

- 4.7 The Company has established measures on prevention and verification of the use of internal information for personal benefits by setting requirement that directors and top executives must submit the list of their securities holding and report on every change of the list to the SEC under Section 59 of the Securities and Exchange Act B.E. 2535 (amended B.E. 2559); also has stipulated a policy that directors and executives must report the sale/purchase of the Company's shares/securities holding to the Board of Directors's meeting every year.
- 4.8 The Company has established a policy on reporting of vested interest of directors and top executives by setting requirements that directors and top executives must report to the company on their own or their related persons' vested interest involved with the business management of the Company or its subsidiaries' pursuant to the requirements stipulated and announced by the Capital Market Commission. The Company discloses such information in the annual report (56-2 Form) and the annual registration statement (56-1 Form).
- 4.9 The Company appoints the auditors from KPMG Phoomchai Audit Limited who are independent, reliable and approved by the SEC.
- 4.10 The Company's financial statements have been certified by the auditors and there were no any conditionally agreed transactions and no records of corrected financial statements governed by outside institutions.
- 4.11 The company discloses roles and responsibilities of the Board and the sub-committees, number of meetings and number of attendance of each director.

5. Board Responsibilities

Board's Structure

The Board of Directors consists of 12 directors who are knowledgeable, skillful and experienced with 3 being executive directors, 2 being non-executive directors and 7 including 2 women being independent director, equivalent to one-third of the Board as required by good corporate governance principles. The Chairman of the Board is independent director having no relationship with the Management, not being the same person as the Group Chief Executive Officer (Group CEO) and not belonging to any sub-committees in view of clear-cut responsibilities and duties.

To ensure that the corporate governance is implemented in all dimensions under the good corporate governance principles, the Board of Directors has established the sub-committees and has appointed the Company Secretary to support its performance. (Details appear in "Sub-Committees" and "Company Secretary")

Diversity in Board's Structure

The Company promotes the diversification of its Board's structure. The Board comprises various qualified members who are experienced, knowledgeable, capable, morale, ethical and have good attitude toward the organization, without discrimination of gender, race, religion, age, educational level, work experience, professional skill and expertise.

Independence of Directors

The Board of Directors has duty to consider, provide opinions, make a decision and cast vote to protect the interest of shareholders. Hence, independence of directors is definitely recognized. The Company

allows the independent director to access financial and business information adequately to freely provide recommendations, to maintain the interests of related persons, to attend the meeting regularly and to have a meeting among each other at once a year. The Company defines qualifications of the independent director regarding his/her shareholding which is stricter than the requirements of the SEC and the SET, that is 0.5% (legal requirement is 1%) maximum of total eligible voting shares of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person including shares held by related persons of the independent director. In addition, independent director must have other qualifications required by the Company so that he/she is able to take care of interest of all shareholders equally, prevent conflicts of interest and provide opinions freely.

- **Nomination, Appointment, Dismissal and Retirement of Director**

Nomination and appointment

1. Independent Director

The Board of Directors consists of independent directors of no less than one-third and no less than 3 persons.

Criteria

The Corporate Governance and Nomination Committee recruits and selects qualified persons who have skill and experience that will benefit the company and have qualifications of being independent director in accordance with the criteria prescribed by the Capital Market Supervisory Board, the Securities and Exchange Commission and the SET and the Company's requirements; propose their names to the Board for endorsement before submission to the shareholders' meeting for approval.

Qualifications of Independent Director

- Not holding more than 0.5% of the total outstanding voting shares of the Company, its parent company, subsidiary or affiliated company, major shareholders or controlling person including shares held by related person of the independent director.
- Neither being nor having been an executive director, officer, employee or professional advisor who receives salary from the Company, or personal advisor of controlling person of the Company, subsidiary, affiliate or related company, unless the foregoing status ended not less than three years prior to the date of appointment.
- Not having nor have had a business relationship, such as customer, trading partner, trading creditor, loan creditors and loan debtor and a direct or indirect financial and managerial interest with the Company, subsidiary, affiliate or related company.
- Not being a person related by blood or others in a manner which could prevent him/her from independence of director or major shareholders of the Company, subsidiary, affiliate or related company, and neither being nor having been appointed as representative to protect benefit of the Company's director or major shareholders.
- Neither being nor having been an auditor of the Company, subsidiary, affiliated company or other juristic persons who may have conflicts of interest, major shareholders, directors, executives or partner of an audit firm which employs auditors of the Company, subsidiary, affiliate or juristic persons who may have conflicts of interest, unless the foregoing relationship ended not less than three years from the date of appointment.

2. Director

The Board consists of 12 directors and at least half of the directors must reside in the Kingdom.

Criteria

The Company focuses on people who have knowledge, capability, experience, sound career profile, leadership, vision, morality and good attitude toward the organization who can dedicate adequate time for the Company's benefit. Moreover, consideration is also given to Board diversity. The Company has designed Board skills matrix to define the required qualifications of nominated director by considering skills which have been missing and appropriate qualifications which will benefit the Company's operation, including skills on hotel management, finance, foreign investment and law.

Procedures

The Board of Directors sets out the procedures for nomination of directors. The Corporate Governance and Nomination Committee proceeds in accordance with the following procedures:

1. The Corporate Governance and Nomination Committee nominates person with appropriate qualifications in accordance with the Public Limited Company Act, the Securities and Exchange Act and other relevant laws to be the Company's director. Moreover, consideration is also given to Board's structure, size and composition. In some case, the Company uses Director Pool from the IOD to nominate directors.
2. The Corporate Governance and Nomination Committee considers qualifications of persons submitted by shareholders. The Company allows all shareholders the opportunity to participate in proposing persons for consideration and appointment as a director of the Company before the annual general meeting of shareholders.
3. The Corporate Governance and Nomination Committee submit the list to the Board for endorsement and propose the list for subsequent approval by the AGM.

Appointment of directors by the shareholders' meeting

The practices for the election of directors by shareholder's meeting are stipulated as follows:

- 1 Each shareholder shall have one vote for each share held.
- 2 Each shareholder shall exercise all of his/her voting rights to elect one or several persons as director(s). Candidate(s) voted by shareholder shall get voting numbers equivalent to total number of shares held by each shareholder under clause 1. Nevertheless, shareholder may not allot his/her votes to any person in any number.
- 3 The person receiving the highest votes shall be elected as director in respective order of the votes for the number of directors of the Company, or for the number of directors that should be elected at such election. In case of tie votes causing the number of person elected to be in excess of the number to be elected at such meeting, the chairman shall have a decisive casting vote.
- 4 In case a Director's position is vacant due to other reason than the completion of term, the Board of Directors shall elect a candidate with qualifications and not having any prohibited characteristics prescribed by Section 68 of the Public Limited Company Act, B.E. 2535 to be director in the

next meeting, except that the director's term is less than two months. The Board of Directors' resolution must not less than three-quarters of the number of existing directors. The substituted member can only be in the office within the remaining term of the member he/she replaces.

Dismissal and retirement of Director

Dismissal of director

The meeting of shareholders may pass a resolution removing any director from office prior to the expiration of the director's term, by a vote of not less than three quarters of the number of shareholders attending the meeting and having the right to vote and not less than a half of the total number of shares held by shareholders attending the meeting and having the right to vote.

Retirement of director

1. Completion of term

Pursuant to the Company's Articles of Association, at every AGM, one-third of shareholders must retire. If the total number is not a multiple of three, the number closest to one-third must be applied. Directors retiring in the first and second year after registration of the Company are to be drawn by lots. For subsequent years, directors who have served the longest term must retire. Retired directors may be re-elected to the Board.

2. Other than the completion of term, director may retire for the following reasons:

1. death
2. resignation (effective from the date the Company receives the letter of resignation)
3. lacking of qualifications or having any prohibited characteristics prescribed by the Public Limited Company Act and the Securities and Exchange Act
4. resolution of the shareholder's' meeting to remove director in accordance with the Public Limited Company Act
5. court order

Term of Directorship

The Company defines term for directorship of not more than three years. The Board may propose director who retires by rotation to the AGM to consider the re-election of such director for another term.

Roles, Duties and Responsibilities of the Board of Directors

1. Perform all duties under law, the Company's objectives and articles of association, resolutions of the Board of Director's meeting and shareholders' meeting. Act as the leader to manage the Company with duty of loyalty and duty of care, with accountability and ethics and keeping in mind the interests of all stakeholders and treating them equitably to create sustainable value to the Company.
2. Establish good corporate governance policy, business ethics and code of conduct as practical guidelines for directors, executives and employees, also announce and disclose in the annual report and the Company's website (www.dusit.com) under Investors Relation page, with annual revision and assessment.
3. Stipulate that it is duty of all directors, executives and employees to study, understand and adhere to business ethics and code of conduct.

4. Consider, provide views and approve the Company's vision, mission, strategies, goals, business plans, investment plans and annual budget proposed by the Group CEO and the Management, also monitor and supervise the Management to ensure that the Company's approved key strategies and policies are actively and efficiently implemented to create profit and best return for shareholders, with annual revision for compatibility with prevailing business circumstances
5. Clearly formulate and segregate roles, duties and responsibilities of the Board, sub-committees and the Management, also communicate such roles, duties and responsibilities to the Company's directors, members of sub-committees, the Management and employees.
6. Ensure that the Group CEO performs duty in accordance with the formulated policies and regulations.
7. Stipulate policy on directorship in other listed companies of each director. Each director must not hold directorship in more than five other SET-listed companies and other companies, of which the business is similar to or competitive with the business of the Company, unless directorship is approved by the shareholders' meeting before the appointment. This is except for directorship in the Company's subsidiaries.
8. Stipulate policy on directorship in other listed companies of the Group CEO. Group CEO must not hold directorship in more than two other SET-listed companies and in other companies, of which the business is similar to or competitive with the business of the Company, unless directorship is endorsed by the Board of Directors and approved by the shareholders' meeting before the appointment. This is except for directorship in the Company's subsidiaries.
9. Stipulate policy on the term of directorship of each directors. The office term of each director is not more than 3 years. When the term is completed, the Board may propose director who retires by rotation to the AGM to consider the re-election of such director for another term.
10. Ensure that the Company operates its business in compliance with law, regulations and requirements of the SEC and the SET.
11. Be responsible for the consolidated financial statements and financial information disclosed in the annual report of the Company and its subsidiaries. The said financial statements are prepared in accordance with generally accepted accounting standards selecting appropriate accounting policies and consistently practiced, and with careful discretion and best estimation. All materialized information has been sufficiently disclosed in the notes of financial statement.
12. Monitor and evaluate the operating results and financial status, including remuneration of the Group of companies on a regular basis. Also review succession plan.
13. Set the requirement that the Group CEO must report the actual operating results in comparison with defined targets, financial results and progress to the Board quarterly to ensure that the Group CEO's performance is in line with the defined targets.
14. Recognize the importance of the effective internal control system of both managerial and operation level by clearly defining in written duties and authorities of operators, monitoring the use of the Company's assets and separating duties of operators and controllers for proper check and balance to ensure that the accounting record is accurate, complete and adequate enough to maintain the assets and to know the weak points in order to prevent fraud and significantly abnormal operations.

15. Set the requirement for the Internal Audit Department to directly report to the Audit Committee to ensure its independence so that the Internal Audit Department can fully perform their duty in check and balance. The performance of the Internal Audit Department must be evaluated by the Audit Committee.
16. Arrange orientation for new directors and provide them the Company's information, regulations as well as other information relating to the Company's business operation.
17. Attend training programs concerned with performing of director's duty.
18. Encourage directors and executives to continually attend training programs or seminars to enhance knowledge in performing duties.
19. Attend consistently the Board's meeting for acknowledgement and approval of matters proposed by the Group CEO and the Management.
20. Non-executive directors should hold exclusive meetings as deemed appropriate to discuss matters regarding management without attendance of the executive directors and the Management.
21. Institute policy on enterprise risk management and establish risk management handbook as a guideline for all business units' implementation.
22. Monitor and consider carefully conflicts of interest and connected transactions. Directors with vested interest in any agenda item must abstain from voting, must comply with the criteria of the SEC and the SET, and must disclose transaction details, value, countered party and reason in the annual report and the 56-1 Form.
23. Monitor the use of inside information. Directors, executives, employees and departments knowing inside information are prohibited to disclose such information to third party or unrelated person, to trade securities by exploiting inside information of the Company and its subsidiaries as well as to sell/buy the Company's share/securities 1 month prior to announcement of the financial statement to public.
24. Each director must notify his/her own or his/her connected persons' vested interest under Section 89/4 of the Securities and Exchange Act (amended B.E. 2551) annually and/or every time information is changed.
25. Evaluate its performance annually according to the guideline of the SET in December every year and report the results to the Board of Directors in the next meeting in February in order to acknowledge its performance and set measures for improvement.
26. Evaluate performance of the Group CEO at least once a year by applying the performance evaluation criteria approved by the Broad of Directors.
27. Be responsible for establishing policies and systems supporting anti-fraud and corruption to ensure that the Management recognizes the importance of anti-fraud and corruption.
28. Establish sub-committees and define their duties, including duties of representing directors in the subsidiaries.
29. Consider and endorse the matters before submission to shareholders' meeting for approval.

Duties and Responsibilities of Chairman of the Board

1. Act as the leader of other directors to oversee the Company's operation to ensure that it achieves the defined objectives.
2. Act as the Chairman of the Board's meeting and shareholders' meeting, and control such meetings to be smooth, accurate and in compliance with the Public Limited Company Act and the Securities and Exchange Act.
3. Cast the decisive vote in the Board of Directors' meeting and shareholders' meeting in case of the tie vote.

Authorities of the Board of Directors include

1. Appointment and determination of the Group CEO's compensation,
2. Approval of organizational structure and management of the Group of companies,
3. Approval of vision, mission, policies, strategies, goals, business plans, investment and annual budget of the Group of companies and monitoring the implementation to be in line with the approved plans and budget,
4. Approval of connected transactions, conflicts of interest, acquisition and disposition of assets, etc. under laws and requirements of the SEC and the SET,
5. Approval of contingent liabilities, commitments and guarantees of the Group of companies, and delegating authorization to the Management to process properly,
6. Consideration of disputes and litigation of the Group of companies with capital exceeding Baht 5 million,
7. Approval of the payment of the Group of companies which is not under the annual budget and exceeding the authority of the Executive Committee,
8. Approval of the payment of the Group of companies which is exceeding the budget and the authority of the Executive Committee,
9. Approval of rental and leasing of immovable property which is over 3 year period,
10. Approval of matters proposed by the Executive Committee and matters required by laws and by the SEC or the SET to get approval from the Board.

Delegation of Authorities by the Board

The Board of Directors may authorize one or more than one directors or other person to act on its behalf under its supervision or may delegate person to have authority as it deems appropriate and within an appropriate period of time. The Board of Directors may cancel, revoke, change or revise such authorization or delegation of authority as deemed appropriated, except for acquisition and disposition of assets and connected transaction that must comply with the announcements and the requirements of the SEC and the SET. The Board of Directors may delegate the Executive Committee to act on its behalf under the scope of responsibility of the Executive Committee. Nevertheless, the delegation of authority must not be carried out in a nature that will enable the delegates or person(s) authorized by the delegates to approve the transaction in which they who may have conflicts, interests or conflicts of interest with the Company or its subsidiaries, unless it is the approval of transaction which is in accordance with policies and criteria approved by the Board.

Directorship in Other Listed Companies

For utmost benefit of the Company to gain the effective dedication of the directors' time, the Board of Directors has established the policy on directorship in other companies of the Company's director as follows:

- Each director can hold positions in the Company, its subsidiaries and associated companies.
- Each director may hold directorship in other companies, but must not serve in more than five SET-listed companies.
- Each director must not conduct business, engage in partnership or hold directorship in other companies, of which the business is similar to or competitive with the business of the Company, unless the directorship is approved by shareholders' meeting before the appointment. This is except for directorship in the subsidiaries of the Company.

At present, the Company's each director holds directorship in the SET-listed companies not exceeding five in total and each executive director holds directorship in the SET- listed companies not exceeding two in total.

Board of Directors' Meeting

The Board of Directors in advance plans meeting dates for the entire year, with at least six meetings a year at the area where the Company's headquarter is located. In case the meeting is not held every month, the Company submits full details of the operating results to the Board in the month without meeting convened so that the Board can continually and timely supervise, control and monitor the Management's performance. An extraordinary session may be convened if necessary. The Company requires the directors to attend every meeting every except in case of necessity for acknowledgement and approval matters proposed by the Group CEO and the Management.

The Company defines criteria and quorum of the Board's meeting as follows:

- To call for the Board of Directors' meeting, the Chairman or the assigned person sends the meeting invitations specifying date, time, venue and agenda details to all directors at least 7 days ahead. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier.
- The Chairman of the Board, the Group CEO and the Company Secretary jointly set a clear agenda before each Board's meeting. All directors can freely propose agenda items for consideration by the Chairman before inclusion in a meeting.
- The Company Secretary must submit meeting documents that can be revealed in a written form without affecting the Company's business operations to the directors at least seven days in advance together with an invitation letter specifying the meeting date, time, place, and agenda to allow directors to have enough time to study before the meeting.
- To form a quorum in the meeting, at least half of the directors must be present. The Chairman of the Board shall be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, the Vice President shall be a substituted chairman. If there is no Vice President or Vice President cannot perform duty, other members attending the meeting can select one member to be a substituted chairman of the meeting.
- Decision of the Board of Directors's meeting will be depended on the majority of attending directors.

- One director has one vote, except director with vested interest in any agenda item must abstain from voting on that item. If the number of votes is equal, the chairman will cast the decisive vote.

During each meeting, the Chairman allocates enough time for discussion of each significant issue and encourages all directors to creatively and freely express ideas with due discretion.

The Company Secretary must attend the meetings and take meeting notes every time. The minutes of the meeting must be generated after the meeting, adopted by the Board in the next meetings and certified correction by signature of the Chairman of the Board. Directors may provide views or request to revise the minutes to make it the most correct.

The certified minutes of the meeting will be kept systematically and confidentially at the Company Secretary Office.

In 2017, the Board of Directors convened 9 regular meetings and one annual corporate strategy seminar with the Management to review the vision and set corporate goals and strategies, and assess business environment and situation. The meeting attendance of each director was as follows:

| Name | Total number of meetings / Meeting attendance | | |
|---|---|---------|-------|
| | (Time) | | |
| | Meeting | Seminar | Total |
| 1. Mr. Arsa Sarasin | 9/9 | 1/1 | 10/10 |
| 2. Mr. Chanin Donavanik | 9/9 | 1/1 | 10/10 |
| 3. Professor Hiran Radeesri | 8/9 | 1/1 | 9/10 |
| 4. Mrs. Pranee Phasipol | 9/9 | 1/1 | 10/10 |
| 5. Mr. Banterng Tantivit ¹ | 0/2 | 0/1 | 0/3 |
| 6. Mr. Vichit Chinwongworakul ² | 3/4 | 0/1 | 3/5 |
| 7. Professor Dr. Kittipong Kittayarak | 7/9 | 1/1 | 8/10 |
| 8. Mrs. Varang Chaiyawan | 9/9 | 1/1 | 10/10 |
| 9. Professor Emeritus Dr. Khunying Suchada Kiranandana ³ | 7/7 | 0/1 | 7/8 |
| 10. Mr. Pakhawat Kovithvathanaphong ⁴ | 5/7 | 1/1 | 6/8 |
| 11. Mr. Somprasong Boonyachai ⁵ | 2/3 | 1/1 | 3/4 |
| 12. Mr. Kenneth Korsirisophon | 0/9 | 0/1 | 0/10 |
| 13. Mrs. Sinee Thienprasiddhi | 7/9 | 1/1 | 8/10 |
| 14. Mrs. Suphajee Suthumpun | 9/9 | 1/1 | 10/10 |

Remark: ¹ Mr. Banterng Tantivit resigned from Director effective from February 28, 2017.

² Mr. Vichit Chinwongworakul resigned from Director effective from June 20, 2017.

³ Prof. Emeritus Dr. Khunying Suchada Kiranandana was appointed as Director effective from March 1, 2017. The Board's Meeting No. 3/2018 on March 23, 2017 was the first time of her attendance.

⁴ Mr. Pakhawat Kovithvathanaphong was appointed as Director effective from March 1, 2017. The Board's Meeting No. 3/2017 on March 23, 2017 was the first time of his attendance.

⁵ Mr. Somprasong Boonyachai was appointed as Director effective from July 1, 2017. The Board's Meeting No. 7/2017 on August 15, 2017 was the first time of his attendance.

In addition, the Company requires non-executive directors to jointly hold exclusive meeting at least once a year to review significant business matters, where summaries of issues for consideration and helpful recommendations were provided to the Board and the Management for further action. In 2017, the Company staged one meeting of the non-executive directors. List of non-executives directors attending the meeting are as follows:

| Name | Position |
|---------------------------------------|--|
| 1. Mr. Arsa Sarasin | Chairman of the Board, Independent Director |
| 2. Professor Hiran Radeesri | Independent Director, Chairman of the Audit Committee, Chairman of the Remuneration Committee, Chairman of the Corporate Governance and Nomination Committee |
| 3. Mrs. Pranee Phasipol | Independent Director, Member of the Audit Committee, Member of the Remuneration Committee, Member of the Corporate Governance and Nomination Committee |
| 4. Mr. Pakhawat Kovithvathanaphong | Independent Director |
| 5. Mr. Somprasong Boonyachai | Independent Director |

Remark: There were three Non-Executives Directors not attending the meeting namely Mrs. Varang Chaiyawan, Dr. Kittipong Kittayarak and Prof. Emeritus Dr. Khunying Suchada Kiranandana due to business matters.

- **Sub-Committees**

The Board of Directors gives the importance of good corporate governance and has resolved to establish four sub-committees to closely monitor and supervise the Company's business operation namely:

1. Audit Committee

The Audit Committee was established on June 24, 1999 consisting of three independent directors namely:

| Name | Position |
|---------------------------------------|---------------------------------|
| 1. Professor Hiran Radeesri | Chairman of the Audit Committee |
| 2. Mrs. Pranee Phasipol | Member of the Audit Committee |
| 3. Professor Dr. Kittipong Kittayarak | Member of the Audit Committee |

and having Mrs. Jongkolnee Chantaworakit, Vice President of Finance and Accounting – Head Office as Secretary to the Committee

Professor Hiran Radeesri and Mrs. Pranee Phasipol are Certified Public Accountants who possess accounting knowledge and have adequate experience in reviewing reliability of the Company's financial statements. (Details about the Audit Committee's educational background, training and experiences appear in "Board of Directors, Executives, Authorized Person and Company Secretary")

The Board of Directors defined and approved the charter of the Audit Committee with below details:

1. Composition and qualifications

The Audit Committee consists of three independent directors appointed by the Board of Directors and having qualifications of independent directors defined by the SEC. At least one member must possess knowledge in accounting and adequate experience to review reliability of the financial statement. The Audit Committee may appoint person to be the committee's secretary as deemed appropriate.

2. Duties and responsibilities

- 2.1 Review the accuracy and adequacy of the Company's financial report.
- 2.2 Review the Company's internal control system and internal audit to ensure its suitability and effectiveness. Consider independence of the Internal Audit Office and provide views on the appointment, transfer, discharge as well as adjustment of compensation of the Head of the Internal Audit Office.
- 2.3 Review conformance by the Company to Securities and Exchange laws, SET requirements and business-related laws and ethics of the Company.
- 2.4 Consider and select an independent person to be appointed as the Company's external auditor and purpose the audit fee. Attend the meeting with the external auditor without the Company's executive at least one time a year. Also, consider the removal of the external auditor.
- 2.5 Consider related transaction or transaction which may cause conflicts of interest to be in compliance with law and SET's regulations to ensure that they are reasonable and in the Company's best interests.
- 2.6 Review the adequacy of the Company's Risk Management processes
- 2.7 Ensure that the Company operates its business in compliance with anti-fraud and corruption measures.
- 2.8 Report its performance to the Board of Directors for acknowledgement and consideration once every quarter.
- 2.9 Prepare the Audit Committee's report for disclosure in the Company's annual report. The report must be signed by Chairman of the Audit Committee and must consist of the following information:
 1. opinion on accuracy, completeness and credibility of the Company's financial report
 2. opinion on adequacy of the Company's internal control system,
 3. opinion on compliance with by the Securities and Exchanges laws, the Stock of Thailand regulations or the laws relating to the Company's business,
 4. opinion on suitability of an external auditor,
 5. opinion on transactions which may lead to conflicts of interest,
 6. number of the Audit Committee's meeting and attendance at such meetings by each committee member,
 7. opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter,
 8. Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors
- 2.10 Other duties as assigned by the Board of Directors under the Audit Committee's consent.
- 2.11 In case of any suspicious transactions or actions that may significantly affect the Company's financial status and performance, the Audit Committee shall report the findings to the Board of Directors to make any improvement or correction in a timely manner as deemed appropriate by the Audit Committee. Details are displayed below:

1. Transaction regarding conflicts of interest
2. Transaction regarding fraud, irregularities or significant deficiencies in internal control system
3. Any violation of SEC's laws, SET's regulations or laws relevant to the Company's business

In case the Board of Directors or the Management fails to take corrective actions on those transactions in a timeframe, any of the Audit Committee may report of such transactions or actions directly to SEC or SET.

2.12 If the Auditor finds suspicious circumstances in which a Director, Manager or responsible person in the Company has committed an offense under the law, the Audit Committee should be contacted in order to conduct further investigation immediately. The Audit Committee shall report the primary result to the SEC and the Auditor within 30 days of being informed. The method to obtain clarification on the above mentioned circumstances should be in accordance with the notification of the Capital Market Supervisory Board.

3. Authority of the Audit Committee

- 3.1 The Audit Committee may invite the Company's directors, executives, department heads or employees to discuss or answer questions.
- 3.2 If it is considered essential and suitable to do so, the Audit Committee may seek advice from the Company's advisor or may hire advisor(s) or other professional experts.

4. Office Term

- 4.1 The Audit Committee has an office term of 3 years and may hold office for maximum three consecutive terms, except for when the Board considers extending the term of an Audit Committee member as deemed appropriate.
- 4.2 Other than term completion, an Audit Committee member shall vacate the office when he or she
 1. lacks of qualifications of the Audit Committee
 2. deceases
 3. resigns
 4. is removal
 5. is imprisoned under the final court verdict or a legal order, except for offences caused by negligence or misdemeanor
 6. is considered incompetent or quasi-incompetent
 7. becomes bankruptcy
- 4.3 An Audit Committee member who desires to resign ahead of term completion must notify and submit a resignation letter to the Chairman of the Board. Resignation will be effective from the date the Chairman of the Board receives the letter of resignation.
- 4.4 In case an Audit Committee member resigns or is removal before the term completion, the Company must notify the SEC and the SET without delay. A retired or dismissed director can explain the reasons to the SEC and the SET.

4.5 In case of vacancy of all Audit Committee members, the Audit Committee must perform duty until new Audit Committee is appointed.

4.6 In case a vacancy occurs for reasons other than term completion, the Board of Directors shall appoint a qualified person to maintain the required numbers of the Audit Committee members. The substituted member can only be in the office within the remaining term of the member he/she replaces.

5. Meeting and quorum

5.1 The Audit Committee must hold meetings no less than 4 times a year.

5.2 To call for a meeting, the Chairman of the Audit Committee or the Secretary to the Audit Committee by order of its Chairman sends the meeting invitation to all members at least 7 days ahead. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier

5.3 The Audit Committee holds meetings to consider matters under the scope of duties.

5.4 To form a quorum in the meeting, at least half of the total members of the Audit Committee appointed by the Board of Directors must be present. The Chairman of the Audit Committee shall also be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substituted chairman of the meeting.

5.5 The resolution of the meeting will take into account the majority of votes, with one member having one vote. Each member of the Audit Committee with vested interest in any agenda item must abstain from voting on that item. If the number of votes is equal, the chairman will cast the decisive vote.

The Audit Committee regularly convenes the meeting and periodically reports its performance. It also provides opinion on adequacy of internal control to the Board and considers the appointment and remuneration of the external auditor.

In 2017, the Audit Committee convened 12 meetings and arranged the meetings with the external auditors every quarter. The meeting attendance of each committee was as follows:

| Name | Position | Meeting Attendance(Time) |
|---------------------------------------|---------------------------------|--------------------------|
| 1. Professor Hiran Radeesri | Chairman of the Audit Committee | 12/12 |
| 2. Mrs. Pranee Phasipol | Member of the Audit Committee | 12/12 |
| 3. Professor Dr. Kittipong Kittayarak | Member of the Audit Committee | 8/12 |

2. **Remuneration Committee**

The Remuneration Committee was established on May 14, 2002 consisting of three independent directors and non-executive directors namely:

| Name | Position |
|-----------------------------|--|
| 1. Professor Hiran Radeesri | Chairman of the Remuneration Committee |
| 2. Mrs. Pranee Phasipol | Member of the Remuneration Committee |
| 3. Mrs. Varang Chaiyawan | Member of the Remuneration Committee |

and having Mrs. Jongkolnee Chantaworakit, Vice President of Finance and Accounting – Head Office acting as Secretary of the Committee

The Board of Directors defined the regulations of the Remuneration Committee with details as follows:

1. Composition and qualifications

The Remuneration Committee consists of three members which mostly are independent directors appointed by the Board of Directors. Chairman of the Remuneration Committee must be an independent director.

The Remuneration Committee must regularly monitor changes in the Company's performance in order to improve the remuneration criteria, be able to perform duties, provide opinion and report its performance of assigned duties independently.

2. Duties and responsibilities

2.1 Propose compensation policy and method, both monetary and non-monetary form, for directors, member of the sub-committees of the Company and its subsidiaries.

2.2 Propose compensation policy for Group CEO matching with the Company's annual performance and propose to the Board of Directors for approval.

2.3 Consider, review, study and monitor changes and trends of remunerations of the Board and the Management in comparison with those of other companies within the same industry to motivate the performance.

2.4 Perform other duties as assigned by the Board of Directors

2.5 The Remuneration Committee performs its duties in accordance with the regulation of the Remuneration Committee with no limits; and has authority to request the Management, head of business units or employees to give opinions, attend the meeting, send the information or documents deemed relevant, without limitation. If it is considered essential and suitable to do so, the Remuneration Committee may hire or seek advice from external independent advisor(s) or other professional experts with expenses absorbed by the Company.

3. Office Term

3.1 The Remuneration Committee has an office term of 3 years and may hold office for maximum three consecutive terms, except for when the Board considers extending the term of a Remuneration Committee member as deemed appropriate.

3.2 Other than term completion, a Remuneration Committee member shall vacate the office when he or she

1. lacks of qualifications to be member of the Remuneration Committee
2. deceases
3. resigns
4. is removal
5. is imprisoned under the final court verdict or a legal order, except for offences caused by negligence or misdemeanor
6. is considered incompetent or quasi-incompetent
7. becomes bankruptcy

3.3 A Remuneration Committee member who desires to resign ahead of term completion must notify and submit a resignation letter to the Chairman of the Board. Resignation will be effective from the date the Chairman of the Board receives the letter of resignation.

3.4 In case of vacancy of all Remuneration Committee members, the said Remuneration Committee must perform duty until new Remuneration Committee is appointed.

3.5 In In case a vacancy occurs for reasons other than term completion, the Board of Directors shall appoint a qualified person to maintain the required numbers of the Remuneration Committee members. The substituted member can only be in the office within the remaining term of the member he/she replaces.

4. Meeting and quorum

4.1 The meeting of the Remuneration Committee can be held at any time as deemed necessary and appropriate by the Remuneration Committee or its Chairman. Nevertheless, the Remuneration Committee must hold meetings at least twice a year.

4.2 To call for a meeting, the Chairman of the Remuneration Committee or the Secretary to the Remuneration Committee by order of its Chairman sends the meeting invitation to all members at least 7 days. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier.

4.3 The Remuneration Committee holds meetings to consider matters under the scope of duties.

4.4 To form a quorum in the meeting, at least half of the total members of the Remuneration Committee appointed by the Board of Directors must be present. The Chairman of the Remuneration Committee shall also be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substituted chairman of the meeting.

4.5 The resolution of the meeting will take into account the majority of votes, with one member having one vote. If the number of votes is equal, the chairman will cast the decisive vote. Each member of the Remuneration Committee with vested interest in any agenda item must abstain from voting on that item.

In 2017, the Remuneration Committee convened 4 meetings and report its performance to the Board of Directors. The meeting attendance of each committee was as follows:

| | Name | Position | Meeting Attendance (Time) |
|----|--------------------------|--|---------------------------|
| 1. | Professor Hiran Radeesri | Chairman of the Remuneration Committee | 4/4 |
| 2. | Mrs. Pranee Phasipol | Member of the Remuneration Committee | 4/4 |
| 3. | Mrs. Varang Chaiyawan | Member of the Remuneration Committee | 2/4 |

3. Corporate Governance and Nomination Committee

Established on May 14, 2002, the Corporate Governance and Nomination Committee consists of three independent directors and non-executive directors namely:

| Name | Position |
|-----------------------------|---|
| 1. Professor Hiran Radeesri | Chairman of the Corporate Governance and Nomination Committee |
| 2. Mrs. Pranee Phasipol | Member of the Corporate Governance and Nomination Committee |
| 3. Mrs. Varang Chaiyawan | Member of the Corporate Governance and Nomination Committee |

and have Mrs. Jongkolnee Chantaworakit, Vice President of Finance and Accounting – Head Office acting as Secretary to the Committee

The Board of Directors defined the regulations of the Corporate Governance and Nomination Committee with details below:

1. Composition and qualifications

The Corporate Governance and Nomination Committee consists of three members which mostly are independent directors appointed by the Board of Directors. Chairman of the Corporate Governance and Nomination Committee is an independent director.

The Corporate Governance and Nomination Committee must be knowledgeable in corporate governance, perform duties, provide opinion and report its performance on assigned duties freely, be neutral in nominating and selecting qualified persons to be the Company's director in replacement of director who completes term or vacates office with other reason.

2. Duties and responsibilities

2.1 Oversee and monitor the Company's operation, information disclosure of the Investors Relation Department and performance of duties of directors, sub-committees, executives and employees to be in compliance with the good corporate governance, the Company's policies and relevant laws.

2.2 Define scope, review policies and provide advice on practical guidelines in accordance with the good corporate governance principle to ensure its timeliness on a regular basis.

2.3 Consider policy and action plans on the corporate social responsibility and propose to the Board for approval

2.4 Consider structure and composition of the Board of the Company and its subsidiaries.

2.5 Consider names and qualifications of persons to be appointed as directors of the Company and its subsidiaries.

2.6 Consider and screen qualified persons to be appointed as the Group CEO, also prepare succession plan.

2.7 Provide recommendations on performance evaluation of the Board of Directors and sub-committees on a regular basis to get information for enhancement of performance.

2.8 Perform other duties as assigned by the Board of Directors

2.9 The Corporate Governance and Nomination Committee performs its duties under the regulations of the Corporate Governance and Nomination Committee without limitation; and has authority to request the Management, heads of business units or employees to give opinions, attend the meeting, send the information or documents deemed relevant, without limitation. If it is considered essential and suitable to do so, the Corporate Governance and Nomination Committee may hire or seek advice from external independent advisor(s) or other professional experts with expenses absorbed by the Company.

3. Office Term

- 3.1 The Chairman of the Corporate Governance and Nomination Committee and the member of the committee have an office term of 3 years and may hold office for maximum three consecutive terms, except for when the Board considers extending the term of a Corporate Governance and Nomination Committee member as deemed appropriate
- 3.2 Other than term completion, a Corporate Governance and Nomination Committee member shall vacate office when he or she
1. lacks of qualifications to be member of the Corporate and Nomination Committee
 2. deceases
 3. resigns
 4. is removal
 5. is imprisoned under the final court verdict or a legal order, except for offences caused by negligence or misdemeanor
 6. is considered incompetent or quasi-incompetent
 7. become bankruptcy
- 3.3 A Corporate Governance and Nomination Committee member who desires to resign ahead of term completion must notify and submit a resignation letter to the Chairman of the Board. Resignation will be effective from the date the Chairman of the Board receives the letter of resignation.
- 3.4 In case of vacancy of all Corporate Governance and Nomination Committee members, the said Corporate Governance and Nomination Committee must perform duty until new Corporate Governance and Nomination Committee is appointed.
- 3.5 In case a vacancy occurs for reasons other than term completion, the Board of Directors shall appoint a qualified person to maintain the required numbers of the Corporate Governance and Nomination Committee members. The substituted member can only be in the office within the remaining term of the member he/she replaces.

4. Meeting and quorum

- 4.1 Meeting of the Corporate Governance and Nomination Committee can be held at any time as deemed necessary and appropriate by the Corporate Governance and Nomination Committee or its Chairman. Nevertheless, the Corporate Governance and Nomination Committee must hold meetings at least twice a year
- 4.2 To call for a meeting, the Chairman of the Corporate Governance and Nomination Committee or the Secretary to the Corporate Governance and Nomination Committee by order of its Chairman sends the meeting invitation to all members 7 days ahead. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier
- 4.3 The Corporate Governance and Nomination Committee holds meetings to consider matters under the scope of duties.

4.4 To form a quorum in the meeting, at least half of the total members of the Corporate Governance and Nomination Committee appointed by the Board of Directors must be present. The Chairman of the Corporate Governance and Nomination Committee shall also be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substituted chairman of the meeting.

4.5 The resolution of the meeting will take into account the majority of votes, with one member having one vote. If the number of votes is equal, the chairman will cast the decisive vote. Each member of the Corporate Governance and Nomination Committee with vested interest in any agenda item must abstain from voting on that item.

In 2017, the Corporate Governance and Nomination convened 3 meetings and reported its performance to the Board of Directors. The meeting attendance of each committee was as follows

| Name | Position | Meeting Attendance (Time) |
|-----------------------------|---|---------------------------|
| 1. Professor Hiran Radeesri | Chairman of the Corporate Governance and Nomination Committee | 3/3 |
| 2. Mrs. Pranee Phasipol | Member of the Corporate Governance and Nomination Committee | 3/3 |
| 3. Mrs. Varang Chaiyawan | Member of the Corporate Governance and Nomination Committee | 3/3 |

4. Executive Committee

The Board of Directors' Meeting No. 8/2015 on December 21, 2015 resolved to appoint the Executive Committee effective from January 1, 2016. The Executive Committee consists of three Directors namely:

| Name | Position |
|------------------------------|-------------------------------------|
| 1. Mr. Chanin Donavanik | Chairman of the Executive Committee |
| 2. Mrs. Sinee Thienprasiddhi | Member of the Executive Committee |
| 3. Mrs. Suphajee Suthumpun | Member of the Executive Committee |

and have Ms. Mantanee Surakarnkul, Vice President of Company Secretary Office acting as Secretary to the Committee

The Board of Directors defined the regulations of the Executive Committee with details below:

1. Composition and qualifications

The Executive Committee is appointed by the Board of Directors and consists of the Company's qualified directors and top executives.

2. Authorities and duties of Chairman of the Executive Committee

- 2.1 Supervise and monitor work performance of the Executive Committee members.
- 2.2 Provide advice regarding business operation to the Management.
- 2.3 Ensure that the Management performs duties in accordance with the Board's resolutions.
- 2.4 Perform other duties assigned by the Board of Directors.

3. Duties and responsibilities of the Executive Committee

- 3.1 Consider vision, mission, policies, strategies, goals, business plans, investment and annual budget of the group of Company proposed by Group CEO and submit to the Board of Directors for approval.
- 3.2 Approve investment, headcount, bonus payment and salary increase under the annual budget framework approved by the Board of Directors.
- 3.3 Consider disputes and litigation of the Group of companies with capital not exceeding Baht 5 million.
- 3.4 Approve the appointment, dismissal and compensation of top executives at C-level (one down from the Group CEO).
- 3.5 Approve organization structure and management of executives below the C-level.
- 3.6 Approve salary and compensation structure of employees and executives.
- 3.7 Oversee the operations to ensure that they are performed effectively according to the defined policies, strategies and goals, and in compliance with requirements of laws without conflicts of interest for the utmost benefit of the Company.
- 3.8 Approve the payment of the Group of companies which is not under the budget and exceeding the authority of the Group CEO, but not exceeding Baht 30 million per one round of the Board of Directors' meeting. Nevertheless, it must comply with the announcement and the requirement of the SEC and the SET.
- 3.9 Approve the payment of the Group of companies which is over the budget by 5 percent but not exceeding 10 percent approved by the Board or Baht 30 million, whichever amount is higher, per one round of the Board of Directors' meeting. Nevertheless, it must comply with the announcement and the requirement of the SEC and the SET.
- 3.10 Approve rental and leasing of immovable property which is not the normal business operation up to 3 year period.
- 3.11 Perform other duties as assigned by the Board of Directors.

4. Office Term

- 4.1 An Executive Committee member shall vacate the office when he or she
 1. terminates/is dismissal from the position of the Company's director and/or executive
 2. resigns
 3. is removal by resolution of the Board of Directors' meeting
- 4.2 In case a vacancy occurs for reasons, the Board of Directors shall appoint a qualified person to replace the vacancy.

Performance Evaluation of the Board of Directors and Sub-Committees

Performance evaluation of the Board of Directors

The Company requires the Board of Directors to evaluate its performance at least once a year.

Criteria

The performance evaluation of the Board of Director use evaluation form which applies SET's evaluation approach to suit the characteristics and structure of the Board of Directors. The results are key factors for the enhancement of directors' performance and related duties. The evaluation form consists of 6 topics as follows:

- 1) Board's structure and qualifications
- 2) Roles, duties and responsibilities of the Board
- 3) Board's meeting
- 4) Director's performance of duties
- 5) Relationship with the Management
- 6) Director' self-improvement and executive development

Rating assigns the method of identifying each director's opinion by ticking (/) in the score box, from 0 – 4 only 1 slot in the evaluation form with the following meanings:

0 = Absolutely disagree or no action taken on that matter

1 = Disagree or few actions taken on that matter

2 = Agree or fair action taken on that matter

3 = Rather agree or adequate action on that matter

4 = Absolutely agree or excellent action on that matter

Then all the scores are evaluated by mean of calculation percentage of full score. The criteria of scores are as follows:

Equivalent or over 90% = Excellent

Equivalent or over 80% = Very good

Equivalent or over 70% = Good

Equivalent or over 60 = Fair

Below 60 = Need improvement

Procedures

The Company Secretary will deliver the evaluation form to each director at the end of each year. After each director completes the evaluation, he/she shall return the evaluation form to the secretary to the Nomination and Remuneration Committee to gather and report to the Board in the next meeting in order to set measures to further improve work efficiency of the Board.

In 2017, the Board of Directors determined the self-evaluation of the Board of Directors in a whole basis. The summarized evaluation results of the Board of Directors' performance in 2017 were rated GOOD.

Performance Evaluation of Sub-Committees

Criteria

The performance evaluation of the sub - committees uses the evaluation form which applies SET's evaluation approach to suit the characteristics and structure of the sub - committees. The results are key factors for the enhancement of sub - committees' performance and related duties.

Procedures

The Secretary to each sub-committee will deliver the performance evaluation form to each director at the end of the year. After each director completes the evaluation, he/she shall return the evaluation form to the secretary to the Nomination and Remuneration Committee to gather and report to the Board in the next meeting in order to set measures to further improve work efficiency of the Board

In 2017, the Board of Directors determined the self-evaluation of the Audit Committee in a whole basis. The summarized evaluation results of the Audit Committee performance in 2017 were rated GOOD.

Director's orientation

The Board of Directors recognizes the importance of duty performing of new directors and has therefore defined the practical guideline on preparation for duty performing of directors to enable new directors to know the Company's expectations of their roles, duties, responsibilities, the Company's policies, business and corporate governance practices. These include enabling them understand about the Company's business and operation, as well as to visit its business units for being prepared to perform the duty of director promptly as follows:

- Coordinate in providing of the Company's data in legal area and others to the Board of Directors.
- Hand over "Directors Guidebook" to new directors, the guidebook contains the Company's information and relevant crucial laws which will be useful for members of the Board of Directors. The Company Secretary is responsible for coordinating to deliver this guidebook to the Board of Directors. Contents of the guidebook consists of Articles of Association of the Company, objectives of the Company, affidavit of the Company, Public Company Limited Act, Securities and Exchange Act, guidebook for directors of listed company, charter of the Board of Directors and of the Sub - Committees, Business Code of Conduct of Directors and manual for Corporate Governance Policy and other policies of the Company.
- Arrange meetings with the Chairman, Board of Directors, sub-committees and executives to make them informed of the Company's business operation for using as their principles in performing duty. The presentation is made as a whole picture and in details under the topics namely, the Company's history, vision, mission, strategies, management structure, operating data and activities.

In 2017, three new directors namely, Professor Emeritus Dr. Khunying Suchada Kiranandhana, Mr. Pakhawat Kovithathanaphong and Mr. Somprasong Boonyachai were provided director's orientation.

Development and Knowledge Enhancement of the Board

The Company encourages the Board of Directors to undergo additional study and training to enhance their knowledge of Board's roles and duties in efficient management under corporate governance.

In 2017, the following directors attended the training and study visits:

| Director | Course | Institute | Date of attendance |
|----------------------|---|---|--------------------------------|
| Prof. Hiran Radeesri | 1. Standard of Financial Report | 1. Federation of Accounting Professions Under the Royal Patronage of His Majesty the King | 2017 |
| | 2. The 2017 Accounting Standards | 2. Federation of Accounting Professions Under the Patronage of His Majesty the King | 2017 |
| | 3. Training courses arranged by the Thai Institute of Directors Association | 3. Thai Institute of Directors Association | 2017 |
| Mrs. Pranee Phasipol | 1. CEO Succession Management | 1. Thai Institute of Directors Association | March 23, 2017 |
| | 2. Board Matters and Trends (2/2017) | 2. Thai Institute of Directors Association | February 16-17, 2017 |
| | 3. Compensation and Benefits Design Fundamental and Practical Master Class 2017 | 3. Omegaworldclass | May 16-17, 2017 |
| | 4. AC Forum 2560 | 4. KPMG Audit (Thailand) Limited | August 7 and November 21, 2017 |

• **Nomination and Appointment of the Group CEO**

The Board of Directors appoints and determines the remuneration of the Group CEO by consideration the list submitted by the Corporate Governance and Nomination Committee who has duty to screen a qualified person having knowledge, ability, skill and experience which benefit to the Company's operations, well understanding the Company's business and being able to manage to Company to achieve goals set by the Board of Directors.

Duties and responsibilities of Group CEO

1. Set vision, mission, policies, strategies, goals, business plans, investment plans and annual budget of the Group of companies and propose to the Executive Committee for consideration and endorsement before submission to the Board of Director for approval.
2. Oversee the management of the Group of companies in accordance with policies, strategies, goals, business plans and annual budget approved by the Board of Directors and/or the Executive Committee to ensure that the Company can achieve goals and maximize shareholders' value and earnings per share.
3. Supervise the management of the Group of companies in accordance with objectives, rules, regulations, requirements, orders and resolutions of shareholders' meeting and/or the Board of Directors' meeting and/or the Executive Committee's meeting. Also, monitor on a regular basis performance of the Management to report operating progress and results of the Group of companies to the Board of Directors.

4. Institute policy on human resource management of the Group of companies and support the operations of all departments to ensure that they can develop and use their potential at maximum.
5. Approve the promotion of employees at executive level.
6. Enhance leadership vision among executives at all levels.
7. Provide advice and share experience which is useful for the Company's business operations among executives and employees.
8. Institute internal control system, risk assessment of finance and investment of the Group of companies to reduce risk by defining policy on risk management, monitoring and evaluating it, and report to the Board of Directors.
9. Approve payment of the Group of companies which is not under the annual budget and not exceeding Baht 10 million per one round of the Board of Directors' meeting. Nevertheless, it must comply with announcement and requirement of the SEC and the SET.
10. To approve payment of the Group of companies which is over budget, but not exceeding 5 percent of the amount approved by the Board or Baht 10 million, whichever amount is higher, per one round of the Board of Directors' meeting. Nevertheless, it must comply with announcement and requirement of the SEC and the SET.
11. Administer the financial management and the payment of the Group of companies' budget for the utmost benefit and efficiency of the Company.
12. Perform other duties as assigned by the Board of Directors and/or the Executive Committee.

Performance Evaluation of Group CEO

The Board conducts an annual performance evaluation of the Group CEO who is the highest executives of the Company at least once a year, using the performance evaluation criteria approved by the Board of Directors.

Succession Plan

To enable the Company to have knowledgeable and skillful executives to be able to inherit the top executive positions, the Board of Directors assigns the Corporate Governance and Nomination Committee to prepare the succession plan for the position of the Group CEO. The Human Resources Department implements the plan introduced by the Corporate Governance and Nomination Committee undertaking development of competency of top executives according to their knowledge, ability and experience through in-house and external training programs so that they are qualified to be appointed as a successor of the Group CEO position in case it is vacant.

Appointment of Company Secretary

Company Secretary has a key role in supporting and overseeing the Board's activities to be efficient, effective and in consonance with law, rules, regulations, and corporate governance principles. The Board of Directors shall appoint a qualified person to perform this position based on his/her knowledge, ability and suitability and has defined roles and responsibilities. (More details appear in "Company Secretary under the "Management Structure")

- **Oversight of subsidiaries and associated companies**

The Company runs its businesses through subsidiaries and associated companies (Details appear in “Shareholding Structure”). The Board commands a mechanism for supervising the management and the responsibility of subsidiaries and associated companies to safeguard the interests of the Company’s investment capital, including

- Appointment of Representative Director According to Proportion of Shareholding

Since the Company is responsible for any transactions of its subsidiaries and associated companies, the Company appoints its director to be the representative director of the subsidiaries to oversee business operation pursuant to the Company’s policy in the matters of operations including responsibility to propose budget of the subsidiaries to the Board of Directors’ meeting for acknowledgement and approval. The Company requires that the representative director must propose the significant matters to the Board of Directors for approval before voting in the subsidiaries.

In addition, the representative director is responsible for monitoring the connected transaction or the acquisition or disposition of assets which is under criteria of the SET or other transactions required to conduct in accordance with the Board of Directors policies and resolutions, the representative Director shall gather information and inform the Company as well as oversee the subsidiaries and associated companies to operate under rules and regulations of the SET and the SEC either the transactions required to conduct under the Board of Directors’ policies and resolutions.

Nevertheless, the appointment of representative director must be adhere to the proportion of shareholding and approved by the Board of Directors’ meeting.

- Oversee information disclosure and transactions of the subsidiaries

1. Disclosure of financial status and operating results

The Board of Directors assigns and authorizes the Audit Committee the duty of reviewing the subsidiaries’ financial statements prepared in accordance with generally accepted accounting standards, ensuring that information disclosure is accurate, adequacy, complete, reliable and in accordance with the Securities and Exchange Act, requirements of the SET and laws relating to the Company’s business.

2. Connected transactions

The connected transaction of the subsidiaries must be approved by its parent Company and in compliance with the criteria of the SET and the SEC. The Audit Committee shall examine price or value of the transaction with the Company’s staff and internal auditor whether it is reasonable and correctly disclosed in the financial statement.

3. Acquisition and disposition of assets

The Company stipulates the policy on connected transaction between the Company and related subsidiaries, especially acquisition and disposition of assets. It is required that transaction must be considered by the Audit Committee before submission to the Board of Directors and in compliance with the criteria of the SET and the SEC.

4. Other important transactions

The subsidiaries shall adhere to laws, regulations and criteria of the SET and the SEC, and request approval from the Board of Directors' meeting and/or shareholders' meeting for matters required by law.

- Formulate the internal control system of the subsidiaries

The Internal Audit Department has duty and responsibility to conduct freely evaluation of the internal control system, risk management and corporate governance, and review the compliance of regulations of the subsidiaries. The Internal Audit Department shall conduct as deemed appropriate the internal audit of the subsidiaries once a year emphasizing on financial matters and connected transactions, and monitor the subsidiaries' operations in preventing of the misuse of its and the Company's assets of the Management.

- Other mechanism

One example of other mechanism to oversight of the subsidiaries and the affiliated companies is the increase or decrease of capital. The transaction must be approved by the Board of its parent company as well as by the Board of Directors' meeting and shareholders' meeting of the subsidiary itself in compliance with the SET and the SEC's criteria.

Agreement between the Company and other shareholder regarding the management of subsidiaries and affiliated company

- None -

- **Monitoring the Use of Inside Information**

The Board of Directors' Meeting No. 1/2018 convened on January 19, 2018 resolved to approve the Disclosure Policy for the Group of companies' executives, employees, authorized spokesmen, including every person relating to the Group of companies with key principles detailed below:

1. Information to be disclosed must be accurate, complete, explicit and up to date in accordance with the requirements of the SET regarding the accurate and complete information disclosure. (Bor.Jor./Por. 11-00 Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of A Listed Company B.E. 2560)
2. All stakeholders, including shareholders, investors, securities analysts and others have equitable rights to acknowledge disclosed information of the Company.
3. Important information that may affect the Company's stock price or investment decision of investors or the rights of shareholders will be disclosed without delay through the SET.

Practical guidelines on information disclosure

- Do not disclose confidential business information or information that, if disclosed, may cause a loss of benefits or competitiveness or information that is not finalized or under negotiation or information that is over realistic or overly promote without reasonable support. Refrain from using in appropriate words and formats that may mislead the Company's stock price.

- Do not disclose material non-public information to non-permitted executives or employees, groups of persons or any persons including investors, analysts and public media until such information is disclosed to public, except the case that it is the disclosure under the laws or requirements of the Company's regulator. In the case where there is a business need requiring the Company to disclose information to the relevant parties, auditors, securities guarantors, financial institutions, financial advisors, legal advisors or other advisors, the Company shall carefully execute to ensure that the said persons perform their job with caution in keeping information confidentially. However, disclosure of such information must comply with the regulations and requirements of the SET and the regulators.

Quiet Period

The Company has determined the quiet period of 30 days prior to the disclosure of operating results to the SET to avoid inequitable information disclosure that may lead to insider information and stock price manipulation. During the quiet period, the Company shall not answer any inquiries about performance to be disclosed, not provide any views on the trend of performance, not accept any appointment and not answer any questions by telephone to any analysts, investors or public media, except that such information is the fact already disclosed to the public.

The Company announced the quiet period of the present year on the Company's website under IR Calendar.

In 2017, the Company did not receive any complaint about misuse of inside information committed by director or executive.

Internal Control and Internal Audit

To ensure that the Company's business operation can achieve goals, is effective and in compliance with laws, regulations and requirements and that the financial report is accurate and reliable, the Board of Directors recognizes an importance of internal control system and internal audit.

The Internal Audit Department, directly reported to the Audit Committee, has the scope of work to ensure that all employees perform their duties in strict compliance with the Company's policies, standards, work procedures, regulations, and applicable laws. Assessment on the adequacy of the Company's internal control system is undertaken annually by relevant management divisions and Internal Audit. The five aspects of control are as follows:

1. Control environment
2. Risk assessments
3. Control Activities
4. Information and communication
5. Monitoring activities

The findings are reviewed by the Audit Committee and reported to the Board for consideration and opinions.

The Audit Committee appoints the Head of Internal Audit Department by selecting person who has suitable qualifications, can efficiently perform duties in evaluating the internal control system and work performance and providing recommendation for improvement. Currently, Head of the Internal Audit Department of the Company is Mr. Attapol Watjarapairoj, Director of Internal Audit Department

Risk Management

Risk Management is key mechanism and management role that helps organization to achieve goals, reduce losses and enhance competitiveness. It is also an important element of good corporate governance.

The Board of Directors recognizes the importance of enterprise wide risk management and appoints the Risk Management Committee chaired by the Group Chief Executive Officer and consisting of the Company's top executives, department heads and representatives from each department as the Board's representative to conduct the risk management of the Company. Key roles of the Risk Management Committee are detailed below:

1. Providing guidelines, policies and processes regarding the enterprise risk management within risk management framework of COSO (The Committee of Sponsoring Organizations of the Treadway Commission).
2. Managing key risks that effects the Company's business covering strategic risk, financial Risks, and compliance risk, also identifying risk factors and indicators, monitoring and controlling risks to ensure that they are at the level the Company can accept.
3. Review and adjust risk management structure, practical guidelines, directions, policies and relevant procedures in line with the changing law and environment.
4. Encourage open and consistent communication of risk management to the Management and employees of the Company.

To ensure that the implementation of the enterprise risk management is thorough and effective, the Risk Management Committee appoints four sub-committees according to the Company's core business.

The Risk Management Committee must report working progress on the enterprise risk management to the Audit Committee quarterly and to the Board of Directors at least once a year.

Monitoring Conflicts of Interest

The company has the policy to conduct the business with integrity, transparency, and fairness and determines that all directors, executives, and staff must not conduct or take part in any business which is in competition with the company's business, avoid making transactions relating to them or persons/juristic persons who may be in conflict with the company's interest and not seek benefits from the information or anything acquiring from their duties and responsibilities for personal interest or for competition with the business of the Company's business.

The Board of Directors has duty to strictly oversee the compliance with the criteria, methods and the disclosure of related transactions according the requirements stipulated by law and the governing agencies. If a connected transaction is unavoidable, however, such transaction must follow the general business provisions as specified and approved by the Board, based on transparency and fairness in the same way as ordinary transactions undertaken with outsiders, taking into account the best interests of the Company. Any party involved in a conflict of interest transaction must not take part in the consideration of such transaction. If connected transactions that breach the approved general business provisions could pose any conflict of interest, the Audit Committee will examine such transactions and include its opinions to the Board or shareholders for approval.

- Disclosure of personal interests held by directors, executives, and related parties
- Directors and executives must submit their first disclosure report within 30 days after first holding office and submit subsequent reports of their interests as of December 31 every year. To ensure the transparency of direct and indirect transactions undertaken by directors, executives, or related parties during the year, such directors or executives must notify CPN without delay by indicating facts about the nature of such contracts, names of counterparties, and their personal interests in such contracts.
- Disclosure of vested interests

Directors and executives must report vested interests held by themselves and related persons under the regulations, conditions, and methods specified by the Capital Market Supervisory Board. The Company Secretary must comply and submit a copy of the report of such vested interests to the Chairman and Chairman of Audit Committee

- **Compliance on the Code of best practices of the Stock of Exchange of Thailand**

The Company recognizes the importance of the compliance which is the key mechanism to improve correctness and prudence of every operational procedures and steps. The Board of Directors assigns the Company Secretary Office to supervise and monitor the operation in compliance with the relevant laws and regulations.

The Board of Directors is committed to run the business by adhering to the good corporate governance principles for listed companies to ensure transparency, efficiency and responsibility to all stakeholders. For non-compliance aspects as mentioned below, the Company will review and adjust to be appropriate.

| Non-compliance aspects | Justification |
|---|---|
| Independent directors can serve for no longer than nine consecutive years | The Board of Directors does not limit the term of directors and independent directors since by the Company's nature of business, it needs people with specialized competencies. Given the freedom and efficiency of directors' performance, these people may be suitable on the Board for longer than that. |