

# Corporate Governance

The Board of Directors recognizes that good governance is a critical factor for practicing to gain maximum benefit of shareholders and various groups of stakeholders and is fundamental in the success of business operations and to strengthen the organization for sustainable growth. Therefore, the Board of Directors has defined governance policy and code of business conduct under the good governance principles and taken them as conduct guidelines of good governance of the Stock Exchange of Thailand, which the Board of Directors, management team and the employees have accepted with implementation strictly and steadily in the year of 2016.

## Section 1

### Rights of Shareholders

The Board of Directors recognizes the importance of fundamental rights of shareholders by fairly establishing a principal into practice to shareholders in accordance with the law, such as the rights to buy, sell and transfer shares, right to receive dividends, the right to be informed by the Company, the right to attend in shareholder meetings, right to vote on various agenda, right to appoint a proxy to attend the meeting, the right to appoint the directors and the auditor, the right to express opinion and ask questions in the shareholders ' meeting and the right to propose agenda and nominate directors in advance as possible and to ensure that shareholders are entitles to such right strictly and did not commit any violation or infringement upon the rights of shareholders.

#### 1. Meeting of Shareholders

The Company held Annual General Meeting of Shareholders (AGM) of 2016 according to the regulations of the Stock Exchange of Thailand by following the guidelines to manage shareholders ' meeting of the Office of the Securities and Exchange Commission (SEC).

#### Meeting Vanue

According to the Company's Article of Association, the Company needs to have an AGM within 4 months dating from the end of the fiscal year. In the year 2016, the Company had held the AGM on Friday 8 April 2016 at 14.00 p.m. on the 21st floor of the Yakult Tower, 1025 Phaholyothin road, Samsennai, Phayathai, Bangkok, which was a convenient place to travel of the shareholders and the meeting was opened for registration from 12.00 a.m.

#### Prior to the Meeting Date

To provide shareholders with adequate time to study the data, the Company had delivered the invitation including agenda and supporting documents for attendees to shareholders at least 7 days before the date of the shareholders ' meeting. The document aims to help shareholders have sufficient information to consider voting on each meeting agenda and to support them to use their rights fully. The document contains information as following:

- Facts and reasons as well as opinions of the Board of Directors for each of the agenda items.
- Important information such as the history of the individual directors and the definition of an independent director for consideration in the agenda of the elected directors retire by rotation and the details of remuneration of directors and other committees. The Company had offered all forms of remuneration including meeting allowance, bonus / reward and other benefits to the shareholders for approval annually to consider and approve the directors' remuneration.
- Details of the meeting and proxy processes including a proxy form given to the independent directors and identified the shareholders' resolution on voting.

- The Company has stressed on the respecting for the rights of the shareholders. In the 2016 AGM, the Company has not added any agenda or change important data in the abrupt manner.
- The meeting invitation and supporting documents for shareholders were published in the Company's website, [www.boonterm.com](http://www.boonterm.com), before the meeting.

### **At the Meeting Date**

The Company facilitates shareholders to attend the meeting and conducts the meeting transparently including creates friendly atmosphere for shareholders to ask questions and express their views completely by:

- Supporting the directors, top management, auditors to participate in shareholder's meeting to answer questions and acknowledge the opinions of shareholders. In the year 2016, there were 8 of the 8 directors attending the shareholders' meeting representing 100% of total number of directors.
- Conducting the AGM agenda by those listed in the invitation letter of the AGM.
- Providing equal opportunity to comment and to ask a question on each agenda item according to the agenda of the meeting. The Chairman of the meeting had, concentrated on and answered questions in all issues and had the meeting recorded completely. Chairman of the Board of Directors in the meeting time had allocated adequate time and conducted the meeting in appropriate and transparent actions by voting and concluding each meeting agenda.
- Providing the use of voting cards in all agenda for transparency and accountability by the vote counting. The Company will count one share for one vote and the majority votes will be considered resolution of the normal agenda. If the votes are equal, the Chairman of the meeting as an arbitrator would cast a vote on a shareholder base. The voting in a special agenda should be done in accordance with the Articles of Association of the Company or the laws and regulations of the relevant authorities designated.
- If any shareholders are stakeholders of in any agenda, the shareholders shall be prohibited to vote on the issue.
- Hiring an external legal consultant to inspect the result of the resolution and voting.

### **After the Meeting Date**

In the year 2016, the Company had notified the resolution of the AGM through the Stock Exchange of Thailand within the next working day. The resolution specified the results of the voting on each agenda item. The minutes of the shareholders' meeting was sent with identified names of directors / management who attended the meeting together with the outcome of the vote, agreement, disagreement or abstaining from voting on each item on the agenda including the significant issues, shareholders' questions on each agenda and detailed explanation of the Board of Directors for the Stock Exchange of Thailand and the relevant authorities within 14 days dating from the day of the AGM and have them published on the Company's website, [www.boonterm.com](http://www.boonterm.com).

## **Section 2**

### **Equitable Treatment of Shareholders**

To build trust of shareholders, the Board of Directors and management team will ensure that that shareholders' money is appropriately spent since it is the key factor for the confidence on investing with the Company. The Board of directors shall ensure that shareholders are treated, and protect their basic rights equally as follows:

## **A. The right to appoint a proxy to attend the AGM and vote**

Any shareholders who are unable to attend the meeting can use the proxy rights to appoint any other person or the independent directors of the company who the Company proposed as proxies to attend and vote for them. Shareholders shall be required to send proxy details plus a copy of identification card or passport or other identification documents, as defined by the Company prior to the date of the shareholders' meeting, where the Company has delivered the details of proxy and a proxy form along with the meeting invitation, or shareholders can download the form from the Company's website, [www.boonterm.com](http://www.boonterm.com).

## **B. The right to propose additional agenda**

The Company offers opportunity for shareholders to propose other agenda in addition to the defined agenda of the AGM. Steps in proposing additional agenda are as follows:

- Deliver items to be included as the additional agenda, along with the reason, detailed facts and necessary information required in the form of proposing additional agenda of the general meeting of shareholders. Such forms can be downloaded from the Company's website, [www.boonterm.com](http://www.boonterm.com).
- The Company will verify the authentication of shareholder who requested to propose an additional agenda to the shareholder registrar on the register book closing date. The criterion of considering issues for the placement of additional meeting agenda is that it needs to be associated with the operation or may affect the Company's operations significantly. If the Board of Directors approves the proposed agenda, it will be included as an agenda proposed by shareholders. If it does not go through the approval of the Board of Directors, the Company shall notify the shareholders via the Company's website.

## **C. The right to nominate a person to be appointed as Directors**

Shareholders can nominate a person to be appointed as Directors. The Company reserves the right to consider individuals who meet the criteria given as follows:

- Properly qualified and not be prohibited according to the Public Limited Companies Act, the Securities and Exchange Act as well as the corporate governance of the Company.
- Have good education background and work experiences or other qualifications as required by the Company.
- Need to devote sufficient time and are fully dedicated to the best interests of the Company and is obliged to attend meetings regularly
- Do not hold board positions in listed companies more than 5 companies.

The Independent Committee will consider the selection of a qualified person to propose to the shareholders' meeting to consider a resolution but if the Independent Committee votes not to propose to the shareholders' meeting, those who have been nominated, will be proposed to the shareholders' meeting to consider, apart from the opinion of the Board of Directors, for the last resolution. The documents which must be attached with a shareholder to nominate persons include: (1) the form to propose persons for Director nomination, and (2) personal information of the person who has been nominated for directorship by attaching a certificate or letter of confirmation from a securities company/representative of which the owner must sign the consent, certify and send them by e-mail or registered mail to the Company within a period as determined by the Company.

## **D. Internal Data Protection**

The Company has a policy to limit the use of inside information only to the specific group of executives from intermediate to senior level of the relevant department or the Company. Audited Financial statement will be kept by the accounting manager. Other confidential information will be used for consultations with individual manager level

and above only. The Company has a penalty for the person involved using inside information that causes the damage. In addition, the Company has assigned the directors and Executives to report on shareholding of the Company to the Office of the Securities and Exchange Commission.

#### **E. Supervision of Internal Securities trading**

The Company has a policy of not letting employees, executives and staff who deals with statements or other information that affect the price of securities of the Companies disclose those information to outsiders or others who are not involved and prohibited them not to perform securities trading in the duration of 1 month before financial statement or other information which may affect the price of securities of the Company are publicly published. The Company has a penalty for the persons involved in using internal information to speculate the price of securities of the company.

In addition, directors and executives must report changes in holding of the Company's securities to the Office of the Securities and Exchange Commission under section 59 of the Securities and Exchange Act, B.E.2535 that defines the penalties Act and acknowledge the defined penalties according to the Securities and Exchange, B.E.2535, including changes to securities holding by the spouse and underage children. The directors and executives must submit a copy of report to the Company Secretary on the same day that the Company reported to the Office of Securities and Exchange Commission, which requires notification within 3 working days.

#### **F. Investor Relations**

The Company has an Investor Relations Unit with a specific objective responsible for the investor relations works by setting plans, activities and dissemination of information to the shareholders of the Company, investors, analysts and the media to promote the image and credibility of the Company's operations, where relevant be contacted by the following details:

Investor Relations  
256 Phaholyothin Rd., Samsennai,  
Phayathai, Bangkok10400  
Tel: 02-278-1777  
E-mail: investor@forthsmart.co.th

In addition, the Company has assigned the moment abstaining from communicating with analysts and investors or the Quiet Period to provide information about the Company's financial results covering the news, and financial disclosure to the public of both the management and the investor relations officer in 14 days prior to the announcement of the quarterly and yearly operation results to avoid giving information that is not fair that may lead to a negative impact on the price of securities of the Company.

### **Section 3 Roles of Stakeholders**

The Board of Directors should establish a policy to ensure each group of stakeholders is treated in regard of the rights of such stakeholders as defined by the law or pursuant to an agreement with the Company. It should not take any actions that infringes the rights of other stakeholders and should define compensation measures in case that the stakeholders are damaged from such infringe.

The Company has given rights and importance to stakeholders in all groups, including shareholders, employees, customers, competitors, partners, creditors and societies with the aim to treat stakeholders in all groups as follows:

## **Respect for the law and human rights.**

The Company respects the laws, culture, traditions and international human rights principles in all areas of business operation, without violating but follows them consistently. The directors, executives and employees must respect the rights of stakeholders equally without privacy violation as well as respect their honor and dignity with no-discrimination in education, nationality, religion, gender, and rank. Thus, in the year of 2016 the Company had not got any complaints on the violation of the principles of human rights at all.

## **Shareholders**

The Companies regards the maximum interests of the shareholders with the aims to operate the business for stable and sustainable growth, ready for increasing the competitiveness and risk management in order to add value to the Company in the long term. The shareholders ' rights are listed in Chapter 1.

## **Employees**

The Company considers human resources as the most valuable asset who has a privacy right and the right to be protected from privacy violation including the right to be treated and given the opportunity equally. The Company has given priority to the remuneration, welfare and safety of employees according to the following details.

### **Compensation of Employees**

The Company aims to maintain employee compensation fairly along with their obligations and responsibilities assigned. Our compensation can compete with others in the labor market. Every year the employee is entitled to receive special compensation (bonus), which is determined by the performance of the employees and the annual company's profit. Apart from this, the employees are entitled to get increased compensation every year depending on their performance regarding the Key performance indicators (KPIs).

### **Welfare of the employees**

1. Accident insurance
2. Life insurance and health insurance
3. Provident Fund, Social Security Fund.
4. Financial aid in case of death of employee, father, mother, wife, son or daughter.
5. Uniform
6. Annual party, annual provincial tourism and annual sport event
7. Welfare loans, namely the housing loan

### **The average hour of employees' training per year**

The Company has focused on developing the knowledge and potential of employees. In 2016, the Company has trained 270 staffs of 10,900 hours in total or 40.37 hours per person averagely.

### **Safety policy for employees**

The Company is committed to support of the safety management system, occupational health and the working environment, and has achieved the ongoing policy steadily with communication and public relations for employees, visitors, contractors and those involved as well as publicize them as follows:

1. Developing and implementing of the safety management system and occupational health and the working environment by encouraging employees to participate in the activities and work plan on the safety, occupational health and the working environment for safety and health of employees.
2. Operating business with compliance with regulations and laws of safety on occupational health and safety in the work environment
3. Providing for and encourage all employees to wear standard personal protective equipments appropriately for safety working practice.
4. Providing support on training, knowledge, information and news on safety, occupational health and working environment of all employees, as required for the safety working.
5. Supporting and promoting the activities on safety, occupational health and the working environment in order to reduce accidents and diseases from working.

In the year 2016, there were 2 accidents and the injured employees got sick leave for 5 days.

### **Customers - Master Agent**

The Company is committed to creating maximum satisfaction to the customers in the master agent group with the intention to have the customer satisfied appropriately by offering products and services of quality and providing fair service, including caring of the clients' information as confidential.

The Company provides sales teams to give advices to customers who want to become an agent of the Company and agent service teams involved for a technical consultation in case of problems on site, so that agents can get online top-up machine to be return to service as soon as possible. Furthermore, the Company allocates staffs of related departments by regions to provide the service and administer the agents thoroughly and timely. The departments relating to the customers – master agent, were provided staffs to give advices and assist 7 days from 8.00 - 21.00 hrs. in the interval.

The Company also supports agents to run their business sustainably in the long run by providing seminars and training for the agents regularly to reinforce their management potential, in cooperation with the Bank on getting credit for their business as well as the appropriate and revenue sharing.

### **Customers – End Users**

The Company takes into priority account the benefit of customers by providing accurate information based on truth and not causing any misunderstanding or having them receive incomplete information. Most importantly, the Company is in the process of ensuring that our data is accurate, up-to-date with strict security system in keeping of customer information to prevent damage or unauthorized access to personal information of the customer is without authority.

The Company concentrated on the speed and convenience in providing the service at online top-up machine to the retail customers, in case of problems, they can call the Company for help and advice such as mobile top-up, online game top-up and other services in the online top-up machine by providing customer service facilities at 1220 which can facilitate and fix problems 24 hours a day, including the proactive customer care service by monitoring and managing solutions for customers, without having to wait for a notification.

In 2016, the Company has conducted a survey on the customer satisfaction through the customer service center 1220 and has an average score of 89.72 % throughout the year.

## **Business Competitors**

The Company's policy is to conduct business fairly by not to distorting the data nor any other fraudulent method which is incorrect according to the fairness of the competition. The Company is operating under great rules of competition and does not seek confidential information of competitors in dishonest or inappropriate way such as offering a pay or bribe to employees of competitors etc. including not slandering or bullying or distorting the facts of the competitor.

In the year of 2016, the Company had not received any complaints on unfair business operation on commercial competitors at all.

## **Business Partners – Operators**

The Company has been adhering to integrity to comply with conditions provided for all types of partners under the postulate as well as the rule and applicable law. In the year of 2016, the Company had negotiated with partners to provide new services continuously as well as to improve the service to be modern and convenient for retail customers in order that it can support the original customer groups and the steady expansion of the customer base as well as continue to seek for find new partners. This is both to increase diversified services of the online top-up machines and to increase revenue for agents as well.

## **Business Partners – Suppliers**

The Company is committed to the development of the process of supplying products and services as required to meet the standards and to develop and keep sustainable relationships with suppliers and contractors that have a clear purpose in regard to the quality of products and services. The Company provides a fair procurement process for products and services as follows:

- Partner selection based on price and quality as well as fair and transparent competition on information obtained.
- In business negotiation, the Committee, executives and employees of the Company must refrain from receiving money, gifts, assets, or benefit, which is not honest from a partner or counter-partners.
- On time payments to suppliers and contractors according to the paying agreement terms strictly.
- Safeguarding of confidential information between partners and contractors.
- Comply with the integrity, reliability and notification of laws, regulations and related policies for acknowledgement.

In the year of 2016, the Company has procured products and services at a fair-trading for business partners – supplier in accordance with the policy.

## **Lenders**

The Company has complied with the terms of the loan agreement strictly by having repaid a loan according to the defined time period as well as cooperating with financial institutions to disclose financial reports and other information as required to properly and thoroughly including security collateral and administrative cooperation to resolve problems together in case that the compliance with the contract terms in loan repayment cannot be done. In 2016, the Company can repay its loan to meet the terms of repayment as agreed.

## **State Agencies**

The Company has been adhering to and is ready to comply with the supervision and punishment according to law, regulations and standards of practice of the authorities of the State.

## **The policies and practices of non-infringement of intellectual property or copyright**

The Company has a policy on non-infringement of intellectual property or copyright by publishing them in the code of conduct of directors, executives and employees to adhere to all stakeholders on equal and fair treatment. Apart from this, directors, executives and employees have to work using a computer program that has a valid license and installing or using software of which the copyright is not valid in the Company is strictly prohibited.

## **Policies and practices regarding the efficient use of resources**

The Company has a policy and practice to use resources efficiently. In practice, thereby saving energy and reusing resources, such as appropriate temperature control of the air conditioning in offices, turning off the air conditioner and turning off the lights during lunch break, changing the lamps to LED lamps throughout the building, turning on the light spot, walk up and down the stairs instead of using the elevator, reusing of paper, etc.

## **Policy and guidelines on safety, hygiene and environment**

The Company is aware of the importance of management systems and assurance of quality, safety, health and environment. From this, director, executives and employees need to take into consideration and hold the compliance with the requirement and standards of quality, safety, hygiene and related environment strictly. The Company has defined such practices such as determining the readiness of their own health and body before working and refrain from working if the body is not ready to reduce the risk of accidents in working including publishing guidelines for the prevention and control of accidents from work for employees and the person involved, cooperating in the implementation of the standard, or the agreement on matters that are intended to help prevent or reduce the impact on the environment and inculcating in the conservation of natural resources and the environment seriously and steadily, as well as encouraging efficient resource use for maximum benefit.

## **Corporate social responsibility**

In addition to the provider of online top-up machine, the Company also recognizes the importance of operation with social responsibility and environment in order to create a sustainable, economic and social system of the country by offering corporate social responsibility activities, the details listed in the section of "Corporate Social Responsibility".

## **Complaints mechanism of stakeholders**

The Company has defined a channel to receive complaints from various stakeholder groups by having the complaining party submit a complaint in writing with sufficient information, including name and contact address of convenience of the complainant to the Company Secretary at the Company's address. The Company Secretary will send the complaints to the Board of Directors. The Audit Committee or management to verify and resolve the case as follows:

- 1) In case of complaints on subject that may cause damage to the Company, specify to have the complaint forwarded directly to the Audit Committee. The Audit Committee will investigate and report to the Board later.
- 2) If it is a complaint by shareholders, it will be forwarded to the Audit Committee and/or Board of Directors; in this case, the shareholders may contact the Chairman of Audit Committee directly or, send it to the address specified by the Company.
- 3) In case of complaints of customers, partners and general public, they will be delivered to the Executive Committee in order to find a solution and then report to the Board of Directors.



- 4) If it is a complaint from a creditor, the complaints are to be submitted to the Board of Directors or Executive Committee may consider submitting such a complaint to the Board of Directors for consideration.

Stakeholders can contact for complaints to the Board of Directors and Audit Committee according to the following details:

**Company Secretary**

Forth Smart Service Public Limited Company  
256 Phaholyothin Rd., Samsaennai, Phayathai, Bangkok 10400  
Tel. 02-2781777

### **Investigation process of misconduct and fraud**

The Company has defined guidelines on the management of complaints or matter notified by declaring them on the Company's code of conduct published in the Company's website, [www.boonterm.com](http://www.boonterm.com), including the following steps:

1. Gathering the facts
2. Processing and screening information
3. Defining the implementing measures
4. Reporting the results

### **Rights or protections of whistle blower**

The Company has set the policy on right or protection for whistle blower in the Company's code of conduct. The Company will listen to every whistle blower equally, transparently and attentively as well as be fair to all parties by define the duration of the investigation appropriately and keeping the information of a complainant as highly confidential and also the Company will not disclose who the whistle blower is with not necessary since the Company takes into consideration the welfare and safety of the whistle blower critically.

## **Section 4**

### **Disclosure and transparency**

The Company's policy on the disclosure of data and information is proper, complete and timely so that various stakeholders can get information that shows result of performance, financial statements and other information. Interested parties can access the data of the Company e.g. financial statements, annual reports and the performance of the Company in the past year of the Board of Directors and sub-committees, Corporate Governance Policy, social and environment policy and compliance with all these policies etc. and the Company will have to update the data regularly.

During the year, the Company has offered opportunity to a group or persons, such as shareholders, journalists, financial institutions, customers and educational institutions, etc. to visit the Company. In addition, being aware of the importance of information to investors and other stakeholders, the Company has policy to disclose its data in accordance with the terms of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission in the annual report and invitation letter of meeting of shareholders regarding the roles and responsibilities of the Board of Directors and the Audit Committee, number of meetings and the number of times that the directors attending Board meetings in the past year, as well as comments from the functioning of the Audit

Committee, and has shown the Report of the Responsibility of the Board of Directors on Financial Reporting together with the Auditor's Report.

### **Meeting with investors**

The Board of Directors of the Company has provided a department or assigned a responsible works on the "Investor Relations" to communicate with external parties such as shareholders, institutional and general investors, analysts and related organizations equally and fairly by providing the opportunity to be able to meet with executives of the Company, as appropriate, under the guidelines stating that information to be disclosed is already publicly available.

In the year 2016 there were a total of 31 times of shareholders, institutional and general investors and analysts visiting visit the Company or having Company Conference call, and the Company has joined Opportunity Day for 4 times.

## **Section 5**

### **Responsibilities of the Board of Directors**

#### **Structure of the Board of Directors**

The Board of Directors as at 31 December 2016 consists of Independent directors, Executive Directors and Non-executive directors, who are highly qualified, knowledgeable, capable, and experienced in financial and accounting, management, and more beneficial to the Company considering the diversity in the structure of the Board which comprises of 9 members; 4 are independent Directors which is 44.44% of total members to keep balance of the Board. The qualifications of the independent directors are equally refined by the Office of the Securities and Exchange Commission. The qualifications of independent directors, name lists and scope of authority of the Board of Directors including the nomination are listed on the topic of "Management Structure".

The Company policy determines on the listed companies that each director can be nominated by the Board of Directors not exceed to 5 companies; however, the Company has not yet determined the amount of tenure of the directors but only considered knowledge and abilities to be the director of the Company.

For other positions of the Executive Directors and the Managing Director, the Company has a policy to have directors to become directors in subsidiaries and associated companies in order to keep the Company's business operation in the same direction for the maximum effectiveness and efficiency but it does not have a policy on directorship in other listed companies unless approved by the Board of Directors only.

The Company has a policy of isolating the persons nominated as the Chairman of the Board of Directors from the Chief Executive Officer as the individual parties for clarity and transparency of management with the scope of authority and responsibilities of the Chief Executive Officer that stated clearly including the disclosure of information on qualifications and tenure of individual directors in the Annual Registration Statement (form 56-1)

#### **Meeting of the Board of Directors**

The Company has scheduled a meeting in advance throughout the year 2016 with at least one meeting every 3 months, and there may be a meeting in special sessions if necessary. The Board of Directors will receive documents for the meeting in advance not less than 5 working days. In the past year of 2016, there were 6 meeting of Board of Directors in total and in the meeting of Directors no. 6/2016 on 14 December 2016 the Board had an agenda to review

and approve the vision, mission and strategy of the Company to formulate policies and strategies to be aligned with the current business conditions.

The details of meeting attendance of each director are listed on the topic of "Management Structure".

For voting in the Board of Directors, the Company has a policy to have a minimum quorum of not less than 2/3 of entire Board members while voting in the Board's meeting

### **Sub-Committees**

The structure of the Board of Directors comprises 5 sub-committees, namely the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and the Purchase Committee. The qualifications and obligations and responsibilities of the 5 committees are disclosed in the topic of "Management Structure".

### **Code of Conduct**

The Board of Directors has promoted the Code of Conduct for Directors, Executives and employees to adhere commonly to and regard them as the burden and responsibilities for the most benefit of the stakeholders of the Company, as well as reliability in the business operation, which would result in sustainable growth of the Company. The Company has published the details on Code of Conduct on the Company's website [www.boonterm.com](http://www.boonterm.com).

### **Risk Management Policy**

The Board of Directors has appointed the Risk Management Committee in order to have efficient management system on risk of business operation based on the notification of the Electronic Transaction Committee and the Bank of Thailand in regards to risk management in business operation to the extent permitted. It also determines the risk management policy covering the entire organization by starting the process from identifying risks, risk assessment, risk monitoring and control as well as to standardize risk management for effective and steady risk management.

### **Guidelines for remuneration of Directors and Top Executives**

The remuneration directors determines from the scope of the obligations and responsibilities of the directors including the performance of the directors and the results of operations of the Company in accordance with the compensation rate in the market or industry. The Compensation of directors will be approved by the Nomination and Remuneration Committee and submitted to the Board of Directors for consideration before proposing it at the meeting of shareholders for approval.

The compensation for top executive is based on the principles and policies that the Nomination and Remuneration Committee determines. Such compensation is at an appropriate level comparing to the same industry by considering the obligations and responsibilities associated with the operation result of the Company and the performance of each top management. This is to motivate and retain quality personnel. The remuneration and annual bonus for top executives will have to be determined with exact criteria basing on the results of the operations of the Company, the overall economic situation and performance of each top management.

### **Term of Tenure**

In the period of 1 year, 1/3 of directors or most close to the number of 1/3 must leave the position and they might get elected back into position as directors for another term. The elected director will have a tenure starting from the date of the appointment until the date of the annual general meeting of shareholders.

## **Self-assessment of the Board of Directors**

The Board of Directors has evaluated their performance by themselves not less than 1 time per year. On the performance of the year 2016, the Board has considered the self-evaluation form of the Board in accordance with the assessment form of the Stock Exchange of Thailand. In the meeting of the Board of Directors No. 1/2016 held on 16 February 2016 is for the Board of Directors to review the achievements and problems to resolve, and update in order to increase the working efficiency in the Board of Directors.

The criteria in the performance evaluation of the Board of Directors cover issues as follows:

- 1) Structure and qualification of the Board
- 2) Roles, obligations and responsibilities of the Board
- 3) The meeting of the Board of Directors
- 4) The functioning of the Board
- 5) Relationship with management
- 6) Self-Development of the directors and executives

For this, the Company has distributed an assessment form to all such directors to evaluate themselves and return it back to the Company Secretary for estimating and analyzing and reporting to the Board of Directors to consider and formulate the operation policies.

## **Performance evaluation of the Sub-Committees**

The Board of Directors has determined the annual performance evaluation of the sub-committees, namely Audit Committee, Risk Management Committee to be used as a framework to monitor the operations during the past year in order to be able to improve and enhance the operating efficiency by presenting the results of assessment to the meeting of the Board of Directors has for acknowledgement.

## **Development of Directors and Executives**

The Board of Directors determined the orientation of new directors on the cognitive in nature of business and the relevant regulations. In addition, the Board of Directors also has a policy of encouraging all directors, top executives, including the company secretary be trained about the corporate governance continuously by both the internal training and external training, such as the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission or the Thai Institute of Directors Association (IOD), etc.

In the year of 2016, the Board of Directors had supported directors and top executives to be trained and to participate in a seminar to increase knowledge in steady operation as follows:

- On 16 June 2016, the Board of Directors had attended the meeting with the experts and officers from the Stock Exchange of Thailand to discuss and exchange views on corporate governance and investor relations.
- The new directors appointed to the position in the year 2016 had joined a training course on Director Accreditation Program (DAP), which is class 130/2016 of Thai Institute of Directors Association (IOD) of Thailand on 19 September 2016 to acknowledge the roles and obligations of the director, based on the principles of good governance, obligations and responsibilities of director in compliance with applicable laws and code of conduct of the Board of Directors.

## Succession Plan

The Board of Directors determines policy and criteria for the selection of executives and succession policy in case of an emergency or retirement of the executive by a transparent process, which will be based on knowledge and abilities, including ethics and experiences.

## Orientation for new directors

For new directors and executives, the Company has provided basic information about the Company, including management and organizational structures, nature of business, products and services, operation results, the Company's Articles Associate and laws relevant to the Company, including the terms of Office of the Board of the Securities and Exchange Commission and the Stock Exchange of Thailand related to the new directors so that such director shall be able to understand the operations of the Company, including the roles, obligations and responsibilities of directors or independent directors.

## Meeting of non-executive directors

The Company has organized the meeting of directors who are not the executives as appropriate to allow non-executive directors to discuss about problems and feedback issues that should be taken to improve the operation of the Company.

Furthermore, the good corporate governance that has not been brought into practice yet, the Company will use it as guidelines to optimize deployment including the below:

Item of no compliance	Reasons
It was assigned to directors or top management to inform the Board of Directors or the person who was delegated about the share trading of the Company at least 1 day prior to trading.	The Committee has defined prevention measures in wrongful use of inside information of relating persons, including spouses and underage children. He may not disclose any information that is not publicly available yet for the transaction or for personal interests that could cause conflict of interest, which is regarded as a serious offence and is defined by the code of conduct of the Company.