

## 2. Corporate Governance

### 2.1 Corporate Governance Policy

The Board of Directors realizes the importance of the principle of good corporate governance as a crucial factor in the Company's sustainable growth and, as it firmly believes, the long-term maximization of value and returns to shareholders and all stakeholders. The Board of Directors therefore prescribed and approved the Company's Corporate Governance Policy to promote transparency in the management of business affairs, and to protect the rights of minority shareholders and other stakeholders, while also encouraging them to participate in the supervision of the management of the Company's affairs. The policy also aims to ensure proper management of risks to ensure the stability and security of the Company's business. At the same time, the policy describes the Company's business philosophy and ethics, and takes into account the Company's social responsibility in the conduct of its business.

The Company's first Corporate Governance Policy was established according to the principles for good governance, and the latest revision was issued on 18 June 2015. The policy is reviewed and revised on an annual basis to ensure that it is in accordance with the rapidly changing social, economic, political, and environmental conditions of today's world, and to ensure that it is in line with the corporate governance (CG) guidelines and CG principles of the Stock Exchange of Thailand and Thai Institute of Directors. The Company also issued a CG Handbook of best practices for all persons who have a direct interest in the management and operations of the Company, including the Board of Directors, management, and staff. The CG handbook also contains a code of conduct for all mentioned. The Company encourages its directors, management, and staff to operate and perform the Company's business in an open and transparent manner in accordance with the law and the code of conduct to avoid conflicts of interest, and to serve as an example for others.

However, the CG Policy is to be reviewed on an annual basis to ensure that it covers all best practices and can respond to a changing society as well as the expectations of shareholders, investors, and stakeholders of the Company.

The Board of Directors is committed to ensuring that the Company will strictly comply with corporate governance policies and best practice guidelines. The Board will continue to focus on developing and improving corporate governance to ensure international compliance, particularly with the corporate governance requirements of the ASEAN region. This compliance will also ensure that the Company can maintain its goal of sustainable growth and contributions to its shareholders and stakeholders in all sectors. Focusing on maintaining standards and improving governance, as well as promoting good governance as the corporate culture, the Company has taken the following actions:

- Created and published a guideline to good corporate governance and code of business conduct and ethics for employees to read and pledge to follow. This has continued since 2013 and is helpful in allowing new employees to develop a better understanding of the Company and pledge to follow the code.
- Arranged a new employee orientation to provide advice and information on corporate culture and governance, as well as the code of business conduct and the purpose of the Company's anti-corruption policy.
- Published leaflets introducing anti-corruption policy for the executives and employees to read and better understand the guidelines.
- Developed E-learning courses for the executives and employees in order to provide them with access to and education on good governance, the Company's anti-corruption policy and code of conduct, and other topics. This aimed to encourage the executives and employees to understand the importance of good corporate governance and proper conduct to strengthen the corporate culture and maintain sustainable growth.
- Adopted partners' guidelines to ensure equality and good practices, as well as to promote proper conduct in business operations.
- Promoted corporate values (EPIC).
- Arranged CG Day 2/2015, the Company give out the Corporate Governance and Code of Conduct Manual to all employees and signed to acknowledge and have lecture on "How important is Corporate Governance to an Organization" by Dr. Bandid Nijthaworn. In addition, the Company has online questionnaire on corporate governance for employee.

## Corporate Governance Awards

In 2015, the Company was recognized for its excellence in Corporate Governance as follows:

- » In the results of the Corporate Governance survey of Thai Listed Companies, according to the ASEAN Corporate Governance Scorecard for 2013/2014/2015, Thaicom was shortlisted as one of the Top 50 publicly listed companies in Thailand.
- » TOP2 Outstanding Achievement Awards - Thailand according to the ASEAN Corporate Governance Scorecard for 2015
- » The Company's 2015 Annual General Meeting of Shareholders was evaluated under the AGM Assessment Program by the Thai Investor Association, and was awarded a perfect score of 100. 
- » The Thai Institute of Directors (IOD) awarded the Company a score of "Very Good"  for the Company's Corporate Governance for the Year 2015 (CGR 2015).
- » Audit Committee of the Year is an award that honors the audit committees that perform their duties effectively in accordance with good governance practices. To be recognized in this category, the audit committees have to achieve top-five average scores on Audit Committee practices, organized by the Thai Institute of Directors (IOD).
- » Board of the Year for Distinctive Practices is an award that honors outstanding boards that accomplish their duties effectively in line with good practices, organized by the Thai Institute of Directors (IOD).
- » Board with Consistent Best Practices is an award that honors boards that have won the Board of the Year Awards (either in the category of Distinctive Practices or Exemplary Practices) three consecutive times since 2011 and 2013. This award bestows special recognition upon boards for their consistent performance, organized by the Thai Institute of Directors (IOD).

## Adherence to Corporate Governance Best Practice Policy

A review of the Corporate Governance Policy in 2014 by the Board of Directors showed the strict compliance with the relevant policies and guidelines. However, some principles held by the Company are different from the Principles of Good Corporate Governance for Listed Companies 2012 recommended by the Stock Exchange of Thailand. The differences are detailed as follows:

| Principles/guidelines from Stock Exchange of Thailand  | Company statement  |
|--|--|
| <p>The company has limited the term of office of independent directors to a maximum of 3 consecutive 3-year terms, or 9 years. If the board of directors sees it necessary that certain independent directors, who have served on the board for 3 consecutive terms, or 9 years, should continue to hold the position, the board of directors has the right to extend the term of offices of said independent directors.</p> | <p>As the satellite business requires special expertise, directors have to clearly understand the Company's business operation and administration, management of investments that requires large funds, and the varying social and political climates for business operations abroad. The Company believes that long-term involvement supports all directors' responsibilities. Furthermore, the Company conducts a director evaluation process every year and in the year 2016, the Company will use a professional search firm for the director evaluation process to confirm that there are not any conflicts of interest and also that the director selection process has been considered and approved by the Governance and Nomination Committee.</p> |
| <p>The corporate governance committee and nomination committee should consist entirely of independent directors.</p>   | <p>On 31 December 2014, the Governance and Nomination Committee consisted of 66.7% independent directors. The Board of Directors believed that was the appropriate portion for the business and the Company's structure.</p>   |

The Board of Directors closely adheres to good corporate governance guidelines for listed companies in performing its various duties to ensure maximum benefits and returns to the Company's shareholders and other stakeholders. The Board also supported a number of activities to promote the implementation of and adherence to good corporate governance practices within the Company, including the establishment of a Corporate Governance Committee, dissemination of corporate governance best practice through a CG day, the publication of a CG policy and Code of Conduct handbook periodically, and preparation of E-learning materials to provide employees insights into the Corporate Governance Policy. The activities undertaken can be divided into the following 5 categories:

## Section 1 Rights of Shareholders

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The Company has a policy that facilitates and promotes the rights of shareholders as stakeholders of the Company to provide opportunities for them to share opinions on the Company's business operations. The following rights are provided to the shareholders:

- Right to buy, sell, or transfer shares of the Company;
- Right to receive correct, adequate, and timely information regarding the Company's operations and activities. Furthermore, the Company has a policy to prevent obstruction of communication between shareholders and the Company;
- Right to attend shareholder meetings, express opinions, give recommendations, and be involved in decision making for significant changes;
- Right to appoint and remove directors at shareholder meetings;
- Right to appoint auditors for the Company and fix their remuneration;
- Right to acquire profits of the Company in the form of a dividend;
- Equal right to acquire share certificates, transfer shares, and repurchase shares;
- Right to stipulate or amend the Company's Objective, Articles of Association, and Memorandum of Association;
- Other rights as prescribed by law, the Company's Articles of Association, and other relevant regulations.

### Shareholder Meeting

In 2015, the Company's Annual General Meeting of Shareholders (AGM) was held on 26 March 2015. The Company took actions pursuant to good corporate governance regarding rights of shareholders as follows:

1. The Company granted minor shareholders the right to propose items for inclusion on the agenda of the AGM at least 3 months in advance of the AGM, the date for which the Company shall inform shareholders through the news portal of the Stock Exchange of Thailand. At the same time, the Company also provided the guidelines and procedures to be followed on how to propose items for inclusion on the agenda of the meeting on the Company's website: [www.thaicom.net](http://www.thaicom.net) beginning on 18 September 2014.
2. The Company sent invitation letters to attend the AGM to shareholders no less than 21 days in advance of the meeting date. For the 2015 AGM, the Company sent the invitation letter to all shareholders on 25 February 2015. The invitation letter consisted of all necessary information such as date, time, venue, agenda, objective, and Board of Directors' opinions as well as any other relevant information required.
3. The Company posted the 2015 invitation letter on the Company's website in both Thai and English beginning on 23 February 2015. This provided shareholders enough time to acknowledge and study the information no less than 30 days in advance of the meeting date.
4. The Company allowed shareholders to send their questions to the Company prior to the meeting date via the Company Secretary Office located at Thaicom Satellite Station 63/21 Rattana Thibet Rd., Nonthaburi, Thailand 11000, or via email at [comsec@thaicom.net](mailto:comsec@thaicom.net) from 23 February 2015 to 22 March 2015.
5. The Company enclosed the Proxy Form (A), Proxy Form (B), and Proxy Form (C) with the AGM invitation letter. This form may be used by shareholders who are unable to attend the meeting in person. The shareholders may complete this form to authorize another representative or an independent director appointed by the Company as a Proxy for Shareholders, to submit their votes on the day of the meeting.

6. The Company has a policy to conduct shareholders meetings according to the laws and guidelines prepared by regulatory authorities and in compliance with good corporate governance. The meeting shall be arranged at the Vibhavadee Ballroom, Lobby Floor, Centara Grand Hotel at Central Plaza Ladprao Bangkok, 1695 Phahonyothin Rd., Chatuchak, Bangkok, where it is convenient for shareholders to attend the Meeting, with convenient forms of transportation nearby. The Company ensures that sufficient staff and the necessary technology are available for checking relevant documents, registering to attend the meeting, and counting and showing the votes for each agenda item. The barcode system is supplied and operated by Inventech System Co., Ltd.
7. All directors attended the shareholders meeting including the chairman of sub-committees, Chief Executive Officer, top executive and auditor. Shareholders should be able to ask questions directly to the person responsible for any specific issue.
8. The Company provided ballot papers for voting through a secret ballot in each agenda as it was easy to verify and transparent. For an agenda with multiple voting items; for example, election of directors, a secret ballot was applied to each sub-issues.
9. The Company invited representatives from external law firms to inspect the vote counting process. The scrutineer was disclosed at the meeting and recorded in the minutes.
10. The Company also provides opportunities for shareholders to submit their questions in advance to an independent director. These questions will be forwarded to the Company's management, or the office responsible for organizing the meeting, so that the necessary information may be gathered to answer the questions. The questions asked and the answers are duly recorded in the minutes of the shareholder meeting and can be checked by shareholders if they so desire.
11. After the meeting, the Company will post the agenda and outcome of the voting on each agenda item on the Stock Exchange of Thailand's website as well as the Company's website within the day.
12. The minutes of the AGM record a description of the voting and vote tabulation procedure used, declaring both before the meeting proceeds, including an opportunity for shareholders to ask questions or raise issues, question and answers, resolutions, voting results of each agenda, and a list the board members who attended or missed the meeting. The Company posted the minutes of the AGM on the Company's website within 14 days after the AGM, and informed to shareholders and investors through the SET's website.

## Section 2 Equitable Treatment of Shareholders

The Company respects the rights that shareholders have according to the law and the Company's Articles of Association. The Company has a duty to protect the benefits of every shareholder equitably, regardless of whether they are a retail, foreign, institutional, or wholesale investor.

1. Every shareholder shall have the right to propose suitable candidates for selection as directors at least 3 months in advance of the AGM. In 2015, the Company informed shareholders through the Stock Exchange of Thailand and disclosed guidelines and procedures on how to propose directors for nomination on the Company's own website at [www.thaicom.net](http://www.thaicom.net) beginning on September 18, 2014.
2. The 2015 invitations letter were prepared and disclosed in both Thai and English allowing Thai and foreign shareholders to access information equally.
3. At the AGM, the Company informs shareholders of the regulations and methodologies that will be applied throughout the meeting as well as in the voting process, and the voting rights attached to each class of shares.
4. The Company will not add items to the meeting agenda or change significant information without prior notice to the shareholders.
5. The Company will provide the opportunity to shareholders and institutional investors to vote for and appointment directors individually.

6. The Company has a declaration on practice in internal and securities trading to prevent use of sensitive and non-disclosed internal information of the Company or the Group by the directors, executives, or employee for personal or third party interests. The Company regularly informs and monitors the directors, executives, and employees in relation to direction and policy. The Compliance Office will summarize the data and present it to the Company Secretary who will report to the Board of Directors quarterly.
7. The Board of Directors and executives must disclose conflict of interest information as well as information about related persons to ensure transparency in the consideration of the Company's business transactions. Directors and executives holding stakes in the transactions must not take part in the decision making process of these transactions. All transactions will proceed according to the Company's approval process for related transactions. The Compliance Office will deliver a stakeholders report and profiles of the directors and executives (Form 89/14) to the Board of Directors for review and collection. The Company Secretary will present the report to the Board of Directors and send a copy of the report to the Chairman of the Board of Directors and the Chairman of the Audit Committee for review. If any changes are made to the stakeholders report and profiles of the directors and executives (Form 89/14), the Company Secretary will make a report within 7 business days of the day the report arrived.

### Section 3 Rights and Equitable Treatment of Stakeholders

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The Company and the Board of the Directors takes into account the rights of other stakeholders and consistently abides by corporate governance best practice principles and other supporting guidelines, including our Code of Conduct, to ensure equal and proper treatment of all stakeholders. This takes into account, although not exclusively, the Board of Directors, management, employees, shareholders, customers, business partners, competitors, creditors, communities in which we operate and society as a whole, and the environment. Furthermore, the Company abides by international human rights principles and anti-corruption guidelines to promote the development of society.

The Company issued an ethics manual, and distributed this manual to directors, executives, and employees for their acknowledgment and strict adherence to the guidelines published in this manual. The Company has also developed a disciplinary framework in case of violation or misconduct. The Code of Conduct is disclosed on the Company's website [www.thaicom.net](http://www.thaicom.net) in the Section of Sustainability > Corporate Governance > Code of Conduct. The manual, upon distribution to the Board of Directors, management, and staff, was duly acknowledged and signed by each recipient. The Company has also authorized the Internal Audit Department, Human Resources Department and the Ethics Committee or Audit Committee to report any infractions or non-compliance with the ethics guidelines.

In addition, the Company Secretary Department and the Compliance Office arranged an orientation and activities for new employees were also organized, with supporting activities to promote awareness and understanding of good corporate governance and the Code of Conduct among the Board of Directors, management, and employees. These activities and others aim to build a strong culture of good corporate governance within the organization regularly and consistently.

The Corporate Governance Policy, Code of Conduct, and other related policies cover the following areas:

#### 1. Responsibility to shareholders

The Company takes into account the rights and equitable treatment of stakeholders in line with the Company's Corporate Governance Policy and Code of Conduct. The Company is determined to operate its businesses in a manner that ensures the greatest shareholder satisfaction. This includes long-term growth in the Company's value, consistent returns, and transparent and trustworthy disclosure of data to shareholders.

#### 2. Responsibility to customers

The Company has a quality policy as well as the ISO 9001:2008 quality system dedicated to creating customer satisfaction and trust that they are receiving high quality products and services at reasonable prices. The Company aims to maintain good customer relations and is dedicated to ensuring that any customer complaints are dealt with fairly and efficiently. The Company aims to provide its customers with the necessary information and data about the Company's products and services to ensure proper use, satisfaction, and benefits from the use of the Company's products and services. The Company will also safeguard any customer data that should not be divulged, unless such customer information must be disclosed to third parties according to law.

### 3. Responsibility to business partners and creditors

The Company complies with the Company's Social Responsibility Policy which identifies good practice in the fairness of business partner selection and maintenance of long-term relationships. All transactions must be mutually beneficial and based on equality. The Company firmly observes contractual agreements and strictly follows the conditions of such agreements, including the repayment of loans and interest or other charges due to creditors.

Moreover, the Company has established a policy on fairness and responsibilities towards business partners and/or creditors. The Company has a policy to treat every business partner and/or creditor with equality and fairness, adhering to business operations which are credit worthy in the eyes of creditors on the realization of mutual benefits, whilst avoiding a situation which can give rise to conflicts of interest, damage to the Company's reputation, or illegal actions as follows:

- The Company shall do its best to endeavor to comply with any contract, agreement, or various conditions concluded with business partners and/or creditors. If compliance with the conditions cannot be achieved, the Company shall promptly inform business partners and/or creditors within a reasonable time in order to determine sound and reasonable remedial actions.
- The Company shall provide business partners and/or creditors only with adequate data only, and shall not provide any false, distorted, or incomplete data which, in turn, can cause business partners and/or creditors to have a misunderstanding and impact decisions.
- The Company shall conduct financial management in a way that business partners and/or creditors shall have confidence in its financial status and ability to pay Company debt.
- The Company shall by no means, ask for, receive, or grant any trade benefits to business partners and/or creditors with dishonesty. In the case where dishonest behavior occurs, the Company shall notify business partner and/or creditors of all details to and cooperate with them to correct the problem with speed as well as take measures to prevent recurrence.
- Deals with business partners and/or creditors shall be conducted in a good manner without damage to the Company's reputation or any illegal activity. Conduct should be on a basis of equality, fairness, and mutual benefits.

### 4. Responsibility to society and the environment

The Company realizes that it has duties and responsibilities toward the country. The Company is an integral part of the country's business and social fabric, and as such must help and lend support to local activities in the communities where the Company has business operations. Moreover, the Company urges its staff to look after the environment and conserve resources by promoting efficiency and maximizing benefits from resources in an environmentally friendly manner as described in the Social Responsibility Policy and Code of Conduct.

The Social Responsibility Policy recognizes the value and importance of responsibility to society and how that responsibility contributes to the Company's sustainable growth. For this reason, the Company deems that social responsibility is an important foundation of the Company's overall business activities. The Company has formed its Social Responsibility Policy around a number of tenets, namely: corporate governance, corporate business conduct, human rights, employee relations, customer relations, partners and suppliers, innovation, society and community relations, and environment.

In terms of society and communities, the Company believes in the idea of creating a shared value between the business and social sectors and implements it as a guideline for business conduct to maintain sustainable growth of the two sectors. The Company also has a policy that intends to build a relationship and collaboration with the communities surrounding the Company's location and in other areas. It aims to raise the quality of life in the communities by meeting their needs and engaging in their activities.

The Company believes that education is an important and fundamental element in efforts to develop a nation, its society, and its communities, as well as business. The Company actively supports the utilization of its products, services, resources, and employees in providing educational support and in improving education for youth, communities, and the areas in which the Company has active business operations. The Company focuses its efforts on creating and developing community knowledge centers to help improve standards of living.

In addition, the Company views it as an important duty to supply telecommunications services to areas that have been impacted by disasters if those areas fall within the Company's service ability. The Company will work with its business partners and customers, as well as relevant organizations and authorities, to establish and provide first-responder telecommunications services whenever the need arises.

For the environment, there is an operational policy which emphasizes environmental preservation and encourages using natural resources for the highest benefit. The Company also emphasizes Company culture and promotes activities to maintain the internal and external environment, and to prevent and control any operation which has ecological impacts. This includes using radio signal equipment in a manner that is safe for staff and the communities around the Company. Moreover, the Company provides yearly checks on the weather and environment in the vicinity of both satellite station to ensure no harms caused by the tools and equipment were done to the environment and nearby communities. In addition, activities such as charity events at the local orphanages and nursing homes were organized. (For further information please see SD Report)

## 5. Responsibility to employees

Our employees are our most valuable asset. Therefore, there are policies in place to foster advancement of employees, driven by procedures for human resource improvement including the provision of both professional and general improvement training courses on a regular basis. Other policies exist to determine appropriate remuneration and other benefits for employees in line with the Company's performance. The Company is also focused on creating a strong corporate culture and providing a good atmosphere and safe working environment for all employees. The Company strictly complies with labor laws as addressed in the Social Responsibility Policy and Code of Conduct.

### The Social Responsibilities Policy with regards to employee relations:

- The Company recognizes that its employees are its most valuable asset.
- The Company encourage its employee to be a intellect person and have morality
- The Company consistently promotes the creation of, and adherence to, a corporate culture based on the Company's vision and core principles with a distinctly Thai identity.
- The Company also urges its employees to participate fully in the Company's activities, and offers employees opportunities for training, learning and skills development so that they may advance in their respective careers. The Company has implemented an employee review and remuneration plan to ensure that employees receive suitable salaries and incentives for their work.
- The Company promotes a work-life balance for employees, and creates a suitable and safe work environment, as well as providing personal health benefits for employees. The Company strictly adheres to the labor laws and regulations of the country.
- The Company promotes social responsibility awareness amongst its employees, and actively urges employees at all levels to participate in the Company's social responsibility activities.

### Occupational Safety, Health, and Environment Policy:

- The Company manages, administers and proceeds on occupational safety, health, and environment in agreement with applicable laws, regulations and stipulations through the course of Company operation.
- The Company promotes and supports staff in performing their duties without any danger to their life, body, mind, and health.
- The Company arranges for procedures and work plans concerning occupational safety, health, and environment with adequacy and efficiency.
- The Company assesses and follows up on performance concerning occupational safety, health, and environment issues which are related to operation of the Company on a continual and regular basis.
- The Company protects against and controls risks which may give rise to loss as a result of accident, injury, or illness which originates from incorrect ways of performing duties or any error that may arise.
- The Company arranges for efficient warning systems and safety measures with adequate quantity and suitability for offices and premises under the operation of the Company.

- The Company arranges for public relations and communications to create knowledge, understanding, and distribute information concerning occupational safety, health, and environment to Company staff as well as the stakeholders with adequacy and efficiency.
- The Company arranges for readiness on a continual and regular basis to cope with various crises which may interrupt the Company's business or be detrimental to the Company's reputation and image.

There are policies to dictate the determination of remuneration and other benefits by the Compensation Committee which are authorized by Board of Directors. The Committee will consider the fairness of benefits based on standard measurements that are appropriate and consistent with the Company's short-term and long-term performance, as well as the payment of remuneration in the same industry, and further propose to the Board to consider and approve accordingly. The Company also provides other benefits, such as provident funds, long-term benefits, and an annual physical checkup.

There is an environmental policy which includes caring for the work environment. This involves the Big Cleaning Day where employees cooperate to clean out old paper and other unused items. It is held at least twice a year to support the 5S policy. There are fire drills and safety alarm testing. The Company also promotes teamwork, respects individuality and privacy, and creates equal opportunities for all. Occupational health and safety are of prime concern, and the Company aims to create a safe and suitable work environment. The Company constantly monitors industry standards for remuneration and benefits and implements such changes when necessary. Regulations and laws governing working hours, freedom of association and bargaining rights, as well as those banning forced labor and child labor, are stringently upheld by the Company.

## 6. Human Rights

The Company supports and respects human rights and will operate its business based on the principles and intentions of the Universal Declaration of Human Rights under the auspices of the United Nations. Under no circumstance will the Company take part in any action which is against the principles of human rights. The Company has also specified compensation measures in its "business ethics" manual for cases where the stakeholders incur damage from a violation of stakeholders' legal rights as addressed in the Social Responsibility Policy and Code of Conduct. In addition, the Company has a Human Rights Policy with details as follows:

- The Company respects and supports human rights and prohibits involvement in activities violating such rights, including forced labor and child labor.
- The Company respects stakeholders and treats them accordingly with dignity and without discrimination, embracing people of different backgrounds, races, gender, religions, physical appearances, status, and bloodlines.
- The Company always ensures compliance with human rights and encourages its subsidiaries, joint venture partners, suppliers, and all stakeholders to abide by these rights in order to meet international standards.
- The Company is responsible for any damage or loss to stakeholders resulting from its misconduct. Resulting compensation will not be less than the rate specified by law.

Furthermore, the Company will operate its business based on the principles and intentions of the Universal Declaration of Human Rights under the auspices of the United Nations. Under no circumstances will the Company take part in any action which is against the principles of human rights or the policy against human rights violation. The Company has disclosed a Human Rights Policy on [www.thaicom.net](http://www.thaicom.net) in the Section of Sustainability > Corporate Governance > Corporate Governance Policy

## 7. Competition in business

The Company has a policy to support and promote free and fair competition in business. It is against policy to resort to competition in business in any form that would acquire information from competitors in an unlawful or unethical manner as further described in the Code of Conduct.

## 8. Anti-corruption practices

The Company opposes all forms of corruption and complies with all anti-corruption laws in Thailand as well as in any other countries or territories where the Company may have business interests or operations. The Company has an Anti-Corruption Policy that all directors, executives, and employees must acknowledge and adhere to

strictly. The Company has also promotes activities that encourage all staff to follow the policy. The Company has disclosed an Anti-Corruption Policy on [www.thaicom.net](http://www.thaicom.net) in the Section of Sustainability > Corporate Governance > Anti-Corruption.

The Anti-Corruption Policy exists for the following purposes:

- To demonstrate the Company's position against fraud of all kinds
- To set up rules and guidelines that prevent the Company and employees from violating anti-corruption law
- To establish procedures for monitoring and determining compliance with the policy
- To encourage employees to observe and report any fraud through secure communication channels

According to this policy, fraud refers to the abuse of power acquired through position and any act of giving, accepting, receiving, or authorizing assets or benefits to and from government officials, state agencies, private officials, or private agencies to allow them to seek personal gain from Thaicom, unless they are not prohibited by the provisions of laws, custom, or traditions. Fraud also refers to bribery and corruption.

In 2015, the Company comply with Anti-Corruption Policy as follows:

- The Company implemented the policy strictly. The Board of Directors assigned Audit Committee to the Anti-Corruption Policy to ensure the Company's compliance with the laws and Code of Conduct.
- The Ethics Committee takes priority in implementing the policy and also follows up on outcomes. All of the directors need to ensure their subordinates understand the policy.
- The Company has also set guidelines for disbursement procedures to comply with the Anti-Corruption Policy. The employees must fill out the following application forms through the request system:
  - (1) Charity and/or sponsorship
  - (2) Recreation or entertainment
  - (3) Giving or receiving gifts

The employees must provide details such as names of donation recipients or sponsors, recreation participants, gift receivers, and business relationship. Once the forms are filled, the system will send it to the authorities for authorization in compliance with the Anti-Corruption Policy. The system also compiles the data into a report to serve as guidelines for the follow-up evaluation and delivers it to the Board of Directors for review, consideration, or improvement in compliance with the Anti-Corruption Policy.

- The Company also provides training for employees to educate them on combating corruption, starting with new employees. E-learning materials are also provided to communicate with directors, executives, and employees so they can gain a better understanding of the subject. Tests are also given to assess the understanding of the content and the guidelines.
- The Company's Risk Management Committee also conducts a fraud risk assessment in which employees are asked to assess the risks of fraud in the organization online. The results are compiled into a summary report on fraud risk that is presented to the Risk Management Committee for review and then on to the Board of Directors for review and approval. The report is to be included in the Company's risk management plan. For further information please see in the section of Risk Factors.
- The Company has Anti-Corruption Policy to provide the channels for reporting and to encourage all Employees to report any information of misconduct and or fraud occurring in the Company and to prevent and suppress the misconduct and or fraud which may occur in the organization and help detect and reduce damage from misconduct and fraud. If an Employee has any cause for concern over matters relating to misconduct or fraud, they must immediately report their concerns to their immediate line-manager verbally, in writing or channel specified in this policy. Responsible Executives upon receiving notification of misconduct or fraud, must report to the Internal Audit Department of the Company immediately.
- The company will provide protection and not allow Company Executives to threaten, take any disciplinary action or dismiss Employees who provide information during the investigation. The Company may provide additional protection as required and determined by the severity and importance of the complaint.

- The person that misconduct and fraud will be disciplined according to the Company's rules and regulations.
- The Company assign all directors and executives according to notification of SEC Office report on conflict of interest order by the law and expand to all employee, to prevent conflicts of interest which is lead to corruption.
- The Company has set the channel to report whistleblowing on the Company's website [www.thaicom.net](http://www.thaicom.net) in the section of Sustainability > Corporate Governance > Ethical Hotline

In 2013, the Company agreed to sign a declaration of Thailand's Private Sector Collective Action against Corruption ("CAC") with the Thai Institute of Directors (IOD) to realize transparency of business operations ensure that there are regulatory audits.

Moreover, the Board of Directors meeting on 17 December 2014 called for the submission of a self-evaluation form. The Board of Directors had reviewed the data and participated in the verification of the alliance members of the private sector in an attempt to combat fraud in the fourth quarter of 2014. The Company was certified by the Private Sector Collective Action Coalition against Corruption Council on 16 January 2015.

## 9. Observance of the law, rules, and regulations

Directors, executives and staff must operate the business in agreement with the Company's Articles of Association, applicable laws, rules, and regulations. They must not, under any circumstances, knowingly participate in or take any action that is in violation of the following regulations:

- Thoroughly understand and strictly obey the law relating to one's own duties and responsibility. If in doubt, seek advice from the legal department or a legal advisor. Avoid acting based on one's own interpretation.
- When working abroad, study the law, customs, traditions, and cultures of that country before undertaking any activity concerning the Company's business so violations will not occur.

## 10. Political activities

The Company has a policy against political bias which must be acknowledgment and strictly followed by directors, executives, and staff of the group in accordance with the sections of the Anti-Corruption Policy relating to political sponsorship, as well as in accordance with the Company's Code of Conduct, as follows:

- Company policy is to maintain neutrality in politics, not showing loyalty towards any particular parties or politicians.
- Directors, executives, and staff have freedom as individuals under the constitution and relevant laws, but must not use the status of Company or take any assets, equipment, or instruments from the Company for use in proceeding with any political actions which may give rise to the understanding that the Company is supporting or showing any loyalty towards any political party. However, proceeding in private time and on individual expenses are permitted.
- Employees should refrain from supporting political activities whether in the form of cash or any other forms given to a political party, politician, or candidate for political election. The restriction also includes lending or donating equipment for use in providing technological services free of charge as well as taking time away from the office.
- Directors, executives, and staff must first resign from the Company and effectively leave the service of the Company prior to taking up any political position or applying to be a political candidate in a local or national election.

## 11. Conflicts of interest

The Board of Directors realizes that working for the Company can lead to situations whereby personal interests of directors, executives, and staff may be in conflict with the Company's interests. Such conflicts may come in many forms and make it impossible to act in a manner that ensures fairness to partners, stakeholders, or other entities. Therefore, the Board has considered and approved the Conflict of Interest Policy contained in the Company's Code of Conduct as follows:

**1. Taking money or emoluments**

Directors, executives and staff must not take money or any emoluments in private from customers or business partners of the Company or any person as a result of working for the Company.

Directors, executives, and staff must not lend, borrow, or solicit money or any object from customers or those who conduct business with the Company, with the exception that the borrowing is from a commercial bank or financial institution as a customer of said commercial bank or financial institution.

**2. Conducting other businesses outside the Company**

Conducting private business by directors, executives, and staff must not affect them in performing their duties and working hours. Conducting business or taking part in business in competition with the business of a company in the Group is prohibited without regards to whether directors, executives, or staffs receive direct or indirect benefits.

**3. Conducting any businesses with companies in the Group**

Conducting any business with companies, whether in one's own name, the name of a family member, or any juristic person, in which executives or staff stand to gain or lose requires the disclosure of the status in standing to gain or lose prior to conducting the business.

Directors, executives, and staff with the status in standing to gain or to lose are prohibited from approving any transaction agreement or taking any action on behalf of the Company.

The person who conducts a transaction on behalf of the Company has the duty to check as to whether or not the business partner is related to directors, executives, or staff prior to doing the transaction in order to prevent any possible conflicts of interest from arising. The definition of 'relationship' is to be in agreement with the principles on 'Disclosure of Data and Operation of Registered Companies in Relevant Transaction' which is distributed by the Securities and Exchange Commission of Thailand.

**4. Holding directorships in companies outside Group**

The Company has no policy to release executives to be directors in other companies outside Group. Company executives holding PG 13 status and up require approval from an authorized person in the Company prior to holding a directorship in another company.

Holding the mentioned directorship must not be against any clause in the law or regulations related to the business operations of the Company. Neither can the executives use the position in the Company as a reference to promote business outside the Company. Request for approval on holding the directorship requires the following approval authority:

| Position                   | Approve by                      |
|----------------------------|---------------------------------|
| Executive Level PG 13 - 15 | Chairman of Executive Committee |
| Executive Level UC up      | Executive Committee             |

**5. Accepting gifts and attending business receptions**

Directors, executives, and staff should refrain from accepting gifts, whether in the form of cash or not, from business partners or persons relevant to the Company's business. The exception is accepting a gift as a seasonal or traditional practice, yet the value of gifts must not exceed 3,000 baht and recipients must adhere to the Anti-Corruption Policy.

Directors, executives, and staff can attend business receptions within the boundaries of the policy, as well as appropriate value, and should refrain from attending receptions with nature above normal relationship from other persons related to the Company or those likely to become business partners in the future.

**6. Trips for seminars and study tours**

All directors, executives, and staff can accept invitations to seminars, business events, and company visits where the traveling expenses are sponsored by suppliers, customers, creditors, or any other person they

are dealing with on behalf of the Company. However, the aforementioned activities must benefit the Company's business and be authorized by the relevant supervisor. The Company will pay all transportation, accommodation, and other related expenses as specified in the Company's regulations. All directors, executives, and employees must not accept spending money or other benefits provided by the above persons for these events.

## 12. Protecting and looking after Company assets

Directors, executives and staff at every level have a duty and responsibility to safeguard the Company's assets for the best interest of the Company. They must appropriately control confidential data and sensitive information that they may possess or become aware of as part of their responsibilities. They must not communicate such information to other work units or outsiders as addressed in the said policy and the Code of Conduct.

The Company has a policy concerning responsibility for Company assets as the board realizes the importance of the employees' responsibilities.

- Employees must keep the Company assets in good condition and available at appropriate times in consistent with the lifetime of the assets, as well as prevent them from any damage or loss.
- Employees must use the Company assets in a sparing and appreciative manner to optimize the benefits for the Company, while showing concern for the environment and energy conservation.
- Employees must not use the Company assets wrongfully for personal gain, both directly and indirectly.
- If any damage or loss of the Company assets occurs under employees' or individuals' responsibility, the individuals will be responsible for the consequences as stated by the Company rules, regulations, or other policies.
- Upon leaving the employment of the Company, employees must return the Company assets and all forms of information used in operations, work, and inventions back to the Company. Making copies or distribution for personal gain without Company permission is prohibited.

## 13. Intellectual property rights

The Company has an Intellectual Property Rights Policy in its Code of Conduct. Directors, executives, and staff must respect the lawful intellectual property rights of others as stated in the policy.

The intellectual property rights of the Company includes various copyrights, patents, trademarks, and secrets which are essential in maintaining the Company's competitive advantage. Directors, executives, and staff have a duty to protect, keep, and defend the rights of the Company toward all intellectual property, and to exercise those rights with responsibility.

The Company's Intellectual Property Rights Policy is as follows:

- The Company has a policy to protect and respect intellectual property of others. In this context, the Company shall not support any actions which represent a violation of intellectual property of others without regard to it being a copyright, patent, sub-patent, trademark, trade secret, or other type of intellectual property.
- The Company shall support and promote creativity and encourage innovation without repeating, modifying, copying, duplicating, or conducting other actions in violation of the intellectual property of others.
- The Company shall carefully check on the use of data, documents, and various printed matters including other works which have intellectual property rights, to ascertain whether or not the proper permission has been received from the legal owner of the rights, prior to using such a work, including making reference to the source of data or referring to the data originator who possesses the intellectual property.
- The Company shall support and take part in various activities to protect the intellectual property of others. The support includes promoting knowledge and conscience among staff regarding due respect of the intellectual property of others on a regular basis.

All intellectual property works created and/or developed by employees under the Company's instruction and/or employee's duty shall be the intellectual property of the Company.

#### 14. Use of inside Information and trading of the Company's securities

The Company has a Securities Trading Policy for directors, executives, and staff to prevent the use of inside information that is not disclosed to the public for the benefit of their own or others as follows:

- All directors, executives, and employees must comply with the insider trading prohibition as defined in the Securities and Exchange Act, B.E. 2535.
- Directors, executives, and employees who have access to the Company's inside information are prohibited from trading Thaicom Group's securities for a period of 30 days prior to the disclosure or publication of the quarter and annual financial statements, or any other period that the Company might specify from time to time. There may be an exception if they have a severe financial hardship or have to meet law and regulation requirements, especially under a court order.
- The Compliance Department will publish the date of the blackout period in advance in order to help the designated persons comply with this requirement.
- All directors, executives, and employees who have access to the Company's inside information must report their holdings of Thaicom Group securities to the Company Secretary in one of the forms below.
  - (1) Report of Directors and Executives Interest and Personal Information (Form 89/14), which must be submitted within 7 business days of appointment in case of directors and executives;
  - (2) Report of Securities Holding in Thaicom Group, which must be submitted within 7 business days of notification by the Company Secretary in case of other than directors and executives.
- Directors, executives, and employees who have access to the Company's inside information must report any change in their holdings of Thaicom Group securities to the Company Secretary within 7 business days of the trading date.
- All directors and executives are responsible for preparing and disclosing their holdings of that company's securities as well as any change in their holding to the Office of the Securities and Exchange Commission in compliance with Section 59 of the Securities and Exchange Act, B.E. 2535.
- The Company Secretary must submit copies of the securities holding report to the Chairman of the Board, Chairman of the Audit Committee, and Chairman of the Executive Committee within 7 business days of receipt and report the details at the next board meeting.

#### 15. Giving information or interviews to the press or the public

Any information about the Company to be supplied to outside sources must be factual and accurate, and presented with care. This policy has been included in the Code of Conduct. Those who do not have relevant duties or receive assignment cannot give information or interviews to any press or public in reference to the Group in any way. This prohibited action can give rise to undesirable impact on the reputation and business operations of the Company.

In 2015, the Company held a press conference and activities for shareholders as follows:

| Meeting with Shareholders and Analysts | Frequency (per year) |
|--|----------------------|
| Analyst Meeting                        | 4                    |
| Opportunity Day                        | 4                    |
| Road Show                              | 6                    |
| Company Visit                          | 2                    |

#### 16. Transactions between related companies

In case of transactions between related companies, the Board of Directors will consider the benefits of the Company to be of foremost importance, in keeping with the policy included in the Company's Code of Conduct. In case of inter-company transactions in the Group, the Group will follow the principles and steps in the consideration for approval process with the realization of maximum benefits for the Company in essence and on Arm's Length Basis.

The Company has a Related Party Transaction Policy as follows:

- All related party transactions made by the Company and its subsidiaries must comply with relevant laws and regulations.
- All related party transactions made by the Company and its subsidiaries must be deemed as settled transactions with independent third parties and conducted on arm's length basis in order to create the highest benefit for the Company.
- In entering into related party transactions, which are normal business transactions with general trading conditions as determined by the regulatory agencies, such as advertising, computer, mobile and internet services, the management can approve these transactions according to the Company's Approval Authority.
- Any director or executive with a conflict of interest in a transaction involving the Company or its subsidiaries is prohibited from participating in the approval process for that transaction.

## 17. Whistleblowers and corruption

The Board has approved the Company's "Whistleblower Policy" which allows for investigation and protection of alleged wrong-doers and the whistleblowers. The Company has provided channels to report misconduct or corrupt behavior that may have occurred within the Company. The Company has also specified a process of fair and transparent investigation.

### Report of Non-Compliance with Code of Conduct

The Board of Directors provides channels for stakeholders of all parties to report or make a complaint about any action that might damage the Company or lead to infringement of individual rights, in compliance with the Code of Conduct. The procedures and guidelines involve:

- Stakeholders of all parties in the Company
- Directors, executives, and employees

The following actions may be taken if encountering a case or being pressured/forced to violate the Code of Conduct or do any other actions that might damage the Company and/or the Board of Directors.

- For employees, a report can be sent to the supervisors, senior executives, Internal Audit Department, Human Resources Department, Ethics Committee, or Audit Committee depending on the case. This can also be done through the Ethics Hotline system via intranet on the Company's website.
- For stakeholders, e.g., shareholders, suppliers, customers, and creditors, a report can be sent using the Ethics Hotline system on the Company's website or to the Company Secretary, as detailed in the section on communication channels with the Board of Directors and Company Secretary.

The Board of the Directors has approved issuing the Reporting and Investigation of Misconduct and or Fraud and Whistleblower Protection Policy and Thaicom Whistle Blower Policy. The policy determines further duties and responsibilities in the investigation process and whistleblower protection mechanisms to prevent, detect, and reduce fraud and misconduct within the organization.

### Contacting the Company's Board of Directors or Company Secretary

The Company has provided channels for stakeholders to communicate their opinions, including reporting the cases of finding or receipt of unfair treatment due to illegal acts or acts in violation of business ethics of officers or employees of the Company, by making a report or complaint in writing and sending it to any one or more independent directors of the Company, or the Company Secretary at:

#### **Company Secretary**

Thaicom Public Company Limited  
63/21 Rattanathibet Road,  
Nonthaburi, Thailand 11000

Furthermore, the stakeholders outside the organization can communicate through the Company's website, by telephone, or by e-mail to the Investor Relations Department at [ir@thaicom.net](mailto:ir@thaicom.net), and the Company Secretary at [comsec@thaicom.net](mailto:comsec@thaicom.net), including the Internal Auditor Department.

The Company also makes channels of communication available to stakeholders inside the organization through the Ethics Hotline on the intranet system of the Company. Information will pass through the Heads of the Internal Audit and Human Resource Departments as well as the Company Secretary Office.

In 2015, the Company had 4 complaint issues and set up the committees of enquiry to investigate 3 issues, of which 2 investigations are complete and 1 is still ongoing. However, the Company has no complaints or resignations related to ethical misconduct of directors due to governance failures, including legal disputes on labor or disputes on trading.

## Section 4 Information Disclosure and Transparency

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The Company values accurate, complete, thorough, and timely disclosure of financial, operational, and other relevant information for investors and concerned persons to use in investment decisions. The Company issued its Market Disclosure Policy in accordance with the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The objective of the policy is to ensure transparency and accountability and the provision of financial information, corporate performance, and other related information. This disclosure is made through communication channels via the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and the Company's website [www.thaicom.net](http://www.thaicom.net). All important information is provided in both Thai and English-language versions for the convenience of interested parties.

In addition, the Company's Investor Relations Department acts as a portal for access to the Company's performance results. The department is responsible for communicating useful information to shareholders, investors, and analysts as well as preparing policies and handbooks for investor relations activities and information disclosure to the Stock Exchange in order to ensure that the Company fully complies with laws, rules, and regulations.

The disclosed information is transparent and provided on a regular basis in both Thai and English in accordance with the Company's policy and guidelines, as well as the regulations of the Securities and Exchange Commission of Thailand outlined as follows:

1. To disclose of information in accordance with the laws such as the Company's overall performance together with a commentary and analysis from the executives, as well as supporting documentation for analysts and investors. The Company releases its operational performance on a regular basis, at least 4 times per year to investors, analysts, and other interested parties at scheduled meetings that are attended by the Company's management. The meetings are intended to provide an opportunity for participants to raise questions about the Company's performance, and for the Company to provide detailed explanations on its operational performance. For people interested in receiving additional information, the Company's Investor Relations Department can be contacted by telephone, or by visiting the Company's website at: [www.thaicom.net](http://www.thaicom.net) under the Investor Relations heading.
2. The Company emphasizes the importance of financial reports in order to reflect its accurate financial status and performance. It has prepared quality information that is complete, meeting generally accepted accounting standards, and audited by an independent auditor as well as an experienced and capable Audit Committee. The Company has also conducted reports on the Board's responsibilities in the financial reports along with the auditor's report in the annual report. The Company prepares a Management Discussion and Analysis (MD&A) report for each quarterly financial statement.
3. The Company reveals auditing fees and other service fees paid to its auditors in Form 56 - 1 and the annual report.
4. The Company discloses roles and responsibilities of the Board of Directors and sub-committees, number of meetings, attendance of each member in 2015, as well as trainings and knowledge development activities of the Board in Form 56-1 and the annual report.
5. The Company discloses remuneration of directors and senior executives, indicating forms and types of remuneration, in Form 56-1 and the annual report.

6. The Company has a policy to disclose important information to the public on the Company's website as follows:
- The Company's vision, mission, Articles of Association and Memorandum of Association
  - Shareholders structure and the Company structure
  - List of members of the Board of Directors and executives
  - Nature of Business
  - Corporate Governance Policy, Code of Conduct, Anti-Corruption Policy, and Risk Management Policy as well as any charters of sub-committees
  - Financial statements, related transactions, financial status and performance, and MD&A reports
  - Annual Registration Statements (Form 56 - 1) and Annual Report
  - Invitation letter for shareholder meetings, other relevant documents and minutes of shareholder meetings
  - Other information and documents for analysts, fund managers, and mass media
  - Corporate Governance Policy, Anti-Corruption Policy including other policies of the Company relating to CG Policy and the Code of Conduct of the Thaicom Group
  - Charters of sub-committees
7. The Company's Investor Relations Department acts as a portal for access to the Company's performance results. The Department is responsible for communicating useful information to shareholders, investors, analysts, as well as preparing policies and handbooks for investor relations activities and information disclosure to the Stock Exchange in order to ensure that the Company fully complies with laws, rules and regulations. The Department also presents Company information at road shows, both domestically and abroad, to interested parties. For people who would like more information on the Company's operations, please contact the Assistant Vice President of Investor Relations (Ms. Metinee Isarachinda) via telephone: 02-596-5072-3, or email at: metinee@thaicom.net, or

#### **Investor Relations**

Thaicom Public Company Limited  
 63/21 Rattanathibet Road,  
 Nonthaburi, Thailand 11000  
 Tel. 02 596 5070-2  
 Fax 02 591 0724  
 Email: ir@thaicom.net

## **Section 5 Duties and Responsibilities of the Board of Directors**

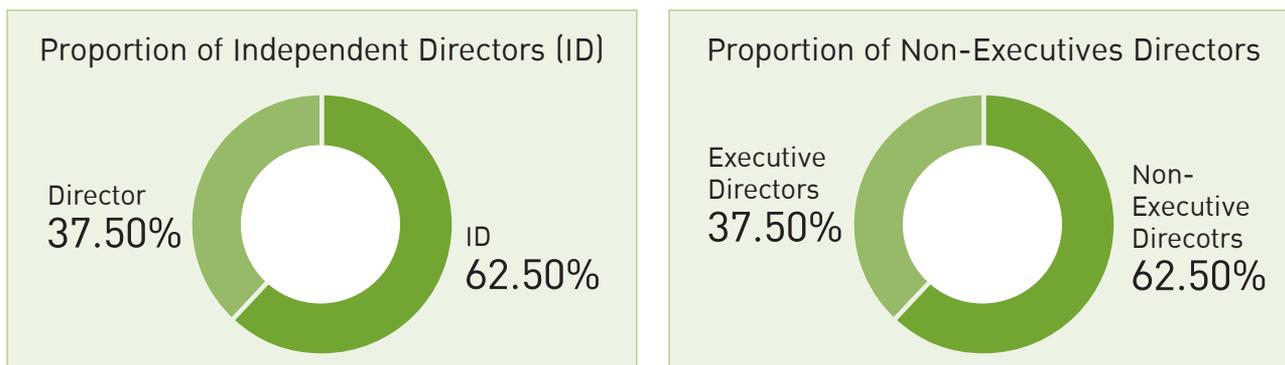
The Board plays an important role in corporate governance for the best interest of the Company's shareholders and stakeholders, and as such will continue to perform the following functions to ensure sustainable and long-term business performance.

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

#### **1.1 Composition of the Board of Directors**

- The Board shall be composed of both men and women who are experts with a wide range of experience in various fields. The Company has to additionally consider knowledge, ability, experience, and management expertise of that person (Board Diversity). The Company's Board shall consist of no less than 5 persons, and may consist of more in keeping with the size of the Company's activities. The Board shall have one Chairman and the remaining members shall be directors. All independent directors are unconnected or unaffiliated with the Company in any way, including independence from the Company's management, the Company's business operations or any other connection which may give rise to a conflict of interest. Independent and non-executive directors must constitute a majority of the Board to ensure balance between executive and non-executive directors. At least one third of the total number of directors on the Board, and not less than three persons, must be independent directors.

As of 31 December 2015, the Board of Directors, as per affidavit of the Company, consisted of the following 8 people; including 5 independent directors or 62.5% of the entire the Board of Directors, which can divided into 3 executive directors and 5 non-executive directors.



- The Company has a policy on segregation of duties between the Chairman of the Board and the Chairman of the Executive Committee, that they shall not be the same person, in order to maintain a balance of power between direction and management functions.
  - The Chairman of the Board of Directors is a leader of directors and is responsible for monitoring and supervising management functions of the Executive Committee in accordance with the approved business plan. The Chairman also acts as the Chairman of the Board at shareholder meetings.
  - The Chairman of the Executive Committee is the head of the Executive Committee and responsible for supervising the Executive Committee in carrying out the duties that were assigned by the Board. The Chairman is also responsible for considering each agenda item before proposing it to the Committee and also for approving the procedures of the Company's ordinary business operations.
  - The Chief Executive Officer (CEO) is the head of the Company's management team, responsible to the Board for achieving the approved business plans and reporting the business performance (if any) to the Executive Committee and the Board. The assignment shall be done by designation of the BOD.

## 1.2 Qualification of Directors

The Company's directors must hold qualifications and no record of illegal actions according to the Public Limited Companies Act B.E.2535 and the Securities and Exchange Act B.E. 2535, and shall not have characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by public shareholders as specified in the notification of the SEC. The Company has to additionally consider knowledge, ability, experience, and management expertise of that person, including demonstrated capability, integrity, carefulness and abidance to ethical business practices. The Directors must have adequate time to devote their knowledge and abilities to performing duties for the Company, and not be disqualified in any way under the Public Limited Companies Act B.E. 2535 or other related laws.

## 1.3 Qualification of Independent Directors

Independent directors shall have all the qualifications stipulated by the Capital Market Supervisory Board. Independent directors have a duty to protect the interests of every shareholder in a fair and impartial manner in order to avoid any conflicts of interest that may arise. They shall be able to attend Board meetings and independently express their comments and opinions.

Independent directors shall have the following qualifications:

- (1) Holds no more than 0.1% of total voting stocks of the Company, its parent Company, its subsidiaries, its associated companies, major shareholder or controlling persons who may have conflicts of interest, including stocks held by connected persons of the independent director.
- (2) Is not or has never been an executive director, employee, staff, or advisor who receives salary of a controlling person of the Company, its parent Company, its subsidiaries, its associated companies, same-level subsidiaries, a major shareholder or controlling persons who may have conflicts of interest unless the foregoing status has ended for more than 2 years before the date of appointment as independent director. The above restrictions do not apply to the appointment of an independent director who was a Government official or civil servant or consultant to a Government entity which was a major shareholder in the Company or which had a control over the Company.

- (3) Is not a person related by blood or legal registration, such as father, mother, spouse, sibling or child, including spouse of children, management, major shareholders, controlling persons, or persons to be nominated as management or controlling person of the Company or its subsidiaries.
- (4) Does not have or has not had a business relationship with the Company, its parent Company, its subsidiaries, its associated companies or controlling persons who may have conflicts of interest, in a manner that may interfere with his independent judgment, or is not or has never been a major shareholder or controlling persons of any person having business relationship with the Company, its parent Company, its subsidiaries, its associated companies a major shareholder or controlling persons who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years prior to appointment as independent director.

The term ‘business relationship’ aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable 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, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the applicant or 20 million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of Capital Market Supervisory Board concerning Rules on Connected Transactions. The combination of such indebtedness shall include indebtedness taking place during the course of 1 year prior to the date on which the business relationship with the person commences.

- (5) Is not or has never been an auditor of the Company, its parent Company, its subsidiaries or its associated companies who may have conflicts of interest and is not a major shareholder, or partner of an audit firm which employs auditors of the Company, its parent Company, its subsidiaries, its associated companies, a major shareholder or controlling persons who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years prior to appointment as independent director.
- (6) Is not or has never been any professional advisor including legal or financial advisor who receives an annual service fee exceeding 2 million Baht from the Company, its parent Company, its subsidiaries, its associated companies, a major shareholder or controlling persons who may have conflicts of interest, and is not a major shareholder, controlling persons or partner of the professional advisor unless the foregoing relationship has ended for more than 2 years appointment as independent director.
- (7) Does not represent the Company’s or its major shareholder’s board member or a shareholder who is related to the Company’s major shareholder.
- (8) Is not an entrepreneur in any business similar to or materially competing with the Company or its subsidiaries or not being the material partner in partnership, executive director, employee, staff, or advisor who receives salary or holds more than 1% of total voting stocks of the Company similar to or materially competing with the Company or its subsidiaries.
- (9) Has no characteristics which make him/her incapable of expressing independent opinions with regard to the Company’s business.

After being appointed as an independent director per clauses 1 to 9, an independent director could be authorized by Board of Directors to make any decisions on the Company business operations and that of its subsidiaries or major shareholders or controlling persons through authorization in the form of a collective decision only.

The Company may appoint a person who has or used to have business dealings with the Company or provided professional advise receiving an annual service fee exceeding that prescribed in (4) or (6) if the Board agrees that an appointment of such person has no effect on performing their duty and expressing an independent opinion. This information shall be disclosed in the invitation letter for the AGM in the agenda item related to the appointment of independent directors, and contain the following:

- a) Characteristics of the person’s business affairs or professional services which might cause the disqualification of such a person.

- b) Reason and necessity for maintaining or appointing such person as independent director.
- c) Opinion of the BOD on nominating such person as independent director.

#### 1.4 The Selection of Directors

- (1) The Board has appointed the Governance and Nomination Committee to select qualified persons using the Board Skill Matrix in order to nominate the qualified people for the post of director based on their qualifications and by considering other skills they may possess which may be lacking on the Board. Shortlisted candidates will be presented to the Board for initial approval, before approval is sought at the Shareholders meeting.
- (2) In determining whether to recommend a director for re-election, the Governance and Nomination Committee will consider relevant factors such as the director's performance, history of attendance at and participation in meetings, and other contributions to the activities undertaken by the Board.
- (3) To identify director candidates, the Governance and Nomination Committee may use the following sources:
  - (3.1) The directors may propose a candidate.
  - (3.2) An external consultant
  - (3.3) The Thai Institute of Directors (IOD) list of Chartered Directors in line with the qualifications identified by the Securities and Exchange Commission, and the Stock Exchange of Thailand
  - (3.4) Allow minority shareholders to propose a qualified person through the Company's website in accordance with the criteria and procedures specified by the Company.
- (4) The appointment of members of the Board shall comply with the Company's Articles of Association and all relevant laws in Thailand. Selection of the directors shall be transparent and clear, and processed through the Governance and Nomination Committee.

#### 1.5 Directors' Terms

- (1) The term of directors is three years and the directors can be reappointed. The Company has no regulation forbidding a director who is retired by rotation from being re-elected as director, nor is the age of the director a disqualifying factor. The Board will take into account the abilities of directors in performing duties when making selections.
- (2) The term which directors will serve is based on the Company's Articles of Association. At each AGM, one-third of the directors shall be retired by rotation. The Directors with the longest term shall be retired by rotation and then can be re-elected.
- (3) In case of vacancy or vacancies due to other reasons, the Board of Directors, by a vote in which three fourths of its members agree, shall elect someone who has the prerequisite qualifications and is not subject to prohibited conditions according to Clause 68 of the Public Companies Act, B.E. 2535 (1992). The Board of Directors can thereby appoint him/her as a director in the next meeting. An exception is the case of a term with less than 2 months remaining, where the term of the newly appointed director shall expire at the same time as the preceding director.
- (4) Independent directors shall not hold office continuously for more than 3 consecutive terms or 9 years, whichever is longer, unless the Board of Directors considers it necessary for such independent directors to continue in office, in which case the Board can extend the term.

#### 1.6 Directorship in other Companies

Directors can hold the position of board member in no more than 5 listed companies simultaneously, provided that these appointments do not interfere or cause conflicts of interest with their performance and duties for the Company.

## 2. The Sub Committees

The Board has established 6 Committees to study and screen tasks and reduce the workload of the Board. Each of these committees has a clear scope of duties, responsibilities and authority as follows:

- (1) Audit Committee
- (2) Compensation Committee
- (3) Governance and Nomination Committee
- (4) Executive Committee
- (5) Risk Management Committee
- (6) Sustainable Development Committee

### 3. Roles, Duties, and Responsibilities of the Board of Directors

The Board of Directors, as a representative of the shareholders, has the duty to oversee that the management will perform in accordance with Company objectives, policies, procedures, rules, regulations and resolutions from the shareholder meeting with honesty and loyalty, and meticulously takes care of shareholders' interest including other stakeholders.

The Board of Directors has the following duties and responsibilities:

- To establish the policies and assign the business direction for the Company and its subsidiaries including exercising authority over management to assure operating efficiency and effectiveness in order to maximize benefit to shareholders and continuous improvement. The Board must also review the objectives and vision of the Company once a year.
- To consider and decide on significant issues related to the business operations of the Company and subsidiaries, such as business policies, business plans, asset acquisition and disposal, project investments, connected transactions, levels of authority and other issues as required by law, and to monitor the performance of management in terms of efficiency for the best interest of the Company and its subsidiaries by establishing accounting systems, reliable financial reporting and auditing, including evaluation processes for effectiveness and efficiency of internal control systems, risk management and appropriate follow up procedures.
- Oversee matters to prevent conflicts of interest among the Company's stakeholders and approve related transactions and transactions in which conflicts of interest are incurred.
- To ensure business operations are in accordance with good corporate governance and ethics guidelines. To review the Corporate Governance Policy and evaluate compliance with the Corporate Governance Policy at least once a year;
- Evaluate performance of all committees and individuals at least once a year.
- The Board of Directors may delegate power to any individual to conduct business on specific cases or other matters. The delegation of power shall not include power to execute conflicts of interest or transactions in the Company or subsidiaries as prescribed in the Company's Articles of Association or as regulated by the Securities and Exchange Commission or the Stock Exchange of Thailand, except in cases which are in compliance with the policy or the criteria approved by the Board of Directors.

### 4. The Meeting of the Board of Directors

The Board performs its duties through Board meetings as follows:

- (1) The Board's meetings are officially scheduled throughout the year and well in advance. Board members are informed of these meeting in advance.
- (2) A minimum of 6 Board meetings are scheduled in one year, although the number may be increased as necessary.
- (3) The Meeting quorum is not less than half of the number of Board members.
- (4) In the Board meeting, the Chairperson shall allocate sufficient time for Management to propose documents and information to discuss significant problems and for the Board to discuss important issues adequately. All members of the Board can express their opinions and propose agenda items for meetings independently.

- (5) The Board secretary's duty is to make meeting appointments, prepare all meeting documents, and submit those documents along with invitation letters at least 7 days before the meeting date so that Board members have sufficient time to read and study the materials ahead of the meeting. The secretary is also responsible for recording minutes in writing and proposes those minutes to the Chairman and the Board members for consideration and approval. The Company Secretary shall keep all minutes and all relevant materials for filing and future verification.
- (6) Directors who have a personal interest in an agenda item must not be present in the meeting when such agenda item is discussed. The Executive Committee shall write a monthly performance report for the Board.
- (7) The non-management directors shall have an internal meeting at least once a year to discuss problems related to management which attracts attention and then inform the Chairman about the results of meeting.

Detailed of number of attendance of the Board of Directors Detailed appear on clause 1.1 Board of Directors

## 5. Company Secretary Office

The Company appointed the Company Secretary according to the laws of the Securities Exchange Commission and the Stock Exchange of Thailand. The Company Secretary is tasked with safekeeping documents and minutes of meetings, including reports on interests of directors and executives and other relevant issues. The Company Secretary shall perform these duties in accordance to the relevant laws and regulations: Organize and arrange the meetings of the Board of Directors and other Committees as established in accordance with the law, Company Articles of Association and the rules and governance guidelines of the Board of Directors and other committees; Present any resolutions from the Board of Directors and shareholders to management for their acknowledgment; Consult with and propose basic information to the Board of Directors and management on Company regulations and Corporate Governance guidelines.

## 6. Evaluation of the Board of Directors' Performance

The Company shall evaluate the performance of the Board of Directors and the Sub-Committees, including Audit Committee, Compensation Committee, Governance and Nominations Committee, Executive Committee, Risk Management Committee and Sustainable Development Committee as well as and each individual director to provide guidelines for the company's management. The Company regards self-evaluation as an essential step to the best practices and development of good cooperate governance.

In addition, the directors can be review the previous performance and see whether there has been sufficient supervision and monitoring under the power and responsibilities assigned by the charter, or whether sufficient advice and suggestions on practice guidelines were given to the executives to allow them to improve the board performance. The evaluation criteria and process include:

- (1) Governance and Nomination Committee review and evaluate the performance every year through the presentation by the Company Secretary. The evaluation forms for the board and individual directors must be ensured of accuracy and compliance with the proper regulations. For the self-assessment forms, the company uses the performance evaluation form by the Stock Exchange of Thailand as a guideline and improves the form as suggested by the Governance and Nomination Committee to suit the Company's nature of business. The forms are provided into three following types
  - A. The entire board performance evaluation form
  - B. The Sub-Committee performance evaluation form
  - C. The individual self-evaluation form
- (2) The Company Secretary will collect all the performance evaluation forms, calculate scores and present to the Governance and Nomination Committee.
- (3) The Governance and Nomination Committee will present the complete evaluation to the board of directors for review and use as guidelines in improving the board management and potential for individual directors.

In addition, the Company has an external advisor to evaluate triennially in order to the evaluation are transparence and reliable.

In 2015, the Company engaged AON Hewitt, an external advisor, to evaluate the Board of Directors in order to raise the standard of directors' performance. AON Hewitt has assessed by questionnaire and individual interviews. AON Hewitt has assessed the directors' performance and compared with listed companies in ASEAN, the Board of Directors of the Company has outstanding level above 75 percentile in 2 sections including: Representation of Shareholders & Corporate Social Responsibility and Risk Management. And other section has level above 50 percentile.

In addition, the Company Secretary has sent the performance evaluation form to the directors for individual self-evaluation including entire sub-committees evaluation and individual self-evaluation. The criteria and results are detailed as follows:

| Type of Committee and Type of Evaluation Form   | Evaluation Result |
|---|-------------------|
| <b>Board of Directors</b>   |                   |
| <b><i>Entire board evaluation by AON Hewitt</i></b>   |                   |
| Criteria of the evaluation consist of 8 topics (1) Board Composition (2) Information Management (3) Board Process (4) Representation of Shareholders & Corporate Social Responsibility (5) Managing Company's Performance (6) CEO Development and Succession Planning (7) Director Development and Management (8) Risk Management   | 3.79 / 5.00       |
| <b><i>Individual self-evaluation</i></b>  |                   |
| Criteria of the evaluation consist of 5 topics (1) Background of the Board's Duty (2) The Organization Knowledge (3) The Boards' Meeting (4) Relationship with Executive (5) Individual Personal Performance as a Board Member  | 3.74 / 4.00       |
| <b>Audit Committee</b>  |                   |
| <b><i>Entire committee evaluation</i></b>   |                   |
| Criteria of the evaluation consist of 2 topics (1) Role of the Audit Committee (2) Duty of the Audit Committee  | 2.88 / 3.00       |
| <b><i>Individual self-evaluation</i></b>  |                   |
| Criteria of the evaluation consist of 19 topics (1) Coordinate with Corporate Audit Department related to the objectives of work (2) Coordinate with Corporate Audit Department (3) Internal audit staff has service mind (4) Internal audit staff has knowledge and skill (5) Duration and frequency of the meeting (6) Meeting place (7) Meeting documents (8) Welcome and facilitate the meeting (9) Overall benefits gain from the meeting (10) Overall satisfaction gain from the meeting (11) Review financial statements (12) Review internal control (13) Comply internal audit standard and ethics policy (14) Review risk management (15) Review connected transaction and related transaction (16) Review fraud policy (17) Coordinate with external auditors (18) Review financial report, rules and regulations (19) Job assign by the Audit Committee | 4.36 / 5.00       |
| <b>Compensation Committee</b>   |                   |
| <b><i>Entire committee evaluation</i></b>   |                   |
| Criteria of the evaluation consist of 5 topics (1) Preparation of the Committee (2) Policy Determination and Consideration of Procedure (3) Monitoring and Evaluation (4) The Meeting of the Compensation Committee (5) Roles and Responsibilities of the Committee   | 2.88 / 3.00       |
| <b><i>Individual self-evaluation</i></b>  |                   |
| Criteria of the evaluation consist of 11 topics (1) Performance of the Committee (2) Understanding of the Committee's roles and responsibilities as specified in the charter (3) Clearly defined in the Committee's role and responsibilities (4) Relationship within the Committee (5) The consideration procedure, regarding the remuneration determination (6) Appropriate for evaluation the Chairman of Executive Committee (7) Spend sufficient time on considering the criteria of remuneration and appropriate for the consideration procedure (8) Spend sufficient time on considering in problem-solving (9) Preparation before the meeting (10) Each member can express their opinion freely (11) Chairman has given the opportunity and encourage all member to express opinion freely  | 4.67 / 5.00       |

| Type of Committee and Type of Evaluation Form  | Evaluation Result |
|--|-------------------|
| <b>Governance and Nominations Committee</b>  |                   |
| <b><u>Entire committee evaluation</u></b><br>Criteria of the evaluation consist of 5 topics (1) Preparation of the Governance and Nominations Committee (2) Policy Determination and Consideration of Procedure (3) Monitoring and Evaluation (4) The Meeting of the Governance and Nominations Committee (5) Roles of Chairman of the Committee   | 2.87 / 3.00       |
| <b><u>Individual self-evaluation</u></b><br>Criteria of the evaluation consist of 10 topics (1) Performance of the Committee (2) Understanding of the Committee's roles and responsibilities as specified in the charter (3) Clearly defined of the Committee's role and responsibilities (4) Relationship within the Committee (5) The consideration procedure, regarding the nomination of directors (6) The Committee has review Corporate Governance policy and other related regularly (7) Spend appropriated time on considering the criteria of Corporate Governance Policy (8) Preparation before the meeting (9) Each member can express their opinion freely (10) Chairman has given the opportunity and encourage all member to express opinion independently   | 4.67 / 5.00       |
| <b>Executive Committee</b>   |                   |
| <b><u>Entire committee evaluation</u></b><br>Criteria of the evaluation consist of 4 topics (1) Composition and qualification of the Executive Committee (2) Meeting arrangement (3) Roles, duties and responsibilities (4) Knowledge and skill in specialized analysis  | 3.46 / 4.00       |
| <b><u>Individual self-evaluation</u></b><br>Criteria of the evaluation consist of 14 topics (1) Overall satisfaction of the performance (2) Satisfaction with the process of problem-solving (3) Understanding of the Committee's roles duties and responsibilities as specified in the charter (4) Understanding the Company's Strategy (5) Relationship among the Committee (6) Clearly defined of the Committee's role and responsibilities (7) Appropriate for the criteria of performance evaluation (8) Spend sufficient time on considering the policy and direction of the Company appropriately (9) Spend sufficient time on considering the Company's operational appropriately (10) Spend sufficient time on considering in direction of problem-solving if undefined with determined direction appropriately (11) Preparation before the meeting (12) Independently to express opinion (13) Impartial to express opinion (14) Chairman has given the opportunity and encourage all member to express opinion independently | 3.69 / 4.00       |
| <b>Risk Management Committee</b>   |                   |
| <b><u>Entire committee evaluation</u></b><br>Criteria of the evaluation consist of 5 topics (1) Composition and Quality (2) Understanding the business and associated risks (3) Process and Procedure (4) Monitoring Activities (5) Communication Activities   | 3.32 / 4.00       |

| Type of Committee and Type of Evaluation Form  | Evaluation Result |
|--|-------------------|
| <p><b><u>Individual self-evaluation</u></b></p> <p>Criteria of the evaluation consist of 14 topics (1) Overall satisfaction of the performance (2) Satisfaction the process of problem-solving (3) Understanding of the Committee’s roles duties and responsibilities as specified in the charter (4) Understanding the Company’s Policy on Enterprise Risk Management (5) Relationship among the Committee (6) Clearly defined of the Committee’s role and responsibilities (7) Appropriate for the criteria of performance evaluation (8) Spend sufficient time on considering the risk assessment of the company appropriately (9) Spend sufficient time on considering the company’s risk, treatment plan appropriately (10) Spend sufficient time on considering in direction of problem-solving if undefined with determined direction appropriately (11) Preparation before the meeting (12) Independently to express opinion freely (13) Independently to express opinion without bias (14) Chairman has given the opportunity and encourage all member to express opinion independently</p>   | 4.42 / 5.00       |
| <b>Sustainable Development Committee</b>   |                   |
| <p><b><u>Entire committee evaluation</u></b></p> <p>Criteria of the evaluation consist of 6 topics (1) Preparation of the Sustainable Development Committee (2) Determination and Consideration of the Company’s Strategy (3) Risk Management (4) Sustainable Development Framework (5) The Meeting of the Sustainable Development Committee (6) Roles Duties and Responsibilities of the Chairman of the Sustainable Development Committee</p>  | 2.76 / 3.00       |
| <p><b><u>Individual self-evaluation</u></b></p> <p>Criteria of the evaluation consist of 14 topics (1) Overall satisfaction of the performance (2) Satisfaction the process of problem-solving (3) Understanding of the Committee’s roles duties and responsibilities as specified in the charter (4) Understanding of the Sustainable Development strategy (5) Relationship among the Committee (6) Clearly defined of the Committee’s role and responsibilities (7) Appropriate for the criteria of performance evaluation (8) Spend sufficient time on considering the policy and direction of the company’s sustainable development appropriately (9) Spend sufficient time on considering the sustainable development report and other performance results appropriately (10) Spend sufficient time on considering in direction of problem-solving if undefined with determined direction appropriately (11) Preparation before the meeting (12) Independently to express opinion freely (13) Independently to express opinion without bias (14) Chairman has given the opportunity and encourage all member to express opinion independently</p> | 4.24 / 5.00       |

## 7. Remuneration for Directors and Management

The Company has developed a clear Remuneration Policy for its directors, and the Compensation Committee is in charge of reviewing and presenting director and management remuneration proposals to the Board of Directors for approval by the Board and the Company’s shareholders at the general meeting of shareholders. Compensation for the Company’s directors is in line with the duties, responsibilities, and capabilities of said persons, and is based on comparisons with compensation paid by companies in the same industry as well as results from surveys performed by the Thai Institute of Director (IOD). Compensation is sufficient and attractive enough to retain the Company’s directors.

- (1) Directors who are staff or hold executive management positions within the Company have no right to receive any per diems, meeting allowances, or remuneration in the performance of their duties as directors or sub-committee members.

- (2) The remuneration of executives comprises salary, bonus, provident fund, and other benefits which are linked to the performance of the Company and criteria for executives.
- (3) Non-Monetary Consideration: The Company has a project to allocate warrants to directors and executive management of the Company. The project was launched in 2013 to motivate them.

## 8. Orientation and Knowledge Development of Board of Directors and Management

The Company has created a handbook for directors that includes information on the Company, the Articles of Association of the Company, the Company's Corporate Governance policies, as well as the Anti-Corruption Policy and other regulations related to the duties and responsibilities of the directors so that they may familiarize themselves with their duties and the manner of performing those duties efficiently.

For newly appointed directors, the Company also provides an introduction session to the Company, its operations, and the businesses of its subsidiaries. In addition, the Company provides directors with opportunities to attend special training courses and seminars related to their specific duties, particularly those seminars and training sessions organized by the Thai Institute of Directors (IOD), or the Stock Exchange of Thailand.

In 2015, directors and management applied for and participated in the following courses provided by Thailand Institute of Directors:

| Director / Management  | IOD Course   |
|--|--|
| 1. Mr. Kwek Buck Chye<br>(Director and Executive Committee Member) | DCP: Director Certification Program Class 214/2015 |

## 9. Evaluation of the Chief Executive Officer

The Board, excluding executive directors or members of the Compensation Committee, should assess the performance of the Managing Director or Chief Executive Officer annually in keeping with pre-agreed standards and performance criteria covering the Company's financial performance as well as other strategic objectives.

The evaluation criteria are divided into 7 parts:

- Part 1 Evaluation of Leadership Competency Corporate Governance Policy
- Part 2 Evaluation of Financial Management
- Part 3 Evaluation of Skills and Attitudes
- Part 4 Evaluation of successful completion of important tasks over a period of time longer than the last 12 months
- Part 5 Evaluation of decision making on significant matters in the last 12 months
- Part 6 Evaluation of preparation to meet significant new challenges in the future
- Part 7 Evaluation of any other related criteria

The results of the evaluation will be used to formulate a compensation package for the CEO for the following year.

## 10. Contact with Management

The Board supports the participation of executives in meetings of the Board when such persons are responsible for giving a presentation on a specific agenda item for that meeting. Such participation will allow members of the Board to learn about specific elements of the Company's operations, and will allow the executives to learn of the Board's point of view on specific topics and issues. Members of the Board should be able to contact executives directly if necessary, but such contact should not interfere or create conflicts with the work of the executives.

## 11. Management Succession

The Board realizes that human resources management is a major factor in ensuring the success of an organization. Therefore, the Board authorized the Governance and Nomination Committee to annually review and study the executive management succession plan for the Company. The Committee is responsible for considering the succession plan of senior management from EVP level upwards who report directly to the CEO.

### 2.2 Sub-committees

To fit the Company's operational structure, the Board of Directors also approved 6 more sub-committees including the Audit Committee, Compensation Committee, Governance and Nomination Committee, Executive Committee, Risk Management Committee and Sustainable Development Committee. Sub-committees' roles and responsibilities are detailed as follows:

#### (1) Audit Committee

The Audit Committee comprises at least 3 independent directors with the qualifications stipulated by the Capital Market Supervisory Board and the Company's corporate governance policy. At least, one director shall have knowledge and experience in auditing financial statements. The Board of Directors shall appoint one member of the Committee as the Chairman. The head of the internal audit unit shall be the Secretary to the Committee.

Committee members shall hold 3-year terms and may be reappointed at the end of their term, but for no more than 3 consecutive terms unless the Board of Directors considers it necessary for the member to continue in office.

At present, the Audit Committee consists of 3 members, all of whom are independent directors:

| Committee Members               | Position                        |
|---------------------------------|---------------------------------|
| 1. Prof. Hiran Radeesri         | Chairman of the Audit Committee |
| 2. Mrs. Charintorn Vongspootorn | Member of the Audit Committee   |
| 3. Prof. Samrieng Mekkiengkrai  | Member of the Audit Committee   |

□ Prof. Hiran Radeesri and Mrs. Charintorn Vongspootorn have the prerequisite knowledge and experience to review and audit the Company's financial statements.

The Audit Committee shall meet at least 8 times a year and not less than one-half of the Committee shall constitute a quorum for the transaction of business. In 2015, the Committee met 17 times and presented subsequent proposals to the Board of Directors.

#### Roles, Duties, and Responsibilities of the Audit Committee

The Audit Committee performs its duties in accordance with the regularly reviewed Audit Committee Charter presented below:

- To ensure that the Company has accurate, complete, and credible financial reports.
- To ensure that the Company has appropriate and effective internal control systems and internal auditing activities, and the Internal Audit Office's performance will also be evaluated to meet the international standard regarding budget sufficiency, personnel, independence and approval for appointing, transferring, crediting, dismissing the Chief of the Internal Audit or other offices in charge of the internal audit.
- The Internal Audit Office has a protective system to ensure higher performance efficiency and effectiveness.
- To ensure that the Company complies with the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) as well as all rules and regulations related to the Company's business.
- The Internal Audit Committee tests the accuracy and effectiveness of the information technology system used in financial reporting and complying with the law and regulations.

- Consider, select, nominate and terminate independent persons as the Company's auditor, propose the audit's remuneration and attend a non-management meeting with auditor at least once a year.
- The Audit Committee ensures the independence of the auditors and considers other alternative services rather than auditing from the same audit office, as well as coordinates between the auditors and the Internal Audit Office.
- To consider connected transactions or transactions that may lead to conflicts of interest whether it complies with all rules and regulations of the SET and SEC and ensure the transactions are appropriate and provide the best interest to the Company.
- To consider the acquisition and disposal of the assets comply with the laws and regulations subject to the Securities and Exchange Act and to consider disclosing information in relevance with the connected transactions or any conflict of interest transaction, including the acquisition and disposal of the assets.
- To assure that the Company has appropriate and effective risk management processes.
- Implement a process to receive information from employees on illegal activities or questionable entries in the Company's balance sheets and accounts. Review the summary report on investigation of fraud and establish internal preventive measures.
- Reviews and has overview of improvement of internal control systems on the preparation of the Company's financial reports to ensure accuracy.
- To prepare the Audit Committee's report and disclosure in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and include at least the following comments.
  1. Accuracy, completeness, and credibility of the Company's financial reports
  2. Adequacy of the Company's internal control system
  3. Compliance with the laws of SEC, SET and regulations and other laws relevant to the Company's business
  4. Suitability of the external auditor
  5. Transactions that may cause conflicts of interest and fraud
  6. An opinion on channels that may lead to fraud
  7. Number of committee meetings and attendance of each member
  8. Other concerns that have arisen as the Audit Committee performed its duties as defined in the Committee's charter
  9. Anything else which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Board of Directors.
- To report activities of the Audit Committee to the Board of Directors at least 4 times a year.
- To review scope, authority and responsibility and conduct self-evaluation on an annual basis.
- In carrying out the Audit Committee duties and responsibilities, if there are unusual transactions or the following activities which may have material impact on the financial position and operating results of the Company, the Audit Committee must report to the Board of Directors to take corrective action within a reasonable period of time.
  1. Conflict of interest transactions
  2. Fraud or unusual transactions or significant deficiency in the internal control system
  3. Violations under the laws of the SEC or SET, or regulations or other laws relevant to the Company's business.

If the Board of Directors has not taken corrective actions within the period of time specified in the first paragraph, any member of the Audit Committee might report that there was an action specified in the first paragraph to the Securities and Exchange Commission or the Stock Exchange of Thailand.

- In case the auditor discovers any suspicious activities or irregularities performed by a director, manager or any person responsible for the operation of the Company, the auditor will report to the Audit Committee and the Audit Committee will investigate such activities without delay. The Audit Committee shall report the preliminary inspection results to the SEC office and the auditor within 30 days from the notification date of the auditor. The circumstances that shall be reported and the procedures for acquiring the facts related to such circumstances shall comply with the notifications of the Capital Market Supervisory Board.
- The Audit Committee should receive regular and continuous training and knowledge development on the Committee's tasks and duties.
- To carry out any assignment by the Board of Directors that is agreed upon by the Audit Committee.

The Audit Committee has the authority to hold discussion among executives, supervisors or employees, or query them, as well as to appoint external consultants to provide advice and counseling if necessary according to the Company's regulations.

The Audit Committee works under the authority and responsibilities assigned by the Board of Directors which is directly responsible for the Company's performance towards the shareholders, stakeholders and common individuals.

## (2) Compensation Committee

The Compensation Committee shall consist of at least 3 members, of which more than one-half of the Committee must be independent directors and the Chairman of the Committee must be an independent director appointed by the Board of Directors. The Company Secretary shall act as the Secretary of the Compensation Committee unless the Committee considers and assigns otherwise.

The members of the Compensation Committee shall hold office for a term of 3 years and may be reappointed at the end of their term, but for no more than 3 consecutive terms unless the Board of Directors considers it necessary for the member to continue in office.

At the present, the Compensation Committee consists of the following 3 members:

| Committee Members               | Position                               |
|---------------------------------|--|
| 1. Mrs. Charintorn Vongspootorn | Chairman of the Compensation Committee |
| 2. Prof. Samrieng Mekkiengkrai  | Member of the Compensation Committee   |
| 3. Mr. Somprasong Boonyachai    | Member of the Compensation Committee   |

The Compensation Committee shall meet at least twice a year. At a meeting of the Compensation Committee more than half of the Committee member shall be present to form a quorum. In 2015 the Committee met 10 times and presented results to the Board of Directors.

## Roles, Duties, and Responsibilities of the Compensation Committee

The Compensation Committee performs its duties in accordance to the Compensation Committee Charter which is regularly reviewed by the Board of Directors. The Charter is presented below:

- Fix appropriate remuneration, both monetary and non-monetary, in order to be an incentive for members of the Board of Directors, the Committee, and high level executives to remain with the Company;
- Prescribe criteria and policy for determining the remuneration of the Board of Directors and executives for the Board of Directors' or the shareholders' consideration, as the case may be;
- Consider and approve the annual remuneration of directors and submit its recommendation to the Board of Directors and for the shareholder meeting for approval;
- Review the Company's performance in order to determine the KPI bonus and merit-based increase in salary for executives (above 15<sup>th</sup> Grade) and propose to the Board of Directors for approval;
- Review the special bonus adjustment requisition for executives (above 15<sup>th</sup> Grade) and propose to the Board of Directors for approval;

- Consider and approve the EV Bonus Plan (Economic Value Bonus Plan) and prescribe criteria for implementation of the EV Bonus Plan, including consideration and the allocation of annual EV Bonus to the Company's executives and submit its recommendations to the Board of Directors for approval;
- Supervise the implementation of the EV Bonus Plan and to give final determination in case there are problems or controversies in the implementation of the EV Bonus Plan and report to the Board of Directors;
- Consider and approve the evaluation of performance for determining the annual EV Bonus and salary increase for the Company's CEO and submit its recommendation to the Board of Directors for approval;
- Review the salary structure and remuneration package for executives (above 15<sup>th</sup> Grade) and propose to the Board of Directors for approval;
- Consider and give consent for the early retirement program for executives (above 15<sup>th</sup> Grade) and propose to the Board of Directors;
- Consider and give consent for employment and remuneration adjustment for executives (above 15<sup>th</sup> Grade) which includes hiring, personal grade adjustment, salary and remuneration package adjustment and propose to the Board of Directors for approval;
- In the event there is a proposal to issue new shares (or stock option), to be made part of the director and employee remuneration package, the Compensation Committee should consider and propose guidelines so that will be attractive for directors and employees to work in the long-term interest of the Company's shareholders, and to ensure that valuable employees will remain with the Company, while at the same time being just to the Company's shareholders. Furthermore, if a member of the Board or an employee is to be awarded more than 5% of the total stock option to be issued, the Compensation Committee should review the appropriateness of such a decision and recommend the approval or disapproval of such a decision. Under no circumstances should one of the Committee's members have a say or vote on the issuance of stock options if that particular Committee member stands to receive more than 5% of the total stock option to be issued;
- The Compensation Committee is responsible to the Board of Directors and has a duty to provide reasons/ answers relating to the remuneration of directors at the shareholder meeting;
- Engage consultants or independent persons to give opinions or advice as necessary and in accordance with the Company's regulations;
- Review and assess the adequacy of the Charter of the Compensation Committee and recommend to the Board of Directors if any change or amendment is needed;
- Report the performance of important tasks to the Board of Directors on a regular basis and important issues for the Board of Directors' knowledge;
- To report the Committee's activities of previous year, in accordance with the Committee Charter, and to include such a report in the Company's Annual Report and to answer shareholders' questions at the Annual General Meeting. The Committee is also responsible for disclosing policies governing the directors' remuneration in the Company's Annual Report;
- Annually review its performance;
- The Committee has the authority to require the management, executives or concerned persons to give opinions, provide information, or participate in meetings;
- Carry out any other duties assigned by the Board of Directors.

### **(3) Governance and Nomination Committee**

The Governance and Nomination Committee shall be composed of at least 3 directors, of which not less than 50 percent must be independent directors. The Chairman of the Committee shall be appointed by the Board of Directors. The Company Secretary shall act as secretary of the Committee unless the Committee considers and assigns otherwise.

The members of the Committee shall hold office 3-year terms and may be reappointed, but shall not serve more than 3 consecutive terms unless the Board of Directors considers it necessary for the member to continue in office.

At the present, the Governance and Nomination Committee consists of the following 3 members:

| Committee Members               | Position  |
|---------------------------------|---|
| 1. Mrs. Charintorn Vongspootorn | Chairman of the Governance and Nomination Committee |
| 2. Prof. Samrieng Mekkiengkrai  | Member of the Governance and Nomination Committee   |
| 3. Mr. Somprasong Boonyachai    | Member of the Governance and Nomination Committee   |

The Governance and Nomination Committee shall meet at least twice a year. The presence of more than half the total number of members shall constitute a quorum. In 2015, the Committee met 7 times and made subsequent presentations to the Board of Directors.

### Roles, Duties, and Responsibilities of the Governance and Nomination Committee

The Committee shall have the following authorities, duties, and responsibilities:

#### Consideration and Selection

- To establish the criteria and policy for Board membership including Board membership of subsidiaries.
- To evaluate and propose to the Board of Directors and the shareholders proposals for elections of candidates for Board membership as well as their re-election or removal. The GNC may use professional or recruiter service and/or search from among the IOD chartered directors.
- Consider qualified candidates to be Chairman of Executive Committee and Chief Executive Officer (CEO) in relevant vacant positions and present for the Board's consideration and appointment.
- Nominate qualified persons to be directors and chairmen of sub-committees for the Board's consideration;
- Nominate qualified persons to be appointed as directors of the subsidiaries, affiliates, and joint ventures for the Board's consideration.
- The Committee shall disclose the policies and selection procedures in the Annual Report.

#### Corporate Governance

- Set policy on compliance with good corporate governance, annually review the Company's Corporate Governance Policy and recommends any amendments or revisions for the Board's consideration.
- Arrange an orientation for new directors and encourage all directors to attend seminars to develop their skills to increase capability to perform their duties efficiently.
- Consider and specify the criteria of the succession plan for executive management (UC Level) that report directly to the Chief Executive Officer (CEO) and further propose to the Board for consideration and approval annually.
- Carry out the annual evaluation of the performance of the Board, the Board's committees (including its own performance) and of each member of the Board, review the results of the evaluation of each of the Board's committees and report to the Board.
- Carry out the annual evaluation of the Chief Executive Officer (CEO) and report results to the Board.
- Engage consultants or independent persons to give opinions or advice as necessary and in accordance with the Company's regulations.
- Review and assess the adequacy of this charter and recommend to the Board if any change or amendment is needed.
- Report the performance of important tasks to the Board on a regular basis and bring up important issues for the Board's knowledge.
- To perform such other duties and responsibilities enumerated in and consistent with this Charter.

#### **(4) Executive Committee**

The Company's Executive Committee consists of at least 5 qualified and experienced members. The Chairman of the Committee shall be appointed by the Board of Directors. The Secretary of the Board of Directors shall also be the secretary of the Executive Committee unless the Committee designates otherwise.

The Executive Committee members must be knowledgeable, capable, and honest, with business ethics and sufficient time to devote their knowledge and capability to the Company's business operations, and must not have any disqualifications as prescribed by the Public Limited Companies Act. In addition, no member shall be a partner in any ordinary partnership or hold a position in the juristic entity of the same nature as or in competition with that of the Company, whether for his own benefit or that of others, unless receiving approval from the Board of Directors.

The Executive Committee is responsible for setting business operation directions to meet targets set by the Board of Directors. The Committee reports to the Board of Directors.

At the present, the Executive Committee consists of the following 5 members:

| Committee Members                        | Position                            |
|--|-------------------------------------|
| 1. Mr. Prasert Bunsumpun <sup>(1)</sup>  | Chairman of the Executive Committee |
| 2. Mr. Kwek Buck Chye <sup>(2)</sup>     | Executive Director                  |
| 3. Mr. Paiboon Panuwattanawong           | Executive Director                  |
| 4. Mr. Anek Pana-apichon                 | Executive Director                  |
| 5. Mr. Patompob Suwansiri <sup>(3)</sup> | Executive Director                  |

**Remarks**

- (1) Mr. Prasert Bunsumpun was appointed as Chairman of the Executive Committee, effective 8 May 2015.
- (2) Mr. Kwek Buck Chye was appointed as Member of the Executive Committee, effective 26 March 2015.
- (3) Mr. Patompob Suwansiri was appointed as Member of the Executive Committee, effective 10 November 2015.
- (4) Mr. Yong Lum Sung and Mr. Pong-amon Nimpoonsawat resigned as Members of the Executive Committee, effective 26 March 2015 and 15 October 2015, respectively.

The Executive Committee shall meet at least once a month. A majority of the members comprising the Committee shall constitute a quorum for the transaction of business. In 2015, the Committee met 18 times and made subsequent presentations to the Board of Directors.

**Roles, Duties, and Responsibilities of the Executive Committee**

The Executive Committee performs its duties in accordance with the Executive Committee Charter which is regularly reviewed by Board of Directors. The Charter is presented below:

- Formulate the Company's goals, strategic direction, management structure, and annual business plan and budget for the Board of Directors' approval; guide and control the Company's business operations to ensure that they are in keeping with the overall vision, commitments, strategies and policies of the Company's Board of Directors, related laws, regulations and Articles of Association of the Company;
- Develop and manage the direction of the Company's business operations to ensure the Company's growth and development is in keeping with the vision, commitments, strategies, policies and decisions of the Board of Directors;
- Supervise and monitor the operating results and financial standing of the Company and report the business performance, along with the remedial actions to be taken in case the business performance of the Company fails to meet the target, to the Board of Directors every month;
- Identify and evaluate new business opportunities;
- Review and make recommendations to the Board of Directors regarding the Company's dividend policy;
- Review and approve all transactions concerning investments and disposal of assets, human resources management, finance and treasury, general administration and any other transactions related to the Company's business within the limits of authority granted by the Board of Directors;
- Appoint Company management members to fill all necessary management areas within the Company per the Human Resources Authority Table, and screen potential candidates for appointment as UC-level management team members, the first appointment of which requires the approval of the Board of Directors;

- Review matters that require the Board of Directors' approval and make appropriate recommendations with the exception of activities that have been delegated to other Board sub-committees;
- Consider and review the Company's risk management and control system;
- The Committee may delegate its authority to any member of the management or staff as it deems appropriate. However, such authority does not permit the Committee or appointed persons to approve any transaction between them or related persons having mutual benefits or conflicts of interest (as prescribed in the Company's Articles of Association and Notifications of the Securities Exchange Commission). The approval for transactions shall be in accordance with the policies and principles already determined by the Board and regulatory bodies;
- Engage consultants or independent persons to provide opinions or advice if necessary;
- The Committee may ask members of the management or other persons to attend its meetings or provide pertinent information as necessary;
- Report to the Board of Directors on a monthly basis regarding the material actions taken by the Committee under the Chief Executive Committee Report agenda;
- Annually review its own performance and assess the adequacy of the charter of the Executive Committee, which may be done in conjunction with the annual evaluation of the Board and its other committees, conducted under the oversight of the Governance and Nomination Committee;
- Take any other action or assume any other powers and responsibilities that may from time to time be assigned or delegated to the Committee by the Board of Directors.

#### (5) Risk Management Committee

The Risk Management Committee sets principles, policies, and procedures in assessing and managing risks that may affect the Company, as well as revises the sufficiency of the policies and risk management system annually. Policy establishment, risk management strategies, and risk management practices are carried out under the policies approved by the Board of Directors.

At present, the Risk Management Committee consists of the following 12 members:

| Committee Members                 | Position                                  |
|-----------------------------------|---|
| 1. Mr. Paiboon Panuwattanawong    | Chairman of the Risk Management Committee |
| 2. Mr. Vuthi Asvasermcharoen      | Member of the Risk Management Committee   |
| 3. Mr. Patompob Suwansiri         | Member of the Risk Management Committee   |
| 4. Mr. Wichai Kittiwittayakul     | Member of the Risk Management Committee   |
| 5. Mr. Teerayuth Boonchote        | Member of the Risk Management Committee   |
| 6. Mr. Teerawat Kusalangoorawat   | Member of the Risk Management Committee   |
| 7. Mr. Ekachai Phakdurong         | Member of the Risk Management Committee   |
| 8. Mr. Pramook Chaiwongwutthikul  | Member of the Risk Management Committee   |
| 9. Mr. Pavit Ngansamrej           | Member of the Risk Management Committee   |
| 10. Mrs. Yupapan Chatsirinoppakul | Member of the Risk Management Committee   |
| 11. Mr. Salil Charuchinda         | Member of the Risk Management Committee   |
| 12. Mr. Prawin Khurowat           | Member of the Risk Management Committee   |

\*Mr. Pradeep Unni resigned from Member of the Risk Management Committee, effective on 31 December 2015.

In 2015, the Risk Management Committee held 4 meetings in total and subsequent reports were presented to the Board of Directors.

## Roles, Duties, and Responsibilities of the Risk Management Committees

The Risk Management Committees' scope of duties is set in writing under the authority of the Risk Management Committee Appointment, approved by the Board of Directors as follows:

- To establish rules, policies, and procedures to assess and manage the risks which affect the Company, including a review of the adequacy of the risk management policies and risk management process annually;
- To provide risk assessment, risk prioritization, and establishment of guidelines and strategies for risk management to ensure that risks are within the risk appetite and manageable at appropriate cost;
- To manage and monitor operations according to Risk Management Policy and follow the guidelines and policies approved by the Board of Directors;
- Encourage top management and employees to understand and acknowledge their role in risk management;
- Report to the Board of Directors, Audit Committee, and Executive Committee regularly about the management, operations, Company's risk status, and various changes, including improvement action and corrective action in accordance with the defined policies and strategies;

To review authority and responsibility annually and propose changes to the Board of Directors for approval. In the performance of such duties, the Risk Management Committee has authority to request the relevant documents or invite participants to provide information in order to perform risk management and follow through with the defined objectives.

### (6) Sustainable Development Committee

The Sustainable Development Committees is appointed by the Board of Directors and shall consist of at least 5 members to be selected from among the Board of Directors and the Company's high-level management. The Chairman of the Sustainable Development Committee shall be appointed by the Board of Directors. The Assistant Vice President of Corporate Communication shall act as the Secretary of the Sustainable Development Committee unless the Board of Directors assigns otherwise.

A Committee member must be knowledgeable, capable, honest and also dedicate adequate time to their position on the Committee in order to drive the Company's sustainable development goals in alignment with the Company's business direction.

At present, the Sustainable Development Committee consists of the following 10 members:

| Committee Members                | Position  |
|----------------------------------|---|
| 1. Mr. Paiboon Panuwattanawong   | Chairman of the Sustainable Development Committee             |
| 2. Mr. Vuthi Asvasermcharoen     | Member of the Sustainable Development Committee               |
| 3. Mr. Patompob Suwansiri        | Member of the Sustainable Development Committee               |
| 4. Mr. Teerayuth Boonchote       | Member of the Sustainable Development Committee               |
| 5. Mr. Teerawat Kusalanggoorawat | Member of the Sustainable Development Committee               |
| 6. Mr. Ekachai Phakdurong        | Member of the Sustainable Development Committee               |
| 7. Mr. Salil Charuchinda         | Member of the Sustainable Development Committee               |
| 8. Mrs. Kuntima Uawithya         | Member of the Sustainable Development Committee               |
| 9. Mrs. Yupapan Chatsirinoppakul | Member of the Sustainable Development Committee               |
| 10. Ms. Thitipa Laxanaphisuth    | Member and Secretary of the Sustainable Development Committee |

\*Mr. Pradeep Unni resigned from Member of the Sustainable Development Committee, effective on 31 December 2015.

The Sustainable Development Committees shall meet at least twice a year as well as upon request. The presence of more than half the total number of members shall constitute a quorum. In 2015, there were 3 meetings in total and subsequent reports were presented to the Board of Directors.

### Roles, Duties, and Responsibilities of the Sustainable Development Committees

The Sustainable Development Committees' scope of duties is set in writing under the authority of the Sustainable Development Committee Appointment, approved by the Board of Directors as follows:

- Review and set the Company goals, policies, strategies and an action plan for sustainable development to align with the business direction of the Company economically, socially, and environmentally;
- Clearly define time frame and people responsible for tasks;
- Monitor implementation of the sustainable development policies, strategies, and action plans through the Sustainable Development Working Group;
- Define materiality and provide appropriate recommendations regarding sustainable development policies aligning with the Company's guidelines for good corporate governance to the Board of Directors for approval;
- Authorize requests for other persons to attend its meetings or provide pertinent information as necessary;
- Authorize appointments to the Sustainable Development Working Group (SWG) in order to take responsibility for and drive sustainable activity that shall require the further approval of the Board of Directors;
- Review, provide recommendations for, and approve the Sustainability Report, which shall require the further approval of the Board of Directors;
- Report the performance to the Board of Directors at least once a year and provide an annual performance report at the end of the fiscal year;
- Evaluate its own performance and the overall performance of the Committee, including assessment of the adequacy of this charter, annually; and
- Perform such other duties and responsibilities as to ensure success of sustainable development goals and carry out any duties assigned by the Board of Directors.

### The meetings of the Sub-Committees

| Committee Member                          | Attendance of Meeting/Total of Meetings (Times) |                        |                                     |                     |                           |                                   |
|---|---|------------------------|-------------------------------------|---------------------|---------------------------|-----------------------------------|
|   | Audit Committee                                 | Compensation Committee | Governance and Nomination Committee | Executive Committee | Risk Management Committee | Sustainable Development Committee |
| 1. Prof. Hiran Radeesri                   | 17/17   |                        |                                     |                     |                           |                                   |
| 2. Mrs. Charintorn Vongsbootorn           | 17/17   | 10/10                  | 7/7                                 |                     |                           |                                   |
| 3. Prof. Samrieng Mekkiengkrai            | 17/17   | 10/10                  | 7/7                                 |                     |                           |                                   |
| 4. Mr. Somprasong Boonyachai              |   | 9/10                   | 6/7                                 |                     |                           |                                   |
| 5. Mr. Yong Lum Sung <sup>(1)</sup>       |   |                        |                                     | 5/5                 |                           |                                   |
| 6. Mrs. Suphajee Suthumpun <sup>(2)</sup> |   |                        |                                     | 13/14               | 3/3                       | 2/2                               |
| 7. Mr. Anek Pana-apichon                  |   |                        |                                     | 18/18               |                           |                                   |

| Committee Member                               | Attendance of Meeting/Total of Meetings (Times) |                        |                                     |                     |                           |                                   |
|--|---|------------------------|-------------------------------------|---------------------|---------------------------|-----------------------------------|
|  | Audit Committee                                 | Compensation Committee | Governance and Nomination Committee | Executive Committee | Risk Management Committee | Sustainable Development Committee |
| 8. Mr. Kwek Buck Chye <sup>(3)</sup>           |   |                        |                                     | 11/13               |                           |                                   |
| 9. Mr. Paiboon Panuwattanawong                 |   |                        |                                     | 17/18               | 3/4                       | 2/3                               |
| 10. Mr. Prasert Bunsumpun <sup>(4)</sup>       |   |                        |                                     | 11/11               |                           |                                   |
| 11. Mr. Pong-amorn Nimpoonsawat <sup>(5)</sup> |   |                        |                                     | 9/14                |                           |                                   |
| 12. Mr. Patompob Suwansiri <sup>(6)</sup>      |   |                        |                                     | 3/3                 | 3/4                       | 2/3                               |
| 13. Mr. Vuthi Asvasermcharoen                  |   |                        |                                     |                     | 4/4                       | 3/3                               |
| 14. Mr. Pradeep Unni <sup>(7)</sup>            |   |                        |                                     |                     | 3/4                       | 2/3                               |
| 15. Mr. Wichai Kittiwittayakul                 |   |                        |                                     |                     | 3/4                       |                                   |
| 16. Mr. Teerayuth Boonchote                    |   |                        |                                     |                     | 3/4                       | 3/3                               |
| 17. Mr. Theerawat Kusalanggoorawat             |   |                        |                                     |                     | 3/4                       | 2/3                               |
| 18. Mr. Ekachai Phakdurong                     |   |                        |                                     |                     | 4/4                       | 3/3                               |
| 19. Mr. Pramook Chaiwongwutthikul              |   |                        |                                     |                     | 3/3                       |                                   |
| 20. Mr. Pavit Ngansamrej <sup>(8)</sup>        |   |                        |                                     |                     | 1/1                       |                                   |
| 21. Mrs. Yupapan Chatsirinoppakun              |   |                        |                                     |                     | 2/3                       | 3/3                               |
| 22. Mr. Salil Charuchinda                      |   |                        |                                     |                     | 4/4                       | 3/3                               |
| 23. Mr. Sivarak Phinicharomna <sup>(9)</sup>   |   |                        |                                     |                     | 2/2                       |                                   |
| 24. Mr. Prawin Khurowat                        |   |                        |                                     |                     | 2/2                       |                                   |
| 25. Mrs. Kuntima Uawithya                      |   |                        |                                     |                     |                           | 3/3                               |
| 26. Mrs. Natthawalee Saranchol <sup>(10)</sup> |   |                        |                                     |                     | 1/1                       |                                   |

#### Remarks

- (1) Mr. Yong Lum Sung resigned as Executive Committee Member effective 26 March 2015.
- (2) Mrs. Suphajeer Suthumpun resigned as Executive Committee Member, Chairman of Risk Management Committee, and Chairman of Sustainable Development Committee effective 1 October 2015.
- (3) Mr. Kwek Buck Chye was appointed as Executive Committee Member effective 27 March 2015.
- (4) Mr. Prasert Bunsumpun was appointed as Chairman of the Executive Committee effective 8 May 2015.
- (5) Mr. Pong-amorn Nimpoonsawat resigned as Executive Committee Member effective 15 October 2015.
- (6) Mr. Patompob Suwansiri was appointed as Executive Committee Member effective 10 November 2015.
- (7) Mr. Pradeep Unni resigned as Risk Management Committee Member and Sustainable Development Committee Member effective 31 December 2015.
- (8) Mr. Pavit Ngansamrej was appointed as Risk Management Committee Member effective 10 November 2015.
- (9) Mr. Sivarak Phinicharomna resigned as Risk Management Committee Member effective 1 July 2015.
- (10) Mrs. Natthawalee Saranchol resigned as Risk Management Committee Member effective 1 April 2015.

## 2.3 The Selection of Directors and Management Executives

### (1) The Selection of Independent Directors

The criteria to propose and to elect independent directors and the qualifications required for such directors can be found in Section 5: The Role and Responsibility of the Board of Directors, > Structure and Composition of the Board of Directors.

### (2) The Selection of Directors and Management

#### The Selection of Directors

The Board of Directors has appointed the Governance and Nomination Committee, which consists mainly of independent directors, to select and screen the nominees for selection and appointment to positions on the Board under the Company's director selection policy. In the selection stage, appropriate ratio, number, and diversity of board members are considered in a variety of areas, including skills and specific expertise needed. Board members should be prepared to dedicate their time to fully perform their role on the Board and not possess any characteristics which would disqualify them under the law. Good corporate governance for registered companies includes selection policies and committee selection procedures as follows:

1. Selection criteria - the Governance and Nomination Committee can use the Director Pool and the Board Skill Matrix in order to nominate the qualified people for the post of director based on their qualifications and by considering other skills they may possess which may be lacking on the Board.
2. Selection procedures - Candidates for director may be selected via the following methods:

- Directors may propose a candidate.
- Minority shareholders may be allowed to propose a qualified person through the Company's website prior to the AGM pursuant to the rules specified by the Company.

On 16 January 2015, the Company notified the Stock Exchange of Thailand that at the expiration of the period for proposing directors by minority shareholders, no proposals had been received from shareholders.

- An external professional search firm may be used to pre-select qualified candidates.
  - The Company Secretary will present the list of qualified candidates per the qualifications identified by the Securities and Exchange Commission, the Stock Exchange of Thailand, and the Thai Institute of Directors (IOD) Chartered Directors guidelines.
3. Selection - The Governance and Nomination Committees will assess the initial qualifications of the nominated applicants and select the ones considered as appropriate.
  4. Appointment - The Governance and Nomination Committees will propose a list of qualified candidates to Board of Directors' meeting for concurrence before presenting the list in the shareholder meeting for a vote in each individual, when appointing new directors in place of directors whose terms have expired.

In case a Board seat is vacant because of reasons other than term expiration, the matter of re-appointment should be proposed in the Board of Directors' meeting.

Director selection must follow the rules and regulations specified in the Articles of Association of the Company as follows:

1. According to the Articles of Association, the term of one third of the directors shall end at every Annual General Meeting of Shareholders. The longest serving directors shall be due first, and may be re-elected to resume duty.
2. At the Annual General Meeting of Shareholders, directors should be chosen in the following manner:
  - 2.1 Each shareholder shall have a number of votes equal to the number of shares held.
  - 2.2 Each shareholder may exercise all the votes he/she has under item 1 to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may not allocate his/her votes in different numbers to different persons.
  - 2.3 The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the directorships are filled. When there is a tie in the votes cast for candidates in descending order, which would otherwise cause the number of directors to exceed the limit, the Chairman is entitled to cast the deciding vote.
3. In case of vacancy or vacancies due to other reasons, the Board of Directors, by a vote in which three-fourths of its members agree, shall elect someone who has the prerequisite qualifications and is not subject to prohibited conditions according to clause 68 of the Public Companies Act, B.E. 2535 (1992). The Board of Directors can thereby appoint him/her as a director in the next Meeting. An exception is the case of a term with less than 2 months remaining, where the term of the newly appointed director shall expire at the same time as the preceding director. The Company has a Governance and Nomination Committee to select a new director for appointment.

#### The Selection of Management

The selection of management is disclosed in Section 5: The Role and Responsibility of the Board of Directors, Clause 11 Selection of Management Executives

## 2.4 Corporate Management and the Management of Subsidiaries

The Board of Directors uses its authority to oversee and manage the Company's subsidiaries and joint venture companies according to the Company's objectives and Articles of Association, as well as in compliance to any resolutions passed at shareholder meetings. This management and oversight is performed through the appointment of management executives, or by authorizing a sub-committee or any other persons if necessary, to perform the business operations in compliance with the directions set by the Board of Directors to ensure good corporate governance and maximum benefits for the Company.

The Company will authorize directors and/or management to be its representatives in subsidiaries or joint venture companies. The authorization of such persons shall be approved by the Company's Board of Directors. The Board of Directors will authorize the Governance and Nomination Committee to select eligible persons for such positions, and propose them to the Board of Directors for consideration and approval.

The nominated person shall operate and/or oversee the activities of the subsidiary or joint-venture Company in keeping with the Company's policies and in line with Corporate Governance Best Practices as outlined by the Securities and Exchange Commission and the Stock Exchange of Thailand, and the Company's own Code of Conduct to ensure to maximum profit for shareholders.

## 2.5 Internal Control Information

The Company is committed to carrying out its business with customers, partners, and shareholders in an ethical manner with integrity and honesty. A Code of Conduct has been developed and issued to all employees to guide corporate behavior at all levels. Disclosure of inside information by employees or management to others or for their own interest or involvement in activities that may lead to conflicts of interest is considered severe misconduct and may subject them to the highest disciplinary action.

In addition, the Company prohibits employees and management who work in a department or business unit that has access to inside information from buying or selling the Company's securities for a period of one month prior to the disclosure of financial statements to the public.

The Company also educates directors and management on their duties to report their, as well as their spouse or minor children's, holdings or changes in holdings of the Company's securities to the Securities Exchange Commission (SEC) in accordance with Section 59 of the Securities and Exchange Act B.E. 2535, Issue No. 4 amended B.E. 2551, and the SET regulations. Regarding the sharing of supporting data or documents within the group of companies, data rules have been issued to prevent the leak of information. These rules include requesting a letter of confidentiality or non-disclosure agreement, and the prohibition of making photo copies without permission.

On 4 October 2010, the Company issued guidelines on the protection of Company information, and access to Company information, including the IT security policy, effective as of 8 August 2013. In 2014, the Audit Committee and the Board of Directors also considered and approved a Disclosure Policy proposed by the Investor Relations Department.

## 2.6 Auditor Fees

In 2015, the Company and its subsidiaries paid auditor fees as detailed below:

### (1) Audit Fees

The Company and its subsidiaries paid a total amount of 2.25 million baht in auditor compensation and other relevant fees in the amount of 5.93 million baht.

### (2) Non-Audit Fees

The Company and its subsidiaries paid auditor compensation and others relevant fees for non-audit services in the amount of 1.13 million baht.