

# **Corporate Governance Policy**

TRC Construction Public Company Limited  
& Group of Companies



## Contents

Definition.....	3
Overview on Policy and Guidelines.....	4
Principle 1    Establish Clear Leadership Role and Responsibilities of the Board.....	6
Principle 2    Define Objective that Promotes Sustainable Value Creation.....	13
Principle 3    Strengthen Board Effectiveness.....	16
Principle 4    Ensure Effective CEO and People.....	58
Principle 5    Nurture Innovation and Responsible Business.....	63
Principle 6    Strengthen Effective Risk Management and Internal Control.....	68
Principle 7    Ensure Disclosure and Financial Integrity.....	72
Principle 8    Ensure Engagement and Communication with Shareholders.....	80



## Definition

The company	means	TRC Construction Plc.
Group of Companies	means	TRC Construction Plc., subsidiary and Associates
Subsidiary	means	a Company as per the following characteristics: (a) a Company under control of the company (b) a Company under control of (a) (c) a Company under control of (b) or being passed on to another
Associate	means	a company in which the securities issuer or the subsidiary company has power to participate in making decisions on financial policies and operational matters of the company but not in so much as to have control over such policies and not deemed as subsidiary company or joint venture; In case a company whose shares are held by the securities issuer or the subsidiary company in an aggregate number of more than twenty percent but not exceeding fifty percent of the total number of shares with voting rights of the company being held, it shall be assumed that the securities issuer or the subsidiary company has a power to participate in making decisions as per the 1 <sup>st</sup> paragraph unless proven otherwise.
Director	means	Director of TRC Construction Plc.
Board of Directors	means	Board of Directors of TRC Construction Plc.
Audit Committee	means	Audit Committee of TRC Construction Plc.
Investor Relations	means	Investor Relations Department of TRC Construction Plc.
Internal Auditor	means	Internal Auditor of TRC Construction Plc.
Company Secretary Office	means	Company Secretary Office of TRC Construction Plc.
Business Control	means	having any characteristic relationship as follows: (a) Holding the voting shares of a juristic person more than 50% of the company's total voting shares (b) Having control over majority votes at the juristic person's shareholder meeting, either directly or indirectly or by any reason (c) Controlling an appointment or discharge of more than half of the directors, either directly or indirectly

The words “subsidiary”, “associate” and “business control” are defined based on the definition of the captioned words according to the Notification of the Securities and Exchange Commission No. Kor Jor 17/2551 on “Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities” (included amendment version).



## Overview of Corporate Governance Policy

Realizing and placing an importance on effective, transparent and verifiable management system that enhances confidence among all concerned and results in sustainable business growth under ethical operating and in line with relevant regulations, TRC Group therefore determined the corporate governance policy to upgrade its existing operations to have clear standard system decentralized to employees at all levels to promote the actual good corporate governance culture. The captioned policy or implementation comprises reserving common shareholder rights entitled by laws or more for highest benefits of the company, shareholders and all stakeholders in long-term and sustainably conforming with relevant laws and Principles with ethics, fairness and equality. The corporate governance policy, ethics and code of conduct including anti-corruption policy have been arranged for directors, executives and employees as a guideline of Principle and disclosed via the company's website on "Sustainability/Corporate Governance Policy" and also attached as a part of the employee work rules distributed to all employees. The revision of Principles according to the CG Code has been constantly reviewed as deemed appropriate based on value creation principle in addition to creating confidence among investors for the governance outcome, significant factor towards business operations, in order to operate the company's business effectively and efficiently with continuous stability and growth. The Board of Directors therefore determined the good corporate governance policy with an intention of promoting the company to be an organization operating under the good corporate governance Principle with standardized operation system by emphasizing on highest benefits of all stakeholders whereas the business operations have been run based on ethical, transparent and verifiable basis.

The good corporate governance policy was arranged in compliance with the Corporate Governance Code for Listed Companies of the Securities and Exchange Commissions, Thailand ("SEC") and rules and regulations of the Stock Exchange of Thailand ("SET").

The Board of Directors' consideration has been made under the scope of the followings:

- Competitiveness and Performance with Long-term Perspective
- Ethical and Responsible Business
- Good Corporate Citizenship
- Good Resilience



## Corporate Governance Policy and Code of Conduct

### Corporate Governance Policy

The Board of Directors announced the “Corporate Governance Policy” as resolved by the 8/2022 Board’ s meeting held on December 16, 2022 to be used as a guideline for directors, executives and employees at all levels. In addition, the captioned policy shall be reviewed and considered on yearly basis by the Corporate Governance Committee prior to being proposed for approval of the Board’ s meeting.

The policy shall be disclosed to all directors, executives and employees of the group of companies to adhere to as a common commitment to the Corporate Governance Code (CG Code) for Listed Companies announced by the Securities and Exchange Commissions, Thailand (“SEC”) containing the following 8 Principles:

- Principle 1      Establish Clear Leadership Role and Responsibilities of the Board
- Principle 2      Define Objectives that Promote Sustainability Value Creation
- Principle 3      Strengthen Board Effectiveness
- Principle 4      Ensure Effective CEO and People Management
- Principle 5      Nurture Innovation and Responsible Business
- Principle 6      Strengthen Effective Risk Management and Internal Control
- Principle 7      Ensure Disclosure and Financial Integrity
- Principle 8      Ensure Engagement and Communication with Shareholders

## Corporate Governance Code

### Principle 1

#### Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors defines the business plan, vision, missions and goals to be as a principle of sustainable business operating and oversees, evaluates the operating results to be in consistent with the defined goals. Additionally, the company's vision, missions and goals have been reviewed on yearly basis to ensure that the operations have been undertaken according to the defined goals of sustainable development by assigning the Board of Directors and Executive Committee to be responsible for running, developing business including implementing the defined strategies. The scope, duty and responsibility have been clearly defined as per the Authority Table in order to decentralize authority to lower executives and balance authority to be verifiable effectively under resource management to achieve the defined goals including following up assessment and being adaptive to change of current situation.

The Board of Directors therefore defined the Code of Conduct and Code of Ethics on various terms; stake and conflict of interest, stock trading and use of inside information for clarity and also enforced as duties and responsibilities of all directors, executives and employees. All have to acknowledge and recognize the expected standard of Principles by signing and adhere to as a guideline of Principle related to all stakeholders. This captioned code of conduct has been disclosed via the company's intranet together with continuous activities arranged for acknowledgement and understanding of required compliance. Additionally, the executives of each division have to supervise and allow their subordinates to acknowledge, understand and encourage them to strictly comply with the codes and employees at all levels have to lead by example as well.

The followings are vision and missions clearly defined by the Board of Directors:

- 1) The company shall be operated with competitiveness and good operating results by recognizing long-term impact and defining of short-term and long-term plans for clear implementation.
- 2) The company business shall be operated based on ethics, right respect and responsibility towards all shareholders and stakeholders.
  - The company shall emphasize on the corporate governance, careful risk management and work delivery based on the good governance Principle.

- The company shall adhere to the faithful and transparent corporate culture to create sustainable value for customers, shareholders, employees and society.
- 3) The company operations shall be beneficial to society and developed or minimized environmental impact.
- The company shall adhere to social responsibility towards local communities surrounding the company head office and on-going project sites by contributing sustainable value creation.
- 4) The company shall be able to have good resilience.
- Design, construction and service shall be emphasized on responding to customers' requirements with utilization of relevant innovation, technology, regulations and standards.

The Board of Directors has the duty to supervise directors and executives to majorly perform their duty of care and duty of royalty including compliance with relevant laws, work rules and resolutions of the shareholder Meeting for highest benefits of the company without expecting any interest in return.

The Board of Directors clearly understands its own structure, composition, duties and responsibilities whereas the scope of duties and responsibilities was clearly defined and delegated to directors and executives under the systematic and verifiable monitoring of their performance. For business operations, the Board of Directors plays a vital role as the company's leader creating value and sustainable growth as follows:

#### 1.1 Role and Responsibility as the company's Leader Monitoring Corporate Governance Principle

The Board of Directors has defined objectives, goals, vision, missions and strategies as the major target of sustainable business operating and shall provide monitoring, evaluating and supervising the company's management to be in consistent with the defined goals with revision of vision and missions on yearly basis to catch up with the changing situations and to ensure that the company's business has been operated in line with the defined major goals of sustainable development. Chief Executive Officer has been assigned to be responsible for business operations, develop and implement the defined strategies. Board of Directors' duties and responsibilities are clearly defined in the delegation of authority.

#### 1.2 Sustainable Value Creation

The Board of Directors has its duty to govern the company to create sustainable value that leads to an achievement of the following significant issues:

- Supporting the company to be competitive with satisfied operating results by taking into consideration of long-term impact;
- Promoting business operating with ethics, right respect and responsibility for shareholders and stakeholders;
- Encouraging business operating with consideration of social interests and develop or minimize environmental impact;
- Monitoring the company' s business to be in good resilience.

The Code of Conduct and Code of Ethics are provided and enforced as duties and responsibilities of directors, executives and employees to be acknowledged and complied.

### 1.3 Performing Duties with Responsibilities in Compliance with Relevant Laws and Regulations

The Board of Directors has to majorly oversee directors and executives to perform their duties with responsibilities, duty of care and duty of loyalty including complying with relevant laws, the company' s objectives, articles of association and resolutions of the Board as well as resolutions of shareholders' Meeting for highest benefits of the company and stakeholders to reflect that all directors and executives have performed their duties with care based on trustworthiness. The relevant policy and guideline of Principle are therefore defined as follows:

- The Board of Directors and all executives shall perform their duties in compliance with the relevant laws and regulations as well as rules of the monitoring authorities at least in pursuant to Section 89/7, 89/8, 89/9 and 89/10 of the Securities and Exchange Act B.E. 2535 (as amended) and Public Company Act B.E. 2535 (as amended).
- The scope of delegation of authority for approval shall be defined as a guideline for the Board of Directors and concerned executives.
- The Board of Directors shall follow up the executives' operating performance on quarterly basis.
- The Board of Directors shall report the operating results for shareholders' acknowledgement on yearly basis.
- The Board of Directors established a policy for board of directors and executives have to notify the chairman and/or company secretary about trading in the company's shares at least 1 day in advance before trading.

In addition, the Board of Directors shall supervise the company's management to operate the business with sufficiently systematic mechanism to ensure that the company' s operations shall be conducted in compliance with the relevant laws and regulations, resolutions of shareholder Meeting as well as defined policy or guideline. Moreover, the process of approval on significant transactions (such



as transactions significantly impacting the company's operating results, connected transactions, acquisition/disposal of properties, dividend payment, etc.) shall be conducted as defined by laws.

#### 1.4 Clear Determination of Duties and Responsibilities of the Board of Director, Chairman of the Board, Chief Executive Officer and Management

The Board of Directors shall clearly determine the charter of the Board indicating its scope of authority, duties and responsibilities, the charters for various sub committees, scope of authority, duties and responsibilities of Chief Executive Officer and the company's management. Furthermore, the Board shall also oversee and supervise Chief Executive Officer and the company's management to perform their assigned duties as details shown below :

##### 1) Role, Duties and Responsibilities of the Board of Directors

The Board of Directors play a vital role of monitoring the company's operations to be in accordance with laws, the company's objectives, regulations and article of association as well as relevant authorities to sustainably create value and highest benefits for the company and stakeholders through the followings:

- To determine of charters for the Board of Directors and all sub committees for understanding of role, duties and responsibilities with revision of charters to be conducted on yearly basis;
- To be responsible for determination of objectives, goals of the company's business, creating organizational culture adhering to ethics and role model behavior, overseeing the Board of Directors' structure and Principles to be appropriate for effective achievement of the company's objectives and goals, remunerating, developing and determining remuneration and assessment for Chief Executive Officer's performance as well as the salary structure motivating employees to perform their duties in line with the company's objectives and goals;
- To consider together with Chief Executive Officer and management the following matters that are periodically proposed for the Board's approval as deemed appropriate:
  - a. determination and revision of strategies, goals and annual plan
  - b. supervision of adequate risk management and internal control system
  - c. delegation of authority appropriate with responsibilities of the company's management
  - d. determination of the scopes for resource allocation, development and budget including policy, human resource management and development and technology development plan

- e. monitoring and evaluating the company' s operating results
- f. supervision of reliable disclosure on financial and non-financial information;

- To delegate management authority to Chief Executive Officer and/or management team and this shall not relieve duties and responsibilities of the Board since the Board remains follow up the management' s performance to be in line with the assigned tasks.

## 2) Scope of Authority, Duties and Responsibilities of Chairman of the Board of Directors

Chairman of the Board of Directors as the leader of the Board of Directors has duties and responsibilities of overseeing, following up and supervising the Board of Directors and sub committees' performance to be successful according to the defined plan including the followings:

- To call for the Board of Directors' Meeting as per the charter of the Board

Chairman or designated person will determine date, time and place of the meeting.

The meeting place can be defined apart from the company' s head office. In case Chairman or designed director does not specify the meeting place, the meeting can be held at the company' s head office and notice of the meeting shall be issued seven (7) days in advance of the meeting date except for a necessary or urgent case, the notice of the meeting can be proceeded by other mean or the meeting can be earlier held. However, the notice of the meeting is required to specify place, date and time including agenda of the meeting as well.

- Chairman of the Board of Directors has a duty of presiding as chairman of the Board' s Meeting and controlling the meeting to be effective according to the company' s articles of association and defined agenda as well as casting a decisive vote in case of equal vote in the Board' s Meeting.

- Chairman of the Board of Directors shall preside as chairman of the shareholders' meeting and control the meeting according to the company' s articles of association and defined agenda, and cast a decisive vote in case of equal vote casting including answering questions raised by shareholders.

- Chairman of the Board of Directors shall perform any duty as obliged by laws especially within the scope of duties of Chairman of the Board of Directors.

## 3) Scope, Authority, Duties and Responsibilities of Chief Executive Officer

Chief Executive Officer is the highest position of the company' s management and appointed by the Board of Directors. This position shall be acted by a senior employee working especially for the company or its subsidiaries or other companies in which the company has significant proportion of

shareholding on the condition that such a position held shall not impact performing of duties in the company; otherwise, it is required to seek for prior approval of the Board of Directors.

Role, Duties and Responsibilities of Chief Executive Officer are as follows:

- To define vision, business direction, policy, strategies, goals, operating plans and fiscal budget of the group of companies;
- To monitor, manage, implement and perform daily normal tasks for the company's benefits to be in line with the objectives and articles of association as well as regulations, resolutions, policies, operating plans and budget as approved by the Board's Meeting and/or shareholders' Meeting within the limit of relevant laws and scope of authority defined by Board of Directors;
- To consider an allocation of the fiscal budget as proposed by the company's management prior to proposing for consideration of the Board of Directors including monitoring fiscal budget disposition of each division;
- To Monitor and evaluate the company's operating results on regular basis and report the operating results and progress of works to the Executive Committee, Audit Committee and Board of Directors;
- To communicate the company's business direction, policy and strategies of the group of companies approved by the Board of Directors to the top management to be as a guideline for the arrangement of operating plans and business management of each division;
- To consider the company's profit and loss and propose the interim or annual dividend payment to the Board of Directors;
- To undertake or perform any duty as occasionally assigned by the Board of Directors and within the defined scope of authority, duties and responsibilities of Chief Executive Officer;

However, the scope of authority, duties and responsibilities of Chairman of the Board and Chief Executive Officer has been identified and segregated clearly as the company's policy that both positions shall not be the same person.

#### 4) Role, Duties and Responsibilities of the company's Management

The company's management consists of the executives who execute works according to the company's strategies, policy and operating plans as approved by the Board of Directors and report the results of works to the Board of Directors on regular basis. The execution of works shall be as assigned by the Board of Directors as follows:



- To direct the scope of resource allocation, development and budget for human development under continuous business operating and succession plan;
- To provide and oversee the internal control and risk management appropriately and adequately and follow up, oversee and evaluate the operating results as assigned to be in line with the defined policy and plan.

## Principle 2

### Define Objective that Promote Sustainable Value Creation

2.1 The Board of Directors has approved the company's business plan, vision and missions together with key performance indicator (KPI) with regular revision to allow directors, executives and employees to participate in determination of the company's goals and strategies that will be practically adhered to and evaluated the results according to the defined goals and timeframe. The Board of Directors also encourages the company to operate with sustainable corporate governance in consistent with value creation for the company itself, customers, stakeholders and public society. In 2021, the company's vision, missions, goals and core value were reviewed by the 8/2021 Board's meeting held on December 14, 2021 and later publicized to all employees for acknowledgement and disclosed via the company's website on the item "About Us/Vision, Missions and Goals" as follows:

- **Vision**

To adhere to create innovation, provide turnkey EPC service and best respond to the requirements of both local and CLMVT customers.

- **Missions**

- To reward the sustainable satisfying investment and operate the business with transparency.
- To deliver qualified work on time with safety contributing to customers' business.
- To operate the company's business with awareness of social, community and environmental responsibilities.
- To create the best working atmosphere with the commitment to be an excellence organization.

The key performance indicator (KPI) has been established on yearly basis as the company's major objectives with an awareness of social, environmental responsibilities as well as risk appetite by applying innovation and technology appropriately with safety. It is the Board of Directors to allow the management team to propose the company annual goals to the Board's meeting for approval with KPI for each item such as work value of new projects, a number of new customers, customer satisfaction level including weight and criteria of assessment of each item. The assessment results shall be considered for revision of next year vision, missions, strategies, salary increment, annual bonus payment and goals of the company.

2.2 The Board of Directors shall oversee to ensure that the company' s vision, missions, strategies and goals are clearly set in consistent with the major objectives and the Executive Committee Meeting are held regularly to effectively follow up operating performance. The followings are the relevant role and duties of the Board of Directors:

1) To establish the company' s clear and appropriate major objectives applicable for the business model and communicate them to all executives and employees for acknowledgement and drive the operations in the same direction;

2) To direct the business model enabling value creation for the company, stakeholders and public society simultaneously by taking into account environment and changes of various factors, customer requirement and stakeholders, readiness, expertise, competitiveness as well as appropriate application of innovation and technology;

3) To encourage communication and recognition of achieving the company' s objectives and major goals among employees at all levels to become as the organizational culture.

2.3 The Board of Directors shall oversee to ensure that the company' s objectives, goals and strategies in terms of both short term and long term are in consistent with the company' s major objectives and goals. Additionally, utilization of innovation and technology shall be conducted appropriately with safety. The followings are the Board of Directors' overseeing role and duties:

1) The Board of Directors shall direct the preparation of the annual strategies and operating plans to be in consistent with the company' s vision and missions, the major objectives and goals, by taking into account the business' s environmental factors as well as opportunities and risk appetite. It is also responsible for reviewing the company' s medium-term objectives, goals and strategies in the next 3-5 years to ensure that the strategies and operating plans are set by taking into consideration of long-term foreseeable impact.

2) To establish the company' s annual strategies and operating plans, the Board of Directors shall supervise the management team to conduct an analysis of environmental factors and risks that may impact relevant stakeholders in a value chain including other factors affecting an achievement of the company' s major goals. This will provide the company a mechanism of actual understanding stakeholders' requirements.

3) The Board of Directors shall oversee the management team to pass on and communicate the company' s major objectives and goals through vision, missions and core value including strategies and operating plans for comprehensive acknowledgement and understanding among all employees in the group of companies.



4) The Board of Directors shall oversee the management team to undertake an allocation of resource and control the business operating appropriately together with following up their administration to ensure consistency with such strategies and annual operating plan.

5) The Board of Directors shall determine both financial and non-financial goals by taking into account the suitability of business environment and the company' s potential and also realizing any risks that may lead to illegal or immoral Principles.

The Board of Directors shall determine the company' s strategies by encouraging creation of innovation and utilization of technology for competitiveness and responding to stakeholders' requirements based on social and environmental responsibilities.

### Principle 3

#### Strengthen Board Effectiveness

The Board of Directors is the key of the corporate governance comprising expertise in various fields having experience, leadership and independence of decision making with responsibilities for their duties. The Board of Directors' performance therefore plays a vital role of the corporate governance for highest benefits of the company. The Board of Directors shall perform their duties with integrity, transparency and caution including understanding role, duties and responsibilities based on laws, regulations, the company's articles of association, resolutions of shareholders' Meeting and corporate governance principle and not performed any conflicting act against the company's interests to ensure stakeholders' confidence towards the company's operations.

The Board of Directors is responsible for defining role and duties of determination of strategies and policies for the company's business, monitoring, evaluating and supervising reporting of the operating results, taking into account the corporate governance principle to enhance all shareholders' and stakeholders' confidence and also determining the Board of Directors' structure, composition and independent director proportion to be appropriate and necessary for driving the company's business in consistent with the vision, missions, articles of association, goals and KPI as required by relevant laws and regulations.

#### 3.1 Determining and Reviewing the Board of Directors' Structure

The Board of Directors is responsible for determining and reviewing the Board's structure in terms of its size, composition and independent director proportion to ensure appropriateness and necessity for driving the company's business to achieve the defined goals and objectives according to vision, missions, strategies and in consistent with relevant laws and regulations including

1) Having the board comprising directors with diversified qualifications in skills, experience, capability and character traits to ensure that all are suitably qualified with capability to understand and respond to stakeholders' requirements and at least one of them the non-executive shall be experienced and competent in the company's main industry;

2) Determining the proper number of directors to function effectively. It must comprise at least 5 directors and shall not be more than 12 directors, depending on the company's size, type, and complexity of the business;



- 3) Appointing relevant committees to scrutinize and review specific matters; the Audit Committee, Remuneration and Nomination Committee, Risk Management Committee and Executive Committee;
- 4) Disclosing the roles and responsibilities of the board and the committees, the number of Meeting and the number of directors participating in Meeting in the previous year, board and committee performance;
- 5) Ensuring that Chairman of the Board of Directors and Chief Executive Officer is not the same person and both positions' duties and responsibilities are clearly segregated for balance between power & authority and corporate governance;
- 6) Scheduling the Board' s meeting to be held at least once per quarter or at least four (4) times per year and the company' s secretary shall provide the meeting schedule and agenda in advance in order that directors can allocate time for attendance in advance and an extra meeting can be held as deemed necessary.

In addition, the Board of Directors shall avail an opportunity for directors to have a meeting without participation of the company' s management team and later inform resolution of such a meeting for Chief Executive Officer.

Additionally, the number of attendances of each director must not be less than 75 % of a total number of Meeting held in each year.

### 3.2 The Company' s Management Structure

It consists of 6 committees; 1) Board of Directors, 2) Audit Committee, 3) Remuneration and Nomination Committee, 4) Risk Management Committee, 5) Corporate Governance Committee, and 6) Executive Committee.

#### 3.2.1 Board of Directors

The Board of Directors are appointed by shareholders and acts as shareholders' representative to oversee the company' s operations to be in consistent with laws, objectives and articles of association for the company' s and shareholders' interest and to ensure shareholders' confidence as well as creating value to its business and return on investment of shareholders.

## 1) Composition of the Board of Directors

- 1.1 The Board of Directors shall comprise at least 5 and not over than 12 directors and not less than one half of the total number of directors must have a residence in Thailand.
- 1.2 1/3 of the total number of directors or at least 3 persons shall be independent directors free from control of executives and major shareholder and not involve with or have no financial and administrative stakes. Those are required to be have complete qualifications according to the criteria of independent committee' s qualifications stipulated by the Stock Exchange of Thailand and Securities and Exchange Commissions, Thailand.
- 1.3 The Board of Directors shall appoint one of them to act as Chairman of the Board.

Upon appointment of new directors, an orientation for new directors shall be organized with delivery of the company' s director charter, latest annual report, guideline of corporate governance, ethics and morality of business operating and anti-corruption policy for acknowledgement of the new directors in performing their duties as the company' s directors.

## 2) Director Qualifications

- 2.1 Director qualifications shall be consistent with the Public Company Act and the company' s articles of association including not possessing any inappropriate qualifications for reliability to manage the public company limited as per the announcement of the Securities and Exchange Commission.
- 2.2 The directors shall be competent with experience beneficial to the company' s business, have integrity, faithfulness and ethics in operating business and adequate time to dedicate their knowledge and capability to fully perform their duties.
- 2.3 The directors cannot operate any business similar to and competitive with the company' s business or hold shares or be a director of any business entity similar to and competitive with the company' s business regardless for their own or others' interests unless informing to the shareholders' meeting prior to being appointed.
- 2.4 The directors shall immediately inform the company in case of being both direct and indirect stakeholders in any engaged contracts or increasingly or decreasingly holding shares, debentures in the company or its subsidiaries.
- 2.5 Holding a director position of not exceeding than 4 listed companies.

- 2.6 Chief Executive Officer shall obtain the Board of Directors' consent prior to holding a directorship in other companies unless such a directorship belongs to the company' s subsidiaries that shall be later informed after appointment for acknowledgement of the Board of Directors.
- 2.7 Independent Director Qualifications are as follows:
- 2.7.1 Holding shares not exceeding 0.75 % of a total number of shares having the right to vote of the company, its parent company, subsidiaries, subsidiaries, joint venture company, major shareholder, or a person with a controlling power over the company by including all shares held by persons concerned with such an independent director as well;
- 2.7.2 Neither being nor used to be a Director involved in the management of the operations of, an employee of; or an advisor with a monthly retainer to; or a person with a controlling power over the company, its parent company, subsidiaries, joint venture company, major shareholder of, or a person with a controlling power over the company;
- 2.7.3 Not being a person who has a relationship, by blood or by legal registration, as a parent, spouse, sibling or children, as well as spouse of the children, of an executive of, a major shareholder of, a person with a controlling power over, as well as a person proposed to be appointed as an executive or as a person with a controlling power over, the company or subsidiaries;
- 2.7.4 Neither being nor used to be a person with a business relationship with the company, its parent company, subsidiaries, joint venture company, as well as a major shareholder of or a person with a controlling power over the company, that may be an obstacle to exercising judgments in a fully independent manner. This also includes not being or having been a significant shareholder of a party or having a controlling power over a party with a business relationship with the company, subsidiaries, joint venture company as well as a major shareholder of or a person with a controlling interest of the company. This is unless the person in question is no longer in such a position or has such a status for not less than 2 years prior to being appointed;

- 2.7.5 Neither being nor used to be an auditor of the company, its parent company, subsidiaries, joint venture company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiaries, joint venture company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years;
- 2.7.6 Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the company, its parent company, subsidiaries, joint venture company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years.

### 3. Scope, Duties and Responsibilities

- 3.1 To perform duties in accordance with laws, the company' s objectives, articles of association as well as resolutions of shareholders' Meeting except for the matters required to be prior resolved by the shareholders' meeting such as matters obliged by laws to be resolved by the shareholders' meeting, connected transaction, acquisition or disposal of properties and buying and selling of significant properties as per the regulations of the Stock Exchange of Thailand or other concerned authorities, etc.;
- 3.2 To determine and review the Board' s structure in terms of number, independent director proportion including diversity of knowledgeable and expertise directors to match with the company' s business;
- 3.3 To nominate or change the company' s authorized directors;
- 3.4 To determine vision, missions, policies, strategies and business direction of the company with regular revision on yearly basis and oversee the management team to perform in accordance with the defined policies, strategies and direction effectively and efficiently for creation of highest economic value to shareholders and sustainable growth. This is unless the policies or implementation required resolutions of the shareholders' meeting;
- 3.5 To consider and decide on significant matters; business plan, budget, investment in large-scale project, administrative power and any other matters as required by laws;

- 3.6 To overseeing the implementation of strategies and follow up the assessment on operating results with reporting on regular basis including the operating result development and improvement policy with an awareness of safety and health, social and environmental responsibilities as well as human development of the company;
- 3.7 To oversee and support creation of innovation that enhances value to the company in parallel with benefits to all stakeholders;
- 3.8 To establish the information technology management with its security measure;
- 3.9 To establish and oversee the risk management policy to be implemented effectively including reviewing and evaluating the risk management system on regular basis and upon change of risk level;
- 3.10 To oversee and develop the company' s corporate governance to be in consistent with the corporate governance principle of the listed companies so as to be as a guideline for business operating including following up practice and leading by example according to such a principle;
- 3.11 To encourage employees at all levels to have a good consciousness of ethics and morality with strict compliance with guidelines on corporate governance, business code of conduct and ant-corruption policy;
- 3.12 To be responsible with intention and caution for the company' s operating results and management team' s performance;
- 3.13 To establish an accounting system, financial reporting and reliable auditing including overseeing the assessment of appropriateness of the internal control system and internal auditing to be effective and efficient, risk management, financial reporting and monitoring;
- 3.14 To monitor the company' s financial liquidity, financial competence and plan or mechanism of problem-solving;
- 3.15 To oversee to ensure shareholders' participation in decision making on significant matters, and right respect and that all shareholders and stakeholders are treated on fairly and transparent basis, promoting a provision of effective communication channel for complaints from whistle-blowers or stakeholders and also availing an opportunity for them to directly communicate with the Board of Directors on the complaining matters;

- 3.16 To consider the succession plan of Chief Executive Officer position and appoint Chief Executive Officer, Chairman of Executive Committee and one of top management position inferior to Chief Executive Officer;
- 3.17 To oversee the performance appraisal for Chairman of Executive Committee, Chief Executive Officer and top management on yearly basis and approve remunerations of Chairman of Executive Committee, Chief Executive Officer;
- 3.18 To monitor nomination and selection process of directors to be conducted with transparency with determination of appropriate remuneration for directors and committees;
- 3.19 To dedicate adequate time to attend the Board's meeting and shareholders' meeting except for any force major, a director who cannot attend the meeting has to inform of his/her absence to Chairman of the Board or Secretary to the Board prior to the meeting;
- 3.20 To ensure no conflict of interest between stakeholders and the company;
- 3.21 To report the Board of Directors' responsibilities; financial report arrangement together with auditor's report in the annual report covering all significant matters according to the Stock Exchange of Thailand's corporate governance policy for listed companies;
- 3.22 The following authorities shall be exercised after obtaining an approval of shareholders' meeting and any transaction of a director or a person having conflict of interest with the company or subsidiaries (if any) shall not be voted by such a director having a conflict of interest on a given transaction;
  - (a) matters obliged by laws to be resolved by the shareholders' meeting;
  - (b) any transaction having director's conflict of interest legislative by laws and regulations of the Stock Exchange of Thailand requiring resolution of the shareholders' meeting;
- 3.23 To develop knowledge and competence of working continually by participating in the training courses related to directorship or seminars to enhance knowledge and competence of working continually;
- 3.24 The Board of Directors may appoint any director and executive as deemed appropriate to be a member of committees to perform duties as necessary and/or as assigned by the Board,

and consider and approve the charters of each committee with required regular revision of charter, method and procedure of connected transaction approval on yearly basis;

In addition to, the authorization to directors as mentioned above shall not include authority empowering members of the committees to approve any transaction having their conflict of interest against the company or subsidiaries (if any) and such a transaction and acquisition or disposal of properties are required to obtain the resolution of the shareholders' meeting according to the regulations of the Stock Exchange of Thailand;

3.25 Matters that the Board shall delegate or not get involved with

3.25.1 Engaging in activities which under normal circumstances are not expected roles of the board, including day-to-day management and decisions that the Board assigns the authority of management to the management team i.e. procurement, employee recruitment, etc.;

3.25.2 Not getting involved in or influencing matters in which a director may have vested interests and involved director shall not attend the meeting considering such a matter.

#### 4. Role and Duties of Chairman of the Board of Directors

The role and duties of Chairman of the Board of Directors are to oversee and monitor the implementation of strategies handled by the management team including giving advice and supporting the company's operations without any participation in day-to-day management, preside as chairman of the board meeting and shareholders' meeting, and promote all directors to participate in the captioned Meeting as well as monitoring the Meeting to be proceeded effectively.

#### 5) Term of Office

5.1 At every annual general meeting, one-third (1/3) of the directors shall be retired. If the number of directors cannot be divided into three parts, the number of directors closest to one-third shall be retired. The retiring director in the first and second year after registration as public company shall be retired by drawing lots after that the director who has held office longest shall be retired. The retiring director may be re-elected.

5.2 Apart from retirement by rotation, the directors shall vacate office upon:

- (a) death;
- (b) resignation;
- (c) loss of qualifications or disqualification under Section 68 of the Public Limited Company Act and/or Securities and Exchange Act;

- (d) removal by resolution of the shareholders' meeting passed by three-fourth (3/4) of shareholders attending the meeting and having the right to vote with accumulative shares held of not less than a half of total number of shares held by the attending shareholders;
  - (e) removal by a court order;
- 5.3 Any director vacating office shall submit the resignation letter to the company and it will be effective since the date of receiving such a letter;
- 5.4 In case of director vacancy due to any reason apart from retiring term, the Board of Directors shall select qualified person having non-prohibited characteristics as prescribed in the Public Company Act and Securities and Exchange Act in replacement of the retiring directing through the next Board' s meeting. In case the term of vacated one is less than 2 months, the replacing one shall hold office only for remaining term of office of the vacated one. Resolution on appointment of the new director shall be passed by not less than three-fourth of the total number of existing directors.
- 5.5 The director appointment is conducted according to the company' s articles of association and relevant laws with transparency and clarity of nominating. Remuneration and Nomination Committee is responsible for consideration of appropriate qualified candidates based on educational background and occupational experience of such a candidate together with qualifications and non-prohibited characteristics to be beneficial to the Board of Directors' and shareholders' decision.

## 6. Board' s meeting

The Meeting are held at least 7 times per year and at each meeting , the primary agenda is clearly defined in advance. Chairman of the Board, Chief Executive Officer and Secretary to the Board jointly consider agenda for the meeting. Every notice of the meeting contains the first agenda for directors to report their vested interests (if any).

The Secretary to the Board issues the notice of the meeting as per Chairman's command to all directors at least 5 days in advance except any urgent case to reserve the right or benefits of the company and the notice of the meeting can be sent by other means with an earlier meeting date.

## 7. Meeting Quorum

At the Board' s meeting, shall there be one half of all directors attending the meeting, the quorum shall be constituted whereas casting vote in each agenda, two-third of all directors must attend the meeting to constitute the quorum.



If the Chairman is not present at the meeting or is unable to discharge his or her duties, the Board of Directors shall nominate a director who is present to preside over that meeting. The decisive judge shall be subject to majority vote.

One director has one right to vote except directors having vested interested who have no right to vote. In case of equal vote, Chairman of the meeting has another right to vote as the decisive judge.

It is the Board of Directors' policy to encourage all directors to regularly attend the meeting at the average of not less than 80 % of the number of Board Meeting held in each year.

#### 8. Authority of the Board

The Board has its authority on approval of matters within the scope of duties and as obliged by laws, The company' s article of association, its charter and resolution of the shareholders' meeting

This includes determination and review of vision, missions, strategies for business operations, primary operating plan, risk management policy, budget plan & annual operating plan, mid-term business plan. The Board is also responsible for determining the required goal of operating results, monitoring and evaluating the operating results to be in consistent with the defined plan, delegation of authority, approval of capital expenditure, significant connected transactions, merger, separation of business and joint venture.

#### 9. Remuneration

Remuneration for directors is provided as per resolution of the shareholders' meeting.

#### 10. Performance Assessment

At the end of each year, the Board shall conduct a self-assessment in terms of overview and individual basis. The assessment results of the Board and all committees are reported to the Board meeting and review on performance assessment form shall be also reviewed on yearly basis whereas all comments of all directors are used for improvement of the Board' s duties for more effectiveness.

- Structure, Qualifications and Term of Directors in other Companies
  - The Board determines the number of directors of the company appropriate with the business size consisting of 7 directors having complete qualifications and not having any prohibited characteristics as specified by Section 68 of the Public Companies Act and Notification of the Securities and Exchange Commission, and Notification of the Stock Exchange of Thailand, and having diversity of occupational skills, expertise with gender equality. Additionally, the Board' s structure is regularly reviewed on yearly basis and the skill matrix is arranged to ensure that all directors have occupational skills, expertise and experience appropriate with, and being capable to effectively give fruitful advice for, the company' s operations.

- The company's Board of Directors consists of 3 independent directors at the proportion of one-third of the Board for balance of power and review of business management. At the end of each year, at least one-third of directors shall vacate office by rotation. Moreover, it is the company's policy to allow each director to be a director of not over than 4 listed companies. Directors and Chief Executive Officer need to get an approval from the Board prior to holding a directorship in other companies except the companies under TRC group of companies.

- To ensure that the company's operations are conducted systematically, carefully and appropriately with effective risk management that may be arisen with decentralization, the Board has approved the "Table of Authority" as a guideline for performing duties of all employees containing levels of duties and responsibilities of executives in each level and showing decentralization from higher to lower positions for flexible and rapid working. This captioned table of authority shall be reviewed and updated on regular basis to match with the changes of situations.

- The Board discloses its policy on determination of the Board composition and directors' information; age, gender, educational background, working experience, proportion of holding shares, number of holding office, directorship in other listed companies, etc. in the company's annual Form 56-1 One Report and website.

- The Board determines the meeting schedule of the Board and committees in advance and on yearly basis to enable directors and committees to attend the Meeting. For the Board meeting, every 3 months, at least one meeting shall be held and an extra meeting may be held as deemed necessary. In addition, at the Board meeting, Chief Executive Officer shall be encouraged to allow top executives to joint in the meeting in order that information and additional details for consideration can be directly reported by the responsible persons and this shall avail an opportunity for introducing executives to be a potential candidate for succession plan as well. The Board shall also call for required information and details of the Executive Committee and Secretary to the Board as long as such an act does not affect the company's policy. All directors are encouraged to attend the Board meeting regularly or at least 80 % of the total Meeting held in each year and it is a policy that there shall be at least one Board meeting each year in which executive directors and management team do not join the Board meeting.

- The followings are additional corporate governance proceedings :

- There shall be at least one meeting each year between the Audit Committee and auditors without attendance of executive directors and management team.
- At least two-third of total directors are required to be constituted for vote casting in each agenda of the Board meeting.

- The agenda related to directors having vested interests (if any) shall be contained as the first agenda for consideration of every Board meeting and the involved directors shall not attend the meeting during the involved agenda.
- Segregation of Chairman of the Board and Chief Executive Officer
  - Chairman of the Board and Chief Executive Officer are not be the same person with clearly separated authority and duties for balance between management and governance including contributing to exercising discretion for independent decision. The Chairman of the Board is Mrs. Paichit Rattananon, the representative of the major shareholder, whereas Chief Executive Officer is Mr. Pasit Leesakul, the company' s top executive.
- **Term of Independent Directors**
  - The Board of Directors are appointed by the shareholders' meeting with term of holding office as stipulated in the company' s articles of association and upon retiring term, they may be re-elected. Each independent director shall not hold his/her directorship for over than 9 years.
    - The appointed independent directors have complete qualifications as per the company' s independent director definition with capability and experience beneficial to the company' s interests and perform their duties with independence, no conflict of interest against the company and make decision with an awareness for highest benefits of the company as well as being independent from management and major shareholders.

### 1.2.2 The Committees

To comply with the corporate governance principle, the Board of Directors appoints committees to consider and scrutinize all significant specific assigned matters required to be proposed their opinions to the Board and each committee has clear separated duties and responsibilities consisting of 5 committees as follows:

- Committee Appointment
  - The Board appoints the committees from the Board' s directors and/or executives to be members of the committees to carry out the assigned tasks as follows:
    - 1) Audit Committee
    - 2) Remuneration and Nomination Committee
    - 3) Corporate Governance Committee
    - 4) Risk Management Committee
    - 5) Executive Committee

to consider specific matters, scrutinize and propose a guideline for consideration of the Board meeting before approval. The scope, duties and responsibilities of each committee are as disclosed in the company's website.

#### ▪ **Audit Committee**

- Audit Committee is an independent committee appointed by the Board of Directors or shareholders' meeting. This committee supports and assists the Board in reviewing and assessing the internal control system, risk management system and internal audit system to ensure the company's corporate governance including reviewing and straightforwardly giving opinions on the financial statements to deal with risk may be arisen and in order that the financial statements required to be proposed to the shareholders' meeting is disclosed accurately, thoroughly and reliably.

- Audit Committee consists of 3 independent directors having qualifications in compliance with the regulations of the Securities and Exchange Commission with a proportion of shares held by each director of not over than 0.75 %, which is intense and less than the actual proportion of 1% as obliged by the Securities and Exchange Commission's regulations and the term of office of each Audit Committee member is 3 years.

- The Audit Committee is responsible for the quality of the financial statements and internal control system. Their opinions towards the financial statements is as presented in the Audit Committee's report and in the annual Form 56-1 One Report. The company appoints EL Business Advisory Co., Ltd. as the internal auditor for independence of working who directly reports to the Audit Committee. The charter of Audit Committee is regularly reviewed on yearly basis.

#### 1) Purpose of Appointment

The Audit Committee is the committee of the Board of Directors established with the objective of assisting the Board in performing on the matters that may be overlooked and for corporate governance of the company aiming to enhance business efficiency and value creation. The Audit Committee maintains working relationship with the Board of Directors, executives and internal and external auditors for efficiency of their operations. Each member of the Audit Committee needs to develop and maintain being skilled, knowledgeable and understanding related to responsibilities including nature of business and impact of the company.

#### 2) Scope, duties and Responsibilities

- 2.1 To review the financial statements to be accurate with adequate disclosure by coordinating with the external auditors and executives responsible for the arrangement of both quarterly and yearly

financial statements. The Audit Committee may recommend the auditors to review and inspect any transaction as deemed necessary and significant during the auditing.

- 2.2 To consider and approve the internal audit plan, budget and manpower for performing the internal auditing or select/propose an appointment of internal auditors in case of outsourcing.
- 2.3 To review the company' s internal control system to be appropriate and effective and consider independence of the internal audit working unit including approving appointment/transferring, accomplishment, retirement of the internal audit head and also termination of outsourcing internal auditors.
- 2.4 To review compliance with the laws of the Securities and Exchange Commission, Thailand, regulations of the Stock Exchange of Thailand or laws related to the company' s business.
- 2.5 To consider, select and appoint or terminate independent persons to be the company' s auditors, determine their remuneration including attending the meeting , at least once a year, with the auditors without attendance of the management team.
- 2.6 To consider connected transactions or transactions having conflict of interest to be proceeded in consistent with the laws and requirements of the Stock Exchange of Thailand to ensure reasonableness and for highest benefits of the company.
- 2.7 To perform any tasks as assigned by the Board of Directors and approved by the Audit Committee i.e. reviewing the financial management policy and risk management, executives' compliance with business code of conduct, co-reviewing with executives on significant reports to be disclosed to the public as required by laws; management discussion and analysis (MD & A), etc.
- 2.8 To arrange the Audit Committee' s report signed by the Chairman of the committee to be disclosed in the company' s annual report containing at least the following information;
  - 2.8.1 opinions on accuracy and reliability of the company' s financial statements,
  - 2.8.2 opinions on adequacy of the company' s internal control system,
  - 2.8.3 opinions on compliance with the laws of the Securities and Exchange Commission, Thailand, regulations of the Stock Exchange of Thailand or laws related to the company' s business,
  - 2.8.4 opinions on appropriateness of the auditors,
  - 2.8.5 opinions on conflict-of-interest transactions,
  - 2.8.6 numbers of the Audit Committee meeting and attendance of each member,
  - 2.8.7 overview of opinions or observation gained from performing duties according to the charter,

- 2.8.8 other reports that deem necessary to be reported for acknowledgement of shareholders and general investors within the scope, duties and responsibilities as assigned by the Board of Directors.
- 2.9 To report all regular activities for acknowledgement of the Board of Directors as follows;
- 2.9.1 Audit Committee' s minutes of meeting clearly indicating opinions of the Audit Committee,
- 2.9.2 report of opinions on financial statements, internal audit and process of internal audit,
- 2.9.3 any other reports as deemed necessary for acknowledgement of the Board of Directors.
- 2.10 Upon executing duties, should there be the following doubtful transaction or act that may significantly impact the company' s financial status and operating results, the committee shall report such a matter to the Board of Directors for improvement within timeframe as the committee deems appropriate:
- 2.10.1 a transaction which causes a conflict of interest,
- 2.10.2 any fraud, irregularity, or material defect in an internal control system,
- 2.10.3 an infringement of the law on securities and exchange, the Exchange' s regulations, or any law relating to the company' s business.
- After the Audit Committee reports the doubtful transaction significantly affecting the company' s financial status and operating results and discusses with the Board and management team on required amendment, should it be found that such an amendment is neglected without reasonable reason, one of the Audit Committee may report the negligence to the Securities and Exchange Commissions, Thailand.
- 2.11 In case the auditors find any doubtful act against the laws of Chief Executive Officer or any person responsible for the company' s operations, they shall report such a matter for acknowledgement of the Audit Committee and for immediate inspection. The Audit Committee shall preliminarily report the inspection results to the Securities and Exchange Commissions, Thailand and the auditors within 30 days after receipt of notification from the auditors and the method to acquire the fact shall be conducted according to the notification of the Capital Market Supervisory Board.
- 2.12 To have authority to invite directors, executives, managers or employees of the company for discussion or clarification on the Audit Committee' s inquiries.
- 2.13 To regularly review scope, duties and responsibilities as well as performance of the Audit Committee on yearly basis.

2.14 To perform any assignment of the Board of Directors as approved by the Audit Committee.

### 3) Composition and Qualifications

- 3.1 There shall be at least 3 independent directors having qualifications according to the regulations of the Securities and Exchange Commissions, Thailand.
- 3.2 Each independent director shall hold not exceeding 0.75 % of a total of shares, having the right to vote, of the company/parent company/subsidiary/joint venture company/ business entity that may have a conflict of interest (including shares held by related person\*) \*related person means any person having significant interest or business relationship with the company causing no flexibility and dependence i.e. goods or service supplier, creditor or debtor, etc.
- 3.3 Not being an executive director/employee/staff/advisor having monthly salary/authorized person of the company/parent company/subsidiary/joint venture company/affiliate/business entity that may have a conflict of interest.
- 3.4 Not being a member of the committee having decision authority on the company' s operations.
- 3.5 Being capable to be a director of the non-listed subsidiary and not being an executive director.
- 3.6 Having business relationship s follows;
  - 3.6.1 business relationship with accounting and auditing service provider is prohibited,
  - 3.6.2 If being other professional service provider, the transaction size must not be over than 2 million baht per year,
  - 3.6.3 ordinary business support transactions, real-estate rental transactions, transactions related to assets or services and providing or receiving financial assistance that have a transaction size of  $\geq 20$  million baht or 3% of NTA whichever is lower (an inclusion should be for all other transactions made one year prior to an agreement to do the transaction by the same person),
- 3.7 Not being a person who has a relationship, by blood or by legal registration with executive/major shareholder/controlling person/nominated person to be an executive/authorized person of the company/subsidiaries (blood relationship/legal registration = father, mother, spouse, sibling, child, spouse of child),
- 3.8 Not being a director who is appointed to be a nominee of a Director of the company, a major shareholder or a shareholder who is connected to a major shareholder.,

3.9 having no any other characteristic which prevents him/her from expressing opinion freely on the operation of the company,

3.10 at least one independent director having adequate knowledge, understanding and experience to perform duty of reviewing the financial statements' reliability.

#### 4) Term of Office

The term of office of each Audit Committee member shall be three years except retiring by rotation as per the company' s articles of association and the Audit Committee members shall be eligible for re-election by the Board of Directors.

Apart from retiring by rotation as mentioned above, the Audit Committee members may retire due to

- death,
- resignation,
- disqualification of Audit Committee as prescribed in the rules or regulations of the Stock Exchange of Thailand,
- dismissal according to the Board of Directors' resolution.

In case any of the Audit Committee members resigns prior to end of term, the notification should be informed one month in advance with reason of resignation in order that the Board of Directors or shareholders' meeting shall consider and appoint other directors having complete qualifications in replacement of the resigning one and the company shall inform the Stock Exchange of Thailand of the resignation together with a copy of resignation letter.

In case all Audit Committee members vacate office, the members vacating office shall temporarily act duties until the term of new Audit Committee is effective.

In case of Audit Committee's vacancy due to any reason apart from retiring term, the Board of Directors shall appoint director (s) having complete qualifications to replace the retiring one (s) within 90 days in order to complete the required numbers as defined by the Board of Directors. The replacing one shall hold office only for remaining term of office of the vacated one.

#### 5) Meeting

The Audit Committee regularly holds a meeting and there shall be at least 4 times a year and has power to call for an extra meeting as deemed necessary.



To call for the meeting, Chairman of Audit Committee or Secretary to the Audit Committee, as ordered by Chairman of the Audit Committee, issues the invitation letter not less than 7 days prior to the meeting date. This excludes the emergency case, where the date of the meeting will be informed by other methods or the meeting shall be scheduled earlier.

The Audit Committee may invite management or related person to attend the meeting and provide associated information as deemed necessary and appropriate. The meeting between Audit Committee and management or internal auditors or auditors shall be held at least once a year and the secretary to the Audit Committee shall take the minutes of the meeting.

#### 6) Meeting Quorum

The Audit Committee quorum shall comprise of not less than one-half of the total members appointed by the Board of Directors. The decisive judge shall be subject to a majority vote. In case Chairman of the Committee is not present at the meeting or cannot perform duty, the Audit Committee attending the meeting shall be appointed one of them to act as chairman of the meeting.

Each Audit Committee member has one vote except the member having the conflict of interest on any matters under review who has no right to vote. If votes are equal, the chairman of the meeting shall vote as additional vote to be the decisive vote.

Voting of Audit Committee may be casted without holding the meeting and shall be completely effective as if they were at the meeting when all members had adopted it by their signatures.

#### 7) Remuneration

The Board of Directors determines the Audit Committee's remuneration as deemed appropriate prior to consideration of the annual general meeting of shareholders.

#### 8) Responsible Department

The department head and management related to Audit Committee's duties are directly responsible for preparing, collecting and reviewing documents and information for reporting to Audit Committee for acknowledgement, consideration or taking further action as the case maybe as specified in the Annex and deemed as a part of the charter.

#### 9) Maintaining of Audit Committee Quality

9.1 Audit Committee members shall constantly obtain training and additional knowledge related to their duty execution at least on the followings;

- Financial and Risk Management,
- Financial Management and Control

- Accounting and Report Arrangement
- Information concerning trend of business, industry, business operating and governance

In addition, the Audit Committee members may attend trainings and seminars held by the company including monitoring development of accounting and auditing conducted by the auditors aside from the matters proposed by the management.

9.2 At least once a year, the Audit Committee conducts a self-assessment to ensure effectiveness of its execution and achievement as defined. Chairman of the Audit Committee shall report the Board of Directors the assessment results together with obstacles that cause unfulfillment of execution.

9.3 Audit Committee should obtain the assessment results and impact related to proceedings of the auditors, head of internal auditor, accounting manager, executives and board of directors in order for improvement and effectiveness of its execution to fulfill the defined objectives.

#### ▪ **Remuneration and Nomination Committee**

- Remuneration and Nomination Committee comprises 5 directors; 3 independent directors, Chief Executive Officer and executive director with 3-years term of office to perform duties of nominating directors and considering remuneration of directors, Chairman of Executive Committee and Chief Executive Officer. It is a policy to hold twice Meeting a year to consider the criteria of salary increment and bonus payment of the company and subsidiaries based on the annual operating results including salary increment and bonus payment of Chairman of Executive Committee and Chief Executive Officer. The duties also include nomination of new director (s) in replacement of the retiring one (s) who vacates office by rotation and who resigns based on the qualifications of having knowledge, experience and expertise in particular fields in consistent with the company' s nature of business, and regular review on Remuneration and Nomination Committee' s charter on yearly basis.

#### 1) Composition

Remuneration and Nomination Committee comprises 5 directors; 3 independent directors, Chief Executive Officer and executive director. However, Chief Executive Officer as one of the committee' s members shall not attend the meeting during the agenda concerning consideration of his/her performance appraisal, remuneration or benefits while the executive director as inferior of Chief Executive Officer shall also not joint in the performance appraisal of Chairman of Executive Committee and Chief Executive Officer as well.

## 2) Role, Duties and Responsibilities

### 2.1 Remuneration

- 2.1.1 To determine the criteria and budget for salary increment and bonus payment of the company and Sahakarn Wisavakorn Company Limited at the appropriate rate in consistent with an overview of the group of companies' operating results.
- 2.1.2 To establish the criteria for performance appraisal and jointly assess the annual performance of Chairman of Executive Committee and Chief Executive Officer prior to further proposing the appraisal results for consideration of the Board of Directors on remuneration for both positions.
- 2.1.3 To consider the remuneration package and criteria for directors, Chairman of Executive Committee and Chief Executive Officer to be appropriately provided based on the group of companies' operating results and size of business in comparison with other companies in similar industry on fairly and reasonable basis.
- 2.1.4 To determine the annual remuneration of directors, committees, Chairman of Executive Committee and Chief Executive Officer and propose for consideration and approval of the Board of Directors on remuneration of Chairman of Executive Committee and Chief Executive Officer whereas remuneration of directors and committees to be preliminarily considered by the Board and further proposed for approval of the shareholders' meeting.
- 2.1.5 In case of the Employee Stock Ownership Plan (ESOP), the Committee is responsible for considering conditions and criteria of allocation to be appropriate and fair for employees and shareholders. In addition, this includes the allocation to directors exceeding 5% of a total of allocated shares and such an allocation (exceeding 5%) shall not be provided to the members of this committee.

### 2.2 Nomination of Directors and Top Executives

- 2.2.1 To determine the qualifications of persons to be appointed in the positions of directors, Chairman of Executive Committee, Chief Executive Officer and top executives in the next level lower than Chief Executive Officer; Chief Financial Officer, Chief of Marketing Officer, Chief Operating Officer and other new positions (if any) required to be nominated. This includes consideration on qualifications of candidates to be promoted to hold the

abovementioned positions based on knowledge, capability, experience and expertise beneficial to the group of companies' business operations.

2.2.2 To nominate and select qualified candidates suitable for the positions of directors, Chairman of Executive Committee, Chief Executive Officer and top executives in the next level lower than Chief Executive Officer as stated in item 2.2.1 under the process as follows;

- to propose the Board meeting for consideration prior to later proposing to the shareholders' meeting for appointment of directors who vacate office by rotation and/or additional number of directors,
- to propose the Board meeting to appoint new directors in replacement of the retiring ones who resign or cannot perform duties,
- to propose the Board meeting to appoint Chairman of Executive Committee, Chief Executive Officer and top executives in the next level lower than Chief Executive Officer,

2.2.3 To consider and comment on the succession plan of Chief Executive Officer prior to being proposed for approval of the Board meeting.

Additionally, the Remuneration and Nomination Committee is also responsible for any tasks assigned by the Board of Directors and the Board of Directors has authority to change role, duties and responsibilities of this Committee as deemed necessary and appropriate.

### 3) Term of Office

1. The term of office of each Remuneration and Nomination Committee member shall be three years.
2. The member who vacate office by rotation may be re-elected as the Board of directors deems appropriate.

### 4) Meeting

- 1) The meeting shall be held at least twice a year or as deemed necessary and appropriate.
- 2) The quorum of the meeting is required to consist of a half of a total members of the Committee and in case Chairman of the committee cannot present at the meeting, one of the attending members shall be appointed as chairman of the meeting.
- 3) The member having vested interest in any matter under consideration shall not attend the meeting and have no right to vote during consideration of such a matter.

- 4) Resolution of the meeting is subject to a majority vote of attending members. In case of equal vote, Chairman of the committee shall vote as additional vote to be the decisive vote.
- 5) During the meeting, the Committee may invite executives, management or employees or any persons related to considered matters to join in the meeting as deemed appropriate for more clarification.

#### 5) Report of Work Performance

The Committee is responsible for reporting the performance to the Board of Directors and additionally the shareholders on remuneration aspect through the annual report or shareholders' meeting.

#### 6) Self-Assessment of Work Performance

The Remuneration and Nomination Committee is responsible for assessing their own performance and reporting the results to the Board of Directors at the end of each year.

#### ▪ **Corporate Governance Committee**

- Corporate Governance Committee comprises 2 independent directors and 2 executive directors with 3-years term of office to perform duties of overseeing the company' s corporate governance. The Committee shall hold the meeting at least twice a year to consider and conclude the annual CSR plan, acknowledge the survey results on corporate governance of listed companies and CGR criteria under implementation and to be implemented, considering and reviewing the charter of the Corporate Governance Committee on regular and yearly basis, including reviewing appropriate compliance with the corporate governance code of conduct (CG code) of the listed companies B.E. 2560 as per an announcement of the SEC. Any incompliance with the CG code, the company shall operate with good corporate governance within the appropriate timeframe to complete the required compliance of the CG code.

#### 1) Composition

Corporate Governance Committee comprises 2 independent directors and 2 executive directors.

#### 2) Duties and Responsibilities

1. To review corporate governance policy, code of conduct including the company' s policies and guidelines with respect to social and environmental responsibilities to ensure compliance with the corporate governance principle prior to proposing to the Board of Directors.
2. To propose guidelines or policies on corporate governance to the Board of Directors.
3. To recommend the Board of Directors on corporate governance matters.
4. To oversee the management team to practically implement the established corporate governance policy.

5. To follow up CSR activities and report to the Board of Directors.

In addition, the Committee is responsible for undertaking any tasks assigned by the Board of Directors whereas the Board of Directors has authority to change scope of duties and responsibilities of this Committee as deemed necessary and appropriate.

### 3) Term of Office

The term of office of each Corporate Governance Committee member shall be three years. The member who vacate office by rotation may be re-elected as the Board of directors deems appropriate.

### 4) Meeting

- 1) The meeting shall be held at least twice a year or as deemed necessary and appropriate.
- 2) The quorum of the meeting is required to consist of a half of a total members of the Committee and in case Chairman of the committee cannot present at the meeting, one of the attending members shall be appointed as chairman of the meeting.
- 3) The member having vested interest in any matter under consideration shall not attend the meeting and have no right to vote during consideration of such a matter.
- 4) Resolution of the meeting is subject to a majority vote of attending members. In case of equal vote, Chairman of the committee shall vote as additional vote to be the decisive vote.
- 5) During the meeting, the Committee may invite executives, management or employees or any persons related to considered matters to join in the meeting as deemed appropriate for more clarification.

### 5) Report of Work Performance

The Committee is responsible for reporting the performance on corporate governance to the Board of Directors' meeting and additionally the shareholders through the annual report.

### 6) Self-Assessment of Work Performance

At the end of each year, the Corporate Governance Committee is responsible for assessing their own performance on corporate governance and reporting the results to the Board of Directors.

#### ▪ **Risk Management Committee**

- Risk Management Committee comprises 2 independent directors, Chief Executive Officer and 1 executive director with 3-year term of office to perform duties on risk management. The Meeting are held twice a year for acknowledgement of an overview of risk management, approval of risk management plan,

preparation of the annual Form 56-1 One Report for the part related to risk management, and review of the Committee's charter on yearly basis including appointment of Risk Management Committee and working team to carry out risk management tasks to be consistent with the defined policies, vision, missions, and assess the company's risks in each aspect.

### 1) Composition

Risk Management Committee comprises at least 2 independent directors, Chief Executive Officer and 1 executive director.

### 2) Duties and Responsibilities

- 1) To define Enterprise Risk Management Policy and Framework inclusive of significant risks such as bidding risk, material and equipment procurement risk, construction risk, financial risk and manpower risk, etc. This also includes giving recommendations to the Board of Directors and management on risk management.
- 2) To determine the risk management action plan and oversee its implementation.
- 3) To oversee the company's undertaking on risk management and determine strategies to be in line with the company's vision, missions and goals.
- 4) To oversee, support and encourage for cooperation on risk management throughout the company and review adequacy of risk management policy and system for effective risk management.
- 5) To report the Board of Directors significant risk transactions, risk assessment, risk management, impact maybe arisen including prevention measure and required improvement. In case of significant impacts against the company's operations, the Committee needs to immediately report to the Board of Directors.
- 6) The Committee has authority to appoint the working team to carry out risk management task and report the outcomes of working to the Committee.
- 7) To perform other tasks assigned by the Board of Directors.

### 3) Term of Office

- 1) The Committee's term of office is 3 years.
- 2) The member who vacate office by rotation may be re-elected as the Board of directors deems appropriate.

#### 4) Meeting

- 1) The meeting shall be held at least twice a year or as deemed necessary and appropriate.
- 2) The quorum of the meeting is required to consist of a half of a total members of the Committee and in case Chairman of the committee cannot present at the meeting, one of the attending members shall be appointed as chairman of the meeting.
- 3) The member having vested interest in any matter under consideration shall not attend the meeting and have no right to vote during consideration of such a matter.
- 4) Resolution of the meeting is subject to a majority vote of attending members. In case of equal vote, Chairman of the committee shall vote as additional vote to be the decisive vote.
- 5) During the meeting, the Committee may invite executives, management or employees or any persons related to considered matters to join in the meeting as deemed appropriate for more clarification.

#### 5) Report of Work Performance

The Committee is responsible for reporting the annual performance on risk management to the Board of Directors' meeting and additionally the shareholders through the annual report.

#### 6) Self-Assessment of Work Performance

At the end of each year, the Risk Management Committee is responsible for assessing their own performance on risk management and reporting the results to the Board of Directors.

#### ▪ **Executive Committee**

- Executive Committee comprises 4 executive directors and top management to perform duties of planning and define policies, directions, strategies and primary business operating structure of the company as well as considering profit and loss of operating results, interim or annual dividend payment prior to being proposed to the Board of Directors and for undertaking any acts as assigned by the Board including consideration of the Executive Committee' s charter on regular and yearly basis.

#### 1) Composition

Executive Committee are appointed by the Board of Directors comprising directors and executives having appropriate qualifications at least 4 persons and Chief Executive Officer is one of the Executive Committee members. The Board of Directors appoints one of them to act as chairman of this Committee.



## 2) Role, Duties and Responsibilities

- 2.1 To define the annual policies, goals, strategies, business operating plan, budget and investment, authority table, executive powers and primary operating structure of the company including considering required improvements to be in line with the economic condition and marketing competitiveness prior to being proposed for approval of the Board of Directors.
- 2.2 To oversee the company' s operations to be executed according to the approved annual policies, goals, strategies, business operating plan, budget and effectively that contribute to the business with advices and recommendations rendered to the executives.
- 2.3 To undertake financial transactions with financial institutes regarding account opening, provision of loan, procurement, credit facility including bank guarantee, mortgage and others including acquisition/dismissal and registration of lands as per the company' s objectives that are required the Board' s approval.
- 2.4 To consider making agreement related to the company' s business and acquisition/dismissal of properties for the company' s interests as well as determining of negotiating process and method for such an agreement.
- 2.5 To consider profit and loss of the company' s operating results and interim or annual dividend payment so as to propose to the Board of Directors.
- 2.6 To consider profit and loss of the company' s and subsidiaries on quarterly basis in comparison with the defined budget so as to propose to the Board of Directors.
- 2.7 To have authority to appoint, transfer, dismiss and terminate employees and determine salary rate payment, rewarding and adjusting salary, remuneration and bonus of the employees in executive level from deputy vice president up. The authority of transfer and termination of employees in the executive level in the next position lower than Chief Executive Officer shall be under discretion of the Remuneration and Nomination Committee.
- 2.8 To perform other acts to support the abovementioned tasks or as occasionally assigned by the Board of Directors.
- 2.9 To consider and immediately report to the Board of Directors any corruption, violation against laws and other unusual acts that are found.
- 2.10 To perform any tasks as assigned by the Board of Directors; however, I tis the Board' s authority to revise the scope of duties of the Executive Committee as deemed necessary and appropriate.



### 3) Term of Office

3.1 The term of office of the Executive Committee members is subject to the Board' s determination.

3.2 the term of office for each Executive Committee member is expired due to ;

3.2.1 resolution of the Board

3.2.2 resignation from directorship/executive position

3.2.3 resignation

3.2.4 death

### 4) Meeting

4.1 Executive Committee Meeting shall be held as deemed necessary and appropriate.

4.2 The meeting agenda and supporting documents shall be sent to Executive Committee members prior to the meeting.

4.3 The resolution of the meeting is subject to a majority vote of members/executives attending the meeting whereas the member having vested interest in any matter under consideration shall not attend the meeting and have no right to vote during consideration of such a matter.

### 5) Report of Work Performance

The Committee is responsible for reporting their performances to the Board of Directors.

#### 3.2.3 Leadership and Independence of Board of Directors

1) The Board of Directors plays role of determining policies and vision as well as governing the management team to execute their works in line with the defined policy with independence of decision making for the company' s interests and all stakeholders.

2) The composition of the Board comprises independent directors having knowledge and capabilities. Such independent directors need to access the financial information and other business data for their comments adequately and independently for interests of concerned. Additionally, all directors need to regularly attend the meeting and prepare their self-certification of independence report at least once a year to be disclosed in the company' s annual report.

3) All directors are required to possess independence as obliged by the notifications of the SEC as well as other qualifications defined by the company in order to be capable of overseeing the

interests of all shareholders on equal basis and prevent any conflict of interests between executives or major shareholders or other companies having the same executives/major shareholders. The independent directors can freely express their point of view in the meeting as well.

### 3.2.4 Qualifications of Independent Director

The definition of an independent director is determined according to the criteria of the SEC as details shown below;

1) Having independent qualifications as defined by the company and in case any one of them is the Audit Committee, his qualifications are also required to match with the notifications of the SEC on qualifications and Audit Committee's scope of duties, being capable to oversee all shareholders' interests on equal basis and prevent any conflict of interests, attend the Board meeting together with freely expressing point of view,

2) Holding not more than 0.75 % of shares with voting rights of the company, the parent company, subsidiaries, joint venture company, a major shareholder or an entity with controlling authority. This is inclusive of shares held by persons concerned with such an independent director,

3) Neither being nor used to be a Director involved in the management of the operations of, an employee of; or an advisor with a monthly retainer to; or a person with a controlling power over the company, its parent company, subsidiaries, joint venture company, major shareholder of, or a person with a controlling power over the company either at the present time or within two years prior to his/her appointment as Independent Director and this is unless the person in question is no longer in such a position or has such a status for not less than 2 years prior to being appointed and such a prohibited qualifications are not included being used to be government official or advisor of the government agency who is a major shareholder or controlling person of the company,

4) Not being a person who has a relationship, by blood or by legal registration, as a parent, spouse, sibling or children, as well as spouse of the children, of an executive of, a major shareholder of, a person with a controlling power over, as well as a person proposed to be appointed as an executive or as a person with a controlling power over, the company or subsidiaries,

5) Neither being nor used to be a person with a business relationship with the company, its parent company, subsidiaries, joint venture company, as well as a major shareholder of or a person with a controlling power over the company, that may be an obstacle to exercising judgments in a fully independent manner. This also includes not being or having been a significant shareholder of a party or having a controlling power over a party with a business relationship with the company, subsidiaries, joint venture

company as well as a major shareholder of or a person with a controlling interest of the company. This is unless the person in question is no longer in such a position or has such a status for not less than 2 years prior to being appointed,

Such business relationship is inclusive of a trading transaction occurring on a conventional basis for the conduct of business; a rent or lease of property; a transaction involving assets or services; a provision or an acceptance of financial assistance through means of a loan, a guarantee, a use of an asset as collateral against debt; and, other similar actions which result in the company or the party to the contract having a debt to be repaid to another party for the amount from 3% of net tangible assets (NTA) of the company or from 20 Million Baht, whichever is lower. This amount is determined by the calculation of related transaction value as per the notifications of the Securities and Exchange Commission. It is inclusive of debt(s) arising within one year prior to the day of business relationship with the same party.

6) Neither being nor used to be an auditor of the company, its parent company, subsidiaries, joint venture company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiaries, joint venture company, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years,

7) Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the company, its parent company, subsidiaries, joint venture company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years,

8) Not being a director who is appointed to be a nominee of a Director of the company, a major shareholder or a shareholder who is connected to a major shareholder,

9) Not operating any business similar to and significantly competitive with the company's business or subsidiaries or holding shares or be an executive director of any business entity, employee, advisor with monthly salary, or holding shares over than 1% of a total of shares with voting rights, and other companies having similar business and significant competitiveness,

10) Not having any characteristic which prevents him/her from expressing opinion freely on the operation of the company.

### 3.3 Qualifications, Role and Duties of Chairman of the Board of Directors

The Board of Directors appoints the qualified person to act as Chairman of the Board of Directors who is not the same person as Chief Executive Officer and clearly segregates scope of duties, authority and responsibilities of both positions for freely discretionary decision making.

#### Role and Duties of Chairman of the Board of Directors

Chairman of the Board of Directors plays a leadership role and acts as the Chairman of the Board according to the scope of authority, duties and responsibilities to oversee and monitor the implementation of strategies handled by the management team including giving advice and supporting the company's operations without any participation in ay-today management.

Chairman of the Board of Directors presides as chairman of the board meeting and shareholders' meeting, promote all directors to participate in the captioned meetings as well as monitoring the meetings to be proceeded effectively and successfully.

### 3.4 Nomination and Appointment of Directors

The Board of Directors appoints the Remuneration and Nomination Committee to consider qualifications of the company' s directors, members of the committees in consistent with the nature of business prior to proposing the qualified candidates for consideration of the Board of Directors and approval of the shareholders' meeting; however, such a nomination process is overseen by the Board in order to be conducted transparently and clearly and to obtain the qualified candidates in line with the defined qualifications. The Remuneration and Nomination Committee has duties as follows;

3.4.1 Remuneration and Nomination Committee shall hold a meeting to consider the criteria and method of selection to obtain nominees having suitable knowledge, skills and background of experience to further propose their comments for consideration of the Board of Directors prior to an appointment by the shareholders' meeting. Additionally, during the meeting the information of the proposed nominees shall be adequately furnished for consideration and approval.

3.4.2 Remuneration and Nomination Committee shall review criteria and method of selection of directors prior to nomination of directors retiring by rotation. In case the retiring one is re-elected, his/her foregoing performance in the past year shall be considered as a supporting reason of the criteria.

3.4.3 In case the Board of Directors appoints any person to be an advisor to the Remuneration and Nomination Committee on the nomination practices, the advisor' s information shall be disclosed in the annual report including his/her independence and no conflict of interest.

3.4.4 Remuneration and Nomination Committee may employ professional search firms or use data base of the director pool to support their nomination process.

### 3.5 Determination of Director Remuneration

The Board of Directors assigns the Remuneration and Nomination Committee to conduct the duties on consideration of remuneration for directors and executives in order that the structure and remuneration rate are suitable and in line with their roles, duties and responsibilities based on transparency and fairness according to relevant laws and regulations as follows:

3.5.1 Director remuneration shall match with the company' s strategies and long-term goals including experience, accountability and responsibility as well as interests expected to be gained from each director. The director who is assigned additional duties and responsibilities such as being a member of committees shall obtain suitable and additional remuneration at the same level as the same industry.

3.5.2 The shareholders approve the director remuneration structure and rate of both monetary and non-monetary terms and it is the duty of the Board of Directors to consider suitability of each type of compensation in terms of both fix rate (such as attendance fee, etc.) and performance-based compensation (such as bonus, pension, etc.) subject to the value-added contributing to shareholders but not at the exceeding level until causing adherence to only short-term operating results.

3.5.3 The Board of Directors discloses its policy and criteria of director remuneration reflecting accountability and responsibility of each director including its type and number indicating the details of remuneration for each director and also remuneration he/she obtains from being a director of subsidiaries.

3.5.4 In case the Board of Directors appoints any person to be an advisor to the Remuneration and Nomination Committee on the nomination practices, the advisor' s information shall be disclosed in the annual report including his/her independence and no conflict of interest.

### 3.6 Director Discharge and Adequate Dedication

The Board of Directors shall oversee all directors to be responsible for their duties with adequate dedication under the following guideline of practices;

- 1) The Board of Directors shall ensure that the company has a supporting mechanism for directors in understanding their role, duties and responsibilities.
- 2) The Board of Directors determines the policy for all directors to hold their directorship of not over than 5 other listed companies to ensure that they can dedicate adequate time for their duties.

In case a director being a Chairman of the Board, executive director or authorized director either one or more in other companies, such a director shall hold the aforementioned position of not over than 3 business groups.

Should the Chief Executive Officer be a director of other companies (except family business), he/she is required to obtain an approval from the Board of Directors and consideration shall be based on nature of business, directorship and a number of companies applicable for holding such a position.

3) Holding a position in other companies is required not to violate rules and regulations of the applicable authorities to ensure that all directors can dedicate adequate time to perform their duties and the Board of Directors shall publicly disclose and report holding other positions of directors. In case that a director is director or executive or direct or indirect stakeholder in other companies having conflict of interest against the company or takes advantage or uses the company's information for his/her interests, the Board of Directors shall ensure the adequate prevention measure and disclose such a matter for shareholders' acknowledgement as deemed appropriate.

4) It is the company's policy to encourage each director to attend the meetings at least 75 % of all Board meetings annually held unless he/she has necessary reason of not being able to attend the meeting.

### 3.7 Governance of the Subsidiaries' and Other Businesses' Operations Having A Significant Investment

The board shall ensure that the company's governance framework and policies extend to and are accepted by subsidiaries and other businesses in which it has a significant investment as appropriate with the identical understanding of the following policies and framework;

1) The company shall appoint subsidiary and joint venture company qualified directors, executives or others with controlling power (based on the proportion of shares held in such a company or as mutually agreed) after obtaining an approval of the Board of Directors and legislative procedure based on the suitability of the company's business.

2) The Board of Directors shall define the scope of duties and responsibilities of subsidiary directors, executives and others with controlling power. They are to oversee the subsidiaries' operations to ensure compliance with the subsidiaries' policies. If the company's subsidiary has investors other than the company or it is a joint venture company, the Board shall require the company's appointed representative to perform his/her role in the subsidiary's or joint venture's best interests to comply with the governance framework and policies of the company.

- 3) The Board of Directors shall oversee its subsidiaries' or joint venture company' s Board of Directors (as applicable) to perform their duties and undertake all transactions in compliance with relevant laws, objectives, article of association, standards, the resolutions of the Board of Directors and shareholders' meeting and corporate governance policy & business code of conduct with integrity, carefulness and responsibilities on ethical basis.
- 4) The Board of Directors shall continuously monitor operations of subsidiaries and joint venture company including giving advice to ensure their effective operations according to the define goals and to be capable to timely and appropriately deal with obstacles or problems maybe arisen.
- 5) The Board of Directors shall consider, monitor and give advice subsidiaries and joint venture company to ensure that their internal control system and operating system are effective with efficiency of business operating, suitable and secured adequately.
- 6) The Board of Directors shall consider, monitor and conduct review and improvement of significant policies and operating plans related to subsidiaries' and joint venture company' s operations to be always updated and suitable for their business conditions.
- 7) The company shall establish and execute the operating plans to ensure that subsidiaries and joint venture company have the integrity and timely disclosure of the material information including its financial information, related party transactions, acquisition and disposition of assets and other important transactions, capital increases or decreases, and termination of a subsidiary, etc. and the information required to be disclosed to related regulatory agencies, external investors with accuracy, completeness and reliability.
- 8) In case its subsidiaries and joint venture company need to proceed connected transactions or vested transactions, the company shall monitor them to strictly handle such transactions with transparency and fairness according to the regulations on connected transactions and acquisition and disposal of assets of related regulatory agencies.
- 9) For businesses that the subsidiary holds a significant investment in, such as between 20 % but not over than 50 % of shares with voting rights or that may require significant additional investment when necessary, the Board shall ensure that shareholders' agreements or other agreements are in place to enable the company's performance monitoring and participation in the businesses' management, including for approval of significant transactions and decisions. This is to ensure that the company has sufficient, accurate, and timely information for the preparation of its financial statements that conform with relevant standards.



### 3.8 Performance Assessment Assessment of the Board of Directors and Its Committees

It is the company's policy to have the Board of Directors and its Committees conduct a formal annual performance assessment of themselves and each individual one at least once a year in order to allow them to consider and review issues and obstacles during the past year that will lead to improvement and increase efficiency of their discharge of duties. The assessment shall be conducted through the assessment form as per the guideline of Thai Institute of Directors and SET applied for the company with the following objectives ;

- To acknowledge problems and obstacles during the past year that cause unfulfillment of the objectives.
- To enable the discharge of duties of the Board of Directors and its committees to be more effective since they can clearly understand their responsibilities and this also helps improve the relationship between the Board of Directors, committees and management team whereas the assessment results shall be further contributed to their improvement of working efficiency.

The performance assessment of the Board of Directors and its committees are separated into 2 terms as follows ;

- 1) The performance assessment of the Board of Directors and its committees as a whole on the following aspects :
  - structure and qualifications of the Board or committees
  - meetings of the Board or committees
  - roles, duties and responsibilities of the Board or committees
  - other matters
- 2) The performance assessment of the Board of Directors and its committees on an individual level (self-assessment) as per the following aspects :
  - structure and qualifications of the Board or committees
  - meetings of the Board or committees
  - roles, duties and responsibilities of the Board or committees

The assessment results shall be as a supportive information of the Board of Directors' comments for the shareholders' meeting to consider during the agenda on appointment of directors retiring by rotation and consideration of appropriate composition of the Board of Directors and committees.

### 3.9 Enhancement of Understanding the Board of Directors' and Committees' Roles, Duties and Responsibilities, the Nature of the Business, the Company' s Operations, Relevant Law and Standards, and Other Applicable Obligations Including Skills and Knowledge for Director' s Discharges

- 1) It is the company' s policy to promote training and refreshing knowledge useful and necessary for performing duties and complying with corporate governance of the Board for continuous development. At least, every director needs to obtain the fundamental course of Directors Accreditation Program (DAP) of Thai Institute of Directors to bring such knowledge and experience gained for the company' s development.
- 2) The Board of Directors shall ensure that newly appointed directors receive a formal and proper induction and all information relevant to their responsibilities and performing their duties, including details about the company' s objectives, main goal, vision, missions and core value, nature of the business, and directions of operations whereas all directors shall study and understand relevant law and standards, and other applicable obligations, corporate governance policy, risk factors, and the company' s business environment as well as receiving accurate, timely and clear information, including timely and regular updates.
- 3) The Board of Directors shall disclose in the annual report their training and knowledge development to the public as per the principle of corporate governance .

### 3.10 Board of Directors Meeting

The Board of Directors shall ensure that it can perform its duties effectively and have access to accurate, relevant and timely information and has a company secretary with necessary qualifications, knowledge, skills, and experience to support the Board in performing its duties as follows;

- 1) The Board' s meeting schedule and agenda shall be set 1-year in advance in order that each director can allocate time for attendance and at least 7 meetings a year shall be held. Additionally, an extra meeting can be held as deemed necessary.
- 2) The meeting agenda shall be determined in advance with clear classification such as matters for acknowledgement, matters for consideration, or other matters, etc.
- 3) If the Board meetings are not held monthly, the Board shall receive a report on the company' s performance for the months in which the Board does not hold a meeting so that it can monitor management and company performance continuously and promptly.

- 4) Chairman of the Board and Chief Executive Officer are responsible for determining the agenda of the meeting.
- 5) The Board of Directors shall have a mechanism that allows each Board member and management to freely propose the inclusion of relevant items on the meeting agenda.
- 6) To avail each director to preliminarily study matters to be discussed in the Board meeting, Chairman of the Board or a designated person shall determine date, time and place of the meeting. However, the meeting place may be other place instead of the company' s head office and should Chairman of the Board or a designated person do not determine the meeting place, the meeting shall be held at the company' s head office. The notice of the meeting shall be sent to all directors 7 days in advance before the meeting unless it is an urgent case, the notice of the meeting can be done by other methods or held earlier. In addition, the notice of the meeting shall clearly notify date, time and place as well as the agenda of the meeting as well.
- 7) At the Board' s meeting, there shall be one half of all directors attending the meeting to constitute the quorum.
- 8) Chairman of the Board shall preside as chairman of the Board' s meeting and monitor the meeting by sufficiently allocating time of each agenda as well as allowing each director to independently discuss and comment on significant matters by taking into account the interests of shareholders and related persons on fairly basis.
- 9) During discussion of the agenda related to directors having significant vested interests, the involved directors shall not attend the meeting.
- 10) Resolution of the meeting is subject to a majority vote of attending members unless any directors having vested interest shall have no right to vote for the involved agenda. In case of equal vote, Chairman of the committee shall vote as additional vote to be the decisive vote and in case of having objection against the resolution, it shall be recorded in the minutes of the meeting.
- 11) During consideration of any matters, directors shall have the right to ask for inspection of the related documents and also invite the management concerned to attend the meeting for more clarification.

- 12) It is the policy of the Board to allow non-executive directors to meet, as necessary, among themselves without the management team to debate their concerns and report the outcome of their meeting to the company's Chief Executive Officer.
- 13) The Board shall determine a company secretary's necessary qualifications, knowledge, skills, and experience for performing his/her duties, including providing advice on legal, regulatory and administrative requirements, preparing Board meetings and other important documents, supporting Board activities, and coordinating the implementation of Board resolutions. The Board shall also disclose the qualifications and experience of the company secretary in its annual report and on the company's website.
- 14) The Company Secretary shall receive ongoing training and education relevant to performing his/her duties and be also encouraged to enroll on a company secretary certified program as well.

- **Board of Directors**

The Board of Directors determines the direction for the Board meeting and committees' meetings as follows;

- The agenda of the meeting is clearly notified with supportive documents containing complete and adequate information to be sent to all directors 7 days in advance before the meeting so that the Board can have sufficient time to study the proposed agenda before attending the meeting.
- Should there be any additional agenda after sending the notice of the meeting, only necessary with reason and urgent issues shall be allowed upon approval of the Chairman of the Board.
- Every director has an opportunity to openly discuss and comment whereas Chairman of the Board is responsible for compiling all comments and concluding resolutions of the meeting.
- In case of having significant vested director in the agenda under consideration, such a director shall not attend the meeting during the involved agenda.
- All minutes of the meeting shall be recorded in written and later adopted by the next meeting with certified true and correct by Chairman of the Board, authorized director and company secretary.
- Filing system shall consist of the original minutes of the meeting with scanned files convenient for further reference of directors and related persons. In addition, all supporting

documents of the meeting agenda are also in electronic files whereas all relevant documents shall be retained for at least 5 years with secured system safe from changes of data, risk and disaster.

The Board of Directors shall appoint a company secretary with the necessary qualifications, knowledge, skills, and experience for performing his/her duties, educational background in legal, accounting and financial fields and/or used to obtain training course related to company secretary to comply with the Securities and Exchange Act (Vol. 4) B.E.2551, Section 89/15 indicating that the Board of Directors shall appoint a company secretary to assist them to perform their duties to comply with the relevant laws and regulations including supporting the company's corporate governance to be conducted in consistent with the corporate governance standards as follows;

- Preparing and retaining documents as followings,
  - 1) Preparation and retention of
    - (a) Director Registration
    - (b) Notices and minutes of the Board's meeting and annual report/Form 56-1 One Report of the company
    - (c) Notices and minutes of the shareholders' meeting
  - 2) Retaining the report of interests of directors and executives
  - 3) Carrying out other tasks as required by the notifications and regulations of the Capital Market Supervisory Board
- Being knowledgeable and understanding rules and regulations of the SEC, laws related to securities and exchange, public company and other relevant laws including requirements of the Capital Market Supervisory Board,
- Being knowledgeable and understanding the corporate governance principle and code of conduct,
- Having integrity, diligence, cautiousness with disclosure of his/her experience in the annual report(Form 56-1 One Report) and on the company's website.

The Board of Directors conducts the annual performance assessment of the Board, committees and individual directors through the assessment form of the Governance Development Department, SET as publicized in February' 2015 with updated information of the company. The assessment results shall be supportive of performance development in order that the Board and each director shall have knowledge and understanding of roles, duties, nature of business and relevant laws as well as enhancing skills and knowledge for their discharges of duties on regular basis and also avail the Board to perform their duties



properly and be able to access necessary information. This includes the performance assessment of Chairman of the Board and Chief Executive Officer conducted by the Remuneration and Nomination Committee.

The Board of Directors is responsible for reporting the company's and subsidiaries' separate financial statements and the consolidated ones including financial information as appeared in the annual report. The financial statements are prepared based on the certified accounting standards of Thailand with reference to the international standards with regularly suitable and practical accounting policy that is always reviewed its suitability. Preparing the financial statements, the Board shall place an importance on exercising careful discretion and rational estimation including sufficiency disclosure of significant information in the notes to financial statements to reflect the company's financial status transparently and beneficially to the investors.

The captioned financial statements are required to be initially reviewed and commented, without any condition, by certified independent auditors with risk management and internal control system that are suitable, adequate and effective to ensure the accuracy and completeness of the accounting information, capability to maintain the company's assets and prevention of corruption or significant extraordinary transactions whereas the Audit Committee is appointed and entrusted to supervise the financial statement preparation, evaluate the internal control system and internal audit to be conducted effectively.

The Board of Directors determines the required procedure for connected transactions that such transactions are required to be verified and commented by the Audit Committee and/or the Board in terms of necessity and reasonableness together with verification and comparison of normal business price and condition whether they are ordinary and as those of the third parties. As per the Board's resolution, the company is allowed to undertake the connected transactions that are ordinary business ones or ordinary business support ones at value of not over than 30 million Baht under the condition that such transactions are undertaken with normal business price and condition and for highest interests of the company. Moreover, those transactions have to be proposed for consideration of the Audit Committee's and/or Board of Directors' meeting for comments on necessity and reasonableness and approval for the transactions that are not the ordinary business and ordinary business support ones prior to proceeding.

- connected transaction undertaken with price and/or condition different from the normal price and/or condition undertaken with the third parties
- connected transaction that is an ordinary business transaction or ordinary business support transaction under price and condition at value over than 30 million Baht

The person having any conflict of interest against the company and subsidiaries shall have no authority to undertake the captioned connected transaction whereas the Board shall oversee compliance with the laws of the SEC and SET, regulations, notifications or requirements of the SET including disclosure of related transaction, acquisition and disposal of assets of the company and subsidiaries and the accounting standards of the Federation of Accounting Professions. Furthermore, the Board and Audit Committee shall regularly conduct review on criteria and approval procedure of the connected transactions on yearly basis.

- **Committees**

Further to resolution of the Remuneration and Nomination Committee, the Board of Directors resolves the appointment of directors and executives and qualifications of the directors and audit committee members as follows;

- 1) Having knowledge and capabilities with integrity, business ethics and sufficient time to dedicate their capabilities to perform duties,
- 2) Be qualified and having non-prohibited characteristics as prescribed in the Public Company Act and Securities and Exchange Act and other relevant laws including not possessing any inappropriate qualifications for reliability to manage the public company limited as per the announcement of the Securities and Exchange Commission.
- 3) Being a director of not over than 4 listed companies and such a directorship must not be an obstacle against discharges of duties for the company and in line with guidelines of the SEC and SET.
- 4) Not operating any business similar to and significantly competitive with the company' s business or subsidiaries or holding shares or be a partner without limit in a limited partnership or be a director or vested person , directly or indirectly, of any business entity similar to and significantly competitive with the company' s business regardless for his/her own benefit or for the benefit of others unless informing to the shareholders' meeting prior to being appointed.

- **Nomination of Director and Executive**

The company places an importance on capable persons having knowledge, experience with good working background, broad vision leadership, morality and ethics, positive attitude towards the company including sufficient time to dedicate themselves in performing duties for the company' s interests. In addition, those qualifications need to be suitable and match with the composition and structure of the Board according to the company' s business strategies and also scrutinized through the transparent process to create confidence among shareholders. The Remuneration and Nomination Committee is responsible for

nominating the company' s directors whereas the directors being directors of not over than 4 listed companies are required to be initially approved by the Board. The nomination policy and criteria of director and executive are as follows;

- Determining the qualifications of directors, Chairman of Executive Committee, Chief Executive Officer, President and top executives ; Chief Financial Officer, Chief Marketing Officer, Chief Operating Officer and other new positions (if any) that are required for selection and nomination, and considering qualified candidates to be promoted to hold the aforementioned positions based on suitable knowledge, capabilities, experience and expertise beneficial to the group of companies' operations,
- Selecting and nominating qualified candidates suitable for the position of Chairman of Executive Committee, Chief Executive Officer, President and top executives in the next level lower than Chief Executive Officer under the following procedure;
  - (1) To propose for consideration of the Board in order to further propose to the shareholders' meeting for appointment of directors retiring by rotation and additional ones,
  - (2) To propose for consideration of the Board to appoint Chairman of the Board, Chief Executive Officer and top executives in the next level lower than Chief Executive Officer,
  - (3) To consider and comment Chief Executive Officer' s succession plan before proposing for consideration and approval of the Board' s meeting.
- Remuneration of Director and Executive

The Board of Directors appoints the Remuneration and Nomination Committee to be responsible for considering and proposing a guideline and criteria to determine director remuneration to the Board' s and shareholders' meeting. The compensation policy and criteria are as follows;

- Director remuneration is set appropriately and the current criteria is reviewed with reference to the director remuneration survey result of listed companies in the same industry on fairly basis and in line with expected performance results and also to reward the persons contributing to the company' s successful operations.
- Director compensation are paid in a form of retainer fee, attendance fee, pension, bonus or other types of compensation. Additionally, directors also obtain allowance and welfares as per the company' s regulation and director remuneration of each type is disclosed in the company' s annual report.
- Criteria and budget for annual salary increment and bonus payment are set at the appropriate rate.
- Performance assessment criteria and annual performance assessment of Chairman of the Board, Chief Executive Office and President are set with review on suitability consistent



with their duties and responsibilities and based on the operating results of the group of companies, business size compared to other companies in similar industry on fairly and rational basis.

- The annual remuneration of directors, committees, Chairman of Executive Committee, Chief Executive Officer and President are set prior to being proposed for approval of the shareholders' meeting.
- In case of the Employee Stock Ownership Plan (ESOP), the Committee is responsible for considering conditions and criteria of allocation to be appropriate and fair for employees and shareholders. In addition, this includes the allocation to directors exceeding 5% of a total of allocated shares and such an allocation (exceeding 5%) shall not be provided to the members of this committee.

The Board of Directors sets the framework and mechanism of governing compliance with corporate governance for the company, subsidiaries and joint venture company to operate businesses in line with the conduct guidelines, regulations, goals, business strategies and also monitors their operations continuously.

It is the policy of the Board in promoting and facilitating directors and executives to attend training courses held by concerned authorities to enhance knowledge and point of view on business operating continuously on the following terms; corporate governance, industrial conditions, technologies and innovations such as training courses of the Institute of Directors, SEC and SET, Thai Listed Companies Association, Thai Investors Association and independent entities and the Remuneration and Nomination Committee has been assigned to consider and disclose this matter in the company' s annual report. Moreover, the company has its policy to hold the meeting or workshop for directors at least once (1) a year in which experienced guest speaker shall be invited to pass on knowledge beneficial to the company.

Reporting on interest of directors and executives shall be conducted in accordance with Section 89/14 of the Securities and Exchange Act (Vol.4) B.E. 2551 and the Capital Market Supervisory Board' s notification no. Thor Jor. 2/2552 on reporting on interest of directors, executives and related person. Directors and executives shall report on shares held by themselves, their spouses and immature children to the Board' s meeting and after that should there be any transaction regarding buying or selling of shares undertaken by those concerned persons, every transaction shall be reported to the next Board' s meeting.

## Principle 4

### Ensure Effective CEO and People Management

The Board of Directors appoints the Remuneration and Nomination Committee to consider and predetermine the criteria for director and top executive nomination to obtain qualified candidates having knowledge, skills and qualifications necessary for driving the company to achieve the defined goals. The suitable remuneration structure and performance assessment are also set together with preparation and review on the succession plan of directors and top executives in order to be well-prepared in case one of directors or top executives retires or cannot perform his/her duties for continuous operating. The results of implementing director succession plan shall be reported to the Board at least once (1) a year for suitability of position, duty and nature of business.

The Remuneration and Nomination Committee determines policy of manpower recruitment to be conducted on fairly and transparent basis by emphasizing on searching employees having suitable experience, knowledge, skills, potential and qualifications and in line with the job description. The selection and recruitment shall be initially proceeded to avail an opportunity for existing employees who are capable and qualified for the vacant positions. In case the existing employees are not qualified, the recruitment shall be proceeded by searching for external candidates as deemed appropriate.

The Remuneration and Nomination Committee shall oversee provision of remuneration structure and performance assessment of top executives to be suitably determined based on adequacy towards their discharges of duties, responsibilities and compensation average level paid in the same industry, the company's operating results as well as their contribution & capabilities.

The Board of Directors shall ensure that their structure and shareholder relationship do not impede their discharges of duties. In case of director change or newly appointed director, an induction for new director shall be provided to introduce the nature of business and the company's business direction to help him/her to acknowledge the company's expectation towards director's role, duties and responsibilities including the corporate governance practice of the company for preparedness of director's discharges of duties.

The Board of Directors shall ensure that the company's human management and development are carried out in line with the business plan, vision, missions and strategies and employees are knowledgeable, skilled and experienced with the mechanism to foster employees. The provident fund has been established for employees with recommendations on financial management and policy of investment selection matched with their risk appetite.



## **4.1 Recruitment and Development**

The Board of Directors shall ensure that the company's recruitment and development process of Chief Executive Officer and top executives are in place to obtain qualified candidates who are knowledgeable, skilled, experienced with required characteristics in driving the organization to achieve goals and the guideline are set as follows;

4.1.1 The Remuneration and Nomination Committee is responsible for consideration and determination of criteria to nominate qualified candidates to hold the position of Chief Executive Officer and top executives to be suitable and consistent with the company's nature of business based on the following terms ;

(1) To consider whether the candidates nominated for the captioned positions possess non-prohibited characteristics as prescribed in the enforced laws including requirements and SET's code of conduct.

(2) To consider whether the candidates nominated for the captioned positions possess knowledge, skills and characteristics beneficial to the company with broad vision leadership, time dedication and effort, morality, openness and courage to express their comments, good working background without unblemished record ethics.

(3) To consider whether the candidates nominated for the captioned positions do not operate any business similar to and competitive with the company's business regardless for their own or others' interests.

4.1.2 The Board of Directors shall supervise Chief Executive Officer to have qualified top executives and at least the Board or Remuneration and Nomination Committee shall work together with the Chief Executive Officer in considering the criteria and procedure of nomination prior to approval and appointment of the top executives.

4.1.3 For business continuity, the Board shall ensure that the succession plan of significant positions is in place systematically to replace retiring ones or new positions due to business expansion, change of organization chart or succession of top executives. This shall be for the purpose of continuing the company's operations and selecting of qualified candidates for the captioned significant positions. Moreover, Chief Executive Officer shall periodically report the development of his/her succession plan to the Board at least once (1) a year.

The Board of Directors shall consider and review requirements of human resource management and criteria of succession planning based on the principles of career management and talent management & succession planning by selecting high potential candidates through the suitable recruitment process whereas communication on scope of development and required practices shall be made including developing the successor to be well prepared. These are conducted prior to proposing qualified candidates to the Remuneration and Nomination Committee, according to the recruitment process, to consider based on their knowledge, capabilities, experience and vision in driving the company's growth as per the strategies defined by the Board and also growing together with the company that shall enable the company and group of companies to achieve the strategic goals in the future effectively.

4.1.4 Chief Executive Officer and top executives shall be encouraged to obtain training and development to extend knowledge and experience beneficial to their duties by taking into consideration the preparedness of succession plan.

4.1.5 Chief Executive Officer and top executives may hold a director position in other companies. However, such a directorship must not hinder their discharges of duties and it is prohibited to operate or have a part in any business similar to or competitive with the company's business or subsidiaries.

## **4.2 Appropriate Remuneration and Performance Assessment**

The Board of Directors shall ensure that the remuneration structure and performance assessment are predetermined appropriately as details below;

4.2.1 The Remuneration and Nomination Committee as assigned by the Board is responsible for predetermining the attractive remuneration structure for Chief Executive Officer, top executives and other positions at all working levels that aligns with the company's objectives and main goals as well as long-term interests, and also the criteria of performance assessment of Chief Executive Officer and top executives including

(1) determining the key performance indicator (KPI) for consideration of annual salary increment and bonus payment for Chief Executive Officer and top executives based on the fiscal budget, the company's operating goals and marketing & economic conditions prior to proposing for approval of the Board.

(2) considering the criteria of performance assessment and remuneration structure; salary, short-term compensation i.e. bonus, and long-term compensation i.e. employee stock ownership (ESOP) as well as the salary increment rate for Chief Executive Officer and top executives (in 3 rankings lower than Chief Executive Officer) for approval of the Board from which the performance assessment

criteria shall be later communicated with Chief Executive Officer and top executives for their acknowledgement.

The Board of Directors shall be responsible for evaluating Chief Executive Officer' s performance.

(3) considering and proposing salary structure, benefit and other welfares for Chief Executive Officer and top executives in both monetary and non-monetary compensations.

4.2.2 The directors who are not the executive ones shall play role in determining Chief Executive Officer' s compensation and performance assessment at least regarding the followings;

(1) To approve the attractive performance assessment criteria for Chief Executive Officer in order to encourage him/her to discharge duties in compliance with the company' s objectives, main goals and long-term interests and communicate the approved criteria for Chief Executive Officer' s acknowledgement in advance

(2) To carry out Chief Executive Officer' s performance assessment on yearly basis or assign Remuneration and Nomination Committee to handle such a task whereas Chairman of the Board or senior directors shall communicate and inform the assessment results including required development issues for Chief Executive Officer' s acknowledgement.

(3) To approve the annual compensation for Chief Executive Officer and consider his/her performance assessment results and other related factors as well.

4.2.3 The Board of Directors shall consider and approve the criteria and concerned factors of performance assessment and remuneration structure of top executives and then monitor Chief Executive Officer to evaluate top executives' performance according to the approved criteria.

4.2.4 The Board of Directors shall ensure that the criteria and concerned factors of performance assessment are in place and totally applicable across the organization.

### **4.3 Shareholder Structure and Relationship**

It is the Board' s policy to understand the company' s shareholder structure and relationships which may impact the management and operation of the company and the control over the company, and oversee any agreements related to the captioned structure and relationships not to affect the Board' s exercise of duties including proper disclosure of information on any conditions that have an impact on the control over the company.

#### **4.4 Human Resource Management and Development**

The Board of Directors shall ensure the company has effective human resources management and development programs to ensure that the company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff with proper motivation as follows;

4.4.1 The Board of Directors shall ensure that the company is properly staffed, and that human resource management aligns with the company's directions and strategies and shall promote employees at all levels to extend their knowledge and capabilities with proper motivation, and obtain fair treatment for retention of capable ones.

4.4.2 The Board of Directors shall promote and facilitate personnel related to the corporate governance including executives and employees to attend training courses for continuous improvement of human development and the courses may be in-house or public ones.

4.4.3 The Board of Directors shall ensure the company has adequate staffing with proper welfare and motivation including human development to extend employees' knowledge, skills and experience by training attendances.

4.4.4 The Board of Directors shall ensure that the company establishes a provident fund or other retirement plan, and require management to implement a training and development program for employees and staff that promotes financial literacy, including on retirement savings, and educates employees and staff on life path investments that are suitable for their age and risk appetite.

4.4.5 The Board of Directors emphasizes on and promotes innovation development that creates value for the company's business and sustainable growth in parallel with collaborating total contribution for the company, customers, trading partners and other stakeholders and having social and environmental responsibilities including efficient resource allocation and management.

## Principle 5

### Nurture Innovation and Responsible Business

The Board of Directors shall prioritize and promote innovation that creates value for the company and to sustainably achieve the objectives and goals in parallel with collaborating total contribution for the company, customers, trading partners and other stakeholders and having social and environmental responsibilities including efficient resource allocation and management. The Board shall encourage the company to create and bring innovation to be a part of the business operating plans, vision, missions and strategies in order to form business model, working procedure including information technology and risk management for sustainable achievement of the business operating plans, vision, missions and strategies. This includes the security measure of the information technology system; confidentiality, integrity and availability of information in accordance with relevant laws, regulations, code of conduct, requirements and other standards in line with the budget and human resource.

#### **5.1 Nurture of Organizational Innovation**

The Board of Directors shall prioritize and promote innovation that creates value for the company in parallel with collaborating total contribution for customers or all stakeholders and having social and environmental responsibilities as follows;

5.1.1 The Board of Directors shall prioritize and promote a corporate culture that embraces innovation by defining it into the corporate vision, missions and strategies, and ensure the management's inclusion of innovation in review on corporate strategy, operational development planning, risk management and operation monitoring.

5.1.2 The Board of Directors and management shall nurture innovation that enhances value creation for the business in a changing environment. Such innovation may include designing innovative business models, products and services, promoting research, improving production and operation processes, and collaborating with trading partners for mutual interests.

## 5.2 Socially and Environmentally Responsible Business Practices

The Board of Directors shall ensure the company operates business based on socially and environmentally responsible practices by incorporate them into the company' s operations plan. This is to ensure that every department and function in the company complies with the company's objectives, main goal and strategic plan as follows;

5.2.1 The Board of Directors shall encourage the company' s management to have a mechanism of operating business ethically with socially and environmentally responsible business practices and no violation against stakeholders. This is to ensure that every department and function in the company can sustainably achieve the company's objectives and main goal.

The company shall adhere to fair treatment and morality towards the stakeholders based on non-discrimination and fairly basis and without exercising of personal discretion and judgment, avail equitable opportunity without discrimination of race, religion or gender. The company realizes in responsibilities towards society and community and deems it as the primary task to enhance projects and activities contributable to social and community development and the followings are the defined policy and guideline of stakeholder treatment;

5.2.1.1 Responsibilities to shareholders by committing to responsibilities and enhancement of highest satisfaction towards its shareholders by adhering to the company' s sustainable growth and appropriate return on investment continuously including transparency of reliable accounting. Consequently, to be in line with the aforementioned principle, the policy and guideline of practices with respect to shareholders have been set, by the Board, as disclosed in the Code of Conduct and Code of Ethics for strictly adhering to throughout the company.

5.2.1.2 Responsibilities to customers by committing to enhancing satisfaction and confidence for customers with qualified service and proper price of products and also adhering to applicable laws and standards, considering impact on health, safety of products and services, fairness, customer information security, sales conduct, after-sales service throughout the lifespan of products and services, and following up on customer satisfaction measurements to improve the quality of products and services. In addition, advertising and public relations shall promote responsible consumption and be done responsibly, avoiding taking advantage of or misleading customers, or causing misunderstanding about the products and services offered by the company. Consequently, to be in line with the aforementioned principle, the policy



and guideline of practices with respect to customers have been set, by the Board, as disclosed in the Code of Conduct and Code of Ethics for strictly adhering to throughout the company.

5.2.1.3 Responsibilities to business partners by engaging in and expecting fair procurement and contracting, including fair contract or agreement conditions, providing access to training, developing potential and enhancing production and service standards in line with applicable law and standards, and expecting and supervising business partners to respect human rights, and treat their employees, staff, and workers fairly with social and environmental responsibilities, including monitoring and evaluating them for sustainable development of business collaborating. The company strictly adheres to all relevant laws, regulations and requirements and in order to obtain such characteristics, the policy and guideline of practices with respect to business partner have been set as disclosed in the Code of Conduct and Code of Ethics for strictly adhering to throughout the company.

5.2.1.4 Responsibilities to employees, staff, and workers Considering them as one of the successful factors, the company therefore commits to establish the organizational culture and good working environment to promote teamwork to ensure their confidence and add value for stakeholders properly. The Board therefore sets the policy and guideline of practices with respect to employees as disclosed in the Code of Conduct and Code of Ethics for strictly adhering to throughout the company.

5.2.1.5 Responsibilities to community, society and environment by realizing safety of community, society, environment and people's quality of life and emphasizing on natural resource conservation and energy efficiency. It is the duties of the directors, executives and employees to be responsible and render assistance for public activities contributable to society and environment and the Board therefore sets the policy and guideline of practices with respect to participation in community and social development and environmental practice as disclosed in the Code of Conduct and Code of Ethics including the annual report and sustainability report for strictly adhering to throughout the company.

5.2.1.6 Fair competition by transparently operating the company's business and not using anti-competitive practices and the policy and guideline of practices with respect to competitor treatment are set as disclosed in the Code of Conduct and Code of Ethics for strictly adhering to throughout the company.

5.2.1.7 Anti-fraud and corruption by ensuring that the company complies with applicable anti-fraud and corruption law and standards, and implements, announces and reports on anti-fraud and corruption policies and practices to the public and collaborating with other companies and business partners to establish and implement anti-fraud and corruption measures including associating with private sector anti-corruption initiatives and network.

### **5.3 Effective and Efficient Resource Allocation and Management**

The Board of Directors shall ensure that the management allocates and manages resources efficiently and effectively with an awareness of impact and development of value chain marketing resources to enable the company to sustainably meet its objectives and main goal with the following guideline of practices;

5.3.1 Realizing the necessity of required resources and the interplay of using each type of resources, the Board of Directors therefore promotes resource efficiency in every process of working for highest interests with awareness of environmental impact and follow up to evaluate the implementing results regularly.

5.3.2 Realizing how the different business models affect resource optimization, the Board of Directors therefore determines and selects the business model of the company by taking into consideration the impact and worthiness towards the resources based on ethics, responsibilities and sustainable value creation.

5.3.3 The Board of Directors shall ensure that to meet the company's objectives and main goal, the management shall regularly review, adapt, and develop the company's use and optimization of resources by considering internal and external factors and the 6 types of resources required for considering are financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital, and the Board shall also follow up the management's resource optimization management continuously.

### **5.4 Governance and Management of Enterprise Information Technology**

The Board of Directors shall establish a framework for governance of enterprise IT that is aligned with the company's business needs and priorities including adoption of IT to stimulate business opportunities, develop performance and strengthen risk management to and supports the company's objectives with the following guideline of practices;

5.4.1 The Board of Directors shall ensure that the company has an IT resource allocation and management policy that covers adequate allocation of IT resources for business operating with a preventive measure in case of inadequate allocation as defined and such a policy shall align with the company's business needs and priorities to increase working efficiency.

5.4.2 The Board of Directors shall ensure that the company's risk management includes IT risk management.

5.4.3 The Board of Directors shall ensure that IT security policies and procedures are in place with review on such policies on yearly basis and the governance and management of the enterprise IT shall include the following issues;

- 1) Compliance with relevant IT laws and standards,
- 2) An information security system for confidentiality, measures to maintain the integrity of relevant data and ensure availability of critical data including prevention of illegal access of information or unauthorized amendment of information,
- 3) Consideration of IT risks and risk mitigation policies, plans, and measures i.e. business continuity management, incident management, and IT asset management, etc.,
- 4) Proper allocation and management of IT resources, including criteria and factors to identify IT priorities i.e. suitability with the company's strategies, impact on operating, urgency of use, budget, human resource, IT and business model, etc.

## Principle 6

### Strengthen Effective Risk Management and Internal Control

#### 6.1 Risk Management and Internal Control

The Board of Directors appoints Risk Management Committee to determine risk management policy and framework covering significant risks including risk management plan with supervision and support. The Committee shall report the implementation results of risk management to the Board twice a year for acknowledgement and also for approval on the risk management policy. Additionally, the Committee is responsible for evaluating risks and determine the framework of Enterprise Risk Management Policy as disclosed in the company' s website, item "Sustainability/CG Report and Download/Risk Management Policy".

#### 6.2 Audit Committee Appointment

The Board of Directors appoints Audit Committee and determines its composition that comprises at least three directors, all of whom must be independent directors, with required qualifications, and comply with applicable legal requirements, including those promulgated by the SEC and SET. The duties and responsibilities are as described in the Audit Committee' s charter indicating that the Audit Committee needs to be able to perform its duties effectively and independently on reviewing, monitoring and managing conflict of interests maybe arisen among the company, management, Board or shareholders, preventing undue enrichment from assets, information and opportunity of the company and transactions undertaken with related persons, ensuring adequate and proper internal control and internal audit, establishing the clear and applicable anti-corruption policy including providing a process for receiving and handling complaints and whistleblowing. The Committee shall also oversee the internal audit function to report its auditing performance to the Board on regular basis.

#### Internal Control and Audit

In view of controlling the internal information, the Board of Directors approved the Internal Information Control Regulation, the 1<sup>st</sup> Revised in 2018 to ensure compliance with the Securities and Exchange Act (Vol.5) B.E.2559 and combines such a regulation to be a part of the company' s work rules and also disclosed in the company' s website, item "Sustainability/CG Report and Download/The Use of Internal Information".



### **6.3 Prevention of Conflicts of Interest**

The Board of Directors shall manage and monitor conflicts of interest that maybe risen among the company, management, directors, and shareholders including preventing the inappropriate use of corporate assets, information, and opportunities, as well as inappropriate transactions with related parties as follows;

6.3.1 The Board of Directors shall establish an information security system, including appropriate policies and procedures, to protect confidentiality, integrity, and availability of business information, including market-sensitive information, and also monitor the implementation of the information security policies and procedures and the adherence to confidentiality requirements by directors, top executives, employees, and professional advisers such as legal or financial advisers.

6.3.2 The Board of Directors shall ensure management and monitoring of conflict of interest situations and transactions and establish a guideline of practices to be followed by such transactions. The Board shall also disclose the captioned transactions as required by laws and mainly for the purpose of interests of the company and shareholders. Additionally, any party who has a vested interest in a particular transaction, should disclose that interest, and not be involved in the decision-making and this includes directors and top executives' reporting on change in holding the company' s securities and derivatives to the Board as well.

6.3.3 The Board of Directors shall ensure all directors to report the Audit Committee conflicts of interest prior to consideration of meeting agenda of the Board' s meeting and record the reported conflict of interest in the Board' s meeting minutes and additionally ensure that all directors having significant conflict of interests and under any conditions that may impede them from having independent views in relation to an agenda item are not present for discussion of that agenda item.

6.3.4 The Board shall set a requirement that prior to undertaking all significant connected transactions, they must be preliminarily approved by the Audit Committee.

### **6.4 Anti-Corruption**

The company announces the Anti-Corruption Policy as approved by the 6/2016 Board of Directors Meeting held on 11 August 2016 to communicate with directors, executives and employees at all levels and the written guideline of practices is disclosed in the company' s website, item "Sustainability/CG Report and Download/Anti-Corruption Policy" in order to ensure that all processes of the company' s operations have been carried out accurately and strictly compliance with relevant laws with integrity, transparency and fairness.

## **6.5 Receiving and Handling Complaints and Whistleblowing**

The Board establishes the designated whistleblowing channels of suspected wrongdoing and violation against laws, regulations, requirements, ethics and business code of conducts through the followings;

- 1) Directly Contact to Chairman of Audit Committee via

E-Mail Address : chairman.auditor@trc-con.com or company website (www.trc-con.com)

and click “send email to Chairman of Audit Committee”

Facsimile : +66 2022 7788

Mail to : Chairman of Audit Committee  
TRC Construction Plc.  
No. 8, Soi Sukhapiban 5, Soi 32  
Tha Raeng, Bangkhen District  
Bangkok 10220

- 2) Contact through Company Secretary via

Email : CorporateSecretary@trc-con.com  
Telephone : +66 2022 7777 ext. 4803 or 4824  
Facsimile : +66 2022 7799  
Post : Company Secretary  
TRC Construction Plc.  
No. 8, Soi Sukhapiban 5, Soi 32  
Tha Raeng, Bangkhen District  
Bangkok 10220

- 3) The company’s website, item “Sustainability/Corporate Governance/Whistleblower” to send an email to Chairman of Audit Committee.



The Company Secretary is responsible for collecting information of complaints and whistleblowing to further propose to Chairman of Audit Committee for consideration and investigation according to the defined procedure and report significant matters to the Audit Committee and/or Board of Directors. The company has the process of handling the employee whistleblowing complaints to consider and verify whether they are within the scope of misconduct and the misconduct level to determine the penalty measure fairly and properly whereas employees shall be availed an opportunity to send their comments, recommendations or complaints via the comment box that shall be opened by the Human Resource Manager once a month, or complain via their chain of command superiors.

## Principle 7

### Ensure Disclosure and Financial Integrity

The Board of Directors emphasizes on disclosure of accurate, adequate and timely financial information by overseeing and ensuring that employees involved with information preparation and disclosure are knowledgeable with capabilities suitable for their duties and responsibilities. The disclosure shall be handled by Chief Executive Officer, Chief Financial Officer and Company Secretary who acts as the company' s investor relations.

#### 7.1 Financial Statements Preparation & Disclosure of Material Information

The Board of Directors places an importance on accurate, adequate and timely disclosure of the company' s financial and non-financial information to stakeholders on equally basis that is made with transparency and consistent with applicable requirements. The persons related to the information disclosure shall have knowledge and capability fit with their responsibilities and the disclosure shall be handled by Chief Executive Officer, Chief Financial Officer and Company Secretary who acts as the investor relations in communicating with shareholders and other stakeholders such as investors, securities analysts, credit rating agencies and concerned authorities for acknowledgement via the accessible channels; SET community portal and/or the company' s website <http://www.trc-con.com> according to the SET' s requirements. The information regarding the company, financial statements, annual report/Form 56-1 One Report, Management Discussion and Analysis (or MD & A) shall be publicized in both Thai and English reflecting adequate financial status and operating results as well as public relation news, etc. Additionally, for inclusive acknowledgement of the shareholders and all stakeholders, the company website shall be updated regularly and the Opportunity Day are organized on quarterly basis. For more information regarding the company, the investors can contact Investor Relations Unit at Telephone No. +66 2022 7777 Ext. 4803, 4824 or by emailing to [irttc@trc-con.com](mailto:irttc@trc-con.com) .

The Board of Directors has set the requirements for directors and executives to regularly submit the report form on their vested interests on yearly basis and for every change of interests including arranging an independence certifying letter on yearly basis. The Company Secretary shall propose the aforementioned report to the Chairman of Audit Committee and Chairman of the Board whereas the report on securities holding shall be conducted according to the requirements of the company' s governance of internal information use.



The Board of Directors establishes the internal information use policy and ensures that all transactions shall be undertaken equally and fairly towards all shareholders. The internal or material information that has not yet been disclosed to the public shall be deemed as the internal one for the purpose of running the business and all concerned directors and employees must keep confidential and be aware of information leak to prevent any impact against the company, directors, executives and employees at all levels.

7.1.1 The Board of Directors shall ensure that the persons involved in the preparation and disclosure of any information of the company has relevant knowledge, skills and experience fit with their responsibilities, and sufficient resources, including staffing, are allocated. These persons include the top executive in Accounting and Finance Division, accountants, internal auditors, company secretary and investor relations. In addition, the information disclosure shall be undertaken within the required timeframe.

7.1.2 The Board of Directors is responsible for preparation of the company's financial statements and consolidated one including financial information to be proposed to the shareholders and disclosed in the annual report and shall ensure the accuracy, completeness and fact of the financial statements are provided based on the generally accepted accounting principles and verified by the auditors having qualifications and independence as per the requirements of the regulatory agencies and Audit Committee. Also, the preparation of financial statements shall be conducted timely and consistent with the corporate governance principle including adequate, complete, reasonable and reliable disclosure of information.

7.1.3 When approving information disclosures, the Board shall consider all relevant factors, including for periodic financial disclosures:

- (1) The assessment results of the adequacy of the internal control system
- (2) The external auditor's opinions on financial reporting, observations on the internal control system, and any other observations through other channels (if any)
- (3) The Audit Committee's opinions
- (4) Consistency with the company's objectives, main goal, strategies and policies.

7.1.4 The Board of Directors shall ensure that information disclosures including financial statements, annual reports reflect the company's financial status and performance adequately and fairly and also promote the inclusion of the Management Discussion and Analysis (MD&A) in quarterly financial reports to provide to investors more complete and accurate information about the company's true financial status, performance and circumstances.

7.1.5 For disclosures related to any individual director, that director should ensure the accuracy and completeness of the information disclosed by the company, including of shareholders' information and any shareholders' agreement.

7.1.6 The Board of Directors shall ensure that, as required by the SET's obligations, the disclosure and report of directors and executives involved in the operations of the company or subsidiaries are thoroughly conducted to ensure no conflict of interest in the decided matters such as reporting of conflict of interest of directors, executives and persons related to securities holding, acknowledgement of duties, securities holding, audit report, internal control and risk management as well as compliance with the corporate governance practice

7.1.7 The Board of Directors shall ensure that management discloses the material information of the company, apart from the information as per SET and SEC obligations, to the shareholders and public for acknowledgement i.e. significant investment, company's operating results, social, community and environmental projects, etc. and also promote the use of IT for publicizing such disclosure of information.

(1) The information disclosure shall be publicized via SET community portal that are regularly updated.

(2) The internal communication shall be established within an organization to disclose important matters to employees via various forms of communication system i.e. email, etc. in order that they can acknowledge the company's strategy and direction on internal information to apply for performing their duties under the confidentiality and use of internal information policy and avail the concerned employees to acknowledge their own duties and faithfully comply with such a policy.

## **7.2 Financial Liquidity and Solvency**

The Board of Directors shall ensure that management regularly monitors, evaluates and reports on the company's adequacy of financial liquidity and solvency and there shall be regular discussion between the Board and management for problem solving in case of having any sign of financial liquidity problem or possibility of having such a problem.

The Board of Directors shall ensure the company to maintain its financial liquidity and solvency under the following guidelines;

7.2.1 The company' management shall regularly monitor and evaluate the financial status and report to the Board of Directors whereas both parties shall jointly discuss for remedy in case of having any sign of financial liquidity and solvency.

7.2.2 The Board of Directors shall oversee and monitor management to regularly report on the company' s adequacy of financial liquidity and solvency and there shall be regular discussion between the Board and management for problem solving in case of having any sign of financial liquidity problem. Should there be or possible to have such a problem, the Board shall also ensure that the company has reasonable problem solving plan by considering creditors and the right of all stakeholders.

7.2.3 For an approval on any transactions or proposal of any transactions for shareholders' approval, the Board of Directors shall ensure that undertaking such transactions shall negatively affect business continuity, financial liquidity or solvency.

### **7.3 Financial Problem Solving**

It is the duty of the Board of Directors to ensure that the company has the reasonable problem solving plan by considering creditors and the right of all stakeholders.

The Chief Executive Officer, as assigned by the Board, shall handle disclosure of internal information of the company due to well-understanding of business including vision, missions, strategies and organization' s goal and being capable to well communicate with the market capital as well as determining and supporting investor relations' tasks for effective communication and disclosure.

In case the company faces or tends to have financial problem, the Board shall ensure that the management has prepared its solving plan or other mechanism to solve such a problem under consideration of the stakeholders' right and the followings are guideline of practices to comply with the corporate governance principle;

7.3.1 Should the company tend to have an insolvency, the Board of Directors shall closely monitor and supervise the management to run the business carefully and comply with the obligations of information disclosure.

7.3.2 The Board of Directors shall ensure that the company provides indicators of financial risk such as ongoing losses, poor cash flow, incomplete financial records, lack of proper or incomplete accounting system, lack of cash flow forecasts and other budgets, lack of a business plan, increasing debts (liabilities greater than assets, problem of selling stocks and collecting debts that the management needs to monitor and report the problems on a regular basis.

7.3.3 The Board of Directors shall ensure that the company has sound financial mitigation plans that consider stakeholder rights including creditor right and monitor the management's reasonable handling of financial risk or difficulties and seek regular reports.

7.3.4 Any decision making or actions to improve the company's financial position by any means shall be reasonable and made for a proper purpose.

#### **7.4 Reporting of Sustainability**

The Board of Directors shall ensure sustainability reporting as deemed appropriate by considering the following essences;

7.4.1 The Board of Directors shall consider and report data on the company's compliance and ethical performance including anti-corruption performance, its treatment of employees and other stakeholders including fair treatment and respect for human rights, and social and environmental responsibilities by using a report framework that meets domestic and international standards and such a disclosure of information shall be publicized in the annual report or separate reports as deemed appropriate.

7.4.2 The Board of Directors shall ensure that the company's sustainability reporting reflects material corporate practices that support sustainable value creation.

#### **7.5 Investor Relations**

The Board of Directors highly emphasizes on investor relation management by ensuring the establishment of a dedicated Investor Relations function adhering to discharges of duties with responsibilities for regular, effective and fair communication with shareholders, analysts and stakeholders in order that they can deserve information accurately, completely and fairly as follows;

7.5.1 The Board of Directors shall establish a communication and disclosure policy to assist the company in meeting its disclosure obligations and to ensure that all information relevant and material to the company's shareholders, the market and third parties is disclosed in an appropriate, equal, and timely manner, using appropriate channels, while protecting the company's sensitive and confidential information



that affects the securities price including ensuring the company-wide communication and implementation of the company's communication and disclosure policy.

7.5.2 The company's designated Investor Relations contact shall be suitable for the role, have a thorough understanding of the nature of the company's business, and its objectives and values and be capable to well communicate with the capital market i.e. Chief Executive Officer, Chief Financial Officer and Investor Relations Manager, etc.

Investor Relations function has been established and acted as a center of handling investor relations activities proactively and as a preliminary channel for effective communication with investors, analysts and concerned parties as well as availing an opportunity for investors to raise inquiries or request for the company's material information. This includes an open-house arrangement for minority shareholders and investors to visit the company head office and meet with directors and executives (as required) for thorough understanding of the company's business.

More information if required can be contacted via Investor Relations Office at the following channels:

Email Address : [irtrc@trc-con.com](mailto:irtrc@trc-con.com)  
Telephone : 02-022-7777 ext. 4824  
Post : Investor Relations Office

TRC Construction Public Co., Ltd.

7.5.3 The Board of Directors shall ensure that the management sets clear directions for and supports the Investor Relations function such as through a code of conduct for information disclosure and information management policy that affects the securities price, and clearly defines the roles and responsibilities of the Investor Relations function, so as to ensure effective communication and disclosure of information.

## **7.6 Use of Information Technology for Disseminating Information**

The Board of Directors shall ensure the effective use by the company of information technology in disseminating information. Apart from disseminating information according to the obligations via SET channel, the company has disclosed both Thai and English updated information via the company's website on a regular basis as details shown below;

- 1) The company' s vision and missions
- 2) The company' s nature of business
- 3) list of the company' s Board of Directors
- 4) financial statements and reports about the financial status and the company' s financial and non-financial performance for current and previous year
- 5) downloadable version of annual reports and SEC Form 56-1
- 6) information and documents that the company discloses to the investment community and other external parties
- 7) shareholding structure, both direct and indirect
- 8) The company' s group structure, including subsidiaries, affiliates, joint ventures, and special purpose enterprises/vehicles (SPEs/SPVs)
- 9) direct and indirect major shareholders, holding at least 5 percent of paid-in capital with voting rights (10) direct and indirect shares holding in the company held by directors, major shareholders, and key executives of the company
- 11) invitation letters to the shareholders' ordinary and extraordinary meetings
- 12) The company' s regulations, and memorandum and articles of association
- 13) The company' s corporate governance policy
- 14) risk management policy
- 15) anti-corruption policy including whistleblowing channel
- 16) The company' s corporate governance policy including IT governance policy
- 17) a charter of duties and responsibilities, directors' qualifications, Board composition, terms, and authority of the Board and matters required for approval of the Board
- 18) a charter of duties and responsibilities, qualifications, composition, terms, and authority of the committees
- 19) Code of Conduct and Code of Ethics



20) contact information or persons responsible for Investor Relations function and the Company Secretary such as names, phone number, email address, etc.

## Principle 8

### Ensure Engagement and Communication with Shareholders

#### 8.1 Shareholder Participation in Decision-Making on Significant Corporate Matters

The Board of Directors places an importance on shareholder participation in meeting and voting rights, gaining profit sharing and dividend payment on fairly basis, acknowledging adequate information, proposing meeting agenda and nominating candidates for director selection prior to the shareholders' meeting, independently raising inquiries and comments in such a meeting, and encouraging directors, executives and auditors to all present attend the shareholders' meeting.

The Board of Director shall ensure that determination on date, time and place for shareholders' meeting are made appropriately without any act obstructing shareholder attendances. The notice of the meeting and relevant supporting documents shall be sent in advance as obliged by laws via the SET disclosure of information channel, the company' s website and newspaper for 3 consecutive days prior to the meeting date. Additionally, during the meeting, the use of technology shall be applied for casting votes and voting conclusion to obtain data accurately, completely, reliably and rapidly in line with the situation. Currently, the e-meetings are also arranged to facilitate shareholders for meeting attendance to ensure their participation in decision-making on significant corporate matters as per the following guideline of practices;

8.1.1 The Board of Directors shall ensure that significant corporate decisions on matters pursuant to applicable legal requirements and matters that may affect the company' s operating direction are considered and/ or approved by the shareholders and the matters that require shareholder approval should be included in the agenda for the shareholders' meeting.

8.1.2 The Board of Directors shall support participation of all shareholders through reasonable measures, including:

(1) Establishing criteria that allow minority shareholders to propose agenda items for shareholders' meetings. The Board shall consider shareholders' proposals to be included in the agenda, and if the board rejects a proposal, the reasons shall be clarified at the meeting.

(2) Establishing criteria for minority shareholders to nominate persons to serve as directors of the company and the criteria shall be disclosed for shareholders' acknowledgement in advance.



8.1.3 The Board of Directors shall ensure that the notice of the shareholders' meeting (including the Annual General Meeting (AGM), agenda and directors' comments are informed to the SET and posted on the company' s website in advance for the shareholders to exercise their rights according to legal requirements.

8.1.4 The Board of Directors shall ensure that the company determines date, time and place for the shareholders' meeting appropriately without any act obstructing shareholder attendances. In case any shareholder cannot attend the meeting, his/her representative can attend on behalf by proxy in a form that such a shareholder can define his/her voting intention. However, there shall be at least one independent director provided as an alternative one to act as proxies for the shareholders unable to attend the meeting that shall be notified in the notice of the meeting.

8.1.5 The Board of Directors shall ensure that the notice of shareholders' meeting contains correct, complete and adequate information for shareholder rights and be sent together with relevant documents to all shareholders in advance prior to the meeting date as per legal requirements, as well as being posted on the company' s website.

8.1.6 Shareholders shall be allowed to submit questions prior to the meeting. The Board shall therefore ensure that there are clear criteria and a process for shareholders to submit questions and the criteria shall be posted on the company' s website.

8.1.7 The notice of the shareholders' meeting and related papers shall be fully translated into English and published at the same time as the Thai version. Details in the notice of the meeting shall be;

- (1) Date, time and place of the meeting
- (2) Meeting agenda and matters to be proposed for information, consideration or approval. The agenda shall clearly specify each individual matter or item of information to be considered or approved, such as the separate listing of election of directors, and approval of directors' remuneration instead of a general reference to matters related to directors.
- (3) Objectives and reasons, and Board of Directors' opinions, concerning each agenda item, including as follows:
  - a. Approval of dividend payment: dividend payment policy, proposed dividend payment rate, including reasons and supporting information, or reasons and supporting information for rejecting a dividend payment

- b. Appointment of directors: name, age, gender, education, experience, the number of listed companies and other companies where they each hold directorial positions, the criteria and procedures for selection, and types of proposed directors. Where proposed directors are those who are re-entering the same position, information must be identified about participation in meetings in previous years and the date of original appointment as a director
  - c. Approval of directors' remuneration: the policy and criteria for determining role-specific director remuneration and all monetary and non-monetary components of a director's remuneration
  - d. Appointment of external auditors: auditor's name and the name of the auditor's audit firm, auditor's experience, independence, and audit and non-audit fees
- (4) Proxy form and supporting documentation using the form specified by the Ministry of Commerce
  - (5) Other supporting information, including on voting procedures such as voting count and verification of voting results criteria, voting rights of each class of shares, details concerning independent directors proposed by the company to act as proxies for shareholders, documents required to be present before the meeting, proxies and map of meeting venue, etc.

## 8.2 Effective Shareholders' Meeting

At the shareholders' meetings, Chairman of the Board shall preside as chairman of the meeting and monitor the meetings to be conducted properly and effectively with transparency so as to allow shareholders to exercise their rights pursuant to legal requirements. This includes the legal advisor to inform of the meeting practices, casting votes and required numbers of votes in each agenda item. For director remuneration agenda, remuneration policy and criteria shall be proposed for consideration of the shareholders by separating into remuneration of directors, remuneration of committees and remuneration of role-specific director. Additionally, during the agenda of director election, the shareholders shall vote on qualified director election on individual basis through ballots to be collected as an evidence whereas for other agenda, the ballots shall be applied in case of against or abstain vote.

Chairman of the meeting shall also avail shareholders an opportunity to independently and equally raise comments, recommendations or inquiries about matters related to the company and involved directors and executives shall attend the meeting to clarify the inquiries and give details in the meeting before casting votes in each agenda item as follows;

8.2.1 Date, time and place of the meeting shall be determined by the Board by considering convenience of shareholders attending the meeting i.e. duration of the meeting proper and sufficient for discussion, convenient location of meeting venue, etc.

8.2.2 The Board of Directors shall ensure that the company does not through its meeting attendance requirements or prerequisites prevent attendance by or places an undue burden on shareholders such as not requiring shareholders or proxies to present identification requirements that exceed applicable legal and regulatory requirements.

8.2.3 In the interest of transparency and accountability, the Board shall promote the use of information technology to facilitate the shareholders' meetings, including for registration, vote counting and voting result in order to proceed the meeting rapidly, accurately and precisely.

8.2.4 Chairman of the Board is the chairman of the shareholders' meeting with responsibility for compliance with applicable legal requirements and the company's articles of association, allocating sufficient time for consideration and debate of agenda items, and providing opportunity to all shareholders who wish to share their opinions or ask questions related to the company that shall be recorded in the meeting minutes.

8.2.5 To ensure the right of shareholders to participate in the company's decision-making, process in relation to significant corporate matters by participating and voting at shareholder's meetings on the basis of sufficient notice and information, directors attending the meeting who are shareholders shall not be allowed to add items to the meeting agenda that have not been duly notified in advance especially significant matters required time for consideration before making decision.

8.2.6 For equitable treatment to shareholders, all directors, committees and relevant executives shall attend the meeting to answer questions from shareholders on company-related matters except for any force major causing them unable to attend the meeting.

8.2.7 The attending shareholders shall be informed of the number and the proportion of shareholders and shares represented at the meeting in person and through proxies, the meeting method, voting and vote counting methods before starting the meeting.

8.2.8 There shall not be any bundling of several items into the same resolution. For example, the appointment of each director shall be voted on and recorded as separate resolution.

8.2.9 The Board of Directors shall promote the use of ballots for voting on resolutions proposed at the shareholders' meeting and designate an independent party to count or to audit the voting results for each resolution in the meeting, and to disclose such voting results at the meeting by identifying the number of "agreed", "against" and "abstain" votes. The voting results for each proposed resolution shall be included in the minutes of the meeting.

### **8.3 Disclosure of Shareholder Resolutions and Preparation of the Minutes of the Shareholders' Meetings**

The company shall disclose shareholder resolutions after the meeting finishes and within the meeting date and prepare the minutes of the meeting, containing name-list of directors, executives, legal advisor and auditor attending the meeting, vote counting methods and voting result in each agenda item, conclusion of significant inquiries, comments and recommendations raised by the shareholders including clarification of directors and executives in each agenda item, to be disclosed through the SET community portal within 14 days after the meeting. The minutes of the meeting in both Thai and English shall be posted together with a clip video showing the meeting on the company' website as follows;

8.3.1 The Board of Directors shall ensure that the company discloses the shareholder resolutions and results of voting on proposed resolutions at the shareholders' meeting through the designated Stock Exchange of Thailand channels and through the company's website by the next business day.

8.3.2 The Board of Directors shall ensure that minutes of the shareholders' meeting is submitted to the Stock Exchange of Thailand within 14 days from the shareholders' meeting date.

8.3.3 The Board of Directors shall ensure that the company accurately and completely prepares the minutes of the shareholders' meeting to facilitate shareholders' inspection and at least the following information shall be included;

- (1) attendance of directors, executives, and the proportion of attending directors
- (2) voting and vote counting methods, meeting resolutions, and voting results ("agreed", "against", and "abstain") for each proposed resolution
- (3) questions asked and answers provided during the meeting, the identity of the persons asking and answering the questions including significant comments

## 8.4 Minority Shareholder Right Protection

The company shall provide equitable and fair treatment of all shareholders regardless of majority or minority ones and without considering gender, age, race, nationality, religion, social status and political point of view. For shareholders unable to attend the meeting by themselves, they can reserve their rights by proxies to other persons or one of independent directors attending the meeting to unconditionally attend and vote on their behalves. The proxy form and details shall be posted 30 days in advance on the company's website before the meeting date.

The Board of Directors establishes the measure for minority shareholder right protection as follows;

8.4.1 The company avails an opportunity for all shareholders to propose meeting agenda and nominate a person to be a director including sending advance questions before the general shareholders' meeting as per the Board of Directors' criteria. The shareholders having complete qualifications according to such criteria can unofficially send their inquiry matters and later send the original of the matters together with relevant documents to the Company Secretary Office or responsible function for information disclosure.

8.4.2 The Board of Directors shall ensure that the shareholders' meeting shall be proceeded in sequence of agenda items notified in the notice of the meeting and no any additional agenda that have not been duly notified in advance for fair of the shareholders unable to attend the meeting.

8.4.3 The independent directors shall be designated to stand for the minority shareholders to send their recommendations, comments or complaints through the Company Secretary Office or responsible function for information disclosure and the independent directors shall consider and properly act for each matter as follows;

- (1) In case of complaints, the independent directors shall investigate and seek for proper solution.
- (2) For recommendation, the independent directors shall consider and if it will cause significant impact against all stakeholders or the company's operations, the captioned matters shall be proposed for consideration of the shareholders' meeting.
- (3) To ensure transparency and verifiability, the company shall provide ballots for each agenda item that requires voting including open voting count, results of voting and clear resolutions of the meeting to be recorded in the minutes of the meeting.



This has been approved as per the resolution of the 8/2022 Board of Directors Meeting held on 16 December 2022 and effective on the same date of the meeting.

- Mrs. Paichi Rattananon -

.....

(Mrs. Paichit Rattananon)

Chairman of the Board