

# **Corporate Governance Policy**

**Of**



**Samart Digital Public Company Limited**

(This revision was approved by the Board of Directors' Meeting No. 1/2025 on February 20, 2025)

## Introduction

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

Recent social and commercial developments have been accompanied by efforts from the global business community to establish standard principles and practice of good corporate governance that can both win the confidence of stakeholders and support sustainable growth. The Board of Directors was of the opinion that the Company's Corporate Governance Policy needs to be update to reflect this awareness.

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

-Signature-

Mr. Piyapan Champasut  
Chairman of the Board  
Samart Digital Public Company Limited

## Table of Contents

1. Rights of Shareholders.....	1
2. Equitable Treatment to Shareholders.....	3
3. Attention to Stakeholders.....	5
4. Disclosure and Transparency.....	5
5. Roles and Responsibilities of the Board of Directors.....	7

## 1. Rights of Shareholders

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

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

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

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

The Company is aware of the shareholders' rights and equitable treatment to the shareholders under the good corporate governance and comply with laws. It is the Company policy to allow the shareholders to propose matter(s) for consideration of the Board of Directors as agenda of the shareholders' meeting. The shareholders are allowed to submit any enquiries concerning the Company's operation prior to the Annual General Meeting of Shareholders. The Company allows the shareholders to propose the matter for consideration as agenda or submit any enquiries at least 3 months prior to the end of the fiscal year. The shareholding proportion of the shareholders entitled to propose the agenda must not less than 4 percent of total number of the voting rights. The Company will notify and disclose contact channels and period for proposing agenda and enquiries via the SET and also provide details of the procedures on the company's website ([www.samartdigital.com](http://www.samartdigital.com)).

- **Participation in the Shareholders' Meeting**

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

### **Before the Meeting Date**

The shareholders will be informed on the date and agenda of the shareholders' meeting via the SET's communication system prior to the meeting date which been complied with the regulations of the SET. At the same time, the Company will also disclose the notice of shareholders meeting as well as related documents in both languages, Thai and English, on the Company's website ([www.samartdigital.com](http://www.samartdigital.com)) not less than 28 days before meeting date for the shareholders to have sufficient time for consideration. Same documents will be directly delivered to the shareholders by TSD, the Company's registrar, at least 7 days or 14 days prior to the meeting date depends on consideration matter that required by law and regulations. The notice of shareholders meeting will contain fact, rationales, an opinion of the Board of Directors for each agenda, conditions and procedures of meeting as well as other related document with sufficient information for shareholders' consideration. Moreover, the notice of shareholders meeting was published according to the method under the Public Limited Companies Act and other related laws for 3 consecutive days and 15 days prior to the meeting date of which better than what required by laws.

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

**On the Meeting Date**

Meeting procedures has been set to conform to laws and considering on shareholders' convenience. The Company is aware of the equitable of shareholders' right and their comfort to participate in the shareholders' meeting. Appropriated technology and equipments are sufficient for registration reviewed on required documents more than 1 hour prior to the commencement of the meeting. In every Shareholders' Meeting, the Board of Directors, Chairman of all committees, the Company's management and external auditors are also present in the meeting in order that the shareholders can ask questions during the meeting. The Chairman of the Board of Directors is Chairman of the meeting will introduce all Board members and the management to the shareholders, declare how to exercise their right and vote before commencement of the meeting to be in line with the agenda without any additional topic from what have been expressed in the invitation letter. Voting cards are provided for significant agenda. Voting result in term of approval, disapproval or abstain for each agenda are transparently presented to the meeting. The shareholders are encouraged to express their opinions and raise any questions either in the agenda or any other questions related to the Company's business in the meeting. All questions and answered are taken in the minutes of meeting as well as the opinions from the shareholders.

**After the Shareholders' Meeting**

Resolutions of the meeting has been disclosed to the SET with all voting details in approved, disapproved and abstained, of each agenda by the next day after the meeting date. Full minutes of meeting that contained the attendance and absence record of directors and management, significant AGM procedure and related matters, summary of questions and answers during the meeting in both Thai and English, has been sent to SET and related parties within 14 days after the meeting date as well as posted on the Company's website ([www.samartdigital.com](http://www.samartdigital.com)) for verification.

- **Appointment / Dismissal of Directors of the Company and Approve their Remuneration**

According to the Company's Articles of Association, at the Annual General Meeting of Shareholders, one third (1/3) of the Directors has to be retired by rotation. Election for replacement is required. The retired directors are eligible to be re-elected for another term. The election of the Board of Directors shall be in accordance with the rules and procedures as follows:

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

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

In every General Meeting of Shareholders, the shareholders have the rights to consider and approve the remuneration for all directors and members of sub-committees. Adequate Information of all candidates for consideration and appointment as directors or members of committees are delivered to shareholders for consideration.

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

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

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

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

- **Profit Sharing**

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

In consideration of dividend payment for profit from disposal of investment or fixed assets of the Company or subsidiaries, it is at the discretion of Management and the Board of Directors to consider whether or not to pay dividend or amount to be paid by taking into account the Company's future investment plans and business expansion including other necessity and suitability.

The dividend payment of subsidiaries should base on policy of the Company.

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

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

**Inside Information Monitoring**

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

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

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

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

### **4. Disclosure and Transparency**

The Company has strong determination to reveal accurate complete, consistent and updated information, both financial and general information that related to Company's business. The complete, consistent and updated information will truly reflect the Company's financial performance and future business direction. Such information is disclosed to shareholders, investors and any related parties via the SET's Communication system, Company's website([www.samartdigital.com](http://www.samartdigital.com)), Annual Report, press conference and Opportunity Day, etc.

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

- **Information Disclosure Policy**

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

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



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

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

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

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

- Annual Report

The Board of Directors has to ensure that Annual Report contain adequate information with accuracy, clarity and create understanding to the shareholders and related parties on the Company's operation and its performance in previous year as well as the management structure, nature of business, financial status and performance of the Board of Directors and all Committees.

- Company's website

The Board of Directors is aware of the efficiency of website disclosure to the shareholders and related persons as well as equitably and easily of getting information. The Board of Directors therefore ensures the Company not only provides all significant information of the Company in the Company's Annual Report but also on the Company's website ([www.samartdigital.com](http://www.samartdigital.com)) in both languages, Thai and English. The disclosed information comprised of Corporate Governance Policy, Business Ethics, General News, Financial Statements as well as Annual Report.

- Investors Relation

Corporate Secretary is responsible to supervise and coordinate Investors Relation function. Investors can contacted Investor Relations at telephone number 0-2502-6871, 0-2502-6766 or send inquiries through the Company's website at [www.samartdigital.com](http://www.samartdigital.com) or e-mail address: [InvestorRelations@samartdigital.com](mailto:InvestorRelations@samartdigital.com). Ethics of the investor relations are as follows:

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

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

- **Disclosure of Information of the Board of Directors and Committees**

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

The above information and remuneration of each board member is disclosed in the Company's Annual Report.

- **Accountability to the Financial Statements**

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries and any financial information that appears in the Annual Report of which consistent with the Company's strategies and long-term objective. The financial statements are prepared in accordance with Thai Financial Reporting Standard. Appropriate accounting policies are used and practiced regularly. Careful consideration and best estimates are made with sufficient disclosure of information in the notes to the financial statements. This is to ensure transparency and benefits to the shareholders and investors. The financial statements have been audited and commented independently by the authorized auditors of the SEC to increase confidence and reliability of the report. Additionally, the Company has no record to amend the financial statements from the SET and the SEC.

The Board of Directors also set out and maintained for the efficiency of the Company's internal control system to ensure that the financial information had been correctly and accurately booked and sufficient to maintain the Company's assets and be aware of weak points in order to prevent whether from any dishonesty or significant error. The Board of Directors has appointed the Audit Committee of which comprised independent directors to be responsible for the quality of the financial statements and the internal control system and disclosed such opinion in the Annual Report under the Report of the Audit Committee. Moreover, Report of the Board of Directors' responsibility on the Company's Financial Statements are also attached in the Company's Annual Report.

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

### **5.1 Composition of the Board of Directors**

The Board of Directors comprise of directors who have various knowledge, experience, transparent working background, nobility and integrity and have occupational diversification. In addition, they have the skills that advantage to the Company's business, such as accounting & finance, management, strategic planning, laws, corporate governance and other without gender discrimination. The composition of the Board of Directors are as follows:

- 1) The Board of Directors shall have the number as specified by the shareholders' meeting at least 5 persons and not less than one half of the total number of directors shall have residence in the Kingdom.

- 2) The Board of Directors must be at least one-third of independent director out of total number of directors, and at least 3 persons.
- 3) The Board of Directors may elect one of the directors as Chairman. When considering appropriate, the Board of Directors may elect one or many directors to be Vice-Chairman.
- 4) The Board of Directors should consist of at least 3 persons experiencing in the Company's business and at least 1 person with experience in accounting and finance.

## **5.2 Qualifications of Director**

- 1) Have qualifications and not being under any of the prohibitions under the Public Company Act B.E.2535 (including amendments) or other relevant laws as well as not lacking trustworthiness in accordance with the announcement of the Securities and Exchange Commission (the SEC), including the Company's Articles of Association.
- 2) Not undertaking any business, being a partner or a shareholder of other juristic persons of the same nature and in competition with the Company's business whether doing it for the benefit of itself or others, except for the notification to the shareholders' meeting before the appointment.
- 3) Have leadership, vision, and independent consideration for best benefit of the Company and the shareholders.
- 4) Have various knowledge, experience, and specific skill that suitable for the Company business.
- 5) Have responsibility, carefulness, integrity, and business ethics.
- 6) Have sufficient time for fully participated as a Director of the Company.

### **Qualifications of Independent Director**

- 1) Holding no more than 0.5 % of total voting shares of the Company, parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, including shares held by any related person of such independent director.
- 2) Not being or ever been an executive director, worker, employee, salaried consultant, or controlling person of the Company, parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company unless the foregoing status has ended for at least 2 years prior to the date of appointment.
- 3) Not being a person related by blood or legal registration as father, mother, spouse, sibling and child, including the spouse of the child, of other director, executive, major shareholder, controlling person, or person nominated as a director, executive, or controlling person of the Company or subsidiary.
- 4) Not having or ever had business relationship with the Company, parent company, subsidiary, affiliate, major shareholder or controlling person of the Company in a manner that may obstruct his /her independent judgement, and not being or ever been a significant shareholder or controlling person of person having a business relationship with the Company, parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, unless the foregoing relationship has ended for at least 2 years prior to the date of appointment.

The aforementioned business relationship is inclusive of any normal business transaction, rental or lease of property, transaction relating to assets or services, or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions. These result in the Company or counterparty being liable to indebtedness payable to the other party in the amount from 3% of net tangible assets of the Company or from Baht 20 million, whichever is lower. The amount of indebtedness, included the obligation incurred during 1 year prior to the date of having a business relationship with the same person, is determined by the calculation method for

value of connected transactions under the Notification of the Capital Market Supervisory Board concerning regulations in respect of an entering into connected transaction mutatis mutandis.

- 5) Not being or ever been an auditor of the Company, parent company, subsidiary, affiliate, major shareholder or controlling person, and not being a significant shareholder, controlling person of the Company, or partner of the audit firm that employs auditors of the Company, parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, unless the foregoing relationship has ended for at least 2 years prior to the date of appointment.
- 6) Not being or ever been a professional services provider, including legal advisor or financial advisor who receives service fee more than Baht 2 million per year from the Company, parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person, or partner of such professional service provider unless the foregoing relationship has ended for at least 2 years prior to the date of appointment.
- 7) Not being a director who has been appointed as a representative of the Company's director, major shareholder, or shareholder who is a connected person of major shareholder.
- 8) Not undertaking any business of the same nature and in significant competition with business of the Company or subsidiary or not being a significant partner in the partnership or executive director, worker, employee, salaried consultant, or shareholder holding more than 1 % of total voting shares of another company undertaking any business of the same nature and in significant competition with business of the Company or subsidiary.
- 9) Not having any other characteristic that cause the inability to express independent opinions.

### **5.3 Terms of positions**

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

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

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

For best benefit of the shareholders and balance of power within the Company, the Chairman of the Board of Directors is not the same person as Executive Chairman. The Company's Chairman of the Board of Directors is an independent director who has the qualifications of independent director in accordance with the SET's notification and has no business relation with any management of the Company.

#### **5.4.2 Balance between members**

More than half of the members of the Board of Directors are not a part of executive team. Within this half, one-third of the directors and shall at least 3 members are independent members who have no relations, business or personal, with the Company's executives. Free from executives' influences, they oversee the Company's direction with neutrality and pay careful attention to the rights of shareholder and stakeholder. To strike a balance of

power within the Company, the positions of Chairman of the Board of Directors and Executive Chairman must not be the same person. The Chairman of the Board of Directors should be an independent member.

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

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

The Board of Directors will focus and ensure that the Company's business will achieve its target and in the direction that create value and best benefit to the shareholders as well as all stakeholders. Any conflict of interest with the Company and its subsidiaries will be prohibited. The Board will also comply with the Company's Ethics, responsibility, due care, and integrity to ensure all Company's businesses are run under Company's objectives, Articles of Association, resolutions of the Board of Directors' and shareholders' meetings as well as laws and regulations of the SET, the SEC and other related laws. Their duties include:

- 1) Conduct business with responsibility, due care, and integrity, and ensure the Company's operations in accordance with the law, objectives, Articles of Association of the Company as well as the resolution of the Board of Directors' and shareholders' meeting to protect the rights and interests of the Company and shareholders.
- 2) Formulate policies and directions of the Company's operations including supervising the management to proceed in accordance with the specified policies and strategies with efficiency and effectiveness.
- 3) Establish and review the Company's vision, mission and strategy by prioritize and promote appropriate and safe innovation and technology to increase business opportunities, and ensure effective communication throughout the Company in order to drive the business in the same direction.
- 4) Approve annual budget and investment of the Company as well as ensure proper resource allocation and effective systems and controls, and monitor the implementation of the Company's strategies and annual plans.
- 5) Appoint directors to replace of those who retire by rotation as well as consider the remuneration package for directors and committee members proposed by the Nominating and Compensation Committee for further consideration of the shareholders' meeting. The Board of Directors also consider the appointment of directors in case of vacancy due to any reason other than the expiration of the term unless the remaining term of office of the director is less than 2 months. The replacing director shall hold office only for the remaining term of the replaced director.
- 6) Appoint committees to oversee administrative process and internal system to be in accordance with the specified policy and approve the charters of all committees.
- 7) Appoint Executive Chairman and define its roles and responsibilities as well as ensure that Executive Chairman perform its duties as assigned.
- 8) Appoint Company Secretary and define its roles and responsibilities as well as ensure that Company Secretary perform its duties as assigned.
- 9) Approve policy, structure, criteria of remuneration for directors, committees, Executive Chairman, key executive, management and employees as well as propose remuneration for directors and committees for further approval from the shareholders' meeting.
- 10) Prepare quarterly and annual financial statements to disclose or propose to the shareholders' meeting for approval, as the case may be, as well as supervise to



disclose important information accurately, sufficiently and on time to comply with the relevant rules and regulations.

- 11) Nominate appropriated auditor and its remuneration from proposal of the Audit Committee for further consideration of the Annual General Meeting of Shareholders.
- 12) Provide written Corporate Governance Policy and Business Ethic, and ensure that the Company has effective internal control and risk management system to prevent conflict of interest.
- 13) Ensure that good corporate governance is implemented to demonstrate the Company's commitment to operate the business with ethics and to bring fair treatment to all stakeholders.
- 14) In case of entering into any direct or indirect transaction with the Company and subsidiaries, such director should immediately inform his/her or related parties' interest to the Company.
- 15) Supervise to ensure that succession plans for the Executive Chairman and key executives are in place.
- 16) Encourage and promote innovation including social and environmental responsibilities.
- 17) Approve interim dividend payment to the Company's shareholders and report the interim dividend payment in the next shareholders' meeting.
- 18) Approve the acquisition or disposal of the Company's assets according to the rules of the Capital Market Supervisory Board.
- 19) Approve the connected transactions of the Company according to the rules of the Capital Market Supervisory Board.
- 20) Organize an annual general meeting of shareholders within 4 months from the end of the Company's fiscal year.
- 21) Continuously monitor performance of the Company and subsidiaries to comply with the operation plans and budgets of the Company.
- 22) Supervise subsidiary and affiliate to comply with the Company's policy.

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

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

- 1) Oversee, monitor, and ensure that the Board of Directors efficiently carries out its duties to achieve the Company's objectives.
- 2) Ensure that all directors contribute to the Company's ethical culture and good corporate governance.
- 3) Set the board meeting agenda by discussing with the Executive Chairman which important matters should be included.
- 4) Allocate sufficient time for management to propose topic, and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of the Company.
- 5) Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the board and management.

**Roles and Responsibilities of Executive Chairman**

Roles and responsibilities of the management have clearly classified. The Executive Chairman will be the management's leader of the Company of which will cover the following roles:

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

The delegation of authorities, duties and responsibilities of Executive Chairman shall not be delegated or further assigned that authorize Executive Chairman or its attorney to approve any transactions that Executive Chairman or connected persons or any persons who may have conflict of interest have done with the Company or its subsidiaries unless such transactions are complied with the Company's policy or principle approved by the Board of Directors. Such connected transactions shall be proposed to the meeting of the Board of Directors and/or shareholders for approval to comply with the notification of the Stock Exchange of Thailand, the Securities and Exchange Commission (SEC) or related law.

**5.5 Being Director in other Listed Companies**

- **Policy for directors to serve as directors in other listed companies**

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

- **Policy for top management and senior management to serve as directors in other companies**

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

**5.6 Transparency of Nomination of Directors and Management****Nomination of Directors**

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

1. The Nominating and Compensation Committee will select and nominate the appropriate candidate with regard to qualifications, experience, knowledge, ability that will beneficial to the Company and consider the diversification in the board's structure, including gender,

age, ethnicity and nationality. The Nominating and Compensation Committee will also consider the necessary skills that are still lacking to achieve the Company's business strategy and using the database of IOD. The appropriate candidates, who have qualifications as specified by the relevant laws, will propose to the Board of Directors' or the Shareholders' Meeting for approval in accordance with the Company's Articles and Association.

2. For election of independent directors, the Nominating and Compensation Committee will nominate any person who is fully complied with the qualifications of Independent Directors under the Company's policy and requirements of the SEC and the SET to propose to the Board of Directors' and/or the Shareholders' Meeting for approval in case of rotation or others.
3. Determining whether to recommend a director for re-election, the Nomination and Compensation Committee will consider relevant factors such as past performance, directors' dedication, history of attendance and participation in meeting, number of listed companies that each director holds tenure in of not exceeding five listed companies, and other contributions to the activities undertaken by the Board of Directors. In the case of independent directors, their respective independent qualifications shall also be considered.
4. The appointment of the Board members shall comply with the Company's Articles of Association and all relevant laws. Selection of the directors shall be transparent and clear through initially consider of the Nomination and Corporate Governance Committee with the following criteria and procedures in the shareholders' meeting:
  - (1) Each shareholder shall have one vote on each share.
  - (2) In voting, a shareholder shall vote in accordance with the number of votes each shareholder has under (1) for one or several directors. The said shareholder may not allot any number of his votes to any person.
  - (3) The person obtaining the highest and higher votes respectively shall be elected as directors equal to the number of directors required or ought to be elected at such a meeting. In the event that persons receiving votes in respective orders receive equal votes and the number of directors exceeds the positions required or ought to be, the Chairman of the meeting shall have a casting vote.The Company proposed shareholders to elect the directors on an individual basis to allow shareholders to elect the desirable directors.

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

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



**Nomination of Management**

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

**Management Succession Plan**

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

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

**Ethic of the Directors and the Executives**

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

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

## 5.7 Remuneration of Directors and Management

### • Directors' Remuneration Policy

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

### • Management's Remuneration Policy

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

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

### • Executive Chairman's Remuneration Policy

Remuneration of the Executive Chairman is not only consideration in accordance with Management's Remuneration Policy, but the Board of Directors also set the performance evaluation of Executive Chairman, annually by the Directors in order to be a reference for remuneration consideration. The policy of remuneration are as follows:

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

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

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

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

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

In addition, the Company has communicated the vision, mission, business goals to all employees in the organization to acknowledge and understand, driving business in the same direction.

### **5.8.2 Appointment of Committees**

For governing the management to comply with the approved policies and having better efficiency, the Board of Directors appointed the following 6 committees to help the Board for consideration in significant matters:

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

The Audit Committee's members have to be the independent directors who are elected by the Nominating and Compensation Committee and proposed for appointment of the Company's Board of Directors' and/or Shareholders' Meeting, the Audit Committee shall at least 3 members.

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

- 1) The Audit Committee members shall be appointed by the Board of Directors' and/or Shareholders' Meetings.
- 2) All members of the Audit Committee should be Independent Directors with the qualifications as specified in the announcement of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand.
- 3) Not being a director assigned by the Board of Directors to take part in the business decision of the Company, parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company.
- 4) Not being a director of parent company, subsidiary, and same-level subsidiary that is a listed company.
- 5) Having sufficient knowledge, experience, and time to perform duties as the Audit Committee members.
- 6) At least 1 member of the Audit Committee shall have sufficient knowledge and experience in accounting and finance to review the reliability of financial statements. The Company should specify name of the Audit Committee member who has that qualification in the Annual Report, and define his/her qualification in the certification of the Audit Committee profile sent to the SET.

Term of the Audit Committee member is 3 years. All members shall be in post no longer than 3 consecutive terms except getting an unanimous approval from the Nominating and Compensation Committee and the Committee ensures that the extra term will not cause or impact the independent of such director, and shall be approved from the Board of Directors and/or the shareholders' meetings.

**Roles and Responsibilities of the Audit Committee**

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

**(2) Executive Committee**

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

**Roles and Responsibilities of the Executive Committee**

- 1) Set and review Company's vision, mission, strategies and business plan as well as the Company's management structure and delegation of authorities for further approval from the Board of Directors.
- 2) Review and monitor the operating performance of the Company and subsidiaries to achieve the goal.
- 3) Audit, monitor and implement the Company's policies and management practices to conform to the assignment from the Board of Directors efficiently.
- 4) Consider and approve annual budget and investment of the Company for further approval from the Board of Directors.
- 5) Determine policy, structure, criteria for remuneration of employees and management together with the Executive Chairman and propose to the Nominating and Compensation Committee for consideration prior to further approval from the Board of Directors.
- 6) Consider entering into any transactions binding the Company as delegation of authorities defined in the Company's policy and practice.
- 7) Report the significant performance of the Executive Committee to the Board of Directors on a regular basis.
- 8) Review the roles and responsibilities of the Executive Committee in accordance with the situation.
- 9) Perform any other activities as assigned by the Board of Directors.

The delegation of authorities, duties and responsibilities of the Executive Committee shall not be delegated or further assigned that authorize the Executive Committee or its attorney to approve any transactions that the Executive Committee or connected persons or any persons who may have conflict of interest have done with the Company or its subsidiaries unless such transactions are complied with the Company's policy or principle approved by the Board of Directors. Such connected transactions shall be proposed to the Board of Directors' and/or Shareholders' Meetings for approval to comply with the notification of the Stock Exchange of Thailand, the Securities and Exchange Commission (SEC) or related law.

**(3) Corporate Governance Committee**

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

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

- 1) Responsible for governing and monitoring business operation and performance of committees, management and employees of the Company to comply with the principles of good corporate governance, the Company's policies and related laws.
- 2) Establish corporate governance policy and sustainability development including anti-corruption.
- 3) Establish and review the Company's significant procedures and practices to comply with the good corporate governance policy.

- 4) Regularly review the Company's policies, principles and practices.
- 5) Provide suggestions relevant to business ethics and best practices to the Company's directors, management and employees.
- 6) Ensure that the good corporate governance policy are performed in practice continuously and appropriately.
- 7) Review the roles and responsibilities of the Corporate Governance Committee in accordance with the situation.
- 8) Report to the Board of Directors regarding the Company's good corporate governance with comments and recommendations for appropriate improvements.
- 9) Perform any other activities as assigned by the Board of Directors.

#### **(4) Nominating and Compensation Committee**

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

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

- 1) Determine and review the criteria and procedures for nomination of directors, committees, Executive Chairman and senior management to propose for approval from the Board of Directors' meeting.
- 2) Recruit, select, and nominate appropriate candidates for the position of independent directors, Chairman of the Board of Directors and directors, and propose for consideration and approval from the Board of Directors' and/or the shareholders' meetings when those positions are vacant due to termination of terms or other reasons.
- 3) Recruit, select, and nominate appropriate candidates for position members of each committee and Executive Chairman proposed for consideration of Board of Directors when such position is vacant as well as propose and review criteria for selecting candidates of top management and senior management for the succession plan, annually.
- 4) Determine policy, structure and criteria for remuneration, whether in cash, securities or otherwise, of directors, committees, Executive Chairman, key executives, management and employees in accordance with the Company's strategy, goal and operating results as well as market conditions to propose for further approval from the Board of Directors.
- 5) Review the roles and responsibilities of the Nominating and Compensation Committee in accordance with the situation.
- 6) Perform any other activities as assigned by the Board of Directors.

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

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



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

- 1) Set clear business directions, identify, analyze and investigate significant risk factors as well as determine strategy for managing those risks to the Company's acceptable risk level.
- 2) Set the risk management policy and propose for approval from the Board of Directors to use as guideline for each division according to its responsibility with the following 4 aspects:
  1. Financial Risk
  2. Operational Risk
  3. Strategic Risk
  4. Compliance Risk
- 3) Supervise to ensure effective communication of such measures thoroughly the Company and employees continuously comply with those measures.
- 4) Review the roles and responsibilities of the Risk Management Committee in accordance with the situation.
- 5) Provide efficiently assessment and review of possible damage that may occur to ensure that risk exploration covers all processes of the business operations.
- 6) Support and develop risk management to cover throughout the organization and ensure that it is complied with the international standard.
- 7) Provide professional opinions from external consultants as necessary with company's expense.
- 8) Perform any other activities as assigned by the Board of Directors.

**(6) Sustainable Development Committee**

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

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

- 1) Set policy, strategy and action plan for sustainable development to comply with the Company's business operation in term of economy, society and environment for further approval from the Board of Directors.
- 2) Encourage and support the Company's activities to achieve the SD policy such as labor and employee management, employee welfare, employee development, training and promotion, and development of communities and society around the Company's area.
- 3) Monitor, review, follow up the operational progress and evaluate the effectiveness of SD policy implementation.
- 4) Review the roles and responsibilities of the Sustainable Development Committee in accordance with the situation.
- 5) Perform any other activities as assigned by the Board of Directors.

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

- 1) At a meeting of the Board of Directors, the presence of not less than one-half of the total number of directors is required to constitute a quorum. In the event the Chairman is not present or is unable to discharge his duties, the Vice-Chairman, if any, shall serve as the Chairman. If there is no Vice-Chairman or such Vice-Chairman is unable to discharge his duties, the directors present shall elect one of their members as the Chairman of the said meeting.

The Company set a minimum quorum at the time of voting to be at least two-thirds of all directors attending the meeting.

- 2) All resolutions of the Board of Directors' meeting shall be passed by the majority vote of the directors presented at the meeting. Each director shall have one vote, however, the director who has interest in any matter cannot exercise the right of such voting. In case of equality votes, the Chairman shall have a casting vote.
- 3) The Board of Directors' Meeting schedule has been set at least 5 times a year with certain agenda. The Board of Directors' meeting schedule has been set at least 5 times a year. The Company Secretary proposes the meeting schedule and agenda for next year to the Board of Directors for consideration and approval in November of each year. Typically, the Board of Directors' meeting are held in February, April, May, August, and November, with the possibility of changes or additional meetings as needed. Once the meeting dates has been set and the agenda has been approved, the Company Secretary will inform the directors in advance at the end of the year before the next year's meeting to allow directors to manage their schedules for attending the meetings. The notice of the Board of Directors' meeting specify the agenda and includes a regular item for considering and monitoring business performance. However, additional unscheduled board meetings may be called upon appropriate notice at any time to address specific needs of the Company. The operating results will be regularly reviewed. The notice of the Board of Directors' meeting with the meeting materials will be delivered by Company Secretary to all directors at least 5 working days prior to the meeting date for consideration. While the Company's Articles of Association stipulate that the notice should be sent to directors no less than 7 days before the meeting date except in urgent cases. In addition, if directors would like to propose the agenda, they will inform prior to the meeting date or propose as other matters in the meeting.

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

The Company organized an internal audit department to review compliance control of all departments to investigate the errors and weaknesses and then proposes the suggestions to improve the operational efficiency. This is to ensure the consistent and appropriate compliance with existent internal control as well as strengthen the confidence of management and stakeholders. This department is independent and reports directly to the Audit Committee.

The Company organized that good internal control allows the Company to notice irregularity and gives early warning for possible risks as well as manage risk to acceptable level.

The Company provides internal control system in accordance with the system suggested by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) that covers Organizational and Control Environment, Risk Management, Management Control, Information and Communication, and Monitoring.



### **5.10 Risk Management**

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

The Company has set risk management policy to keep up with the changing economic and political situation including the impact of the global financial crisis. The risk management policy includes measures to prevent and manage risks. The Risk Management Committee has supervised and monitored risks pursuant to the plans by cooperating and coordinating with various business units as follows:

- 1) Preparation of risk management plan by each department to follow the Company's master business plan and business risks that may occur in order that risk management plan can harmonize with Company's objectives, business plan, goals, strategies and the acceptable risks of the business operations;
- 2) Risk management will be carried according to the plan mentioned above. Each responsible department has prioritized the risks by evaluating the overall risk profile and its potential impact to the organization. The appropriate risk mitigation criteria shall be determined in conjunction with each department where as internal audit department undertaking role as risk coordinator and reviewer;
- 3) Risk Management countermeasures shall be implemented and regularly followed up by the risk management Committee which consists of management from all relevant departments in a quarterly meeting as outlined in the risk management plan. All countermeasures shall be followed and reviewed by internal audit department to ensure that the final outcome is agreeable with the Company's objectives.

Besides, the Company held risk management seminar and training for each business. The risk management criteria's have been adapted as key factors in performance evaluation of staffs. The training also focused on concepts and principles of practicing on risk management through out the organization which would contribute ensuring the sustainable growth of the Company as well as create long term value for the organization's target and return on shareholders.

### **5.11 The assessment of the Board of Directors, Committee, Executive Chairman and Company Secretary**

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

The Corporate Governance Committee is responsible for Self-assessment of the Board of directors and Director Self-assessment to annually review and evaluate directors' performance to comply with Corporate Governance of the Company. The result of assessment including comments and recommendations from the assessment will propose to the Board of Directors' meeting for consideration.

#### **5.11.2 Committee Self-assessment**

The Corporate Governance Committee conducts the self-assessment of committees annually. The criteria for self-assessment of Executive committee, Corporate Governance Committee, Nominating and Compensation Committee, Risk Management Committee and

Sustainable Development Committee covered the subject of structure & qualifications, meeting, roles & responsibilities and development & training. For the Audit Committee, The criteria for self-assessment covered the subject of board structure & qualifications, meeting, roles & responsibilities, development & training, auditing activities and relationship between head of internal audit, external auditors and the Company's executives. Results of the self-assessment of each committee will use to develop working performance of them for more efficiency and to be in line with the responsibilities assigned from the Board of Directors.

#### **5.11.3 Executive Chairman Assessment**

The Corporate Governance Committee conducts Executive Chairman Assessment annually in subjects of leadership, strategy formulation, financial planning and performance, board relations, risk management and internal control, human resources management, succession, product and service knowledge and good corporate governance and code of business conduct for consideration of his remuneration.

#### **5.11.4 Company Secretary Assessment**

The Corporate Governance Committee conducts the Company Secretary Assessment annually relating to knowledge, related laws and regulation compliance, communication and coordination, documentation, meeting and corporate Governance. Results of the assessment will use to develop working performance of Company Secretary to support the Board of Directors to comply with the roles and regulations of the SET and the SEC.

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

#### **Development of Director**

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

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

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

#### **Development of Management**

The managerial competency program, courses have been designed for management level in order to develop in managerial competency to strengthen leadership and management skills for executives as well as prepare promotion qualification in the future for pre-executive or talent employees. Moreover, this program would elaborately lead executives to support organization's business growth and prepare the Company to become business leader in the industry existed. These courses provide innovated and practical knowledge to be applied to arrange managerial work such as Creating & Strategic Implementation Plan, Modern Supervisory, etc.

**5.13 Company Secretary**

The Board of Directors will consider and appoint a potential and experienced person proposed by management as the Company Secretary. Roles and responsibilities of the Company Secretary are as follows:

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

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

**5.14 Supervision on Operation of the Subsidiaries and Affiliated Companies**

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

- 1) Before establishment of any new company, the Executive Committee of each line of business shall propose such matter to the meeting of the Board of Directors of each line of business for consideration and approval before the registration of the new company. The Board of Directors shall consider on appointment of the executives who shall hold positions of director and management of such subsidiaries and affiliated companies including scope of authority and responsibility of the directors and the management who shall be the Company's representatives in such company and report to the Board of Director for further acknowledgement.
- 2) The appointment of additional new director or director in replacement of the vacant position from any reason other than retirement, the Board of Directors has assigned the Executive Committee to consider and appoint the director in replacement and report to the Board of Directors for acknowledgment.
- 3) The management of the subsidiaries and affiliated companies shall report business performance of the company they are responsible to the Executive Committee every month. Any investments or substantial operations as per specified in the delegation of authorities must be performed pursuant to the specified policies and they must be presented to the meeting of the Executive Committee as well.

- 4) The management of the subsidiaries and affiliated companies must present the annual business plan to the meeting of Executive Committee and the Board of Directors for consideration and approval every year. If performance of any company has not achieved as per the targeted plan, the management must clarify to the meeting of Executive Committee. In case business operation encountered a lot of problems, the management is required to clarify to the Executive Committee as the watch list so that precaution and corrective measures can be closely monitored and taken.
- 5) The subsidiaries and affiliated companies must have the internal control system or measure that the Company's Internal Audit Department can audit and report to the Audit Committee and the Executive Committee. If internal control system of any company is defective which may likely cause risks and damage to the Company, the Executive Committee shall order such company to make good and rectify defects in such internal control system immediately. In addition, if the subsidiary has to conduct any transaction which is required to comply with the regulations of the Company or of the relevant laws and which is required to be approved from the shareholders' meeting of such subsidiary, i.e. capital increase, capital decrease or dissolution of subsidiary and etc. Such transaction shall be proposed for the Executive Committee's consideration and approval on voting guideline during the shareholders' meeting of such subsidiary.
- 6) When a new company is established or has significant investment in other businesses, such as having a percentage of shares with voting rights ranging from 20% but not over 50% and the amount of investment or may require significant additional investment to the Company. The Board of Directors will consider to provide shareholders' agreement or other agreements that is obviously about the power of management and participation in making important decisions, performance tracking to be able to used as information in the preparation of the Company's financial statements in accordance with standards and schedules.
- 7) In the event where the subsidiary performs any transaction about acquisition or disposal of assets, the Company shall treat the same way as criteria on acquisition and disposal of assets of its own which must be pursuant to criteria on undertaking the significant transaction on asset acquisition or disposal as per specified by the Capital Market Supervisory Board. In case the subsidiary has performed any transaction with its related persons, the Company shall not involve in such matter, except the subsidiary has performed any transaction with the related person of the Company, then the Company shall comply with the criteria on related transaction announced by the Capital Market Supervisory Board.