

## 9. Corporate Governance

### 9.1 Corporate Governance Policy

The Board of Directors realizes the significance and benefits of good corporate governance to ensure the Company's efficient, transparent and auditable management systems that help build up trust and confidence for shareholders, investors, stakeholders, and all parties concerned, thereby resulting in the Company's sustainable growth. The Company adheres to its corporate governance policy which is in compliance with corporate governance principles in five sections, namely:

#### 1. Shareholders' Rights

Shareholders are encouraged to exercise their fundamental rights and the Company takes care of its shareholders beyond their rights as specified by law without any actions in violation of or depriving shareholders of their rights.

#### 2. Equitable Treatment of Shareholders

The Company ensures that all shareholders are equally treated according to their fundamental rights, and lays down measures to prevent inside information usage for advancing personal interests or the interests of others which causes damage to shareholders as a whole.

#### 3. Role of Stakeholders

The Company takes care of every group of stakeholders based on their rights as specified by applicable laws without any actions in violation of or which deprive stakeholders of their rights, establishes compensation measures in case any stakeholder sustains any damage arising from violation of the rights, and promotes cooperation between the Company and stakeholders in order to build up wealth, financial stability and sustainability of the Company.

#### 4. Disclosure and Transparency

All activities are undertaken with transparency and are open for inspection with sufficient information disclosure to all relevant parties, including disclosure of material information relating to the Company, both financial and non-financial information, which is made correctly, completely, timely and transparently through channels that are accessible easily, equally and reliably.

#### 5. The Board of Directors' Responsibilities

The Board of Directors performs their duties with honesty and due care for the optimum benefit of the Company and fairness to all shareholders under the good internal control system and suitable risk management, including compliance with the Company's code of ethics.

To build up confidence for shareholders, investors and all parties concerned, the Board of Directors regularly reviews its corporate governance policy every year. In this regard, the Company has disclosed and disseminated the corporate governance policy on its website for both internal and external communication and via the electronic mail for internal communication with staff for information and compliance with such policy. The Board of Directors has then reviewed its practices in accordance with the Company's good corporate governance principles, and the Company has also prepared good corporate governance guidelines for compliance.

The Company has adhered to good corporate governance principles in its management by taking into account the significance of and responsibilities towards the Company's shareholders and stakeholders, and as such, in 2016 the Company received a very good rating in the assessment of corporate governance.

The Company has complied with the Principles of Good Corporate Governance for Listed Companies in accordance with the best practices of the Stock Exchange of Thailand in five sections, as follows:

#### 9.1.1 Shareholders' Rights

The Board of Directors acknowledges shareholders' ownership rights to decide on the Company's significant changes. The Board of Directors also understands the significance of shareholders' rights and therefore refrains from taking any actions in violation of or which deprive shareholders of their rights as well as facilitates their exercise of such rights.

Shareholders are sufficiently informed on rules and procedures for participation in meetings and provided with other information in support of their consideration of each agenda item in due course in accordance with the practices of the Stock Exchange, as follows:

## **1. Shareholders' Meetings**

### **1.1 All groups of shareholders' participation in shareholders' meetings**

The Company realizes shareholders' ownership rights and thus manages its business with good, acceptable and reliable governance. Shareholders control the Company through the appointment of the Board of Directors. In this connection, the Board of Directors clearly sets out the corporate governance policy that the Company must encourage all groups of shareholders, particularly minority shareholders, foreign shareholders, and institutional shareholders, to exercise their rights without limitation to only such rights provided by laws. The Board of Directors has supervised and monitored to ensure that shareholders' fundamental rights under laws must be protected, whereby the Company must not take any actions in violation of or which deprive shareholders of their rights. Shareholders' right to decide on significant changes shall be promoted by providing sufficient access to the Company's information, encouraging their participation in shareholders' meetings to vote on appointment of directors, determination of remuneration for directors, appointment of auditors and determination of audit fee, including voting on any important matters of the Company.

In case it is inconvenient for any shareholder to attend meetings in person, the Company prepares proxy forms to facilitate shareholders' voting, and nominates one independent director who may be appointed as proxy of shareholders for exercising the right to attend meetings and vote on each agenda item by proxy. Three available proxy forms under law are prepared, as follows:

- Proxy Form A is a general simple proxy form (for shareholders in all cases);
- Proxy Form B is a proxy form with specific details;
- Proxy Form C is used only by foreign shareholders who appoint a custodian in Thailand.

The Company makes these three proxy forms available on its website for shareholders to choose and use them as appropriate. Furthermore, the Company prepares duty stamps available for free for shareholders who appoint their proxies to attend meetings.

### **1.2 Shareholders' access to the Company's information**

Notices of meetings which contain detailed explanations of and reasons in support of each agenda item, date, time, place, including details relating to the documents or evidence in support of participation in meetings, are prepared by the Company both in Thai and English versions for the benefit of foreign shareholders. The Company posts notices of meetings on the Company's website 30 days in advance. As for the 2016 Annual Ordinary General Meeting of Shareholders on April 5, 2016, the Company disseminated the notice of the meeting on its website since March 4, 2016 and also sent the notice of the meeting to Thailand Securities Depository Company Limited, as the Company's share registrar, for delivery to shareholders 14 days prior to the meeting, namely, March 21, 2016, so as to allow shareholders to have time to consider the details of each agenda item. Furthermore, the shareholders' meeting has been proceeded in accordance with the order of agenda as specified in the notice of the meeting without adding any agenda to the meeting without prior notice to shareholders in the meeting, so that shareholders have access to information in support of their consideration of each agenda item.

**1.3 Facilitation to shareholders' exercise of their rights to attend meetings and vote**

The Company facilitates shareholders' exercise of their rights to attend meetings and vote without any special conditions which may restrict shareholders' opportunity to attend meetings. The Company sets shareholders' meeting dates which do not fall on any long holidays or public holidays; and an appropriate meeting time which is not too early in the morning or too late in the evening. Meetings are held at venues which are convenient for commuting, such as, close to a metro station or expressway on-off ramp, and with sufficient parking area, together with meeting venue and travelling map. In 2016, the Company convened one the shareholders' meeting, namely, the 2016 Annual Ordinary General Meeting of Shareholders on April 5, 2016 at 14.00 hrs. at Plaza Athénée Bangkok, A Royal Méridien Hotel No. 61 Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok, where shareholders could travel to by metro.

**1.4 Shareholders' opportunity to ask questions in advance**

The Company welcomes shareholders' inquiries concerning meetings in each agenda item or submission of questions or suggestions prior to meeting dates, subject to procedures described in the notices of meetings. The Company also discloses the detailed procedures for submission of questions in advance on its website at [www.bemplc.co.th](http://www.bemplc.co.th). Shareholders may send questions via the Company's website or e-mail address : [companysecretary@bemplc.co.th](mailto:companysecretary@bemplc.co.th), Telephone : 0 2641 4611, Facsimile: 0 2641 4610, and by post to the Managing Director Office, Bangkok Expressway and Metro Public Company Limited Branch Office (1) No. 238/7 Asoke-Dindaeng Road, Bangkapi Subdistrict, Huai Khwang District, Bangkok 10310.

Shareholders may submit questions in advance for the Company's ordinary general meetings of shareholders. Answers to shareholders' questions submitted in advance may be given via e-mail, facsimile, other appropriate channels, or at ordinary general meetings of shareholders.

As for the 2017 Annual Ordinary General Meeting of Shareholders, shareholders may submit questions for the Company's ordinary general meeting of shareholders in advance via the website since October 1, 2016.

**2) Conduct of Shareholders' Meetings**

The Company's reception staff facilitates shareholders' participation in meetings and provides information to shareholders both before and after meetings as well as serves refreshments to shareholders. In addition, the Company uses the following facilities and methods to conduct meetings:

**2.1 Use of technology in meetings**

The Company uses barcodes and computer systems for meeting registration and voting for the purpose of accuracy, convenience and rapidity, and as such, voting results can be displayed online immediately.

**2.2 Directors' participation in shareholders' meetings**

The Board of Directors realizes the significance of their participation in shareholders' meetings to answer questions and take suggestions of shareholders into consideration. In 2016, there were 15 directors from a total of 16 directors attending the 2016 Annual Ordinary General Meeting of Shareholders, which the Chairman of the Board of Directors, Audit Committee Chairman, chairs of various subcommittees, Managing Directors, and the Management Team of the Company attended to answer shareholders' questions on various issues.

### **2.3 Rules on voting**

The Company specifies that shareholders have one vote for each share held by them. Normally, a majority of votes of shareholders who attend the meeting and cast votes is applicable. Agenda items on determination of remuneration for directors must be passed by not less than two-thirds of all votes of the shareholders who attend the meeting. As for other issues, votes are in accordance with the Articles of Association, laws and relevant regulations. Agenda items for acknowledgement require no resolution.

### **2.4 Vote counting or examination in shareholders' meetings**

The Company uses the barcode system to record and display voting results. A legal advisor and at least two independent persons as shareholders' representatives witness the counting of votes to ensure transparency and compliance with the laws and the Articles of Association. The Company's Board Chairman who presides over shareholders' meetings introduces the examiners of vote counting to the meetings and has it recorded in the minutes of the shareholders' meeting. In respect of voting results of the meetings, favorable, unfavorable, and abstaining votes, including voided voting cards would be displayed. The results of vote counting are open to shareholders' examination. The Company discloses resolutions, together with voting results on each item to the meetings and disseminates such resolutions via the Stock Exchange's system as well as makes such resolutions and minutes of meetings available on the Company's website for the shareholders' information and examination of voting results.

### **2.5 Use of voting cards**

1. Voting cards are provided for every agenda for those who attend the meetings in person or by proxy and have power to vote on each agenda item. The Company's officers facilitate the collection of voting cards in the meeting room. To ensure transparency, the Company has its legal advisor and the shareholders' representatives serve as witnesses in the counting of votes.
2. In case shareholders appointing their proxies have clearly voted for, against or abstained from voting on the respective agenda items, the Company collects and records such votes for computer processing in advance. The legal advisor and the shareholders' representatives examine the counting of votes by proxy, in which case, no voting cards are provided to the proxies attending the meetings.
3. To ensure that the conduct of the meeting in each agenda item is efficient and beneficial to shareholders as a whole and that the Board of Directors has sufficient time to clarify or answer shareholders' questions, the Company collects only the voting cards of the shareholders attending the meeting in person and intending to vote against or abstain from voting.
4. For the agenda item on appointment of directors in respect of which shareholders may vote on an individual basis, the Company collects the voting cards from all shareholders attending the meeting to ensure transparency in the counting of votes which can be requested for review at a later date.

### **2.6 Shareholders' opportunity to share opinions or ask questions**

The Chairman of the Board of Directors who presides over shareholders' meetings allows and encourages shareholders to share opinions and ask questions concerning related matters to the meetings, based on the following practices:

1. To further share opinions or ask questions relating to agenda items during the meetings, after the end of report or presentation of each agenda item;

2. To further share opinions or ask questions relating to matters other than the agenda items after the meetings have proceeded in accordance with all agenda items.

In addition, the Company's staff facilitate shareholders' submission of written questions to directors or posting of direct questions to directors during the meetings.

### **3) Preparation of Minutes of Shareholders' Meetings and Disclosure of Meetings' Resolutions**

1. The Company disseminates resolutions of shareholders' meetings on its website in addition to the disclosure to the Stock Exchange via SET Community Portal (SCP), within the shareholders' meeting day for information and review of voting results.
2. The Company prepares minutes of every shareholders' meeting with accuracy and completeness, comprising the following information:
  - The list of directors attending the meeting;
  - The number of shareholders/shares present at the meeting (in person/by proxy);
  - Brief explanation on material issues, such as, voting procedures and display of voting results, to the meeting prior to conducting the meeting;
  - Names of persons who ask/answer questions or share opinions in brief;
  - Resolutions of the meeting, with details of votes for, against or abstentions.
3. Draft minutes of shareholders' meeting are made available for all shareholders' information on the Company's website after the minutes have been delivered to the Stock Exchange within 14 days after the end of the meeting.
4. Video presentation of the atmosphere of the shareholders' meeting is made available on the Company's website for the shareholders absent from the meeting or for any persons interested in the Company's information, to review details of the meeting other than those recorded in the minutes, and such video presentation is available on the website until the next shareholders' meeting.

#### **9.1.2 Equitable Treatment of Shareholders**

The Board of Directors realizes the significance of supervision and monitoring to ensure the Company's equal and fair treatment of all shareholders, both executive and non-executive, including foreign shareholders, for the protection of shareholders' fundamental rights, and adopts measures to prevent inside information usage for advancing personal interests or the interests of others which may cause damage to shareholders as a whole.

##### **1) Provision of Information prior to Shareholders' Meetings**

The Board of Directors ensures that the Company gives notice of the meeting, together with agenda items and opinions of the Board on each agenda item, to the Stock Exchange in accordance with the rules on disclosure, and such notice is posted on the Company's website on the following business day; ensures that the Company prepares the notice of the meeting, together with details of each agenda item, both in Thai and English, for the convenience of foreign shareholders; and disseminates such notice of the meeting, together with details of each agenda item, on its website one month prior to the meeting date. As for the 2016 Annual Ordinary General Meeting of Shareholders on April 5, 2016, the Company disseminated the notice of the meeting since March 4, 2016. The Board of Directors also ensures that the Company gives prior notice to shareholders on rules and regulations in the conduct of the meeting, voting procedures, including their voting rights.

**2) Protection of Minority Shareholders' Rights**

The Company is determined to facilitate shareholders' exercise of their rights to supervise the Company's business through the Board of Directors in order to enable shareholders to exercise their rights to propose any matters relating to the Company's significant changes. The Company therefore adopts a policy to fairly and equally allow all shareholders to exercise their rights to propose agenda items to the shareholders' meeting and to nominate qualified candidates for appointment as directors via the Company's website. Shareholders may exercise such rights three months prior to the end of each accounting year. As for the 2017 Annual Ordinary General Meeting of Shareholders, the Company allowed shareholders to propose agenda items of the 2017 Annual Ordinary General Meeting of Shareholders and nominate qualified candidates for appointment as directors in advance via the Company's website at <http://www.bemplc.co.th> from October 1, 2016 to December 31, 2016. The Company has informed its shareholders of such change via the Stock Exchange's website, including relevant rules on the Company's website since October 1, 2016. In this regard, the Board of Directors considers incorporating agenda items proposed by shareholders as appropriate. As for the candidates nominated for appointment as directors, the management proposes such names to the Nomination and Remuneration Committee for further submission to the Board of Directors and the shareholders' meeting.

The shareholders' meeting proceeds in accordance with the order of the agenda as specified in the notice of the meeting and may not add any agenda item to the meeting without prior notice to shareholders, so that shareholders have the opportunity to study information in support of consideration of each agenda item.

Shareholders are allowed to exercise their rights to appoint directors on an individual basis in the agenda item of appointment of directors, in respect of which shareholders may vote on an individual basis.

**3) Prevention of Inside Information Usage**

The Board of Directors has set out written guidelines for protection and prevention of inside information usage, and informed all staff of such guidelines for compliance. In this regard, the Company has established measures to prevent inside information usage to advance the interests of directors and executives by informing all persons of their roles and duties to report their own securities holdings, and those of their respective spouses or minor children who hold securities of the Company; and to report on every change in such securities holding from purchase, sale, transfer or acceptance of securities, to the Office of the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within three business days from the date of purchase, sale, transfer or acceptance of transfer of securities, and the Company regularly reminds the Board of Directors thereof. The Board of Directors has required such directors and executives to report on their securities trading or holding to the Board of Directors' Meeting on a quarterly basis. Moreover, directors and executives have also been informed of their duties and responsibilities as specified, including punishments under the laws. In addition, the Company prohibits its executives who have access to inside information from taking any actions contrary to the relevant laws, rules and regulations.

**4) Interests of Directors and Executives****4.1 Report on interests of directors and executives**

The Board of Directors imposes a duty on its directors and executives to report on their personal interests and disclose their holdings of directorships or executive positions in other legal entities, and their shareholdings in other legal entities in excess of 25 percent of total voting shares and this obligation applies to both reporters and their related persons. This is to ensure that the Board of Directors has information in support of its consideration and approval of execution of transactions of the Company and its subsidiaries with accuracy and transparency in compliance with the relevant rules and regulations.

The Company Secretary keeps such reports on interests of directors and executives, and provides copies of such reports to the Chairman of the Board of Directors and the Audit Committee Chairman within seven business days from the date of receipt thereof.

**Report on securities holding by directors and executives for 2016**

Names of Directors/Executives	Amount of Ordinary Shares			
	As at December 31, 2015	Change in 2016	As at December 31, 2016	
			Amount	Percent (%)
<b>Directors</b>				
1. Dr. Virabongsa Ramangkura	-	-	-	-
2. Mr. Plew Trivisvavet	21,706,878	-	21,706,878	0.1420
Spouse	2,102,527	300,000	2,402,527	0.0157
3. Mr. Vitoon Tejatussanasoontorn	2,906,393	(2,102,500)	803,893	0.0053
4. Gen. Chetta Thanajaro	2,102,527	-	2,102,527	0.0138
5. Gen. Sampao Choosri	-	-	-	-
6. Dr. Annop Tanlamai <sup>(1)</sup>	N/A	-	-	-
7. Mrs. Vallapa Assakul	1,496,296	(1,496,296)	-	-
8. Mr. Supong Chayutsahakij	2,102,527	(2,102,527)	-	-
9. M.L. Prasobchai Kasemsant	-	-	-	-
10. Mr. Phongsarit Tantisuvanitchkul	-	-	-	-
11. Mr. Werapong Suppasedsak	-	-	-	-
12. Mr. Panit Dunnvatanachit	-	-	-	-
13. Mr. Yuttana Yimgarund <sup>(2)</sup>	N/A	-	-	-
14. Mr. Theeraphan Tachasirinugune	-	-	-	-
15. Mr. Dumkerng Pankam <sup>(3)</sup>	N/A	-	-	-
16. Dr. Sombat Kitjalaksana	4,699,141	(2,100,000) 1,000,000	3,599,141	0.0235
17. Mrs. Payao Marittanaporn	-	-	-	-
<b>Executives</b>				
18. Mr. Sanguan Kunatinun	-	-	-	-
19. Mrs. Sudruthai Prommart	-	-	-	-
20. Mr. Phakpoom Thaweewittayarut	-	-	-	-
21. Miss Panan Tosuwanthaworn	-	-	-	-
22. Mr. Witoon Hatairatana	2,102,527	(2,102,527)	-	-
23. Mr. Alvin Gee	-	-	-	-
Spouse	447,210	(302,938)	144,272	0.0009

**Remarks :** <sup>(1)</sup> Dr. Annop Tanlamai was appointed as director on February 25, 2016.  
<sup>(2)</sup> Mr. Yuttana Yimgarund was appointed as director on November 30, 2016.  
<sup>(3)</sup> Mr. Dumkerng Pankam was appointed as director on November 30, 2016.

**4.2 Interested directors' participation in shareholders' meetings**

The Board of Directors sets out a policy to prohibit its directors and executives who are connected persons or interested persons in relation to any agenda items to be considered from participating in the meeting or voting on such items. The management gives prior notice to such directors and executives who are not allowed to participate in the meeting or vote on such item. In considering a connected person and interested person, the Board of Directors takes into account such reports on interests which all directors and executives have a duty to prepare and submit to the Chairman of the Board of Directors and the Audit Committee Chairman in accordance with the Board of Directors' policy requiring directors and executives to report on their personal interests.

**5) Related Party Transactions / Connected Transactions**
**5.1 Policy on related party transactions / connected transactions**

In case the Company executes a connected transaction under the definition of the Stock Exchange, the Company must comply with the rules and regulations of the Stock Exchange, as follows:

1. The Company shall comply with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange, including the requirements on the disclosure of connected transactions as well as acquisition and disposition of significant assets of the Company or its subsidiaries and the accounting standards as prescribed by the Federation of the Accounting Professions. If there

are transactions which may give rise to a conflict of interests in the future, such as, hiring a group of persons who may have a conflict of interests to carry out construction, project management, project maintenance, the Board of Directors, in association with the Audit Committee, shall consider the necessity and justification of such transactions, including pricing and terms of the transactions, which must be based on the ordinary course of business. Pricing must also be compared with third party prices or market price. Interested persons will not be allowed to participate in the consideration and approval of the transactions.

2. The Company has no policy to extend or guarantee a loan for a person who may have a conflict of interests under the definition of the SEC.
3. Should the Audit Committee do not have expertise to consider any particular related party transaction which may take place, the Company will arrange for an independent expert or the Company's auditor to give any opinion on such related party transaction to support the decision-making of the Board of Directors and/or the Audit Committee or the shareholders, as the case may be.
4. The Company will disclose the related party transactions in the notes to the financial statements that have been reviewed or audited by the Company's auditor.

#### **5.2 Criteria on execution of connected transactions on arm's length basis**

The Board of Directors approves in principle the Company's execution of connected transactions on arm's length basis, namely, transactions which involve commercial terms in a manner persons of ordinary prudence may enter into with general parties under the same circumstances, through commercial negotiation without any influence in the capacity as director, executive or related person, as to execution of such transactions between the Company and its subsidiaries with directors, executives or their related persons, as follows:

1. Engagement of any company or legal entity which is connected person for repair, improvement or additional construction of expressways and related equipment should such company or legal entity propose fair price and conditions to the utmost benefit of the Company.
2. Engagement of any company or legal entity which is a connected person for repair or purchase of materials or equipment, inclusive of labor, for maintenance of administration buildings and depots in the future, subject to the commercial conditions and other agreements which are not different from others.
3. Transactions between the Company and its subsidiaries with MRTA, as follows:
  - (1) Support of public relations and advertising activities to facilitate the metro service, in an amount not exceeding Baht One Million per year.
  - (2) Support of government policies to facilitate people's commute by the metro during the specified period from time to time by means of discounts or free rides, provided that MRTA will compensate for revenue during such period in accordance with appropriate and fair criteria.
4. Transactions in the manner of management or advisory service to any legal entity which is a connected person.
5. Leases of office building spaces for the Company and its subsidiaries from CH. Karnchang Public Company Limited.
6. Other transactions which are connected transactions on arm's length basis under the definition of the SEC or the Stock Exchange.



### 5.3 Prevention of a conflict of interests

1. Directors and executives must inform the Company of relationships or connected transactions in any business which may give rise to a conflict of interests;
2. Any connected transaction with directors which may give rise to a conflict of interests with the Company must be avoided. Any connected transaction which is necessary to be executed must be proposed to the Audit Committee to consider providing an opinion prior to proposing the same to seek approval from the Executive Board or the Board of Directors (as the case may be) in accordance with the good corporate governance principles, and in compliance with the rules of the Stock Exchange and the SEC;
3. Executives and staff must strictly comply with the Articles of Association and the code of business ethics of the Company, in order to ensure the Company's reliability and trust for all stakeholders, and all staff's understanding and adherence to the same.

### 9.1.3 Role of Stakeholders

The Company has a clear policy which focuses on rights of every group of all stakeholders, whether inside, such as, staff and executives of the Company and its subsidiaries, or outside, such as, customers, business related persons, lenders, traders, society and communities where the Company is located, nearby schools, government sector, including competitors, and other relevant authorities. Any stakeholder wishing to contact or have any comments may directly contact directors or the Company Secretary. In addition, the Board of Directors has laid down the corporate governance policy that requires the Company to treat stakeholders based on their rights as specified by applicable laws without any actions in violation of stakeholders' right; and compensation measures in case any stakeholder sustains any damage arising from violation of the rights; as well as focuses on its operations with respect to human rights. The Company has continued to take care of stakeholders in accordance with the policies, as follows:

#### 1) Policy on Treatment of Each Group of Stakeholders

**1.1 Customers:** The Company has a commitment to provision of quality and reliable services in response to customers' needs to save their travelling time in Bangkok and its surrounding provinces as well as to realizing the significance of fair treatment towards all customers. Work plans/programs are continuously set out for improvement of the expressway and metro services for users to ensure a more rapid and convenient service with standard safety. Rules and regulations of service provision to which the Company has adhered are as follows:

1. Providing quality services to satisfy service users' expectations.
2. Ensuring prompt responses to service users' needs, and allowing and facilitating submission of any comments or suggestions for service improvement.
3. Providing accurate and timely information on services.
4. Organizing special activities to allow the service users to visit the operation and management of the expressways and metro under the Company's concessions, including regular promotion of the service usage by and marketing activities with customers.

**1.2 Business counterparts:** The Company strictly discharges its obligations under the Agreements with EXAT and MRTA in its capacity as contractual party, and fairly treats its business counterparts on the basis of equitable treatment, without any barrier, special right or discrimination. The Company also complies with conditions, rules, regulations, mutual practices, and promotes good relationships, which are clearly written in the Company's code of business ethics, along with the work procedures in accordance with ISO 9001 Quality Management System. This is to ensure its collaboration with EXAT and MRTA to provide the efficient and regular services. In this regard, the Company arranges for monthly performance satisfaction assessment by EXAT in order to develop and

improve the efficiency of the operations. According to the assessment results, EXAT is completely satisfied with the Company's excellent collaboration.

The Company organizes quarterly meetings between its operating staff and EXAT's personnel and monthly meetings with MRTA, which not only enhance the efficiency and results in the service users' satisfaction, but also minimizes conflicts or impacts which may give rise to disputes over joint operations between both parties.

**1.3 Traders / Contractors:** The Company has a commitment to procurement of standard goods and service, for the purpose of development and maintenance of sustainable relationships with traders, with the clear objectives in terms of quality of goods and service worth its value, technical standard and creditability. The Company therefore provides fair and equal procurement procedures with all traders in compliance with the work procedures regarding procurement in accordance with the requirements of ISO 9001 Quality Management System, based on the practices, as follows:

1. Determining the criteria for selection of trade counterparts through a strict screening process to ensure fair business operations without violation of human rights.
2. Ensuring competition on the basis of equal information access, without preventing any trader from participating in business competition.
3. Preparing contracts in appropriate and standard forms.
4. Arranging for management and monitoring system to ensure the full compliance with contracts and internal control system to prevent fraud and misconduct in all steps of the procurement procedures.
5. Making payments to traders on time in accordance with terms of payment as mutually agreed.
6. Not allowing directors and/or staff to personally accept any benefits from traders.
7. Evaluating traders on a yearly basis and informing them of the results of evaluation with suggestions for traders to continuously improve the quality of goods and services, and also allowing traders to contact the management to make any complaints if they are unfairly treated.
8. Refraining from seeking any trader's confidential information dishonestly or improperly, such as, bribing directors and staff of its competitors.
9. Refraining from making a serious accusation against traders without reasonable grounds.

**1.4 Lenders / Debenture holders:** The Company strictly complies with the conditions of its Credit Facilities Agreements at all times to build up confidence of the financial institution lenders who provide financial support to the Company's projects, and refrains from breaching any conditions thereof as mutually agreed. The Company complies with and adheres to the following procedures:

1. Strictly complying with the conditions of the Credit Facilities Agreements as mutually agreed. In case it is unable to comply with any condition, the lenders must be informed thereof in advance to jointly seek a solution.
2. Equitably and fairly treating all lenders on the basis of a win-win solution for both sides.
3. Regularly and timely reporting on accurate and complete financial information to lenders.
4. Refraining from demanding, receiving or accepting engagement for any fraudulent benefits in commercial terms.

5. Disclosing information on demand, or acceptance of any fraudulent benefits, to lenders to jointly resolve such problems fairly and promptly.

Debenture holders: The Company issues debentures in accordance with applicable requirements, laws and notifications of the SEC and strictly complies with policies, objectives and resolutions of the shareholders' meetings, and also realizes the significance of its responsibility to fulfill commitments in accordance with the requirements regarding the debenture issuer's rights and duties, including relevant contractual conditions.

- 1.5 Staff:** The Company considers staff as a key resource behind its business movements and as a crucial factor to the Company's success, and then clearly sets out the staff practices and proper treatment of staff, subject to the Board of Directors' review of the performance in compliance therewith every year. Moreover, the Company sets out the policy and practices on occupational safety and health, as follows:

1. Treatment of staff

- 1) Providing fair and appropriate benefits to staff according to their respective work competency, by mainly employing staff performance evaluation system for development of competency as well as clearly measuring their performance based on KPIs in every key activity in support of consideration of merits of staff and for motivation of work development, including remuneration in line with the value added to the business in the long run.
- 2) Creating a participatory and teamwork environment by allowing staff to express their opinions on work performance.
- 3) Ensuring that staff take pride in and engage with the organization by encouraging their career advancement.
- 4) Ensuring equitable treatment, integrity and fairness in punishment, appointment, and transfer, including rewards, on the basis of staff's knowledge, capacities and qualifications.
- 5) Giving priority to and promoting staff's development of their knowledge and capacities, whereby the Company allows staff to develop their knowledge by encouraging them to attend training courses or further study in order to enhance their skills and competency, and the Company also organized staff health activities to support the balance between work efficiency and good health and well-being of staff; as well as widely and constantly fostering the attitudes and values on quality work system, including awareness of energy saving and environment preservation. In 2016, the Company arranged for staff training averaging 42.27 training hours / person.
- 6) Respecting human rights in respect of nondiscrimination, provision of equitable opportunity for employment of female labor, disabled persons, underprivileged persons, youths, and the elderly.
- 7) Ensuring that staff strictly comply with laws and regulations relating to staff, including provision of suggestions and close monitoring in order to prevent any illegal action due to mistaken beliefs, whereby the Company supervises staff to ensure that they use lawful products and refrain from infringement of copyrights or intellectual property, along with support of compliance with the operational guidelines and performance of duties with integrity, without any involvement with corruption for the benefits and success of the Company.

2. Policy on safety and hygiene

The Company realizes and gives priority to the safety and hygiene of the business premises to ensure staff's quality performance and quality

of life from working by setting out the policy on safety and hygiene, as follows:

- 1) The Company has an effort to prevent any occupational-related accident, injury and illness through sincere cooperation among all staff as well as restrict and cope with work-related risks on safety under the normal operating process.
- 2) The Company provides for design of tools and equipment, prepares practices on training and supervision by taking into account safety for life and property of staff, and the Company as a whole.

Maintaining the work environment on the basis of occupational health and safety for life and property of staff and the Company, whereby the Company takes into account the safety of staff's operation and the service users, and as such, organizes regular training to technical and engineering teams, including rescue and traffic management staff on the expressways, so as to ensure their efficient and safe performance; and in regard to the metro business, the Company also holds training to all staff on work safety, implement safety operations in accordance with the laws as well as local and international safety standards, i.e., TIS 18001 : 2001 and OHSAS 18001 : 2007, with the principal of ensuring staff welfare, safety, occupational health and work environment in relation to the metro operations.

In 2016, the Company's statistics of work-related accidents on the expressways represented five times and its statistics of work-related accidents in metro operations were two times, without any staff's death.

**1.6 Supply chain:** The Company deals with the supply chain in strict compliance with international standards, ISO 9001 Quality Management System, and ISO 14001 Environment Management System, by way of providing education and close monitoring and audits to ensure that the supply chain of traders in business association with the Company takes account of environmental impact, in the interests of the sustainability of their mutual business alliance.

**1.7 Communities where the Company's business premises are located:** The social and environmental impacts of its business operations on the communities adjacent to the expressways, metro routes, or near its office are of concern to the Company, and therefore, the Company continues to organize special activities and provide support to various community activities.

**2) Anti-Corruption Policy**

The Company realizes and gives priority to anti-corruption and fraud prevention, both inside and outside its organization. The Company thus formulates guidelines for proper conduct of directors, executives and staff via the code of business ethics of the Company. Furthermore, with the potential damage from corruption in mind, the Company then formulates anti-corruption policy containing the key practical guidelines, as follows:

1. The Company's staff at all levels should carry out activities with fairness, integrity and transparency in business dealings with various agencies, provided that such activities must be lawful, and they have the duty to comply with the anti-corruption policy in the code of business ethics of the Company.
2. The Company promotes fair treatment with integrity towards its traders and compliance with any contractual commitments made with the Company's stakeholders.
3. Executives' and staff's awareness must be promoted to ensure that they refrain from committing any fraud and realize consequences of corruption.
4. Directors, executives and staff must refrain from accepting or offering any reception, gifts, and any other payments which are extravagant and unusual to those in business dealings with the Company.

5. The Company arranges for staff training to educate them regarding the anti-corruption policy, practices and guidelines.

In this regard, the Company has supervised and monitored to ensure corruption prevention by setting out the clear and precise operating process, with the Internal Audit Unit which has the duty to audit actual performance for preventing/suppressing corruption of all kinds.

**3) Policy and Practices on Non-infringement of Intellectual Property**

The Company respects and complies with the intellectual property laws, and has policy forbidding any arrangements which infringe intellectual property of any kind, based on the following guidelines:

1. All staff have duty to protect and keep the Company's intellectual property confidential to ensure that such information must not be leaked out and exploited for personal gain or any other person's gain without permission.
2. All staff must respect and honor others' intellectual property and refrain from exploiting any of others' intellectual property, whether in whole or in part, without the owner's permission.

**4) Policy on Respect of Laws and Human Rights Principles**

The Company makes it mandatory for directors, executives and staff to comply with the laws and human rights principles or human dignity, regardless of race, color, sex, language, religion, social origin, property, birth, political opinion, or other status, as well as realizing their own rights, duties, and responsibilities towards society and others, based on the guidelines, as follows:

1. The Company strictly complies with the laws and human rights principles and does not support any business which violates the human rights.
2. The Company treats all staff equally, without discrimination in terms of employment, remuneration, training, promotion, termination or dismissal due to sex, race, color, religion, age, marital status, pregnancy, political opinion, or disability, etc.
3. The Company allows all staff to enjoy equal rights for work pursuant to rules, regulations, notifications and orders of the Company.

**5) Policy on Corporate Social Responsibility and Sustainable Development**

The Company is committed to operate its business with particular emphasis on society and the environment for the Company's sustainable business growth. As such, the Company makes sure that its operations are transparent and fair, with the aim to benefit and grow together with all groups of stakeholders as appropriate. Therefore, the Company has set forth its operating policy for sustainable development, as follows:

1. To lead the organization in accordance with the sustainable development concept, through communication and exchange of best practices with all of the Company's stakeholders;
2. To incorporate the sustainable development concept into every aspect of the work and decision processes of the Company;
3. To promote training, learning and counseling, focusing on practices according to the sustainable development guidelines;
4. To support regional operation and cooperation to achieve a sustainable development.

It is the responsibility of every employee to seriously implement this policy as part of his or her own work processes for the sustainable growth of the Company and all groups of stakeholders.

Details of activities relating to the corporate social responsibility and sustainable development of the Company in 2016 appear in Part 2, Item 10: Corporate Social Responsibility.

**6) Environmental Policy**

The Company is environmentally responsible for its service business. Therefore, the Company is committed to environmental management based on the following practices:

1. Giving priority to pollution prevention and control in compliance with international standards, taking into account environmental impact on service users, staff and communities;
2. Raising staff awareness and promoting the efficient use of energy and natural resources;
3. Complying with environment-related laws and other regulations;
4. Reviewing objectives and goals for continued improvement of the environment management system;
5. Communicating the environmental policy to the public and parties concerned.

It is the responsibility of all the Company's staff and contractors to seriously and regularly implement this policy to ensure a good quality environment for service users, staff, contractors and communities nearby.

**7) Procedures and Channels of Complaints****7.1 Submission of complaints**

The Company has arranged for channels for all groups of stakeholders to make complaints relating to matters which may cause damage to the Company or if they may find any behavior or event which may violate or be contrary to the code of ethics or policies, they may report or submit complaints directly to the Audit Committee Chairman or independent directors or contact the Company Secretary.

Audit Committee Chairman	:	Bangkok Expressway and Metro Public Company Limited
Independent Directors	:	No. 238/7 Asoke-Dindaeng Road, Bangkok Subdistrict, Huai Khwang District, Bangkok 10310
Company Secretary	:	
Telephone	:	0 2641 4611
E-mail	:	companysecretary@bemplc.co.th

**7.2 Procedures upon receipt of complaints**

1. Fact-finding : The independent directors will appoint and authorize a working group to make fact-finding and compile complaints.
2. Fact processing and screening : The authorized working group processes and screens such facts and then considers proposing appropriate steps and actions for handling such complaints.
3. Measures : The authorized working group proposes measures to deal with the violation or non-compliance with the code of ethics or policies to the Board of Directors' consideration so as to alleviate damage for those affected by such occurrence, taking the overall damage into account.
4. Report on results : The Audit Committee Chairman or independent directors or the Company Secretary reports to the Board of Directors for acknowledgment and reports on the results to the stakeholders who submitted such complaints, if the complainants can be identified.

**7.3 Measures to protect the complainants or those who provide cooperation in the investigation**

The complainants or those who provide cooperation in the investigation are protected in accordance with the following criteria:

1. The complainants or those who provide cooperation in the investigation of facts may choose to keep their identities undisclosed, in case such disclosure may jeopardize their safety or cause any damage.

2. In case their identities are disclosed, the Company will report on developments of the fact finding.
3. The Company may not disclose name-surname, address, photograph, or any other information which may identify the complainants or those who provide cooperation in the investigation of facts.
4. The person who accepts complaints must keep related information confidential and may disclose the same only to the extent necessary by taking into account safety and damage in respect of the complainants or those who provide cooperation in the investigation of facts, sources of information or related persons. If it is likely to cause damage or jeopardize safety, appropriate protection measures must be implemented.
5. Those who sustain damage will be compensated by way of appropriate and fair procedures.

#### **9.1.4 Disclosure and Transparency**

- 1) The Board of Directors sets out a policy to disclose information to the public, so that the Company's business operations will be transparent and open for inspection with sufficient information disclosure equally to all parties concerned. The Managing Directors have the power to disclose information and ensure the accurate, complete, timely and transparent disclosure of material information relating to the Company, both financial and non-financial, as required by the SEC and the Stock Exchange, via the equitably accessible channels.

In regard to the compliance with the good corporate governance principles, the Board of Directors sets out the disclosure guidelines and ensures the Company's report on compliance with best practices and policies, including any noncompliance, together with an explanation.

- 2) The Company has established the Investor Relations unit to represent the Company in communicating information useful to shareholders, debenture holders, investors, securities analysts, mass media, and relevant parties. The Company has also been a member of Thai IR Club and set up an Investor Relations unit for communication purposes, and a dedicated team is ready to provide information and news to investors and securities analysts and mass media, make appointments, as well as coordinate with shareholders, debenture holders, and investors to ensure sufficient and equal access to appropriate information without any discriminatory treatment of any specific group. Interested investors may contact the Investor Relations Department at 0 2641 4611. Investors who find it inconvenient to visit the Company's Office No. 238/7 Asoke-Dindaeng Road, Bangkok Subdistrict, Huai Khwang District, Bangkok 10310, may contact to make a conference call or sign up for the news mailing list via the website or submit questions or e-mail to [ir@bemplc.co.th](mailto:ir@bemplc.co.th).

Other than the mandatory disclosure pursuant to the practices and legal requirements, the Company also has a policy to rotate high level executives to participate in providing information and answers to investors' questions so that they would be personally aware of opinions and requirements of Thai and foreign investors. The Managing Directors, the Deputy Managing Directors, the Assistant Managing Directors, the Finance Division General Manager and the Company Secretary regularly participate in the Company's Investor Relations activities.

- 3) The Company clearly sets out the authorization levels for information available to executives at each level, and their authorized access to such information for public disclosure, by means of communicating and ensuring proper understanding of information for investors, internal and external agencies of the Company, as well as contacting and coordinating with investors, collecting investors' opinions, and communicating with high level executives to staff at all levels, as follows:

##### **3.1 Internal communications**

Although the Board of Directors and high level executives may have full access to all information of the Company, the Managing Directors are appointed as the authorized persons to disclose such information to the Stock Exchange and answer questions from the public and the press, in accordance with the Company's disclosure policy.

The Board of Directors, executives, advisors and staff of the Company are obliged to keep any undisclosed information strictly confidential. The Company's work rules and regulations prohibit staff from disclosing the Company's confidential information to any third party or abusing their positions for personal gains or for the gains of others. Any violation is deemed a disciplinary misconduct liable to termination of employment. In the past, there has never been any occurrence of misuse of inside information for personal interests or for the gains of others.

Moreover, the Company has also developed a control system on use of the Company's information by adopting such information security systems as the restriction of access to the Company's information by authorization level of staff's access to the Company's information based on their responsibilities. To prevent executives' misuse of the Company's inside information for securities trading, the Company has policies and procedures for controlling the use of inside information by directors, executives and staff to prevent any occurrence of the use of inside information for personal interests or for the interests of others.

The Company's disclosure of information to staff must be the same as the public disclosure in terms of accuracy, frequency and timeframe. The Investor Relations Department prepares and submits to management monthly IR Reports, which collect and summarize investors' questions and opinions on the Company's business operations, in order to present useful suggestions or feedback of investors to management for further improvement of the Company's operations.

### 3.2 External communications

The Board of Directors adopts a policy that the Company's disclosure of material information follows the specified policy and requirements. The disclosure is prepared both Thai and in English and is made available via the Stock Exchange's channel and on the Company's website at [www.bemplc.co.th](http://www.bemplc.co.th). The Company regularly updates such information as annual report, annual registration statement (Form 56-1), good corporate governance guidelines, the Company's profile and various policies, loan status, operational results, financial ratios, securities price, dividend history, together with other information, e.g., corporate social responsibility activities and public relations news. Such information and news are made available in support of investment decision-making by investors and relevant parties, together with monthly corporate presentations to investors, which are updated on the 10<sup>th</sup> day of the following month, so as to be regularly and timely available to all investors on the website. Users of such information can conveniently access such information in a timely manner to their best interests. Moreover, opinions and investment analysis of the Company by securities analysts from securities companies from [www.settrade.com](http://www.settrade.com), which are compiled in the form of Analyst Consensus, are shared on the Company's website in order to assist investors in making their decisions to invest.

In the disclosure of financial reports, the Board of Directors prepares the Report on Responsibilities of the Board of Directors towards the Financial Report to be presented along with the Report of the Auditor, as detailed on page 13-11.

The provision of the Company's related information to securities analysts is also another main duty of the Investor Relations Department since the Company's information is made available in the Analyst Consensus to assist investors in making their decisions to invest. The Investor Relations staff are then assigned to provide such information to ensure correct understanding and maintain good relationships with securities analysts. Staff may review and revise the Analyst Consensus for the purpose of accuracy, as opposed to guiding or distorting the Analyst Consensus by securities analysts, or may revise only such facts which have been outdated or disclosed to the public, in which case, such revision is not treated as guiding investment.

Other than public disclosure, the Company also participates in various activities to serve as a disclosure channel to directly meet with investors and hear their opinions as well as create good relationships with investors via activities, such as, Roadshow, Opportunity Day, Company Visit, Analyst meeting, exhibition booths, etc. The Company's management staff are rotated to accompany the Investor Relations staff to communicate and provide better explanations in support of their decisions to invest.



In 2016, the Company organized Company Visits and Conference Calls, and Press Interviews, as well as participated in local and international Roadshows organized by various institutions for foreign investors, as follows:

- Non deal Roadshows, in association with CH. Karnchang Public Company Limited and CLSA Securities (Thailand) Ltd., in England, Denmark, Netherlands, Germany and France.
- “Thailand Corporate Day”, in association with dbTISCO Thailand Corporate Day at TISCO Tower.
- “SET Thai Corporate Day 2016-Driving Economy with Sustainable Growth” Roadshow at Anantara Siam Bangkok Hotel, organized by SET & CIMB Securities (Thailand) Co., Ltd.
- “CLSA Asean Forum 2016” Roadshow at Grand Hyatt Erawan Bangkok, organized by CLSA Securities (Thailand) Ltd.
- Money Expo 2016 No. 16, in association with CH. Karnchang Public Company Limited, TTW Public Company Limited and CK Power Public Company Limited at IMPACT Muang Thong Thani.
- “Thailand Corporate Access Day”, in association with SET & DBS Vickers Securities in Singapore.
- SET US Roadshow, in association with SET & Maybank Kim Eng in New York, Boston and San Francisco in USA.
- Non deal Roadshow, in association with Credit Suisse in Singapore.
- “Thailand Focus 2016: A New Growth Strategy”, in association with the Stock Exchange of Thailand, Bank of America Merrill Lynch and Phatra Securities at Grand Hyatt Erawan Bangkok.
- Non deal Roadshow, in association with Bualuang Securities in Hong Kong.

The foregoing events were opportunities for the Company to provide appropriate clarification on the operational results and progress of the investment projects and for management to answer questions to investors and the press equally and fairly. The Company also participated in the Opportunity Day event organized by the Stock Exchange to provide material, necessary and accurate information for investment decisions to the general public, including investors and institutional analysts.

The Company organizes the Company Visit program to allow shareholders to visit and meet its management. The Company also publishes Si Rat newsletter for disseminating business information, which has been regularly delivered to all shareholders and debenture holders of the Company. In addition, the Company surveyed opinions and requirements of analysts and investors in relation to quality of communication and Investor Relations activities in 2016 (BEM IR SURVEY) for further improvement. The survey revealed that the provision of service in such Investor Relations activities was satisfactory to 91.32 percent of those surveyed.

#### **4) Rules on securities trading by inside information users**

Other than the report on securities trading of executives in accordance with the requirements of the SEC, in regard to other executives along with staff who are authorized to access the Company’s material information which may influence securities price movements, securities trading by usage of inside information, such as, information on capital increase or decrease, dividend payment, the Company’s operational results, joint investments, etc., is considered as taking advantage of general investors. In this respect, the Company prevents any insider trading of securities by requiring its executives to report on their securities trading in accordance with the rules as required by the Stock Exchange, whereby all insiders should refrain from trading securities or should wait until the public has been informed of such information with a reasonable period of time to study.

### **9.1.5 The Board of Directors' Responsibilities**

The Board of Directors acknowledges its role and responsibilities to set policies and directions of the Company's operations under the laws, its business objectives, the Articles of Association, as well as resolutions of shareholders' meetings. The Board monitors and supervises management to efficiently and effectively perform in compliance with the specified policies in order to protect the Company's interests, maximize its economic value and create wealth for shareholders based on the good corporate governance principles. The Board of Directors also monitors and supervises management to ensure that the strategies have been applied to the business operations for sustainable growth.

The Board of Directors complies with the best practices of the Stock Exchange in various aspects, as follows:

#### **1. The Board of Directors' Structure**

- 1.1 The structure of the Board of Directors consists of 17 qualified members with useful skills, knowledge and experiences to efficiently perform their duties, comprising five executive directors, six independent directors and six non-executive directors, constituting a counterbalance from non-executive directors. The Company has six independent directors, which are more than one-third of all directors. In addition, three directors as EXAT's and MRTA's representatives who have experiences in the Company's core businesses are non-executive directors.
- 1.2 The Board of Directors includes six independent directors, in line with the number as required by the SEC, who are independently provide opinions on the Management Team's performance. The Company also determines qualifications of "independent directors" stricter than the minimum requirements of the SEC and the Stock Exchange.
- 1.3 Directors have a term of office of three years, and the retiring directors may be re-elected. At every annual ordinary general meeting of shareholders, one-third of the number of directors vacates their office and if the number of directors is not a multiple of three, then the number nearest to one-third must retire from office.
- 1.4 The Chairman of the Board of Directors and the Managing Directors may not be the same person so as to separate between the policy making and supervisory duty and the regular managerial duty. The Board of Directors clearly determines powers and duties of the Chairman of the Board of Directors and the Managing Directors. The Chairman of the Board of Directors is an independent director by the definition of the Stock Exchange and has no relationship with management.
- 1.5 The Board of Directors has no policy to limit the number of companies in which each director may hold directorship since, after considering the matter; it is of the view that all directors devote their time to regularly attend meetings.

#### **2. Subcommittees**

The Company has established four subcommittees to closely monitor and supervise operations and regularly report to the Board of Directors, namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Executive Board. The Board of Directors has determined duties and responsibilities of each subcommittee as detailed on pages 9-28 to 9-31.

#### **3. Role, Duties and Responsibilities of the Board of Directors**

- 1) The Board of Directors comprises personnel from the business sector and from various professional fields, with leadership, vision, knowledge, ability and experience in various fields, and has independence on decision making for the optimum benefits to the Company and shareholders as a whole. The Board of Directors participates in determination and approval of vision, missions, strategies, targets, business plan and budget of the Company, and supervises management to take actions in compliance with the business plan and budget with efficiency and effectiveness so as to result in the optimum economic value to the business and build up confidence to shareholders.

- 2) The Board of Directors has established the corporate governance policy which is reviewed at least once a year.
- 3) The Company has prepared its code of business ethics, with the approval by the Board of Directors. The code of ethics prescribes proper conduct and practices for directors, executives and staff, specifying guidelines for conduct and treatment towards the Company, colleagues, third parties and society, in accordance with the ethical conduct. In the past, all directors, executives and staff have been informed of and well understood the proper and ethical conduct and complied with such practices in the performance of their duties in line with the Company's mission, with honesty, integrity and fairness, to build up confidence of shareholders and all groups of stakeholders, including the public and society.
- 4) In consideration of any transaction which may involve a conflict of interests, interested directors may not attend nor vote on such matter at the meeting.
- 5) In respect of risk management, the Board of Directors follows up and acknowledges risk management plan of the Company from management's report on operational results in each Board of Directors' meeting and from the Report of the Corporate Governance and Risk Management Committee.

In addition, the Company regularly reviews its code of ethics. Should the proper conduct and practices in the Company's code of ethics not cover its business operations, the Company will immediately update the same as appropriate. Other than the annual survey on compliance with the Company's code of ethics for directors, executives and staff which they must sign to signify their responsibility for compliance with the Company's code of ethics, and the annual training and test on the code of ethics by means of e-learning for the Company's executives and staff, the Company continuously supports corporate governance training on a yearly basis for high and middle level executives, so as to enhance their knowledge, understanding, visions, and good attitudes towards the Company's management in compliance with good corporate governance principles to build leadership and ensure succession to management, including performance of duties and corporate growth with morality and ethics.

#### 4. The Board of Directors' Meetings

##### The Company's Board of Directors' Meetings

Names of Directors	Attendances / Total Number of Meetings for 2016				
	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee
1. Dr. Virabongsa Ramangkura	6/6				
2. Mr. Plew Trivisvavet	6/6	11/11		3/3	
3. Mr. Vitoon Tejatussanasoontorn	6/6		4/4	3/3	
4. Gen. Chetta Thanajaro	5/6		4/4	2/3	
5. Gen. Sampao Choosri	6/6		4/4		4/4
6. Dr. Annop Tanlamai <sup>(1)</sup>	4/5		3/3		
7. Mrs. Vallapa Assakul	6/6				4/4
8. Mr. Supong Chayutsahakij	6/6	11/11		3/3	
9. M.L. Prasobchai Kasemsant	6/6				
10. Mr. Phongsarit Tantisuvanitchkul	3/6	11/11			2/4
11. Mr. Werapong Suppasedsak	6/6				
12. Mr. Panit Dunnvatanachit	5/6				
13. Mr. Yuttana Yimgarund <sup>(2)</sup>	N/A				
14. Mr. Theeraphan Tachasirinugune	5/6				
15. Mr. Dumkerng Pankam <sup>(3)</sup>	N/A				
16. Dr. Sombat Kitjalaksana	4/6	11/11			2/4
17. Mrs. Payao Marittanaporn	6/6	11/11			4/4

**Remarks :** (1) Dr. Annop Tanlamai was appointed as director on February 25, 2016.  
 (2) Mr. Yuttana Yimgarund was appointed as director on November 30, 2016.  
 (3) Mr. Dumkerng Pankam was appointed as director on November 30, 2016.

## 1) The Board of Directors' Meetings

The Company gives prior notice of the annual schedule of the Board of Directors' meetings, together with the main agenda, to directors so as to allow directors to be able to manage their time to attend the meetings. Pursuant to the Articles of Association, the Board of Directors must meet at least every three months; and a quorum consists of not less than half of the total number of directors. The Board of Directors appoints the Executive Board to help provide management with suggestions and advice, and review the operations in compliance with the Company's policies and work plans in various aspects to ensure efficiency. The Executive Board meets every month in order to closely follow up performance of management.

The Managing Director Office will deliver the notice of each meeting and agenda as clearly pre-determined 7 days prior to the meeting date and deliver the supporting documents at least five business days prior to the meeting date, so as to allow the Board to review the same prior to the meeting.

The agenda is determined by mutual discussion between the Chairman of the Board of Directors and the Managing Directors. In addition, one meeting among non-executive directors and without management will be held in order for the directors to independently discuss and exchange their opinions and to efficiently follow up the performance of management. At every meeting, the Chairman of the Board of Directors presides over the meeting to ensure that each item is carefully considered and all directors are allowed to express their opinions and take part in discussions. In addition, the high level executives will attend the meeting to clarify the information in the capacity as persons directly relevant to the problems to the satisfaction of the meeting prior to passing resolution on each item.

Moreover, the Board of Directors sets out a policy to prohibit directors and executives who are connected persons or interested persons in relation to any items to be considered from attending the meeting or voting on such item, and management gives prior notice to such directors and executives who are not allowed to attend the meeting or vote on such item. In considering who is a connected person and interested person, the Board of Directors takes into account the report on interests which all directors and executives have a duty to submit in accordance with the Board of Directors' policy requiring directors and executives to report their personal interests in order to disclose such information to the Chairman of the Board of Directors and the Audit Committee Chairman.

## 2) Subcommittee meetings

The Board of Directors will monitor the implementation of the Company's policies and strategies by convening subcommittee meetings to consider various significant matters and preparing reports on work performance of every subcommittee for submission to each Board of Directors' meeting, as follows:

### 2.1 Audit Committee

The Audit Committee regularly meets at least every quarter with the internal auditor and management and executives responsible for accounting and finance, for review of financial statements on a quarterly basis, and meets with the auditor for review of the annual financial statements, and makes a report to the Board of Directors, or in case management executes any connected transaction or transaction relating to asset acquisition or disposal which must take into account appropriateness, justification and the utmost benefit of the Company, the Audit Committee Chairman may convene additional meetings.

In 2016, the Audit Committee held its four meetings and one meeting with the auditor without management. The Audit Committee reports quarterly to the Board of Directors on its performance and will yearly summarize its performance during the previous year via the Audit Committee's report. Moreover, in 2016, the Audit Committee considered executing three connected transactions.

### 2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee will meet to nominate qualified candidates for appointment as directors of the Company to replace the directors who are due to retire by rotation and directors who resign prior to

the end of term; review remuneration of directors and annual bonus for submission to the annual ordinary general meeting of shareholders for approval; and consider remuneration for the Managing Directors in accordance with the results of performance evaluation for submission to the Board of Directors for approval. In this regard, the Nomination and Remuneration Committee will review the criteria for nomination and consideration of remuneration for directors every year to keep it aligned with the Company's business strategies, and ensure that the criteria for consideration of remuneration stay at the same standard as those of other companies in the same industry so as to appreciate and retain the qualified directors.

The Company schedules the Nomination and Remuneration Committee's meetings to be held at least twice a year.

In 2016, the Nomination and Remuneration Committee held its three meetings to nominate qualified candidates for appointment as the Company's directors to replace those directors who vacated office; and consider scrutinizing remuneration for directors for 2016 for proposal to the 2016 Ordinary General Meeting of Shareholders for consideration and approval; and consider reviewing the criteria for nomination and consideration of remuneration for directors.

### 2.3 Corporate Governance and Risk Management Committee

The Corporate Governance and Risk Management Committee will meet to follow up and evaluate the results of performance in compliance with the good corporate governance principles; improve the guiding practices in line with the corporate governance policy for listed companies under the guidelines of the Stock Exchange; consider risk management plan, risk management process; as well as monitor, inspect and review the Company's overall risks to stay at an appropriate level.

The Company schedules the Corporate Governance and Risk Management Committee's meeting to be held on a quarterly basis.

Furthermore, the Board has reviewed the Company's operations in compliance with the corporate governance policy in five sections under the practices for the Principles of Good Corporate Governance for Listed Companies 2012.

In 2016, the Corporate Governance and Risk Management Committee held its four meetings to monitor and review the good corporate governance practices in respect of shareholders' rights; treatment towards shareholders and stakeholders; information disclosure; and the Board's responsibilities in risk management. The Board of Directors has considered risk management each quarter. Risks and risk management plan for 2017 have been reviewed and found that the Company is able to conduct risk management to meet the targeted plan, without any material impact on the Company's business operations. Furthermore, the 2017 annual risk management plan is sufficient in line with the current business circumstances, together with proper action plan and risk management method.

### 2.4 Executive Board

The Executive Board of the Company schedules to meet monthly to consider various matters within the scope of its authority and duties as assigned by the Board of Directors and to consider screening such matters to be proposed to the Board of Directors for consideration and approval.

In 2016, the Executive Board held its 11 meetings to consider scrutinizing the agenda items as proposed to the Board of Directors, consider approving transactions with a value not exceeding Baht 200 Million, and consider salaries and bonus for staff.

## 5. Board Self-Assessment

The Board of Directors has a policy to ensure the self-assessment of the Board of Directors and subcommittees at least once a year, including assessment of the performance in accordance with the Company's code of business ethics. In addition, the Managing Directors' performance must be assessed by the Board of Directors every year in accordance with the rules as specified by the Nomination and Remuneration Committee. Furthermore, the Board of Directors determines to review topics of

assessment to ensure appropriateness and conformity to roles, duties, responsibilities, and its practices in accordance with the good corporate governance principles.

### **Results of Board / Subcommittee Self-Assessment**

In 2016, the Company delivered board and subcommittee self-assessment forms to each group of directors/subcommittee members to evaluate the overall performance of the Board of Directors and Subcommittees, the results of which were proposed to the Board of Directors for improvement and correction of performance. In this regard, the opinions of most of directors/subcommittee members can be summarized as follows:

- 1) **Structure and Qualifications of the Board of Directors / Subcommittees:** The structure and qualifications of the Board of Directors and subcommittees are proper and suitable to the nature of business operations of the Company. The Board of Directors comprises personnel with sufficient knowledge and experiences in a variety of fields and performed their overall duties efficiently. Moreover, the Board of Directors appoints four subcommittees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee and the Executive Board, with the duties to help supervise and monitor the businesses; nominate qualified persons to be appointed as the Company's directors based on transparency and fairness and without influence of any person, and consider appropriate and competitive remuneration to retain competent directors; establish policies and directions of operations in respect of the good corporate governance of the Company, code of business ethics, including risk management; supervise and provide suggestions to management for the purpose of the Company's business operations pursuant to the good corporate governance.
- 2) **Role, Duties and Responsibilities of the Board of Directors / Subcommittees:**
  - The Board of Directors gives priority and contributes sufficient time to consider significant matters relating to the direction of the Company's business operations, reviews the good corporate governance policy of the Company, as well as ensures compliance with various policies, reviews the code of business ethics, and monitors to ensure that no conflict of interests arises from any connected transactions and transactions. The Board of Directors also follows the procedures as specified by taking into account the optimum benefit of the Company. Furthermore, the Board of Directors regularly reviews the internal control system to ensure good and sufficient internal control system and appropriate risk management, as well as follow up and monitor to ensure performance of duties of management in accordance with the policies as assigned by the Board of Directors.
  - The Audit Committee has ensured that the financial statements have been prepared in accordance with the generally accepted accounting standards; the internal audit tasks have been supervised and monitored for ensuring the appropriate and effective internal audit system; the execution of transactions which may have a conflict of interest has been considered under the specified procedures and for the utmost benefit to the Company; the Company has complied with the securities and exchange law and other applicable laws; and nomination of candidates for appointment, determination of remuneration, and assessment of the auditor's performance are appropriate.
  - The Nomination and Remuneration Committee has ensured that the appropriate criteria for nomination of directors have been determined; the qualified candidates have been considered and nominated for appointment as the Company's directors; the appropriate and transparent criteria for consideration of remuneration for directors have been determined; remuneration for directors has been considered under the specified criteria for submission to shareholders; the results of the Managing Directors' performance have been assessed under the specified criteria; and remuneration for the Managing Directors has been considered in line with the results of assessment.
  - The Corporate Governance and Risk Management Committee has conducted studies and followed up movement, tendency and practice in respect of the good corporate governance; has improved and made suggestions on the good corporate governance policy of the Company, including the code of business ethics; has followed up and evaluated the results under the good corporate

governance principles of the Company; has considered policies and work plans relating to risk management; has monitored and reviewed overall risk management of the Company, strategies for risk management and alert system of all kinds of risks; has reported on risks and actions taken to minimize risks to the Board of Directors.

- The Executive Board has provided guiding policies, supervised, made suggestions and advice for the Managing Directors and management; has set up business plan, budget and managerial power of the Company as assigned by the Board of Directors; has inspected and followed up the compliance with the Company's policies and plans with efficiency; has conducted feasibility studies on new projects; has approved justifiable juristic acts; has approved the appropriate appointment, and determination of remuneration for executives.
- 3) The Board of Directors' / Subcommittees' Meetings: The results of assessment are satisfactory, namely that directors/subcommittee members are given prior notice of the annual schedule' meetings so as to enable them to manage time to attend every meeting; the number of the meetings and agenda are suitable to support the performance of its duties efficiently and to supervise and monitor the Company's business operations successfully; directors/subcommittee members are also given supporting documents prior to each meeting and sufficient time to read such information in preparation for each meeting; the supporting documents contain sufficient information for their decision making; the Board of Directors/subcommittees can request any other necessary information in support of their decisions for the benefit to the Company; the atmosphere at each meeting allows all directors/subcommittee members to express constructive opinions without undue influence of any person; and directors/subcommittee members can fully discuss significant issues at each meeting.
  - 4) Directors' / Subcommittee Members' Performance of Duties: The results of assessment are satisfactory, namely that directors/subcommittee members are well prepared and sufficiently study information prior to each meeting; have regularly attended the meetings; independently provide their opinions and impartially consider various matters and are independent in making decisions and passing resolutions; provide useful suggestions for the Company's operations, and understand the significance of each matter and properly contribute their time to consider such matters without wasting time on minor issues; and accept different opinions among them without conflict.
  - 5) Relationship with Management: The results of assessment are satisfactory, namely that directors/subcommittee members may straightforwardly discuss with the Managing Directors; maintain a good relationship with management; the Managing Directors can request directors'/subcommittee members' advice as necessary; the Board/subcommittees do not intervene with management's performance of duties; and the Board/subcommittees participate in solving problems as appropriate in case management's performance does not meet the specified plans and budget.
  - 6) Self-Development of Directors/Subcommittee Members and Executives: The results of assessment are satisfactory, namely that directors/subcommittee members understand their roles, duties and responsibilities; directors/subcommittee members have sufficient knowledge and understanding relating to the Company's businesses; have paid attention to significant information or news relating to economic and industrial conditions, changes in rules and regulations and the status of competition, which allows them to efficiently perform their duties; all directors/subcommittee members undergo training to ensure their understanding of the performance of duties in their capacity as directors/subcommittee members; and in case of newly-appointed directors/subcommittee members, the Board monitors to ensure management provides documents or briefings for the new directors/subcommittee members to understand the businesses and ensure performance of duties as directors/subcommittee members; and a succession plan has been set out to ensure continued performance of duties as high level management of the Company.

## **6. Assessment of Performance in Compliance with the Company's Code of Business Ethics**

The Board of Directors sets out the Company's code of business ethics as principles and goals of the Company's business operations, and guidelines for performance of all

directors, executives and staff. Directors, executives and staff will assess their performance in compliance with the Company's code of business ethics every year. In this regard, the results of assessment can be summarized as a whole that directors and executives have complied with the Company's code of business ethics, as follows:

1. Compliance with the code of business ethics: Understanding and adhering to the guidelines as specified in the Company's code of business ethics.
2. Guidelines for business operations: Strictly complying with the laws applicable to the Company and the trading business under the desirable morality, including the Company's policies.
3. Conflict of interests: Not disclosing any confidential information of the Company to any third party; refraining from any act which will give rise to a conflict of interests between their own interest and the Company's interest; not involving in nor holding any share in any business which may have a conflict of interests with the Company.
4. Insider trading: Not disclosing any insider information which has not yet been disclosed to the public, which may affect the prices or trading of securities of the Company and its related companies.
5. Commitments to shareholders: Making an effort in best to create value added to the organization to ensure its capability to accommodate the business growth and expand its businesses with continuity and create value added to the shareholders in the long run.
6. Treatment towards counterparts and business contractual parties: Keeping counterparty's and contractual parties' information confidential for the purpose of fair and independent business operation; refraining from wrongful business operation between counterparts and contractual parties; refraining from offering any bribe to others or supplying them items in exchange for business benefits.
7. Responsibilities for executives and staff: Setting out guidelines and practices for taking care of working environment to ensure safety for their life and properties at all times.
8. Treatment towards business competitors: Complying with the business policies in a fair manner by the rules and laws relating to trading competition.
9. Commitments to communities, society, environment and government sector: Providing cooperation in making benefits for the communities, society, environment and government sector on an occasional and ready basis.
10. Gambling, drinking alcohol and drugs: Not possessing, purchasing-selling or drinking alcoholic beverages, drugs while being in the workplace or during doing businesses of the Company, except parties or other social gatherings held by the Company; and not playing or supporting all kinds of gambling activities during working times or in the area of the Company.
11. Disclosure of information and confidentiality: Complying with the policy to efficiently manage the Company's information; and disseminating necessary, correct and proper information to the public on an occasional basis; and not disclosing the Company's information which has not yet been disclosed to the public, including any personal information, nor using any information as known from performance of duties for their own interest.
12. The Company's assets: Setting out practices in taking care of the Company's assets to prevent them from loss, damage or misuse.
13. Gifts and parties: Setting out practices regarding giving of gifts and holding of parties by refraining from receiving any item or benefit from counterparts, contractual parties or persons who have connection with the Company's businesses, except during festival or according to custom, in which case, at the reasonable value as shall be considered by recipient;
14. Safety and hygiene: Strictly complying with the laws and regulations relating to safety and hygiene; and earnestly providing cooperation in preventing any accident, injury and illness.



15. Non-compliance with the code of ethics: Realizing and complying with the code of ethics of the Company by not committing any violence which may cause the violator to be held liable for punishments under applicable laws and disciplinary actions.

## **7. Assessment of Performance of the Managing Directors**

All directors of the Company, except the Managing Directors, will constantly assess the performance of the Managing Directors on a yearly basis in accordance with the criteria specified by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee is assigned by the Board of Directors to propose remuneration and other benefits as appropriate for the Managing Directors, taking into consideration the Corporate KPIs used in the annual assessment of performance in order to obtain the Board of Directors' approval.

## **8. Remuneration of Directors and Executives**

Remuneration for directors : The Company establishes a clear and transparent policy on remuneration for directors and the Managing Directors in line with the scope of duties and responsibilities of each director serving as chairman or subcommittee member, subject to review by the Nomination and Remuneration Committee. The remuneration is at the same level as that in the same industry and sufficiently high to retain the qualified directors.

Remuneration for Managing Directors : The Nomination and Remuneration Committee considers remuneration for the Managing Directors in accordance with the Company's operational results under the Corporate KPIs and the Managing Directors' performance and propose the same to the Board of Directors for consideration each year.

Remuneration for executives : Remuneration for executives, excluding the Managing Directors, is in accordance with the principles and policies determined by the Executive Board corresponding to the Company's operational results and performance of each executive.

Remuneration in 2016 is shown in the caption of Remuneration of Directors and Executives on pages 8-7 to 8-8.

## **9. Development of Directors and Executives**

### **1) Directors and Executives Training**

The Board of Directors has a policy to support and facilitate training and learning for its directors and executives to ensure their continued improvement and performance, involving both internal and external training courses. All directors must attend training for understanding of performance of their duties in their capacity as directors.

The Company's Board of Directors and high level executives realize the significance of their participation in training or seminars in various courses or development of their knowledge and skills. The Board of Directors attends training courses organized by the Thai Institute of Directors Association (IOD), namely, Director Certification Program (DCP), Director Accreditation Program (DAP), Board Performance Evaluation, The Role of Chairman (RCP), Audit Committee Program, Role of Compensation Committee (RCC) (as per Information of Company Executives on pages A1-1 to A1-23).

### **2) Orientation for New Directors**

The Board of Directors determines the operational practices for the Company to arrange for orientation for newly-appointed directors and to provide documents or briefings for the new directors to understand the business and performance of duties as directors. The Board of Directors assigns the Managing Directors, the Company Secretary and the Managing Director Office to arrange for orientation for newly-appointed directors by convening a meeting with the relevant directors and/or executives and/or officers for clarification and answering questions. In 2016, there were four new directors, whereby the Company has complied with such operational practices, by briefing the new director about the Company's information as well as preparing documents and summary information for the new director, such as,

information relating to the Company, listed company director’s handbook, the good corporate governance principles, the Company’s code of ethics, power and duties of the Board of Directors, and the annual schedule of the Board of Directors’ meetings. Furthermore, the Company also has its directors attend a training course, as suggested by the SEC, conducted by the Thai Institute of Directors Association (IOD).

**10. Succession Plan**

The Board of Directors prepares and reports on succession plan for the positions of Managing Directors and the high level executives and in the primary line, taking into account the performance, potentials and readiness of each person. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions for succession in the absence of the Managing Directors or executives in the key positions to perform duties.

The Company sets out a succession plan for the high level executives of the Company, particularly executives and work positions in the primary line, by emphasizing the nomination of internal personnel, and promotion is considered every year under the specified criteria for development of personnel with good performance and competency for advancement to a higher position in accordance with the staff’s line of command, both the middle level executives and staff. The consideration committee, comprising the Managing Directors and executives at the General Manager level or higher or the middle level executives, considers this matter in accordance with the specified criteria. With regard to the implementation of strategy and succession plan of the high level executives, who may be changed or vacate office by rotation or retirement, the Nomination and Remuneration Committee’s meeting reviews the criteria, and selects knowledgeable and qualified persons, while the Board of Directors considers appointing persons at the Managing Director level, and the Executive Board considers appointing the executives at the General Manager level and higher.

The executive who has been determined to succeed to an office must not only be qualified and experienced in the appropriate field, but must also have accepted transfer of knowledge and experience by rotation to other related work units as well as attended the additional necessary training courses to be well prepared in the performance of duties in a higher position in the future, and to ensure smooth succession and continued management. The Company sets up the human resource management system with sufficient allocation and follows up the assessment in respect of nomination process for qualified and knowledgeable persons as required, with appropriate and fair remuneration, determination of duties and responsibilities, performance of personnel, performance standard, personnel development and efficient communication, to ensure that the staff has knowledge and skills, and the Company’s human resource management is efficient and suitable, focusing on the development of the competency of staff and clarity of the assessment of performance in support of consideration of remuneration as appropriate for their capabilities and performance.

**9.2 Board Structure**

The Board structure comprises the Board of Directors and four subcommittees, namely, the Audit Committee, the Corporate Governance and Risk Management Committee, the Nomination and Remuneration Committee, and the Executive Board, with the Managing Directors as the top executives of the Management Team, totaling 8 persons.

Details of such four subcommittees, their powers and duties as well as the nomination procedures in accordance with their respective charters, are as follows:

**9.2.1 Board of Directors as at December 31, 2016**

- |     |                                  |   |
|-----|----------------------------------|---|
| 1.  | Dr. Virabongsa Ramangkura        | Chairman of the Board of Directors      |
| 2.  | Mr. Plew Trivisvavet             | Vice Chairman of the Board of Directors |
| 3.  | Mr. Vitoon Tejatussanasoontorn   | Director                                |
| 4.  | Gen. Chetta Thanajaro            | Director                                |
| 5.  | Gen. Sampao Choosri              | Director                                |
| 6.  | Dr. Annop Tanlamai               | Director                                |
| 7.  | Mrs. Vallapa Assakul             | Director                                |
| 8.  | Mr. Supong Chayutsahakij         | Director                                |
| 9.  | M.L. Prasobchai Kasemsant        | Director                                |
| 10. | Mr. Phongsarit Tantisuvanitchkul | Director                                |

11.	Mr. Werapong Suppasedsak	Director
12.	Mr. Panit Dunnvatanachit	Director
13.	Mr. Yuttana Yimgarund	Director
14.	Mr. Theeraphan Tachasirinugune	Director
15.	Mr. Dumkerng Pankam	Director
16.	Dr. Sombat Kitjalaksana	Director
17.	Mrs. Payao Marittanaporn	Director

**The Board of Directors' Authority and Duties**

1. Monitoring and supervising the Company's operations to ensure compliance with laws, objectives and the Articles of Association, as well as resolutions of shareholders' meetings, and protecting the Company's interests based on the good corporate governance principles, as well as complying with the rules and requirements stipulated by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
2. Determining policies and directions of the Company's operations and supervising management to take actions to ensure compliance with the policy with efficiency and effectiveness so as to maximize the economic value to the business and great wealth to shareholders.
3. Convening the annual ordinary general meeting of shareholders by no later than four months from the Company's year-end account closing date and convening extraordinary general meetings of shareholders as required.
4. Convening the Board of Directors' meetings on a quarterly basis; each meeting requires at least 50 percent of all directors. Decisions of each meeting are made by a majority of votes. In the case of an equality of votes, the chairman of the meeting has an additional casting vote.
5. Considering approval for budget for investment and the Company's annual business operations, including monitoring use of the Company's resources.
6. Providing complete, correct and sufficient reports on financial information, the Company's information and general information which are important for shareholders, and verifying information in the reports.
7. Introducing to the Company an internal control system, internal audit and efficient measures to manage risks, as well as following up on such matters on a regular basis.
8. Establishing subcommittees to ensure the good corporate governance.
9. Considering clearly determining and separating roles, duties and responsibilities among the Board of Directors, subcommittees and management, with regular communication regarding such roles, duties and responsibilities to the Board of Directors, subcommittees, management and staff of the Company.
10. Supervising the Executive Board to comply with the specified policies, whereby the Executive Board is authorized to approve any transaction binding upon the Company in an amount not exceeding Baht 200 Million per transaction, excluding those transactions giving rise to conflict or interest, including such transactions requiring approval from shareholders as per the regulations of the SEC and the Stock Exchange.
11. Appointing any persons to engage in the Company's business under the supervision of the Board of Directors, or, if applicable, authorizing such persons to have power for a period of time as the Board of Directors deems appropriate, provided that the Board of Directors may revoke, repeal, amend or change such authorization as appropriate.
12. Appointing the Company's authorized signatory directors.

**The Chairman of the Board of Directors' Authority and Duties**

1. Considering and setting out the business goals in conjunction with management.
2. Monitoring the administration by management.
3. Providing suggestions for the business operations through the Executive Board and the Managing Directors on a regular basis without interfering in the routine works under the responsibility of management. The Chairman of the Board of Directors also plays an important role in making decisions on the Company's policies.
4. Having a duty to preside over both the Board of Directors' meetings and the shareholders' meetings to ensure the efficiency and effectiveness in such meetings, by encouraging all directors to participate in each meeting and independently provide opinions.
5. Ensuring their strict compliance with the good corporate governance principles and taking into account the shareholders' rights.

### 9.2.2 Audit Committee

The Board of Directors appoints the Audit Committee to assist in supervising the Company's businesses. Mr. Vitoon Tejatussanasoontorn, an independent director who has knowledge in the field of accounting and finance, was appointed to hold office as Audit Committee Chairman, and the General Manager of the Internal Audit Office serves as secretary to the Audit Committee. As at December 31, 2016, the Audit Committee comprises four independent directors as listed below:

- |  |                          |                        |
|--|--------------------------|------------------------|
| 1. Mr. Vitoon Tejatussanasoontorn <sup>(1)</sup> | Audit Committee Chairman | (Independent Director) |
| 2. Gen. Chetta Thanajaro                         | Audit Committee Member   | (Independent Director) |
| 3. Gen. Sampao Choosri                           | Audit Committee Member   | (Independent Director) |
| 4. Dr. Annop Tanlamai                            | Audit Committee Member   | (Independent Director) |

Remark: <sup>(1)</sup> Mr. Vitoon Tejatussanasoontorn served as audit committee member with knowledge in the field of accounting and finance.

#### The Audit Committee's Authority and Duties

1. Reviewing to ensure that the Company's financial reports are accurate and adequate.
2. Reviewing to ensure that the Company's internal control system and internal audit system are suitable and effective, considering the independence of the internal audit unit as well as granting approval on consideration for appointment, transfer, termination of employment of head of the internal audit unit or any other unit responsible for the internal audit.
3. Reviewing to ensure the Company's performance in compliance with the securities and exchange law, requirements of the Stock Exchange and the laws relating to the Company's business.
4. Considering, selecting, submitting for appointment of a person who is independent to serve as the Company's auditor, and proposing remuneration and termination of employment of such person as well as meeting with the auditor without management at least once a year.
5. Considering connected transactions or transactions which may involve a conflict of interests in compliance with the laws and requirements of the Stock Exchange in order to ensure that such transactions are justified and of the utmost benefit to the Company.
6. Preparing report of the Audit Committee to be disclosed in the Company's Annual Report. Such report must be signed by the Audit Committee Chairman and comprise at least the following information:
  - (a) Opinions on correctness, completeness, and reliability of the Company's financial reports;
  - (b) Opinions on adequacy of the Company's internal control system;
  - (c) Opinions on compliance with the securities and exchange law, requirements of the Stock Exchange or laws relating to the Company's business;
  - (d) Opinions on appropriateness of the auditor;
  - (e) Opinions on transactions which may involve a conflict of interests;
  - (f) Number of meetings of the Audit Committee and attendance of each Audit Committee member;
  - (g) Overall opinions or observations by the Audit Committee from the performance of duties in accordance with the Charter;
  - (h) Other matters that should be informed to shareholders and general investors within the scope of the duties and responsibilities assigned by the Board of Directors.
7. Supervising and monitoring the internal audit tasks by reviewing missions, scope of works, independence and development plan and providing internal audit personnel training to catch up with the business changes and develop themselves on a continual basis, in order to accommodate the direction of the Company's operations and international standards, including consideration and approval of annual internal audit plans.

8. Performing any other activities as assigned by the Board of Directors to independently provide opinions and suggestions in line with the requirements and the best practice guidelines for audit committee of the Stock Exchange.
9. In performing its duties, should the Audit Committee find or should there be any doubt as to whether or not the following transactions or actions may have a material impact on the Company's financial position and operational results, the Audit Committee will report on its findings to the Board of Directors in order to improve and rectify the same within the time as the Audit Committee deems appropriate:
  - (a) Any transactions giving rise to a conflict of interests;
  - (b) Corruption or unusual occurrence or material fault in the internal audit system;
  - (c) Violation of the securities and exchange law, requirements of the Stock Exchange or laws related to the Company's business.

### 9.2.3 Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee to perform the duty to nominate and consider remuneration for directors and the Managing Directors to ensure transparency and fairness, and General Chetta Thanajaro, an independent director, was appointed as Chairman of the Nomination and Remuneration Committee in accordance with the good corporate governance principles which state that the chairman of each subcommittee should be an independent director. As at December 31, 2016, the Nomination and Remuneration Committee comprises four members as follows:

1.	General Chetta	Thanajaro	Nomination and Remuneration Committee Chairman (Independent Director)
2.	Mr. Vitoon	Tejatussanasoontorn	Nomination and Remuneration Committee Member (Independent Director)
3.	Mr. Plew	Trivisvavet	Nomination and Remuneration Committee Member
4.	Mr. Supong	Chayutsahakij	Nomination and Remuneration Committee Member

#### The Nomination and Remuneration Committee's Authority and Duties

1. Considering criteria and procedures of nomination as well as selecting and proposing qualified persons to hold the position of the Company's directors to the Board of Directors so as to nominate them to the shareholders' meeting, or proposing the nomination to the Board of Directors for consideration and appointment.
2. Considering selecting and proposing qualified persons to hold the positions of the Managing Directors to the Board of Directors for consideration and appointment.
3. Considering and determining criteria for consideration of remuneration of directors and the Managing Directors.
4. Considering and determining remuneration of directors and proposing the same to the shareholders' meeting for consideration and approval.
5. Considering and reviewing salary rates and other remuneration for the Managing Directors and proposing the same to the Board of Directors for consideration and approval.
6. Proceeding with other matters as assigned by the Board of Directors.

### 9.2.4 Corporate Governance and Risk Management Committee

The Board of Directors appoints the Corporate Governance and Risk Management Committee to perform the duty to formulate policies and directions of operations in respect of the good corporate governance of the Company, including business ethics, and to ensure performance of duties with transparency and independence in compliance with the guidelines of the good corporate governance, consider risk management plan, risk management process, as well as monitor, inspect and review the Company's overall risks to stay at an appropriate level. To this effect, General Sampao Choosri, as independent director, was appointed as Chairman of the Corporate Governance and Risk Management

Committee. As at December 31, 2016, the Corporate Governance and Risk Management Committee comprises five members as follows:

- |    |                |                   |   |
|----|----------------|-------------------|---|
| 1. | General Sampao | Choosri           | Corporate Governance and Risk Management Committee Chairman<br>(Independent Director) |
| 2. | Mrs. Vallapa   | Assakul           | Corporate Governance and Risk Management Committee Member<br>(Independent Director)   |
| 3. | Mr. Phongsarit | Tantisuvanitchkul | Corporate Governance and Risk Management Committee Member                             |
| 4. | Dr. Sombat     | Kitjalaksana      | Corporate Governance and Risk Management Committee Member                             |
| 5. | Mrs. Payao     | Marittanaporn     | Corporate Governance and Risk Management Committee Member                             |

**The Corporate Governance and Risk Management Committee’s Authority and Duties**

1. Studying and following up movement, tendency and performance in respect of the good corporate governance for submission to the Board of Directors for consideration as to appropriateness for adoption as guidelines for the Company’s operations.
2. Improving and proposing the good corporate governance policy of the Company, including business ethics, to the Board of Directors.
3. Following up and evaluating the results under the good corporate governance principles of the Company as well as reporting the same to the Board of Directors.
4. Considering policies and work plans relating to risk management for submission to the Board of Directors for consideration.
5. Monitoring and reviewing overall risk management of the Company, strategies for risk management and alert system of all kinds of risks in order to deal with risks to stay at an acceptable level to ensure compliance with the risk management policy of the Company.
6. Reporting on risks and operations for minimizing risks to the Board of Directors.
7. Proceeding with other matters as assigned by the Board of Directors.

**9.2.5 Executive Board**

The Board of Directors appoints the Executive Board to assist in providing advice and suggestions to management and make other arrangements as assigned by the Board of Directors. As at December 31, 2016, the Executive Board comprises five directors as listed below:

- |    |                |                   |                                 |
|----|----------------|-------------------|---------------------------------|
| 1. | Mr. Plew       | Trivisvavet       | Chairman of the Executive Board |
| 2. | Mr. Supong     | Chayutsahakij     | Executive Director              |
| 3. | Mr. Phongsarit | Tantisuvanitchkul | Executive Director              |
| 4. | Dr. Sombat     | Kitjalaksana      | Executive Director              |
| 5. | Mrs. Payao     | Marittanaporn     | Executive Director              |

**The Executive Board’s Authority and Duties**

1. Delivering guidelines for policy, supervising, providing suggestions and advice for the Managing Directors and management.
2. Setting up business plan, budget and managerial authority of the Company as assigned by the Board of Directors.

3. Inspecting, following up to ensure compliance with the Company's policies and plans with efficiency.
4. Conducting feasibility studies on investment in new projects for business expansion and prospects.
5. Having power to approve any juristic act binding upon the Company in an amount not exceeding Baht 200 Million per transaction, excluding those transactions giving rise to a conflict or interests with the Company or its subsidiaries under the notifications of the Securities and Exchange Commission, including such transactions requiring approval from shareholders under the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
6. Having power to approve, appoint, remove, and determine salary and other remunerations, including expenses and facilities of the Company's officers or staff in the position of General Manager or higher, but not including the Managing Directors.
7. The Executive Board or the Chairman of the Executive Board has the power to convene the Executive Board's meetings and/or determine rules and regulations of the meetings as it deems appropriate.
8. Reporting on the Company's operational results to the Board of Directors.
9. Proceeding with other matters as assigned by the Board of Directors.

#### **The Managing Directors' Authority and Duties**

The Board of Directors determines the Managing Directors' authority and duties as follows:

1. Controlling and managing main business of the Company.
2. Monitoring all activities of the Company to ensure compliance with resolutions and policies as assigned and suggested by the Board of Directors.
3. Conducting feasibility studies on new projects and having power to consider approving various projects as authorized by the Executive Board.
4. Having power to approve, appoint, remove, and determine salary and other remunerations, including expenses and facilities of the Company's officers or staff in the position of General Manager or lower (but not including Deputy Managing Director, Assistant Managing Director, and General Manager).
5. Having power to approve any juristic act binding upon the Company in an amount not exceeding Baht 5,000,000 (Five Million Baht Only) per transaction.
6. Having power to sign and affix the Company's seal on cheques and withdraw money from all accounts of the Company and utilize credit facilities available to the Company by all banks or financial institutions in the amount not exceeding Baht 5,000,000 (Five Million Baht Only) or equivalent per transaction, but not exceeding Baht 40,000,000 (Forty Million Baht Only) or equivalent per month.
7. Authorizing the Company's staff in the executive positions, namely, Deputy Managing Director, Assistant Managing Director, General Manager or equivalent to perform duties on behalf of the Managing Directors in certain matters (such as purchase order, procurement, payment order) as appropriate.
8. Appointing any Deputy Managing Directors or any other persons acting in place of the Managing Directors from time to time in the event that the Managing Directors are unable to perform their duties, whereby such acting persons shall have the same authority as the Managing Directors.
9. Having power to appoint any persons or groups of persons to engage in the Company's business under the supervision of the Managing Directors, or, if applicable, authorizing such persons to make arrangements as the Managing Directors deem appropriate and having power to change, amend, revoke and repeal such authorization.
10. Proceeding with other matters as assigned by the Board of Directors or the Executive Board from time to time.

In this regard, the Board of Directors regularly evaluates performance of duties of the Managing Directors for comparison with the target as determined on a yearly basis, and the Nomination and Remuneration Committee considers remuneration of the Managing Directors by assessing their performance in the previous year and proposing the same to the Board of Directors for approval under the criteria.

### 9.3 Nomination of Directors and Top Executives

#### (1) Nomination of Independent Directors

The Nomination and Remuneration Committee nominates directors who are qualified in terms of useful skills and experience for the Company and meet the qualifications of independent directors by the definition of the Company's independent directors, as follows:

1. Holding shares of not exceeding 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company, including shares held by any related persons of each independent director;
2. Not being or having been a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or a controller of the Company, its parent company, subsidiaries, associated companies, subsidiaries of the same tier, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC, provided that such prohibited characteristics shall not apply to an independent director who was a public servant or an advisor to a government authority which is the Company's major shareholder or controller;
3. Not being a person having relationship by blood or by legal registration in the capacity as parent, spouse, sibling and offspring, including spouse of the offspring of other director, executive, major shareholder, controller or person to be nominated as director, executive or controller of the Company or its subsidiaries;
4. Not having or having had any business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company in a manner which may prevent the exercise of his or her independent judgment; and not being or having been a substantial shareholder or controller of any person having a business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC;

The aforesaid business relationship shall include any transaction in the ordinary course of business for lease of immovable property, any transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending any loan, guarantee, providing assets as collateral, including any other similar action, which causes the Company or contractual party to be subject to indebtedness payable to the other party in the amount of three percent or more of the Company's net tangible assets or in the amount of Baht Twenty Million or more, whichever is lower. Such indebtedness shall be calculated according to the calculation method of connected transaction value under the Notification of the Capital Market Supervisory Board, Re: Rules on Connected Transactions, mutatis mutandis. However, the consideration of such indebtedness shall include the indebtedness incurred during the course of one year prior to commencement of business relationship with the same person;

5. Not being or having been an auditor of the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of an audit firm which employs the auditor of the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC;
6. Not being or having been a professional service provider, including legal advisor or financial advisor which receives an annual service fee exceeding Baht Two Million from the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of such professional service provider, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC;
7. Not being a director appointed as representative of the Company's director, major shareholder or shareholder who is a related person of the major shareholder;



8. Not engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiaries; or not being a substantial partner in a partnership or a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or holding more than one percent of the total number of voting shares of another company engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiaries;
9. Not having any other characteristics preventing provision of independent opinions on the Company's operations.

## **(2) Nomination of Directors and Top Executives**

### **(2.1) Nomination of Directors**

#### **(2.1.1) Criteria**

The Nomination and Remuneration Committee considers nominating persons to be appointed as directors to replace those directors who vacate office, both resignations prior to the end of term and retirement by rotation, in accordance with the following criteria:

1. Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, rules of the SEC and rules of the Stock Exchange.
2. Having knowledge, ability and experience in a variety of fields which will be beneficial and add value to the Company.
3. Having characteristics supporting and promoting the corporate governance to create value to the Company, such as, independence, willingness to share opinions, initiative, and performance of duties with responsibility, due care, integrity and full-time contribution, etc.
4. In case of a director who retires by rotation, the Nomination and Remuneration Committee considers from his past records whether he performed duties as director with due care, integrity and full-time contribution.
5. In the nomination of directors, there should be consideration of the required qualifications taking into account necessary skills for the Board and qualifications in line with the Company's business strategies.
6. In case such vacancy is a director representing the Expressway Authority of Thailand or the Mass Rapid Transit Authority of Thailand under the conditions of the relevant Concession Agreements, the replacement director must be nominated by the said authority to fill the vacancy.

The Nomination and Remuneration Committee shall nominate such qualified persons to the Board of Directors for consideration for submission to the shareholders' meeting for appointment as directors.

#### **(2.1.2) Nomination Procedures**

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

1. Nominating qualified candidates to fill the vacancy.
2. Considering qualifications of the directors who represent EXAT and MRTA in accordance with the conditions as specified in the Concession Agreements.
3. Considering qualifications of candidates nominated by minor shareholders according to the Company's policy to allow shareholders to propose their nominations in advance (if any).
4. Proposing the nominations to the Board of Directors for consideration and appointment (in case of interim vacancy).
5. Considering proposing the nominations to the Board of Directors for consideration and approval for submission to the annual ordinary general meeting of shareholders for appointment.

Pursuant to the Articles of Association, at every annual general meeting, one-third of the number of directors must vacate their offices. If the number of directors is not a multiple of three, then the number nearest to one-third must retire from office. Therefore, the directors have a term of three years, and a retiring director may be re-elected. In this regard, the Company does not fix the number of terms of holding office as director or the number of other listed companies in which the directors will hold office as directors, but considers the suitability of appointment of directors who are due to retire by rotation to resume office.

Pursuant to the Articles of Association, the criteria and procedures for appointment of directors by shareholders are as follows:

1. One shareholder has one vote for every one share held by that shareholder;
2. When electing directors, each shareholder shall exercise all of his or her votes to elect all directors to be elected on such occasion, or in case the shareholders' meeting deems it appropriate, the casting of votes is made to elect directors on an individual basis. In this regard, in casting votes, whether in the election of directors on an individual basis or the election of all directors, each such person elected by the shareholders must receive votes from shareholders according to the total number of shares held by each shareholder under 1, and no shareholder can allot his or her votes to any person in any number.
3. In case of the election of directors on an individual basis, persons receiving the most votes are those who are elected to be directors, in descending order, for the number of directors who are to be elected. If there is a tie for the last to be elected and this exceeds the said number of directors, the election shall be drawn by lots.

#### **(2.2) Nomination of Managing Directors and Executives**

1. The executives in the position of Managing Directors must be nominated by the Nomination and Remuneration Committee, which considers nominating qualified persons, namely, those who have knowledge and capacities and experience which are useful for management and operations to achieve objectives or targets as determined by the Board of Directors and have a good understanding of the Company's business, whereby the Nomination and Remuneration Committee shall propose the nominations to the Board of Directors for consideration and appointment.
2. For any executives at the level of General Manager or higher, the Managing Directors proposes the nominations to the Executive Board for consideration and appointment.

#### **9.4 Supervision of Operations of the Subsidiaries**

The Company has the governance mechanism in respect of management and operations of its subsidiaries and associated companies, as follows:

- (1) The Board of Directors considers sending the Company's representatives to serve as directors in other companies according to its shareholding percentage. The directors who are the Company's representatives have power, duties and responsibilities in establishing the significant policies. In this regard, the Board of Directors considers and establishes policies for the directors who are the Company's representatives to vote on various key items of the subsidiaries.
- (2) The structures of the board of directors of the subsidiaries have been specified as follows:

##### **Northern Bangkok Expressway Company Limited (NECL), comprising:**

- Five directors who are members of the Executive Board of the Company;
- One director who is a representative from EXAT;
- One managing director of NECL.

##### **Bangkok Metro Networks Limited (BMN)**

- The Company sends its four representatives to serve as directors in BMN from a total of seven directors.

- (3) Governance mechanism of the subsidiaries regarding connected transactions and acquisition or disposition of assets

For transactions with related persons and acquisition or disposition of assets, the Company has managed the subsidiaries to amend their respective articles of association regarding execution of transactions in accordance with the rules on disclosure and connected transactions. The directors who are the Company's representatives supervise to ensure the subsidiaries' strict compliance with such rules. The details of each such transaction are submitted to the Board of Directors for consideration in accordance with the rules.

- (4) The Company requires the subsidiaries to regularly review their respective internal control systems to ensure adequacy and appropriateness on a yearly basis, and the Company's Internal Audit Office regularly reviews and follows up their compliance with the internal control system, which is specified in the annual audit plans.

## 9.5 Control of Inside Information Usage

The Company determines its written control of inside information usage in accordance with the good corporate governance principles, as follows:

### Inside Information Usage Policy

- (1) Due to the Company's listing on the Stock Exchange of Thailand, any sale or purchase of the Company's securities by its management or staff based on material facts that may affect the market price of the shares or securities, which have not yet been disclosed to the public, and which have been obtained due to their duties or positions in the Company, would be considered as taking advantage of third parties, and may be subject to a criminal penalty under the law.

To prevent the Company's staff and directors, including the Company itself, from performing any such illegal acts which may violate such law, as well as to comply with the good corporate governance guidelines of the Company, the Company has set guidelines to prevent the use of insider information. Such guidelines will be revised from time to time as appropriate, and all directors, management and staff of the Company will strictly adhere to these guidelines with accountability as well as causes and effects on a case by case basis. These guidelines or policies will be stricter than the provisions of applicable laws, and will apply to directors, management and staff, including related persons.

- (2) Securities Sale and Purchase Using Insider Information

Persons who should not sell or purchase securities pursuant to the guidelines to prevent the use of insider information are as follows:

1. Directors and management of the Company;
2. Directors and management of the Company's subsidiaries, including its affiliates;
3. All staff of the Company and of the Company's subsidiaries;
4. Spouses and minor children of the directors and staff; and
5. Relatives who live with such persons above.

Securities refer to shares, share warrants, convertible debentures and transferable subscription rights issued by the Company.

### General Practice

1. Prohibited persons as described above should not sell or purchase the securities under any circumstances if they are aware or should be aware of material information that may affect the market price of the Company's securities, which has not yet been disclosed to the public.
2. Prohibited persons who are in possession of such material information due to their duties and positions as the Company's staff shall not disclose such information to any other person while such information has not yet been disclosed to the public, unless it is done in the performance of their duties to the Company.

### Specific Guidelines

In addition to the general guidelines to prevent the use of insider information, prohibited persons shall also follow the following guidelines:

1. Prohibited persons who are directly involved in the preparation of the Company's financial statements and balance sheet are prohibited from any purchase or sale from the commencement of such preparation until the day immediately following the disclosure date of such financial statements.

2. Any director, management or staff who has received the draft financial statements as referred to above, is prohibited from selling or purchasing the Company's securities from the day that he or she receives the draft financial statements until the disclosure date of the financial statements.
  3. Prohibited persons, who know or should have known that the Company will disclose material information that may affect the market price of the Company's securities, are prohibited from selling or purchasing the Company's securities from the day that they know or should have known such information until the disclosure date of such information.
- (3) Report of Prohibited Persons
- A. Duty to Prepare Reports
- Directors, Managing Directors or persons who hold management positions as specified in the Securities and Exchange Act shall be required to prepare disclosure reports of their initial securities holdings, and changes in such holdings, pursuant to the relevant laws and regulations, together with such reports to the Company.
- B. Reporting Procedures
- Directors, Managing Directors or persons as specified in paragraph A. above who have the duty under law to disclose their securities holdings, their spouses' securities holdings, and their minor children's securities holdings to government agencies or regulators shall submit copies of such reports to the Company on the same day.

#### **Protection and prevention of inside information usage**

- (1) The Company has policies and procedures for controlling the use of inside information by directors, executives and staff to prevent any occurrence of the use of inside information for personal interests or the interests of others. The work rules and regulations of the Company prohibit staff from disclosing the Company's confidential information to any third parties or abusing their positions for personal gains or others. Any violation is deemed a disciplinary misconduct. In addition, this obligation has been specified as an important condition in new employment agreements, whereby staff must keep confidential information relating to the Company's business to which they have access, whether directly or indirectly, and must refrain from disclosing it to any third parties or other unauthorized persons. In this regard, the confidential information relating to the Company's business refers to financial information, marketing plan or business plan, wages, etc.
- (2) The Company has a control system for use of the Company's information by adopting such information security systems as the restriction of access to the Company's information by setting authorization level of staff's access to the Company's information to correspond to their responsibilities and setting user password for common use of data files with other persons via the computer system, provided that the password must be changed every three months.
- (3) The Company prohibits executives who have access to inside information from taking any actions contrary to Section 241 of the Securities and Exchange Act, including relevant rules and regulations.

#### **9.6 Remuneration for Auditor**

The Audit Committee and management jointly consider the qualifications of the auditor in respect of the reliability, independence, knowledge and experience in audit services, advice on accounting standards and certification of the financial statements in a timely manner, and then propose this matter to the Board of Directors for submission to the annual ordinary general meeting of shareholders to consider approving the appointment of the auditor.

The proposed auditor shall have neither relationship with nor interest in the Company or its subsidiaries, executives, major shareholders or their related persons.

#### **Remuneration for auditor is divided into two categories, namely:**

- (1) Audit fee

The Company paid the audit fees for 2016 in the amount of Baht 2,505,000 to EY Office Limited. When compared to the average audit fees of other listed companies in the same sector, the Company's audit fee was reasonable.

The Company's subsidiaries, namely, Northern Bangkok Expressway Company Limited and Bangkok Metro Networks Limited, paid the audit fees for 2016 amounting to Baht 350,000 and Baht 1,050,000, respectively.

(2) Non-audit fee

In 2016, the Company used any other services from EY Office Limited in the amount of Baht 845,000 as additional fees after the amalgamation and from the service opening of new projects during the year, and from EY Corporate Services Limited in the amount of Baht 200,000 as fee for tax report on the MRT Chaloem Ratchamongkhon Line.

## 9.7 Compliance with the Principles of Good Corporate Governance

The Company has fully complied with the Principles of Good Corporate Governance for Listed Companies 2012, except the following matters:

1. Determination of the number of terms of holding of office as director and independent director: The Board of Directors does not clearly determine any number of terms of holding of office as director. In regard to the determination of a term of consecutive holding of office as independent director of not exceeding nine years, the Board of Directors considers and deems that the appointment of independent directors to resume office as directors will be useful for the Company and shareholders since the directors consecutively holding such office will have knowledge and experience in the Company's business operations, thereby maximizing its value to shareholders.
2. Determination of the number of companies where each director will hold directorships in other companies: The Board of Directors has no policy to limit the number of companies in which each director may hold directorships since, after considering the matter; it is of the view that all directors devote their time to regularly attend meetings.

However, in 2016, none of the Company's directors held office as directors in more than five listed companies.

3. Determination of the number of companies where the Managing Directors will hold directorships in other companies: The Board of Directors has no policy to limit the number of companies in which the Managing Directors may hold directorships in other companies since, after considering the matter; it is of the view that the Managing Directors devote their time to conduct management and regularly attend meetings.

However, in 2016, two Managing Directors represented the Company to hold directorships in one listed company invested by the Company.