

## **Practice 5: Board Responsibilities**

Board of Directors realizes that they have importance roles on good governance for highest return to company; understanding and responsibilities are key words. Roles of Board of Director, Audit Committee, Remuneration Committee, Risk Management Committee and Management should be clearly separated as ensure on such activities are legitimate

In order to practice their duties effectively; Board need to revise their structure by selecting any person with appropriate ability to hold the position of director, consideration on remuneration of director and propose to shareholder meeting for approval. Guidelines for the implementation of operations in subsidiaries as follows

### **1. Structure on Board of Director**

To consist of The Board of Director, The Executive Director, The Audit Committee, The Remuneration Committee, involve the Executive Chairman and Company Secretary which is appropriate, examine and counterbalance between other.

After every Annual General Meeting of Shareholders, Board of Director will schedule to appoint subcommittee. In year 2018, resolution from Board of Director Meeting No.2/2018 held on May 15, 2018 has appointed 3 subcommittees and assigned duties and responsibilities clearly

Memorandum of Association has specified Board of Director should not less than 5 people and not more than 15 people also most of these Directors must reside in the Kingdom of Thailand. Year 2018 there are 9 Directors which consists of

	Amount (people)			%
	Male	Female	Total	
Directors as Executives	4	-	4	44.45
Directors as Non-Executives	2	-	2	22.22
Independent Directors	3	-	3	33.33
TOTAL	9	-	9	100.00

Board of Directors consists of 3 Independent Director of 45.45% of whole Board which is higher than standard of 1 in 3 or 33.33% follows regulation of Capital Market Commission thus Independent Director has responsible for review process of management, propose and comments to support any beneficial to shareholders and avoid any unfair treatment as affect beneficial to shareholders and all stakeholders; set and disclose policies in term of related transaction to make sure that shareholders have highest return

Year 2018 does not appear that company:

- Any acts that are serious contrary as against regulation from The Stock Exchange of Thailand and Securities and Exchange Commission
- Any acts against corruption or code of conduct
- In case there is resignation of director whom not hold executive position due to issue on corporate governance
- Negative reputation of company due to failure to oversee of Board

### 1.1 Responsibilities of Board of Directors

In accordance to company's Article of Association; Director has responsibilities to decide, supervise business operation of company and comply with regulation which has specify authority and responsibilities as details on No.8.1 Board of Director and No.9.2 Sub Committee

### 1.2 The Nomination

Details shown in No.9.3 Nomination and appointment of Directors and Chief Executive

### 1.3 Qualifications of Independent Directors

Details shown in No.9.3 Nomination and appointment of Directors and Chief Executive

### 1.4 Term of position of Director

- Board members are appointed from Annual General Meeting of Shareholders by term follow to company regulations (Period Term of 3 years follows Public Company Acts). After the term is due, Board members may be reelected. In addition, Board of Directors will recruit and screen appropriate person to be Directors with knowledge, abilities and experiences. The company has disclosed date of holding position of Directors and Independent Directors in Form 56-1 in title of 8.1 Board of Directors

- Board of Directors did not set the term of Director because all of them have abilities of business and expertise in each field of Director as emphasized by Board of Directors and shareholders

- Board of Directors did not set the term of Independent Director as well due to shareholders meeting will approved elections of Board of Directors and Independent Directors only

- Board of Directors has information to compose consideration on recruitment of Independent Director who retired by rotation. The Company discloses the information regarding other companies' positions held by each board member in the invitation to shareholders meeting and annual report

In year 2018 there are 3 Independent Directors as follows:

Name of Independent Directors		Appointed Year	Amount of Year holds position
1. Mr. Worawit	Siriwatwimon	April 24, 2009	9 Years
2. Mr. Wichian	Sopanpanichkul	February 26, 2013	5 Years
3. Asso. Prof. Dr. Pison	Udomworarat	August 13, 2015	3 Years

**1.5 Determination of the number of listed companies that directors will serve as directors**

- The company requires that each director to be a director of a listed company must not exceed 5 companies so that all directors have the intention and commitment to perform their duties as trusted from Board of Directors and shareholders
- Board of Directors has policies on formulate guideline for director or executive chairman in a group that has knowledge, ability and expertise in that business Also serve as a director subsidiary company

The company has disclosed names and details on holding position of each director in Form 56-1 and Annual Report

- For holding position of director in registered company more than 5 companies  
Year 2018, no director holding position of director in registered company more than 5 companies
- For Independent Director who holds the position of director in registered company not more than 3 companies  
Year 2018, no independent director holding position of director in registered company more than 3 companies
- For executive who holds the position of director in registered company not more than 2 companies  
Year 2018, there were Executives holding Director in listed company which is a subsidiary company, details as follows

Name-Surname		Position	Company
Mr. Wutichai	Leenabanchong	Chairman	- Capital Engineering Network PLC. - UA Withaya PLC.
Mr. Monthon	Chatuwallopkul	Director	- Capital Engineering Network PLC. - UA Withaya PLC.
Mr. Teerachai	Leenabanchong	Director	- Capital Engineering Network PLC. - UA Withaya PLC.

By this, the company has policies and practices of holding position of Directors and Executives. The company will consider of sending Directors or Executives or Management with knowledge, abilities and skills and specialize in such fields to holds Directors position in subsidiaries by proportion of investment thus to supervise its subsidiaries for comply with company's policies for highest benefit of company. For example, keep up the bookkeeping to preparation of consolidated financial statements of company which based on accounting period. By this, same accounting periods and critical accounting policies with company, disclosed importance information follows regulation of The Securities and Exchange ACT as announces from Capital Market Commission and The Stock Exchange of Thailand in the same manner as rules of company practices. For example, Related Transaction and acquisition of assets to ensure that appropriate internal control and effectiveness which cover policies of corporate governance.

## 1.6 Corporate Secretary

Follows Securities and Exchange ACT (No.4) BE.2551 has assigned to Board of Directors to appointed Corporate Secretary whom will be responsible for coordinate legal issues on behalf of company or Board of Directors. Corporate Secretary also has an important role in coordinate effectively in both internal and external. Board of Directors has appointed

Mr. Pipit Jaovisidha as corporate secretary as follows resolution from Board of Directors meeting No.4-2014 held on June 24, 2014 as passed Company Secretary Program (CSP) #7/2004 which is the course related to duties of corporate secretary from Thai Institute of Director (IOD) 53/2013

## 2. Sub-Committee

There are 3 sub-committees as consists of:

Sub-Committees	Amount	Independent Directors	Directors as Non-Executive	Directors as Executives
1. Audit Committee	3	3	-	-
2. Remuneration Committee	4	3	-	1
3. Executive Committee		-	-	6

**Remark:** - Term of position for Audit committee equals to 3 years  
- Term of position for Executive Board, Remuneration committee and Executive Directors equals to 1 year

All members in sub-committee are qualified, understanding on their roles in Directors and Sub-Committee thus perform their duties with responsibilities, honestly, carefully and independently. In addition, believe that every directors will understand, practice strictly in order to make confidently on shareholders

Apart from this, company has reviews process of Board of Directors and Sub-Committee yearly

By this, Directors and Top Management of company has not hold position as employee or shareholders of External Audit Company during the past 2 year

Apart from this, year 2018 Board of Directors allows director or non-executives can be discuss among themselves as appropriate by no management attendees and propose to Board of Directors for acknowledgement.

The company has Charter authority has prepared a series of last update of the Board of Directors, Audit Committee, Remuneration Committee and authority of Chief Executive Officer by passed approval of Board Committees and approved from Board of Directors meeting No.4-2017 held on November 8, 2017 (details shown in Form 56-1 No.9.2 Subcommittee) Including the authority to organize and conduct of the Board of Directors, Executive Committee and Chief Executive Officer

(amended) to be consistent with business operation as approved by Board of Directors meeting No.4-2018 held on November 12, 2018

- **Executive Committee**

The Executive Committee consists of 4 directors who are knowledgeable and have various experiences and understanding of responsibilities and the Company's business.

The Executive Committee is responsible for the Company's business operation in committee format. The investing management committee members are appointed and approved by the Board of Directors in accordance with the Company's regulations. The duration of this position equals to one year which will be assigned by each Annual Meeting of Board of Directors after Annual General Shareholders' Meeting held.

- **Audit Committee**

The Audit Committee consists of three board members who are qualified as independent in accordance with The Stock Exchange of Thailand announcement and the Company's definition. All members are knowledgeable and have understanding and experience in accounting, finance and management. The Audit Committee authorities, duties and works are in accordance with the Audit Committee charter. The Audit Committee is an independent entity to support the board of directors in successfully eliminating conflicts of interest, verifying financial information presented to shareholders and related parties, auditing the specified internal control system, and communicating with the Company's auditor the duration of this position equals to three years.

- **Remuneration committee**

Presently, the remuneration committee consists of 4 directors who three independent directors and one executive director is the remuneration committee is to consider of every board of directors committee and executive management. The remuneration is compared with that in the similar industries and business growth is taken into consideration. The duration of this position equals to one year which will be assigned by each Annual Meeting of Board of Directors after Annual General Shareholders' Meeting held.

Although The Directors and Executive Management of the company have never been employees or partners of the external auditing company that the company has used in the past two years.

### **3. Roles and Responsibilities of the Board**

The Board of Directors has appointed from shareholders to represent of shareholders which has importance roles on setting management policies by join with executives to set policies, operating goals, operating plans and annual budget by executives and employees should go on to the same directions. By this, including supervision and monitoring of operation in accordance with business plans and budget set by effectively and efficiently.

The company has disclosed duties and responsibilities of Directors (details shown in Form 56-1 No.8 Directors)

In year 2018, The Board of Directors has officiate on supervision of business operation in accordance to law and regulations therefore there are not any irregularities.

### **3.1 Leadership and Vision**

- **Leadership**

Board of Directors consists of person who possesses the knowledge, ability, several experiences and understanding on roles, responsibilities which make practical tasks more efficiently. Moreover, schedule roles, target and business strategy as well as follows and corporate performance of management by used corporate governance as a tool for value added and reach company objective for highest returns to company and shareholders. In addition, roles and responsibilities of Board of Directors, Executives and Employees and related person

Boards has target indicators (KPI) on financial and any plans starting from beginning of year by follows business operation as monthly and quarterly to get status of the operation if the target is under Analysis to set the guidelines.

Moreover, Internal Audit Committees are responsible for Internal Audit directly which includes make sure that internal control system are enough and appropriate risk management to keep company beneficial by used corporate governance as a tool for value added and reach company objective for highest returns to company and shareholders. Moreover, require Directors and Executives report to company on their stakeholders or any person who related to equity as related to management of company or subsidiaries follows regulations, conditions and methods which announced from Capital Market Commission.

- **Vision**

Board of Directors has aware of importance on business operation by set vision and mission of company in order for Directors, Executives and employees intend to operate in the same direction also has policies to reviews annually.

In year 2018, the company has set vision in accordance with business operation and responsibilities to social and environment

### **3.2 Good Corporate Governance**

The Board of Directors realizes on good corporate governance by setting policies which are consists of 3 parts such as Corporate Governance, Business Ethics and Employee Ethics in order for practical of Boards, Executives and every employees within organization in good response on business operation as transparently and confidently to shareholders and investor relations. Although create stability to organization and good benefits to shareholders, stakeholders and environmental thus reinforces to employees by reviews and revise to be suitable with current situations together with public through company website.

The company has support directors, executive including executive to understand and practice according to business ethic and code of conduct by Board of Director to be used as good example for employees. Apart from this; in the orientation for directors and new employees is provide guideline and everyone need to signed in order to demonstrate as commitment to be guideline for practical in workplace

The company has Audit Committee and internal audit to check, follow the manual which is designated as an annual plan then report to Audit Committee to acknowledge together with suggestion and guidelines for correcting and preventing damage on a quarterly basis

### **3.3 Eliminating conflicts of interest**

(Details shown in Form 56-1 No. 12 “Related Transaction”)

Board of Directors has clearly practice guidelines to eliminating conflicts of Interest to build beneficial to company and shareholders, any transaction cause conflict of interest the company will clarify and disclosed in the resolution of the meeting as in accordance with regulations from Capital Market by stakeholders (Directors) will leave the room and no vote for that agenda for independently decision and disclosed information quickly for transparently

### **3.4 Supporting on responsibility to social, environmental and human right**

Board of Directors realizes on importance of responsible to social and environmental along with business operation by participate in enhance quality of life to be better around the factory, respect human right and fairly in labor thus make communities and factory to live together sustainably (details shown in Form 56-1 and Annual Report in the title of Corporate Governance Practice 3 Role of Stakeholder)

### **3.5 Internal Control System and Internal Audit**

- **Internal Control System**

The Board of Directors realizes the importance and provides internal control system for operation in term of Financial follows the policies and rules by appointed Internal Audit to be responsible for checking the operation system of internal control as planned to report Audit Committee and Board of Directors. Moreover, they are independently to perform their duties. The Board of Directors shall review the appropriateness and adequacy of the internal control system in five aspects according to the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) is the internal control, risk assessment, operational control, information and communication technology and tracking systems one time per year.

In Board of Directors meeting No.1/2018 held on February 21, 2018 by Audit Committee has attended this meeting as considered adequacy of company internal control system follows COSO (The Committee of Sponsoring Organization of the Tread way Commission) with the conclusion of The Company has adequate and effectiveness in term of internal control system which shown in Annual Report in the title of “Internal Control and Risk Management” and Form 56-1 “No.11 Internal Control”

- **Internal Audit**

The Board of Directors has assigned Audit Committee to reviews on company to have adequate internal control system for business operation with the effectiveness and report to Board of Directors and Shareholders. By this, the company has provide a separate internal audit unit as part of company's organization chart and this department is directly under The Audit Committee as assigned Mr. Khomwuthi Pornnaradol (Secretary of Audit Committee) whom holds the position of Director (Internal Audit). In addition Mr. Khomwuthi Pornnaradol and his quality team work will review, assess adequacy, effectiveness of internal control system which has standard check and sufficient independence thus give suggestion for improvement to achieve value added to organization and support corporate governance process.

In year 2018, Audit Committees have performed their tasks as assigned by Board of Directors completely and adequately. There is internal audit unit for helping organization to access in business goals by internal audit is qualified person to perform their duty properly. There are some issues need to be resolved from assessment of internal audit control system by related unit which includes appropriate feedback as management considered as necessary for business operation then propose to Board of Directors to be consider in the meeting (Board of Directors) quarterly.

Internal Audit will report the estimation and review on Internal Control System to Audit Committee quarterly and year 2018 there are 5 times of Audit Committee meeting and report to Board of Directors quarterly. By this, Audit Committee has reports comments on adequacy of internal control system and risk management system in Annual Report in the title of "Corporate Governance report of Audit Committee"

#### **4. Boards Meeting**

1. Board of Director has set the meeting not less than 1 time per quarter which has been schedule in advance for whole year by not less than one time per quarter as specify each committee meeting in advance with clear agendas.

2. The corporate secretary has send the documents related to the meeting 7 days in advance in order to provide board members adequate time to study documents before meeting, each meeting will take approximately 2 hours and in meetings there are openly and freely for feedback.

3. Other consideration, Chairman (as represented as) Chairman of the meeting shall have an opportunity to express their opinions freely, Voting shall be by majority vote by each director has one vote and any stakeholders as Director has to abstain or no comment or no attend on those agenda if there are equal vote then chairman entitled to one vote as casting vote.

Year 2018, voting for each agenda need to have 2 in 3 directors of total director

4. Board of Directors has pay attention on management issues relating to conflicts of interest of all parties to carefully and fairly by fully disclose of information in case there is stakeholder as Directors then he/she has no right to comments of those agendas.



5. If there are any suspect or need more information from related person then Chief Executive Officer will request executives to clarified and in case directors need some information then could contact corporate secretary

6. Board of Directors have given chance to director (not executive) can have a meeting as among themselves as appropriate and acknowledge Board of Directors

7. Board of Directors has set 4 times for Board of Directors meeting which pursuant to Directors, the Company will advance. In case there is urgent cases then could call the meeting as appropriate

End of the meeting, corporate secretary is responsible for recording and storing minutes of meetings and approved by chairman and corporate secretary. By this, Directors may comments; amend in the minute of meeting for the corrections.

Minute of Board meeting and sub-committee will storage in folder at the head office as convenience for Directors and related person to be referred

Year 2018, the meetings are as follows:

- Total number of meeting for Board of Directors equal to 4 times as number of time held meeting are reasonable and sufficient for the duties of the Board of Directors as the nature of the business and every directors who attend the meeting shall attend more than 80% of meeting
- Audit Committee and Internal Audit has schedule meeting with company's auditor quarterly together with inviting representatives from executives to attend the meeting. Year 2018, total number of meeting for Audit Committee equals to 5 times
- Audit Committee has a meeting with executive independently; decision and Suggestion arise from the meeting will acknowledge Board of Directors
- The company has policies for non-executive to called meeting and there is no meeting in year 2018

## **5. Evaluation on Performance of Board**

Board has not evaluated on performance of Board yet but Board has considered on performance and makes improvement in order to be more productive in term of performance.

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

The Board of Directors had appointed remuneration committee to consider certain amount of financial proposes to Board of Directors and shareholders every year. However, the Board of Directors cautiously determines the remunerations by comparing with that of similar industries and taking business growth into consideration and proposed to shareholders meeting for approval every year.

By this, 2018 Annual General Meeting of Shareholders which held on April 26, 2017 has approved remuneration fees not exceeding 1.95 Million Baht by paying each time at the same rate.

Board of Directors has assigned to remuneration committee to determine remuneration of Directors and subcommittee thus proposed to Board of Directors for consideration and proposed to shareholding meeting every year.

Remuneration Committee has set the structure/ element of proper compensation to responsibilities and benefits of each committee

Remuneration of senior executive of company, we have no policies to receive other fees except remuneration in term of director or employee, no share given, debenture or other securities to executives. The company has disclose details on remuneration fees individually in Form 56-1 No.8.4 Remuneration for Directors and Executives

Remuneration of executives is in accordance to rules and policies which will considers performance based on the roles, duties and responsibilities of each person

In year 2018, there is 1 times of remuneration committee meeting by set remuneration for Directors in year 2018 and proposed compensation to get approval from Board of Directors and Shareholders meeting respectively. The company has disclosed compensation of each person in Form 56-1 No.8.4 Remuneration for Directors and Executives

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

Board of Directors has giving importance to development of directors by encourage directors to attend the seminar or any course that useful in performing duties by focusing on the benefits of education, training that will develop directors in order to gain knowledge that is up to date in the competitive business situation all times also have policies to develop potential of personnel who are executives by providing training both inside and outside organization. In the past, company's directors have attend training program from Thai Institute of Director (IOD) as Securities and Exchange Commission (SEC) requires directors of listed companies must past at least 1 training course such as Director Accreditation Program (DAP) and Director Certification Program (DCP) apart from mentioned courses directors are also give importance to enter into other courses provided by IOD such as Roles of Compensation Committee Program (RCC), Company Secretary; by objective of to enhance professional leadership, have knowledge and understanding truly, prototype on driving organization for good corporate governance. However, every directors have past basic training course of directors; Director Accreditation Program

- **New Director**

The company had orientation for new incoming Directors in order to acknowledge business policy including related information such as company's article of association, rules, and any regulations concerned with business operation. Moreover, this will be beneficial to new directors therefore the company has prepared guideline for directors as follows:

### **1. Guideline for Director**

- Securities and Exchange Commission ACT (No.4) 2008
- Charter on Board of Directors

- Certificate of registrations on public company limited
- Certificate of Company Registration and Objective of company
- Article of Association
- Policy manual on good corporate governance
- Policy manual on listed company directors of SEC

**1. Other information**

- Company goals and vision
- Annual report together with presentation to guide nature of business to new directors

- **Existing Directors and Executives**

The Company has play importance roles on supporting knowledge to existing Directors which has training course related to task of Directors which this training held by IOD thus 9 members of directors has passed this training or equivalent to 100 percent including any related course on roles of director, related to business and encourage executives to have any knowledge in term of laws or any rules relating to Executives including training/ seminar which benefit to company and trainees.

- **Related person on Corporate Governance**

Corporate Secretary, Secretary of Audit Committee and Compliance and Investor Relation unit including any related person, the company has support and encourage to train/seminar any related courses by SEC/Stock Exchange of Thailand/Thai Listed Companies Association/ IOD and other institution regularly.

**8. Succession Plan**

Board of Director realize that personnel who will enter into position of top management such as Chief Executive Officer, Managing Director of subsidiaries and Deputy To Managing Director - Is an important management position and driving the company towards the goal therefore one role of directors is supervision for nomination of such persons must be appropriate and clear. By considering on knowledge, ability, experiences, determine the compensation structure and have an appropriate assessment and develop people to be in line with directions and strategies

- **Top Management**

Board of Directors realize a succession at executive level especially leadership of organization such as Chief Executive Officer, Managing Director of subsidiaries with objective on making confidence for investor, organization through employees somehow Board of Directors has prepared personnel to assign task in order for replacement position of top management and highest supervisor or all department

1. Define the explanation of word "Top Management" which relevant to organization's goals and strategy including specific qualification, knowledge and required skills
2. Selection of second level from top management with vision, knowledge and ability

3. Analyze qualification individually in order to find strength and other thing need to be improved

Board of Directors has meeting with executives, top management, secondary top management (succession plan) together with executive chairman by monthly - Meeting of the performance of the company and subsidiaries as part of supporting the succession plan

By this, executives has continuous monitor and evaluate on performance of individual who will be promoted to hold the position of executives thus to be consider and propose to Board of Director meeting for approval

- **Position of the highest supervisor**

1. Provide development on secondary executives in term of vision, knowledge and ability to support chief executive and commandant respectively.
2. Provide training in term of enhance academic knowledge and learn in real work Situation
3. Provide secondary executives to be corporate and work with Chief Executive
4. Set secondary executives which can descendant and set properly on positions
5. Prepare personnel with unique capabilities and gain more comprehensive management
6. Middle executives to have chance in management in lines.
7. Provide training of each line systematically
8. Provide training to Chief Executive, Middle executives to be responsible on their task with honest to organization and overview of organization in order to become next level of executives.

The company has schedule meeting every month by Executives, Top Management and Secondary Top Management (succession plan) together with Executive Chairman which is operating results of subsidiaries thus includes shareholders meeting to set organization objective. In addition, create a sense of participation and build awareness in working process and as part of succession plans.

## **9. The process on Anti-Corruption**

Board of Directors continuously raising awareness and promoting good corporate governance culture to directors, executives and employees in order to access any risks happened in operation thus internal audit act as appraiser

In year 2018, Audit Committee has set up risk report on corruption in every quarter, showing no irregularities

The company has some communicated and public practice in accordance to business ethic and anti-corruption policies by following channels:

- Give orientation to new employees
- [www.rwi.co.th](http://www.rwi.co.th)

- Publicize through Brochures / Public Relation Board

In the process of expanding partners of company and its subsidiaries to a wider society in conducting business with transparency

#### 10. Survey Results on Corporate Governance of Listed Companies

Year 2018, Thai Institute of Director jointly with Securities and Exchange Commission and Stock Exchange of Thailand announce survey results regarding corporate governance of listed companies for year 2018 in totaling of 657 companies by evaluating from 2017 Annual Report and information which revealed to public thus company The Company received “very good” survey results.

Score Range	Meaning
90-100	Excellent
80-89	Very Good
70-79	Good

#### Criteria and weight use in assessment

Section	Criteria (No.)		Weight (%)	
	2018	2017	2018	2017
1. Right of Shareholders	32	32	15	15
2. To treat shareholders equally	19	19	10	10
3. Roles of stakeholders	29	29	20	20
4. Disclosure and Transparently	53	53	20	20
5. Responsibilities of Board	108	108	35	35
<b>TOTAL</b>	<b>241</b>	<b>241</b>	<b>100</b>	<b>100</b>

#### Corporate Governance Assessment Results Details are as follows

Section	Year 2018 (%)	Year 2017 (%)
1. Right of Shareholder	92	95
2. To treat shareholders equally	88	91
3. Roles of stakeholders	90	90
4. Disclosure and Transparently	80	78
5. Responsibilities of Board	70	71
<b>Average Scores</b>	<b>80</b>	<b>81</b>

## 11. Bring good corporate governance of listed companies to be use

According to Securities and Exchange Commission (SEC) has issue Corporate Governance Code: CG Code) which will be used instead of regulatory principles for listed companies year 2012 of Stock Exchange of Thailand to apply or explain with appropriate practices as beneficial to company and in accordance to announcement from Securities and Exchange Commission

Moreover, Board of Directors realized to be involved for developing corporate governance in accordance to CD Code year 2017 in totaling of 8 by follows:

<b>Code 1</b>	Establish Clear Leader Ship Role and Responsibilities of Board
<b>Code 2</b>	Define objective that Promote Sustainable Value Creation
<b>Code 3</b>	Strengthen Board Effectiveness
<b>Code 4</b>	Ensure Effective CEO and People Management
<b>Code 5</b>	Nature innovation and Responsibility Business
<b>Code 6</b>	Strengthen Effective Risk Management and Internal Control
<b>Code 7</b>	Ensure Disclosure and Financial Integrity
<b>Code 8</b>	Ensure Engagement and Communication with shareholders

The company has realized corporate governance by seeing that principles are beneficial to company in term of development so company has practices in accordance to CG Code as appropriate to business of company (most of data links from CG to CG Code) thus some topics are being study to be adapt and suitable to context of company; resolution from Board of Directors meeting No.1-2019 has resolved to adopt good corporate governance for listed companies year 2017 to be deployed according to company's business context and relevant to Securities and Exchange Commission regulations

Year 2018, The Company has practices in accordance to suggestion of IOD by considering the suitability of the company but there are still some things that company does not fulfill all the requirements, namely

### **1. The company should give a chance to shareholders to propose agenda or send some question related to company in advance (before date of shareholders meeting)**

Board of Directors has acknowledge and have comments that company has schedule agendas for shareholder meeting completely in accordance to company's Article of Association and give a chance to shareholders to send some question related to agenda in the meeting (as mentioned in invitation letter to shareholder meeting)

### **2. The company should give a chance to shareholders to propose name of director before date of shareholders meeting**

The company has acknowledged and has commented; that company has recruit people into position of Directors. Presently, is appropriate for the business of the company without any actions that are in conflict with the equitable treatment of shareholders

### **2. The Board of Directors should consider determining the number of listed companies that each director will hold no more than 5 positions without exception.**

The Board of Directors acknowledged and commented that The Company does not limit the number of companies that each director holds. Since the Board of Directors jointly consider

appointing a person to be a director of the Company by considering the knowledge and ability and have enough time to perform duties for the company.

**4. Director should clearly specify the term of office of independent directors in the corporate governance policy by not more than 9 years without exception**

The company has acknowledged and has commented; presently there are 2 people of Independent Director who holds the position more than 9 years however, Board of Directors seems that independent director are fully qualified according to qualification of independent director of company and requirement of Capital Market Supervisory Board who is capable and independent expression includes well perform in term of independent director, have counterbalance in term of management, can examine as adhere under good corporate governance thus shareholders' meeting is the only person to approve election of directors and independent directors

**5. Board should provide evaluation on performance of Board and Sub-Committee by disclosing the process and criteria for assessment**

The company has acknowledged and has commented; Board of Directors has been approving from Board of Directors which has considered various features such as knowledge, abilities and experiences in accordance to company's regulation, regulation from Stock Exchange of Thailand and Securities and Exchange Commission. Each director has practice according to company's regulation and charters strictly. Therefore ensuring that the work of each committee is in accordance with the principles of good corporate governance although there is no evaluation of the performance of the entire committee

**6. Board should arrange for an individual performance evaluation by disclosing the process and criteria for assessment**

The company has acknowledged and has commented; Board has considered various fields such as knowledge, abilities and experiences in accordance to rules of company and regulation from The Stock Exchange of Thailand and Securities and Exchange Commission. Each director has practice according to company's regulation and charters strictly. Therefore ensuring that the work of each committee is in accordance with the principles of good corporate governance although there is no evaluation of the performance of the entire individually

**7. Chairman should be independent director and should not be the same person of top management**

The company has acknowledged and has commented; Board of Directors meeting No.3-2018 has resolved to approve Mr. Wutichai Leenabanchong to hold the position of Chairman and Acting of Chief Executive Officer (authorized person as well). By this, company believe that chairman has practice his role by understanding on corporate governance strictly

**8. Board should appoint CG Committee**

The company has acknowledged and has commented; The Company has corporate secretary and compliance department which could be able to operate fully and in accordance to principles of good corporate governance and CG

**9. The board should consist of more than 50% independent directors.**

The Board of Directors acknowledged and commented that The Company has 9 directors, with 3 independent directors, not less than 50%, but the company is confident that each director can perform independently.