3) Prepare summary report, process appraisal result, and present to the Board of Directors' Meeting.

15.2 Criteria of Performance Appraisal for the Board and the Sub-Committee in Individual Body

- 1) Structure and Qualification of the Board
- 2) The meeting of the Board
- 3) Role, duty and responsibility of the Board
- 4) Other issues such as the relationship between the Board and the Management

15.3 Criteria of Performance Appraisal for the Board and Sub-Committee in Individual Body

- 1) Structure and qualification of the Board
- 2) The meeting of the Board
- 3) Role, duty and responsibility of the Board

However, the Board of Directors shall further apply the performance appraisal as the guideline for working improvement and development.

16. Remuneration of the Board

The Company's policy and criteria for director and executive remuneration and welfare determination shall be deemed as the part of Manual of the Company's Business Code of Conduct.

17. Knowledge Development for Director and Executive

The Company's policy is to continuously support, promote and develop knowledge for the director and executive, attend the meeting and seminar in various courses of Thai Institute of Directors (IOD), Stock Exchange of Thailand, or other independent institutions. The Company also organizes training, emphasizing on training and development on management, work team development, leadership, construction management, etc. for knowledge development and application of the director and executive in effective and continuous improvement of the Company's operation whereas the information training of each director in last year shall be disclosed in Annual Report.

18. Succession Plan for Chief Executive Position

The Nomination and Remuneration Committee prepares the selection plan for the person entering to take responsibility on the works in all significant managerial levels to be proper in order to ensure that the Company acquire the personnel with managerial profession.

In part that the chief executive position and/or the managing director is vacant, the Company has the system that the similar level or inferior level executive shall act for until the qualified person shall be nominated and selected according to the criteria determined by the Company. The said nomination shall be under consideration of the Nomination and Remuneration Committee for proposing to the Board of Directors accordingly.



## Practical Guideline for Management and Internal Control

### 1. Internal Control

The Board of Directors realizes on the significance of good internal control availability, therefore, Internal Control Section has been established to perform audit duty, verify working, follow up and evaluate, directly report to the Audit Committee so that working is proper, transparent and verifiable, and control and monitor the practice to be properly in line with policy according to the regulation of the governing official agencies. The Company's internal control system has considered on five sections of significances such as organization and environment, risk management, working control of the executive, information system and data communication, and monitoring system.

The Chief of the Internal Audit Section is appointed from the Audit Committee whereas his or her qualification and experience is proper for working in the said duty.

### 2. Risk Management

The Company has established the Risk Management Committee to perform the duty in governing risk management to cover the whole organization, determine framework and process of risk management to be proper for the Company's business. The risk management process consists of major procedures which are risk identification, risk assessment, risk monitoring and control, and risk reporting, as well as regular consideration and review on adequacy of the risk management system and effectiveness of the risk management.

### 3. Supervision of Criteria Compliance

The Company has established Compliance Rule and Regulation Section to have responsible duty as the center of working governance of the Company and its subsidiary to be line with law, rule, regulation, policy and requirement of the relevant official agencies such as Stock Exchange of Thailand, Office of the Securities and Exchange Commission, or other official agencies related to the Company's business operation.

### 4. Connected Transaction or Transaction that may have conflict of interest

The Company has performed connected transaction or transaction that may have conflict of interest via screening from the Audit Committee, and the execution shall be in line with the criteria of the Office of the Securities and Exchange Commission, Stock Exchange of Thailand and requirement of other relevant laws, as well as disclosure of the information of the transaction performing that may conflict with public interest.

However, the Company has determined approval practice and process of the transaction that may have conflict of interest under below principle.

1) Connected transaction performing shall be proposed to the Audit Committee for consideration and commentation prior to proposing the Board of Directors for approval request.

2) Director and executive with gain and loss in the said transaction shall not participate in consideration and approval.

3) The Board shall prudently consider that the said transaction performing is for maximum benefit of the Company's customers and shareholders.



## Revision History

### Corporate Governance Policy

Revision No.	Date	Significant Aspect	Reference
No. 1	21 Dec 07	To be consistent with the principle of good corporate governance for the listed company for 2006.	According to the resolution of the Board of Directors' Meeting No. 11/2007 dated 21 Dec 07
No. 2	10 Mar 15	To be consistent with the principle of the Stock Exchange of Thailand.	According to the resolution of the Board of Directors' Meeting No. 3/2015 dated 10 Mar 15
No. 3	21 Sep 16	To be consistent with the Company's vision, mission, operating guideline and according to rule and regulation prescribed by the regulating agencies.	According to the resolution of the Board of Directors' Meeting No. 9/2016 dated 21 Sep 16