

Corporate  
Governance  
การทำกับตุลาภิวัตน์



# Corporate Governance

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## 1) Corporate Governance Policy

The Board of Directors Meeting No.3/2011 on February 10, 2011 set up a policy to apply the principle and code of best practices as the company's operations in order to benefit the company's operations and strengthen the transparency in the operations, as well as to increase the efficiency of the management. This results in the confidence of shareholders, investors, and every related party, which the good corporate governance of the company includes 5 principles as follows:

### (a) The Rights of Shareholders and Roles of Stakeholders

#### The Rights of Shareholders

The company awares and emphasizes on the rights of shareholders, by not only taking any action that violate or lessen the rights of shareholders but also encouraging the shareholders to us their rights. The basic rights of shareholders are the rights to trade or to transfer the shares, the rights to get sufficient company news and information, the rights to share the profit of the business, the rights to vote and remove the subcommittee and to agree with the independent auditor appointment, the rights to attend and vote in the shareholders' meeting in order to make a decision in such issues of the company. For example, dividend payment, defining or revising the company regulations and memorandum, capital decrease or increase, and special approvalment.

Apart from the above basic rights, the company has a policy to support and facilitate for using the rights of shareholders as follows:

- The company arranges the Annual General Meeting of Shareholders every year within 4 months from the ending date of the fiscal year for each year by sending the invitation and information for the meeting's agendas to shareholders 7 days before the meeting date. Also, the announcement will be posted in a newspaper informing the meeting date 3 consecutive days and informing at least 3 days in advance before the meeting date, which the agenda of the meeting will include the comments from the Board of Directors as attachment.
- The company distributes the information for the meeting's agendas in advance on the web site of the company and also inform the rights of the shareholders to attend the meeting and their vote for the resolution.
- In case that the shareholders cannot attend the meeting by themselves, the company gives a chance to the shareholder to give a proxy to any independent director or anyone to attend the meeting on their behalf, in order to support the rights of the shareholders by using any kind of proxy that the company sends out with the invitation for the meeting.

- Before the meeting, the company allow the shareholders to send opinions, suggestions, questions in advance before the meeting date via email address of Investor Relations and email address of the company secretary.
- In the meeting, the company allocates the appropriate period of time and allows the shareholders to give opinions, suggestions, or ask questions in any issue independently before any resolution finalized, in order for the shareholders to give enough details of such issue for any decision making. In the agenda that the shareholders having questions, the company prepares the personnel who can answer under the responsibility of the Board of Directors of the company.
- Every director needs to attend the meeting in order for the shareholders to be able to ask for details in any related issue.

### **To treat shareholders equally**

The company has a policy to create fairness for the every shareholders and every group equally including the shareholders who are management, the shareholders who are not management, the foreign shareholders, and minor shareholders, as follows:

- To treat and facilitate the shareholders equally and not taking any action to limit, violate or lessen the rights of shareholders.
- To accept the vote in the meeting upon the number of the shareholders by one share for one vote.
- The company allows the independent directors taking care of minor shareholders by the minor shareholders can give opinions or complaints to the independent directors. The independent directors are the ones who consider to operate appropriately; for example, if there is a claim, the independent director will examine the truth and find the way to solve appropriately. Or, if there is a suggestion which the independent director considers that it is important and affect the stakeholder as a whole or affect the company's business, the independent director will propose the suggestion to the shareholders' meeting to consider putting in the agenda of the meeting in the shareholders' meeting.
- The Board of Directors has set a measure to prevent the insider trading of related party including directors, management, employees, and workers of the group, who are related to the information (including their spouse and child). It has also set the punishment of the disclosure of the company information or using the company information for personal benefit, as the policy to prevent insider trading. It has been informed that the Board of Directors and management are responsible for reporting about their holding securities to the Securities and Exchange Commission (SEC), as a clause 59 of the Securities and Exchange Act

of 1992 as well as to inform the news and regulations of SEC and the Stock Exchange of Thailand to the Board of Directors and management regularly.

### Role of Stakeholders

The company aware of the rights of every stakeholder group related to the company, both internal stakeholder like shareholders, employees, and the management of the company or the external stakeholders like competitors, business partners, customers. The company aware that supporting, accepting opinions from, and keeping a good relationship with every stakeholder group benefit the operations and develop the business growth and business expansion in the future. The company provide the rights to every group equally and with fairness, by comply the related regulations and rules as follows:

- Shareholders: The company is the representative of shareholders doing the business by considering the growth of the company value in the long term, including the internal control and audit.
- Employees: The company aware that the employees is one of the main resources which is important to develop the growing organization. The company then support to develop capability of personnel in order to maximize benefit for the company, as well as encouraging teamwork to increase the versatility of functions and arrangement for the safe working environment for employees as well as treating every employees equally and fairly with the appropriate compensation.
- Business Partners: The company treats the business partners with honest competition by complying the conditions in the trade contract and strictly give a commitment to the business partners.
- Competitors: The company treats the competitors with a good business governance with good rules of competition by avoiding the unfair competition.
- Customers: The company committed to product the good quality products and services for customers by trading with customers with honest and fairness.
- Society: The company emphasizes on environmental care of the community nearby the company's office location.

The company has established guidelines to response to the needs of each stakeholder group apparently in “the business ethics”, and also to promote and campaign for the Board of Directors, the management, and the operator using the guidelines to perform in the operations, being as the important duties of everyone.

**(b) Information disclosure and transparency**

The company is aware of the significance of the information disclosure which represents the accuracy, all information, and transparency of both the financial reports and general information, according to the measurement of the information disclosure of SEC and SET and any information affecting the company's stock price, which has an impact on the decision making of the investor and stakeholder of the company.

The company publicizes the information of the company to shareholders, investors, and the public via channels of publication of SEC and SET as well as the company's web site: <http://www.energyearth.co.th>.

For the investor relations, the company did not yet set up a specific department, working on communicating with investors, shareholders, analysts, and the government. Shareholders and investors can contact the department at phone number 02 673 9631-3 for Khun Thanawat Pratoomsuwan E-mail address: [thanawat@energyearth.co.th](mailto:thanawat@energyearth.co.th) or Khun Thanyakamol Tritrakarn Email Address : [thanyakamol@energyearth.co.th](mailto:thanyakamol@energyearth.co.th)

**(c) The Responsibility of the Board of Directors**

**The Structure of the Board of Directors**

The Board of Directors including persons who have knowledge and experience which benefit the the company by having these people being as a major role in setting up policy, business plan and quarterly performance evaluation. Moreover, they emphasize on internal control and internal audit for the benefit of the company and shareholders.

The Board of Directors consists of 11 people such as 4 directors who are not management who have qualifications of independent directors not less than 1 out of 3 of the total directors, in order to balance the vote in considering any issue and also to audit the management's performance to maximize the benefit of the company.

The Board of Directors has set up two committees to assist in corporate governance such as the audit committee and the executive committee. The company divided the duties and responsibilities of the Board of Directors, the audit committee, and the executive committee for the shareholders clearly in order to be free when decision making and present the vision as the following details under the title of management structure.

The Board of Independent Directors and The Audit Committee : The company has totally 4 independent directors, 3 of which also are the audit committee, to be on duty of specific issue and propose to the Board of Directors' consideration or to be acknowledge as the authority.

The Executive Committee : The company has totally 5 executive directors to work with versatility, by having the authority assigned from the Board of Directors.

Moreover, the company has a policy to divide the responsibilities of chairman and managing director as different persons to prevent anyone having the unlimited authority. The Board of Directors of the company defines the authority and responsibility and selects the person to be appointed in the positions.

Also, the company has a company secretary who is responsible for giving the suggestions concerning the rules and regulations which the Board of Directors need to be informed and is on the duties of taking care of the Board of Directors' activities as well as coordinating to perform as the resolution of the Board of Directors.

#### **Authority of the Board of Directors**

1. The Board of Directors has an authority and duties as defined in the company's regulation.
2. The Board of Directors has an authority and duties on monitor and setting up the significant policy as follows:
  - 2.1. Business Policy
  - 2.2. Financial Policy
  - 2.3. Funding Policy
  - 2.4. Capital Management Policy
  - 2.5. Company Risk Management Policy
3. The Board of Directors has an authority concerning the investment as follows:
  - 3.1. Considering and approving the budget
  - 3.2. Considering the investment project of the company
  - 3.3. Supervising the project to be operated as plan
4. The Board of Directors has an authority supervising the the company's operations for:
  - 4.1. Achieving the goal or better than the defined goal
  - 4.2. Defining the guidelines of solutions in case of having obstruction to achieve the goal or better than the defined goal
5. The Board of Directors has an authority to provide general reports and financial reports to report to the shareholders and the stakeholders or any investors accurately, updated, and according to the law.
6. The Board of Directors has an authority to be informed of the significant audit report of the audit committee or the internal audit including the auditor and the financial advisor of the company, and to be on duty of setting guidelines of solutions in case of significant defect.
7. The Board of Directors has an authority to audit the adequate and appropriateness of the internal control and the company's risk management.
8. The Board of Directors has an authority and a duty on facilitating the process of creating the top management of the company in order to substitute continuously (Succession Plan).

9. The Board of Directors has an authority to appoint the audit committee and to approve the authority of the audit committee.
10. The Board of Directors has an authority to appoint any one person or many or others to act as the Board of Directors. For the authorization, the proxy does not have an authority to approve any issue which the person or a person who may have conflicts (“person who may have conflicts” has a meaning as the announcement of SEC and SET) has the interest or conflict of benefit with the company or the subsidiaries.

Exception of the following issues, which will be done when getting the approval from the shareholders’ meeting. It is defined that the issue that the person or a person who may have conflicts has the interest or conflict of benefit with the company or the subsidiaries cannot vote for the issue.

- The law requires to have a resolution of the shareholders’ meeting.
- Any transaction that directors have interests and in the legal or regulations of the Stock Market needs to be approved from the shareholders’ meeting.
- Moreover, in the following cases need to be approved from the Board of Directors’ meeting and the shareholders’ meeting with the vote not less than 3 of 4 of the total vote of the shareholders who attend the meeting and have a rights to vote.
  - Selling or transfer the business of the company in total or some parts which is important to other persons
  - Purchasing or acquiring the business of other public companies or private companies to the company.
  - Creating, editing, or cancelling the contract concerning leasing the business of the company in total or some parts which is important. To authorize other persons to manage the business of the company or the merger by having a purpose of profit sharing.
  - Editing the company’s memorandum or the company’s regulations.
  - Increasing or decreasing the capital of the company
  - The merger or the company closing down
  - Other issues according to the law

### **The Remuneration of the directors and the management**

The company reports clearly on the remuneration of the directors according to the announcement of the Securities and Exchange Commission (SEC), which has been approved by the Annual General Meeting of shareholder (AGM) every year. If the directors of the company are assigned more duties and responsibilities; for example, being also the audit committee, they will be receive the appropriate remuneration with the duties and responsibilities assigned additionally by considering the capability of the company too.

## **The report of the Board of Directors**

The Board of Directors is responsible for the financial report of the company and the subsidiaries including the information appeared on the annual report, disclosure and the financial statements which the audit committee audits the quality of the financial report, internal control, and sufficient information disclosure to be in the notes in the financial statements. The reports are proposed to the Board of Directors every quarter. To provide the audited financial statements by the auditor who is approved by SEC and according to the generally accepted accounting standard in Thailand. The information disclosure which is important including both monetary and non monetary is done based upon the accuracy, complete, reliable, and reasonable use of appropriate accounting policies.

## **The Board of Directors' meeting**

The company arranges the meeting of the Board of Directors regularly at least every quarter and the extraordinary meeting additionally upon the necessity by defining the clear agendas in advance including the agenda of monitoring company performance regularly. In every Board of Directors' meeting, there is a company secretary who provides the agendas of the meeting and sends out the meeting documents to the Board of Directors at least 7 days in advance in order for the directors to have enough time to consider and study the information as well as keeping the minutes of meeting in the past which was approved systematically from the Board of Directors and is ready for the Board of Directors and related party to audit.

To consider any issue, the chairman of the company is responsible for the chairman of the meeting to allow the directors to give opinions freely. A resolution of the Board of Directors is from a vote of the majority. One Director has one vote. Directors having an interest will not attend the meeting or will not vote for the issue. If the vote is equal, the chairman of the meeting will have one vote to get the resolution.

In 2016, the company has arranged 6 meeting of the Board of Directors, each of which has the company directors attended as per the management structure.



**(d) Risk Control and Management**

**Internal Control and internal audit system**

The company emphasizes on the internal audit for the management level and operation level. To operate efficiently, the company defines the duties and authority of the operator and management in written clearly. The company control and manage the use of assets of the company for the benefit. The duty and responsibility is allocated to operator and monitoring controller separately. Moreover, the company provides the internal auditor to audit the internal control and internal audit efficiently as well as auditing the operations according to law and requirements associated with the company. The audit result will be reported to the Board of Directors to approve as a copy for the managing director.

**(e) Business Ethics**

The company set the guidelines concerning the ethics of the Board of Directors, management, and employees in order for the related parties use to perform on their duty with honest, integrity and fairness when treating to every stakeholder group. Also, the company announced to the employees and every management being informed to use the guidelines strictly.

**Conflict of Interest**

The Board of Directors set up a policy concerning the conflict of interest based on the concept that any decision making on business operations will have to be done for the maximum benefit of the company only and should avoid the action which creates the conflict of interest, which the persons who are related to the issue being considered need to inform the company about the relationship or the connection of them and the issue, and not to participate in the consideration as well as to have an authority to approve any transaction.

The audit committee proposes the Board of Directors about the related transactions and the conflict of interest which is considered the appropriateness deliberately. The company has complied with the rules of the Stock Exchange of Thailand regulations strictly in terms of pricing and other conditions with the persons who may have a conflict of interest by virtually deal with the third parties, sending the reports as period of time defined by SET and publicizing in the financial statements and annual report and the annual report (56-1 type).

## 2) The Committees

The company including two sets of the committees such as the audit committee, the executive committee, by having the name list and the authority as follows:

### 1. The audit committee has 4 people consisting of

Directors' Names	Position
Mr. Somkiat Sukdhewa	Chairman of the audit committee
Mr. Suriyaporn Bunchai	Audit Committee
Mr. Eknarin Thammarak	Audit Committee
Mr. Thongchai Wattanasoponwong	Audit Committee

Mr. Suriyaporn Bunchai is the audit committee who has knowledge and experience in auditing the financial statements of the company.

### The authority of the Audit Committee

1. To audit the company to provide the accurate financial report and disclose the sufficient and reliable information.
2. To audit the company to have the appropriate and efficient internal control and internal audit with the consideration of the freedom of the internal audit as well as to approve the appointment, transfer, terminate the head of internal audit or any other department related to the internal audit.
3. To audit the company according to the law of securities and the stock exchange, the regulations of the stock exchange, and the related law.
4. To consider, select, and appoint the persons who have a freedom to be responsible for the auditor of the company and to propose the compensation of the persons as well as to attend the meeting with the auditor without the management at least once a year.
5. To consider the transaction related to or the transaction that may be conflict of interest according to the law and the regulations of the Stock Exchange in order to ensure the transaction being reasonable and maximize the company's benefit.
6. The transaction needs to signed by the chairman of the audit committee and need to have information at least as follows:
  - (a) The opinion concerning the accuracy, complete, reliable of the financial report of the company.
  - (b) The opinion concerning the sufficient internal audit system of the company.
  - (c) The opinion concerning the complying the law of securities and the stock exchange, the regulations of the stock exchange or the related law.
  - (d) The opinion concerning the appropriateness of the auditor.

- (e) The opinion concerning the transaction that may have conflict of interest.
  - (f) The number of the meetings of the audit committee and the attendance of each of the audit committee.
  - (g) The opinion or comment in general that the audit committee get from their operation according to the rules.
  - (h) Other transactions that shareholders and investors should acknowledge under the the scope of duties and responsibilities assigned by the Board of Directors.
7. Any assignments from the Board of Directors with the agreement from the audit committee.

## 2. Executive committee has 5 people consisting of

Director's Name	Position
Mr. Khajohnpong Kamdee	Chairman of the Executive Committee
Mr. Thanawat Pratoomsuwan	Executive Director
Ms. Kanchana Chakvichitsopon	Executive Director
Mr. Phiroon Phihakendr	Executive Director
Mr. Pipat Phihakendr	Executive Director
Mr. Phiboon Phihakendr	Executive Director

### The cope of duty and responsibility of the executive committee

1. To have an authority to approve to apply for a loan or any credit application of the company within the credit line of each transaction not over 300 million Baht or equivalent.
2. To have an authority to approve the operation for the normal business transaction of the company; for example, to provide merchandise, vehicle, material, equipment, appliance, to approve the expenses, to approve the write-off, within the credit line of each transaction without limit, and to operate any other transactions like the project to invest for an expansion approved the credit line not over 80 million Baht
3. To have an authority to manage the business of the company according to the purpose, regulations, resolutions of the shareholders' meeting and resolutions of the Board of Directors' meeting.
4. To set up the organization structure, management, executive committee by covering all the details of selecting, training, hiring, and terminating the employee of the company.
5. To have an authority to provide, suggest, and define the business policy and the business strategy of the company to the Board of Directors for an approval.
6. To set up the business plan, management authority, approval the annual budget for the business and the annual budget of expenses, and to implement the business plan and strategies aligned with the business policies and business directions which the Board of Directors approved.
7. To have an authority to do financial transactions in terms of opening the account with banks, financial institutes and applying for a letter of guarantee from banks or financial institutes.
8. To perform other duties as assigned in each period of time by the Board of Directors

For the authorization, the proxy does not have an authority to approve any issue which the person or a person who may have conflicts ("person who may have conflicts" has a meaning as the announcement of SEC and SET) has the interest or conflict of interest with the company or the subsidiaries. To approve such issue needs to propose to the Board of Directors' meeting and/or the

shareholders' meeting to consider and approve the issue according to the regulations of the company or the related law except for the approval of the transaction which is normal business practice as policies and measurement that the Board of Directors approved.

#### **Scope of duty and responsibility of the chairman**

1. To manage normal business tasks of the company.
2. To consider and screen the investment in order to propose to the Board of Directors to approve.
3. To give a policy of budgeting annually to propose to the Board of Directors of the company to approve.
4. To have an authority to approve the operation for the normal business transaction of the company; for example, to provide merchandise, vehicle, material, equipment, appliance, to approve the expenses, to approve the write-off, within the credit line of each transaction not over 200 million Baht or equivalent, and to operate any other transactions like the project to invest for an expansion approved the credit line not over 40 million Baht.
5. To have an authority to perform on behalf of the company to other third party in the related business and to be benefit for the business.
6. To perform other duties as assigned by the Board of Directors case by case.

For the authorization, the proxy does not have an authority to approve any issue which the person or a person who may have conflicts ("person who may have conflicts" has a meaning as the announcement of SEC and SET) has the interest or conflict of interest with the company or the subsidiaries. To approve such issue needs to propose to the Board of Directors' meeting and/or the shareholders' meeting to consider and approve the issue according to the regulations of the company or the related law except for the approval of the transaction which is normal business practice as policies and measurement that the Board of Directors approved.

### **3) Recruitment and appointment of directors and top management.**

#### **1. Independent Directors**

Independent means the director from outside who can take the role of protect the benefit of every shareholder equally and can help supervise of no occurrence of the conflict of interest between the company and the related persons and the qualifications are as follows:

1. To hold the share not over 1% of the total shares, that can vote, of the company, holding company, subsidiaries, associated company, major shareholders, or the person who have the authority of the company, by counting the shareholding of the related person of the independent director.

2. Never been the directors who participate in the management, worker, employee, consultant who get monthly payment or the person who has the authority of the company, the holding company, the subsidiaries, the associated company, same level of subsidiaries, major shareholders or of the person who has the authority of the company, except for not being the formerly stated for not less than 2 years. This does not include the case that the independent director has ever been government officer or the consultant to the government who is the major shareholder or the controlling person of the company.

3. Not being the person related by blood or registration under laws such as father, mother, spouse, sibling, and child and also spouse of the children, of executives, major shareholders, controlling person or person being nominated to be executive or controlling person of the company or the subsidiaries.

4. Not having a business relationship with the company, its holding company, subsidiary, associated company, major shareholder, or controlling person, in the manner which may interfere with his independent judgment, and neither being nor having been a principle shareholder, or controlling person of any person having business relationship with the company, its holding company, subsidiary, associated company, major shareholder, or controlling person of the company unless the foregoing relationship has ended not less than two years.

5. Neither being nor having been an auditor of the company, its holding company, subsidiaries, associated company, major shareholder, or controlling person of the company, and not being a principle shareholder, controlling person, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate, major shareholder, or controlling person of the company unless the foregoing relationship has ended not less than two years.

6. Not being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the company, its holding company, subsidiary, associated company, major shareholder, or controlling person of the company, and not being a principle shareholder, controlling person, and partner of such professional advisor unless the foregoing relationship has ended not less than two years.

7. Not being a director who has been appointed as a representative of the company's director, major shareholder, or shareholders who are related to the company's major shareholder;

8. Not operate any business which has the same nature as and is in principle competition with the business of the company or subsidiaries, or not being a principle partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary, or holding shares not exceeding one percent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the company or subsidiaries;

9. Not having any characteristics which make him incapable of expressing independent opinions with regard to the company's business.

The company defined the meaning of the independent director of the company as equivalent to the criteria of SEC of the Stock Exchange in terms of shareholding of the company's share, not being employee, consultant with monthly payment or the controlling person of the company and not related in business.

## 2. Recruitment of directors and top management

### Director

For Selecting and appointing the persons to be in the Board of Directors, although the company has no the Nomination Committee, the nomination of directors will be done by the directors who formulate the rules about knowledge, capability, experience, vision, and reliability as well as being the qualified person by not having characteristics not approved by the law to propose to the shareholders' meeting to consider the appointment, which the company has significant rules and method.

1. The Board of Directors consists of the directors not less than 5 people, electing by the shareholders' meeting with the directors who are the audit committee not less than 3 people. Not less than half of the directors has been located in Thailand.

2. The shareholders' meeting elects the directors according to the rules and method as follows:

- (a) One shareholder has one vote per one share.
- (b) Each shareholder uses all his votes as (1) to elect a person or many to be as directors. In case that electing many persons to be directors, the votes cannot be allocated to one more than others.
- (c) The person who gets the maximum votes and all runner ups will be elected to be directors at the amount of the directors to be elected that time. In case that the number of persons who are elected with all runner ups having the same votes is more than the number of directors required that time, the chairman of the meeting will be the one who finalizes.

3. In the Annual General Meeting of shareholders every year, one-third of the directors will be retired. If the number of the directors cannot absolutely divided into three parts, the number of directors to be retired is nearly to one-third. Directors who have to be retired in the first year and second year after the company registered can draw lots. For the following years, directors who have been in the position the longest need to be retired. The directors who are retired may be selected to be back to be appointed again.

4. Any director will resign from the position by sending the resignation letter to the company. The resignation will be effective from the date when the letter delivered to the company.

5. To finalize the resolution to approve one director retired before his term to be retired, the number of votes is not less than four-third of the number of shareholders who attend and have the rights to vote and the number of shares totally is not less than half of the number of shares holding by the shareholders attending the meeting and having the rights to vote.

### **Audit Committee**

The audit committee of the company has to be the independent director who is elected from the Board of Directors or from the shareholders' meeting and the qualification according to the law of securities and stock exchange and also the announcement, regulations, and/or the rules of the stock exchange, with not less than 3 people. At least one director has to be the one who has knowledge about accounting and finance.

### **Executive Committee**

The Board of Directors proposes to appoint the executive committee by selecting the directors and/or the management at the appropriate amount and the Board of Directors appoints one executive director to be the chairman of the executive committee.

### **Top Management**

For the nomination of the person who is in the position of the managing director or the chairman of the management, the Board of Directors is the one who primarily considers. In the screening process of nominating the person who has the complete qualification with the capability and skills and experiences which are benefit to the company's operations and understand thoroughly about the business and can manage in order to achieve the goal which the Board of Directors defined, the person will be proposed to the Board of Directors later.

#### **4) The Supervision of the Operations of the subsidiaries and associated company**

In the past, to propose and exercise the votes to elect the person to be director in the subsidiaries and the associated company was done by the management. From 2015 onward, the company has set up the rules of proposing and exercising the votes by having to get approval from the Board of Directors, too. The appointed directors in subsidiaries or associated companies are responsible for operate for the maximum benefit to the subsidiaries or associated companies. The company requires the appointed person to have been approved from the Board of Directors before the resolution or exercising the votes in the same level of significant issue which needs the approval from the Board of Directors. Also, sending directors to be representative in the subsidiary or associated company according to the shareholding proportion of the company.

Moreover, in case of the subsidiaries, the company set the rules that the appointed person have to take care of the regulations of the subsidiary about the related transactions, acquisition and disposition of the assets, or any important transactions of the company to be accurate and complete. By using the measurement of information disclosure and the transactions same as the company's measurement as well as supervising to keep the information. The subsidiaries's accounting has to be monitored, audited, able to make the consolidated financial statements on time.



**5) Policy and Treatment of inside information**

The company has a policy and method to take care of directors and management to use the inside information of the company which is not announce to the public for their personal benefit including securities trading as follows:

- (a) To acknowledge directors and management in different departments about the responsibility to report their securities holding and also their spouse's and child's securities holding to SEC and SET according to the clause 59 and the punishment according to the clause 275 of the act of securities and the stock exchange B.E.2535
- (b) The company requests the management to report the change of their securities holding to SEC and SET as the clause 59 of the act of securities and stock exchange B.E. 2535 and requests the management to sending a copy to the company on the same date of sending the report to SEC and SET
- (c) The company does not allow the Board of Directors, management, or operators who know the inside information to disclose the information to outsiders or others not related to, and does not allow to do securities trading within 30 days before the publication of the financial statements or of the status of the company including other information and should wait for at least 24 hours after the information disclosure to the public and before trading the securities.

The company set the punishments for the person seeking for benefit themselves by using the insider information, or for the information disclosure till the company has been damaged. The case to be punished such as warning verbally, warning in written, probation and termination of being an employee.

**6) The remuneration of the auditor**

1. The auditing fee

The company and subsidiaries paid the auditing fee to the auditor of the company and the subsidiaries in 2016 as follows:

- The auditing fee for all companies locating in Thailand is totally of 5,240,000 Baht.
- The auditing fee for tall companies locating in foreign country is totally approximately 1,211,714 Baht

2. Other fee (Non-auditing fee)

- None

**7) Other corporate governance principles**

Not any