

9. Corporate Governance

9.1 Corporate Governance Policy

The Board of Directors and management put their trust in and realize the significance of the Corporate Governance Code, comprising establishing organizational leadership role and responsibilities of the Board for creating value for the business to attain the sustainable business operations, strengthening effective management and internal control, implementing mechanisms for control and checks and balances intended to ensure the transparent and auditable management, respect for rights and equality of shareholders by encouraging and supporting participation and communication with shareholders, ensuring disclosure and maintaining financial integrity; and ensuring all groups of stakeholders-oriented management, as crucial factors in adding value and bringing the highest returns to the Company's shareholders with the long-term sustainability.

To boost confidence of all shareholders, investors and stakeholders and development resulting in the good corporate governance of the Company and its subsidiaries on a continuous basis, including understanding of the Board of Directors in the Company's business operations, expectations of stakeholders, opportunities and risks affecting the business operations, the Board of Directors shall regularly review the corporate governance policy on a yearly basis. In this connection, the Company has publicized the corporate governance policy on its website at <http://www.bemplc.co.th> to allow all shareholders, investors and stakeholders to acknowledge the practical guidelines and business operations of the Company based on the Corporate Governance Code. Moreover, the Company has informed and communicated to the Company's staff to acknowledge and adhere strictly to such policy.

By virtue of the performance with adherence to and compliance with the aforesaid Corporate Governance Code, the Company then received assessments and awards for the corporate governance in 2017, as follows:

- The Company received an "Excellent" rating in the assessment of the quality of the 2017 Annual Ordinary General Meeting of Shareholders (AGM Checklist 2017), with a score of 97.
- The Company was selected by the Stock Exchange of Thailand to be 1 in 65 of listed companies engaging in sustainable business with the environmental, social and governance (ESG) commitment or known as Thailand Sustainability Investment for SET-listed companies with market capitalization above Baht 100,000 Million.
- The Company was considered by the Stock Exchange of Thailand and Money&Banking Magazine to receive the Best Deal of the Year Award for 2017 in the "SET Award 2017" event resulting from the amalgamation between BECL and BMCL.
- The Company received a "Very Good" rating in the assessment of the corporate governance of Thai listed companies from the Thai Institute of Directors Association (IOD).
- The Company received the Issuer of the Year Award 2016 from the Thai Bond Market Association, in its capacity as private debenture issuer in 2016 with the outstanding fund-raising via bond market to satisfy the requirements of the Company and investors at the right time, including adherence to the good corporate governance principles which built up confidence of debenture holders and shareholders.

In 2017, the Board of Directors supervised and monitored to ensure development of the Company's corporate governance as well as summarizing the corporate governance activities held throughout the year 2017 covering and in compliance with the Corporate Governance Code for Listed Companies 2017, as follows:

9.1.1 Shareholders' Rights and Encouragement of Participation by Shareholders

The Board of Directors acknowledges and emphasizes on the significance of shareholders' fundamental rights as well as encouraging participation by shareholders and communication with shareholders, namely, share purchase, sale and transfer, entitlement to the Company's profit sharing, meeting attendance for exercising their rights to vote in the shareholders' meetings independently and equitably, participation in decision-making in the Company's important matters, appointment or removal of directors, determination of remuneration for directors, appointment of auditors, determination of remuneration for auditors, and rapid receipt of the Company's complete and sufficient information and news via easily accessible channels, whereby the Company encourages its shareholders to fully exercise their rights through the shareholders' meetings and refrains from taking any actions in violation of shareholders' rights or which deprive shareholders of their rights, as follows:

1. Shareholders' Meetings

1.1 Shareholders' participation in shareholders' meetings

The Company realizes and gives priority to shareholders' rights and encourages their participation, whereby the Board of Directors clearly sets out in the corporate governance policy that the Company must support 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. In this regard, the Company must not take any actions in violation of shareholders' rights or which deprive shareholders of their rights and also promote shareholders' right to decide on significant changes. Furthermore, the Company prepares documents in both Thai and English versions for clear acknowledgment and understanding of all shareholders.

In case it is inconvenient for any shareholder to attend meetings in person, the Company prepares proxy forms for enabling shareholders to decide among themselves how they wish their votes to be cast, and nominates one independent director and/or audit committee member if there is execution of any transaction which may give rise to a conflict of interests, who may be appointed as proxy of shareholders for exercising the right to attend meetings and vote on each agenda item. 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 in both 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 2017 Annual Ordinary General Meeting of Shareholders on April 11, 2017, the Company disseminated the notice of the meeting on its website since March 10, 2017 and also sent the notice of the meeting to Thailand Securities Depository Company Limited, as the Company's share registrar, for delivery to shareholders 21 days prior to the meeting, namely, March 20, 2017, 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 2017, the Company convened two the shareholders' meetings, namely, the 2017 Annual Ordinary General Meeting of Shareholders on April 11, 2017 at 14.00 hrs., and the Extraordinary General Meeting of Shareholders No. 1/2017 on June 12, 2017 at 14.00 hrs. at Plenary Hall 1-2, Queen Sirikit National Convention Center, 60 New Rachadapisek Road, Klongtoey, Bangkok, where shareholders could conveniently travel to by metro and by car.

1.4 Shareholders' opportunity to submit their questions in advance

To establish communication with shareholders and encourage their participation, the Company welcomes shareholders' submission of agenda items, questions or suggestions prior to meeting dates, subjected to rules and procedures detailed prescribed on its website at www.bemplc.co.th. Shareholders may send questions via the Company's website or e-mail address : companysecretary@bemplc.co.th, Telephone : 0 2641 4611, Facsimile: 0 2641 4610, or 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.

Answers to shareholders' questions may be given via appropriate channels, or further clarification at the ordinary general meetings of shareholders.

As for the 2018 Annual Ordinary General Meeting of Shareholders, the Company had allowed shareholders to submit agenda items or questions in advance via the website from October 1, 2017 to December 31, 2017, and also notified shareholders widely via the website of the Stock Exchange of Thailand.

2) Conduct of Shareholders' Meetings

The Company's reception staff facilitates shareholders' participation in meetings and provides information to shareholders both before, after and during 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 gives priority to their participation in shareholders' meetings to answer questions and take suggestions of shareholders into consideration. In 2017, the Company convened two shareholders' meetings, one of which was the 2017 Annual Ordinary General Meeting of Shareholders on April 11, 2017. There were 15 directors from a total of 16 directors attending each meeting (representing 93.75 percent of attending directors), whereby 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

To ensure transparency, compliance with the laws and the Articles of Association, the Company provides for a legal advisor and at least two independent persons as shareholders' representatives to count or inspect the counting of votes to ensure transparency and compliance with the laws and the Articles of Association. The Chairman of the Board of Directors who presides over shareholders' meetings introduces the examiners of vote counting to the meetings and has them recorded in the minutes of the shareholders' meeting. In casting votes on each agenda item, the Company uses the barcode system to record such votes to ensure that the voting results are expeditiously displayed to the meeting. In respect of voting results of the meetings, favorable, unfavorable, and abstaining votes, including voided voting cards would be also displayed. 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 examiners and 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.
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 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 discloses 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, abstentions, and voided cards.
3. After the end of the shareholders' meeting, minutes of the shareholders' meeting is required to be completed within 14 days, provided that such minutes shall contain sufficient details for the shareholders absent from the meeting to review on the Company's website. Moreover, video presentation of the atmosphere of the shareholders' meeting is made available on the Company's website.

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 major shareholders and minority shareholders, including foreign shareholders, and ensure the Company's prevention of usage or receipt of inside information which has not yet been disclosed to the public in a manner which such is done for personal interests or others' interests; which may take advantage of and cause damage to shareholders as a whole, all of which are considered unfair treatment in capital market. As a result, the Board of Directors formulates measures to prevent inside information usage and disclose information, as well as setting out fair criteria and methods for execution of transactions which may give rise to a conflict of interests, as follows:

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 30 days prior to the meeting date. 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

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 persons for appointment as directors via the Company's website. Shareholders may exercise such rights three months prior to the end of the accounting period. In this regard, the Board of Directors considers incorporating agenda items proposed by shareholders as appropriate. As for the persons 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.

In addition, 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 directors, executives, and staff of such guidelines for compliance. In this regard, directors and executives are required to report their own securities holdings, and those of their respective spouses and minor children who hold securities of the Company; and to report on every change in such securities holdings from purchase, sale, transfer or acceptance of transfer 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. Directors and executives are also required to report on their securities trading or holdings 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 holdings by directors and executives for 2017

Names of Directors/Executives	Amount of Ordinary Shares			
	As at December 31, 2016	Change in 2017	As at December 31, 2017	
			Amount	Percent (%)
Directors				
1. Dr. Virabongsa Ramangkura	-	-	-	-
2. Mr. Plew Trivisvavet	21,706,878	-	21,706,878	0.1420
Spouse	2,402,527	-	2,402,527	0.0157
3. Mr. Vitoon Tejatussanasoontorn	803,893	-	803,893	0.0053
4. Gen. Chetta Thanajaro	2,102,527	-	2,102,527	0.0138
5. Gen. Sampao Choosri	-	-	-	-
6. Dr. Annop Tanlamai	-	-	-	-
7. Mrs. Vallapa Assakul	-	-	-	-
8. Mr. Supong Chayutsahakij	-	-	-	-
9. M.L. Prasobchai Kasemsant	-	-	-	-
10. Mr. Phongsarit Tantisuvanitchkul	-	-	-	-
11. Mr. Werapong Suppasedsak	-	-	-	-
12. Mr. Panit Dunnvatanachit	-	-	-	-
13. Mr. Yuttana Yimgarund	-	-	-	-
14. Mr. Prasit Dachsiri ⁽¹⁾	-	-	-	-
15. Dr. Sombat Kitjalaksana	3,599,141	-	3,599,141	0.0235
16. Mrs. Payao Marittanaporn	-	-	-	-
Executives				
17. Mr. Sanguan Kunatinun	-	-	-	-
18. Mrs. Sudruthai Prommart	-	-	-	-
19. Mr. Phakpoom Thaweewittayarut	-	-	-	-
20. Miss Panan Tosuwanthaworn	-	-	-	-
21. Mr. Witoon Hatairatana	-	-	-	-
22. Mr. Alvin Gee	-	-	-	-
Spouse	144,272	-	144,272	0.00094
23. Dr. Vites Techangam ⁽²⁾	-	-	-	-

Remarks : ⁽¹⁾ Mr. Prasit Dachsiri was appointed as director on November 22, 2017 to replace Mr. Dumkerng Pankam who resigned his office on October 24, 2017.

⁽²⁾ Dr. Vites Techangam was appointed as Deputy Managing Director: Technology and E-Business on October 1, 2017.

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 and voting on such items. The Company Secretary 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 Office 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 Audit Committee shall jointly 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 Office.
3. Should the Board of Directors and/or the Audit Committee have no expertise in considering 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 Office 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 Corporate Governance Code, and in compliance with the rules of the Stock Exchange and the SEC Office;
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 and Responsible Business Operations

The Company has a clear policy which focuses on and realizes 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, standard and reliable services as well as taking into account health, safety and fairness, keeping customers' information confidential, following up and evaluating customers' satisfaction for the purpose of development and improvement of services, together with advertisement, public relations and sales promotion, in response to customers' needs to have access to the mass transit system and routes which save their travelling time in Bangkok and its surrounding provinces. Work plans/programs are also 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, safe and standard services to satisfy service users' expectations.

2. Ensuring prompt responses to service users' needs, without discrimination, 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 and impartial treatment, without 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 in order to develop and improve the efficiency of the operations. According to the assessment results, both EXAT and MRTA are completely satisfied with the Company's collaboration.

Moreover, 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 for all traders and follows the procedures in a systematic way in compliance with the work procedures regarding procurement and conditions of contracts or agreements with fairness 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 equal and fair competition on a database, without discrimination or preventing any trader from participating in business competition.
3. Preparing contracts or agreements in appropriate, fair and standard forms.
4. Arranging for management, monitoring, surveillance, including rechecking systems to ensure the full compliance with contracts or agreements and internal control system to prevent fraud and misconduct in all steps of the procurement procedures.
5. Paying consideration to traders on time in accordance with terms of payment as mutually agreed.
6. Not allowing directors and/or staff to accept any benefit from traders privately or by reason of personal relationship.
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 credit facilities agreements, suretyship agreements, capital management 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 practices:

1. Strictly complying with the conditions of the credit facilities agreements as mutually agreed. Failure to comply with any condition must be informed to the lenders in advance for jointly seeking a solution.
2. Ensuring equitable and fair treatment towards all lenders, based on fair returns for both parties.
3. Reporting correct and reliable financial information to the lenders accurately, completely, timely and regularly.
4. Refraining from giving, soliciting, receiving, agreeing to receive or accepting engagement for any benefits fraudulently in commercial terms.
5. Disclosing information (if any) on giving, soliciting, receiving, agreeing to receive or accepting engagement fraudulently, to the lenders, and jointly resolving such problems with fairness and rapidity.

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 sustainable success and growth, and then clearly sets out the staff practices, as suitable for each work position, and has respect for human rights, for instance, determination of remuneration and other benefits with fairness, provision of welfare benefits not less than that provided by law or higher as appropriate, taking into account staff's hygiene and safety at work, provision of training, development of competency and support of career advancement, as well as providing staff opportunity to improve their important and essential skills in connection with working or in any other fields, etc. In this regard, the Board of Directors has authorized the management to follow up, evaluate and review work performance on a yearly basis.

1. Treatment of staff

- 1) Establishing structures and providing fair and appropriate benefits to staff according to work competency, to which staff performance evaluation system (people assessment) has been applied, focusing on work competency assessment and capability measurement as principle for development of staff's skills and competency to suit work position and ensure the Company's growth, as well as clearly measuring their performance based on KPIs in all key activities for supporting consideration and assessment of staff's performance.
- 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 development of knowledge and capacities of staff at all levels, whereby the Company allows and encourages staff to attend training courses or further study in order to enhance their skills, knowledge and expertise, as well as fostering positive attitudes toward them. Such training would emphasize development of skills, knowledge and competency of staff, whether it be functional skills, core skills or leadership skills.

In 2017, the Company arranged for staff training averaging 45.97 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) Supervising and monitoring to ensure 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, whereby the Company supervises and encourages staff to ensure that they use lawful products without infringement of copyrights or intellectual property, along with support of their compliance with the operational guidelines and performance of duties with integrity, without involvement with corruption in any form, 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 with safety and hygiene at work, by setting out the policy on safety and hygiene, as follows:

- 1) The Company formulates measures to prevent any work-related accident, injury and illness through sincere cooperation among all staff as well as restrict and cope with safety risks arising from undertaking work under the normal operating process.
- 2) The Company formulates measures to design tools and equipment, set out practices, provide for training and supervise operations by taking into account safety for life, hygiene and property of staff and that of the Company as a whole.

The Company not only provides the hygienic work environment at workplace for the sake of safety for life, hygiene together with property of staff and the Company, the Company also takes into account safety and hygiene of the service users, through provision of 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 and implements 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 main aim of taking care of welfare in terms of safety, occupational health and work environment for staff related to the metro operations.

In 2017, the Company had one work-related accident on the expressways, without causing any loss of staff, and had no work-related accident in metro operations.

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: The social and environmental impacts of its business operations, particularly impacts on the communities adjacent to the expressways, metro routes, or near the office where the Company is located are of concern to the Company, and therefore, the Company continues to organize special activities for providing benefits and building learning center for business and communities in the long run.

2) **Anti-Corruption Policy**

The Company realizes and gives priority to anti-corruption and fraud prevention and also adopts measures to prevent corruption, both inside and outside. The Company sets out guidelines and procedures for regular practices, monitoring, surveillance, review, risk assessment and training as suitable and up-to-date, to ensure that all directors, executives and staff of the Company have strictly adhered to and complied with such guidelines. In this regard, the Company formulates anti-corruption policy containing the key practical guidelines, as follows:

1. The Company's directors, executives and 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 proper in compliance with applicable laws, policies, Articles of Association, regulations, notifications or practical procedures.
2. The Company encourages and promotes fair treatment with integrity towards all its traders and compliance with any contractual commitments made with the Company's stakeholders.
3. The Company encourages and promotes directors', executives' and staff's awareness to ensure that they refrain from committing any fraud and realize negative impacts of corruption.
4. The Company encourages and promotes directors, executives and staff to refrain from receiving, agreeing to receive or offering any hospitality, gifts, and any other payments which are extravagant and inappropriate 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 imposed the duty on the Internal Audit Unit to follow up, conduct surveillance, review, risk assessment and training for preventing/suppressing corruption.

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

The Company respects and upholds the proprietary rights in others' intellectual property, whereby use of the intellectual property shall be subject to the prior consent of the intellectual property owner, and then, the Company formulates a policy to forbid 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 operating its business with social and environmental responsibility as well as mainly focusing on coordination of benefits for all groups of stakeholders in every dimension as appropriate for the Company's sustainable business growth, as follows:

1. To lead the organization with the concept of sustainable development, 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 2017 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 impacts of all groups of stakeholders;
2. Raising staff awareness and promoting the efficient use of energy and natural resources as well as providing staff with environmental knowledge and training;
3. Performing duties in compliance with environment-related laws and other environmental regulations as applicable;
4. Reviewing objectives and goals for improvement of the environment management system on a continuous basis;
5. Communicating the environmental policy to the public and parties concerned, as well as adopting a policy to select and encourage use of eco-friendly products.

It is the responsibility of all the Company's staff and contractors to seriously and regularly implement this policy.

7) Information System Security Policy

The Company becomes aware of and considers information technology security and threats caused by the use of information technology. Currently, technology has been not only progressing rapidly, but also posing a threat, which as days go by, continues to become significant and acute. In 2017, the Company applied ISO/IEC 27001: 2013 for implementation and set out regulations governing information system security of the Company, to ensure that the Company has its information security system and information system.

8) Innovation Promotion Policy

This is to ensure the organizational culture which has promoted innovations for enriching the Company according to ongoing volatile surrounding factors, by, for instance, forming a service pattern to meet customers' requirements or conducting study and research for development of operating process or services, etc. The Company, based on the previous operations, did promote or initiate an innovation project, namely, Second Antenna project, as a convenience to the Easy Pass users in the event that a barrier gate is not opened despite their remaining credit adequate for passing through, in that case, the system will have the barrier gate opened without waiting staff to open it. Such system helps expedite the motorists' travelling, save time waiting in a queue and reduce traffic congestion in front of the toll booths, as well as minimizing air pollution.

9) Procedures and Channels of Complaints

9.1 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, Bangkapi Subdistrict, Huai Khwang District, Bangkok 10310
Company Secretary	:	
Telephone	:	0 2641 4611
E-mail	:	companysecretary@bemplc.co.th

9.2 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.

9.3 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 Ensuring Disclosure and Maintaining Financial Integrity

- 1) The Board of Directors sets out a policy to disclose information and maintain financial integrity by formulating practical guidelines, including systems for financial reporting and disclosure of significant information to ensure correctness, adequacy, punctuality, equality on a timely basis, via appropriate channels, protecting confidential information and information which may affect securities price, as well as having the company-wide communication to make all staff have a common understanding that compliance with such policy is required in accordance with applicable requirements, standards and practices, in a transparent and auditable manner. This is to ensure that disclosed information is a matter of importance and is able to reflect practices and operations of the Company contributing to the sustainable value creation to the business.

Moreover, personnel related to preparation of the report and information disclosure are promoted and managed to ensure they have knowledge, skills and experience as suitable for their duties, responsibilities, and in an adequate amount for the Company's needs. Such personnel shall include the highest level executive in accounting and finance, accountant, internal auditor, Company Secretary, and investor relations. The Managing Directors have the power to approve information disclosure and ensure the accurate, complete, timely and transparent disclosure of both financial and non-financial, material information relating to the Company as required by the SEC Office and the Stock Exchange, via the equitably accessible channels.

- 2) The Company has established the Investor Relations Unit to represent the Company, with the duty in appropriately, equitably and timely communicating information useful to shareholders and other stakeholders, such as, debenture holders, investors, securities analysts, mass media, and relevant parties. The Company has also been a member of Thai IR Club, Thai Listed Companies Association. 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, Bangkapi 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@bemple.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 and to learn opinions and realize requirements of Thai and foreign investors in person, that is, the Managing Directors, the Deputy Managing Directors, the Assistant Managing Directors, and the Company Secretary, all of which 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, who perceive information, are obliged to keep any undisclosed information strictly confidential. The Company formulates work rules and regulations to 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. The Company regularly updates such information as annual report, annual registration statement (Form 56-1), practical guidelines for good corporate governance, 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 regularly updated, so as to be regularly and timely available to all investors and those who may interest in investment, on the website. Moreover, opinions and investment analysis of the Company by securities analysts from securities companies from 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 clarify for the purpose of accuracy of the Analyst Consensus, 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 2017, 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, totaling 17 times, as follows:

Local	International
<ul style="list-style-type: none"> - “CLSA ASEAN Forum 2017”, organized by CLSA Securities (Thailand) Ltd. - Money Expo 2017, in association with CH. Karnchang Public Company Limited, TTW Public Company Limited and CKP Power Public Company Limited. - Local Roadshow, organized by Maybank Kim Eng Securities (Thailand) Plc. - “Asia Plus’s CEO Forum”, organized by Asia Plus Securities. - “Credit Suisse’s Infrastructure Day”, organized by Credit Suisse Securities (Thailand) Ltd. 	<ul style="list-style-type: none"> - Non Deal Roadshow, organized by DBS Vickers (Thailand) Securities Ltd., in Singapore. - “Maybank Invest ASEAN 2017 Singapore”, organized by Maybank Kim Eng Securities (Thailand) Plc., in Singapore. - “20th Asian Investment Conference”, organized by Credit Suisse Securities (Thailand) Ltd., in Hong Kong. - “Maybank Invest ASEAN 2017 London”, organized by Maybank Kim Eng Securities Plc., in the United Kingdom. - “SET Thailand Corporate Day in London 2017”, organized by the Stock Exchange of Thailand and Maybank Kim Eng Securities (Thailand) Plc., in the United Kingdom.

Local	International
<ul style="list-style-type: none"> - “dbTISCO Thailand Transportation & Construction Corporate Day”, organized by dbTISCO (Thailand) Ltd. - “Thailand Focus 2017: Establishing the New Engine”, organized by the Stock Exchange of Thailand, Bank of America Merrill Lynch and Phatra Securities Plc. - “CNS Corporate Access”, organized by Capital Nomura Securities Plc. 	<ul style="list-style-type: none"> - “24th CLSA Investors’ Forum”, organized by CLSA Securities (Thailand) Ltd., in Hong Kong. - “Non Deal Roadshow”, organized by DBS Vickers (Thailand) Securities Ltd., in the United States of America. - Non Deal Roadshow, organized by Maybank Kim Eng (Thailand) Securities Plc., in Japan - “dbAccess Thailand SET Corporate Day”, organized by the Stock Exchange of Thailand and dbTISCO (Thailand) Ltd., in Singapore.

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 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 2017 (BEM IR SURVEY) for further improvement. The survey revealed that the provision of service in such Investor Relations activities was satisfactory to 92.36 percent of those surveyed.

4) Rules on securities trading by inside information users

Other than the report on securities trading of directors and executives in accordance with the requirements of the SEC Office, other executives, along with staff, who are authorized to have access to or perceive the Company’s undisclosed material information which may influence securities price movements, are also emphasized and prevented from using such information in securities trading for personal interests and interests of others, or taking advantage of general investors, such as, information on capital increase or decrease, dividend payment, the Company’s operational results, joint investments, etc. In this respect, the Company requires its executives to report on their securities trading in accordance with the rules as required by the Stock Exchange, and all persons who perceive inside information should refrain from trading securities or should wait until the public has been informed of and have an adequate time to study such information.

9.1.5 The Board of Directors’ Responsibilities and Strengthening Board Effectiveness

The Board of Directors realizes its roles and responsibilities in setting out policies and monitoring to ensure the Company’s good management, covering its business objectives, goals, strategies, policies, important and adequate resource allocation to achieve the business objectives and goals, as well as monitoring, evaluating and ensuring the reporting on operational results in line with laws, the Articles of Association, together with resolutions of the shareholders’ meetings, to ensure the operations which pursue the sustainable value creation for the business.

The Board of Directors complies with the practical principles of the Corporate Governance Code for Listed Companies in various aspects, as follows:

1. The Board of Directors’ Structure

1.1 The structure of the Board of Directors is considered by the Company in terms of size, composition, proportion of the independent directors, skill, experience, education, capability and expertise, together with gender and age as suitable and necessary for leading the organization to achieve the Company’s specified objectives and goals, consisting of 17 qualified members, namely, five executive directors, six independent directors and six non-executive directors. This is to rest assured that the Board of Directors as a whole is qualified and is able to understand and respond to the stakeholders’ needs, as well as enabling the Board of Directors to carry out operations conducive to exercising its discretion independently. In addition, three of six non-executive directors are directors as EXAT’s and MRTA’s representatives who have experiences in the Company’s core businesses.

- 1.2 The Board of Directors includes six independent directors, in line with the number as required by the SEC Office, 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 Office 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 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. Performance of Duty of the Chairman of the Board of Directors and Managing Directors

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.

3. 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.

4. Role, Duties and Responsibilities of the Board of Directors

- 1) The Board of Directors has its role and duty in supervising to ensure the Company's good management, covering the vision, missions, strategies, targets, business plan, budget of the Company, important and adequate resource allocation, as well as supervising and monitoring to ensure the management's operations in compliance with the specified plans, for the sustainable value creation for the Company's business, conducive to the ethical business operations, with respect for rights and responsibility towards shareholders and stakeholders, provision of social benefits, environmental development or reduction of environmental impacts.
- 2) The Board of Directors has established the corporate governance policy, subject to review at least once a year, for directors, executives and staff of the Company to comply with, and also provides for mechanisms conducive to their real compliance therewith, as well as following up the results.
- 3) The Board of Directors approves preparation of the Company's code of ethics, subject to review at least once a year, prescribing the best practices of directors, executives and staff for treatment towards the Company, colleagues, third parties and society, to allow the Company to create and push ahead the ethical organizational culture.
- 4) The Board of Directors has its duty to ensure that the Company has adequate systems and mechanisms so that the Company's operations comply with applicable laws, Articles of Association, resolutions of the shareholders' meetings, together with policies or guidelines as specified, and also has approval process for significant matters, such as, any investment, transactions which materially affect the Company or any transactions which may involve a conflict of interests, in which case, interested directors may not attend nor vote on such matter at the meeting, etc., as required by law.
- 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.

- 6) The Board of Directors shall supervise and monitor to ensure that the management conveys and transforms a strategic plan into operational plan, including performance assessment, and supervise and monitor the group companies. In this connection, the management is required to report on performance, together with any significant matters, to the Board of Directors for acknowledgment in the Board of Directors' Meeting.

In addition, the Company provides for the annual survey on compliance with the Company's code of ethics for directors, executives and staff, in which they must sign to signify their responsibility for compliance with the Company's code of ethics. Moreover, the Company not only arranges for the annual training and test on the code of ethics by means of e-learning for the Company's executives and staff, the Company also continues to encourage high and middle executives to undergo corporate governance training on a yearly basis.

5. The Board of Directors' Meetings

The Company's Board of Directors' Meetings

Names of Directors	Attendances / Total Number of Meetings for 2017				
	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee
1. Dr. Virabongsa Ramangkura	7/7				
2. Mr. Plew Trivisvavet	7/7	11/11		2/2	
3. Mr. Vitoon Tejatussanasoontorn	7/7		6/6	2/2	
4. Gen. Chetta Thanajaro	5/7		5/6	1/2	
5. Gen. Sampao Choosri	7/7		6/6		3/3
6. Dr. Annop Tanlamai	6/7		6/6		
7. Mrs. Vallapa Assakul	7/7				3/3
8. Mr. Supong Chayutsahakij	7/7	11/11		2/2	
9. M.L. Prasobchai Kasemsant	2/7				
10. Mr. Phongsarit Tantisuvanitchkul	7/7	11/11			3/3
11. Mr. Werapong Suppasedsak	7/7				
12. Mr. Panit Dunnvatanachit	6/7				
13. Mr. Yuttana Yimgarund	6/7				
14. Mr. Theeraphan Tachasirinugune ⁽¹⁾	2/2				
15. Mr. Dumkerng Pankam ⁽²⁾	3/5				
16. Mr. Prasit Dachsiri ⁽³⁾	1/1				
17. Dr. Sombat Kitjalaksana	6/7	10/11			3/3
18. Mrs. Payao Marittanaporn	7/7	10/11			3/3

Remarks: (1) Mr. Theeraphan Tachasirinugune resigned from directorship on April 7, 2017.

(2) Mr. Dumkerng Pankam resigned from directorship on October 24, 2017.

(3) Mr. Prasit Dachsiri was appointed as director on November 22, 2017 to replace Mr. Dumkerng Pankam who resigned his office on October 24, 2017.

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. In 2017, the Board of Directors held its seven meetings.

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 2017, the Audit Committee held its six 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 2017, the Audit Committee considered executing three connected transactions.

2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee will meet to nominate qualified persons 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 2017, the Nomination and Remuneration Committee held its two meetings to nominate qualified persons 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 2017 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 Corporate Governance Code; 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.

Furthermore, the Board has reviewed the Company's operations in compliance with the Corporate Governance Code for Listed Companies 2017.

In 2017, the Corporate Governance and Risk Management Committee held its three 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 the annual implementation of risk management plan and regularly reviewed risks and follow up risk management plan 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 2018 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 meets to help provide suggestions and advice to the management, and review the operations in compliance with the Company's policies and work plans as well as 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 2017, 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.

6. Board Self-Assessment

The Board of Directors have 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 Corporate Governance Code.

Results of Board / Subcommittee Self-Assessment

In 2017, 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 consideration and improvement of performance. In this regard, most of opinions provided by 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 persons 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 persons 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 risk prevention system of all kinds; 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.

7. 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.

8. 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.

9. 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 2017 is shown in the caption of Remuneration of Directors and Executives on pages 8-7 to 8-8.

10. 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).

In 2017, there was one director, namely, Dr. Annop Tanlamai, who underwent training of the Audit Committee’s Role in Compliance and Ethical Culture Oversight.

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 2017, there one new director, 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 Corporate Governance Code, 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 Office, conducted by the Thai Institute of Directors Association (IOD).

11. 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 event that the Managing Directors or executives in the key positions are not able 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 nomination from internal personnel, and the Company requires promotion to be considered every year under the specified criteria for development of personnel who have good performance and competency for their 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, shall consider this matter in accordance with the clearly 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 shall review the criteria and select knowledgeable, competent and qualified persons, whereby the Board of Directors shall consider appointing candidates to hold the office of Managing Director, and the Executive Board shall consider appointing executives at the General Manager level or higher.

An executive who has been assigned to succeed to an office must not only be suitably qualified and experienced in such field, but must also have accepted transfer of knowledge and experience by rotation to other related work units, and have attended additional necessary training courses to be well prepared for 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 through adequate allocation, controlling, following up, performance assessment, that is, nomination process for qualified and knowledgeable persons as required, appropriate and fair remuneration, determination of duties and responsibilities, performance of personnel, performance standard, personnel development and efficient communication, to ensure that staff have knowledge and skills; and the Company's human resource management is efficient and suitable, emphasizing development of staff competency and ensuring clarity of the performance assessment in support of consideration of remuneration 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.

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, 2017, comprising

1.	Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	(Independent Director)
2.	Mr. Plew Trivisvavet	Vice Chairman of the Board of Directors	
3.	Mr. Vitoon Tejtassanasoontorn	Director	(Independent Director)
4.	Gen. Chetta Thanajaro	Director	(Independent Director)
5.	Gen. Sampao Choosri	Director	(Independent Director)
6.	Dr. Annop Tanlamai	Director	(Independent Director)
7.	Mrs. Vallapa Assakul	Director	(Independent 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. Prasit Dachhiri	Director
15.	Dr. Sombat Kitjalaksana	Director
16.	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 Corporate Governance Code, 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 operational directions of the Company as well as supervising, to ensure that management takes actions in compliance with the policies with efficiency and effectiveness to contribute to the economic value maximization for the business and the wealth maximization for 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 Office 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 Corporate Governance Code 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, 2017, the Audit Committee comprises four independent directors as listed below:

- | | | |
|--|--------------------------|------------------------|
| 1. Mr. Vitoon Tejatussanasoontorn ⁽¹⁾ | 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: ⁽¹⁾ 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 Corporate Governance Code which states that the chairman of each subcommittee should be an independent director. As at December 31, 2017, 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, 2017, the Corporate Governance and Risk Management Committee comprises five members as follows:

- | | | | |
|----|----------------|-------------------|---|
| 1. | General Sampao | Choosri | Corporate Governance and Risk Management Committee Chairman
(Independent Director) |
| 2. | Mrs. Vallapa | Assakul | Corporate Governance and Risk Management Committee Member
(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, 2017, 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 Company requires that the Board of Directors comprises independent directors of at least one-third of all directors, but no fewer than three persons, whereby such independent directors can provide their opinions independently and perform the duty to safeguard benefits of the Company and shareholders at their best.

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 appointment date, 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 appointment date;

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 appointment date;
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 appointment date;
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 Office 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 persons 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 persons 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 Subsidiaries

To ensure that supervision of operations of the Company's subsidiaries is conducted in compliance with the business policy specified by the Board of Directors of the Company, in line with the corporate governance, and to safeguard investment benefits of the Company and its shareholders, the Board of Directors thus sets out criteria and guidelines for supervision and control of management of the subsidiaries, as follows:

- 1) The subsidiaries are encouraged to comply with the Corporate Governance Code.
- 2) The selection of any persons as respective representatives of the subsidiaries is subject to approval of the Board of Directors of the Company, according to their respective shareholding percentage.
- 3) The subsidiaries shall be supervised through their respective representative directors and executives and in compliance with the policies specified by the parent company.
- 4) Any significant matters, such as, strategies, action plan, capital increase or reduction, company dissolution, including various important policies shall be considered. The guidelines for exercising the right to cast votes in the extraordinary general meeting of shareholders are also formulated.
- 5) The operational results shall be followed up through the management, executive board, for reporting to the Board of Directors of the Company.
- 6) The subsidiaries shall be monitored to ensure their compliance with laws, relevant regulations stipulated by the supervisory units, including generally acceptable accounting standards.
- 7) The Company requires its subsidiaries to yearly review the respective internal control systems to ensure adequacy and appropriateness, whereby the Internal Audit Office of the Company shall regularly review, follow up and evaluate compliance with the good internal control principles, which is specified in the annual audit plan.

In this regard, the Company has assigned the Managing Directors or his/her delegate(s) to monitor each of such companies, as shareholder. Currently, the Company appoints directors who are its representatives to supervise and monitor operations of the subsidiaries, as follows:

Northern Bangkok Expressway Company Limited (NECL), comprising seven directors:

- 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), comprising six directors:

- Four directors who are representatives from the Company;
- One director who is a representative from other shareholder;
- One managing director of BMN.

9.5 Control of Inside Information Usage

The Company determines its written control of inside information usage in accordance with the Corporate Governance Code, as follows:

Inside Information Usage Policy

- (1) Due to the fact that the Company is listed on the Stock Exchange of Thailand, any sale or purchase of the Company's securities by any of its directors, executives or staff in a manner which may take advantage of a third party by using information material to changes in the prices of the securities which have not yet been disclosed to the public and to which he/she has access in the exercise of his/her duty or position in the Company, is then considered as unfair securities trading practices, subject to a criminal penalty under the law.

Therefore, 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, who have perceived insider information of the Company;
4. Spouses and minor children of the directors, executives and staff, who have perceived insider information of the Company; and
5. Relatives who live with the directors, executives and staff who have perceived insider information of the Company.

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

General Practice

1. Any person who has perceived insider information of the Company should not sell or purchase the securities under any circumstances if such person knows or should have known the publicly undisclosed material information that may affect change in the market price of the Company's securities.
2. Any person who has perceived material insider information of the Company from 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, persons who have perceived insider information of the Company shall also comply with the following guidelines:

1. Any person who has perceived insider information of the Company and is directly involved in the preparation of the Company's financial statements and balance sheet is prohibited from any purchase or sale from the commencement of such preparation until the end of 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 end of the dissemination date of the financial statements.
3. Any person who has perceived insider information of the Company and knows or should have known that the Company will disclose material information that may affect change in the market price of the Company's securities, is prohibited from selling or purchasing the Company's securities from the day that he/she knows or should have known such information until the end of the day immediately following the disclosure and dissemination date of such information.

(3) Report of Persons who have Perceived Insider Information of the Company

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.

At present, the Company has applied the ISO/IEC 27001:2013, which is the international standard that describes the best practices relating to information security system, to improvement of the toll collection system at the control center to ensure compliance with the standard, and the Company also lays down standard for management of significant information to ensure continued operations of the business, with an aim of enhancing the organization's worldwide reputation for reliability. For this reason, the Company did apply for accredited certification of the ISO/IEC 27001:2013 for development of process and information security management system (ISMS), as well as developing its personnel in line of information security management so that they can fulfill work under the process/system so developed.

- (3) The Company prohibits executives who have access to inside information from taking any actions contrary to Section 241, requiring that securities trading by using insider information for his own or another person's benefit is prohibited, under 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 2017 in the amount of Baht 3,350,000 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 2017 amounting to Baht 370,000 and Baht 1,070,000, respectively.

- (2) Non-audit fee

In 2017, the Company used any other services from EY Office Limited in the amount of Baht 835,000 as additional fees in auditing the financial statements from applying the SAP system.

9.7 Understanding and Application of the Corporate Governance Code for Listed Companies 2017

The Board of Directors has understood its roles, duties, benefits and principles of the Corporate Governance Code for Listed Companies 2017. That was, after the promulgation of such Corporate Governance Code, the Corporate Governance and Risk Management Committee, as a subcommittee with the duty to supervise and monitor to ensure the Company’s compliance with the Corporate Governance Code for promoting and supporting the Company’s business operations conducive to the sustainable value creation for the business, then reported to all members of the Board of Directors on the Corporate Governance Code for Listed Companies 2017, as stipulated and promulgated by the Office of the Securities and Exchange Commission (SEC). Therefore, the Board of Directors explicitly instructed the management to inform all staff of the Company for their strict compliance therewith, subject to evaluation at least once a year, whereby the Corporate Governance and Risk Management Committee was assigned to consider and evaluate the application of such Code for proposal to the Board of Directors for further consideration.

An overview of the understanding and application of the Corporate Governance Code for Listed Companies 2017 by the Company was as follows:

Principles of the Corporate Governance Code	Scope
1. Establishing Clear Leadership Role and Responsibilities of the Board, contributing to the sustainable value creation for the business	The Board of Directors acknowledged and studied the CG Code and then authorized the Corporate Governance and Risk Management Committee to evaluate the application of such principle to achieve a satisfactory outcome of compliance, per the details on pages 1-1 to 1-6 pages 3-1 to 3-6 pages 8-1 to 8-13 and pages 9-1 to 9-40.
2. Defining Objectives and Goals that Promote Sustainable Value Creation	The Board of Directors followed up to ensure implementation of the Company’s strategies to carry out its operations for the interests of all shareholders and stakeholders, and also required the operational results to be reported to the Board of Directors’ Meetings, per the details on page 1-1 pages 8-1 to 8-13 pages 9-10 to 9-14.
3. Enhancing the Board Effectiveness	The Board of Directors was composed of 17 qualified persons, namely, five executive directors, six independent directors and six non-executive directors, in response to the requirements of stakeholders, as well as carrying out operations conducive to exercising their discretion independently. In addition, there were three executive directors as EXAT’s and MRTA’s representatives having experience in the Company’s core businesses, per the details on pages 8-1 to 8-3 pages 9-17 to 9-34.
4. Ensuring Effective CEO and People Management	The Company had the process for nomination and development of the Managing Directors, high level executives, to ensure that they had knowledge, skills, experience and qualifications necessary for the organization to meet the goals, had appropriate remuneration structure, and also followed up, took care of and developed its personnel to ensure that the Company had adequate personnel who had knowledge, skills, experience and motivates as appropriate, per the details on pages 8-9 to 8-13 and pages 9-32 to 9-34.
5. Nurturing Innovation and Responsible Business	The Company supported innovations creating value for the business and simultaneously benefiting all groups of stakeholders, and also operated the socially and environmentally responsible business, per the details on pages 2-11 to 2-13.
6. Strengthening Effective Risk Management and Internal Control System	The Company had the work-related risk management system in compliance with applicable laws, the Articles of Association, resolutions of the shareholders’ meeting, along with policies or guidelines as specified, and also had the process for approval of significant transactions, such as, execution of any transactions which materially affected the Company, or execution of any transactions which might give rise to a conflict of interests, etc., per the details on pages 3-1 to 3-6 pages 9-6 to 9-8 and pages 11-1 to 11-2.

Principles of the Corporate Governance Code	Scope
7. Ensuring Disclosure and Maintaining Financial Integrity	The Company prepared the financial reports and disclosed material information with accuracy, adequacy, punctuality, and equality via appropriate channels; protected confidential information and information which had an influence on the securities prices, to ensure that the disclosed information reflected the practices or contributed to the sustainable value creation for the business, per the details on pages 9-34 to 9-37 pages 13-1 to 13-10 to pages 14-1 to 14-6
8. Ensuring Engagement and Communication with Shareholders	The Board of Directors gave priority to the fundamental rights of shareholders in such a way as allowing the shareholders to send their questions and nominate qualified persons as directors in advance, etc., and to receive information and news of the Company rapidly, completely and adequately via easily accessible channels, per the details on pages 9-1 to 9-8.

9.8 Compliance with the Corporate Governance Code in other Matters

The Company has fully complied with the Corporate Governance Code for Listed Companies 2017, except the following matters:

1. The Board of Directors consisting of 5-12 directors: the Company gives priority to the good corporate governance together with nomination of personnel who have knowledge and capability to conduct management. At this point, the Company realizes necessities and potential benefits from nomination of personnel who have appropriate qualifications, knowledge and capability to be appointed as additional directors. Currently, some directors serving on the Board of Directors are from the amalgamation between Bangkok Expressway Public Company Limited and Bangkok Metro Public Company Limited and from directors who are representatives from the Expressway Authority of Thailand and the Mass Rapid Transit Authority of Thailand in accordance with the conditions of the Concession Agreement, and as such, the Company has 16 directors from a total of 17 persons.
2. 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 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 better knowledge and experience in the Company’s business operations and create more value for shareholders. In this regard, no director serves on the Board of Directors for more than nine years.
3. Determination of the number of other companies in which each director will hold directorships: The Board of Directors has no policy to limit the number of other 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 2017, none of the Company’s directors held office as directors in more than five listed companies.
4. Determination of the number of other companies in which the Managing Directors will hold directorships: The Board of Directors has no policy to limit the number of other companies in which the Managing Directors may hold directorships 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 2017, the two Managing Directors represented the Company to hold directorships in one listed company invested by the Company.