



Corporate Governance Policy

M.K. Real Estate Development Public Company Limited

Corporate governance policy

The Board of Directors of M. K. Real Estate Development Public Company Limited has recognized the importance of good corporate governance, viewing it as crucial to the efficient conduct of business, the continuous and steady growth of the Company, and the maintenance of its competitiveness, all of which create confidence among shareholders, investors, and other relevant parties, and maximum benefits for the Company in the long run.

The Company has therefore implemented a policy enabling it to conduct business efficiently and with good corporate governance and good management, by emphasizing on the maximization of benefits for shareholders and stakeholders, committing itself to moral principles and code of conduct, and disclosing accurate and complete information in transparent and accountable manners. The company has formulated a good corporate governance policy, in compliance with corporate governance principles for listed companies set by the Stock Exchange of Thailand, to make sure the Company has good corporate governance and serve as a guideline for the Board of Directors, executives, and employees. The Board of Directors has made the policy known to Directors, Executive and employees of all levels and make sure they comply with it, with details as follows:

- All shareholders and stakeholders will be treated equally and fairly.
- The Board of Directors are committed to increasing the value of the Company in the long term, managing the Company with caution and vigilance, carrying out their duties and responsibilities with sufficient competency and efficiency with the aim of creating maximum benefits for shareholders, ensuring that no conflict of interest arises, and taking responsibility for their decisions and actions.
- The Company shall conduct business with transparency, fairness, and accountability. The company shall disclose sufficient and credible information, financial and otherwise, in a timely manner, in order that the Company's shareholders and stakeholders have equal access to significant information. The company also has a department responsible for providing information to investors and the general public.
- The Company shall conduct business with caution, especially in regards to risk management. It shall conduct risk assessments, prepare strategies for remedial action, and follow up on risk management appropriately and on a regular basis.
- The Board of Directors has laid out principles regarding the duties and responsibilities and code of conduct for management and employees. All directors, executive officers, and employees must strictly adhere to these principles. In particular, they must take customers' needs into consideration, deliver quality products and pleasant after-sales service, and treat

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customers with honesty and fairness. In addition, in compliance with the Stock Exchange of Thailand's guidance, the Company has put in place a good corporate governance policy that emphasizes internal control and audit, to ensure that management carries out company policies with efficiency, in order to ensure long-term benefits for shareholders in accordance with legal requirements and code of conduct.

- The Company encourages all directors and members of management to undertake relevant trainings at the Thai Institute of Directors Association (IOD) and other institutes, in order to increase knowledge in various areas relating to the duties and responsibilities of directors and management.

The corporate governance policy has continuously been implemented in accordance with the guidelines set by the Thailand Stock of Exchange, including Good Governance Code for Listed Companies 2002, Good Governance Code for Listed Companies 2006, Good Governance Code for Listed Companies 2012, and most recently the policy has been revised to align with Corporate Governance Code for Listed Companies 2017.

The policy consists of the following eight main principles for the Board of Directors:

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| <u>Principle 1</u> | Establish Clear Leadership Role and Responsibilities of the Board |
| <u>Principle 2</u> | Define Objectives that Promote Sustainable Value Creation |
| <u>Principle 3</u> | Strengthen Board Effectiveness |
| <u>Principle 4</u> | Ensure Effective CEO and People Management |
| <u>Principle 5</u> | Nurture Innovation and Responsible Business |
| <u>Principle 6</u> | Strengthen Effective Risk Management and Internal Control |
| <u>Principle 7</u> | Ensure Disclosure and Financial Integrity |
| <u>Principle 8</u> | Ensure Engagement and Communication with Shareholders |

The Company has laid down guidelines and approaches for complying with each of these principles as follows:

Principle 1

Establish Clear Leadership Role and Responsibilities of the Board

Principle 1.1

The Board of Directors understand their role and responsibility as the organization's leader to ensure good corporate governance, which includes:

- (1) defining objectives;
- (2) determining means to attain the objectives; and
- (3) monitoring, evaluating, and reporting on performance.

Guidelines 1.1

The Board of Directors understand their role and responsibility as the organization's leader, which includes ensuring good corporate governance and organizational management. These encompass the setting of goals, strategies and operating policies, the procurement of resources to achieve the goals and policies set, and performance monitoring and assessment.

Principle 1.2

The Board of Directors is committed to creating value for the Company in a sustainable manner, and is therefore focused on bringing out governance outcome in order to achieve its business objectives, as follows:

- (1) The Company maintains its competitive edge and good operating results, with long-term perspectives
- (2) The Company is an ethical entrepreneur and is respectful and responsible to shareholders and stakeholders.
- (3) The Company conducts business/activities that are beneficial to society, and cares about or minimizes impacts on the environment
- (4) The Company maintains its corporate resilience in the face of change.

Guidelines 1.2

- (1) In defining operating success, in addition to operating results, the Board shall consider ethics as well as social and environmental impacts as major factors. The Company understands the importance of being socially responsible and acts accordingly, believing that a business's success does not rely solely on operating performance but also on contributing positively to society and the community. Therefore it continuously implements long-term sustainable community projects as part of its strategy, by instilling a sense of environment consciousness and encouraging giving back to society.

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- (2) The Board of Directors plays an instrumental role in building and driving forward an organizational culture committed in ethics, and members of the Board act as examples as the leader of corporate governance.
- (3) The Board of Directors has issued policies for directors, management, and employees outlining principles and approaches for operations in writing. These policies are announced and communicated to all of them so they acknowledge and strictly comply with them. These include the code of conduct, corporate governance policy, anti-corruption policy, whistle-blowing policy, and Delegation of Authority (DOA)
- (4) The Board of Directors ensures that the policies are internally communicated, so that the directors, management, and all employees are well informed and adequate mechanisms are put in place to enable compliance, implementation monitoring, policy review, and consistent implementation.

The code of conduct is as follows.

Code of conduct

The Company has put in place and strictly implemented regulations on the code of conduct among directors, executive officers, and all employees, who understand the importance of strict compliance with such regulations, as expected of them from the Company and shareholders. The code of conduct encompasses the following principles.

1. Rule of law
2. Transparency
3. Fairness and justice
4. Focus on customers
5. Responsibility towards society
6. Non-involvement in politics

The code of conduct for management and employees can be divided into the following areas:

Towards the Company

- Management is responsible for the declaration of code of conduct and must ensure that all employees are informed of and understand the code of conduct.
- Management is responsible for compliance with the Company's code of conduct
- Management pays attention to the necessary procedures for employees' compliance with the code of conduct.
- Management, including the Board of Directors and directors that are not members of the Board of Directors, conducts the Company's business.

Towards owners or shareholders

- Management has an obligation towards owners or shareholders, as they do not own the Company
- Management must act or make any decision with honesty and fairness to all shareholders, including minority shareholders, for the Company's benefits, as follows:

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- Operate under the scope of authority and for the Company's benefits
- Carry out their duties to the best of their ability and with caution, as expected of persons of their calibers
- Ensure that no company assets sustain damage or become unusable
- Regularly report operating results that are complete and accurate. Report both positive and negative aspects of the Company, in reasonable and credible manners, and backed up with sufficient facts.
- Do not disclose confidential information to other parties without appropriate authorization, especially to competitors
- Compile and explain any necessary data and information to the auditor to facilitate their work

Towards customers

- Management must
 - Disclose information on products to customers completely, accurately, and honestly
 - Sell products at the agreed price, or at the fair price in case where there are no prior agreements
 - Not cause unrealistic expectations or misunderstanding in the products in terms of quality, price, quantity, or conditions
- Management has a responsibility for customers in terms of product quality: by setting and maintaining product standard
 - Set minimum standard that can be accepted for products and ensure that it is met.
 - Make it known that a higher standard that that commonly achieved, leads to higher remuneration
 - Procure channels to receive complaints from customers in regards to product quality, and respond to customer needs promptly
 - Ensure that all products are made in accordance to company standard
- Management manages the Company with the objectives of decreasing costs and protecting the interest of customers as much as possible, especially by:
 - Being committed to increasing the Company's efficiency
 - Making sure that employees constantly realize that company resources are limited and use them efficiently
 - Decreasing company costs, insofar as that does not negatively affect operations or product standards
- Management must ensure to protect customers' information and treat it with strict confidentiality, and will not use such information for their own benefits or those of others.

Towards trading partners and creditors

- Management must ensure good practices when purchasing from trading partners, by:
 - Not requesting, obtaining, or paying bribes to trading partners, or informing trading partners of their employees' intention to bribe the Company employees
 - Ending transactions with trading partners who have bribed the Company's employees
 - Making sure that no bribes are made to employees of trading partners
- Management will ensure that any liabilities, including loans, with trading partners are in line with trading conditions, by
 - Strictly complying with obligations towards creditors, in terms of repayment, maintenance of pledged securities, and other conditions, including not using the loans obtained for purposes that violate the loan agreements
 - Managing the Company in manners that do not increase risk for its creditors
 - Reporting the Company's financial status to creditors based on complete and accurate facts
 - Considering the creditors' interest, in case where the term of the loan is extended
 - Notifying creditors in advance, in case where the Company is unable to comply with the obligations in the agreements, and work with the creditors to find a solution

Towards competitors

- Management must
 - Act in accordance with fair trade practices
 - Not make dishonest or groundless accusations against competitors or their products
 - Not gain access to competitors' confidential information by illegal or inappropriate means

Towards employees

- Management must
 - Pay appropriate compensation to employees, based on their individual levels of skills, competencies, responsibilities, and performance
 - Emphasize training and development for all employees, so that they can obtain career advancement and job security
 - Outline measures to ensure safety for employees and their belongings, and ensure that there are adequate tools and equipment and that they are properly maintained
 - Promote employees' participation in setting the Company's direction and finding solutions to problems faced by the Company
 - Appoint, transfer, promote, reward or punish employees with honesty
 - Strictly comply with labor laws and other relevant regulations
 - Publish the code to conduct and distribute to all employees, and make sure they understand practices and roles expected of them

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- Not act in manners that jeopardize job security of employees without reason
- Treat employees with respect for human dignity and rights

Towards society

- In the conduct of business, management will
 - Take into consideration environmental impacts, natural resources, and public benefits
 - Not decrease operating costs without considering society's overall welfare
 - Take part in ongoing company projects aimed at increasing quality of life

Employees' responsibility towards the Company

- Carry out their duties with responsibility, honesty, and loyalty, to achieve career advancement, job security, and company growth
- Maintain harmony at the workplace, and work to address any problems efficiently together as a team
- Carry out their duties with care, dedication, and patience, to achieve quality, efficiency, and profits and lead the Company to business excellence
- Use company resources efficiently, and prevent damage and loss
- Keep the information of customers, trading partners, and the Company strictly confidential, and not disclose the Company's data and production technology
- Cooperate with and assist other colleagues for the Company's benefits, and respect the rights of other employees
- Always take care to achieve safety at the workplace and favorable working conditions
- Share knowledge and experience with colleagues, with company interest and goals in mind
- Not make unfair or groundless accusations against the Company, management, or fellow employees
- Notify relevant departments or management, in case where an illegal or inappropriate act is committed at the Company
- Respect superiors and employees more senior to them
- Not seek personal benefits, or help others to gain benefits, on the basis of their position
- Not act in manners that damage the Company's image or reputation

Principle 1.3

The Board of Directors shall ensure that all directors and management carry out their job duties with responsibility, care and loyalty, and ensure that all operations are in compliance with relevant laws, regulations and resolutions passed by shareholders.

Guideline 1.3

- (1) The Board of Directors has considered that directors and management have carried out their job duties with responsibility, care, and loyalty based on relevant laws, rules, and regulations. These include Securities and Exchange Act B.E. 2535 (1992), notifications and regulations of the Committee on Capital Markets Regulation, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand. The Securities and Exchange Act B.E. 2535 (1992) specifies the role of directors in Articles 89/7, 89/8 89/9 and 89/10.
- (2) The Board of Directors has ensured that the Company has an adequate system or mechanism in place that will make sure that its operations are in compliance with the laws, regulations, shareholders' resolutions, company policies and guidelines. There should also be an approval procedure for significant operations, such as investment, conduct of transactions that can have a significant impact on the organization, conduct of transactions with related parties, acquisition/disposal of assets, dividend payments, etc., in accordance with the laws.

Principle 1.4

The Board of Directors understands the scope of duties and responsibilities of directors, sets the scope of duties and responsibilities for the Managing Director and management clearly and monitors their performance of the assigned duties.

Guideline 1.4

- (1) The Board of Directors has prepared a charter or board charter as reference of duties for all directors. The purpose of this is to reassess the appropriateness of the roles assigned to committees, the Chief Executive officer, and management regularly and ensure alignment with the Company's vision.
- (2) The Board of Directors shall understand the scope of its duties and grant managing authority to management in writing. However, doing so does not relieve the Board of Directors of its duties and responsibilities. The Board of Directors shall monitor management's performance of the assigned duties, as follows.

1) Board of Directors' authority and responsibilities

Under the scope of authority of the directors as approved by the Board of Directors and/or in a shareholders' meeting, The Board of Directors are authorized and required to set company policies and direction and ensure efficient and effective implementation of such policies, with the main focus being on increasing the value of the Company and creating maximum benefits for shareholders. It carries out its duties in accordance with the laws, company objectives and regulations, as well as shareholders' resolutions and with honesty.

Furthermore, the Board of Directors' responsibilities include setting the Company's vision and mission, overseeing management to ensure that it implements strategies that are in line with said vision and mission, and overseeing risk management and internal control. The duties and responsibilities of members of the Board of Directors and management are separated clearly, as are those of Chairman, Chairman of Executive Director and Chief Executive Officer. In addition, the Board of Directors and management must prevent conflict of interest from arising, to ensure efficient conduct of business.

2) Scope of authority of the Executive Committee

- 1) Conduct management in the ordinary course of business and ensure compliance with Board of Directors's policies, relevant laws, conditions, and rules, memorandums of association, and company regulations
- 2) Review annual budget allocation to present to the Board of Directors for approval
- 3) Review investment projects to present to the Board of Directors
- 4) Review and approve the purchase of land and/or other assets for the Company and its subsidiary, and register such purchase at the Department of Lands, and approve temporary investment funds for use in the development of the land and/or other assets purchased, per the scope of authority and within the financial limit given to them by the Board of Directors

In light of this, approval of subsidiary transactions can only be done for a subsidiary in which the Company holds at least 90 percent of shares, and the transactions must not be related party transactions per Capital Market Supervisory Board's Notification or relevant laws.

- 5) Review and approve the sale of land and/or other assets of the Company or its subsidiary at no less than market value as at the date when the Board of Executive Committee passed a resolution approving the sale, per the scope of authority and within the financial limit given to them by the Board of Directors, and register such sale at the Department of Lands
- 6) Review and approve transactions that were not in the work plan, that did not exceed a limit of 100 million baht
- 7) Review and approve the Company's request for loan or credit from a financial institution, and register such loan or credit from a financial institution at the Department of Lands, and use the fund obtained for the Company's ordinary course of business per the scope of authority and within the financial limit given to them by the Board of Directors
- 8) Review and approve opening and closing of an account and use of Banking services, and assign a person authorized to make payment from the Company's accounts
- 9) Review and approve legal transactions and corporate legal documents concerning asking for permission on project plan modification, method of project land allocation, land titling, subdivision and co-ownership of land, land survey, for instance, cadastral survey, subdivision in same ownership or in co-ownership, joint title deed, land allocation, and public use.

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- 10) Prepare, make recommendations for, and formulate business policies and strategies and present to the Board of Directors.
- 11) Review and approve marketing, advertising, and public relations plans.
- 12) Evaluate the Company's operation results in terms of asset and financial management to ensure efficiency and effectiveness
- 13) Carry out other duties assigned by the Board of Directors

Assignment of authority, duties, and responsibilities to the Board of Executive Committee will be done in manners that will prevent executive director or persons assigned by them from approving transactions that may cause conflict of interest, as defined in Capital Market Supervisory Board's Notification. Exceptions are made in case of approval of transactions made in the ordinary course of business, in line with policies and regulations issued by the Board of Directors. The Board of Executive Committee will present such transactions to the Board of Directors and/or in a shareholders' meeting for approval of such transactions pursuant to laws governing securities and exchange and Capital Market Supervisory Board's Notification.

3) Scope of authority of the Management Committee

- 1) Set company objectives, policies and strategies
- 2) Set operation plans and overall company direction
- 3) Ensure all objectives are met
- 4) Review issues to be presented to the Board of Directors and the Board of Executive Committee

4) Scope of authority of Chief Executive Officer

- 1) Set policies, direction, and strategies for the Company's operations and present them to the Board of Directors, and ensure compliance with the policies, direction, and strategies approved by the Board of Directors
- 2) Set business plans, budget, and scope of authority of company departments and divisions, and present them to the Board of Directors for approval
- 3) Oversee company operations to ensure compliance with Board of Directors policies, relevant laws, conditions, rules, and memorandums of association, and company regulations
- 4) Appoint advisors to provide advice on the Company's operations
- 5) Review and approve the purchase of land and/or other assets for the Company and its subsidiary, and approve temporary investment funds for use in the development of the land and/or other assets purchased, per the scope of authority and within the financial limit given to them by the Board of Directors, and notify the Board of Executive Committee in a meeting in order for the Board of Executive Committee to pass a resolution authorizing the legal registration of such purchase at the Department of Lands

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In light of this, approval of subsidiary transactions can only be done for a subsidiary in which the Company holds at least 90 percent of shares, and the transactions must not be related party transactions per Capital Market Supervisory Board's Notification or relevant laws.

- 6) Review and approve the sale of land and/or other assets of the Company or its subsidiary at no less than market value as at the date when the sale was approved, and notify the Board of Executive Committee in a meeting in order for the Board of Executive Committee to pass a resolution authorizing the legal registration of such sale at the Department of Lands.
- 7) Review and approve transactions that were not in the work plan, that did not exceed a limit of 50 million baht
- 8) Carry out other duties assigned by the Board of Directors

It should be noted that assignment of authority, duties, and responsibilities to Chief Executive Officer will be done in manners that will prevent Chief Executive Officer or persons assigned by them from approving transactions that may cause conflict of interest, as defined in Capital Market Supervisory Board's Notification. Exceptions are made in case of approval of transactions made in the ordinary course of business, in line with policies and regulations issued by the Board of Directors. Chief Executive Officer will present such transactions to the Board of Directors and/or in a shareholders' meeting for approval of such transactions pursuant to laws governing securities and exchange and Capital Market Supervisory Board's Notification.

Principle 2

Define Objectives that Promote Sustainable Value Creation

Principle 2.1

The Board of Directors has defined the Company's main objectives in order to achieve sustainability, in accordance with its goal of creating value for the organization, customers, stakeholders, and the public in general.

Guideline 2.1

- (1) The Board of Directors ensures that the Company has clear and appropriate objectives, on which a business model can be based, and communicates this internally so that everyone in the organization works towards the same goal. This is embodied in the Company's Vision and Organizational Values.
- (2) The Board of Directors has devised a business model that can create value for the organization stakeholders, and society alike. It takes into consideration creating economic value for the organization and maintaining maximum benefits for shareholders. It shall implement the business model in compliance with the laws, company objectives and regulations, and shareholders' resolutions, and with honesty.

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- (3) The Board of Directors has set Organizational Values that reflect good corporate governance principles, such as accountability, integrity, transparency, and due consideration of social and environmental responsibilities.
- (4) The Board of Directors has supported communications and encouraged all levels of decision-making and operations to reflect the Company's main objectives and goals, to the point that this has become an organizational culture. The Company's Vision continuing from 2015, is as follows.

Vision

Strives to be one of Thailand's leading residential property development companies, and offer quality products and services at reasonable prices.

Missions

- 1) **Financial mission:** Build financial stability and generate greatest benefits for shareholders, through sustained sales growth and efficient cost management
- 2) **Marketing mission:** Deliver quality products –in terms of location, construction standards, and environment– at reasonable prices, provide excellent customer service, and constantly make the “ChuanChuen” brand known to the public as a leading residential property development company
- 3) **Production and service mission:** Deliver quality products and excellent services on time and with efficiency, and continue to improve product quality
- 4) **Management mission:** Enhance competitiveness, always make an all-out effort to achieve the goals set for all operations, and promote good governance
- 5) **Personnel mission:** Instill a sense of responsibility in maintaining quality and providing service, and create a culture of continuous learning and development in a friendly working environment

Principle 2.2

The Board has ensured that the Company's medium-term or annual objectives, goals, and strategies align with the Company's main objectives and goals, and employed innovation and technology where appropriate and safely.

Guideline 2.2

- (1) The Board of Directors ensures that the annual strategy or plan aligns with the Company's main objectives and goals, taking into consideration the various factors affecting the Company at the time, as well as opportunities and acceptable risks. It shall also encourage the setting or revision of objectives, goals and strategies for the medium term, i.e. 3-5 years to make sure that they consider impacts in a longer term and still have considerable prediction power.

The Board of Directors plays a part in setting the Company's vision, mission, strategy, goals, and budget and ensuring that business plans are efficiently implemented and opinions are expressed freely when

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decisions are made about anything. It shall also monitor the executives' performance and review it on a quarterly basis.

- (2) In setting the annual strategy and plans, the Board shall ensure that there is an analysis of the factors and risks that may affect stakeholders in the value chain, and factors that may affect the achievement of main objectives. A mechanism that will make it possible to truly understand what the stakeholders want should be put in place.
- (3) In setting a strategy, the Board shall encourage of the use of innovation. It shall use innovation and technology to enhance the Company's competitive edge and respond to stakeholders' demands, while at the same time maintaining responsibility towards society and the environment.
- (4) The goals should be set based on business environment and the organization's capability. They should include both monetary and non-monetary ones. The Board should take into consideration the risk of setting goals that could lead to illegal or unethical conduct.
- (5) The Board of Directors shall ensure that objectives and goals are communicated through its strategy and operating plans organization-wide.
- (6) The Board of Directors shall ensure appropriate resource allocation and control of operations, and monitor the implementation of the annual strategy and operating plans. It may designate responsible persons to monitor operating performance.

Principle 3

Strengthen Board Effectiveness

Principle 3.1

The Board of Directors shall be responsible for setting and reviewing the structure of the Board, in terms of size, components, and ratio of independent directors as appropriate and necessary, in order to achieve the main objectives and goals.

Guideline 3.1

- (1) The Board of Directors consists of directors with different qualifications, in terms of skills, expertise, capability, and specific attributes necessary – and is made up of different sexes and ages – for the achievement of the main objectives and goals.

In this regard, Members of the Board of Directors are persons with accepted qualifications. The Board of Directors plays an important role in providing guidance and setting company policies, vision, strategies, goals, and direction. The Board of Directors, together with the management committee, formulates work plans, both short- and long-term, as well as financial policy and the overall organizational structure. It plays a leading role in independently overseeing, reviewing, and evaluating the Company's operating results and

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the performance of the management committee to ensure its compliance with company plans. In addition, the Board of Directors ensures that management implements company policies efficiently and effectively, complies with the laws, company objectives and regulations, and shareholders' resolutions, and carries out their responsibilities with honesty, prudence, and in accordance with good practices, to achieve maximum benefits to the Company and create investors' confidence. In addition, the Company has in place internal control, internal audit, evaluation, and management systems that operate efficiently, follows up on these issues regularly through the Company's internal auditor, and always presents them in meetings of the Board of Audit Committee.

- (2) The number of members of the Board of Directors shall be as determined in the shareholders' meeting. The Board shall consist of no fewer than five (5) members per company regulations, and no less than half of which shall reside within the country. At least one out of three, but not fewer than three, shall be independent directors. Each director shall have suitability in terms of age, qualifications, capability, experience, and expertise and possess the attributes as specified in Article 68 of the Limited Public Company Act B.E. 2535 (1992) and other relevant laws. The Nomination and Remuneration Committee shall nominate and consider persons with specific skills, experience, profession, and qualifications as deemed vital to the Company's business and present them in the Board's meeting where members shall consider to elect them as directors. Then they will be presented in a shareholders' meeting for approval.
- (3) The Board of Directors has disclosed its members and information thereof, including their age, sex, educational background, experience, shareholding percentage, the number of years they have held the position of director, and the position(s) they occupy in other listed companies, in the Company's Annual Report and on its website: www.mk.co.th.
- (4) Checks and Balances of non-executive directors

The Board of Directors consists of no fewer than five directors who have been appointed in a meeting to manage the Company. No fewer than half of the members of the Board must reside in the Kingdom of Thailand and possess the qualifications required by law. The Company also requires that at least one in three, or no fewer than three members of the Board, serve as Audit Committee, all of whom possess all the qualifications set out in the Stock Exchange of Thailand announcement regarding qualifications and scope of work of Audit Committee, so that checks and balances are achieved in the Company's conduct of business.

Defination of "independent directors"

The Company defines "independent directors" in line with the regulations announced by Capital Market Supervisory Board . Independent directors must have the following qualifications:

- (1) Hold no more than one percent of the total voting shares of the Company, its parent company, subsidiary, associated companies, major shareholders, any person having controlling power over the

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Company. The number of shares held by any related person of such an independent director must also be counted.

- (2) Not be and have not been a director participating in management role of the Company, or an employee or an officer of the Company, or an advisor of the Company which receives regular salary from the Company, and not be and have not been a person having controlling power over the Company, subsidiary or associated company, unless such an independent director has not been a person referred to above for at least two years before being appointed as independent director. Such restriction or prohibition shall not apply to an independent director who has been a governmental officer or an advisor of a government authority, which is the major shareholder of the Company or the person having controlling power over the Company.
- (3) Not be a person having relationship either through blood or legal registration as a father, mother, spouse, sibling or child, including as a spouse of a child of any management person, major shareholder, or any person having power to control the Company or the Company's subsidiary, or of the person being nominated to be a management person or a person having power to control the Company or the Company's subsidiary.
- (4) Not have and have not had any business relationship with the Company, subsidiary, associated company, or major shareholder, or with the person having power to control the Company that may have conflict of interest, in the manner in which their independent discretion might be affected, and not be and have not been a substantial shareholder or a person having power to control the person that has business relationship with the Company, subsidiary, associated company major shareholder or the person having power to control the Company unless such an independent director has not been a person referred to above for no fewer than two years prior to being appointed as independent director. Business relationships referred to in the first paragraph above shall include any ordinary course of business or trade for business engagement purpose, any lease taking or lease out of any property, any transaction relating to asset or service, any financial support or acceptance of financial support by way of either borrowing, lending, guaranteeing or collateral providing or any other manner similar thereto that could result to an obligation required to be performed by the applicant or the party thereto in an amount of three percent or more of the net tangible asset value of the applicant, or twenty million baht or more, whichever is lesser. In light of this, the method for calculating the value of related party transactions pursuant to the Capital Market Supervisory Board's Notification, Re: Regulations in respect of an Entering into a Connected Transaction shall be applied mutatis mutandis for the purpose of calculation of such amount of debt of the applicant, provided that the amount of the debt incurred during the past one year prior to the date on which such a business relationship with such a business relationships with such person exists.

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- (5) Not be and have not been an auditor of the Company, subsidiary, associated company, major shareholder or any of the person having power to control the Company, and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any auditing firm or office in which the auditor of the Company, or subsidiary, or major shareholder, or the person having power to control the Company, unless such an independent director has not been a person referred to above for at least two years prior to being appointed as independent director.
- (6) Not be and have not been a professional advisor, including legal or financial advisor who obtains fee more than two million baht a year from the Company, subsidiary, associated company or major shareholder, or the person having power to control the Company, and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any of such professional service provider firm or office, unless such an independent director has not been a person referred to above for at least two years prior to being appointed as independent director.
- (7) Not be a director appointed to serve a representative to protect the interest of a director of the Company, a major shareholder, or a shareholder which is a related person of a major shareholder.
- (8) Not engage in any business the nature of which is the same as that of the Company or the Company's subsidiary and which, in any material respect, is competitive with the business of the Company or the Company's subsidiary, or not be a substantial partner in a partnership, a director participating in any management role, an employee or officer, an advisor obtaining regular salary from, or a shareholder holding more than one percent of the voting shares of a company engaging in any business the nature of which is the same as that of the Company or the Company's subsidiary and which, in any material respect, is competitive with the business of the Company or the Company's subsidiary.
- (9) Not have any characteristics by which their independent comment or opinion on the Company's operation may be affected

After a person having qualifications stated in (1) to (9) above is appointed as an independent director, such appointed independent director may be assigned by the Board of Directors to make decision in respect of business operation of the Company, subsidiary, associated company, major shareholder, or the person having controlling power over the Company, provided that such decision making by such appointed independent director must always be made on a collective decision basis.

[Principle 3.2](#)

The Board of Directors shall select a suitable person to act as the Chair of the Board and ensure that the makeup of the Board and its operations are conducive to the exercise of independence in decision-making.

Guideline 3.2

- (1) Chairman of the board is not the same person as Chief Executive Officer, in order to segregate the duties of persons in charge of formulating supervisory policies and those in charge of managing the Company. The Company has specified the scope of work of management persons in each level clearly and in writing, in the announcement of the Company's operating authority which has been approved by the Board of Directors. The Company clearly segregates the duties of approval or authorization, recording of transactions, and custody of assets, to achieve proper checks and balances and accountability.
- (2) The Company has clearly segregated the duties and responsibilities of directors and those of management. Directors are responsible for formulating policies and overseeing management implementation of such policies, whereas management manages the Company based on such policies. Therefore, Chairman and Chief Executive Officer are different persons. The two positions are selected by the Board of Directors, based on their qualifications.
- (3) Although Chairman of the board and Chairman of Executive Director are the same person, the structure of the Board of Directors, at least one-thirds of, or no fewer than three persons among which, are independent directors, creates proper checks and balances and allows reviews of management. In addition, the duties, roles, and responsibilities between Chairman Chairman of Executive Director and Chief Executive Officer are clearly segregated.
- (4) The responsibility of the Chairman of the Board as follows:
 - 1) Regulate and monitor to ensure that the Board of Directors operates efficiently and achieves the organization's objectives and goals;
 - 2) Ensure that every director contributes to creating an ethics-based organizational culture and enforcing good corporate governance;
 - 3) Set agendas for Board meetings after deliberation with the Chief Executive Officer, and ensure that measures for significant issues are included as meeting agendas;
 - 4) Allocate sufficient time for management to raise issues and for directors to discuss significant issues thoroughly; encourage directors to exercise their judgment with care and express their opinions freely;
 - 5) Promote amicable relations between executive and non-executive directors, as well as between the Board and management.
- (5) The Board of Directors has appointed Sub-committees to oversee the Company's operations, in order to increase efficiency and achieve investors' confidence in its careful operations. There are six of them, namely
 - 1) Audit Committee
 - 2) Nomination and Remuneration Committee
 - 3) Corporate Governance Committee
 - 4) Executive Committee
 - 5) Risk Management Committee and
 - 6) Management Committee
 - 1) The Audit Committee consist of at least three independent directors, whose responsibilities are specified in the charter of Audit Committee.

Corporate governance policy

- 2) The Nomination and Remuneration Committee consist of at least three (3) company directors who are not Chairman of the Board of Directors shall constitute the Nomination and Remuneration Committee of which at least two (2) of the members shall be independent directors. In addition, more than half of the members of the Nomination and Remuneration Committee shall be independent directors. Their responsibilities are specified in the charter of The Nomination and Remuneration Committee and as assigned by the Board of Directors.
- 3) The Corporate Governance Committee shall consist of at least three (3) company directors. More than half of the Corporate Governance Committee shall be independent directors, to ensure that they conduct their work with transparency and independence. Their responsibilities are specified in the charter of The Corporate Governance Committee and as assigned by the Board of Directors.
- 4) The Executive Committee which consists of directors who shall be not independent directors with the number of Executive Committee as the Board of Directors deems appropriate. The scope of authorities of whom is specified in the directive regarding the appointment of Executive Committee and as assigned by the Board of Directors.
- 5) The Risk Management Committee which consists of directors and executives of the company with the number of Risk Management Committee as the Board of Directors deems appropriate. Their responsibilities are specified in the charter of Risk Management Committee and as assigned by the Board of Directors.
- 6) The Management Committee which consists of directors and executives of the company with the number of Management Committee as the Board of Directors deems appropriate. The scope of authority of whom is specified in the directive regarding the appointment of Management Committee and as assigned by the Board of Directors.

Sub-committees will report progress and performance reviews to the Board of Directors, with the scope of authority as follows:

Scope of authority of the Audit Committee

The Board of Audit Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Review the Company's financial reporting process to ensure that it is accurate and adequate.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and effective, determine an internal audit unit's independence, and approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of internal audit

Corporate governance policy

- 3) Review the Company's compliance with the law on securities and exchange, Stock Exchange of Thailand regulations, and the laws relating to the Company's business
- 4) Consider, select and nominate an independent person to be the Company's auditor, propose such person's remuneration, dismissal of the auditor and hold a meeting with the auditor, in which no members of management attend, at least once a year
- 5) Review related party transactions, or transactions that may lead to conflict of interests, to ensure that they are in compliance with the laws and Stock Exchange of Thailand regulations, reasonable and for the highest benefits of the company
- 6) Prepare, and disclose in the Company's Annual Report, an the Board of Audit Committee report which must be signed by chairman of the Board of Audit Committee and include at least the following information
 - (A) An opinion on the accuracy, completeness and creditability of the Company's financial reports
 - (B) An opinion on the adequacy of the Company's internal control system
 - (C) An opinion on compliance with the law on securities and exchange, the Stock Exchange of Thailand regulations, or the laws relating to the Company's business
 - (D) An opinion on the suitability of the auditor
 - (E) An opinion on the transactions that may lead to conflict of interests
 - (F) The number of the Board of Audit Committee's meetings, and attendance in such meetings by each committee member,
 - (G) An overall opinion or comment about Audit Committee's implementation of its duties in accordance with the charter
 - (H) Other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors
- 7) Perform any other act as assigned by the Company's Board of Directors, with the approval of the Board of Audit Committee

When carrying out duties under this scope of authority, the Board of Audit Committee can call members of Management Officer, a department head, or relevant employees to attend a meeting and express opinions, or submit related documents. In addition, the Board of Audit Committee may seek external advice from independent advisors or other experts, as it deems necessary and appropriate. All the expenses incurred for this purpose will be borne by the Company.

Chairman of the Board of Audit Committee and Audit Committee have a tenure length of 3 years. When their tenure is completed, they may be appointed yet again.

Scope of authority of the Nomination and Remuneration Committee

The Board of Nomination and Remuneration Committee has the following duties and responsibilities and must report the following to the Board of Directors

Corporate governance policy

- 1) Determine criteria and principles for the selection of company directors, and nominate suitably qualified persons and present them to the Board of Directors for appointment, or to a shareholders' meeting for election, as company directors, as the case may be.
- 2) Consider criteria and procedures for paying remuneration to company directors and subcommittee members, and present to the Board of Directors and then in a shareholders' meeting for approval.
- 3) Determine criteria and principles for the selection of executive officers, and nominate suitably qualified persons for the positions, and present to the Board of Directors for their consideration and approval.
- 4) Prepare criteria and procedures of annual performance reviews for the Chairman of the Executive Committee and the Chief Executive Officer and present them to the Board of Directors for approval.
- 5) Ensure that the qualifications of independent directors are suitable for the nature of the Company's business and in line with the criteria set by the Securities and Exchange Commission, Thailand.
- 6) Give advice about the preparation and review of succession plans for Executive Officers.
- 7) Appoint one (1) company employee to serve as Secretary to the Nomination and Remuneration Committee.
- 8) Carry out any other responsibilities as assigned by the Board of Directors.

Scope of authority of the Corporate Governance Committee

The Board of Corporate Governance Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Formulate the Company's corporate governance policy and its code of conduct for business operations relevant to its business operations.
- 2) Revise the Company's corporate governance policy and its code of conduct for business operations to ensure relevance to its business operations and compliance with corporate governance principles for listed companies. Make changes to them to align with the guidelines provided by the Securities and Exchange Commission of Thailand, the Stock Exchange of Thailand, and any other regulatory body.
- 3) Give advice and recommendations as guidance for operations to be implemented by the Board of Directors and management, to ensure compliance with corporate governance principles.
- 4) When formulating, making changes to, revising, or reviewing the corporate governance policy, present it to the Board of Directors to consider.
- 5) Carry out any other responsibilities as assigned by the Board of Directors.

Scope of authority of the Risk Management Committee

The Board of Risk Management Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Determine the risk management policy as framework for risk management

Corporate governance policy

- 2) Assess risks by considering possible risks, both external and internal, which may occur and affect the Company's conduct of business, in order to establish measures to prevent and manage risks such as business risk, financial risk, strategic risk and operational risks. i.e. procedures in conducting business such as construction methods, contractor problems, fluctuations in the price of materials, etc.
- 3) Analyze the impact of risks on the Company and the possibility of such risks materializing, by analyzing each risk individually and the severity of the impact should the risk materialize
- 4) Formulate measures to follow up on operations that are causes of risk factors, to prevent and/or reduce the possibility of the risks materializing, and set levels of risks that can be accepted
- 5) Monitor and evaluate risk management and report the risk assessment results to the Board of Directors.

Scope of authority of the Executive Committee

The Board of Executive Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Conduct management in the ordinary course of business and ensure compliance with Board of Directors's policies, relevant laws, conditions, and rules, memorandums of association, and company regulations
- 2) Review annual budget allocation to present to the Board of Directors for approval
- 3) Review investment projects to present to the Board of Directors
- 4) Review and approve the purchase of land and/or other assets for the Company and its subsidiary, and register such purchase at the Department of Lands, and approve temporary investment funds for use in the development of the land and/or other assets purchased, per the scope of authority and within the financial limit given to them by the Board of Directors

In light of this, approval of subsidiary transactions can only be done for a subsidiary in which the Company holds at least 90 percent of shares, and the transactions must not be related party transactions per Capital Market Supervisory Board's Notification or relevant laws.
- 5) Review and approve the sale of land and/or other assets of the Company or its subsidiary at no less than market value as at the date when the Board of Executive Committee passed a resolution approving the sale, per the scope of authority and within the financial limit given to them by the Board of Directors, and register such sale at the Department of Lands
- 6) Review and approve transactions that were not in the work plan, that did not exceed a limit of 100 million baht
- 7) Review and approve the Company's request for loan or credit from a financial institution, and register such loan or credit from a financial institution at the Department of Lands, and use the fund

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obtained for the Company's ordinary course of business per the scope of authority and within the financial limit given to them by the Board of Directors

- 8) Review and approve opening and closing of an account and use of Banking services, and assign a person authorized to make payment from the Company's accounts
- 9) Review and approve legal transactions and corporate legal documents concerning asking for permission on project plan modification, method of project land allocation, land titling, subdivision and co-ownership of land, land survey, for instance, cadastral survey, subdivision in same ownership or in co-ownership, joint title deed, land allocation, and public use.
- 10) Prepare, make recommendations for, and formulate business policies and strategies and present to the Board of Directors
- 11) Review and approve marketing, advertising, and public relations plans
- 12) Evaluate the Company's operation results in terms of asset and financial management to ensure efficiency and effectiveness
- 13) Carry out other duties assigned by the Board of Directors

Assignment of authority, duties, and responsibilities to the Board of Executive Committee will be done in manners that will prevent executive director or persons assigned by them from approving transactions that may cause conflict of interest, as defined in Capital Market Supervisory Board's Notification. Exceptions are made in case of approval of transactions made in the ordinary course of business, in line with policies and regulations issued by the Board of Directors. The Board of Executive Committee will present such transactions to the Board of Directors and/or in a shareholders' meeting for approval of such transactions pursuant to laws governing securities and exchange and Capital Market Supervisory Board's Notification.

Scope of authority of the Management Committee

The Board of Management Committee has the following duties and responsibilities and must report the following to the Board of Directors

- 1) Set company objectives, policies and strategies
 - 2) Set operation plans and overall company direction
 - 3) Ensure all objectives are met
 - 4) Review issues to be presented to the Board of Directors and the Board of Executive Committee
- (6) The Committee has disclosed its roles and duties and those of the Sub-Committees, the number of meetings held, the number of meetings attended by each Committee member in the past year, and reported on the performance of every Sub-Committee in the the Annual Information Form (Form 56-1).
- (7) The term of directorship shall be in accordance with the Public Company Act and shall not limit the number of term of continuously holding the position.
- (8) The Board of Directors' meeting and Sub-committees meeting as follows:

Board of Directors' meetings

Director has prepared the schedule for Board of Directors' general meetings, and notified each director of any upcoming meeting in advance, to allow directors ample time to prepare for and make the necessary arrangements to ensure their availability to attend the meeting. Normally, a Board of Directors' meeting is held once a month and, at a minimum, on a quarterly basis. Extraordinary meetings are called when necessary. In this regard, a meeting of the board of directors may be conducted electronically in accordance with the provisions prescribed by law governing electronic meetings and in this case the Company's head office shall be deemed the venue of such meeting. At each meeting, Chairman or a person assigned by Chairman will send an invitation for the meeting at least three days prior to the meeting. Sending the written notice calling for such meeting to the directors could be made via electronic means, if the directors have notified their intention or given their consent to the Company or the Board of Directors in accordance with the criteria prescribed by the Share Registrar. However, in case of urgency, or in case where the Company's rights or interest are at risk, the Company may call the meeting via electronic means or other methods and fix the meeting date earlier than the aforesaid. In this regards, two directors or more may request Chairman to call a Board of Directors' meeting. In such cases, Chairman must call a meeting within 14 days after the request was submitted.

When a meeting is called, the meeting agenda must be clearly outlined, and must always include a follow up on operating results. Chairman and Chief Executive Officer will collectively set the meeting agenda. Meanwhile, it is possible for two directors or more to ask Chairman to call a Board of Directors' meeting and submit topics for discussion to include in the meeting agenda. Procedures for the conduct of Board of Directors are as follows:

Pre-meeting: Each director may suggest topics to be included in the meeting agenda, though they must provide the reasons and necessity of the inclusion of such topics. Chairman will review the meeting agenda before preparing invitation letters. These invitation letters, along with meeting-related documents, will be sent out to each director prior to the meeting date, to allow them ample time to study all the necessary information before attending the meeting, making the conduct of meeting more efficient and effective. In case where any director wishes to obtain additional information based on which to make decisions in each of the meeting topics, the Board of Director can coordinate with Company's Secretary for assistance.

During the meeting: During a Board of Directors' meeting, Chairman is responsible for conducting the meeting by order of the topics as submitted in the invitation letter, and allocating sufficient time for discussion of each topic. In case where the Board of Directors wishes to obtain additional information, relevant management persons will be called to the meeting to provide explanations to the Board. The minutes of the meeting are taken and kept after being certified by the Board of Directors, for review by the Board and other relevant persons.

Corporate governance policy

Post-meeting: The Company recognizes the importance of preparing reports on Board of Directors' meetings. In this regard, Company's Secretary is responsible for taking minutes and preparing reports on Board of Directors' meetings. All the important details of the meeting are recorded, such as date, time and place where it was held, meeting start and end time, list of names of directors that were both present in and absent from the meeting, important discussions including questions and concerns for each topic discussed, Board of Directors' resolution for each topic discussed, etc. The reports on Board of Directors' meetings and other related documents are prepared and compiled by Company's Secretary in order that the Board of Directors and other relevant persons can review them later.

Per company regulations, at least half of the members of the Board of Directors must be present at a meeting, in order to constitute a quorum. In case where the Chairman is not present or unable to carry out their duties, Deputy of Chairman can act as the chairperson at the meeting instead. If Deputy of Chairman is not present or unable to carry out their duties, the directors that are in attendance shall choose one among them to become chairperson at the meeting. The decision in the meeting is made by means of majority vote. In light of this, a director has one vote each. However, a director that has interest in a particular matter being discussed cannot vote in such matter. In the event of a tie vote, the chairperson shall have the casting vote.

Audit Committee meetings

The Company requires that Audit Committee hold a general meeting at least four meetings per year and hold additional extraordinary meetings as necessary. The invitation letters and meeting-related documents will be sent out before the meeting is held. In addition, minutes of the meetings are taken so they can be reviewed.

Nomination and Remuneration Committee meetings

The Company requires that Nomination and Remuneration Committee hold a general meeting at least twice a year and hold additional extraordinary meetings as necessary. The invitation letters and meeting-related documents will be sent out before the meeting is held. In addition, minutes of the meetings are taken so they can be reviewed.

Corporate Governance Committee meetings

The Company requires that Corporate Governance Committee hold a general meeting at least once a year and hold additional extraordinary meetings as necessary. The invitation letters and meeting-related documents will be sent out before the meeting is held. In addition, minutes of the meetings are taken so they can be reviewed.

Risk Management Committee meetings

The Company requires that hold a general meeting at least once a year and hold additional extraordinary meetings as necessary. The invitation letters and meeting-related documents will be sent out before the meeting is held. In addition, minutes of the meetings are taken so they can be reviewed.

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Executive Committee meetings

The Company requires that hold a general meeting at least six meetings per year and hold additional extraordinary meetings as necessary. The invitation letters and meeting-related documents will be sent out before the meeting is held. In addition, minutes of the meetings are taken so they can be reviewed.

Management Committee meetings

The Company requires that hold a general meeting at least three meetings per year and hold additional extraordinary meetings as necessary. The invitation letters and meeting-related documents will be sent out before the meeting is held. In addition, minutes of the meetings are taken so they can be reviewed.

Principle 3.3

The Board of Directors should ensure that the policy and procedures for the selection and nomination of directors are clear and transparent resulting in the desired composition of the board.

Guideline 3.3

- (1) The Board of Directors has appointed the Nomination and Remuneration Committee, chaired by an independent director and consisting predominantly of independent directors.
- (2) The Nomination and Remuneration Committee shall consider criteria and methods for nomination of individuals with the right qualifications, review their background, and present their opinions to the Board of Directors before nominating them in a shareholders' meeting where they can be named directors. The Nomination and Remuneration Committee shall conduct their assigned duties in accordance with the Charter for Nomination and Remuneration Committee.

Criteria for selection of independent directors

- 1) Must be persons selected by the Board of Nomination and Remuneration Committee and the Board of Directors, and must be appointed in a shareholders' meeting or Board of Directors' meeting
- 2) At least one thirds, but no fewer than three persons, of the Board of independent directors must be independent directors
- 3) Must have the qualifications suitable for the Company's business
- 4) Must be persons that fit the definition of "independent directors," i.e. an independent director must not be involved in the Company's management and/or conduct of business; must be independent from major shareholders, company management, and immediate family members of those persons, and can express independent opinions, taking the interest of the Company and shareholders into consideration

Selection process

- 1) The Board of Nomination and Remuneration Committee will consider the list of external persons with qualifications that are widely accepted in the business and academic circles to present in a Board of

Corporate governance policy

Directors' meeting for their consideration, or in a shareholders' meeting for appointment, as the case may be. In line with the regulations announced by The Securities and Exchange Commission, Thailand and The Stock Exchange of Thailand.

- 2) Shareholders will select independent directors, by means of majority vote, i.e. more than half of the votes cast by those who have voting shares and attend the meeting.

It should be noted that independent directors must not have business relations or provide any significant professional services to the Company, its parent company, or any subsidiary, associated company, or juristic person that may present cases of conflict of interest. In addition, the Company's independent directors cannot serve as independent directors for the parent company, any subsidiary, or associated company.

Selection of directors and members of the management committee

The Board of Nomination and Remuneration Committee will select persons with the appropriate qualifications to be proposed for appointment as directors, in case where a position becomes vacant or an incumbent is about to end his tenure. The Board of Nomination Committee will select Chairman of Board of Director, Chairman of the Executive Director and Chief Executive Officer, to present in a Board of Directors' meeting for their consideration. The Board of Directors may appoint directors, or present them in a shareholders' meeting for appointment, as the case may be. The Board of Directors consists of no less than five members, all of whom are selected in a shareholders' meeting to manage the Company. No fewer than half of the Board of Directors must reside in the Kingdom of Thailand, and have the qualifications required by the law. A shareholders' meeting selects directors using the following criteria and methods:

- 1) Each shareholder shall have a number of votes equal to the number of shares held by them.
 - 2) In the election of directors, the shareholders may cast votes for individual or several directors simultaneously for the full number of all directors to be elected in that occasion as deemed appropriate by the shareholders meeting. In the voting whether for individual or several directors aforesaid each candidate shall receive the votes in accordance with the number of all shares held by such shareholder under (1) whereby such shareholder may not allocate his/her votes to any candidate for whatever amount of votes.
 - 3) The candidates, ranking in order descending from the highest number of votes received to the lowest, shall be appointed as directors for the number of the directors eligible in that occasion. In case there is a tie of the votes for candidates in descending order in excess of the number of the eligible directors, the Chairman of the meeting shall have a casting vote.
- (3) The Nomination and Remuneration Committee shall review criteria and methods of director nomination and present their opinions to the Board of Directors before setting out to nominate someone to replace a director nearing the end of their term. In this regard, the Committee is able to nominate the same director, based on the director's performance.

Corporate governance policy

- (4) In case where the Committee has appointed an advisor to the Committee, the advisor's information shall be disclosed in the Annual Report, including in regard to their independence and confirmation of no conflict of interest.

Principle 3.4

When proposing director remuneration to the shareholders' meeting for approval, the board should consider whether the remuneration structure is appropriate for the directors' respective roles and responsibilities, linked to their individual and company performance, and provide incentives for the board to lead the company in meeting its objectives, both in the short and long term.

Guideline 3.4

- (1) The Board of Directors also sets up the Nomination and Remuneration Committee and its scope of authorities, duties and responsibilities in the Nomination and Remuneration Committee Charter which has been approved by the Board of Director in order to determine criteria and principles for nomination and remuneration. At least three (3) company directors who are not Chairman of the Board of Directors shall constitute the Nomination and Remuneration Committee of which at least two (2) of the members shall be independent directors. In addition, more than half of the members of the Nomination and Remuneration Committee shall be independent directors.
- (2) Remuneration of directors and management. Directors' remuneration is approved by a resolution passed in a shareholders' meeting. It is determined by Nomination and Remuneration Committee who will review the appropriateness of the amount each year, taking into consideration the levels of pay of other companies within the same industry. The amount is then presented to the Board of Directors and shareholders for approval.
- Directors' remuneration comes in the forms of meeting allowances and annual pay. Management remuneration is paid in the form of salary and bonus, the latter of which is based on the Company's operating results and individual performance. The Company presents the amounts of remuneration of directors and management committee in the Annual Report, and the Annual Information Form on an annual basis.

Principle 3.5

The Board of Directors shall ensure that all directors carry out their responsibilities and allocate sufficient time to this end.

Guideline 3.5

- (1) The Board of Directors shall ensure a proper support mechanism to help directors understand their roles.

Corporate governance policy

- (2) In considering criteria for a director occupying a position in another company, the Board of Directors is of an opinion that the director still allocates their time fully to carry out duties as director of the Company, including policy setting and providing recommendations or solutions to problems arising in the conduct of business within the scope of duties assigned to company directors, and that their position in another listed company does not affect these duties. Therefore the Company has not issued any regulations regarding the number of listed companies in which a director can hold the position of director.
- (3) Directors are required to reveal any director positions concurrently held at other companies to the Board of Directors. In addition, the management committee must also inform the Board of Directors of any director positions concurrently held at other companies.
- (4) In case where a director or executive has a stake, whether direct or indirect, in another business which causes a conflict, or presents an opportunity whereby the director can use company information for personal gains, the Board shall ensure that adequate prevention mechanisms are in place and that shareholders are duly notified.
- (5) Each director shall attend no less than 75% of all Board meetings held in a year.

[Principle 3.6](#)

The Board of Directors shall ensure that a framework and mechanisms are in place to regulate the policies and operations of subsidiaries and other entities in which the Company has made significant investments, at the level appropriate to each organization, and ensure that the subsidiaries and other entities in which the Company has made significant investments share a correct understanding.

[Guideline 3.6](#)

- (1) Mechanism in overseeing subsidiary and associated company operations

The Company sends its representatives to serve as investing directors at both subsidiary and associated company, proportionate to the shareholding structure. Management will propose qualified persons to the Board of Directors to approve. The appointees will ensure that its subsidiary and associated company conducts business with maximum efficiency, and that they comply with rules and regulations governing listed companies, such as those regarding related party transactions, acquisition and disposal of assets, etc. The appointed persons will also compile information to include in the Company's financial statements. For any significant matters, they must make a decision or take action that in line with the Company's direction.

The appointed persons must periodically report the operating results of the subsidiary or associated company to the Board of Directors, so that the latter will be constantly kept up-to-date with such entity's situation and make decisions in a timely manner.

Corporate governance policy

- (2) Put in place an adequate internal control system in subsidiaries to ensure that transactions are conducted in accordance with the relevant laws and regulations, in regard to disclosure of financial position and operating results and related party transactions.

Principle 3.7

An annual evaluation shall be conducted for the Board, Sub-Committees and individual directors. The evaluation results shall be used to improve performance of duties.

Guideline 3.7

- (1) In evaluating directors and the Chief Executive Officer, the Board collectively appraise the performance of the Board and Sub-Committee during the year. This will allow the Board an opportunity to review what has been done and issues and challenges encountered in the past year in order to analyze the directors' performance and present recommendations for future operations. The findings shall also be used to review appropriateness of the makeup of the Board of Directors.
- (2) The Board of Directors conducts the evaluation of the Board as a whole and of individual directors by means of self-evaluation. A cross evaluation may also be conducted. The criteria, methods, and results of evaluation shall be disclosed in the Annual Report.
- (3) In case where an external advisor is engaged to provide guidelines and criteria for evaluating the performance of the Board, this shall be reflected in the Annual Report.

Principle 3.8

The Board of Directors shall ensure that the Board and each director understand the nature of business and relevant laws, and encourage all directors to enhance their knowledge and capabilities regularly.

Guideline 3.8

- (1) The Board of Directors ensures that a newly appointed director has all the necessary information for the conduct of duties and understands the Company's main objectives, vision, mission, Organizational Values, the nature of business, and operating guidelines, by providing:

Directors Orientation

The Company organizes orientation programs for newly appointed directors, so that they will be informed of the Company's business policies and other relevant information, such as capital structure, shareholders, operating results, and other laws and regulations. They will also be handed a directors' manual, which contains all the necessary information for their director position. The directors' manual consists, at a minimum, of the following:

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Directors' manual:

1. Public Limited Companies Act B.E. 2535 (1992)
2. Securities and Exchange Act B.E. 2535 (1992)
3. Affidavit of the Company
4. Company objectives
5. Company regulations
6. Good corporate governance handbook
7. SEC manual on directors of listed companies

Information for directors:

1. Guidelines on the provision of information for management of listed companies
2. Related party transactions of listed companies
3. Principles of good corporate governance for listed companies
4. Company profile
5. Annual Report of the previous year

- (2) The Board of Directors ensures that directors regularly receive training to enhance their knowledge and capabilities relevant to the conduct of their duties.

As it is the Company's policy to promote knowledge and understanding of good corporate governance to its directors, all directors are encouraged to attend relevant training courses offered by Thai Institute of Directors Association (IOD), such as Director Accreditation Program (DAP), and courses held by other institutes. These training courses can help them understand their roles and duties better, including in regard to good corporate governance, so that they can use the knowledge gained to improve the performance of the Company.

In addition, the Company places importance on encouraging executives to attend relevant training courses to increase their knowledge and capabilities. Executives are also required to act as resource persons, explaining the nature of the Company's business and its conduct to new directors and answering any question that may arise, so that new directors can catch on quickly and apply their knowledge and capabilities for the maximum benefits of the Company and its shareholders.

- (3) The Board of Directors understands the relevant laws, regulations, standards, risks, and the business environment and is up-to-date with the current situation.
- (4) The Board of Directors discloses information relating to continuous training and skill development undertaken by directors in the Annual Report.

Principle 3.9

The Board of Directors ensures that its operations are smooth, that it has access to the necessary information, and that a secretary with the suitable knowledge and experience is there to provide support to the Board.

Guideline 3.9

- (1) The Board of Directors recognizes the importance of the roles of duties of the Company's secretary, and therefore assigns a suitable permanent employee to assume this position. Company's secretary helps to facilitate the Company's operations and ensures that the Company is run efficiently and in line with good corporate governance principles. The main duties and responsibilities of the Company's secretary are:
1. Provide legal and other regulatory advisories to the Board of Directors
 2. Assist in all activities of the Board of Directors
 3. Coordinate with other people to ensure the Board of Directors' resolutions are efficiently implemented
 4. Prepare and maintain the following documents
 - List of directors
 - Invitation letters to attend Board of Directors' meetings, and reports on such meetings
 - Invitation letters to attend shareholders' meetings, and reports on such meetings
 5. Maintain reports on interest, disclosed by directors or management
 6. Carry out other duties as requested by the Board of Directors
- (2) The Company's secretary has completed the Company Secretary Program (CSP) offered by the Thai Institute of Directors.

Principle 4

Ensure Effective CEO and People Management

Principle 4.1

The Board of Directors shall ensure that qualified individuals are nominated as Managing Director and high-ranking executives, and that they have the necessary knowledge, skills, experience, and qualifications that will drive the Company towards its goals.

Guideline 4.1

- (1) The Board of Directors assigns the Nomination and Remuneration Committee to consider criteria and methods for nominating the suitable person as the Chief Executive Officer.
- (2) To ensure continuous operations, the Board of Directors requires that the Chief Executive Officer report the plans of operations and succession plans of their own and other high-ranking executives regularly, under the supervision of the Nomination and Remuneration Committee. Such plans shall indicate how work can be handed over to the designated successor in case where the incumbent is no longer able to carry out their work duties.
- (3) The Board of Directors encourages the Chief Executive Officer and other high-ranking executives to receive training and development to enhance their knowledge and skills necessary for their work.
- (4) As directors can still carry out their duties at the Company, including formulating policies and providing advisories on various issues and problems that may arise in the course of business, at full capacity, without being affected by their holding of director positions at other listed companies, the Company therefore does have prohibitions regarding the number of listed companies in which its directors can hold director positions.

Principle 4.2

The Company ensures an appropriate structure of remuneration and performance evaluation.

Guideline 4.2

- (1) The Board of Directors shall consider a remuneration structure as incentive for the Chief Executive Officer, high-ranking executives, and other personnel to work towards the main objectives and goals, in line with long-term interest of the Company. These shall include:
 - 1) Considering appropriateness of proportion of remuneration consisting of salary, short-term benefits such as bonus, and long-term benefits such as Employee Stock Ownership Plan (ESOP);

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- 2) When setting a policy on remuneration, factors that should be considered shall include levels of remuneration - higher than or comparable to what is being offered within the same industry and the Company's operating;
 - 3) Criteria for evaluation shall be set and communicated so that everyone involved is informed.
- (2) The Board of Directors excluding executive directors shall play a role relating to remuneration of the Chief Executive officer and high-level executives.
- (3) The Board of Directors shall approve of the criteria and factors for performance evaluation and the structure of remuneration for high-ranking executives, and ensure that the Managing Director evaluate high-ranking executives based on these criteria and factors for evaluation.
- (4) The Board of Directors ensures that there are criteria and factors for performance evaluation that are applied organization-wide.

Principle 4.3

The Board of Directors shall understand the structure and relations of shareholders which may affect the Company's administration and operations.

Guideline 4.3

- (1) The Board of Directors shall understand the structure and relations of shareholders. At present, there is no agreement between major shareholders that can affect control and administration of the Company.
- (2) In case where there is an agreement between major shareholders, the Board shall ensure that such agreement in (1) does not obstruct the Board's conduct of duties, e.g. regarding nomination of suitable person as successor.
- (3) If an agreement between major shareholders affects control of the Company, the Board of Directors shall disclose this information in the 56-1 Form and in the Annual Report.

Principle 4.4

The Board of Directors oversees management and development of human resources, to ensure an adequate number of staff and that they have suitable knowledge, skills, experience, and incentives.

Guideline 4.4

- (1) The Board of Directors ensures human resource management is in alignment with the Company's business direction and strategy and that employees at all levels have the necessary knowledge, are provided with suitable incentives, and treated fairly. This is to ensure that capable employees stay with the Company. The

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Company also has a policy and guidelines for enhancing their knowledge and capabilities, and discloses the average number of hours each employee attends training.

- (2) The Board of Directors ensures that a provident fund or a similar scheme is set up for employees and that employees have enough savings set aside for after their retirement. The Board shall encourage employees to have adequate knowledge about financial management and choosing investments appropriate to their age range and risk level.

In 2016 the Company set up a provident fund as another option and an additional benefit for employees. For existing employees, participation in the provident fund is optional. Those who choose not to take part in the provident fund will receive retirement pay when retiring from the Company.

Principle 5

Nurture Innovation and Responsible Business

Principle 5.1

The Board of Directors shall place importance on and encouraging the development of innovation that can create value for the business while at the same time benefiting customers or relevant parties in socially and environmentally responsible manners.

Guideline 5.1

- (1) The Board of Directors places importance on building an organizational culture conducive to creating innovations and ensures that management takes this into consideration when revising the Company's strategy, making plans for operations improvements, and monitoring performance.
- (2) The Board of Directors promotes innovation for value creation in an ever-changing environment, which may influence its business model, way of thinking, concepts of product and service design and improvements, research, improvement of production and operating procedures, and cooperation with trading partners.

Principle 5.2

The Board of Directors ensures that management conducts business with responsibility towards society and the environment, which is reflected in its operational plan, to make sure that all units of the Company work towards the Company's main objectives, goals, and strategies.

Guideline 5.2

- (1) Taking the role of stakeholders into consideration, the Company recognizes the rights of stakeholders and resolves to treat all of them equally in regards to the Company's operations, whether they are employees, executives, clients, trading partners, creditors, the public sector, or other related agencies. These stakeholders are what makes the Company competitive and helps it to succeed in making profits in the long term. The Board of Directors respects the rights of stakeholders, and treats them in accordance with the rights, conditions, relevant laws, and regulations to ensure they are well treated, with details as follows:

Shareholders: The Company is committed to conducting business in order to create maximum benefits and satisfaction among shareholders. It takes into consideration the growth of the Company's value in the long term, stable operating gains, and disclosure of information in transparent and credible manners.

Employees: The Company recognizes the importance of employees as the driving forces behind the various work plans that lead the Company to achieve its business objectives.

Corporate governance policy

Therefore, the Company treats all employees fairly and equally, as follows:

1. The Company has put in place a policy and guiding principles regarding employee remuneration and benefits. The Company pays appropriate remuneration to its employees, in line with the remuneration within the same industry. It also provides various benefits for its employees, such as annual physical exam, activities, sports game, company outing, year-end party, etc. It also emphasizes long-term personnel development by creating learning opportunities and promoting training and development.

In 2016 the Company set up a provident fund as another option and an additional benefit for employees. For existing employees, participation in the provident fund is optional. Those who choose not to take part in the provident fund will receive retirement pay when retiring from the Company.

2. The Company resolves to protect human dignity, human rights, and freedom, by ensuring that the Company's operations does not violate human rights, that personal data and information and employees' privacy are protected, and that all employees are treated equally. It also allows employees to file written complaints with their superiors.

3. The Company has put in place a policy and guiding principles regarding safety and health in the workplace. It discloses accidents at work statistics, the rate of taken leave, and the rate of occupational illnesses. It aims to achieve zero accidents in all departments, which is one of the Company's goals.

4. The Company has put in place a policy and guiding principles regarding training and development to increase employees' skills and competencies. It also discloses the average number of hours employees take part in trainings per year.

Executive officers:

The Company recognizes the importance of executive officers, as they play a leading role in formulating strategies and work plans, and overseeing the Company's operations to ensure it is in line with the direction and business goals set by the Board of Directors. Therefore, the Company pays appropriate and fair remuneration to executive officers, as incentive for the, to manage the Company with determination and dedication, which will allow the Company to achieve its business goals.

Business partners:

The Company recognizes the importance of business partners, for their role in supporting and driving the Company's operations, allowing the Company to grow and achieve its business goals. Therefore, the Company respects its business partners and treats them with fairness, taking into consideration the interest of both parties when

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conducting business and strictly complying with trading conditions to which both parties have agreed.

Customers: The Company resolves to provide services as agreed with customers, and always put customers first. It will foster good and stable relationships with customers. The Company has put in place a policy and guiding principles regarding the treatment of customers under the topic of “Code of conduct – towards customers.”

Trading partners: The Company recognizes the importance of trading partners for their role in supporting and driving the Company’s operations, and enabling a smooth conduct of business. The Company therefore treats trading partners with fairness and in compliance with the trading conditions to which both parties have agreed. The Company has also put in place a policy and guiding principles regarding the treatment of trading partners and creditors under the topic of “Code of conduct – towards trading partners and creditors.”

Competitors: The Company aims to conduct business by adhering to fair trade practices. It focuses on increasing its competitiveness by increasing potential and service quality. It does not wish to damage competitors’ reputation by means of libel or other dishonest means. The Company has also put in place a policy and guiding principles regarding the treatment of trading partners and creditors under the topic of “Code of conduct – towards competitors.”

Environment: The Company cares about the environment. Some of the initiatives undertaken by the Company include the implementation of energy- and water-saving strategies, and a campaign encouraging people to refrain from smoking at the workplace, etc.

Community/society: The Company supports social projects and activities that aim to increase the quality of life for people in the community. It also promotes and instills a sense of responsibility towards society among employees of all levels.

Public agencies and other supervisory organizations: The Company recognizes the importance of public agencies and other supervisory organizations for their roles, duties, and responsibilities in overseeing the Company’s operations. The Company is committed to cooperating with these agencies and complying with relevant laws, rules, and regulations, to facilitate the work of such agencies. It has also assigned the secretary to review compliance with relevant laws, rules, and regulations, and the internal auditor to review compliance with operating manuals and relevant standards, and report the review results to Audit Committee on an annual basis.

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The Company has put in place a policy to protect the rights of all stakeholders and treat them equally, as the support of these stakeholders helps increase the Company's competitiveness and create profits, thereby contributing to its success in the long term. The Company respects the rights of each group of stakeholders, by complying with the regulations, laws, and rules, as well as contracts and agreements made between one another. It also discloses sufficient information to allow stakeholders to perform their parts efficiently. It does not take action that violates or negatively affects any stakeholders.

(2) Corporate Social Responsibility (CSR)

The business operations of M.K.Real Estate Development Plc. are based on an organizational culture focused on achieving sustainable business development, environmental preservation and responsibility towards stakeholders in all areas. Therefore, the Company recognizes the importance of corporate social responsibility. It believes that a business' success is not only measured by its operating results, but also its role in and to the community and society. In this regard, the Company has continued to implemented social impact projects in line with its business strategy, by fostering a sense of care towards the environment and giving back to society.

In addition, the Company encourages employees to have a sense of responsibility in their duties and act with moral principles and fairness towards the Company and all stakeholders. It has put in place a policy to serve as a guidance on responsibility towards the environment and society, so that employees can incorporate it in business management and operations, which will lead to sustainable development. The Company strives to conduct business with transparency, disclose significant information in compliance with relevant laws and regulations, act with accountability, comply with good corporate governance principles and the Code of Conduct, and take into account the benefits to shareholders, employees, the community, society, trading partners, the media, customers, the general public, trading competitors, creditors, government agencies, and all stakeholders. It also sets priorities appropriately to achieve maximum satisfaction for the Company and all stakeholders, in order to become successful in a sustainable manner. The following are guiding principles for corporate social responsibility.

Guiding principles for corporate social responsibility

(1) Fair conduct of business

In order to the Company's business to operate smoothly, which will in turn lead it to achieve its business objectives/strategy, the Company is committed to conducting business with integrity, fairness, and accountability. The Company treats its trading partners fairly and in strict compliance with all the relevant terms and conditions and business ethics. It also treats all stakeholders –shareholders, employees, the community, society, trading partners, the media, customers, the general public, business competitors, creditors, government agencies, and other stakeholders– fairly. It does not engage in copyright infringement.

Corporate governance policy

(2) Firm stance against corruption

The Company is committed to conducting business fairly and managing its operations based on transparency and accountability. The Company and its subsidiaries do not engage in corruption in their business operations. In addition, the Company has clearly formulated an anti-corruption policy.

In light of this, the Company has made sure all employees are informed of its anti-fraud and anti-corruption policy, and made the policy known to the public by publishing it on its Website, www.mk.co.th.

(3) Taking into account the interest of stakeholders

The Company maintains the interest of stakeholders by adhering to its Code of Conduct which outlines its responsibility towards customers, trading partners, employees, and the general public.

In addition, the Company has prepared a handbook on the Code of Conduct and issued announcements regarding the Code of Conduct for company management and employees outlining their responsibility towards customers, trading partners, creditors, business competitors, employees, and the general public, so that the Code is known to all employees. The Code is also published on the Company's Website, www.mk.co.th, and included in the directors' handbook, which is distributed to all directors.

(4) Fair treatment of employees

In order to support employees and ensure they are fairly compensated, the Company determines an appropriate salary for employees, in line with the rate of salary within the same industry. It also provides its employees with other benefits, including annual physical exams, annual company trips, and annual company party, etc. It also recognizes the importance of long-term training and development of personnel, to create learning opportunities and improve employee competencies. In this regard, it discloses the average number of hours an employee spends in training per year.

[Principle 5.3](#)

The Board of Directors ensures that management allocates and manages resources efficiently and effectively, taking into consideration the impact and resource development throughout the value chain, in order to achieve the objectives and goals in sustainable manners.

[Guideline 5.3](#)

The Board of Directors monitors management to ensure complete efficiency and effectiveness of resource management and development, and that due consideration is given to impacts and resource development throughout the value chain, in line with its goal of sustainability.

Principle 5.4

The Board of Directors provides a framework for regulating and managing information technology at the organizational level in line with the Company's requirements. It shall ensure that information technology is appropriately used to increase business opportunities and improve operations and risk management, so that the Company can achieve its main objectives and goals.

Guideline 5.4

The Board of Directors provides a framework for regulating and managing information technology appropriate to the Company's business conditions and requirements, and in a way that accommodates the way its employees work. This is to achieve improved efficiency and implement risk management, which will add more business opportunities for the Company.

In this regard, the Company has set a policy for information technology safety, with which all employees shall comply. It has also set a guideline for using Social Network, which requires that employees refrain from sharing photos, messages, or information that may contain confidential information of the Company or its customer. Employees are also required to refrain from wrongly accuse other people or expressing opinions that may cause division within the Company on Social Network, in order to prevent harm to the employees and the Company.

Principle 6

Strengthen Effective Risk Management and Internal Control

Principle 6.1

The Board of Directors ensures that the Company has in place a risk management system and internal controls, which will drive the Company effectively towards achieving its goals. It shall also ensure compliance with the relevant standards and laws.

Guideline 6.1

- (1) The Board of Directors understands the Company's significant risks and identifies acceptable risks.
- (2) The Company considers and approves a risk management policy that aligns with its main objectives, goals, strategies, and acceptable risks, to provide an operating framework for risk management so that everyone is heading towards the same direction. For this reason, the Board places importance on warning signs and ensures that the risk management policy is regularly reviewed.

Risk Management

In order for risk management to address the right problems and benefit the Company in practice, the Company places importance on the procedures of determining the risk management framework. Its main concern is to enable responsible personnel in every mission manage and reduce risks to an acceptable level. A number of measures can be taken to address or respond to risks and can be adjusted as deemed appropriate to changing conditions. When a risk has been assessed and strategy devised to manage it, the next thing to do is determine action or measures to eradicate or reduce that risk to an acceptable level. Moreover, a time frame must be set for each action to be taken, and the departments to be responsible for carrying out risk management plans must be specified.

The Company requires that risk management is communicated organization-wide, that risk prevention and management measures be put in place, that efforts be made to ensure compliance with relevant laws and regulations, and that risk management reports be prepared. A risk assessment shall consider risk probability and impacts, in order to establish measures to control, prevent, and manage risks in line with international standards.

In addition, the Company has considered the possibility of other related risks which may affect its business, in order to establish additional control and preventive measures. In this regard, the Company has put in place a risk management policy, applicable organization-wide. Details are as follows:

Company-wide risk management policy

1. All management personnel and employees should be encouraged to become aware of operational risks; to consider these risks as collectively theirs and share the responsibility to prevent them from materializing appropriately; and to prepare to handle any situation with caution and clarity.
2. Management and employees in all divisions and departments are required to understand the Company's risk management policy and play a role in and contribute to the development of risk management plans. Support should be provided to encourage them to learn and understand their obligations relating to risk management.
3. Effective risk management processes should be put in place in every operating procedure, in line with good governance principles, to reduce uncertainties and increase the likelihood of the Company achieving its business targets.
4. Risk management should be supported so that it is successfully implemented organization-wide. Existing resources should be used efficiently in the conduct of risk assessment, and appropriate risk control and management measures should be established.
5. Risk management should be supported and promoted as part of the organizational culture, with everyone recognizing the importance of risk management to the Company's business operations.

Organization-wide risk management structure

The organization-wide risk management structure consists of directors, management, and all departments in the Company. The Committee on Organization-wide Risk Management, members of which are appointed by the Board of Directors, is responsible for ensuring that an effective and efficient risk management system is in place and everyone involved understands the risks that may have a serious effect on the Company, and for creating confidence that appropriate measures are taken to address those risks. It acts as a central body for coordinating with and supporting management and various departments relating to risk management, to ensure it is continually and effectively implemented.

Therefore, management and all employees shall be informed of and understand the risk management policy thoroughly, including procedures to take in order to manage or reduce risk probability during business operations and how to assess risks based on the criteria set by the Company. This can be achieved by inviting management and employees in each line of work to attend meetings, where they can brainstorm and discuss the risk issues arising during the course of their work.

After each department has identified its risk issues, all the information obtained shall be used to conduct a more careful risk assessment. Each risk issue should be analyzed in regards to probability and impact once it has materialized. This is because some risk issues are less likely to occur, but tend to cause serious

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impacts once they do. Acceptable levels of these risks should also be determined, as are the measures to manage each of them.

Principle 6.2

The Board of Directors has set up an Audit Committee who shall conduct its work independently and freely.

Guideline 6.2

- (1) The Board of Directors has set up an Audit Committee consisting of at least three directors. All of the members of the Committee are independent directors and have the qualifications and duties as specified by the Securities and Exchange Commission and the Stock Exchange of Thailand.
- (2) The Board of Directors has outlined the duties of the Audit Committee in writing in the Audit Committee Charter, to include the following:
 - 1) Review the Company's financial reporting process to ensure that it is accurate and adequate.
 - 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and effective, determine an internal audit unit's independence, and approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of internal audit.
 - 3) Review the Company's compliance with the law on securities and exchange, Stock Exchange of Thailand regulations, and the laws relating to the Company's business.
 - 4) Consider, select and nominate an independent person to be the Company's auditor, propose such person's remuneration, dismissal of the auditor and hold a meeting with the auditor, in which no members of management attend, at least once a year.
 - 5) Review related party transactions, or transactions that may lead to conflict of interests, to ensure that they are in compliance with the laws and Stock Exchange of Thailand regulations, reasonable and for the highest benefits of the company.
 - 6) Prepare, and disclose in the Company's Annual Report, an the Board of Audit Committee report which must be signed by chairman of the Board of Audit Committee and include at least the following information
 - (A) An opinion on the accuracy, completeness and credibility of the Company's financial reports
 - (B) An opinion on the adequacy of the Company's internal control system
 - (C) An opinion on compliance with the law on securities and exchange, the Stock Exchange of Thailand regulations, or the laws relating to the Company's business
 - (D) An opinion on the suitability of the auditor
 - (E) An opinion on the transactions that may lead to conflict of interests
 - (F) The number of the Board of Audit Committee's meetings, and attendance in such meetings by each committee member,

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- (G) An overall opinion or comment about Audit Committee's implementation of its duties in accordance with the charter
- (H) Other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors
- 7) Perform any other act as assigned by the Company's Board of Directors, with the approval of the Board of Audit Committee

In addition, the Audit Committee is tasked by the Board of Committee to oversee implementation of anti-corruption measures. The Committee shall review relevant internal control measures and report on the adequacy and efficiency of these measures.

- (3) The Board of Directors recognizes the importance of an internal control system as a tool to help reduce business risks, protect company assets, generate credibility in financial reports and protect shareholders' investments. It has therefore assigned Audit Committee to establish an efficient internal control system and manage risks to ensure they remain at the appropriate level. An internal auditor, who independently conducts an audit and reports to Audit Committee, is responsible for auditing the Company's operations for efficiency and effectiveness. The internal auditor will report the audit results directly to Audit Committee.

In addition, Audit Committee will review the appropriateness and adequacy of the internal control system at least once a year, and present its findings to the Board of Directors to obtain their opinions on the issue. The Board's opinions will be included in the Annual Report and the Annual Information Form (Form 56-1).

- (4) The Audit Committee has access to the information they need in order to conduct its work. For instance, the Committee may summon involved individuals to provide information, consult with the auditor, or seek an independent opinion of a professional advisor to form a basis of their judgment
- (5) The Board of Directors has established an independent internal audit department, who shall be responsible for developing and reviewing the efficiency of risk management and internal controls and reporting results to the Audit Committee. The results shall be disclosed in the Annual Report.
- (6) The Audit Committee has expressed an opinion on the adequacy of the risk management system and internal controls, and disclosed this in the Annual Report.

Principle 6.3

The Board of Directors monitors and manages conflicts of interest that may arise from the Company, management, the Board, or shareholders. It shall prevent misappropriation of company assets and opportunities, and inappropriate transactions with related parties.

Guideline 6.3

- (1) The Company ensures data protection, and has put in place a policy and guideline for maintaining confidentiality, integrity, availability and managing market sensitive information. Moreover, the Board of

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Directors ensures that directors, high-ranking executives, employees as well as relevant external parties such as legal counsel strictly protect data privacy.

Inside information management

The Board of Directors has put in place a policy regarding the use of inside information, to prevent all personnel, including directors, executive officers, and employees to disclose company information to external parties or for use it for personal benefits, including trading of company securities while they are being listed, by informing directors, executive officers, and employees of and requiring their compliance with the following principles.

1. Directors, executive officers, and employees must keep all company data, including sensitive information, strictly confidential. They will not disclose such information to gain personal benefits or for the benefits of other parties, whether directly or indirectly, and regardless of whether they have received something in return from so doing, unless such information is made publicly available.
2. Directors, executive officers, and employees that have become aware of the Company's financial data and/or other significant inside information that has an effect on securities value, should refrain from trading company securities before the financial statements or such inside information is made publicly available and from disclosing such information to other persons. The same applies to spouses and children who have not attained the legal age of directors, executive officers, and employees as well. In case where a Director, Executive Officer or employee violates or fails to comply with the Company's policy regarding the use of inside information in securities trading, that Director, Executive Officer or employee will face disciplinary action that includes a verbal warning, a written warning, suspension from work, and removal from position or dismissal without paying compensation as required by law, depending on the severity of the offence committed.

In this regard, the Company ensures that directors, executive officers and who that received inside information refrain from trading company securities, especially 30 days before the Company announces its operating results (in quarterly and annual financial statements) or makes publicly available significant information or data that can have an effect on the value of company securities. The Company will apply the highest form of penalty if it has found that directors, executive officers and who that received inside information has used inside information or acts in ways that can be seen as possibly causing damage to the Company or eroding its reputation.

In addition, the Company requests the cooperation from employees not to trade securities within 30 days before financial statements or other significant information that may affect the price of securities are made publicly available.

3. Directors and executives prepare and submit reports of securities holding and future contracts of directors and executives, as well as their spouse or de facto spouse and children under the legal age, to

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the Securities and Exchange Commission, in accordance with Article 59 of the Securities and Exchange Act B.E. 2535 (1992), as specified in the regulation on reporting securities holding and future contracts of directors and executives within a specified period.

In case where a director or executive has reported on changes in securities holding and future contracts (Form 59) to the Securities and Exchange Commission as legally required, the Company's secretary shall summarize the changes in securities holding of the director/executive and present them in a Board of Directors' meeting on a quarterly basis.

- (2) The Board of Directors ensures that potential cases of conflict of interest are managed and monitored, and that a guideline and principle is put in place to make such cases follow operating procedures and make related disclosure in accordance with the laws, for the interest of the Company and shareholders. Stakeholders shall not take part in this decision making. In addition, the Board of Directors requires that the directors report their stakes before considering meeting agendas, and these are recorded in the minutes of the Board's meetings. The guideline is as follows:

Conflict of interest

The Board of Directors and management resolve to carefully prevent conflict of interest from arising, by conducting business with honesty, reasonableness, independence, and in compliance with the code of conduct for the Company's benefits.

Therefore, in order to achieve transparency and prevent personnel from gaining personal interest, the Company requires its directors, executive officers, and related persons to disclose information that may cause conflict of interest to the Board of Directors, by providing this information to Company Secretary. In addition, directors and executive officers are required to report any company securities held, per Securities and Exchange Commission regulations. Moreover, in meetings of the Board of Directors and Sub-Committees, all stakeholders who have entered into transactions or may have conflict of interest with the Company are required to abstain from expressing their opinions and casting their vote in such transactions/matters.

Furthermore, directors and executive officers are required to report their interest relating to management of the Company or its subsidiary, or that of related persons, to the Company, pursuant to Article 89/14 of the Securities and Exchange Act B.E. 2535 (1992), amended for the fourth time in 2008. In addition, the information in such report will make it easier for the Company to ensure that directors and executive officers honor their fiduciary obligations. Therefore, directors and executives are required to declare their interest in a form prepared by Thai Listed Companies Association. The form must be submitted within 30 days after the Board of Directors have passed a resolution, or after their appointment as director or executive officer. In case where there is a change in information, the director or executive officer must fill in another form and submit it to Company Secretary no later than 15 days after the change has occurred.

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In addition, the Company has put in place a policy and procedures for the approval of transactions that may cause conflict of interest or related party transactions, requiring disclosure of names, relationships between related parties, pricing policy, transaction values, as well as Board of Directors opinion on such transactions. This is in strict compliance with the Securities and Exchange Commission and Stock Exchange of Thailand regulations governing related party transactions, and is aimed at protecting all shareholders' interest equally.

The Company or its subsidiary may have transactions with a director, executive officer, or other related person. However, the transactions must have terms and conditions normally expected of transactions made between ordinary parties, and not be influenced by the fact that one of the parties is a director, executive officer, or related person, pursuant to Article 89/12 of the Securities and Exchange Act B.E. 2551 (2008), (fourth amendment). The Board of Directors may approve such transactions between the Company or its subsidiary and a director, executive officer, or other related person, as it sees appropriate.

As a result, for the benefits and appropriateness of the Company's business operation, the Board of Directors' Meeting No. 6/2017 on 1 November 2017 approved that management committee may enter into transactions between the Company or subsidiaries and directors, executives or a related persons if such transaction has the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person. As for connected transactions of other manners, they shall be in compliance with the Securities and Exchange Act (No. 4) B.E. 2551 and the Notification of the Office of the Board of Governors of the Stock Exchange of Thailand. The Company shall propose to the Board of Directors together with the Audit Committee to consider approving the transactions, or propose to the shareholders' meeting for approval as the case may be.

The Company recognizes the importance of entering into related party transactions. All related party transactions must be conducted with the Company's and its shareholders' maximum interest taken into consideration, and in line with general pricing and trade competition conditions. The price and other selling conditions of related party transactions are similar to those of arms-length transactions. All related party transactions must be reviewed by Audit Committee, which consists wholly of independent directors. Audit Committee have presented related party transactions and transactions that present cases of conflict of interest to the Board of Directors for their careful consideration, strictly adhered to the rules set by the Stock Exchange of Thailand in its report, and disclosed all this information on a quarterly basis. They have also disclosed all the significant information in the Annual Report and Annual Information Form (Form 56-1).

Principle 6.4

The Board of Directors ensure that an anti-corruption policy and guideline is clearly established and communicated organization-wide as well as externally, for actual implementation.

Guideline 6.4

The Company has issued anti-corruption guidelines and supported activities that promote compliance with the relevant laws and regulations by all employees. In its anti-corruption initiatives, the Company remains steadfast in combating corruption and fraud in all forms. Therefore it has issued a policy to serve as a guideline, under a general framework of complying with Thailand's laws against corruption in all forms. It has communicated this policy with its directors, executives and employees and required their strict compliance. The policy is as follows.

Anti-corruption policy

1. The Company is against all forms of corruption, including all forms of bribery, during the course of business. The Company and its subsidiary will not commit any acts of corruption, including the request, collection, and payment of bribes.
2. Management and employees carry out their duties and make decisions on the basis of honesty and fairness to shareholders and other stakeholders, and always take into consideration the Company's benefits.
3. Management and employees are prohibited from requesting, committing, or accepting acts of corruption, whether for their own benefits or those of their family members, friends, and acquaintances.
4. Do not take or give cash or other forms of gifts, except during holiday seasons or when appropriate in particular occasions. In such cases, the value of the gifts must be reasonable, and the person obtaining them must consult their superiors in regards to appropriateness of the gifts.
5. The Company will not grant funding or use company resources to support any political candidates or parties, or use them in political campaigns or activities.
6. Donation to charities and financial sponsoring of any events must be done with transparency, respect to the laws, and moral principles.
7. Failure to comply with anti-corruption policy, whether committed by members of the Board of Directors, management, or employees, will result in disciplinary action, depending on the offense committed, in line with the Company's human resources policy.

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8. The Company does not seek to demote or punish employees who have rejected acts of corruption, even though such action causes the Company to lose a business opportunity.
9. In addition, the Company has put in place an efficient internal control system and proper checks and balances, to prevent management and employees from committing or becoming involved in acts of corruption.
10. The Company also assesses the risk of corruption that may occur, in order to develop anti-corruption measures suitable for the level of risk.
11. The Board of Directors has assigned Audit Committee to oversee compliance with anti-corruption measures. Audit Committee does this by reviewing relevant internal control measures and reporting on the adequacy and efficiency of anti-corruption measures.
12. If the directors, executive or employee does not follow the anti-corruption policy, the Company will appoint a disciplinary punishment case by case under regulations of Human Resource Management.
13. The Company has no policy to degrade, punish or cause negative impact to those employees who refuse corruption even such action might bring benefit to the Company.
14. The Company will consider collaboration with private companies launching activities against corruption as another way to contribute our help to society.

The Company implements the effective internal control system by provides an independently outsourced Internal Auditor with auditing and balance power to prevent corruption among executives and staffs.

The Company have evaluated risk of corruption that may occur to the Company in order to stipulate proper anti-corruption policy toward risk evaluation result.

The Audit Committee is assigned by Board of Directors to investigate the compliance to the anti-corruption policy by reviewing interal control system as well as reporting the validity and effeciency of the anti-corruption policy

In this regard, the Company considers expressing its intent by cooperating in anti-corruption initiatives with the private sector, for collective benefits and practical steps to eradicating corruption. The Company's anti-corruption policy is published on its Website: www.mk.co.th.

[Principle 6.5](#)

The Board of Directors ensures that a mechanism is put in place to receive complaints and a procedure is set up to take action when complaints are made.

[Guideline 6.5](#)

- (1) The Board of Directors ensures that a mechanism and a procedure are in place to record and monitor progress, address an issue, and report a complaint filed by stakeholder, and ensures that more than one channels are provided to facilitate the submission of complaints. Its policy for filing complaints and related procedures shall be made available on www.mk.co.th, in 56-1 Form, or the Annual Report.
- (2) The Board of Directors ensures that there is a clear policy and guideline governing complaints by indicating channels for complaint filing, such as letter, telephone, fax, and email to the Chair of the Audit Committee and/or the Company's secretary. A procedure on reviewing the complaint, further action on the complaint, and report to the Board shall also be set up.
- (3) The Board of Directors ensures that the person filing a complaint in honesty is protected.

In recognition of stakeholders' equal rights, the Company has provided channels for whistleblowing reporting, through which stakeholders can report non-compliance of the Code of Conduct, illegal acts, fraudulent acts, or misconduct by employees of the Company or its subsidiaries, or deficiencies in the internal control system. Both employees and other stakeholders may voice their concerns. The Company has also put in place mechanisms for protecting whistleblowers, by establishing a reporting procedure whereby an illegal act or failure to comply with the Code of Conduct can be reported to the Company Secretary by email, at whistleblowing@mk.co.th. The Company has put in place measures to protect the whistleblower, treat the report received in confidence, limit the number of people that are informed of the report and disclose it to relevant people only, to provide assurance and a sense of security to the whistleblower. The whistleblower may choose to remain anonymous, and if deemed necessary the Company may implement special protection measures when the whistleblower is likely or believed to be in harm's way. The whistleblower shall be appropriately and fairly compensated by the Company or the person causing them to suffer from harm, in line with relevant operating procedures and laws.

Reporting of concerns (whistleblowing)

The Company encourages stakeholders to report or voice their concern about any suspected misconduct, illegal act, violation of the Code of Conduct, financial misreporting, or deficiency in the internal control system to the Board of Directors. They can do so through the channels provided by the Company. The Company will conduct an investigation to discover all relevant facts in with discretion and in confidence, and ensure that the whistleblower and everyone else involved are treated fairly and protected from intimidation of any kind.

Channels for raising whistleblowing concerns

A whistleblowing concern can be raised through any of the following channels:

1. Mail: Attn: Chairman of the Audit Committee
M.K. Real Estate Development Public Company Limited
7th Floor, 345 Surawong Building, No. 345, Surawong Road,
Kwaeng Suriyawong, Khet Bang Rak, Bangkok, 10500
Tel : 02-639-3720
E-mail : chairman.auditcom@mk.co.th
2. Mail: Attn: Company Secretary
M.K. Real Estate Development Public Company Limited
7th Floor, 345 Surawong Building, No. 345, Surawong Road,
Kwaeng Suriyawong, Khet Bang Rak, Bangkok, 10500
Tel : 02-234-8888 Ext. 2101,9990
E-mail : whistleblowing@mk.co.th

An employee who has witnessed a violation or failure to comply with the Code of Conduct may report it to the Board of Directors, the Company Secretary, or their supervisor directly.

The Company regularly disclosed sufficient and credible information in a timely manner to ensure that all stakeholders were informed of any significant information equally. The Company also treated all stakeholders fairly, without taking advantage of or discriminating against any of them. It also formulated fair and straight forward regulations. Moreover, the Company has always supported activities for society, the community and the environment.

Principle 7

Ensure Engagement and Communication with Shareholders

Principle 7.1

The Board of Directors is responsible for overseeing the system for preparing financial reports and disclosure of significant information to ensure accuracy, adequacy, timeliness and compliance with relevant rules, standards, and guidelines.

The Board of Directors is responsible for preparing the financial statements of the Company and its subsidiary, and other financial information contained in the Annual Report, which are prepared in accordance with generally accepted accounting principles. It also discloses sufficient information in the notes to financial statements, on which authorized director will sign and affix the company seal to certify correctness.

In this regard, the Board of Directors has assigned Audit Committee to oversee the procedures in preparing and disclosing information in the financial reports, the internal control system, and the internal audit; consider the adequacy and appropriateness of the internal control system; and prepare financial statements that are based on facts, complete, sufficient, and credible. The Company's secretary maintains all the Board of Directors' meeting reports.

Guideline 7.1

- (1) The Board of Directors ensures that personnel responsible for preparing and disclosing information have the knowledge, skills, experience suitable for their responsibility, and that there are enough people for this task. These personnel include the highest ranking position in accounting and finance, accountants, internal auditors, company secretary, and investor relations division.
- (2) The Board of Directors ensures appropriate disclosures in financial reports which include the following at a minimum:
 - (A) Results of evaluating adequacy of internal controls
 - (B) Auditor's opinion on financial statements and observations on internal controls, including auditor's observations via other channels (if any)
 - (C) Opinions of the Audit Committee
 - (D) Alignment of the Company's main objectives, goals, strategies, and policies
- (3) The Board of Directors ensures disclosures that include financial statements, Annual Reports, and 56-1 Form which adequately reflect the financial status and operating performance. It shall ensure that the Company prepares management discussion and analysis (MD&A) to accompany financial statements on a quarterly basis. This is to ensure that investors have all the necessary information and are up-to-date with changes in

Corporate governance policy

financial status and operating performance in each quarter, in addition to the figures presented in financial statements.

- (4) In case of disclosures relating to a specific director, that director shall ensure that the disclosures are complete and accurate, e.g. information of shareholders in their group or shareholders' agreement of their group.

[Principle 7.2](#)

The Board of Directors monitors capital adequacy and ability to repay loans.

[Guideline 7.2](#)

The Board of Directors monitors the Company and subsidiaries' capital adequacy and financial status to ensure they are able to repay loans.

[Principle 7.3](#)

When experiencing financial difficulty and when financial difficulty becomes likely, the Board shall be confident that the Company has a plan or other mechanisms to handle it, keeping in the mind the rights of stakeholders.

[Guideline 7.3](#)

The Board of Directors shall monitor financial status in order to make the necessary plans in case where the Company is likely to suffer financial difficulty, whether due to the conditions of its business, market competition, or the country's economy or business conditions in general.

[Principle 7.4](#)

The Board of Directors shall consider preparing a sustainability report as it deems appropriate.

[Guideline 7.4](#)

The Company remains committed in its organizational culture in the conduct of business, which is focused on sustainable development in conjunction with environmental protection and responsibility towards stakeholders in all dimensions. The Company recognizes the importance of being socially responsible and acts accordingly, as it believes that a business's success does not come solely from its operating results, but also from its role in contributing positively to members of the community and society. It has also engaged continuously in community activities to promote sustainability in line with the Company's strategy, by instilling environment consciousness and encouraging giving back to society.

Principle 7.5

The Board of Directors ensures that management set up an investor relations division or assign persons in charge of investor relations. The division or persons shall be responsible for communicating with shareholders and other stakeholders, such as investors and analysts, keeping in mind appropriateness, equal treatment, and timeliness.

Guideline 7.5

- (1) The Board of Directors shall provide communications and disclosure of information to ensure that all communications and disclosure of information to external parties are carried out appropriately, timely, and on an equal basis. The Board shall also ensure that appropriate channels are used, that no confidential or sensitive information (such as information that could affect the price of securities) is made public, and that everyone in the Company shares the same understanding in this regard organization-wide.
- (2) The Board of Directors recognizes the importance of accurately and completely disclosing information that may affect investors' decision and stakeholders, which includes financial data and other information such as shareholding structure, risk factors, related party transactions, in manners that are credible, comprehensive, timely, and in compliance with the Stock Exchange of Thailand regulations. A division responsible for investor relations will act as coordinator, providing company information and distributing it to investors, analysts, and the general public through various channels such as the Stock Exchange of Thailand, print media, and the Company's Website, www.mk.co.th

The Board of Directors disclosed significant information, including financial reports and other non-financial information, correctly and completely pursuant to regulations by the Securities and Exchange Commission and the Stock Exchange of Thailand. It disclosed such information through channels such as the Securities and Exchange Commission and the Stock Exchange of Thailand. Those wishing to obtain such information can download it their Websites: www.sec.or.th and www.set.or.th. In addition, the Company also publishes information regularly on its Website, www.mk.co.th, including its Annual Reports which contains information such as good corporate governance policy, report on the responsibilities of the director towards financial reports, auditor's report, and financial statements which were prepared in accordance with generally accepted accounting principles and reviewed by a certified auditor, and directors' remuneration as approved in a shareholders' meeting. The Company also set up an investors relation division, in charge of disclosing information relating to the Company's operations for those interested in obtaining this information and investors.

Corporate governance policy

- (3) The Board of Directors ensures that management set a direction for and support the investor relations division. For example, criteria shall be set for providing company information, as well as a policy for managing information that can affect the price of securities. The duties and responsibilities of the division of investor relations shall be clearly outlined, to ensure efficient communication and disclosure of information.

[Principle 7.6](#)

The Board of Directors shall encourage the use of information technology for communication purposes.

[Guideline 7.6](#)

The Board of Directors encourages the use of information technology in communicating the Company's information. This includes making company information and news available on its website, as a channel for investors, customers, and stakeholders to receive information they need for decision-making. It also publishes information in the Thailand Stock of Exchange (SET)'s portal, in line with the regulations and methods set by the Securities and Exchange Commission and the Thailand Stock of Exchange.

Principle 8

Ensure Engagement and Communication with Shareholders

Principle 8.1

The Board of Directors ensures that shareholders are actively engaged in making important decisions for the Company. The Board has issued a policy to be implemented in accordance with good corporate governance, which encompasses the following:

1. Shareholders and stakeholder rights
2. The Board of Directors are committed to increasing the value of the Company, managing the Company with caution, and conducting risk assessments on a regular basis, to ensure maximum benefits of the shareholders
3. The Board of Directors shall conduct business with transparency and disclose accurate and complete information.
4. The Board of Directors shall take the code of conduct into consideration in the conduct of business

The Company recognizes the importance of, and will protect shareholders' rights.

Guideline 8.1

- (1) The Board of Directors oversees important issues including legal stipulations and issues that could affect the Company's operations, which have been reviewed and/or approved by the shareholders. These important issues should be included as agendas in shareholders' meetings.

The Board of Directors recognizes the rights of shareholders and the importance of treating all shareholders – regardless of whether they are members of management, and including foreign shareholders, and minority shareholders– fairly and equally. It also respects and upholds shareholders' fundamental rights. Therefore, all shareholders have an equal right in the sale, purchase and transfer of shares, have an equal share in the Company's profits, have sufficient access to the Company's information and data, can attend meetings to exercise their voting right on matters such as the appointment or removal of directors, the appointment of an auditor, and other matters that may affect the Company such as dividend payment (if any), issuance or modification of regulations or memorandum of associations, capital increase or decrease, and approval of special transactions, etc.

The Company allows shareholders to submit topics for discussion to be included in a meeting agenda and nominate persons to be considered for appointment as directors. The topic submission and personnel nomination can be done no less than one month before the Annual General Meeting of Shareholders is held, per company regulations.

The shareholders' rights, which consist of the following:

1. Voting right

Shareholders have equal voting rights as specified in Company Articles of Association , i.e. each shareholder has one vote per share. In other words, each shareholder is entitled to the number of votes equivalent to the number of shares held by them.

2. Right to be informed of the Company's operating results

Shareholders have the right to be informed of the Company's operating results, particularly annual operating results. In this regard, the Company prepares a report on its annual operating results, which includes all the significant information on the operations of the past year.

3. Right to review and approve the Company's financial statements

Shareholders have the right to review and approve the Company's financial statements. In this regard, the Company prepares financial statements that are correct, complete, credible, and include significant information in accordance with generally accepted accounting standards. The Company's financial statements are audited by an independent, reputable auditor.

4. Right to receive dividend from the Company's operating results

Shareholders have the right to review and approve dividend payment from the Company's operating results. In this regard, the Company prepares all the necessary information and data needed for the calculation of a dividend to be paid, such as dividend policy, comparison of the actual dividend amount against the dividend policy, and comparison of the current year's dividend against that of the previous year, and ensures the amount of dividend complies with the dividend policy. The amount of dividend being paid to shareholders is carefully calculated, reviewed, and approved by the Board of Directors, before being presented in a shareholders' meeting for final approval.

In case where the Company is unable to pay a dividend from its operating results, the Company shall explain the reasons and necessity for its inability to make the dividend payment.

5. Right to consider and appoint individual members of the Board of Directors

Shareholders have the right to consider and appoint individual members of the Board of Directors. The Company prepares the biography of the person being nominated that includes all the information needed for shareholders' consideration, such as the person' background, date of appointment, type of director they are being nominated for, selection criteria and methods, shareholding in the Company, the position(s) they are occupying at other companies, whether or not such position is related to the Company's conduct of business, etc. The Company also prepares the definition of independent directors, in case where they are being appointed, which is included in the meeting invitation letters and the Company's Annual Report. The person being nominated will have been carefully selected and reviewed by Nomination and Remuneration Committee or the Board of Directors (as the case may be) and approved by the Board of Directors, before being presented to the shareholders for final approval.

6. Right to review and approve Board of Directors' remuneration

Shareholders have the right to review and approve Board of Directors' remuneration. The amount of remuneration being presented to the shareholders will have been carefully reviewed by Nomination and Remuneration Committee and approved by the Board of Directors, before being presented in a shareholders' meeting for final approval.

7. Right to appoint auditor and approve audit fee

Shareholders have the right to appoint an auditor and approve an audit fee. The Company prepares all the necessary information for shareholders' consideration, such as auditor's name and organization, auditor's independence, the number of years the person has audited the Company, and the auditor's remuneration, set separately from the audit fee and other fees (if any). The proposed auditor and their remuneration will have been carefully considered and reviewed by Audit Committee, which will evaluate the auditor's previous work and compare the proposed audit fee against the audit fee of the previous year, and approved by the Board of Directors, before being presented in a shareholders' meeting for final approval.

To make sure that the auditor can review and audit the Company's financial statements with independence, the Company will propose a new auditor in a shareholders' meeting for consideration and approval at least every seven accounting years.

8. Right to review and approve related party transactions

In order to protect their interest, shareholders have the right to review and approve material related party transactions. The conduct of related party transactions must take the maximum benefits of the Company and its shareholders into consideration, and must be reviewed by Audit Committee, which consists wholly of independent directors.

9. Other fundamental rights of the shareholders, per relevant rules, regulations, and laws

The Company will prepare all the necessary details regarding capital increase for shareholders' consideration, such as the objectives and necessity of the capital increase, methods and conditions in the capital increase, effects of the capital increase on the Company and shareholders, etc. The capital increase will have been carefully reviewed and approved by the Board of Directors, before being presented in a shareholders' meeting for final approval.

An Annual General Meeting of Shareholders is held once a year, no later than four months from the end of the accounting year. In case where urgent matters arise, such as matters that may affect shareholders' interest, those that relate to conditions or relevant regulations or laws that require shareholders' approval, the Company may call an extraordinary general meeting. The directors will ensure that shareholders' meetings are held in compliance with company regulations, relevant laws, Stock Exchange of Thailand's Board of Governors' policy governing the conduct of shareholders'

Corporate governance policy

meetings of listed companies, and the Securities and Exchange Commission handbook on shareholders' meetings, to ensure that all shareholders are treated equally.

(2) The Board of Directors encourages shareholders' participation and treats all shareholders equally in meetings, as follows:

- 1) All shareholders have an equal right to express their opinions, per company regulations. Each shareholder has one vote per share.
- 2) The Company distributes its information and data to shareholders on a regular basis, through channels such as the Stock Exchange of Thailand and the Company's Website
- 3) The Company allows shareholders to submit topics for discussion to be included in a meeting agenda and nominate persons to be considered for appointment as directors. The topic submission and personnel nomination can be done no less than one month before the Annual General Meeting of Shareholders is held, per company regulations.
- 4) The Company allows shareholders to submit questions related to the meeting agenda before the meeting takes place, per company regulations, to ensure maximization of shareholders' benefits and protect their interest.

In this regard, the Company has rules for sending in questions in advance which are announced on the Company's website.

- 5) The Company sends out invitation letters, along with meeting-related documents which include topics for discussion that are accompanied by directors' opinions, the Company or the Board of Directors may send the notice of the meeting to the shareholders via electronic means, if such shareholders have notified their intention or given their consent to the Company or the Board of Directors in accordance with the criteria prescribed by the Share Registrar, to shareholders no less than seven days before a meeting is held, unless required otherwise by regulations, notices, or directives issued by the Stock Exchange of Thailand or the Securities and Exchange Commission. It also publishes invitation letters and meeting-related documents, containing the same information and data as that in posted documents, on the Company's Website before a meeting is held. The purpose of doing so is to allow shareholders ample time to study all the necessary information ahead of the meeting, so they can make informed decisions.
- 6) The Company informs shareholders of how to attend a meeting and any rules and regulations governing the conduct of meetings in the invitation letters. It also informs shareholders of the voting procedures in the meeting. In a shareholders' meeting, all the procedures are clearly laid out, namely presenting topics, raising questions, casting votes, and adopting a resolution. The Company assists all shareholders equally by allowing shareholders to register for the meeting from at least one hour before the meeting takes place, until the meeting is over.

Corporate governance policy

At the Annual General Meeting of Shareholders, the Company invited legal advisors from a legal office to take part in the meeting, to act as a neutral party and count the votes cast.

- 7) The Company does not deprive the right of shareholders to study the information and data that it is required to disclose per various regulations, or the right of shareholders to attend meetings. For example, the Company does not suddenly distribute additional documents with significant information during a shareholders' meeting, does not add topics for discussion into the meeting agenda or change significant information without first notifying shareholders, or does not prohibit shareholders arriving late from attending the meeting.
- 8) The Company provides opportunities for, and encourages shareholders to exercise their voting right in a shareholders' meeting. For example, it ensures that the meeting proceeds in the order that has been outlined in the invitation letter. Moreover, for the appointment of directors, shareholders can cast their vote to select directors individually. Shareholders are also allowed ample time to ask questions and express their opinions related to the topic under discussion.
- 9) In case where a shareholder cannot attend a meeting, the Company will send out an authorization letter (Form Khor), which allows the shareholder to express their opinions regarding the matters for which the votes are needed. The shareholder can download Form Kor and Form Khor of the authorization letter from the Company's Website, and nominate at least one independent director of the Company as an authorized person to attend the meeting on their behalf.

This measure will allow shareholders who cannot attend a meeting to exercise their voting right by assigning another person or authorizing an independent director (the Company will propose at least one independent director to shareholders for this purpose) to do so on their behalf, therefore giving shareholders options to select an authorized person to act on their behalf.

- (3) The Board of Directors ensures that meeting invitation letters contain necessary and accurate information, sufficient for the exercise of rights of the shareholders.
- (4) The Company prepares meeting invitation letters for shareholders and related documents in English, to be sent out simultaneously with the Thai ones.

Principle 8.2

The Board of Directors ensures that shareholders' meetings are held in accordance with the Company's regulations, laws, Stock Exchange of Thailand policies regarding the code of conduct on shareholders' meetings of listed companies, as well as the Handbook on Shareholders Meetings published by Securities and Exchange Commission, to support fair and equal treatment of all shareholders.

Guideline 8.2

- (1) When setting a meeting, the Board shall take into consideration whether the selected meeting date, time, and venue is convenient for the shareholders. The Board shall also allow sufficient time for the shareholders to raise questions or express their opinions and for the relevant directors to answer the questions.
- (2) The Company shall make it easy for the shareholders and encourage them to attend and exercise their voting right in the shareholders' meeting.
- (3) The Company shall engage an independent, unrelated company to count the votes cast for each agenda.
- (4) A shareholders' meeting shall be presided over by the Chairperson of the Board, who shall provide all the shareholders with equal opportunities to examine the Company's operations, ask questions, express their opinions, or make recommendations.
- (5) The Company shall not distribute any new meeting documents with important information, add any new meeting agenda, or make any change to important information while the meeting is being held without informing the shareholders beforehand. The Company shall not deny any shareholders who arrive late the right to attend the meeting.
- (6) Directors and executives dealing with issues being discussed in the meeting shall attend the meeting to provide the shareholders with relevant information and answer any question they may have.
- (7) The Company shall inform the shareholders of the number the attendees, both those who attend for themselves and those attending through their proxy, and the attendee ratio before the meeting commences. It shall also inform them of meeting instructions including how to vote in each agenda.
- (8) The Company's shareholders have the right to consider and appoint individual directors. The Company shall prepare the backgrounders for each person who has been nominated for the position, in order to help the shareholders make an informed decision.
- (9) For each meeting, the Company shall prepare vote cards for each agenda. The Company shall inform the attendees of the vote results for each agenda and document them in the minutes of the meeting. The Company shall also engage a legal advisor from a law firm to act as an intermediary and to count the votes.

Principle 8.3

The Board of Directors ensures accurate and full disclosure of meeting resolutions and proper preparation of minutes of shareholders' meetings.

Guideline 8.3

- (1) The Company shall disclose resolutions passed in a shareholders' meeting, along with vote results for each agenda, on the date of the meeting or on the following day via SET Portal and on the Company's website.
- (2) The Company shall submit a copy of the minutes of the shareholders' meeting to the Stock Exchange of Thailand within 14 days of the meeting date.

Corporate governance policy

- (3) The minutes of the shareholders' meeting shall include the names of directors and executives, the ratio of directors in attendance, how the votes were cast, the vote results for each agenda, and the questions raised and their answers during the meeting.