

## Subcommittee Reports

### **Report of the Audit Committee**

The Audit Committee of Bangkok Expressway and Metro Public Company Limited, as appointed by the Company's Board of Directors, comprises four independent directors, namely, Mr. Vitoon Tejatussanasoontorn, as the Audit Committee Chairman, General Chetta Thanajaro, General Sampao Choosri and Dr. Annop Tanlamai, as the Audit Committee Members. The Audit Committee Chairman and Dr. Annop Tanlamai specialize in accounting and finance, and the General Manager of Internal Audit Office serves as secretary to the Audit Committee.

The Audit Committee has performed its duties within the scope, duties and responsibilities as assigned by the Board of Directors in line with the requirements of the Stock Exchange of Thailand. In 2016, the Audit Committee held four meetings for discussion and sharing of opinions with the management and internal auditor, and a meeting with the auditor without the management's presence, for independent discussion on the essence in the preparation of the financial statements and the annual audit plan.

The key performance of duties of the Audit Committee may be summarized as follows:

- 1. Review of Financial Report:** The Audit Committee reviewed the financial statements of the Company and its subsidiaries, including changes in the accounting policy, the adjustments which materially affected the financial statements, and correct and complete disclosure of information, to ensure that the financial statements were prepared in accordance with the legal requirements, the generally accepted accounting standards and the financial reporting standards, with correct and sufficient disclosure of information in a timely manner for the benefit of shareholders or information users for making an investment decision.

In review of the financial statements and compliance with the relevant regulations and laws, the Audit Committee was of the opinion that the Company complied with the relevant laws, the accounting system and financial report were correct and reliable, with sufficient disclosure.

- 2. Review of Effectiveness of Internal Control System:** The Audit Committee reviewed the assessment result of the internal control system to ensure the effective performance in all work units, compliance with various laws and requirements, and sufficiency in order to control and prevent corruption. The Internal Audit Office independently examined and evaluated the sufficiency of the internal control, as well as reporting directly to the Audit Committee, taking into consideration the operations, resource utilization, property management, risk prevention and minimization, and reliability of financial report, and focusing on the internal control of the information system, subject to further review and monitoring by both internal auditor and the auditor.
- 3. Supervision of Internal Audit:** The Audit Committee reviewed and approved the internal audit plan and scope of work, considered the audit report, monitored the corrections under the audit report, provided suggestions in the improvement regarding the audit performance, to ensure appropriate and effective audit system. It also considered internal auditor development plan to keep pace with changes in business, along with ongoing self-improvement in the direction of the organization's business operations and the international standards, as well as approved the consideration for appointment, transfer or termination of employment of Head of the Internal Audit Unit or any other unit responsible for internal audit.
- 4. Review of Good Corporate Governance:** The Audit Committee reviewed the Company's operations in compliance with the law on securities and exchange, rules and regulations of the Office of the Securities and Exchange Commission, requirements of the Stock Exchange of Thailand, and other laws relating to the business operations, including obligations which may arise from agreements executed with third parties, and found that the Company duly and properly complied with the relevant laws and requirements in a timely manner.
- 5. Consideration of Connected Transactions:** The Audit Committee reviewed and provided opinions on connected transactions or transactions which might give rise to conflicts of interest in compliance with the applicable laws and requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand to ensure transparency, justifications, and benefits to the Company's business operations and shareholders as a whole.

- 6. Consideration for Selection and Nomination of the Auditor and Determination of Annual Remuneration for the Auditor:** The Audit Committee had the duties to select and nominate, re-elect, or terminate the engagement of the auditor, and consider the remuneration for the auditor, as well as ensure disclosure of the auditing fee and non-audit fee paid to the auditor.

In the proposal for appointment of the auditor for 2017, the Audit Committee assessed the previous audit and considered the reasonableness of the auditing fee and was of the view that the auditor from EY Office Limited was independent, knowledgeable and experienced regarding the audit, provision of advice on the accounting standards, certification of the financial statements in a timely manner, and concluded that the auditing fee was reasonable. Therefore, it proposed the matter to the Board of Directors to consider and seek approval of the meeting of shareholders for appointment of the auditor from EY Office Limited as the Company's auditor for 2017, with the remuneration in an amount not exceeding Baht 3,350,000 per year.

- 7. Preparation for Participation in Private Sector Collective Action Coalition Against Corruption:** The Audit Committee assigned the management and the Internal Audit Office to conduct a study in detail and to prepare a self-evaluation in accordance with the self-evaluation form regarding anti-corruption measures, as well as to monitor and follow up on the compliance with the anti-corruption measures, to ensure readiness in submission of an application for certification.

In summary, the Audit Committee fully performed its duties as specified in the Audit Committee Charter as approved by the Board of Directors, by using sufficient knowledge, abilities, prudence and independence in providing opinions and suggestions for the fair benefit of all interested parties. It was of the view that the Company's report on financial information and operations was correct in compliance with the generally accepted accounting standards and the financial reporting standards, that the risk management was sufficient, with effective and proper internal control system and internal audit, and that the business operations complied with the good corporate governance principles, applicable laws and requirements relating to the Company's business.



(Mr. Vitoon Tejatussanasoontorn)

Audit Committee Chairman

## Report of the Nomination and Remuneration Committee

The Board of Directors of Bangkok Expressway and Metro Public Company Limited appointed the Nomination and Remuneration Committee by having General Chetta Thanajaro as Chairman of the Nomination and Remuneration Committee, Mr. Plew Trivisvavet, Mr. Vitoon Tejatussanasoontorn and Mr. Supong Chayutsahakij as Nomination and Remuneration Committee Members, with the duties to nominate and consider remuneration for directors and Managing Directors to ensure transparency and fairness.

In 2016, there were a total of three Nomination and Remuneration Committee's Meetings to consider various matters. The essence of the performance of duties can be summarized as follows:

1. Considering criteria and procedures of nomination as well as selecting and proposing qualified persons to hold the position of the Company's directors by:

- 1) Nominating persons to be appointed as directors to replace those directors who retire by rotation in the ordinary general meeting of shareholders.

The Board of Directors considered the qualifications and roles in performance of duties in the previous year of six directors who retired by rotation and proposed the 2016 Annual Ordinary General Meeting of Shareholders to re-appoint them for another term.

- 2) Nominating persons to be appointed as directors to replace those directors who vacate office.

The Board of Directors considered the qualifications of persons to be nominated as the Company's directors to replace the directors who vacate office due to directors' resignations and death, by proposing the Board of Directors' Meeting to appoint four persons having knowledge, ability and experience which would be beneficial to the Company, and having qualifications in line with that of directors in listed companies, as the Company's directors to replace such vacancies.

2. Considering determining criteria on consideration of remuneration for directors and Managing Directors.

The Board of Directors considered reviewing the criteria on consideration of remuneration for directors and Managing Directors and was of the opinion that the Company's criteria remained appropriate.

3. Considering determining remuneration for directors and proposing the same to the shareholders' meeting for consideration and approval.

The Board of Directors considered determining remuneration for directors for 2016 and was of the opinion that the criteria on consideration of remuneration for directors was appropriate for and in line with the scope of duties and responsibilities of each director; remuneration stayed at the same rate as that of the same industry to attract and retain knowledgeable and qualified directors to perform duties for the Company; elements of remuneration were clear, transparent and easy to understand, by proposing the same to the shareholders' meeting for consideration and approval.

In conclusion, the Nomination and Remuneration Committee has fulfilled their duties as specified in the Nomination and Remuneration Committee's Charter which has been approved by the Board of Directors, by employing their knowledge, ability with due care and independence as sufficient to provide the opinions and suggestions for the overall benefits of the Company.

General   
(Chetta Thanajaro)

Chairman of the Nomination and Remuneration Committee

## Report of the Corporate Governance and Risk Management Committee

The Board of Directors of Bangkok Expressway and Metro Public Company Limited appointed the Corporate Governance and Risk Management Committee by having General Sampao Choosri as Chairman of the Corporate Governance and Risk Management Committee, Mrs. Vallapa Assakul, Mr. Phongsarit Tantisuvanitchkul, Dr. Sombat Kitjalaksana and Mrs. Payao Marittanaporn as Corporate Governance and Risk Management Committee Members, with the duties to formulate policies and directions of operations in respect of the good corporate governance of the Company, including code of 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.

In 2016, there were a total of four Corporate Governance and Risk Management Committee's Meetings with the high-ranking management team every quarter to consider reviewing policies and follow up progress of compliance with the good corporate governance principles and risk management plan of the Company. The essence of the performance of duties can be summarized as follows:

1. Monitoring to ensure the Company's compliance with the good corporate governance principles.

The Board of Directors followed up and reviewed the good corporate governance guidelines by proposing the Board of Directors' Meeting to consider the appropriateness in adopting it as guidelines for the Company's operations. In this regard, the Board of Directors considered reviewing and improving the good corporate governance policy relating to shareholders' rights; treatment towards shareholders and stakeholders; disclosure of information; and the Board of Directors' responsibility. In 2016, the results of the Company's corporate governance survey were shown at the very good level and the results of assessment of the 2016 Annual Ordinary General Meeting of Shareholders were shown at the very good level.

2. Risk management.

The Board of Directors, in association with the high-ranking management, considered studying and following up movement, tendency to review the risk management plan and strategies for risk management to deal with risks to stay at an acceptable level as appropriate for the ongoing changing situations and in line with the Company's work plan in 2016.

In conclusion, the Corporate Governance and Risk Management Committee has fulfilled their duties under the responsibilities as assigned by the Board of Directors with prudence, due care and independence as sufficient to provide the opinions and suggestions for the overall benefits of the Company.

General 

(Sampao Choosri)

Chairman of the Corporate Governance and Risk Management Committee