

7. Securities and Shareholders

7.1 The Company's Securities

- (1) EGCO is a listed company on the Stock Exchange of Thailand (SET). Details of the registered capital as of December 31, 2019 were shown below.

- 1) Registered Capital : 5,300 million baht comprising 530,000,000 ordinary shares with the par value at 10 baht per share.
- 2) Paid Up Capital : 5,264.65 million baht comprising 526,465,000 ordinary shares with the par value at 10 baht per share.

- (2) Any commitment among major shareholders and the Company, which will affect the issuing and offering securities or the management of the Company.

- None -

7.2 Shareholders

The top 10 shareholders as of September 6, 2019, the closing date of shareholder registration book for the right to receive the interim dividend payment were as follows.

No.	Shareholders	Shares	% of Total
1	Electricity Generating Authority of Thailand	133,773,662	25.41
2	TEPDIA Generating B.V.	126,054,178	23.94
3	STATE STREET EUROPE LIMITED	13,627,755	2.59
4	Social Security Office	12,529,500	2.38
5	Bualuang LTF	10,336,400	1.96
6	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	9,357,120	1.78
7	Bualuang LTF 75/25	5,409,400	1.03
8	NORTRUST NOMINEES LTD-CL AC	4,849,400	0.92
9	Mr. Suwan Aisuriyakornthep	4,588,000	0.87
10	Bualuang Flexible RMF	3,437,400	0.65

* Excluding 61,956,023 shares under Thai NVDR Company Limited which accounted for 11.77% of the total outstanding shares. Such NVDR holders do not have the right to vote at the shareholders' meeting. Information of investors under Thai NVDR Co., Ltd. is shown on the website: www.set.or.th

The ultimate shareholders of EGCO's major controlling shareholders are as follows:

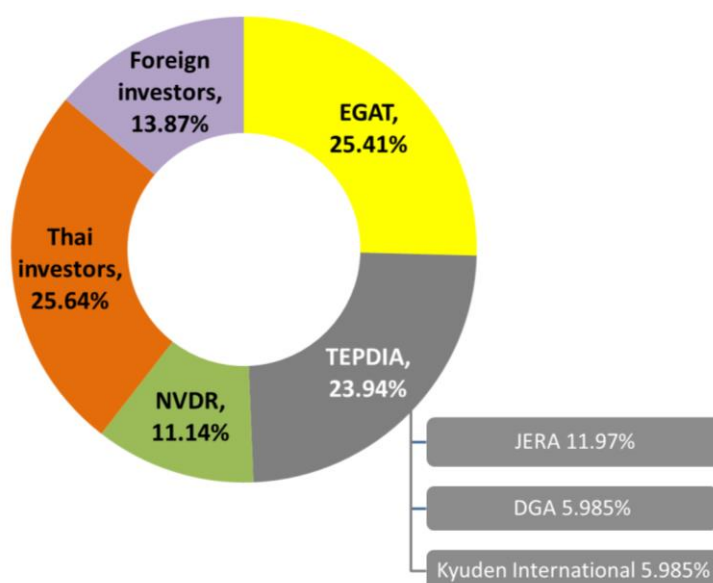
- Electricity Generating Authority of Thailand ("EGAT"):** EGAT is a state utility which has the mission in generating, acquiring and sales of bulk electric energy through its transmission network. EGAT also provides the operation and maintenance services and invests in electricity related business. EGAT holds 25.41% of EGCO's outstanding shares and has 4 representative directors out of 15 directors in EGCO.
- TEPDIA Generating B.V. ("TEPDIA"):** TEPDIA is established in order to invest in EGCO comprising 2 shareholders as follows:

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2.1 Tokyo Electric Power Company International B.V. (“TEPCO International”), a wholly owned subsidiary of JERA Co., Inc. (“JERA”), jointly established by TEPCO Fuel and Power, Inc. and Chubu Electric Power Co., Inc. JERA invests strategically and integrating in fuel procurement, fuel trading and thermal power plants by expanding business in Japan and overseas. TEPCO International indirectly holds 11.97% of voting right of EGCO’s outstanding via TEPDIA Generating B.V. TEPCO International has 2 representative directors out of EGCO’s 15 directors.

2.2 DGA Thailand B.V. (“DGA Thailand”), a wholly owned subsidiary of Mitsubishi Corporation (MC), a global integrated business enterprise that develops and operates businesses areas virtually every industry, indirectly holds 5.985% of voting right of EGCO’s outstanding shares via TEPDIA Generating B.V.. DGA Thailand has 1 representative director out of EGCO’s 15 directors.

2.3 Kyuden International Europe B.V. (“Kyuden International”), a wholly owned subsidiary of Kyushu Electric Power Co., Ltd. Kyuden International focuses on the growing Asian Market with an aim to expand its business from IPP business to overseas energy business. Kyuden International indirectly holds 5.985% of voting right of EGCO’s outstanding shares via TEPDIA Generating B.V.. Kyuden International has 1 representative director out of EGCO’s 15 directors.



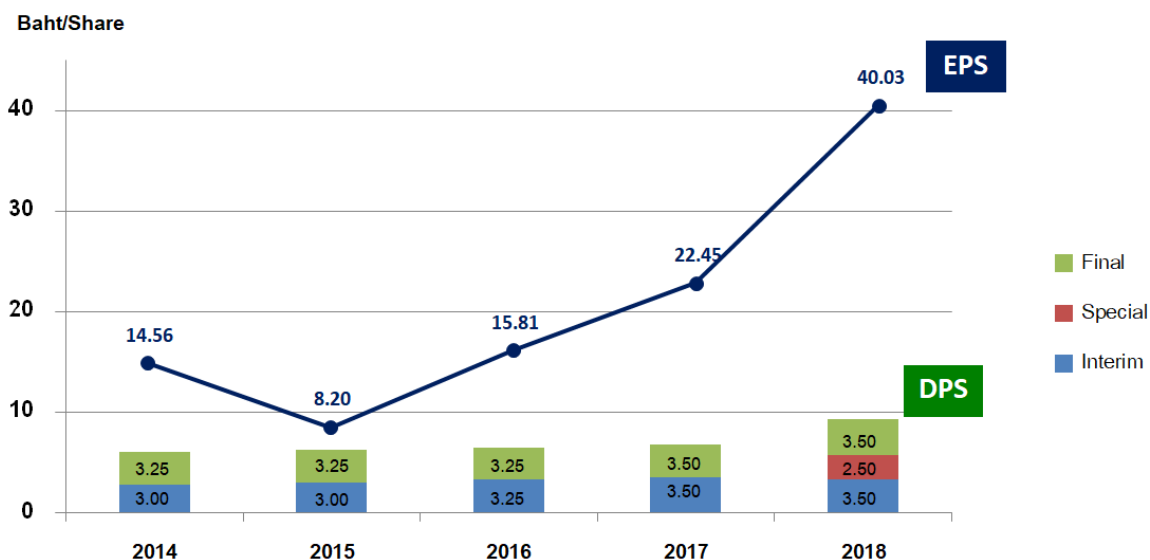
As of September 6, 2019

Dividend Payment

The dividend payment policy of EGCO Group specifies that shareholders receive dividend twice a year at the rate of 40% of the net profits of the total financial statements after income tax is deducted or at the amount that gradually and consequently increase without necessary caused such as the future business expansion of the Company in other projects, or dividend payment substantially affecting the normal operations of the Company whereby dividend paid shall not exceed the accrued profits of separate financial statements.

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The comparison of the dividend payment between 2014 and 2018 is as follows:



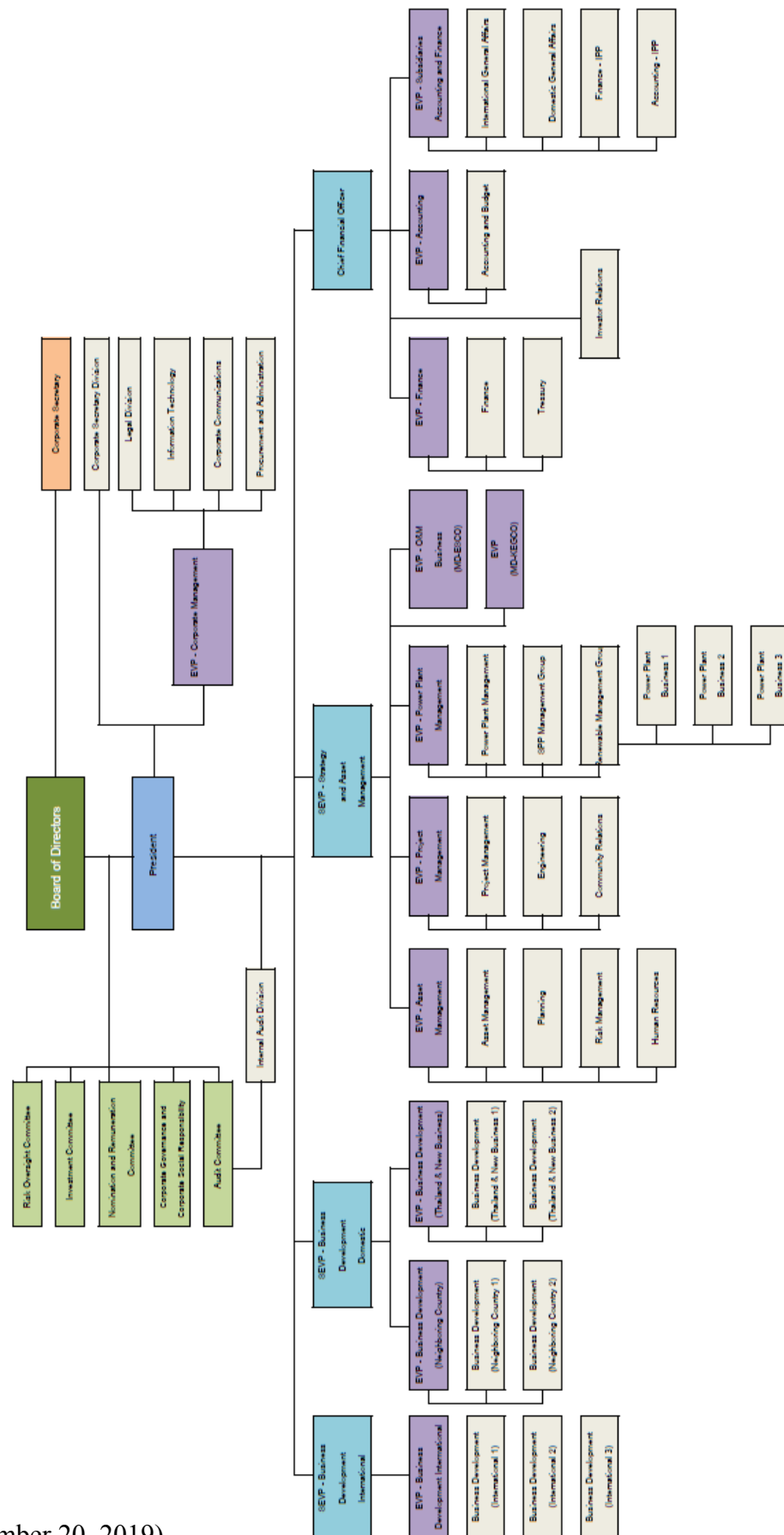
Year	2014	2015	2016	2017	2018
Earnings per share (baht)	13.13	14.56	8.20	22.45	40.03
Dividend per share (baht)	6.00	6.25	6.25	7.00	9.50
Dividend payout Ratio (%)	46	43	76	31	24

Dividend Payment of the Subsidiaries

Since year 2007, the Board of Directors set the dividend payment policy for EGCO subsidiaries to dividend out 4 times a year at the rate of 100% of their net profits after income tax and legal reserve. The dividend payment should take into account their year-ended performance, normal operation and provision stated in the loan agreement.

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(Effective on September 20, 2019)



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8.1 Structure of the Board of Directors

Structure of the Board of Directors

EGCO's organization structure comprises the Board of Directors, standing committees, President and the top management as follows:

1. Structure of the Board of Directors

(1) Board of Directors

The Board of Directors ("Board") has main responsibility to conduct business in a way that will benefit EGCO, shareholders and stakeholders including employees and communities where EGCO operates its business. Additionally, the Board works with the Management in formulating EGCO's vision and policy and approving corporate budget. The Board also monitors the Management's performance and suggests sound resolutions to problems.

EGCO's Board comprises not less than 5 and not exceeding 15 members as stipulated in the Company's Articles of Association. The appropriate number of the directors will be periodically reviewed to align with their responsibilities. The change in the number of directors needs the approval of the shareholders with the votes of not less than four-fifth of the shareholders present and entitled to vote.

As of December 31, 2019, EGCO's Board comprises 14 directors as follows:

- 13 non-executive directors, 92.86% of total directors, comprising:
 - 6 independent directors, 46.15% of total directors,
 - 7 representative directors, 53.85% of total directors, and
- President, the only executive member, 7.14% of total directors.

The Board of Directors in the Meeting No.1/2020, appointed the Chairman of the Board with effect on January 17, 2020. For that matter, as at January 31, 2020, EGCO's Board comprised 15 directors as follows:

- 14 non-executive directors, 93.33% of total directors, comprising:
 - 6 independent directors, 40.00% of total directors,
 - 8 representative directors, 53.33% of total directors, and
- President, the only executive member, 6.67% of total directors.

As at January 31, 2020, the composition is based on the diversity of gender, individual's skills and experiences that would contribute to the balance of board composition and benefit to Company's business as follows:

- Diversity of gender

	Number	Percentage
Gender		
- Male	13	86.67
- Female	2	13.33
Total	<u>15</u>	<u>100.00</u>

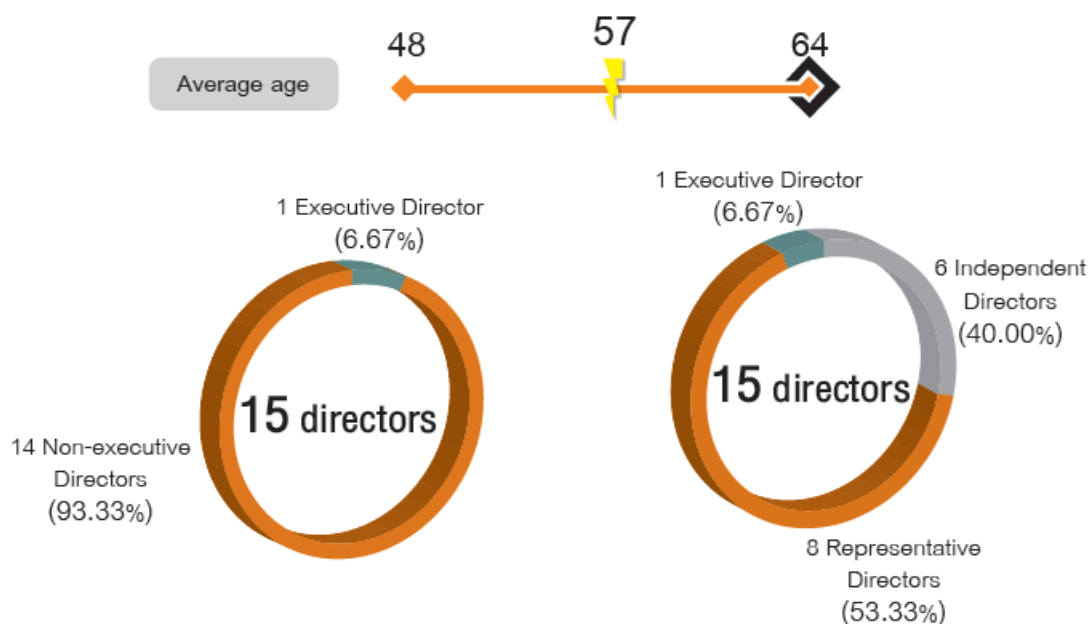
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- Diversity of expertise and experiences

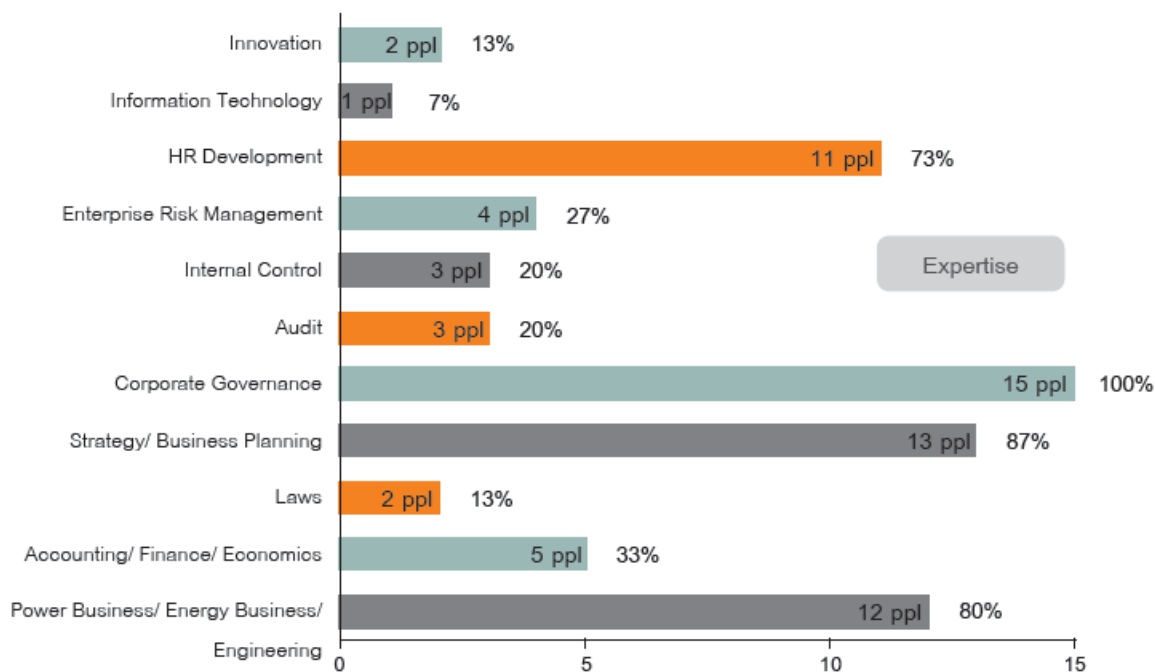
Directors	Power business/ Energy business Engineering	Accounting/ Finance/ Economics/Business administration	Law/Political sciences	Strategy/Business Planning	Corporate Governance	Audit	Internal Control	Enterprise Risk Management	HR Development	IT	Innovation
1. Kulit Sombatsiri	✓	✓		✓	✓				✓		
2. Mrs. Jaruwan Ruangawadipong		✓		✓	✓	✓	✓	✓	✓		
3. Dr. Pasu Loharjun	✓			✓	✓				✓		
4. Assoc.Prof.Dr.Nualnoi Treerat		✓			✓						
5. Prof.Dr. Anya Khanthavit		✓		✓	✓	✓	✓	✓			
6. Mr. Paisan Mahapunnaporn	✓		✓	✓	✓	✓	✓	✓	✓		
7. Assoc.Prof.Dr. Bordin Rassameethes	✓				✓					✓	✓
8. Mr. Wisak Watanasap	✓			✓	✓			✓			
9. Mr. Tepparak Theppitak	✓			✓	✓				✓		
10. Mr. Patana Sangsriroj	✓			✓	✓						✓
11. Mr. Toshiro Kudama	✓			✓	✓				✓		
12. Mr. Naoki Tsusumi	✓			✓	✓				✓		
13. Mr. Shunichi Tanaka	✓			✓	✓				✓		
14. Mr. Tomoyuki Ochiai	✓	✓	✓	✓	✓				✓		
15. Mr. Jakgrich Pibulpaioj	✓			✓	✓				✓		
Total number	12	5	2	13	15	3	3	4	10	1	2

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EGCO's Board Structure as of January 31, 2020



Knowledge, Skills and Experiences



Average tenure is 2.09 years; the tenure of each director is detailed below:

	Director	Appointment Date	Term of office	In office (ending January 31, 2020)
1	Mr. Kulit Sombatsiri	January 17, 2020	1 st	
2	Ms. Jaruwan Ruangswadipong	April 20, 2016	1 st	3 years 9 months 11 days
		April 18, 2019	2 nd	

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	Director	Appointment Date	Term of office	In office (ending January 31, 2020)
3	Dr. Pasu Loharjun	April 19, 2018	1st	1 year 9 months 12 days
4	Assoc. Prof. Dr. Nualnoi Treerat	September 1, 2017	1st	2 years 5 months
		April 19, 2018	2nd	
5	Prof. Dr. Anya Khanthavit	April 19, 2017	1st	2 years 9 months 12 days
6	Mr. Paisan Mahapunnaporn	April 19, 2017	1st	2 years 9 months 12 days
7	Mr. Bordin Rassameethes	October 27, 2017	1st	2 years 3 months 4 days
		April 19, 2018	2nd	
8	Mr. Thepparat Theppitak	November 12, 2019	1st	2 months 19 days
9	Mr. Patana Sangsriroujana	October 1, 2018	1st	1 year 4 months
		April 18, 2019	2nd	
10	Mr. Wisak Watanasap	January 1, 2018	1st	2 years 1 months
11	Mr. Shunichi Tanaka	May 1, 2014	1st	5 years 9 months
		April 20, 2016	2nd	
		April 18, 2019	3rd	
12	Mr. Tomoyuki Ochiai	June 1, 2019	1st	8 months
13	Mr. Toshiro Kudama	June 1, 2019	1st	8 months
14	Mr. Naoki Tsutsumi	June 1, 2019	1st	8 months
15	Mr. Jakgrich Pibulpairoj	October 1, 2017	1st	2 years 4 months
		April 18, 2019	2nd	

The Board and their share ownership in EGCO as of January 31, 2020 are as listed below:

	Name	Appointment Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/ Decrease (Jan 1, 2019 – Jan 31, 2020)
1	Mr. Kulit Sombatsiri Chairman	Jan 17, 2020	-	-	-
2	Ms. Jaruwan Ruangswadipong Independent Director	Apr 20, 2016	-	-	-
3	Dr. Pasu Loharjun Independent Director	Apr 19, 2018	-	-	800
4	Assoc.Prof.Dr. Nualnoi Treerat Independent Director	Apr 19, 2018	-	-	-

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	Name	Appointment Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/ Decrease (Jan 1, 2019 – Jan 31, 2020)
5	Prof.Dr. Anya Khanthavit Independent Director	Apr 19, 2017	-	-	-
6	Mr. Paisan Mahapunnaporn Independent Director	Apr 19, 2017	-	-	-
7	Assoc.Prof.Dr. Bordin Rassameethes Independent Director	Apr 19, 2018	-	-	-
8	Mr. Thepparat Theppitak Director	Nov 12, 2019	-	-	-
9	Mr. Patana Sangsrisoujana Director	Oct 1, 2018	-	-	-
10	Mr. Wisak Watanasap Director	Apr 19, 2018	-	-	-
11	Mr. Toshiro Kudama Director	Jun 1, 2019	-	-	-
12	Mr. Naoki Tsusumi Director	Jun 1, 2019	-	-	-
13	Mr. Shunichi Tanaka Director	Apr 20, 2016	-	-	-
14	Mr. Tomoyuki Ochiai Director	Jun 1, 2019	-	-	-
15	Mr. Jakgrich Piulpairoj President	Oct 1, 2017	-	-	-

The list of directors who retired and resigned in 2019 – January 31, 2020 and their share ownership in EGCO are as shown below:

	Name	Resigning/ Retiring Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/ Decrease (Jan 1, 2019 - Jan 31, 2020)
1	Mr. Yoichiro Matsumoto Director	Jun 1, 2019	-	-	-
2	Mr. Hiromi Sakakibara Director	Jun 1, 2019	-	-	-
3	Mr. Takao Ouki Director	Jun 1, 2019	-	-	-
4	Mr. Nikul Silasuwan Director	Oct 16, 2019	-	-	-
5	Mr. Witoon Kulcharoenwirat Director	Nov 1, 2019	-	-	-

(2) Independent Director

EGCO's Corporate Governance Principle determines the number of independent directors at one-third of all directors in compliance to the laws. Presently, EGCO's board of directors comprises 6 independent directors which are more than one-third of total directors. The independent director could serve the company not more than 2 terms or 6 years, starting from

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the 2016 annual general meeting. None of independent director stays in the office more than the term limit. Also, they can schedule their own meeting as necessary.

Moreover, the independent directors are competent, independent and do not possess the prohibited qualifications as regulated by the law. They fulfill all qualifications of independent directors as defined by the Company as follows:

1. Holding shares not more than 0.5% of the paid-up capital with the voting right of EGCO, parent company, subsidiary company, associated company or any legal entity that may have the conflict of interest (including the connected persons as stipulated in section 258 of securities laws),
2. Not being or having been a director who takes part in the management (executive director, director who has the same responsibility as management and authorized director, except the case of joint signing with other directors for transactions approved by the Board), an employee, or an advisor who receives regular salary, or a controlling person of EGCO, parent company, subsidiary, associate or fellow subsidiary (two or more subsidiaries of the same holding company) or any entity that may have a conflict of interest during the period of two years before his/her appointment,
3. No relationship by family or by law with the management, major shareholders, controlling persons of EGCO or its subsidiaries, or those being nominated.
4. No business relationship with EGCO, parent company, subsidiary, associate company and not being a major shareholder, non-independent director or management of any entity that may have a conflict of interest in a way that would affect the giving of independent opinions for at least two years before the filing date.
5. Not being an auditor or a major shareholder, director, management or partner of the audit firm that provides auditing services to EGCO, parent company, subsidiary company, associate company or any entity that may have the conflict of interest for at least two years before the filing date
6. Not being a professional service provider, including legal and financial consultant to EGCO, parent company, subsidiary company, associate company or any entity that may have the conflict of interest, with the fee higher than 2 million baht per year, or being a major shareholder, non-independent director, management or partner of such company for at least two years before the filling date,
7. Not being EGCO's representative director of its director, majority shareholders or shareholders who are related to EGCO's majority shareholders, and
8. Not having any constraint that would affect the performance of giving independent judgment on EGCO.

Meanwhile, independent director can hold EGCO shares not more than 0.5%, which is stricter than the regulation of the Capital Market Supervisory Board which allows 1% shareholding.

During the year, the independent directors provided the independent judgement and recommendations when considering and making decision on significant issues such as investment projects, organization structure, and other issues related to the corporate governance, for the best interest of the Company. They also were concerned about all

stakeholders and prevented any actions which caused conflicts of interest among the Company, executives, directors and major shareholders.

(3) Chairman

During 2019, Mr. Witoon Kulcharoenwirat, a representative director of the Electricity Generating Authority of Thailand (“EGAT”) was the Chairman until November 1, 2019. Then on January 17, 2020, the Board of Directors in the meeting no. 1/2020 appointed Mr. Kulit Sombatsiri, a representative director of EGAT to be the Chairman. Both Mr. Witoon and Mr. Kulit possess proven knowledge and experiences in energy sector for a long time as Mr. Witoon was the former EGAT Chairman while Mr. Kulit is the current EGAT Chairman. Moreover, they possess leadership to lead EGCO towards the corporate vision, mission and strategic plan to benefit all shareholders. Although the Chairman is not an independent director, the Board performs its duties with fairness and transparency and makes independent decisions with due care and responsibility to all shareholders equally through the following mechanisms:

1. The Chairman is a non-executive director, not the same person as the President and has no relations with the management. There is a clear distinction between oversight and day-to-day business administrative roles. The Chairman takes the lead role in conducting board meetings to be effective and efficient by encouraging involvement by all directors and providing recommendations and supports to the Management via the President. The Board does not intervene in any routine activities under the President’s responsibilities.
2. Most of the Board members are non-executive directors and the Board’s seats are allocated to major shareholders who have expertise in Company’s business comprising 4 EGAT representative directors, 4 TEPDIA representative directors, and 6 independent directors. This indicates a proper balance of power.
3. The Board has assigned the sub-committees to oversee tasks where there may be a potential for transactions with conflict of interest and to balance the need of each stakeholder. With respect to this, the Audit Committee is entrusted for the oversight and review of the accuracy of financial and non-financial reports as well as related matters. The Nomination and Remuneration Committee is assigned to take care of selection of the Board members and key executives and their remuneration on a transparent basis.

The result of the Board’s performance appraisal in 2019 indicated that the Chairman was excellent in leading the meeting and encouraging directors to participate in the discussion around the Board table.

(4) Lead of Independent Director

The Board in the Meeting No. 1/2018 held on January 19, 2018, with the recommendation of independent directors to appoint Ms. Jaruwan Ruangswadipong as the Lead of Independent Director with effect on January 19, 2018. The Lead of Independent Director shall support the activities of the Board in compliance to the corporate governance principles and take care the interests of every party with fairness.



The Lead Independent Director's term of office is 3 years starting from the appointment date. When the Lead Independent Director retires, resigns or vacate the office before the end of the term, the new Lead Independent Director shall be appointed by the Board within 3 months after the vacancy.

The responsibilities of Lead Independent Director when acting as such are as follows:

1. Chair the independent directors' meetings and represent the independent directors in discussions with the Chairman and the Management on corporate governance issues and other significant matters as deemed appropriate by independent directors,
2. Arrange the independent directors' meeting at least once a year with participation from the executives or related persons to provide information and clarification,
3. Serve as the principal liaison between the Chairman, the independent directors and President on board-wide issues,
4. Preside and act as Chairman at all meetings of the Board at which the Chairman or the Vice Chairman is not present,
5. Collaborate with the Chairman and the President to develop Board meeting agendas to ensure that the significant issues are included to be proposed in the Board meeting and Non-Executive Directors' meetings, for consideration or acknowledgment,
6. In collaboration with the Chairman and the President, serve as a contact person for shareholders who wish to discuss, negotiate and seek consultation from the Board wishing to communicate with the Board other than through the Chairman.

(5) Authorized Directors

EGCO determines that the authorized directors comprise the Chairman or the President to sign and affix the company's seal independently, or any two directors to sign jointly and affix the company's seal. Such authorized directors shall exclude (1) independent directors to maintain their independence under the good corporate governance principle, (2) directors who are senior government officers, and (3) directors who are also directors of the financial institutions to avoid the limitation that such financial institutions cannot provide future financial service to EGCO.

(6) Board of Directors' Duties and Responsibilities

The duties and responsibilities of the Board of Directors are prescribed below:

Duties to EGCO

1. Understand its leadership role and assume its responsibilities in overseeing the Company, towards the sustainable value
2. Oversee the Company to create sustainable value and to pursue the following outcomes: competitiveness, performance with long-term perspective, ethical and responsible business, good corporate citizenship and corporate resilience
3. Establish and drive the core value which upholds ethics and be a role model
4. Define policies for directors, executives and employees in writing which represent principles and practices for operating the Company, and put in place the governance mechanism to ensure the compliance with the established policies, monitoring the performance and regularly review of policies and practices,



5. Ensure performance of all directors, executives and employees in compliance with their fiduciary duties, and company's operation in compliance with applicable law and standards as well as the shareholders' resolutions,
6. Define core objectives and targets and monitor the performance of the Company to achieve the defined objectives, targets and strategies,
7. Determine and review the board structure to support the achievement of objectives and targets
8. Select and develop directors and President and determine their remuneration as well assessing their performance
9. Determine the employees' remuneration structure as motivation for employees to drive the Company to achieve the objectives and targets
10. Develop a succession planning for key executives and monitor the performance to ensure that the Company has competent executives to fill in the vacant positions
11. Ensure that a good internal control is established by setting up the Company's regulations including a clear and appropriate working processes, accounting system, standard and reliable financial reports, substantial risk management, efficient compliance system and regular monitor

Duties to Shareholders

1. Ensure that EGCO is financially viable, properly managed and constantly improved so as to protect and enhance the interests of the shareholders
2. Ensure that the information disclosure is materially correct, complete, transparent and timely
3. Ensure the equitable treatment of all shareholders
4. Not report of fault information or avoid disclosure of the mandatory required information on the Company's operating results and financial position

Duties to Creditors

1. Ensure EGCO's full compliance with loan provisions and disclosure of EGCO's financial status
2. Promptly seek professional advice when in uncertain circumstance which might impact lenders such as unstable financial position or pending insolvency

Duties to other Stakeholders

1. Ensure EGCO's compliance with the governing laws and regulations while taking into account the impact on employees, other stakeholders, community, society and environment

Due Diligence

1. Attend all Board meetings, or give apology in advance when meeting attendance is not possible
2. Acquire a knowledge of the corporate objectives, mission and core business
3. Acquire a knowledge of EGCO business including statutory laws and regulations affecting the discharge of duties as director, and well aware of the business environment
4. Be provided substantial information in advance to allow adequate time to analyze; then make thorough judgment
5. Consider and make independent judgment; In case of dissent from Board's resolution, directors can request the record of objection in the Minutes of Meeting.
6. Ensure that the communication system is established for directors to be provided regular and timely information to enable the thorough and careful judgment.

7. Ensure that the communication and information disclosure among stakeholders are executed correctly, appropriately and timely.
8. Encourage the open communication between the Board of Directors and auditors and that the auditors can work independently and efficiently with the full co-operation from the management and internal auditors.
9. Ensure that EGCO complies with the governing laws, rules, regulations and business standard and ethics.

Board of Directors' Authority

The Board has the authority to approve the following matters:

The Board's Matters

1. Elect and appoint directors in the Board of Directors to replace resigning directors during the year, and to nominate directors to the shareholders to replace the directors who retire by rotation
2. Conduct the self-assessment annually and explain the Board of Directors' responsibilities and governance in the annual report
3. Establish and amend the sub-committees' charters
4. Appoint, remove and change members in the sub-committees.
5. Establish a new sub-committee during the year and determine its remuneration when considered as appropriate

Corporate Policy and Management

1. Approve and revise the Company's vision, goal, mission and policies
2. Approve both short-term and long-term strategic plans; including action plans, annual budget and manpower to be in line with the strategic plans
3. Make a decision for the interest of the Company, shareholders, stakeholders; and to monitor the Management's performance and provide suggestions to solve the problems appropriately
4. Establish and amend the Company's regulations
5. Determine, establish and revise the Company's Table of Authority
6. Establish and revise the organization structure of EGCO and EGCO Group's companies in which EGCO has management control
7. Consider risks related to corporate management in all aspects

Business Activities

1. Establish, amend or change the binding agreements of investment/ joint venture/ bids under EGCO's commitment including any divestment with the value exceeding 3,000 million baht
2. Endorse the following matters before proposing for the shareholders' approval:
 - Acquisition or sale of important assets or any related transaction as outlined by the laws and the Capital Market Supervisory Board
 - Sale or transfer of EGCO enterprises or its components to other entities
 - Purchase or acquisition of enterprises on behalf of EGCO
 - Making addendums or changes to EGCO's Memorandum or Articles of Association
 - Increase or decrease of the registered capital
 - Issuance of securities for sales to the public, except for common shares
 - Dissolution of EGCO or merging it with another company
 - Announcing annual dividends

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- Sundry other activities as mandated by laws or PTTGC's Articles of Association to seek approval from shareholders' meeting
- 3. Approve the interim dividend payment for the shareholders
- 4. Approve the change in significant accounting policy and compliance with new accounting standards
- 5. Approve the issuance of debt securities (excluding debentures), borrowing, refinancing and rescheduling with the value exceeding 3,000 million baht
- 6. Approve the guarantee, loan to group companies and other financial supports in the amount exceeding 500 million baht
- 7. Approve the revision of annual budget with the increased amount exceeding 15% of the approved budget
- 8. Approve the disposal of materials with the value exceeding 10 million baht per time

Human Resources

1. Approve hiring, employment, appointment, termination and compensation required by law for the President, top executives and Corporate Secretary
2. Evaluate the President's performance and approve the salary increase for the President
3. Consider the disciplinary action for the President
4. Approve the Company's salary structure, wages, compensation and benefits
5. Approve the succession plan for the position of Executive Vice President upwards

Other Business

1. Approve the court actions
2. Appoint specialists to provide in-depth information or take any related actions for the Company in case of the issues affecting significantly the Company's business, financial positions or reputation of Group Company
3. Authorize the President appropriately to manage the Company in accordance with the corporate strategy, directions, goal and policy by ensuring that the Company has a proper corporate governance and efficient monitoring and evaluation
4. Take other responsibilities in relation to the Company's business as assigned by the shareholders
5. Consider donation apart from what has been approved in the annual budget

2. Standing Committee

In order to well perform its responsibilities to the shareholders, the Board considers and put in place essential business policy and schedule its meeting monthly except in some circumstances. Additionally, the Board considered that corporate risk was important and needed for the business operation in the current situation, therefore, the Board in the Meeting No.9/2019 resolved to establish Risk Oversight Committee with effective on September 20, 2019 as well as approved the principle and the charter of Risk Oversight Committee. For that matters, in 2019, EGCO has 5 standing committees namely, (1) Audit Committee, (2) Risk Oversight Committee (3) Investment Committee (4) Nomination and Remuneration Committee, and (5) Corporate Governance and Social Responsibility Committee.

Each Board committee has its own charter which prescribes functions, composition, term of office, responsibilities and meeting conduct. The committee's charter, which is approved by the Board, would be reviewed as deemed appropriate. Each committee can retain outside counsels, experts and professional advisors, as deemed appropriate at EGCO's expense. All committees shall report their activities (if any) to the Board.

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In 2019, the Board and all sub-committee had reviewed their charters and no revision was made to the charters of Investment Committee, Nomination and Remuneration Committee, and Corporate Governance and Corporate Social Responsibilities Committee. Except for Audit Committee, is considering the revision of the charter regarding risk management by transferring such matters to be under the Risk Oversight Committee.

Audit Committee: comprises 3 independent directors. Its mission covers the review of the financial statements, legal compliance, risk management policy, internal control and internal audit systems and appointment of external auditors. The Audit Committee also reviews the connected transactions or transactions with conflicts of interest to ensure that such transaction is in compliance with the SET's requirement, well-grounded and for the best interest of EGCO. In 2018, the responsibilities of the Audit Committee were reviewed and revised as mentioned earlier and the responsibilities of the Audit Committee were described below:

1. Review the accuracy and adequacy of EGCO's financial reporting,
2. Review the appropriateness and effectiveness of internal control systems, and internal audit functions and determine the Internal Audit Division's independence,
3. Approve the appointment, rotation and removal of the Chief Internal Audit,
4. Monitor EGCO's compliance with Securities and Exchange Acts and Regulations of the SET and any other laws relevant to EGCO's business,
5. Recommend to the Board of Directors the appointment and removal of an independent person to be EGCO's auditor, removal of the auditor and audit fees,
6. Consider non-audit services performed by the auditors which may lead to the auditors' non independence,
7. Consider and endorse the significant change in accounting policy of EGCO and subsidiaries prior to proposing to the Board of Directors for approval,
8. Meet with the auditor exclusively at least once a year.
9. Consider the connected transactions or any transactions that may cause conflict of interest complying with rules and regulations of SET to ensure that such transactions are reasonable and create highest benefit to EGCO,
10. Review EGCO's regulations on internal audit prior to proposing to the Board of Directors for approval,
11. Approve the internal audit plan as well as budget and personnel,
12. Review the internal audit report of internal audit division,
13. Review with the Management the preparation of the Management's Discussion and Analysis or MD&A and the disclosure in Annual Report,
14. Review with the Management the risk management policy, the practice compliance with such policy, EGCO's risk management guidelines, as well as consider potential risks and preventive measures of relevant risks including supervise risk levels to comply with the risk levels designated by the Board of Directors,
15. Prepare a report that describes the Audit Committee's activities and responsibilities. This report shall be signed by the Chairman of the Audit Committee and published in the annual report to the shareholders. The Audit Committee's Report shall consist of at least the following information:



- (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (b) an opinion on the adequacy of the Company's internal control system,
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflicts of interests,
 - (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member,
 - (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
 - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors,
16. Inspect any suspiciousness reported by the company's auditor, that the President, the Management or any person responsible for the company's operation commits an offence under the Securities and Exchange Act (No. 4) B.E. 2551 and report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within thirty days after being informed by the auditor,
 17. Oversee the Company's practice to ensure that the Company follows the Anti-Corruption measures, review the related measures and internal control,
 18. Review reported concerns about fraud or corruption,
 19. Review the Audit Committee Charter and conduct the self-assessment at least once a year,
 20. Perform any other act as assigned by the Board of Directors with approval of the Audit Committee

Reference to the above responsibilities, the Committee is directly accountable to EGCO Board of Directors whereas the Board of Directors remains responsible to third persons for the operation of the Company.

Risk Oversight Committee: comprises 5 members having 2 independent directors, 2 non-executive directors and the President. ROC appointed Mr. Anya Khanthavit, independent director, to be the Chairman of the Committee for his expertise and experiences in risk management. Risk Oversight Committee takes duties to consider the policy, recommend, oversee and monitor corporate risk management framework. The responsibilities of the Risk Oversight Committee are detailed below:

1. Consider and provide recommendations in enterprise risk management policy and framework to be proposed to the Board of Directors for approval,
2. Consider and provide recommendations on risk appetite and risk tolerance for constant effectiveness to be proposed to the Board of Directors for approval,
3. Oversee the Company to ensure the key risks and their impacts and possibilities are identified including considering the enterprise risk management plan and process,
4. Monitor and access the Company's risk management to comply with the risk management framework and plans,

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5. Regularly report to the Board of Directors on the result of risk assessment and implemented measures. In case of any significant issues materially impacting to the Company, the Board of Directors should be informed promptly for further actions,
6. Provide recommendations on the risk management to directors, management and EGCO Management Committee, with continuous encouragement and support for the improvement and development of risk management system within the company,
7. Monitor and encourage the review of the enterprise risk management policy and framework at least once a year to ensure the company's risk management policy and framework suited to EGCO's business process and risk mitigation activities,
8. Regularly review and update its own charter to ensure its appropriateness to be proposed to the Board for approval,
9. Perform other duties relating to the risk management as may be assigned by the Board

Nomination and Remuneration Committee: comprises 5 non-executive directors, 3 of whom are independent directors. NRC appointed Mr. Shunichi Tanaka, representative from TEPDIA, the major shareholder, as the Chairman of the Committee for his knowledge and experiences in strategy and human resources management as well as international corporate governance. His expertise supports the Company's strategy to develop and manage human resources to prepare for the investment and management of international assets. Although the NRC Chairman is not an independent director, the Board ensures that NRC has its due process of directors and senior management's selection which is in line with the best practices, taking recommendations from all shareholders. Directors and senior management's remuneration is considered under transparent and clear guidelines, comparable to those of peer companies and aligned with the long term benefit of EGCO and the shareholders. The responsibilities of the Nomination and Remuneration Committee are detailed below:

1. Establishment, review, and revision of the Company's regulation on human resource management
2. Establishment, review, and revision of the Nomination and Remuneration Committee Charter
3. Organization restructure of EGCO and EGCO Group's companies in which EGCO has management control (Senior Vice Presidents (SVP) upward)
4. Company's annual manpower planning
5. Structure and composition of the Board of Directors and committees together with the qualifications of their members
6. Recommendation of the list of nominees for the Board of Directors in case of vacancies by rotation and/or in case of casual vacancies
7. Remuneration structure, including meeting allowance, annual bonus, welfare, and other benefits in cash and in kind of EGCO Board of Directors and Board of Directors of EGCO Group's companies in which EGCO has management control
8. Board of Directors assessment form
9. Appointment of EGCO representative directors in EGCO Group's companies and joint venture companies based on the equity proportion or shareholders' agreements
10. Providing the policy on employees' remuneration structure and other benefits in cash and in kind to the representative directors of EGCO Group's companies in which EGCO has management control
11. Scrutiny of the list of nominees for EGCO President in case of vacancy

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12. Appointment, promotion, rotation and removal of the Senior Executive Vice Presidents (“SEVP”), Executive Vice Presidents (“EVP”) of EGCO and Corporate Secretary
13. Performance evaluation of EGCO President and SEVPs who are contract employees to renew or terminate the contract, and increase salary and determine bonus
14. Performance evaluation of SEVPs who are permanent employees, EVPs and Corporate Secretary to determine remuneration
15. Employees’ remuneration structure and other benefits in cash and in kind
16. Corporate bonus criteria
17. Determination of bonus-linked KPI to decide bonus for EGCO and EGCO Group’s companies in which EGCO has management control
18. Determination of annual bonus and special bonus
19. Budget for annual salary increase rate of the employees
20. Succession plans of EGCO’s EVP upward
21. Early retirement program for the employees of EGCO and EGCO Group’s companies in which EGCO has management control
22. Risks associated with human resource management, including preventive measures and mitigations of relevant risks
23. Other issues as assigned by the Board of Directors

Investment Committee: comprises 5 directors and has the responsibility to screen and consider the Management’s proposals, especially on the investments, funding and relating activities for the Board’s approval. However, medium and small sized transactions can be approved by the Investment Committee itself after the Board’s acknowledgement since this Committee is empowered to approve business decisions within its delegated authority. The Chairman of the Board is also appointed the Chairman of the Investment Committee. He has been proven to be an efficient chairman and conducted the meetings efficiently and has been attentive to other members’ recommendations both at the Board’s and the committee’s meeting. The Investment Committee’s responsibilities are described below:

1. Establishment, review, and revision of the Company’s regulations and principles regarding investment, asset management and financial management
2. Establishment, review, and revision of the Investment Committee Charter
3. Company’s strategic plan, business plan, action plan and annual budget
4. Determination of the Corporate KPI, monitoring progress, and assessment of the Corporate KPI
5. Increase or reduction of the registered capital
6. Acquisition, investment, and divestment of Company’s assets
7. Operation of the Company’s project and asset management pursuant to Regulation on Principle of Arm-Length Relation with Subsidiary, Affiliate, and Joint-Venture companies
8. Funding of EGCO
9. Financial management, profit allocation and significant financial transactions
10. Financial investment outside the Treasury Management Guidelines
11. Procurement and Disposal Material Management
12. Risks associated with investment and finance, including preventive measures and mitigations of relevant risks

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13. Other issues as assigned by the Board of Directors and as stipulated in the Company's regulations and principles

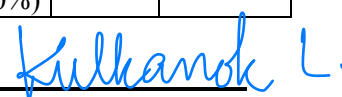
Corporate Governance and Social Responsibility Committee: comprises 5 members having 3 independent directors, 1 non-executive director and the President. The Chairman of the Committee shall be an independent director. The Corporate Governance and Social Responsibility Committee is responsible for the corporate governance principles and the frameworks, policies relating to corporate social responsibility and environmental matters that affect shareholders and other key stakeholders, for the Company's sustainable growth. The CC Committee is entrusted to the following responsibilities.

1. Endorse policy and practice for the Board's approval
2. Endorse objectives and annual plans, to be in line with the strategic plan, for the Board's approval
3. Encourage and support the compliance of directors, executives and employees with the policy, practices, objectives and plans of CG, CSR and Anti-Corruption
4. Oversee, monitor and appraise the performance to comply with the policy, practices, objectives and approved plans
5. Regularly review and revise CG, CSR and Anti-Corruption policy and practices by comparing to the international standard, and endorse for the Board's approval in order to promote continuous improvement and development
6. Oversee the assessment of Anti-Corruption risks and risk mitigation

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Table: Meeting Attendance of the Board of Directors

Name	Meeting Attendance in 2019 (number of times)						
	Board Meeting (12 times/percentage)	Non-Executive Director Meeting (1 time/percentage)	Audit Committee (12 times/percentage)	Risk Oversight Committee (3 times/percentage)	Investment Committee (9 times/percentage)	Nomination and Remuneration committee (9 times/percentage)	Corporate Governance and Corporate social Responsibilities Committee (5 times/percentage)
1. Mrs. Jaruwan Ruangswadipong	12/12 (100%)	1/1 (100%)	12/12 (100%)	-	-	-	-
2. Dr. Pasu Loharjun	12/12 (100%)	1/1 (100%)	-	-	-	9/9 (100%)	5/5 (100%)
3. Assoc.Prof.Dr.Nualnoi Treerat	11/12 (91.67%)	1/1 (100%)	-	-	-	9/9 (100%)	5/5 (100%)
4. Prof.Dr. Anya Khanthavit	12/12 (100%)	1/1 (100%)	12/12 (100%)	3/3 (100%)	-	-	-
5. Mr. Paisan Mahapunnaporn	12/12 (100%)	1/1 (100%)	12/12 (100%)	3/3 (100%)	-	-	-
6. Assoc.Prof.Dr. Bordin Rassameethes	12/12 (100%)	1/1 (100%)	-	-	-	8/9 (89%)	5/5 (100%)
7. Mr. Patana Sangsriroujana	10/12 (83.33%)	1/1 (100%)	-	3/3 (100%)	-	-	-
8. Mr. Thepparat Theppitak ^{/1}	1/2 (50%)	1/1 (100%)	-	-	-	-	-
9. Mr. Wisak Watanasap	11/12 (91.67%)	1/1 (100%)	-	-	-	-	4/5 (80%)
10. Mr. Toshiro Kudama ^{/2}	7/7 (100%)	1/1 (100%)	-	-	-	4/4 (100%)	-
11. Mr. Naoki Tsusumi ^{/3}	7 (100%)	1/1 (100%)	-	-	5/5 (100%)	-	-
12. Mr. Shunichi Tanaka	11 (91.67%)	1/1 (100%)	-	-	4/5 (80%)	5/5 (100%)	-
13. Mr. Tomoyuki Ochiai ^{/4}	7/7 (100%)	1/1 (100%)	-	3/3 (100%)	-	-	-
14. Mr. Jakgrich Pibulpairoj	12/12 (100%)	-	-	-	9/9 (100%)	-	5/5 (100%)
15. Mr. Yoichiro Matsumoto ^{/5}	3/5 (60%)	-	-	-	3/4 (75%)	-	-
16. Mr. Hiromi Sakakibara ^{/6}	5/5 (100%)	-	-	-	-	-	-
17. Mr. Takao Onuki ^{/7}	5/5 (100%)	-	-	-	4/4 (100%)	-	-
18. Mr. Nikul Silasuwan ^{/8}	5/5 (100%)	-	-	-	8/8 (100%)	-	-
19. Mr. Witoon Kulcharoenwirat ^{/9}	10/10 (100%)	-	-	-	9/9 (100%)	-	-



Remarks : ^{/1} appointed on November 12, 2019
^{/2, /3, /4} appointed on June 1, 2019
^{/5, /6, /7} resigned on June 1, 2019
^{/8} retired on October 16, 2019
^{/9} resigned on October 16, 2019

In 2019, the Board held 12 meetings, with 95% of the Board of Directors attending. Individually, each director attended more than 93.07% of the total number of meeting.

3. Management Structure

The Board appoints the President as the head of management team to respond business management and to deploy the policies to practice by authorizing management duties to the President. The President will delegate his authority to the management team as prescribed in the Table of Authority.

Roles and Responsibilities of Management

President as the head of top Management team was appointed among the directors as stated in the Company's Articles of Association. The Management led by the President has the following duties and responsibilities.

1. Manage EGCO's day-to-day business to be in line with the corporate policies, plans, and objectives, Articles of Association and obligatory rules and regulations,
2. Operate the business in according to corporate strategy, business plan and budget as approved by the Board,
3. Monthly Report to the Board the Company's performance and the implemented actions following the Board's resolution to ensure the Board that all actions have been taken as planned or remedied if there are some mismatches between actions and plans.
4. Develop and support the employee's career path advancement.

EGCO's organization structure was approved by the Board in the meeting no. 10/2016 with effect on January 1, 2019, comprises 5 groups as shown below:

1. Business Development – International: this group is headed by a Senior Executive Vice President – Business Development (International) (SEVP-BDI). Under the SEVP-BDI, there is one Executive Vice President (EVP) supervising the international business development.
2. Business Development – (BDD): this group is headed by a Senior Executive Vice President – Business Development (Domestic) (SEVP-BDD). Under the SEVP-BDD, there are two Executive Vice Presidents (EVPs) as follows:
 - (1) Executive Vice President – Business Development (Neighboring Country)
 - (2) Executive Vice President – Business Development (Thailand and New Business)



3. Accounting and Finance Group: this group is headed by a Chief Finance Officer (CFO) with 3 EVPs as follows:
 - (1) Executive Vice President – Accounting
 - (2) Executive Vice President – Finance
 - (3) Executive Vice President – Subsidiaries Accounting and Finance
4. Strategy and Asset Management Group: this group is headed by a Senior Executive Vice President – Strategy and Asset Management (SEVP-SAM) with 5 EVPs as follows:
 - (1) Executive Vice President – Asset Management
 - (2) Executive Vice President – Project Management
 - (3) Executive Vice President – Power Plant Management
 - (4) Executive Vice President – Managing Director of KEGCO
 - (5) Executive Vice President – Operation and Management Business, also assigned as the Managing Director of ESCO
5. President’s Direct Report Groups: an EVP-Corporate Management supervises Corporate Communications Division, Information Technology Division, Legal Division, and Procurement and Administration Division.

Additionally, there are 2 divisions under the President’s supervision, namely Internal Audit and Corporate Secretary. The Internal Audit reports directly to the Audit Committee, but functionally to the President. The Corporate Secretary Division reports directly to the President.

Management

The list of the Management team and their share ownership in EGCO in accordance with SEC notification as at January 31, 2020 is as follows:

Name	Title	No. of shares		
		Management	Spouse/ Minor Child	Increase/ Decrease (Jan 1, 2019 - Jan 31, 2020)
1. Mr. Jakgrich Pibupairoj	President	-	-	-
2. Mr. John Palumbo	Senior Executive Vice President - Business Development – International	-	-	-
3. Mr. Danuja Simasathien	Senior Executive Vice President – Business Development – Domestic	-	-	-
4. Mr. Suvapan Chomchalem	Chief Financial Officer	-	-	-
5. Mr. Gumpanart Bumroong	Senior Executive Vice President- Strategy & Asset Management	-	-	-
6. Somkiat Suttiwanich	Executive Vice President – Accounting	-	-	-

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Name	Title	No. of shares		
		Management	Spouse/ Minor Child	Increase/ Decrease (Jan 1, 2019 - Jan 31, 2020)
7. Ms. Somsiri Yoosuk	Executive Vice President – Finance	-	-	-
8. Ms. Sudruedee Lertkasem	Executive Vice President – Subsidiaries Accounting and Finance	-	-	-
9. Mr. Amornrat Debbasdin Na Ayudhya	Senior Vice President-Accounting and Budget	-	-	-
10. Ms. Ploy Suksrisomboon	Senior Vice President-International General Affairs Management	-	-	-
11. Mr. Surasak Ganjanakit	Senior Vice President – Domestic General Affairs Management	-	-	-

4. Corporate Secretary

The Board appointed Ms. Kulkanok Leongsoithong as the Corporate Secretary with the duties and responsibility as prescribed in the Securities and Exchange Act (No. 4) B.E. 2551, Section 89/5 and Section 89/16. She was also appointed as Board's secretary to support Board activities such as Board Meetings, Board Orientation, including provide important information, rules, regulations to the Board as well as to coordinate subsequent actions under the Board's resolution. The Corporate Secretary directly reports to the Board while the Nomination and Remuneration Committee is delegated to appraise the performance of the Corporate Secretary.

In 2017, the Corporate Secretary has attended training seminars and discussions in various topics, arranged by regulators which oversee listed companies and the Thai Institute of Directors Association (IOD), in order to improve and increase efficiency of the Corporate Secretary's performance and corporate governance.

5. Director and Management Remuneration

EGCO sets the policy to reward directors and management with appropriate remuneration. In this regards, the Nomination and Remuneration Committee is entrusted to review the appropriate rate that takes into account the responsibility and the company's financial status while being in line with the peer practices.

(1) Director remuneration

Director remuneration is appropriately set at a rate comparable to that of peer companies. The remuneration comprises 3 parts: (1) monthly retainer fee to reflect directors' responsibilities, (2) meeting allowance to reflect time devotion and meeting attendance, and (3) bonus which is paid in accordance with the shareholder value creation. The Nomination and Remuneration Committee will endorse the director remuneration for the

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Board's endorsement before seeking the shareholders' approval on an annual basis. The guidelines are as follows:

- Retainer and meeting allowance will be set in accordance with peer practices, EGCO operating performance, business size, and responsibility, knowledge, competencies of the directors as required by the company.
- Bonus will be considered from the Company's profit or dividend paid to shareholders.

In 2019, the shareholders' Meeting resolved the directors' remuneration as shown below.

1. Monthly retainer fee of 30,000 baht and meeting allowance of 10,000 baht each. Members who do not attend the meeting will not receive the meeting allowance. The Chairman and the Vice Chairman of the Board received 25% and 10% additional remuneration respectively for both the retainer fee and the meeting allowance.
2. 2018 bonus of 25 million baht approved by the shareholders in the 2019's annual general meeting, taking into account the Company's growth, the recognition in terms of good corporate governance, the increasing share price, peer's director bonus, and dividend payout ratio.
3. Remuneration for Board's Committee being Investment Committee, Audit Committee, Risk Oversight Committee, Nomination and Remuneration Committee, and Corporate Governance and Corporate Social Responsibility Committee as follows:

Committee	Retainer fee (baht)	Meeting allowance (baht)
Investment Committee	20,000	20,000
Audit Committee	20,000	20,000
Nomination and Remuneration Committee	20,000	20,000
Risk Oversight Committee	-	24,000
Corporate Governance and Corporate Social Responsibility Committee	-	24,000

The chairman of each Board Committee would receive 25% additional remuneration both in retainer fee and meeting allowance.

Beside the remuneration mentioned above, EGCO does not provide other remuneration to the Board.

The overall directors' remuneration for 2019 is summarized below:

Name	BOD	Standing Committee					Bonus	Total Remuneration
		AC	IC	NRC	ROC	CC		
1. Ms.Jaruwan Ruangswadipong	480,000	600,000	-	-	-	-	1,754,385.96	2,834,385.96
2. Mr. Pasu Loharjun	480,000	-	-	420,000	-	150,000	1,232,876.71	2,282,876.71
3. Ms. Nualnoi Treerat	470,000	-	-	420,000	-	120,000	1,754,385.96	2,764,385.96
4. Mr. Anya Khantavit	480,000	480,000	-	-	90,000	-	1,754,385.96	2,804,385.96
5. Mr. Paisan Mahapunnaporn	480,000	480,000	-	-	72,000	-	1,754,385.96	2,786,385.96
6. Mr. Bordin Rassameethes	480,000	-	-	400,000	-	120,000	1,754,385.96	2,754,385.96

Name	BOD	Standing Committee					Bonus	Total Remuneration
		AC	IC	NRC	ROC	CC		
7. Mr. Thepparat Theppitak	59,000	-	32,666.67	-	-	-	-	91,666.67
8. Mr. Patana Sangsriroujana	460,000	-	-	400,000	48,000	-	442,201.39	1,350,201.39
9. Mr. Wisak Wattanasap	470,000	-	-	-	-	96,000	1,754,385.96	2,320,385.96
10. Mr. Toshiro Kudama	280,000	-	-	271,666.67	-	-	-	551,666.67
11. Mr. Naoki Tsusumi	280,000	-	240,000	-	-	-	-	520,000.00
12. Mr. Shunichi Tanaka	470,000	-	220,000	250,000	-	-	1,754,385.96	2,694,385.96
13. Mr. Tomoyuki Ochiai	280,000	-	-	-	48,000	-	-	328,000
14. Mr. Jakgrich Pibulpiroj	-	-	-	-	-	-	-	-

The summary of remuneration of retired and resigned directors during 2018-2019 is as follow:

Name	Retirement/ Resigning Date	Number of months in service		Meeting Attendance (12 times/ year)	Total Remuneration in 2015			Total Remuneratio n
					Monthly Retainer and Meeting Allowance		Bonus ¹	
		2018	2019		Director	Standing Committee		
1. Mr. Sombat Sarntijaree	Apr 19,2018	3	-	-	-	-	651,889.57	651,889.57
2. Mr. Chotchai Charoenngam	Apr 19,2018	3	-	-	-	-	521,509.25	521,509.25
3. Mr. Kornrasit Pakchotanont	May 1, 2018	4	-	-	-	-	576,784.43	576,784.43
4. Mr. Saharath Boonpotipakdee	Oct 1, 2018	9	-	-	-	-	1,312,184.57	1,312,184.57
5. Mr. Yoichiro Matsumoto	Jun 1, 2019	12	5	5	180,000	160,000	2,018,745.48	2,358,745.48
6. Mr. Hiromi Sakakibara	Jun 1, 2019	12	5	5	200,000	-	2,192,982.45	2,392,982.45
7. Mr. Takao Onuki	Jun 1, 2019	12	5	5	200,000	180,000	1,754,385.96	2,134,385.96
8. Mr. Nikul Silasuwan	Oct 16, 2019	8	9	9	400,000	380,000	1,177,601.54	1,957,601.54
9. Mr. Witoon Kulcharoenwirat	Nov 1, 2019	9	10	10	500,000	475,000	1,541,095.89	2,516,095.89

Remarks

^{/1} Bonus of Board of Directors in 2018 was paid in May 2019 as resolved by the Shareholders in the Annual General Meeting for year 2019

(2) Directors' Remuneration of Subsidiaries

EGCO assigned the Management to be directors of subsidiaries as one of their duties so that the Management will not receive the remuneration as the directors.

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6. EGCO and Subsidiaries' Management Remuneration

(1) EGCO's Management Remuneration

The Management's remuneration as approved by the Board which comprises both salary and bonus is designed to reflect the corporate and individual achievement based on the remuneration structure approved by the Board and the Key Performance Indicators (KPIs). The Board with the recommendations from the Nomination and Remuneration Committee approves the President's remuneration while the Nomination and Remuneration Committee appraises the performance of executives at Senior Executive Vice President and Executive Vice President levels with the proposal by the President.

Also, the Nomination and Remuneration Committee recommends and determines both short-term and long-term remuneration for President and top executives, taking into account their performance linked to both financial and non-financial KPIs as approved by the Board. Another factor taken into consideration for the management remuneration is the survey of the executive remuneration to ensure that the rate is comparable to their work and those of the peer companies.

The summary of the Management's remuneration defined by SEC for 2019 is shown below:

Remuneration	2019
	Management (5 persons) ^{/1}
Total Salary	35,205,520.00
Bonus ^{/2}	15,438,525.00
Provident Fund	3,036,902.00
Total	53,680,947.00

^{/1} 5 executives as defined by SEC are (1) President (2) SEVP – BDI (3) SEVP – BDD (4) CFO (5) SEVP – SAM

^{/2} The 2018 bonus was paid in January 2019.

(2) Total Remuneration of Core Subsidiaries' Management

In 2019, EGCO's core subsidiaries which generate electricity for sale and the revenues accounted to more than 10% of the consolidated revenue consists of KEGCO, BPU, and QPL. However, QPL had no permanent employees but have engaged QMS for the project management while the operation and maintenance works had been engaged to Pearl Energy Philippines Operating Inc. from the commercial operation date (COD).

7. EGCO and Core Subsidiaries' Employees

In 2019, EGCO Group had 421 headcounts, 251 of which were EGCO employees while 163 people worked for subsidiaries namely KEGCO, BPU, QPL.



As of December 31, 2019, EGCO has 258 headcounts which include the President, 4 Senior Executive Vice Presidents. The number of employees in each reporting line of EGCO and numbers of subsidiaries' employees are as shown below:

Business Group	No. of Employees (person)
1. President	18
2. Corporate Management	60
2. Business Development - International	16
3. Business Development - Domestic	8
4. Strategy and Asset Management	81
5. Accounting and Finance	75
Total of EGCO	258
Subsidiaries' Employees	163
Total	421

There has been no significant turnover and no labor dispute during the past three years.

8. EGCO and Subsidiaries' Employee Remuneration

EGCO has the policy that the employees in the Group have fair remuneration which is comparable to the peer companies. The remuneration of EGCO and subsidiaries' employees in year 2019 is as shown below.

(Unit : Baht)

Remuneration	Amount	
	EGCO	Subsidiaries
Total Salary	294,212,695	153,836,786
Bonus ^{/1}	128,938,469	73,918,646
Provident Fund	27,197,128	14,744,004
Total	405,348,292	242,499,436

^{/1} The 2018 bonus was paid in January 2019.

Human resource development policy is disclosed in Sustainable Business Operation.

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9. Corporate Governance

EGCO recognizes the importance of good corporate governance as one of the crucial foundations of sustainable business. Throughout the years, EGCO is committed to upholding good corporate governance through compliance with relevant laws, rules and regulations as well as best practices for directors of listed companies and criteria for companies with good corporate governance system as prescribed by the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”). To promote and foster good corporate governance principles in business operations, and to be practice guidelines for all directors, executives and employees, the Board of Directors (“Board”) has established written Good Corporate Governance Principles and Code of Conduct which are made available on the Company’s website and the website for internal communication (EGCO Groupnet).

The Board prescribes Good Corporate Governance Principles based on 6 pillars– P-R-E-A-C-T – as a framework for overseeing and managing EGCO Group’s business operations as follows:

Promotion of Best Practice:	Promote compliance with good corporate governance principles and Code of Conduct
Responsibility:	Operate business with responsibility towards the community and society and caring for the environment
Equitable Treatment:	Treat all shareholders and stakeholders equally
Accountability:	Perform duties with honesty and integrity
Creation of Long-Term Value:	Create long-term value for the shareholders and increase competitiveness to create sustainable growth
Transparency:	Ensure fairness, transparency, accountability and no direct or indirect involvement in any form of fraud and corruption

In addition, the Board has focused on uplifting the Company’s good corporate governance standards to be in accordance with the domestic and international ones. Good corporate governance principles are annually reviewed and continuously improved based on the criteria and recommendations of SEC, SET, Corporate Governance Report of Thai Listed Companies (“CGR”) of the Thai Institute of Directors (IOD), ASEAN Corporate Governance Scorecard (“ASEAN CG Scorecard”) and Dow Jones Sustainability Indices (“DJSI”).

The Board and Company performance can be summarized pursuant to the 8 principles of Corporate Governance Code for Listed Companies 2017 (CG Code 2017) as follows:

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Board performs duties according to the roles and responsibilities as prescribed in a director manual which is given to all new directors. This ensures that the directors understand the Company’s nature of business and play their significant roles effectively according to the duties and responsibilities which are **formulation of corporate policy, vision, mission and operational direction** by working closely with the management in making plans, setting both short-term and long-term strategies and monitoring the implementation in accordance with the specified policy and direction.

Moreover, the Board, as a representative of shareholders, dedicates its time to **perform duties in compliance with fiduciary duties**, responsibilities as well as resolutions of the shareholders meeting with honesty, prudence and care, and for the utmost benefits of the Company and fairness to all stakeholders such as shareholders, investors, employees, customers, suppliers,

debtors, government agencies, community and environment. Each Board also gives comments independently and in compliance with the Company's Good Corporate Governance Principles.

The Board develops Board and Subcommittee Charters, complying with laws, rules, regulations and Good Corporate Governance Principles to ensure the directors' understanding of their roles, duties and responsibilities towards shareholders and stakeholders, and to allow the directors to perform such duties effectively.

The Board oversees compliance with the Code of Conduct of directors, executives and employees as they take part in initiating, promoting and taking responsibility in the Company's mission. The Board has considered both national and international best practices which are in line with the Company's Good Corporate Governance Principles and reviewed the Code of Conduct on a yearly basis. The Code of Conduct has been continuously revised since 2003. The Code of Conduct for Directors comprises Business Principles, Adherence to the Code of Conduct, the Board's Ideals, the Board's Duties and Responsibilities, Conflicts of Interest, and Use of Information. The Code of Conduct for Employees embraces 8 topics: 1. Responsibilities to Stakeholders; 2. Responsibilities to the Company; 3. Procurement and Transactions; 4. Prevention of Conflicts of Interest; 5. Employees; 6. Safety, Health and Environment; 7. Anti-corruption, and 8. Whistleblowing.

The Board performs duties with responsibility, prudence and honesty as well as overseeing the Company's operations in accordance with the laws, regulations and resolutions of the shareholders meeting. In 2019, the Board considered improving and implementing good corporate governance in activities as follows:

1. Revise corporate vision, mission, goals and return on equity
2. Consider the appointment of the Risk Oversight Committee to oversee EGCO's risk management and risk levels and develop a written Risk Oversight Committee Charter
3. Revise the Audit Committee Charter
4. Improve rules, criteria and policies such as the Company rules on human resource management, financial management guidelines, EGCO Group's Code of Conduct for Suppliers, investment guidelines and EGCO Group's policies such as the environment policy, the stakeholder engagement and community development policy, the human rights policy and the goods and services procurement policy

Principle 2 Define Objectives that Promote Sustainable Value Creation

The Board regularly monitors the implementation of the Company's strategies through opinions and discussions with the management in the Board and subcommittee meetings. To ensure that the Company can achieve its goals according to the strategic plans, the Board has played its roles and performs duties as follows:

- Formulate a risk management policy, a business plan and an annual budget, and monitor the Company's performance as well as approving major investments, acquisition and disposal of assets
- Recruit, set the remuneration rate, monitor and (if necessary) change the key management personnel as well as inspecting the management succession plan
- Review the remuneration rate of directors and senior executives and ensure that the Board nomination process is conducted officially and transparently
- Monitor and resolve conflicts of interest which may incur among the management, directors and shareholders as well as ensuring an independent audit, appropriate internal control system, risk monitoring, financial control and legal compliance

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- Monitor the effectiveness of the existing corporate governance working methods and implement changes if necessary
- Monitor the information disclosure and communication processes
- Conduct a self-appraisal on performance annually and declare its duties and responsibilities in the annual report

Leadership towards Strategic Plans

The Board has involved in setting corporate vision, mission, strategies, including goals and short-term and long-term business plans which are revised on a yearly basis. The Board and the management participated in the corporate strategy seminars on July 18, 2019 and August 22, 2019. The management gathered the Board's opinions and recommendations to formulate short-term, medium-term, long-term strategic plans and an annual action plan that best addressed the current situation, current and future business challenges, and the Company's risk management as well as being in line with the Company's vision and mission. The strategic plan was developed based on the Balanced Scorecard embracing 4 perspectives: Financial Perspective, Customer Perspective, Internal Business Process Perspective and Learning and Growth Perspective. This process will lead to the strategic implementation by means of measurement or assessment which will ensure consistency in the Company and highlight the Company's critical success factors. The action plan was also consistent with key performance indicators.

For the 2020 strategic plan, EGCO will expand its investment direction by strengthening its power business, going further into the investment in fuel procurement business, and seeking new investment in smart energy solution business, backed by the financial strategy which focuses on searching for competitive funding sources as well as mitigating financial risks to increase competitiveness, which is one of the Company's key success factors. In addition, EGCO has emphasized on managing the commercially operated power plants to achieve maximum efficiency and managing the power plant projects under construction to be completed within the specified timeframe and budget. The Board has also focused on enhancing its personnel strength to increase personnel competencies and ensure long-term achievements. Moreover, EGCO is determined to uplift its sustainability and good corporate governance levels that can meet international standards. Overall, corporate strategies will lead the Company to long-term value creation for stakeholders.

Once the Board approves a strategic plan, an action plan and key performance indicators, the management will prepare budget and manpower to be in line with such strategic plan and action plan which will then be submitted to the Board for approval of annual budget and manpower. This resource allocation can be deemed as one of the duties of the Board in order to carry out the action plan and achieve the specified objectives. The management also reports the progress of implementation of annual action plan as well as corporate KPIs to the Board regularly.

As such, the President communicated the Company's strategic plan and goals to all employees on "Communication Day", which in 2019, was held on February 6, 2019 to acknowledge the Company's operation plan, and each division's responsibility and the adoption of the plan in order to achieve the goal.

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Principle 3 Strengthen Board Effectiveness

The Board prescribes the number of directors to be suitable for the size of business and ensure effective corporate governance. At present, the Board comprises 15 directors. More details can be found in the Management Structure section (subsection: Structure of the Board of Directors) of the Annual Report. The Board annually reviews the Board structure and composition to consider the Board structure and composition which are appropriate and necessary for the Company's achievement of goals by referring to the criteria and recommendations of SEC, SET, CGR, ASEAN CG Scorecard and DJSI. However, the Board has considered and found that the Company was still not able to comply with some criteria as prescribed in CGR, ASEAN CG Scorecard and DJSI since in view of the utmost benefits of all stakeholders, the adherence to the existing principles was still appropriate to the Company's current situation. The Board then established conditions and practice guidelines as a management and oversight mechanism to establish confidence of fair, transparent and effective operations among all stakeholders with details as follows:

Unimplemented Items	Conditions and Practices
The Board shall consider the appropriate number of directors who can efficiently perform duties. The Board shall comprise at least 5 directors and not more than 12 directors, depending on the size, type and complexity of the business.	The Board consisted of 2 directors as representatives of major shareholders and independent directors who were suitable for the Company's business characteristics, especially overseas energy business, requiring knowledge and expertise in energy of representative directors, so that EGCO's successful operations were achieved according to the Company's objectives and strategic plan. The number and proportion of directors also reflected appropriate checks and balances.
A Chairman of the Board shall be an independent director.	The Board selected an appropriate person as the Chairman of the Board. Although EGCO's Chairman of the Board was not an independent director, he performed his duties on fair and

Unimplemented Items	Conditions and Practices
	<p>transparent basis, took the Company's interests into account, and did not subserve private interests. The Chairman of the Board also encouraged representative directors and independent directors to discuss and express opinions freely and there had never been a case of decisive votes exercised by the Chairman of the Board to pass any resolutions.</p> <p>Moreover, the Board approved to appoint Ms. Jaruwan Ruangswadipong, Independent Director, as a Lead Independent Director to chair a meeting of Independent Directors and represent them in the discussion held between the Chairman of the Board and the management on matters relating to corporate governance and significant matters as deemed appropriate. The meeting results were reported to the Board.</p> <p>More details about the Chairman and the Lead Independent Director can be found in the Management Structure section of the Annual Report.</p>
A Chairman of the Nomination and Remuneration Committee shall be an independent director.	Although the Chairman of the Nomination and Remuneration Committee was not an independent director, he had experience and expertise in international organizations management which was beneficial for the formulation of personnel recruitment and development, remuneration and benefits of directors and employees, thereby ensuring competitiveness and handling expansion in energy investment and related business overseas in alignment with the Company's strategic plan.
Consideration of suitability of remuneration proportion in terms of salary, short-term operating results such as bonus, and long-term operating results such as Employee Stock Ownership Plan ("ESOP")	The Nomination and Remuneration Committee endorsed the remuneration structure of the Board, executives and employees by linking bonus to the Company's performance according to the KPIs, one of which was long-term growth, despite no ESOP given to employees.

Qualifications of EGCO's Directors: The Board prescribes qualifications of EGCO's directors and director nomination criteria and procedures to ensure that the Company's Board composition is appropriate and good corporate governance is implemented efficiently and effectively as follows:

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General Qualifications	Specific Qualifications
<ul style="list-style-type: none"> Not over 72 years on the date of appointment (if the director has already been 72 years old while in office, he or she can remain in office until the expiry of the term) Hold a maximum of 3 directorships in SET-listed companies Have qualifications required by laws, relevant regulations and the Company's Articles of Association Exhibit integrity, responsibility and maturity Raise comments and suggestions freely without influence and interference from others Dedicate full time in overseeing the Company 	<p>Possess relevant skills, knowledge, competence and experience as follows:</p> <ul style="list-style-type: none"> ✓ Power, energy and engineering business ✓ Accounting, finance, economics and business administration ✓ Law and political science ✓ Strategic and business planning ✓ Corporate governance, internal control and risk management ✓ Human resource management ✓ Information technology

Nomination, Appointment and Removal of Directors

EGCO's director nomination process and procedures are conducted clearly and transparently as follows:

- The nomination of directors will be based on a list of persons nominated by the shareholders as the Company grants the shareholders the right to propose director nominees, names of current directors, names of director candidates selected by external consultants and Director Pool of reliable institutes such as the Thai Institute of Directors (IOD) and the Ministry of Finance. At present, most names of EGCO's directors are listed in the Director Pool of the Ministry of Finance. In 2019, EGCO's directors who are listed in the Director Pool of the Ministry of Finance are Mr. Nikul Silasuwan, Mr. Patana Sangsriroj, Mr. Jakgrich Pibulpaibroj and Mr. Kulit Sombatsiri who was appointed on January 17, 2020.
- The Nomination and Remuneration Committee is responsible for screening all director nominees by considering qualifications and skill matrix that the Company needs and still lacks of in order to support strategies and objectives, and create challenges, leading to the Company's success. The Committee also takes into account diversity of the directors in terms of sex, age, race, nationality, knowledge, competence, experience and expertise in necessary areas.
- The Board will consider the re-election of directors retiring by rotation based on the directors' past performance and appraisal results.
- The Nomination and Remuneration Committee will propose a name list of all qualified director candidates, whether being directors as representatives of shareholders or independent directors, to the Board for appointment in case of a vacancy from any other reasons than the retirement by rotation and to the shareholders' meeting for appointment in case of completion of term of office.

The Board, appointed at the AGM, comprises no less than 5 directors and no more than 15 directors. No less than half of the directors must have residence in the Kingdom of Thailand. In case of a vacancy from any other reasons than the end of term, the Board shall select a qualified candidate in the next meeting with three-fourths majority votes of directors remaining in office.

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EGCO abides by the Public Limited Companies Act B.E.2535 (1992). At each AGM, one-third of the directors shall retire by rotation. If the total number of directors cannot be evenly divided into 3 parts, the number shall be closest to the ratio of one-third. In case any director intends to resign from the Company, he or she must submit a resignation letter which will be effective on the date the Company receives the letter. In order to vote for the early retirement of any director before the end of term, there shall be no less than four-fifths of the votes of shareholders attending the meeting and entitled to vote.

Tenure of Independent Directors: EGCO also specifies the tenure in office of independent directors to be no more than 2 terms or 6 years to maintain the independence of the independent directors from the management and shareholders which is in line with the best practices, effective from the 2016 AGM date onwards. In 2019, none of the independent directors held office for more than 2 terms or 6 years.

Segregation of Authority: The Board has clearly separated the formulation of a good governance policy, which is the Board's duty, from routine management, which is the duty of the management. A Table of Authority, as approved by the Board, is therefore set as practice guidelines that the Board will not intervene in any routine work or business carried out by the management under the President's responsibility. More details can be found in the Management Structure section (subsection: 3. Management Structure) of the Annual Report.

Policy and Practice in Holding Directorships in Other Companies for Directors and Executives: The Board places importance on performance efficiency of directors. To allow directors to dedicate full time in governing the Company's businesses, the Board has therefore established a policy to limit the number of other listed companies that a director can hold a position. A non-executive director can serve as a director in no more than 3 other listed companies while an executive director can serve no more than 2 listed companies. Currently, none of the directors hold a position in other listed companies in excess of the required number.

Establishment of Subcommittees: The Board establishes 5 subcommittees, namely 1. Audit Committee; 2. Investment Committee; 3. Nomination and Remuneration Committee; 4. Corporate Governance and Social Responsibility Committee; and 5. Risk Oversight Committee to lessen the burdens of the Board in various matters in order to screen job descriptions more clearly based on each director's expertise in the subcommittees. All subcommittees directly report to the Board with details shown in the Corporate Governance and Business Ethics section of the Sustainability Report. The details on each subcommittee's structure, roles and duties can be found in the Management Structure section of the Annual Report and the Company's website (www.egco.com).

Board and Subcommittee Meeting: The Board sets meeting dates and agenda for the entire year in advance. A Board meeting is held on a monthly basis. An extra meeting can be arranged if there is any major unplanned event. The Board can authorize the subcommittees to screen or approve the management's activities within the delegated authority. The Board meeting notice and meeting documents with sufficient information are delivered to directors at least 7 days in advance to allow adequate time to contemplate the information and optimize the meeting time, except in an urgent case to preserve the rights or benefits of the Company. To facilitate and enhance safety in delivery of the meeting documents for the Board as well as embark on a Go Paperless campaign, EGCO sends those documents in their electronic form (E-meeting) via email which can be read on iPads or personal computers. More details about meeting arrangement and meeting attendance record of each director can be found in the

Management Structure section (subsection: Table: Meeting Attendance of the Board of Directors) of the Annual Report.

Quorum of the Meeting: The quorum requires no less than two-thirds of the total number of directors to pass resolutions. However, a director who has a potential conflict of interest shall not receive any related document and shall not take part in any Board discussion on that topic as well as voting on such item. After the meeting, the secretary to the Board shall prepare the written record of the meetings, namely the Board's resolutions, which shall be submitted to the Board within 3 days to confirm the meeting resolutions, and the draft minutes of meeting, which shall be submitted for the Board's review within 14 days after the meeting and prior to the approval in the next Board meeting. As such, the approved meeting minutes and agenda documents are kept systematically as confidential documents at the Corporate Secretary Division in both hard copy form and electronic form in order to be convenient for access and reference.

Access to Additional Crucial Information: The Board can receive additional crucial information from the President, Corporate Secretary or other executives delegated under the specified policy. The Corporate Secretary will support the Board's actions and access to additional crucial information. As such, the Corporate Secretary possesses knowledge and experience which can ensure the efficiency of performance as further detailed in the Management Structure section of the Annual Report. Moreover, to ensure compliance with good corporate governance principles, the Board stipulates that a non-executive director meeting shall be held for the non-executive directors to jointly discuss and voice opinions on guidelines for the Company's management and business operations, and an independent director meeting shall be held for the independent directors to exchange ideas and consider performance of independent directors in other dimensions. The Board and the Independent Director Committee regularly hold such meetings at least once a year. In 2019, the non-executive directors held one meeting on January 17, 2020 to discuss and initiate further development of HR Roadmap, guideline on investment according to the strategy, and activities for relationship between management and director. The Chairman of the Board communicated the guidelines to the President for acknowledgement and further formulation of strategic plan and operational plan. The Independent Directors held 2 meetings on January 24, 2019 and October 18, 2019 to consider independent directors' roles in supporting operations and corporate strategies, relationship between directors and management, and risks from EGCO's current business operations.

Board Self-Appraisal: The Board regularly conducts self-assessments on a yearly basis, allowing all directors to jointly consider their previous year's performance and problems for further improvement of the Board's performance efficiency. The Board approves a self-appraisal form reviewed by the Nomination and Remuneration Committee. In 2019, the Board approved the collective self-appraisal by giving more weight to the good governance responsibility. The collective self-appraisal form covers the performance of each area of the Board's responsibility and fits to the Company's business characteristics and conditions, including Code of Conduct and business ethics of the Company. There are three self-appraisal forms: 1. Collective Self-appraisal Form; 2. Subcommittee Self-appraisal Form; and 3. Individual Self-appraisal Form. The evaluation criteria are calculated in percentage of the total score for each item. The Board self-appraisal forms will be sent to the Corporate Secretary to evaluate and conclude a total score. The criteria are as follows:

Criteria	Moderate	Good	Very Good	Excellence
Score	0-69	70-79	80-89	90-100

The score results and the Board's recommendations for each category will be implemented for further performance improvement each year.

- 1) **Collective Self-Appraisal:** The collective self-appraisal form comprises 6 topics: (1) Structure and Qualifications of the Board; (2) Roles, Duties and Responsibilities of the Board; (3) Board Meetings; (4) Director's Performance; (5) Relationship with the Management; and (6) Self-Development of Directors and Management. All 15 Board members conducted the self-appraisal.

Result of the Collective Self-Appraisal: average score of 93.11% or "Excellent".

- 2) **Subcommittee Self-Appraisal:** comprises the Audit Committee, the Investment Committee, the Nomination and Remuneration Committee, the Risk Oversight Committee, and the Corporate Governance and Social Responsibility Committee. Such performance appraisal is a self-appraisal survey conducted in line with the Good Corporate Governance Principles and their specific duties and responsibilities of each committee.

- **Audit Committee Self-Appraisal:** The Committee conducted a collective self-appraisal by adopting an appraisal form from SEC's Audit Committee Handbook, divided into 2 parts: 1. Overall Performance of Duties of the Audit Committee, and 2. Specific Performance of Duties of the Audit Committee. Based on the self-appraisal result in 2019, it can be concluded that the composition, qualifications and performance of the Audit Committee were in accordance with SET's practice guidelines, international best practices, and missions assigned by the Board as stipulated in the Audit Committee Charter. The Audit Committee reported the 2019 self-appraisal result to the Board for acknowledgement in the Board meeting no. 1/2020/1 held on January 17, 2020.

- **Investment Committee Self-Appraisal:** covers 3 topics: 1. Structure and Qualifications of the Investment Committee; 2. Investment Committee Meeting; and 3. Roles, Duties and Responsibilities of the Investment Committee. All 5 Investment Committee members conducted the self-appraisal.

Result of the Investment Committee Self-Appraisal: average score of 86.98% or "Very Good".

- **Nomination and Remuneration Committee Self-Appraisal:** covers 3 topics: 1. Structure and Qualifications of the Nomination and Remuneration Committee; 2. Nomination and Remuneration Committee Meeting; and 3. Roles, Duties and Responsibilities of the Nomination and Remuneration Committee. All 5 Nomination and Remuneration Committee members conducted the self-appraisal.

Result of the Nomination and Remuneration Committee Self-Appraisal: average score of 96.47% or "Excellent".

- **Corporate Governance and Social Responsibility Committee Self-Appraisal:** covers 3 topics: 1. Structure and Qualifications of the Corporate Governance and Social Responsibility Committee; 2. Corporate Governance and Social Responsibility Committee Meeting; and 3. Roles, Duties and Responsibilities of the Corporate Governance and Social Responsibility Committee. 4 out of 5 Corporate Governance and Social Responsibility Committee members conducted the self-appraisal.

Result of the Corporate Governance and Social Responsibility Committee Self-Appraisal: average score of 100% or "Excellent".

- **Risk Oversight Committee Self-Appraisal:** covers 3 topics: 1. Structure and Qualifications of the Risk Oversight Committee; 2. Risk Oversight Committee

Meeting; and 3. Roles, Duties and Responsibilities of the Risk Oversight Committee. All 5 Risk Oversight Committee members conducted the self-appraisal.

Result of the Risk Oversight Committee Self-Appraisal: average score of 94.44% or “Excellent”.

3) Individual Self-Appraisal: covers 3 topics: 1. Director Qualifications; 2. Roles, Duties and Responsibilities of Directors; and 3. Performance in the Board Meeting. All 15 Board members conducted the self-appraisal.

Result of the Individual Self-Appraisal: average score of 94.40% or “Excellent”.

The Use of Appraisal Results for Director Development: From the appraisal results, the Board considered that corporate governance was crucial for efficient operations, stakeholders’ confidence and sustainable corporate values. In 2019, the Board dedicated more time to review good corporate governance principles and improve EGCO’s Corporate Governance Principles and practice guidelines to be in line with the rules and regulations of regulatory agencies and criteria for domestic and overseas corporate governance assessment, thereby uplifting EGCO Group’s corporate governance standards to be comparable to the international standards and competitive in the ASEAN region.

Remuneration of Directors: EGCO has set directors’ remuneration at an appropriate rate by considering remuneration criteria based on the Company’s performance, assigned responsibility and comparison with other organizations in the same size and business sector. The remuneration comprises 3 parts: fixed remuneration, meeting allowance and bonus which will be given once a year and tied to shareholder’s value to the Company. The Nomination and Remuneration Committee is responsible for considering preliminary remuneration scheme to be approved by the Board before proposing to the annual general meeting of shareholders for approval. It is EGCO’s policy to disclose each director’s remuneration for transparency. Directors who serve as subcommittee members are also entitled to earn extra remuneration to match their increased duties and responsibilities. More details can be found in the Management Structure section (Director and Management Remuneration subsection) of the Annual Report.

Development of Directors and Executives: The Board pays close attention to continuous development of directors and executives to foster their efficiency and effectiveness. **New directors’ orientation** is arranged and lectured by the President with focus on good corporate governance, anti-corruption policy, Code of Conduct for Directors, electrical industry, business characteristics, EGCO Group’s businesses, structure and composition of the Board and subcommittees, organizational chart and management team. A director manual is also given to individual directors as practice guidelines to provide new directors with good understanding of the Company’s business and related regulations. A meeting with executives is arranged to allow new directors to inquire for in-depth information on the Company’s business. The Company also encourages new directors to attend related trainings held by IOD and other useful trainings relating to corporate governance.

In addition, the Board has a policy to continuously **improve knowledge and capabilities of directors**. In 2019, the Company’s directors attended trainings and seminars held by reliable institutes and shared knowledge with directors as follows:

Knowledge sharing between directors and executives

- Training program on Disruptive Technology led by Mr. Patana Sangsriroujana, Director, with 7 attending directors



- Training Program on COSO ERM led by Prof.Dr. Anya Khanthavit, Independent Director, with 4 attending directors

Trainings and Seminars from Institutes

- Training program on Cryptocurrency Technology led by Mrs. Tipsuda Thavaramara, Former SEC Deputy Secretary-General, with 8 attending directors
- Seminar and workshop on Cyber Resilience held by the Bank of Thailand, with 1 attending director
- Audit Committee Forum: “Strategic Audit Committee: Beyond Figure and Compliance” held by the Thai Institute of Directors, with 1 attending director
- Bangkok Sustainable Banking Forum 2019: An Industry Wake-up Call held by the Bank of Thailand, with 1 attending director
- Study visit on corporate governance, risk management and internal control at Kiatnakin Bank Public Company Limited, with 2 attending directors

Overseeing the Operations of Subsidiaries and Associate Companies: In order to ensure that EGCO Group’s holding business operations meet the policy, goals, and appropriate returns for shareholders, the Board has set rules for overseeing subsidiaries and associate companies in writing as guidelines to monitor the Group companies with the following details:

1. Monitor EGCO Group companies’ operations through appointed representatives who serve as directors or shareholders of its subsidiaries and associate companies. The appointment of the representatives shall be approved by the Nomination and Remuneration Committee
2. Specify the duties of EGCO representatives as follows:
 - 2.1. Monitor the preparation of guidelines for the management of subsidiaries or associate companies for scrupulous and efficient operation
 - 2.2 In case of any major events, EGCO Board has the right to approve such matter with the exception of urgent cases which shall be firstly proposed to the Board for acknowledgement
 - 2.3 Propose the following matters to EGCO Board for approval prior to execution
 - Nomination and removal of the President and Senior Executive Vice President
 - Determination of President’s remuneration
 - Preparation, improvement or change of important rules
 - Capital increase or decrease
 - Business operations of the Company’s new investments
 - Business operations affecting or competing with the business of EGCO or Group companies
 - Expansion of business operations other than core business
 - 2.4 Require the management to report on business performance and major events of the Group companies which are included as an agenda for acknowledgement in the Board meeting.

Principle 4 Ensure Effective CEO and People Management

Executive Development and Succession Plan: The Board encourages the President to invite senior executives such as Senior Executive Vice Presidents to attend all Board meetings. Other executives are also welcomed to join the meetings to provide additional information on related agenda item. This, in turn, enables the Board to know each executive better and subsequently can use this useful information for the succession plan. In addition, the Board ensures that EGCO has implemented executive development programs to enhance competencies of executives holding higher positions and develop knowledge and skills suitable for the positions and challenging job assignment. The Board determines a policy and criteria in selecting the President and a succession plan in the event of any emergency or the retirement of the

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President. The selection process is fair and transparent. The candidates will be assessed from their knowledge, competency, experience, ethical values and leadership. The Nomination and Remuneration Committee is responsible for nominating the qualified persons to be the President.

The President is authorized by the Board to select knowledgeable, competent and experienced executives in accordance with the qualifications identified by the Nomination and Remuneration Committee. The appointment of the executives is in compliance with the Company's Regulations on Work Rules 2010 and the resolutions of the Board.

In 2019, the Company executed a succession plan for executives at Executive Vice President level to ascend to positions at Senior Executive Vice President level in different areas in replacement of those who retired and for executives at Senior Vice President level to ascend positions at Executive Vice President level. In addition, the Board entrusted the Nomination and Remuneration Committee to follow up the progress of succession planning. In this regard, the Nomination and Remuneration Committee prescribed that the report on the execution of succession plan shall be set as an annual agenda item.

Performance Appraisal of the President and Executives: President's performance is collectively appraised by all non-executive directors against the Company's performance results, implementation of policy assigned by the Board and individual's competencies. Factors for consideration include the following:

- Qualitative indicators such as leadership, relationship with the Board, risk management and internal control, human resource management, good corporate governance and Code of Conduct
- Key Performance Indicators (KPIs) against each year's performance and achievements as stipulated in long-term plans
- Capabilities to enhance business development each year

The Nomination and Remuneration Committee is responsible for approving the performance appraisal of the Senior Executive Vice Presidents and Executive Vice Presidents based on their individual achievement against the specified performance indicators.

Remuneration of Executives: The Board, comprising all non-executive directors, is responsible for determining the remuneration scheme for the President and approving the Company's remuneration structure. The Board periodically conducts a survey concerning executive remuneration to ensure that its payment rate is competitive and adequate enough to attract and maintain qualified executives. Executives who sit in the Board and subcommittees are not entitled to any director remuneration.

Remuneration of the President: The remuneration scheme for the President, consisting of monthly remuneration and bonus, will be considered based on the monthly remuneration of executives in the same industry and annual performance appraisal. The President's bonus will be based on the results of KPIs comprising each year's KPIs and KPIs according to long-term goals set in the strategic plan to generate future growth. The President's remuneration scheme is therefore aligned with EGCO's major objectives and goals and both short-term and long-term benefits of the Company. Details of remuneration of executives are disclosed in the Management Structure section (Remuneration of Directors and Executives subsector) of the Annual Report.



The Board understands shareholder structure and relationship which might affect the Company's management and operations. The Board has therefore determined practice guidelines and measures to avoid possible negative impacts such as measures or procedures for approval of connected transactions, insider trading prevention and conflict prevention of which details are disclosed in the Connected Transactions and Corporate Governance sections (Insider Trading Prevention and Conflict of Interest Prevention subsections) of the Annual Report, respectively.

The Board regularly monitors personnel management and development to ensure the appropriate number, knowledge, skills, experience and incentives. In 2019, the Board supported the development of HR Roadmap to deal with current disruption, of which details can be found in the Human Resource Management section of the Sustainability Report. In addition, EGCO raises employee awareness of the good employees and citizenship as well as the importance of corporate governance and ethics. The Board has encouraged **communication of Good Corporate Governance Policy and Principles and Code of Conduct** both internally and externally through various channels. Internal communication channels include meetings between employees and the President (Communication Day), internal website (EGCO Groupnet), wire broadcasting on Fridays at EGCO headquarters and awareness-raising activities. External communication channels comprise the Company's website (www.egco.com) and the exhibition on good corporate governance and anti-corruption in the Company's annual general meeting of shareholders, etc. In 2019, EGCO undertook activities such as CG Day to promote the implementation of good corporate governance principles across EGCO Group companies as well as foster core values of ethic and integrity among directors, executives and employees, of which details are disclosed in the Good Corporate Governance Principles section of the Sustainability Report.



Compliance Monitoring and Appraisal: The Board monitors and ensures compliance with good corporate governance principles and the Code of Conduct of directors, executives and employees. The directors will receive a director manual and a Code of Conduct for Directors upon holding the position. All new employees will receive a Code of Conduct from the Human Resources Division to be signed for acknowledgement and strict compliance. Moreover, the President has required employees at all levels to act in compliance with good corporate governance principles and review their compliance activities. Since 2017, the Board has

promoted the use of innovation and technology in working processes and therefore approved that the employees complete an online appraisal form to measure knowledge and understanding of good corporate governance principles and practice guidelines and Code of Conduct. In 2019, EGCO Group improved the appraisal system whereby employees can conduct appraisals on knowledge and understanding of good corporate governance and Code of Conduct for Employees via EGCO Group's e-learning system. The appraisal results showed that 99% of employees passed the criteria, of which details can be found in the Good Corporate Governance Principles section of the Sustainability Report.

Principle 5 Nurture Innovation and Responsible Business

Business value creation through innovation is executed in parallel with the creation of benefits for customers or concerned parties. The Board emphasizes and supports the creation of innovation that contributes to business value creation as well as benefits for customers or concerned parties and social and environmental responsibility. The Board has then entrusted the President and the management to promote a mindset behind creative and innovative thinking among EGCO Group's employees and fostered innovation as one of the Company's core values. Innovation projects and activities are annually undertaken in a concrete way. Details about innovation projects and activities are disclosed in the Adaptation in the Digital Age and Innovation Creation section of the Sustainability Report.

Information Technology Systems: The Board has placed emphasis on information technology systems and promoted the use of technology to improve business operations and risk management by requiring the management to conduct a study on the use of information technology in support of EGCO's new businesses in a proper, correct, complete and safe manner. In 2019, the Information Technology Division improved information technology systems for higher operational efficiency as follows:

- Corporate Performance Management System: an information management system comprising a planning system, a budgeting system, an estimation system, an analysis system for information relating to the Company's asset management, an operation and maintenance system and a financial system, which helps collecting information necessary for decision-making of executives and operations of different units
- Cloud System such as E-Mail, Intranet, Business Process, Collaboration Tools, etc.
- Efficient network system and authentication and network security system according to the IEEE 802.1X standard
- Intrusion Prevention System to prevent cyberattacks and threats and information leakage
- Backup System to avoid damages that may arise in case of data damage or loss so that backup data can be promptly restored
- Protect and Control Documents System

The improvements of those systems can ensure that the Company has a more safe, efficient and convenient system for employees.

Social and Environmental Responsibility: As Thailand's first large private power producer, EGCO is committed to driving its business progress and sustainability. EGCO has not only carefully operated its business to support sustainable corporate growth, but also realized that environmental and social sustainability is the key to success. It has clearly set in its vision and mission the commitment to social responsibility as part of its role and responsibilities as the good corporate citizen. It will select power generating technology that effectively controls possible impacts on the environment and society arising from climate change and global warming, strictly comply with environment-related laws and regulations in order to control

emissions of pollutants and waste, fairly treat stakeholders, be involved in the development of societies and communities surrounding the power plants, and operate business with good governance to ensure fair, efficient, transparent and accountable operations. Such measures will not only enhance confidence among shareholders, stakeholders and all concerned parties, but also promote sustainable growth and increase long-term competitiveness. EGCO has reported the details of social and environmental responsibility performance in the Sustainability Report.

Roles of Stakeholders and Protection of Stakeholders' Rights: The Board has also taken great care of the rights of all groups of stakeholders by giving priority to issues that may affect its business both internally and externally as well as corporate social and environmental responsibility. Therefore, the Board has clearly established **practice guidelines to meet the needs of each group of stakeholders** in the Company's Good Corporate Governance Policy and Code of Conduct to be abided by directors, management and employees. Moreover, in 2019, the Board revised and considered regrouping the stakeholders through stakeholder engagement in a clear and thorough manner by classifying into 12 groups: 1. Employees 2. Customers 3. Creditors 4. Community 5. Society 6. Suppliers 7. Non-profit Organizations 8. Media 9. Government Agencies/ Regulatory Agencies 10. Contractors/ Subcontractors 11. Business Partners 12. Investors, which has already been applied to work processes along with the former stakeholder groups according to the good corporate governance principles and Code of Conduct. The Company is in the process of considering further improvements of policy and practice guidelines for stakeholder groups in 2020. However, the protection of stakeholders' rights which was improved and applied can be summarized as below. More details about treatment of employees and stakeholders can be found in the Sustainability Report.

- **Employees:** EGCO has formulated an employee policy with focus on recruitment and selection of employees which shall proceed through the recruitment and selection processes according to the employment policy which offers opportunities to all interested persons who possess knowledge, expertise and potential appropriate for their job positions and especially good attitudes towards the surrounding people, duties and responsibilities and the Company. These people will act like "givers" who willingly help others and make contributions to the public. Once the organization is filled with smart and good people, they will then advance the organization with cordiality and goodwill. EGCO has also supported employment of local people to promote job creation and revenue generation in the communities in which EGCO operates its business. Since 2017, EGCO has supported the implementation of projects for the disabled in the provinces where power plants are located to replace payments of fund contributions. In 2019, the Company supported 2 projects of the disabled in Saraburi Province, namely a pickled fish wholesale project and a traditional coffee and drinks project. With respect to employee treatment, EGCO assures a safe working environment and appropriate and fair remuneration and welfare. EGCO supports its people to continuously enhance knowledge and capabilities through trainings to continuously increase work efficiency. To live in harmony with the surrounding communities, employees are also encouraged to participate in community and social development activities, for instance, the communities surrounding the Company and power plants operated by EGCO. Activities between employees and executives are organized to foster good relationship which will further lead to a happy workplace. In 2019, the Company introduced one more communication channel, a Sharepoint system, through mobile application where employees can receive information on various matters everywhere and all the time, apart from the internal communication plan called "HR Communication" aiming to correctly and clearly communicate welfare, benefits,

performance assessment, career path, etc. to the employees. With the Company's employee care, there was no dispute or lawsuit between EGCO and employees in 2019. Also, there was no accident that caused work absence in all subsidiaries.

- **Customers:** EGCO adheres to its commitment to customers, as the generator and seller of electricity and energy supplier, under fair treatment, accountability and without corruption by delivering quality products and services in a timely and reliable manner. Moreover, EGCO preserves confidential information of customers and refrains from using such information for own sake or that of others wrongfully to build sustainable interrelationships. In 2019, there was no dispute or lawsuit between EGCO or its subsidiaries and the customers. As for the power generating business, EGCO Group could generate the contracted electricity with higher Equivalent Availability Factors (EAF) than that prescribed in the Power Purchase Agreement (PPA) and customers were satisfied with EGCO Group's operations of power plants with the average score of 93.90% from the customer's satisfaction survey. For the maintenance business, EGCO Group's service was rated "Excellent" with the average score of 96.80% from the customer's satisfaction survey
- **Creditors:** EGCO has fairly, responsibly and transparently treated all its creditors by strongly complying with all of the loan provisions and correctly disclosing Company's true financial status. In case that there is any suspected event to affect its creditors, the Company will take immediate action to correct the matter. In 2019, EGCO and its subsidiaries fully complied with all the loan provisions and never failed to meet payment terms.
- **Suppliers and Business Partners** are of considerable importance to EGCO Group's business operations. In 2019, EGCO Group improved all practice guidelines for supply chain management to achieve sustainable and successful supply chain management and promote the idea of sustainable development among EGCO Group's suppliers. EGCO Group also had to ensure that suppliers' management system was in line with the sustainability issues that EGCO Group had placed emphasis on and the accepted standards, and that suppliers operated business ethically while taking into account the social and environment impacts as well as fostering cooperation with EGCO Group in preventing and mitigating such risks. The report of performance on supply chain management can be found in the Sustainability Report. In 2019, there was neither dispute or lawsuit nor complaint between EGCO Group and the suppliers or business partners.
- **Competitors:** EGCO conducts its business ethically on a transparent, accountable and corruption-free basis. The Company does not employ an inappropriate approach to gain confidential information of its competitors such as offering a bribe to the competitors' employees and attacking competitors' reputation with false allegations. In 2019, there was neither dispute or lawsuit nor complaint between EGCO or its subsidiaries and the competitors.
- **Community and Society:** EGCO Group operates its business with strong commitment to the community and society, especially in which the Company is located. As stated in the Company's mission to become a good and caring citizen, it is therefore the duties and responsibilities of all executives and employees to disclose truthful and up-to-date information, create a benevolent working environment with respect to local norms, traditions, and culture as well as participate in improving good quality of life to make a local community and society a pleasant place to live. This will eventually lead to sustainable development of the society at large. Since its establishment, EGCO has continuously executed various community and social contribution projects and activities which can be categorized in 3 main areas; namely the development of the

quality of life for local communities surrounding power plants, the promotion of youth energy and environment learning, and the watershed conservation. There were 88 community and 1 social contribution projects. EGCO has also launched a quarterly newsletter “Sukjai” as one of the communication channels to strengthen good relationship with the communities surrounding its power plants as well as has continuously supported the operation of Thai Rak Pa Foundation which was established to promote the sustainable watershed conservation conducted in collaboration with alliance networks from all sectors. In 2019, Thai Rak Pa Foundation continuously pursued watershed conservation and restoration tasks in 3 areas. In the northern part of the country, Thai Rak Pa Foundation supported the conservation of approximately 72,000 rais of watershed forests of communities living in Doi Inthanon National Park, Chiang Mai Province and encouraged people living in Mae Cham District, Chiang Mai Province to join the forestation and income generation project by reducing the use of 755 rais of areas for single croppings during 2017 - 2019. In the southern part of the country, EGCO supported the conservation of 30,000 rais of watershed forests of communities living in Khao Luang National Park, Nakhon Sri Thammarat Province. In the northeastern part of the country, EGCO carried out a project of 164-rai Lam Pa Thao watershed forest restoration in Chaiyaphum Province during 2017 – 2019. In 2019, there was no dispute or lawsuit between EGCO or its subsidiaries and people in the communities surrounding power plants or NGOs.

Respect for Human Rights is regarded as one of the fundamental principles of good corporate governance and vital for business operations. EGCO Group has continuously promoted the enhancement of knowledge and understanding of human rights and treatment towards employees and suppliers according to the guidelines of Universal Declaration of Human Rights (UDHR) and embraced human rights as part of the corporate culture. In 2019, besides improving its human rights policy to be updated and cover material issues serving as practice guidelines for employees, business partners and suppliers to show its strong commitment to operating business with respect for human rights, EGCO Group has also executed a Human Rights Due Diligence process and a Human Rights Risk Assessment process in all steps of business operations as well as activities along the supply chain according to the UN Guiding Principles on Business and Human Rights (UNGP) to ensure that all steps in doing business of the Company both internally and externally as well as all groups of stakeholders along the supply chain will not take any actions that violate human rights.

In addition, EGCO Group has defined clear guidelines for staff employment both for the Company and its business partners to strictly conform to the Labor Act of Prohibition of Child Labor or Abusive Hiring. Also, the working process and environment are carefully designed to give priority on safety and occupational health issues. In 2019, there was neither report nor complaint on the violation of human rights arising from the Company’s activities and business operations along the supply chain.

EGCO has established a Welfare Committee to accept opinions and recommendations that are beneficial and necessary for the current situation. Such opinions and recommendations are implemented for further improvements of employees’ benefits and welfare.

Principle 6 Strengthen Effective Risk Management and Internal Control

Risk Management: The Board pays close attention to risk management especially amid current disruptive changes and then appointed a Risk Management Committee in 2019. The Board has entrusted the Risk Oversight Committee to work with the management in reviewing the risk management policy, policy implementation and guidelines of EGCO Group under

corporate goals of satisfactory return, growth and corporate excellence. Reports on risk management, relevant matters, and recommendations are regularly presented to the Risk Oversight Committee at least four times a year and submitted them to the Board regularly for consideration of the adequacy of risk management system and effectiveness of risk management so that strategies, plans, and management approaches can be adjusted promptly. Recognizing the importance of risk management on EGCO Group's corporate governance, the Board thus approved that risk management and assessment tasks were separated from the Planning Division and established a new division, namely a Risk Assessment Division, to monitor risk management performance throughout the organization in alignment with EGCO Group's policy and guidelines as well as conduct a risk assessment and report the results to related committees pursuant to each committee's responsibility. The Risk Assessment Division then reports to the Executive Vice President-Asset Management under the supervision of the Senior Executive Vice President-Strategy and Asset Management Group.

EGCO has established a risk management framework as follows:

- The Risk Management Committee comprises EGCO's management with the President as the Committee Chairman. The objectives are to review EGCO Group's risk management policy and monitor its implementation; to closely monitor and assess risk management according to EGCO Group's risk management approaches; and to report the results to the Risk Oversight Committee and the Board, respectively. Each power plant also has its own Risk Management Committee to monitor and manage its own risks and to better address the overall policy and business conditions of each power plant.
- Risk management is under the Risk Assessment Division's responsibility to ensure that it efficiently addresses EGCO Group's current business circumstances as well as collaborates with risk owners and presents a risk management report to the Risk Management Committee on a quarterly basis and to the Risk Oversight Committee at least four times a year.
- Risk management is embedded into the work process. The Company assesses risks from internal and external factors that may affect goals, probabilities and impacts, establishes risk mitigation measures, develops operational plans to manage such risks, and raises awareness of risk management within the organization as part of the corporate culture, enabling all employees to be aware of risk management in their operations.

EGCO Group has adopted the Risk Management Policy and Manual as the Company's guidelines since 2001. In 2019, the Risk Oversight Committee, in its meeting no. 2/2019 held on 21 November 2019, reviewed the Risk Management Policy in accordance with EGCO Group's risk management philosophy to be applied throughout the organization and the COSO Enterprise Risk Management Integrated Framework. Risk management assessment is also included as one of the elements for internal control assessment. The results of the 2019 assessment indicated that EGCO Group appropriately implemented the risk management system. More details can be found in the "Risk Factors" section.

Internal Control and Internal Audit Systems: The Board has clearly determined duties, responsibilities and authority of executives and employees in writing. Authority is appropriately segregated to ensure checks and balances and safeguarding of the Company's assets for actual benefits. EGCO also sets a correct and timely financial report system. Moreover, EGCO's Internal Audit Division, with Mrs. Jutima Tangcharoendee as Senior Vice President of Internal Control Division and Secretary of the Audit Committee, is responsible for auditing EGCO Group's activities in Thailand and overseas, and providing advice to related units to ensure that the internal control system is appropriate and adequate enough to prevent

fraud and corruption risks. The Internal Audit Division reports its performance directly to the Audit Committee that is responsible for approving the internal audit plan, appointing, removing, and appraising the performance of Senior Vice President of Internal Audit Division in order to ensure operational independence.

Audit Committee has continuously supported knowledge enhancement of internal auditors through in-house and outside trainings, and study visits on internal audit and risk management for an exchange of knowledge and experience. In 2019, the employees in the Internal Audit Division attended trainings as follows:

1. Successful Formulation & Execution of Strategy (SFE), organized by the Thai Institute of Directors
2. Internal Auditing Certificate Program (IACP), organized by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King
3. Data Analytics for Internal Auditor, organized by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King
4. Financial Auditing for Internal Auditors or Non-Accountants, organized by the Institute of Internal Auditors of Thailand
5. Communication Skills for Auditors, organized by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King
6. Auditing Corporate Governance, organized by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King
7. CAE Forum 2019 Winning 5 G and the 4th Industrial Revolution, organized by the Institute of Internal Auditors of Thailand
8. Special training on Tax Management, organized by Dharmniti Seminar and Training CO., Ltd.
9. Intensive Project Analysis with Microsoft Excel, organized by Dharmniti Seminar and Training CO., Ltd.
10. Seminar on COSO ERM 2017, organized by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King
11. How to Develop a Risk Management Plan (HRP), organized by the Thai Institute of Directors
12. Risk Management for Sustainable Value Creation, organized by the Risk Assessment Division, Electricity Generating Plc.
13. TFRS 9: Financial Instruments, TAS 32: Presentation of Financial Instruments and TFRS 7: Financial Instruments Disclosures, organized by PricewaterhouseCoopers ABAS Ltd.
14. COSO ERM, lectured by Prof.Dr. Anya Khanthavit, Independent Director and Chairman of the Risk Oversight Committee; Prototyping & Testing, lectured by Mr. Kongklai Meksriworawan

Appointment and Remuneration of Auditor: The Audit Committee is responsible for selecting, nominating and removing the Company's independent auditor, as well as determining the audit fee which afterwards have to be finalized and approved in the AGM. In 2019, the Board and the Audit Committee considered that the auditors from PricewaterhouseCoopers ABAS Co., Ltd. ("PwC") performed their duties with professionalism, independence, impartiality, auditing experience especially in power generation business and auditing consistency, and knew all the Group companies very well. PwC also provided good audit services, gave beneficial advice, achieved a satisfactory standard of auditing, and delivered auditing work quickly and punctually. Moreover, PwC, as a well-known audit services provider using international standards on auditing, was widely recognized and had its accounting and auditing offices located in the countries in which EGCO invested in

businesses. It was therefore deemed appropriate to appoint PwC as EGCO Group's auditor for the year 2019 and determine the audit fee of 3,689,400 Baht and other actual expenses incurred from the audit performed in Thailand of not exceeding 175,000 Baht. The Company assumed responsibility of actual travel expense payment, incurred from the audit performed in the countries in which the Company invested in businesses, as deemed appropriate. In the 2019 AGM, the meeting mutually approved the appointment and remuneration of auditor as proposed by the Board.

Compliance: The Board oversees the Company's operations through two responsible units, namely (1) Compliance unit under the Corporate Secretary Division, responsible for overseeing EGCO and the Board's compliance with the Securities and Exchange Law, rules, regulations, and notifications of SET, and (2) Law Division, responsible for overseeing compliance with relevant laws.

Conflicts of Interest: The Board has a policy to avoid conflicts between personal interest and corporate interest, which is prescribed in the good corporate governance principles, to be used as practice guidelines as follows:

- Directors or employees intending to serve as directors or advisors of other companies or organizations shall not have any conflict of interest with the persons' direct responsibility and shall inform the Board before engaging in any organizations.
- When directors and family members engage in or become shareholders in any business which may cause conflicts of interest with the Company, have direct or indirect interests in any contract entered into by the Company, or hold securities in the Company or its subsidiaries, directors shall promptly notify the Board of conflicts of interest (if any) in detail and refrain from participating in the discussion or voting on such matter; or shall be absent from the meeting on such agenda; or shall not request documents relating to the meeting; or resign from the Board.
- Directors and executives shall report any changes in their securities holdings to the regulatory agency. The Corporate Secretary is assigned to report the security holdings of directors and executives at the Board meeting. Directors and executives shall also report their own and related persons' interests to the Company pursuant to the Notification of the Capital Market Supervisory Board No. Tor Jor 2/2552 which came into effect on 1 July 2009, prescribing that the report must be prepared on a quarterly basis in case of any changes during quarters. The directors and senior executives shall promptly prepare a report. The Corporate Secretary has to submit a copy of the report to the Chairman of the Board and Chairman of the Audit Committee for acknowledgement within 7 business days from the date the Company receives that report.

The Corporate Secretary has also informed the directors that directors, executives as well as spouse and minor child of such persons pursuant to Section 258 of the Securities and Exchange Act B.E.2535 (1992) shall prepare and submit a report on the holding of securities and the changing of securities every time of purchase, sale, transfer or acceptance of transfer of securities within 3 days from the date of sale/purchase to SEC.

- Employees shall not borrow money from the Company's suppliers, individuals, or juristic persons who engage in business with the Company, except for the financial institutions, as this may have an impact on the employees' performance as the Company's representatives.
- The steps for entering into a connected transaction as well as clearly disclosing such transaction shall be strictly executed as required by SEC's and SET's notifications. The



Corporate Secretary Division shall verify the type of transaction and the approval authority and then submit the reports to the Audit Committee for acknowledgement.

EGCO also assigns the Audit Committee to consider and provide opinions on connected transactions by considering the appropriateness of transactions and comparing each item with transactions made with other outsiders. The Audit Committee is required to present the information and opinions to the Board and/or shareholders for consideration based on the criteria set by SET and the Capital Market Supervisory Board. The Committee shall ensure that information disclosure is complete to confirm all related parties that the connected transactions are made based on the best benefits of the Company and its shareholders.

Prevention of Improper Use of Internal Information: EGCO has strictly established guidelines on prevention of improper use of internal information in the Code of Conduct and good corporate governance principles in writing for directors and employees in order to prevent an improper use of internal information to illegally benefit oneself or others or cause any damages to shareholders. An internal control system has been established to prevent information leakage to the public before it is officially announced. Such measure and control system are part of the Company's essential risk control activities. It is the duty and responsibility of a supervisor to control and ensure that confidential information is kept and used well in accordance with related rules and regulations. An employee performing insider trading for oneself or for other family member is considered a breach of the Code of Conduct. The principles regarding this matter are as follows:

- Directors and employees shall, at all times, strictly observe the rules and regulations issued by SET, SEC, and relevant laws, and equally disclose information to the shareholders and/or the public.
- Directors and employees shall not make improper use of information acquired by virtue of the directors' and employees' position or cause damage to the Company.
- Matters such as trade secrets or any sensitive business information shall not be disclosed to any outsiders.
- Directors and employees who possess the internal information relating to financial statements shall refrain from their own security trading within 45 days before and 24 hours after the information disclosure. As for other significant information, they shall refrain from stock trading from the day of acknowledgement and 24 hours after disclosing information to SET. The Corporate Secretary will be responsible for sending emails to remind the directors, executives and related employees of the period prohibiting stock trading before every fiscal budget announcement.
- Directors or senior executives together with spouses and minor children who wish to trade the Company's stock shall inform the Corporate Secretary at least one day prior to the trading.
- Information disclosure to the public that will affect the business as well as EGCO's stock price must be approved by the President. The President or the assigned person will be solely authorized to disclose such information.
- The Corporate Communications Division, the Corporate Secretary Division and the Investor Relations Unit are the central units responsible for disclosing EGCO's information to the public and investors while the unit owning such information will be responsible for providing necessary fact sheets.

Equitable Treatment of Shareholders: The Board regularly takes care of shareholders' interests, treats all shareholders, foreign shareholders, and institutional investors, in a fair and



equitable manner, and ensures that shareholders are well informed of EGCO's important decisions as governed by laws or Articles of Association as follows:

- The Board allowed shareholders to propose an agenda item and nominate a qualified director candidate by announcing via SET Portal and on EGCO's website. The criteria and procedures were set clearly, transparently and in line with additional guidelines on the minor shareholders' rights regulated by SET. The shareholders had the rights to propose the qualified director candidate during September 1 - December 31, 2018 (about 8 months prior to the AGM). The minimum share was fixed at 0.05% of the Company's total shares (equivalent to 263,233 shares as of September 1, 2018). This was applicable for either a sole or combined shareholders, which was lower than SET's recommendation of 5% shareholding. However, in the 2019 AGM, there was neither proposal of AGM agenda item nor proposal of qualified director candidate.
- EGCO preserved the rights of all shareholders and no agenda item would be added at the shareholders' meeting without prior notice to ensure that the shareholders had adequate information ahead of time. Shareholders had the rights to vote according to the number of shares on a "one share one vote" basis and no share had any privilege which overran the rights of other shareholders.
- Ballots were employed in vote counting for all agenda items for transparency and accountability. The appointment of individual director was done by shareholders. Baker & McKenzie Co., Ltd. was invited as an inspector to ensure that the shareholders' meeting was conducted transparently and in compliance with the laws and the Company's Articles of Association. Shareholders, who were unable to attend the AGM in person, could vote through proxy. The 3 proxy forms as introduced by the Department of Business Development, Ministry of Commerce were provided and 3 Company's independent directors who did not have conflicts of interest with the AGM agenda could be alternatively appointed as volunteer proxies. The proxy forms were made available for shareholders on EGCO's website.
- Since most shareholders attending the AGM were Thai, the meeting was, therefore, conducted in Thai. However, in order to facilitate foreign shareholders, EGCO prepared the meeting notice and supporting documents in both Thai and English versions. English interpreters were also available in the meeting room.
- Minutes of the meeting were disseminated via SET Portal and the Company's website within 14 days from the meeting date to allow shareholders for revision.
- The Board realized that some shareholders could not access the minutes of the meeting on SET Portal or EGCO's website; therefore, a hard copy of the minutes of the 2019 AGM was mailed to each shareholder for revision.

Intellectual Property or Copyright: EGCO has a policy to comply with the laws on intellectual property or copyright. Careful checking is required before using the work or information that belongs to the third party so as to prevent the violation of intellectual property of others. Moreover, the Company has set practice guidelines for using personal computers and Company's notebooks and desktop computers. Employees must comply with copyright law to prevent violation of intellectual property and apply only software permitted by the Company. Also, they must not download or upload prohibited software via the Internet. The Information Technology Division, which is responsible for maintaining information technology, has required employees to sign a policy and procedure acknowledgement form every time new computers are installed.

Anti-corruption Policy and Practice Guidelines: The Board ensures that EGCO's control, audit and prevention processes of all direct and indirect forms of corruption are in place.

Additionally, the Anti-corruption Policy and Anti-corruption Measures Manual are established as guidelines for EGCO Group and disseminated and communicated to the Company's and the Group companies' personnel at all levels as well as to outsiders. In this regard, the Board has established an Anti-corruption Working Committee of EGCO Group, comprising representatives from EGCO and Group companies to implement the Board's policy into practice, communicate and raise consciousness, and foster mutual cooperation among the Group companies to conduct business without corruption. More details about the Anti-corruption Working Committee, communication and implementation of anti-corruption policy and measures are disclosed in the Good Corporate Governance Principles section of the Sustainability Report. The Board also encouraged and supported its subsidiaries to apply for membership of Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC"). This year, EGCO and EGCO Engineering and Service Co., Ltd. (ESCO) were approved to renew CAC membership for the first time on February 26, 2019 and October 18, 2019, respectively, after their CAC membership certified in 2015 and 2016, respectively. Presently, there are 3 EGCO Group companies being CAC members, namely EGCO, ESCO and Khanom Electricity Generating Co., Ltd.



Whistleblowing: EGCO encourages employees and stakeholders to take part in monitoring compliance with the laws, relevant rules and regulations, good corporate governance principles and Code of Conduct as well as report and complain about suspected violation of law or Code of Conduct or fraudulent behavior or wrongful conduct of person in the organization. Whistleblowing measures and a mechanism for the protection of whistleblowers and accused persons are also put in place. To ensure whistleblower trust, information obtained from whistleblowers will be kept confidential and known only among responsible parties. The complaint matters include 1. Wrongful act against relevant laws, rules or regulations and business ethics 2. Corruption and bribery, and 3. Suspected actions that may involve money laundering, wrongful actions related to accounting, finance, control and auditing.

Whistleblowing channels and procedures: The whistleblower can report via 2 channels:

- Channel 1: by email to one of the following committees:
 - The Audit Committee at auditcommittee@egco.com
 - The Good Governance Working Committee at GoodGovernance@egco.com

- The Board of Directors at directors@egco.com

- Channel 2: by post addressing one of the committees at the following address:
Electricity Generating Public Company Limited, EGCO Tower, 222, Vibhavadi Rangsit Road, Tungsonghong, Laksi, Bangkok 10210

EGCO has set whistleblowing process, protection of whistleblowers and those being accused, penalty consideration and clue reporting, and clearly published such details in the Anti-corruption Measures Manual

In 2019, the Board did not receive any complaint matter related to non-compliance with rules which did not fall within the scope of wrongful acts against business ethics and anti-corruption policy and there were no significant damage value affecting the Company's operations.

Monitoring, Reviewing and Assessment: The Anti-Corruption Working Committee is responsible for monitoring, reviewing and assessing risks on a yearly basis. When new risks are identified, the Working Committee shall prepare a prevention plan and practice guidelines to control such risks and report to the Audit Committee who is responsible for overseeing compliance with anti-corruption measures and reviewing measures and related internal control activities. Moreover, the Internal Audit Division is responsible for reporting wrongdoings or violations of the Company's Code of Conduct to the Audit Committee on a quarterly basis. The Audit Committee then reports such matter to the Board through the Audit Committee's report which is included in the agenda of the Board Meeting at all times.

Anti-corruption Plan in 2020: The Board will promote and support one more EGCO's subsidiary to be certified as a member of CAC. The policy is communicated to EGCO's subsidiaries by its representatives holding director and management positions in the Group companies. EGCO has also set goals to have all of its subsidiaries certified as CAC's members. In addition, to raise anti-corruption awareness of employees in the Group companies, EGCO has a plan to enhance their anti-corruption knowledge and arrange activities for Group companies' employees via an e-learning system which has already been operated in 2019.

Communication Channels: All stakeholders can raise their opinions, recommendations and other concerns non-related to anti-corruption to EGCO via the following channels:

By electronic mails

Channels	Electronic mails	Telephone Numbers
Board of Directors	directors@egco.com	-
Audit Committee	auditcommittee@egco.com	-
Corporate Secretary	cs@egco.com	0 2998 5020-7
Corporate Communications Division	corp_com@egco.com	0 2998 5130-7
Investor Relations Unit	ir@egco.com	0 2998 5150 - 5153

By post

The mailing address is Electricity Generating Public Company Limited, EGCO Tower, 222, Vibhavadi Rangsit Road, Tungsonghong, Laksi, Bangkok 10210.

Responsible person for receiving documents sent to the Board: The Corporate Secretary is responsible for receiving documents sent to the Board and then forwarding them to relevant

committees or directors. Issues and recommendations will be summarized and submitted to the Board on a quarterly basis, except for documents addressing the Audit Committee which will be directly forwarded to the Audit Committee without screening. Electronic mails sent to auditcommittee@egco.com can be accessed solely by the Audit Committee.

Principle 7 Ensure Disclosure and Financial Integrity

Information Disclosure and Transparency: The Board is responsible for ensuring that the preparation of financial reports and disclosure of information are conducted in a correct, adequate and timely manner and in compliance with relevant rules, criteria and practice guidelines. The Board reviews the policy and practice guidelines on information disclosure on a yearly basis. In 2019, the Board considered that the information disclosure policy and practice guidelines, which were revised in 2017, were proper and aligned with rules and regulations of regulatory agencies, SEC's good corporate governance principles and revised criteria for assessment of good corporate governance as well as accommodated changing circumstances and corresponded to the roles of communication technologies and online media. The information disclosure policy and practice guidelines cover written information prepared in both Thai and English and non-written information and communication methods used by EGCO such as meetings, conference calls, interviews and all communication channels including online media like websites and Facebook.

Practice Guidelines for Information Disclosure and Confidentiality of Different Types of Information, including:

Types of Information

1. Material Non-Public Information
2. Forward Looking Information
3. Material Public Information
4. Non-Material Information
5. Information Affecting Business or Competition
6. Irregular Information such as rumour and data leakage
7. Information via Online Social Networks

Information Disclosure Channels

- Regulatory agencies: SET's website (www.set.or.th) and SEC's website (www.sec.or.th)
- Shareholders, individual investors, securities analysts and institutional investors
- Press Conference to investors and analysts
- Road Show
- Company Visit
- Delivery of meeting notice by post
 - Mass media: PR news, newspaper, advertising media, journals and television
 - Online media
 - Annual report and Form 56-1
 - Management Discussion and Analysis
 - EGCO's website at www.egco.com

Responsible Units and Persons for Information Disclosure

<ul style="list-style-type: none"> • Responsible units for information disclosure 	
- Corporate Secretary Division:	To SEC, SET, and major shareholders
- Investor Relations Unit:	To minor shareholders, securities analysts, institutional investors and individual Investors

- Corporate Communication Division :	To media, NGOs and general public
• Responsible Persons for Information Disclosure	
- President	
- Senior Executive Vice President, Accounting and Finance Group	
- Senior executives assigned by the President	

Financial Statement Preparation: The Board has entrusted the Audit Committee to oversee preparation of EGCO's financial reports which must be correct, complete and in compliance with relevant laws and notifications, and regular implementation of appropriate accounting policy. The Audit Committee is responsible for preparing financial reports that are accurate, complete and transparent and protecting the Company's assets against loss or utilization of unauthorized persons, and preventing corruption and unusual operations to be in line with Thailand's generally accepted accounting standards and relevant laws and regulations as well as enhancing stakeholders' confidence in financial reports. The Audit Committee requires a meeting with the auditor, without the presence of the management, at least once a year to inquire and seek opinions from the auditor on matters related to financial reports. The Board also prepares a report on the Board's responsibility towards the financial reports which covers significant matters according to the SET Code of Best Practice for Directors of Listed Companies as shown in the Auditor's Report in the Annual Report. In 2019, EGCO appointed auditors from the PricewaterhouseCoopers ABAS Ltd., who were professional experts with independence and impartiality, and experience in accounting audit, as the Company's auditor to enhance confidence among the Board and shareholders that the Company's financial reports reflected true, correct and reliable financial status and business performance in all aspects.

EGCO also prepares a Management Discussion and Analysis to provide analytic information on the Company's financial status, business performance and major changes to investors and securities analysts on a quarterly basis. This report is submitted via SET portal along with the Company's financial statements.

Moreover, the International Standard on Auditing (ISA) 720 (Revised), the Auditor's Responsibilities Relating to Other Information prescribes that the auditor shall read and consider other information such as financial and non-financial information (other than the financial statements and the auditor's report) which is included in the Company's Annual Report to ensure that the materiality appeared in other information and financial statements, and knowledge gained from the auditing of auditors does not significantly contradict the facts. Then, the financial reports prepared by the management, the report of the Board's responsibilities for the financial reports, and the auditor's report are correct, reliable and consistent.

It should be noted that EGCO has never been demanded by SEC to restate the financial statements. In addition, the Company has disclosed quarterly and annual financial statements to shareholders and investors before the due date.

Preparation of Sustainability Report: The Board has established a policy to prepare a sustainability report since 2007. In 2018, EGCO specifically prepared the 2018 Sustainability Report by applying the Global Reporting Initiative (GRI) to prioritize materiality of each issue according to stakeholders' opinions, EGCO's interests and Sustainable Development Goals



(SDGs). The Board considered and viewed that these issues would further help determine EGCO's business directions towards a sustainable future.

Information Disclosure of Concerned Units: The Board has clearly determined responsible units for information disclosure to communicate with the shareholders and other stakeholders in an appropriate, equal and timely manner as follows:

1. **Investor Relations Unit:** The Investors Relations Unit is responsible for equally and fairly communicating to all institutional investors, shareholders as well as analysts and consistently sets its annual investor relations plan. Considering that equitable treatment of shareholders is very important, EGCO has provided information with duly care to ensure that all stakeholders equally receive the information. The quiet period, when no information or answer to questions related to performance forecast is given to analysts and investors, is 14 days before releasing the financial statements. Moreover, the Investor Relations Unit has adhered to EGCO's Code of Conduct for Investor Relations Practitioners as approved by the Board in 2018. Significant issues are as follows: 1. Disclosure of significant and necessary information in a correct, adequate, and timely manner 2. Protection of internal information 3. Disclosure of information in a fair and equitable manner 4. Performance of duties with integrity

Information Dissemination via Investor Relations Activities: EGCO also emphasizes information dissemination via investor relations activities. The executives have participated in the activities by presenting information and meeting with investors in order to create a good understanding of the Company's management, foster good relationships with investors as well as encouraging continuous exchange of opinions. The main activities in 2019 were as follows:

Activities	Number of Activities
Quarterly analyst meeting	4
Shareholders and investors' visit to Khanom Power Plant and Khanom Power Plant Learning Center	2
Analysts and institutional investors' visit to Khanom Power Plant and Khanom Power Plant Learning Center	1
National and international seminars and meetings with investors and securities analysts	20
Communication via emails and phones	Approximately 5 times per day
Preparation of "Life" quarterly newsletter as a channel to communicate the Company's significant activities and performance to shareholders	4

The activities for investors and shareholders are stated in the 2019 Highlight Performance: Activities for Shareholders and Investors section of the Annual Report.

2. **Corporate Communications Division:** The Corporate Communications Division is responsible for communicating the Company's movements, activities and cooperation with other organizations to all media and the public. Major events in 2019 included 2 sessions of press conference on its operating results, business direction and progress on projects, 1 session of press interview and meeting with senior executives, 1 media's company visit to Khanom Power Plant, Nakhon Sri Thammarat Province, and 25 pieces of published public relations news and articles.



3. **Corporate Secretary Division:** The Corporate Secretary Division is responsible for disclosing information as required by SET and SEC in a correct, complete and transparent manner and proceeded through procedures. In 2019, 20 notifications were submitted to SET.

EGCO ensures that the information appeared on the website is always correct, complete and up-to-date. Efficiency of information disclosure is assessed by questionnaires every time the meetings with shareholders, investors, and analysts are held as guidelines for improvement of efficiency of information disclosure and investor relations affairs. In addition, EGCO delivers a feedback form on Annual Report together with the Annual Report and notice of the shareholders' annual general meeting to inquire about the quality of annual reporting, additional documents needed and questions to be answered by directors and executives in the next shareholders' annual general meeting. In this regard, the Company receives positive feedback from shareholders.

Use of Information Technology for Information Dissemination: EGCO discloses important and interesting information via the Company's website (www.egco.com) to enable shareholders, investors and interested persons to get access to the Company's information both in Thai and English in a correct and timely manner, for instance, company profile, vision and mission, shareholder structure, Board of Directors, subcommittees, management team, EGCO Group's business, whistleblowing channels and downloadable information such as corporate governance policy, company registration certificate, Articles of Association, financial statements, annual report, sustainability report, AGM meeting notice, annual registration statements (Form 56-1) and documents to be presented in analyst meeting, etc.



Principle 8 Ensure Engagement and Communication with Shareholders

Rights of Shareholders: EGCO values and respects shareholders as well as institutional investors, as the securities investors and the owners of the Company. Therefore, the Board encourages all shareholders to exercise their basic rights including the right to share profits, the right to buy, sell or transfer the share, the right to receive adequate Company's information, and the right to attend and vote at the shareholders' meetings for appointment or removal of directors, determination of directors' remuneration, appointment of auditor and determination of audit fee and consideration of other significant issues affecting the Company as well as inquiries and opinions in the shareholders' meetings.

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Besides promoting shareholders and institutional investors to exercise such basic rights, EGCO endeavors to ensure equitable treatment to shareholders such as providing updated information via the Company's website in both Thai and English as well as newsletters and site visits for shareholders. It can be assured that EGCO shall not, at any period of time, violate or deprive the shareholders' rights.

Shareholders' Meeting: The Board considers the Annual General Meeting of Shareholders ("AGM") a very important event. The AGM is held within 4 months from the Company's closing date of accounting period to accommodate shareholders' participation in monitoring the Company's performance. An extraordinary general meeting of shareholders can be held by the Board on a case by case basis to consider a special agenda that affects or involves the shareholders' interests and requires the shareholders' approval. In 2019, EGCO's AGM was held on April 18, 2019 at Vibhavadee Ballroom, Centara Grand Hotel at Central Plaza Ladprao, Bangkok. There was no extraordinary general meeting of shareholders during the year. EGCO's AGM was arranged in accordance with AGM Checklist issued by the Thai Investors Association, Listed Companies Association and SEC as follows:

Before the Shareholders' Meeting Date

EGCO provided shareholders with complete meeting documents in advance to support their decision making. Shareholders were encouraged to attend the meeting and EGCO strived to facilitate shareholders' exercise of voting rights, in case they could not attend the meeting as follows:

- Meeting schedule and agenda were distributed via SET portal and EGCO's website on February 22, 2019 before delivering the meeting documents by post, 55 days prior to the AGM date. The record date for the rights to attend the meeting and receive dividends was also detailed in the meeting notice.
- Meeting notice and agenda, in both Thai and English, were disseminated by clearly separating each agenda item as prescribed in Chapter 4 of EGCO's Articles of Association: Shareholders' Meeting. The appointment of directors and consideration of directors' remuneration were under separate agenda items. Each agenda item consisted of background, objective and rationale, Board's opinions, number of votes needed, policy and criteria of determination of remuneration, policy and criteria of director nomination, profiles of nominated directors, details of previous minutes, criteria and procedures in attending the meeting, 3 proxy forms (form A, B and C), as required by the Department of Business Development, Ministry of Commerce and an annual report, which were notified to shareholders on March 18, 2019, 31 days before the AGM date. Meeting notice and supporting documents were published for 3 consecutive days in 2 Thai and 1 English newspapers to notify shareholders in advance, so that they could have adequate information before attending the meeting. Also, other relevant details were published on EGCO's website before sending hard copies to shareholders in order to allow them to have enough time to review such information. Meeting notices were delivered to shareholders by post 24 days prior to the AGM date. Contact numbers were also provided for further inquiries and for proposing additional information relating to the appointment of directors, as in compliance with the best practice guidelines by SEC and SET.
- To encourage the institutional investors' attendance. The Investor Relations Unit coordinated with the institutional investors on their submission of registration documents to EGCO 7 days in advance for document checking or additional document request in order to facilitate the administrative procedures on the actual meeting day.

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- Providing shareholders with communication channels to forward their inquiries on meeting agenda in advance to cs@egco.com or facsimile number 0 2998 5999 ext. 5020-5027 to ensure the shareholders' utmost benefits and full legal rights.



On the Shareholders' Meeting Date

EGCO strongly encouraged shareholders to exercise their rights by attending and voting at the shareholders' meeting. The meeting was conducted in a transparent, correct, and accountable manner ranging from the registration, vote counting to result announcement, in order not to violate or deprive of the shareholders' rights. Shareholders' inquiries and opinions were welcomed and taken into consideration as follows:

- Directors, executives and external auditors from PricewaterhouseCoopers ABAS (PwC) attended the AGM altogether in order to answer shareholders' questions and acknowledge their opinions. For the AGM 2019, 15 directors including the Chairman and directors attended the meeting which accounted for 100% of the total number of the Board members. The Chairman of the Board, the Chairmen of all subcommittees and the President together with senior executives also attended the meeting and explained details of information regarding agenda items and answered shareholders' questions.
- EGCO identified the names of directors having conflicts of interest in respect to any agenda item in the meeting notice. Those directors were not present in the meeting while any given agenda item was being considered.
- Shareholders and institutional investors' facilitation were EGCO's first priority. The map of the meeting venue was attached to the meeting notice and several registration counters were appropriately and adequately provided for shareholders' convenience.
- Exhibition on EGCO's business operations was arranged for shareholders. Shareholders' inquiries were warmly welcomed and clarified by the executives, Investor Relations Unit, Accounting and Finance Unit and Business Development Unit.
- One volunteer shareholder was invited to observe the vote counting process. Representatives from the Thai Investors Association also observed the meeting.

- Shareholders, who registered after the meeting had already started, were allowed to vote for the ongoing and the remaining agenda items.
- - The shareholders' meeting was convened according to the sequence of the agenda. Each agenda presentation included the background, supporting rationale and recommendation. The details of significant information were included in the meeting notice delivered to shareholders, without any ad hoc agenda during the meeting.
- Shareholders were equitably treated and were allowed to raise questions and opinions. All questions were addressed and clarified by the Chairman and completely recorded in the minutes of the meeting.
- Baker & McKenzie Co., Ltd. was hired as an inspector to audit shareholders' or proxies' registration documents, meeting quorum, voting methods and vote counting pursuant to the Company's Articles of Association, as well as to inspect shareholders' ballot collection and voting results. In this regard, the inspector reported that the quorum of the Board, meeting and the voting procedures were transparent and in compliance with the Company's Articles of Association, relevant laws and SET's best practices. In addition, the inspector reported that EGCO highly respected the rights of its shareholders to actively participate in the meeting and voice out their opinions as well as efficiently facilitated shareholders in all matters.
- AGM quality assessment surveys were disseminated to gather feedbacks for future improvements for the best interests of the Company and its shareholders. The result of the 2019 survey indicated that the shareholders were satisfied with meeting notice, meeting facilitation, and meeting conduct.

For the AGM 2019, there were 481 shareholders attending in person and 1,375 shareholders by proxies, representing 413,293,439 shares which accounted for 78.5035% of the total issued shares.

After the Shareholders' Meeting Date

- After the AGM, EGCO concluded resolutions for each agenda item to shareholders and SET via SET Portal according to SET's criteria of information disclosure. In 2019, meeting resolutions were notified before 9.00 a.m. on April 18, 2019, the day after the AGM.
- EGCO also prepared minutes of the meeting which recorded a name list of directors and executives together with their titles, auditors and meeting inspector attending the meeting, voting and vote counting procedures, voting card instructions, Board's recommendations, inquiries and recommendations of shareholders and clarifications from the management. Details on the number of approvals, disapprovals, abstentions and voided ballots, and resolutions of each agenda item were also included and sent out for shareholders' review on EGCO's website: www.egco.com on April 30, 2019 which occurred within 14 days after the meeting date as required by SET's criteria. Moreover, EGCO disseminated images and sounds recorded in the meeting on its website for absent shareholders' acknowledgement.
- EGCO coordinated with its securities registrar, Thailand Securities Depository Co., Ltd. (TSD), to ensure that shareholders received dividend in a complete and accurate manner.
- Recommendations and opinions raised by the shareholders and inspectors were taken for further consideration and continuous improvement of the AGM.

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Company Visit and Knowledge Enhancement for Shareholders and Investors: Shareholders and investors are invited to visit the Company and meet the executives to enhance their understanding of business and follow up the progress of the Company's business operations. In 2019, company visits were continuously arranged for investors, analysts and investors, of which the details can be found in the Corporate Governance section (Investor Relations subsection) of the Annual Report.

Results of the Compliance with Good Corporate Governance Policy: The Board, management and employees of EGCO Group have strictly and regularly adhered to the good corporate governance policy. From that commitment, EGCO has always passed the assessments and earned awards according to the good corporate governance principles. In 2019, EGCO's assessment results and awards were as follows:

- EGCO Group was selected for the ESG100 Universe in 2019 in the resources sector for 5 consecutive years from Thaipat Institute as a listed company with outstanding performance in environmental, social and governance (ESG) aspects.
- EGCO Group received Thailand Sustainability Investment (THSI) 2019 Award or sustainable stocks in the resources sector for 5 consecutive years from SET as the Company with focus on sustainable business operations under good corporate governance principles to generate growth and add value for shareholders along with caring for the community, society and environment
- EGCO Group received the Money & Banking Award 2019 as Best Public Companies of the Year 2019 in the resources sector from Money & Banking Magazine. The Company was ranked as Best Public Companies of the Year 2019 which was considered by its strong financial performance, market capitalization, profitability and return on investment.
- EGCO Group received Sustainability Disclosure Recognition in the Sustainability Disclosure Award 2019 Presentation Ceremony from Thaipat Institute as the Company disclosed information on sustainability to the public and related stakeholders.
- Khanom Electricity Generating Co., Ltd., a subsidiary of EGCO Group, received Thailand Quality Class (TQC) Award 2018 from Thailand Productivity Institute under the Ministry of Industry in the 17th Thailand Quality Award Presentation Ceremony as

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the leading Thai organization with excellence in organizational management according to the criteria of Thailand Quality Award.

- EGCO received a full score of 100 for the Annual General Meeting of Shareholders (AGM) Assessment 2019 conducted by the Thai Investor Association.
- EGCO Group received a score of 96 or “Excellent” for the Corporate Governance Report of Thai Listed Companies (CGR) Assessment Project conducted by the Thai Institute of Directors (IOD).

Audit Fee for the year 2019

Audit Fee

In 2019, EGCO and its subsidiaries paid the audit fee of 6,595,000 Baht to the Office of the Auditors, comprising EGCO’s and subsidiaries’ audit fees of 3,014,400 Baht and 3,580,600 Baht, respectively. No other audit fee had been paid to the auditors or related parties to the auditors and the Auditors’ office.

Non-Audit Fee

In 2019, EGCO’s and subsidiaries’ total non-audit fee was 20,518,565 Baht which was already paid of 13,514,411 Baht. In addition, EGCO would also be responsible for the expenses of undelivered work of 7,004,154 Baht. The details of the non-audit fee were as follows:

1. Payment to the Office of the Auditors:

The non-audit fee for BOI auditing and accounting advisory service at EGCO’s subsidiaries was 1,428,400 Baht which was already recorded as fee expenses for the Office of the Auditors.

2. Payment to Other Related Parties of the Auditors’ Office:

The non-audit fee for the advisory services for account, finance, and tax due diligence on investment, advisory services on offshore investment structure and legal advisory service at EGCO was 19,090,165 Baht which was already paid of 12,086,011 Baht to other related parties of the Auditors’ office. In addition, EGCO would also be responsible for the expenses of undelivered work of 7,004,154 Baht.

Management agreed that the engagements of the office of the Auditors and its related parties to provide the non-audit work did not involve any conflict of interest or any review of their own work which would contaminate the independence judgment of the auditors, and. This has been approved by the Audit Committee.

Compliance to Good Corporate Governance in Other Aspects

The Board, Management and employees in EGCO and its group companies have strictly and consistently complied to the Good Corporate Governance policy and monitored their compliance. In 2019, there was no any action violating the policy.

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Standing Committee Reports

AUDIT COMMITTEE'S REPORT

The Audit Committee of Electricity Generating Public Company Limited (EGCO) consists of 3 independent directors who are knowledgeable and experienced in law, accounting and finance, management and energy business as follows: Ms. Jaruwan Ruangswadipong as a Chairman, Prof. Dr. Anya Khanthavit and Mr. Paisan Mahapunnaporn as members.

In 2019, the Audit Committee held 12 meetings with all Committee members attended. There were discussions with the Management, Internal Auditors and External Auditors also. Moreover, there was an exclusive meeting with External Auditors for independent consulting on operations and External Auditors' opinions.

The Audit Committee had completely performed its duties assigned by the Board of Directors, as prescribed in the Audit Committee Charter which aligned with the regulations of the Stock Exchange of Thailand (SET) and regularly reported the committee's meeting resolutions to the Board of Directors.

The Audit Committee had opined the opinions that EGCO's financial reports were accurate, complete, and reliable, Internal Control Systems were appropriate and adequate, EGCO had fully complied with the Securities and Exchange Acts, SEC regulations as well as other governing laws and information disclosure of the connected transactions or any conflict of interest was accurate and adequate.

Summary of the Audit Committee's Activities

Review of financial statements

Reviewed the quarterly and annual financial statements for 2019 with the external auditors and the Management. The Audit Committee also asked the auditors about the accuracy and completeness of the financial statements and significant adjustments which affected the financial statements to ensure that the financial statements complied with the generally accepted accounting principles and that the information disclosed in the financial statements was adequate, accurate, reliable, and complied with governing laws and regulations. Including, the progress monitoring of the preparation for relevant financial reporting standards which will be effective in 2020.

Reviewed the Management Discussion and Analysis (MD&A) with the Management to ensure its accuracy, completeness, adequacy and that the disclosed information benefitted the investment decision of the shareholders and investors.

Considered non-audit services performed by the group companies' audit firm for EGCO and subsidiaries that such services were not significant to potentially influence the independence of the auditor.

Review of the internal control systems

In the Board's meeting no. 1/2020 on January 17, 2020, the Board considered and assessed the sufficiency of internal control based on the result of the internal control assessment which reviewed by the Audit Committee. The Board agreed with the Audit Committee that

1. The internal control system of EGCO was considered appropriate and adequate. Sufficient personnel were assigned to uphold the internal control system effectively

and the internal control system was properly set to monitor the subsidiaries' operations in order to safeguard EGCO's and subsidiaries' assets from misuse or unauthorized use by the Directors, the Management or employees.

2. In the previous year, the Board and the Audit Committee received report from the external auditor that there was no any significant deficiency in internal control systems.

Oversight of Internal Audit

Approved the annual audit plan, budgeting and manpower plan for the year 2020. The audit plan was aimed to support and conform the EGCO's strategic plan. The Audit Committee also encouraged the development and enhance internal audit, by endorsement the external assessor to perform the Quality Assurance Review.

Considered and reviewed the internal audit report of the Internal Audit Division, including provided the significant opinions and recommendations to properly improve internal control systems. Nevertheless, the internal audit report was directly reported to the Audit Committee by the Internal Audit Division.

Encouraged the professional development of internal auditors approved KPI and performance assessment of Chief Internal Auditor as well.

Review of Connected Transactions

The Audit Committee considered the connected transactions or any transactions that may cause conflicts of interest to comply with rules and regulations of SET and that such transactions were reasonable, best beneficial to EGCO and approved by authorized persons having no interest in such transactions. In 2019, there were no related transactions which required the endorsement of the Audit Committee prior to the approval of the Board and the Shareholders.

Review of Risk Management

The Audit Committee reviewed the risk management measures, processes, execution and risk management guidelines to align with the policy, strategies and risk mitigation plans. In 2019, the Board assigned the Risk Oversight Committee which consisted of 5 directors, independent directors, Non-Executive Directors and President to oversight, monitor and assess the compliance with the risk management process.

Review of Good Corporate Governance

The Audit Committee reviewed with the Management to ensure that EGCO's activities were conducted in compliance with the Securities and Exchange Acts, SET Regulations as well as other governing laws. It also acknowledged the representation statements of the employees, management and the President for the year 2019 that their respective tasks and duties well complied with the governing laws.

Further enhanced EGCO's good corporate governance practices and acknowledged the compliance statement on Code of Conduct of EGCO employees. The representation process and the content of the statement ensured that EGCO's compliance with Code of conduct and relevant laws were well regarded. The prevention against fraud or corruption was enhanced such as providing the channel to direct complaints, reports on suspected violation of laws and Code of Conduct and questions about the financial statements and internal control systems by email address: auditcommittee@egco.com. Whistleblower system was also set up to include the whistleblower's protection measures and to treat all complaints with the appellant and confidentiality protections.

Quality Preservation of Audit Committee

Reviewed the Audit Committee Charter and annually conducted the Audit Committee's self assessment, to ensure that composition, qualifications, and performance of the Audit Committee well aligned with its assigned duties were achieved and that its duties and responsibilities aligned with International, SET best practice and appropriated for EGCO's business.

Appointment of the external auditors

The Audit Committee reviewed independence, qualifications , performance and appropriate fee of the auditors and had a resolution to propose the appointment of Ms. Amornrat Pearmpoonvatanasuk Certified Public Accountant (Thailand) No. 4599, Mr. Vichien Khingmontri Certified Public Accountant (Thailand) No. 3977, and Ms. Rodjanart Banyatananusard Certified Public Accountant (Thailand) No. 8435, the auditors from the audit firm, Pricewaterhouse Coopers ABAS Ltd. as 2020 EGCO's auditors to the Board of Directors for consideration and submitted for the shareholders' approval in the annual general meeting of shareholders.

Mrs. Jaruwan Ruangswadipong
Chairman of the Audit Committee



RISK OVERSIGHT COMMITTEE'S REPORT

In Meeting No. 9/2019, which took place on September 20, 2019 with the endorsement and recommendation of the Nomination and Remuneration Committee, the EGCO Group's Board of Directors established the Risk Oversight Committee (ROC) and approved the committee's charter and remuneration. Additionally, the board appointed five members to the ROC who are experts and have vast experience in risk management, law, finance and banking, engineering, and the energy business. The establishment of the ROC is effective on September 20, 2019 and the appointed ROC members are listed below.

- | | | | |
|----|----------------|---------------|---------------------------------|
| 1. | Prof. Dr. Anya | Khanthavit | Chairman (Independent Director) |
| 2. | Mr. Paisan | Mahapunnaporn | Member (Independent Director) |
| 3. | Mr. Patana | Sangsiroujana | Member |
| 4. | Mr. Tomoyuki | Ochiai | Member |
| 5. | Mr. Jakgrich | Pibulpairoj | Member (President) |

The ROC performed its assigned duties as prescribed in the charter and regularly reported their meeting resolutions to the board.

In 2019, three meetings were held to carry out the ROC's duties and other responsibilities as well. Here is a list of the activities:

1. The unanimous election of Prof. Dr. Anya Khanthavit as Chairman of the Risk Oversight Committee.
2. The review of EGCO Group's risk management philosophy, risk management policy, risk appetite, and risk tolerance.
3. The revision of the EGCO Group's Risk Management Manual so it can be aligned with the integrated 2017 COSO ERM framework.
4. The monitoring of the construction risk of the under-construction Nam Theun 1 Hydro Power Plant in Laos. The risk reduction and the risk factors were considered; EGCO Group's 2020 corporate key risks, KRIs and Risk Rating Scale were approved.
5. The company visited the Tobacco Authority of Thailand and the Kiatnakin Bank in October and November of 2019. During these trips, the board of directors, high-level executives, and employees from the Risk Assessment, Internal Audit, Corporate Secretary and Information Technology divisions explored the internal control and risk management information through the Key Monitoring System (KMS) dashboard for risk factors, KRIs, Key Performance Indicators (KPIs), and control self-assessments to understand the risk in work in order to create the firm's added value. Additionally, they advised on EGCO Group's Risk Monitoring System development, providing instructions to update the Risk Management Monitoring Report and the KRI dashboard with risk owners on a monthly to quarterly basis.
6. In November 2019, Prof. Dr. Anya Khanthavit, Chairman of the Risk Oversight Committee, lectured the board of directors and executives on "Value Creation and Enhancement for EGCO with the New COSO 2017 Enterprise Risk Management Integrating with Strategy and Performance."
7. Advised on the organization of the 2020 Corporate Risk Seminars and Workshops for EGCO Group's high-level executives in December 2019 to identify the organization's 2020 Corporate Key Risks and KRIs.
8. The consideration of EGCO Group's 2020 Corporate Key Risks, KRIs, Root Causes and Risk Mitigation Plans.

9. The setting of the ROC's 2020 agenda and meeting schedule.
10. Conducted the annual self-assessment using the ROC's self-assessment form which was aligned with the guidelines of the Stock Exchange of Thailand (SET). The 2019 self-assessment result showed that the composition, qualifications, and performance of the ROC were well-aligned with the ROC Charter and the SET's guidelines. The results were then reported to the board of directors.

Prof. Dr. Anya Khanthavit
Chairman of the Risk Oversight Committee

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INVESTMENT COMMITTEE'S REPORT

EGCO's Investment Committee Charter prescribes that the Board of Directors shall appoint members of the Investment Committee comprising 5 directors in total, namely 4 non-executive directors and the President. The Senior Vice President of the Corporate Secretary Division is assigned to serve as the Secretary to the Committee. As of December 31, 2019, the Investment Committee appointed by the Board of Directors consisted of non-executive directors, namely Mr. Thepparat Theppitak, Mr. Shunichi Tanaka and Mr. Naoki Tsutsumi, and Mr. Jakgrich Pibulpairoj, the President. The Board of Directors is currently searching for a new member of the Investment Committee to replace Mr. Witoon Kulcharoenwirat who resigned from the chairmanship of the Board of Directors and the Investment Committee, effective from November 1, 2019.

In 2019, the Investment Committee placed emphasis on strategic plans and investment directions to cope with the energy situation and global economic conditions and recognized risks of technologies which became more advanced and might have impacts on EGCO Group's business. In 2019, the Investment Committee held 9 meetings to consider significant issues assigned by the Board of Directors as shown in the Investment Committee Charter. Details are as follows:

1. The Committee reviewed and proposed to the Board of Directors to consider revision of vision and mission statements that encompassed energy business and other energy-related businesses and expanded investment areas apart from the Asia-Pacific region.
2. The Committee scrutinized both short-term and long-term strategic plans, annual action plans, budget and manpower before proposing them to the Board of Directors for approval to ensure that they were in line with the Company's vision, mission and policy and that the budget and manpower were set appropriately to enable the management to achieve the approved strategic and action plans.
3. The Committee followed up and appraised investment projects to ensure that they aligned with the plan. They also provided guidance and suggestions if they were not implemented according to the plan assigned by the Board of Directors
4. The Committee followed up the progress of 2019 action plans covering 4 perspectives of the Balanced Scorecard – financial, customer, internal process and learning and growth – through quarterly reports prepared by the management and gave advices in case they were not implemented as planned.
5. The Committee considered investments in both domestic and international power projects and proper sources of funds by taking into account the alignment between the vision and strategic plans, and reasonable returns. In 2019, the Investment Committee considered and approved to propose 3 new investment projects to the Board of Directors as follows:
 - 5.1 The Oil Pipeline Extension to Northeastern Region Project from Saraburi province to Khon Kaen province whereby EGCO acquired 44.6% of total registered capital after capital increase in Thai Pipeline Network Co., Ltd. ("TPN") and entered into the share purchase and subscription agreement on September 4, 2019 and signed the shareholders' agreement on September 25, 2019.
 - 5.2 The Fuel Cell Project in South Korea whereby EGCO invested indirectly through Paju Energy Service Co., Ltd. ("Paju ES"), a company under EGCO Group, which would construct and operate a 19.8 MW grid connected Fuel Cell Project to be located in Gangdong-gu, Seoul, South Korea. The Gangdong Fuel Cell Project is considered to be a renewable power plant where electricity is generated by a chemical reaction between hydrogen from natural gas and oxygen to produce electricity and heat without combustion. This marks another step of EGCO's investment in high technology.



- 5.3 The 640 MW Offshore Wind Farm Project in Taiwan whereby EGCO invested indirectly through Greenwing Energy B.V., a wholly owned subsidiary of EGCO, which entered into a share purchase agreement to acquire a 25% ownership interest in Yunlin Holding GmbH (“Yunlin”) on December 18, 2019. The transaction is expected to be closed in the 1st quarter of 2020, subject to completing all closing conditions.
6. The Committee reviewed and made some adjustments to EGCO’s financial management criteria in terms of cash management, financial risk management as well as financial credibility enhancement to be in accordance with the changing financial management criteria and suitable for the current situation.

The Investment Committee had fulfilled its duties as stated in the Charter and assigned by the Board of Directors. The Committee had considered various matters with care and diligence for the ultimate benefits of the Company and stakeholders and in accordance with the laws and Company’s regulations. Also, the meeting results were regularly reported to the Board of Directors.

Mr. Jakgrich Pibulpairoj
Member of the Investment Committee



NOMINATION AND REMUNERATION COMMITTEE'S REPORT

In 2019, the Nomination and Remuneration Committee appointed by the Board of Directors consisted of 2 non-executive directors, namely Mr. Toshiro Kudama, Chairman of the Nomination and Remuneration Committee, and Mr. Patana Sangsrirojana, and 3 independent directors, namely Mr. Pasu Loharjun, Assoc. Prof. Dr. Nualnoi Treerat and Assoc. Prof. Dr. Bordin Rassameethes. The Nomination and Remuneration Committee performed its duties assigned by the Board of Directors as stipulated in the Nomination and Remuneration Committee Charter.

In the previous year, the Nomination and Remuneration Committee held 9 meetings. The Nomination and Remuneration Committee was not only responsible for the nomination and remuneration of directors and senior executives according to the Company's criteria and procedures, but also placed importance on organization restructuring and HR Roadmap to ensure alignment with the revision of the Company's vision, mission and strategic plans and accommodate the Company's long-term growth. Its main activities were as follows:

1. Self-appraisal of the Board of Directors and the Nomination and Remuneration Committee
The Committee reviewed appraisal criteria and procedures, self-appraisal forms of the Board of Directors for both individuals and the whole group and a self-appraisal form of the Committee itself. After the review, the Committee considered that the current appraisal procedures and self-appraisal forms were appropriate. The Board of Directors, in its meeting no. 9/2019 held on September 20, 2019, approved the adoption of those criteria and self-appraisal forms for year 2019.

The Committee conducted its self-appraisal and disclosed appraisal results in the section of Corporate Governance.

2. Organization Restructuring

Due to the change in current energy situation which caused an impact on the electricity business and recent technology breakthroughs which can create new business opportunities for the Company, the Committee then approved and suggested the restructuring of business development function which covered the duties to seek new opportunities, study and develop new investments in electricity-related business both domestically and internationally.

Such organization structure was approved by the Board of Directors with effective on March 1, 2019.

3. Human Resource Development Planning

The Board of Directors considered that development and retention of human resources were urgent issues that needed to be achieved to deal with the disruptive technology and to be in line with the strategic plan to expand new business models. The Committee was assigned by the Board of Directors to consider EGCO Group's HR Roadmap which is currently being developed.

4. Succession Planning

As many senior executives will retire in 2020, the Committee constantly followed up the progress of the succession plan and human resource development plan to ensure that the qualified successors were appointed in a timely manner to continue the operation and drive the Company towards the vision and strategies as determined by the Board of Directors.

5. Amendments to the Regulation on Human Resource Management

The Committee considered and endorsed to propose to the Board of Directors for approval regarding the amendments to the Regulations on Human Resource Management Re: Maternity Leave Entitlement for Female Employees and Compensation Rate to be in accordance with the Labor Protection Act (No. 7) B.E. 2562 (2019). The amendments became effective from May 5, 2019 onwards.

The Nomination and Remuneration Committee had performed its duties as prescribed in the Charter and delegated by the Board of Directors with care and diligence as well as fairness and transparency complying with the good corporate governance principles for the ultimate benefits of the Company and stakeholders.

Mr. Toshiro Kudama
Chairman of the Nomination and Remuneration Committee



CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY COMMITTEE'S REPORT

EGCO's Corporate Governance and Social Responsibility Committee consisted of 5 directors, 3 of whom were independent directors, 1 non-executive director and the President.

As of December 31, 2019, the Corporate Governance and Social Responsibility Committee comprised Dr. Pasu Loharjun, Independent Director, as Chairman; Assoc.Prof.Dr. Nualnoi Treerat, Independent Director; Assoc.Prof.Dr. Bordin Rassameethes, Independent Director; Mr. Wisak Watanasap, Director; and Mr. Jakgrich Pibulpairoj, President, as Committee Members. The Senior Vice President of the Corporate Secretary Division was assigned to serve as the Secretary to the Committee.

The Committee performed its duties as assigned by the Board of Directors. It oversaw and followed up the Company's operations to ensure compliance with good corporate governance principles and corruption policy and promote the corporate social responsibility policy with focus on equitable treatment to all shareholders, thus leading to sustainable and continuous development.

In 2019, the Committee held 5 meetings which can be summarized as follows:

1. Good Corporate Governance

1.1 To ensure that sustainability management was carried out systematically and continuously and can adapt to changing circumstances and comply with international practice guidelines to further achieve the sustainable development goals, the Committee reviewed and made adjustments to 4 policies under Good Corporate Governance Principle 3: Rights of Stakeholders and propose them to the Board of Directors for approval as follows:

1. Policy on Environment
2. Policy on Stakeholder Engagement and Community Development
3. Policy on Human Rights
4. Policy on Product and Service Procurement

1.2 The Committee revised and made adjustments to EGCO's Supplier Code of Conduct to be in line with the sustainable business practices and international practice guidelines. Both new and existing suppliers of EGCO and subsidiaries in which EGCO had controlling power must sign the Code of Conduct. In addition, the Committee added more details regarding procurement and sustainable procurement knowledge building and provided appropriate and adequate trainings and competency development for employees and suppliers to create an understanding and cooperation in risk prevention. The Committee also followed up and evaluated the results of procurement operations to ensure that they were in accordance with EGCO Group's Supplier Code of Conduct.

1.3 The Committee considered and endorsed corporate governance and anti-corruption plans, followed up the implementation of corporate governance and anti-corruption plans as well as oversaw performance during the operating year to ensure compliance with the good corporate governance principles and to uplift good corporate governance implementation which can be comparable to international standards according to the defined strategic plans.

1.4 The Committee continuously promoted and supported the dissemination, communication, trainings and activities. This year's activities were conducted as follows:

- CG Day to disseminate knowledge among employees through game booths and short films in which CG content was embedded

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- “Pillows from Plastic Straws” activity to make pillows from plastic straws for paresis, paralysis and bedridden patients.
- Supplier Day to exchange knowledge and practice guidelines on anti-corruption with suppliers and encourage them to operate business ethically

2. Corporate Social Responsibility for Sustainable Business Operations

- 2.1 The Committee followed up the progress of answering the assessment questionnaire of the DJSI Corporate Sustainability Assessment (CSA) Coaching Program and acknowledged the 2018 assessment results.
- 2.2 The Committee endorsed the revision of policy and practice guidelines on community engagement and development to ensure compliance with today’s laws, best practices of related regulatory agencies as well as both domestically and internationally accepted standards to uplift such operations of the companies under EGCO Group.
- 2.3 The Committee acknowledged the results of EGCO Group’s Corporate Social Responsibility (CSR) which had been continuously implemented according to the long-term plan since 2017 to add value to the community, society and environment which was part of EGCO Group’s sustainable business policy as follows:
 - 2.3.1 Improvement of quality of life of communities surrounding power plants
The operational framework included the support of local employment, child and youth development, development of occupational skills, hygiene and sanitation promotion for the community, development of public utilities and conservation of natural resources and environment. Each power plant undertook projects/activities suitable for the community context. The policy and practice guidelines on community engagement and development were also revised to serve as a mutual framework for EGCO Group’s operations.
 - 2.3.2 Child and youth development
The Company continued the development of 2 projects approved in 2016, namely Khanom Power Plant Learning Center and EGCO’s Power Plants and Children’s Schools Project. In 2019, Khanom Power Plant Learning Center was officially opened to be a learning center on electricity generation for youth, community and general public.
 - 2.3.3 Watershed forest conservation and restoration
The project was organized by Thai Rak Pa Foundation, the non-profit foundation, which promoted watershed forest conservation and restoration and biodiversity with other networks in the country’s important areas, thereby leading to sustainable development.
- 2.4 The Committee acknowledged EGCO Group’s CSR in Process guidelines, which was integrated as part of the strategic plan driving the Company towards sustainability, ranging from project development, under construction project management and project duration of power plant contracts.
- 2.5 The Committee endorsed the 2020 CSR Action Plan to support the Company’s sustainability encompassing 2 plans as follows:
 - 2.5.1 Khanom Power Plant’s Biodiversity Development Plan
 - 2.5.2 Watershed Forest Restoration Plan (2017 – 2021), which aimed at increasing green spaces through the operation of Thai Rak Pa Foundation

The Committee reported the meeting results to the Board of Directors for acknowledgement after every meeting as in accordance with the good corporate governance principles.

Dr. Pasu Loharjun
Chairman of the Corporate Governance and Social Responsibility Committee

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10. Corporate Social Responsibility

EGCO Group's vision is **to be a leading sustainable Thai power company with full commitment to environment protection and social development**, or in other words, operation with a strong and steady growth and acceptance and trust from stakeholders and the public based on good corporate governance and accountability to stakeholders. Policies have clearly been established in writing and publicized on the Company's website as follows:

Sustainable Business Operation Policy

- 1) Be committed to excellent operations, covering economic, environmental, community, and social dimensions.
- 2) Reduce negative impacts and increase positive impacts on stakeholders, environment, community, and society, as well as business process of the organization.
- 3) Promote development of business and social innovations to enhance efficiency and effectiveness, together with value added to the organization and stakeholders.
- 4) Promote sustainable development of business counterparts involving ethical business operation with transparency and without fraud or corruption, respect for human rights, caring for safety and occupational health, and environmental management.

The Company has also established specific policies, including human rights policy, intellectual property policy, whistleblowing policy, anti-corruption policy, occupational health, safety and environment policy, and community, social development engagement policy, tax policy and information disclosure policy.

1. Human Rights Policy

The Company requires that its directors, management and employees fully respect for the following human rights.

- The Company encourages all employees to exercise their rights of citizenship in accordance with the constitution and relevant laws.
- Employees' personal information shall be kept confidential. Disclosure or transfer of personal information such as employees' biodata, health record, working experience, etc. without the permission of such employee is considered a violation of the Code of Conduct and may result in disciplinary action except when it is done in accordance with the Company's regulations or legal requirements.
- The Company does not support the violation of human rights and any frauds.
- Employees must refrain from any deliberate discrimination or harassment in word or action against others on the basis of race, gender, religion, age, and physical or mental disability.

2. Intellectual Property Policy

The Company will comply with the legal requirements on intellectual property and copyrights. Any work or information belonging to third parties, obtained or to be used within the Company, shall be verified to ensure no infringement of intellectual property rights of others.

- Any work that is performed under EGCO Group is considered EGCO Group's intellectual property.
- All the intellectual properties which include the work in progress, innovation in all formats and so on shall be returned to EGCO Group once an employee vacates the office.

- Employees who use the Company's computers shall only use the licensed and authorized software program of the Company to avoid violating intellectual property of others.
- Employees must check beforehand that the work or information that belongs to third parties can be used within EGCO Group without infringement of intellectual property rights of others.

3. Whistleblowing Policy

The Company has made available channels for whistleblowers, including employees and other stakeholders, to report on any suspected violation of law or code of conduct or fraudulent behavior or wrongful conduct of a person in the organization. A mechanism for the protection of whistleblowers is also put in place. To ensure whistleblower trust, information obtained from whistleblowers will be kept confidential and known only among responsible parties.

4. Anti-Corruption Policy

The Company is strongly committed to preventing and countering all forms of corruption, both directly and indirectly, by insisting that "corruption is an unacceptable act in business conduct whether with the government sector and the private sector." (Details of anti-corruption policy are under the topic of Corporate Governance).

5. Occupational Health, Safety and Environment Policy

The Company is committed to setting up safety, occupational health, and environment management system with ongoing development. An operational framework is in place, covering operations of the Company's employees at all levels and those of its contractors as follows:

1. Execute and develop appropriate safety, occupational health, and environment management system in compliance with applicable laws and regulations.
2. Develop an operational framework to determine and review objectives and targets as well as monitor and assess the results of safety, occupational health, and environment operation.
3. Be aware of prevention and improvement of activities which may affect safety, occupational health, and environment operation.
4. Support appropriate use of resources for drawing up safety, occupational health, and environment management system.

6. Community and Social Development Engagement Policy

Participation in community development

1. Promote and develop quality of community life nearby power plants for their well-being by taking into account communities' participation and needs.
2. Instill and promote awareness of responsibility to the community in employees and relevant persons.
3. Consistently disseminate information on operating results to the community and the public.
4. Seek to regularly exchange knowledge and share experiences from working with other agencies for further improvement of operation.

Participation in social development

1. Taking part in social development by conducting projects or activities for the society that are consistent with core competencies of the organization.

2. Encourage employees and relevant persons to be aware of, understand, and take part in operation to stimulate their participation in social development.
3. Execute projects or activities continuously to bring about actual and sustainable benefits to the society.
4. Seek to regularly exchange knowledge and share experiences from working with other agencies for further improvement of operation.

7. Tax Policy

Aiming to comply with tax regulations with efficient tax management for the utmost benefits to the Company and create value to its shareholders, the Company places importance on compliance to relevant laws and regulations. This will help reduce the tax risks caused by complicated transactions and support EGCO's stable pace forwarding to sustainability, gaining acceptance from the society and keeping an image of good corporate citizen.

In 2017, the Company established an **"Information Disclosure Policy and Practices"** in writing. Realizing that the Company's all information affects to the decision-making of investors, stakeholders and the public, EGCO has set up guidelines of disclosure of both financial and non-financial information including positive and negative information through accessible channels in a correct, complete, and timely manner and in accordance with relevant laws and regulations.

8. Information Disclosure Policy

Considering that significant information has resulted in decisions of investors, stakeholders and general public, EGCO has set the policy and practice guidelines on information disclosure both financial and non-financial information and both positive and negative information through various channels that stakeholders can equally access. The completed, correct and update information is prepared to be aligned with relevant laws and regulations. (Please see more details about the information disclosure policy and practice guidelines in the Corporate Governance topic.)

1.2 Material Issues of Sustainability and Framework

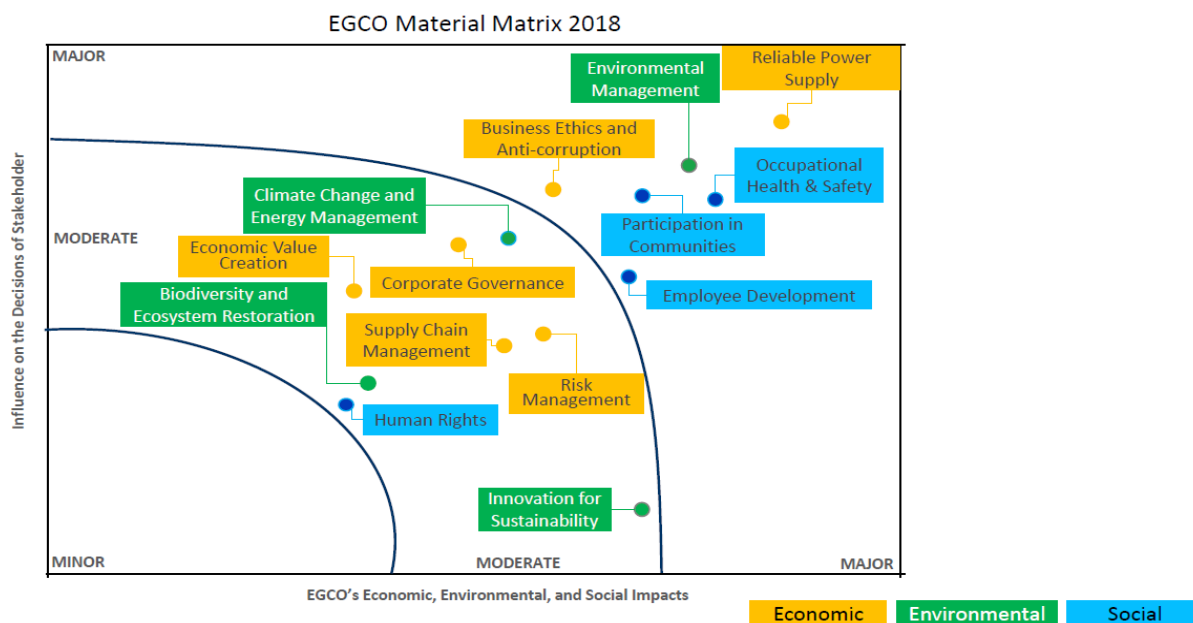
EGCO Group has identified material topics based on the scope and boundary of reporting, taking our valuable internal and external stakeholders' expectations into consideration. EGCO has adopted the materiality assessment process, in accordance with the Global Reporting Initiative Standards (GRI) as part of the sustainability reporting process to align the importance of each topic raised from stakeholders, the interests of EGCO and the Sustainability Development Goals (SDGs). These would determine the direction of EGCO's business operations towards a sustainable future.

Process	Objective	Management
1. Identification of Issues	Sustainability materiality topics have been identified through taking into consideration the positive and negative impacts of EGCO's activities and business operations towards all stakeholder groups, and expectations from stakeholder groups	<ul style="list-style-type: none"> - Feedback systems and other various communication channels - Benchmarking of peers within the power and utility sector - Trend analysis

2. Prioritization of Issues	Identified issues are prioritized and distributed along a “Materiality Matrix” to indicate the importance of each materiality topic based from the importance of each topic from external and internal groups.	<ul style="list-style-type: none"> - Importance of issues towards stakeholder groups are prioritized and ranked - Importance of issues towards EGCO Group are prioritized and ranked
3. Validation of Issues	To validate issues in terms of their importance towards EGCO Group and also their external importance based on assessment on external stakeholders	<ul style="list-style-type: none"> - Executives and Board endorses and approves or gives further input with regards to materiality topics
4. Reviewing Materiality Topics	To ensure compliance with reporting quality principles. There will be constant monitoring of high importance issues.	<ul style="list-style-type: none"> - Monitoring of materiality issues for future Sustainability Reporting - Relevant performance of “High Importance” material topics will be disclosed.

Materiality Matrix

The identified material topics have been prioritized by external stakeholders’ input and articulated and validated by EGCO Group’s employees and management level. These issues have been ranked and distributed across a matrix indicating importance across the Economic, Environment and Social dimensions of sustainability.



In 2019, EGCO Group will revisit materiality topics identified in the Sustainability Report 2018 and enhance our materiality selection by ensuring and committing more engagements with our external stakeholders for validity and accuracy of our materiality assessment process by using

methods, including online surveys and stakeholders interview. This will form part of the validation process, adding more depth and accuracy in addition to EGCO's endorsement by the Board with regards to the materiality topics.

Our Stakeholders

EGCO is fully aware of the importance of our business operations and impacts on stakeholder groups. There are also stakeholder groups whose feedback is influential towards EGCO's financial performance, business expansion and reputation. EGCO regards the approach of stakeholder engagement as a key policy to ensure its responsibility to fair treatment and communication for all stakeholder groups, which have been identified through the company's practice guidelines on EGCO's website.

Stakeholders of EGCO Group



Stakeholder of EGCO Group

Stakeholder	Stakeholder Expectation	The Company's response	Stakeholder Engagement Approach
1. Shareholders and Investors	<ul style="list-style-type: none"> • Sustainable return on investment • Commitment to good corporate governance principles • Risk management • Respect for and safeguarding of rights with equitable treatment • Disclosure of genuine, complete and sufficient information • Compliance with relevant laws 	<ul style="list-style-type: none"> • Effective operational performance • Good corporate governance and Risk control • Disclose sufficient information 	<ul style="list-style-type: none"> • Shareholders' meetings • Preparation of annual reports • Power plant visits • Quarterly analyst meetings • One-on-One meetings • Roadshows • LIFE quarterly magazine • Acceptance of complaints through designated channels

Stakeholder	Stakeholder Expectation	The Company's response	Stakeholder Engagement Approach
	<ul style="list-style-type: none"> Professional and honest executives 		<ul style="list-style-type: none"> Information dissemination through the Company's website
2. Employees	<ul style="list-style-type: none"> Compensation and benefits compared with peers in the same industry Support of career paths Employee development Job security Good and safe working environment 	<ul style="list-style-type: none"> Fair compensation and benefit Develop employee competency Clear criteria of promotion Organize appropriate work place Good employee relationship 	<ul style="list-style-type: none"> Business update meetings Communication Day Employee relations and team building activities Internal communication
3. Customers	<ul style="list-style-type: none"> Power generation and distribution as specified in Power Purchase Agreements (PPAs) Provision of correct information Power supply reliability Reasonable price Operations not affecting the community, society and environment 	<ul style="list-style-type: none"> Effective operational performance Good customer relationship Responsible for community, society and environment 	<ul style="list-style-type: none"> Meetings for exchange of information and opinions with Transmission Control Unit of Electricity Generating Authority of Thailand (EGAT) • EGAT Group relationship building activities Meetings with customers in industrial estates to develop a production plan in response to customers' needs
4. Creditors	<ul style="list-style-type: none"> Strict fulfillment of conditions in loan agreements Repayment capacity in a complete, accurate, and punctual manner • No concealment of true financial status 	<ul style="list-style-type: none"> Strictly comply with loan agreement Not concealing true financial status 	<ul style="list-style-type: none"> Meetings for exchange of opinions Power plant visits Report of non-fulfillment of conditions in loan agreements to creditors in advance and mutual participation in the

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Stakeholder	Stakeholder Expectation	The Company's response	Stakeholder Engagement Approach
	<ul style="list-style-type: none"> • Fair and equitable treatment of all creditors • No solicitation, acceptance, or payment of any wrongful benefits 		search for solutions to the problems
5. Competitors	<ul style="list-style-type: none"> • Conduct of business within the competition framework • Free, transparent, and fair competition • Strict compliance with good corporate governance principles • Conduct of business according to international standards 	<ul style="list-style-type: none"> • Fair play basis • Good corporate governance • Provides beneficial opinions concerning regulations and standards for common operating procedures 	<ul style="list-style-type: none"> • Receipt of information from public forum • Dissemination of information through the Company's website, annual reports, and other publications
6. Community and Society	<ul style="list-style-type: none"> • Conduct of business with responsibility, safety and good environment • Disclosure of factual information without concealment • Participation in the improvement of the quality of life of communities 	<ul style="list-style-type: none"> • Support of local employment • Promotion of learning among children and youth in communities • Development of skills beneficial to occupation • Promotion of community sanitation • Development of public utilities • Conservation of natural resources and environment 	<ul style="list-style-type: none"> • Meetings of Tri-party Committee (only power plants under EIA) • Power Development Fund meetings • Power plant visits of students and communities • Project for development of quality of life of communities in the form of tri-party cooperation among power plants, government agencies, and communities in the areas • SUKJAI quarterly magazine • Acceptance of complaints through designated channels

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Stakeholder	Stakeholder Expectation	The Company's response	Stakeholder Engagement Approach
7. Business Partners	<ul style="list-style-type: none"> • Financial strength • Knowledge and expertise of personnel • Fair and transparent business operation • Synergy of strengths of each company 	<ul style="list-style-type: none"> • Strictly observing our agreements • Not taking advantage of partnership through wrongful acts • Good business partner relationship 	<ul style="list-style-type: none"> • Meetings • Company visits • Mutual activities • Channels for raising complaints, opinions, and suggestions
8. Contractors/ Subcontractors	<ul style="list-style-type: none"> • Operating business as good business alliances and maintaining good relationships • Fair and equitable treatment with focus on mutual benefits • Appropriate and acceptable payment period • Financial stability 	<ul style="list-style-type: none"> • Good business partner relationship • Ensure equality and fairness • Strictly comply with term of payment 	<ul style="list-style-type: none"> • Meetings • Company visits • Activities for public benefits • Channels for raising complaints, opinions, and suggestions
9. Government Agencies	<ul style="list-style-type: none"> • Compliance with relevant laws, rules and regulations • Environmental management • Care for and support of community activities • Prevention of and resistance to corruption, and conduct of business with fairness • Disclosure of correct, complete, and sufficient information 	<ul style="list-style-type: none"> • Strictly abides by relevant laws and regulations • Responsible for community, society and environment • Good government agencies relationship • Disclose complete and sufficient information 	<ul style="list-style-type: none"> • Meetings • Company visits • Channels for raising complaints, opinions, and suggestions
10. Private Development Organizations	<ul style="list-style-type: none"> • Conduct of business having the least possible impact on the environment and community 	<ul style="list-style-type: none"> • Responsible for community, society and environment 	<ul style="list-style-type: none"> • Environmental conservation projects of Thai Rak Pa Foundation

Stakeholder	Stakeholder Expectation	The Company's response	Stakeholder Engagement Approach
	<ul style="list-style-type: none"> • Participation in caring for the environment and development of the community • Disclosure of correct, complete, and sufficient information in a timely manner 	<ul style="list-style-type: none"> • Disclose complete and sufficient information 	<ul style="list-style-type: none"> • Company visits • Channels for raising complaints, opinions and suggestions

1.3 Business Operations in 2019

The details of business operation regarding EGCO's corporate social responsibility in 2019 are disclosed in Sustainability Report

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11. Internal Control and Risk Management

The Board has assigned the Audit Committee the responsibility of reviewing and monitoring the adequacy of the internal control system, including risk management. For 2019, the Audit Committee reviewed the appropriateness and effectiveness of internal control system assessment report provided by the Management. This is to ensure that the internal control system of the Electricity Generating Public Company Limited (EGCO), and the monitoring of its subsidiaries' operations, is in compliance with the guidelines of the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and the Internal Control Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Audit Committee reviewed the internal control systems in management, operations, finance, and compliance. The audit reports of the Internal Audit Division as well as comments from the external auditors were also considered.

All three Audit Committee members attended Board Meeting no. 1/2020 on January 17, 2020. The Board examined the internal control system assessment report and the results of the SET's internal control questionnaire, both reviewed by the Audit Committee. Thereafter, the Board agreed with the Audit Committee that EGCO's internal control system is appropriate and adequate. Sufficient personnel were assigned to uphold the internal control system, and the internal control system was properly set to monitor EGCO's subsidiaries' operations in order to safeguard assets from misuse or unauthorized use by the directors, management, or employees. In the previous year, the Audit Committee received a report from the external auditor stating that there was no significant deficiency in internal control systems.

The review of the internal control system according to the five components of the COSO Internal Control Integrated Framework can be summarized as follows:

1. Control Environment

- A clear vision, mission statement, and list of business objectives were set by the Board as guidelines for the management and employees. Operation was carried out and constantly reviewed to ensure target achievement, considering fair treatment to all stakeholders, in order to create sustainable shareholder value both in financial and non-financial terms.
- The organization structure was designed by the Board to accommodate business growth, and will be adjusted over time in accordance with the business environment.
- The Board set code of conduct and good corporate governance principles, in writing, to be abided by directors, management, and employees, and to be reviewed periodically. New employees were given an orientation to understand their roles and responsibilities in upholding practices and avoiding conflicts of interest.
- The Board set regulations, orders, and the table of authority, in writing, and publicly announced that these are to be abided by all employees.
- The Board set an Anti-Corruption Policy and endorsed the Anti-Corruption Manual to be complied with by directors, management, and employees.



2. Risk Assessment

- The Board assigned the Risk Oversight Committee to oversee the risk, assess the impact and likelihood of future risks, including considering the risk mitigation action plan, and corporate risk management plan; and provide advice and support to the board, management and Risk management Committee on risks that are related to Corporate Direction in the businesses. Moreover, the Board also encouraged the continuous improvement and development of risk management within the corporation.
- Risk management is regarded as the duty of all divisions and employees. Nonetheless, the Risk Assessment Division was assigned with the responsibility to support the company's integrated risk management to ensure the level of efficiency and effectiveness is in accordance with EGCO's current business situation.
- Risk assessment is based on external and internal factors that might affect targets. The likelihood and impact of each factor was assessed and prioritized. Key risks were identified, then risk mitigation measures were implemented to manage them. EGCO considers risk culture to be synonymous with corporate culture.
- In 2019, EGCO prepared key corporate risk management and response plans as a result of emerging risks, such as the global economic slowdown, due to the trade war between the United States of America and the People's Republic of China; climate change that led to the government's greenhouse gas emission policy; technology disruption that encouraged efficient electricity management; and cybersecurity risk.

3. Control Activities

- Authorities and transaction approval levels were classified in the table of authority, to be reviewed as and when required.
- The procurement process was stipulated by clearly defined procedures and orders, including responsibilities.
- Responsible units for transaction approval, operation or account recording, and asset safeguarding were properly segregated for check and balance control.
- The performance of EGCO's subsidiaries and joint ventures is regularly monitored by management, who reports such performance to the Board for acknowledgement, on a monthly basis.
- Connected transactions are executed in compliance with SET's regulations, with due consideration for all rationales and ultimate benefits of EGCO. Additionally, all transactions are approved by authorized persons, who have no conflicts of interest.
- The Information Technology (IT) division was assigned with the responsibility of IT control system security. The IT internal control system is reviewed annually by the external auditor. Additionally, EGCO enforced the guidelines of the Control Objectives for Information and Related Technology 2019 (COBIT 2019) to ensure that the utilization of IT resources is in accordance with the organization's objectives.
- In 2019, EGCO underwent an Internal Audit Quality Assurance Review (QAR) by an independent external assessor. The purpose of the review was to assess structure;

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resource allocation; the effectiveness and efficiency of operations; the conformance to international standards and ethics; operational technology; qualifications; knowledge and competency of personnel; personnel development; and training plans. It also included the review of roles and responsibilities in the company's significant missions, by comparing with international standards, best practices, and leading organizations.

- EGCO employed emerging risk mitigation measures, such as the placement of a designated representative in countries where EGCO has investment, in order to closely monitor and respond to changing economic conditions, manage the diverse investment portfolio, continually seek new business, and closely monitor and analyze trends in technological change, related to work improvements. Moreover, the "Innovation Team Challenge" contest was held to encourage teamwork, creativity, and improve competency of employees, by incentivizing the development of innovative ideas and implementation plans, with the purpose of driving the company's sustainable growth, and improving timeous adaptation to technological change.

4. Information and Communication

Adequate, important information is provided for the decision making of the Board, committees, and management, coupled with effective internal communication channels, as outlined below:

- The Board and committee members received the meeting notice, together with the necessary documentation not less than 7 days before the meeting.
- Monthly performance reporting was proposed to the Board of Directors. Relevant stakeholders, such as management, employees, external auditors, and internal auditors will be invited to attend these meetings for discussion and declaration.
- The company's intranet and EGCO Talk Radio are both utilized as internal communication channels for corporate information on policies, regulations, orders, and good corporate governance, including the Anti-Corruption Manual. In 2019, anti-corruption activities were publicized through the company's intranet to ensure continuous education of employees.
- Accounting records and supporting documents of the financial statements are kept in an orderly manner. The auditors who used the stored information had no recommendation for improvement.
- Governing laws, regulations, and orders are kept in a compliance database for reference and tracking. The legal division is responsible for updating this database and providing consultations to responsible units.
- Two-way communication channels are provided to communicate with external parties. The EGCO website, www.egco.com, serves as the communication channel for all external stakeholders, in order to access corporate information. Meetings with investors and analysts are held quarterly. Press conferences and EGCO newsletters serve as additional communication tools. Stakeholders also inquire about EGCO through the channels mentioned above.

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- The whistleblower system is explained in EGCO's code of conduct and is available on its website. It provides shareholders and employees the opportunity to report suspected violations of the code of conduct to management, the Audit Committee, and the Board of Directors, while maintaining anonymity.

5. Monitoring Activities

- The Asset Management Unit, Power Plant Management Unit, and Project Management Unit were established to take responsibility for monitoring and overseeing the EGCO group's performance against its KPIs, with constant reporting, including gap analysis, to management and the Board.
- External auditors are encouraged to perform their tasks independently, and to regularly report to the Audit Committee.
- The internal control systems of EGCO are to be evaluated annually by using the internal control assessment form, which is aligned to the SEC's guidelines for the evaluation.
- Management and employees are required to study regulations and the code of conduct and confirm their compliance via the company's intranet system.
- The adequacy and appropriateness of internal control systems are reviewed, and compliance with the Anti-Corruption Policy is regularly monitored, by the internal audit division. Changes to the internal control systems are proposed to the Audit Committee to endorse, before presenting to the Board for acknowledgement.

The external auditors' review the internal control of accounting and finance in order to define the audit approach, timing, and scope of work. For 2019, there was no significant finding for the improvement of internal control systems.

The Chief Internal Audit

During the Audit Committee Meeting no. 7/2019 on July 9, 2019, the Audit Committee appointed Mrs. Jutima Tungcharoendee as the Chief Internal Audit, effective June 16, 2019. Mrs. Jutima is a Certified Professional Internal Audit of Thailand (CPIAT), with many years of auditing experience, and demonstrated analytical skills. Her knowledge and experience make her a perfect fit for the role.

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12. Related Transactions

In conducting our business activities and services, there are related transactions between EGCO or its subsidiaries and persons or parties who may have potential conflicts of interest. EGCO endeavors to ensure that these transactions are justified and in compliance with the Stock Exchange of Thailand (“SET”) and the Capital Market Supervisory Board’s rules and regulations. Apart from designating the authorized persons to approve the transaction in accordance with the Table of Authority, the Audit Committee is entrusted to review the related transactions that need to be approved by the Board of Directors. The details of the related transactions are disclosed under the items 37 and 39 of the Notes to Financial Statements for the year ended December 31, 2019.

Procedures to Approve the Related Transactions

EGCO has materialized the following policies and guidelines in treating and approving the related transactions.

- In case of entering into any agreements or any related transactions with EGCO, subsidiaries, joint venture companies, associate companies and/or any concerned parties, EGCO will consider the necessity and justification of such transactions for the best interest of the Company. Costs are charged at the market price like transactions with any other outside parties (Arm’s Length Basis). If there is no such price, EGCO will apply the price of similar market transactions. EGCO may also compare the price with the one recommended by an independent appraiser to ensure that such price is reasonable to maximize the Company’s benefits.
- Business transactions that are considered connected transactions according to the SET’s rules and regulations have to strictly comply with the requirements of the SET’s and the Capital Market Supervisory Board. They are also to be reviewed by the Audit Committee in case that such transactions must be approved by the Board of Directors.
- Financial assistance to Group companies or business partners such as loans, guarantee, etc. will be conducted prudently to ensure the utmost benefits of the Group companies. Fees will be charged at the market rate as at the transaction date.
- For business transactions having terms and agreements that any ordinary person will agree with the counterpart under similar circumstances, EGCO always ensures its bargaining power without any influential privileges resulted from persons holding administrative titles as the director, executive or related authority. Such transactions shall be reported to the Audit Committee and the Board of Directors. This is aimed to ensure that such transactions are properly carried out and provide optimal benefits to the Company and in line with the procedures.
- In case that the shareholders’ approval is needed, the major shareholders who may have conflicts of interest can attend the meeting in order to constitute a quorum but will not have voting rights, thus does not affect the quorum and the vote counting.
- Directors and executives with potential conflicts of interest are not allowed to vote or attend the meeting

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Related Transactions in 2019

EGCO's related transactions in 2019 were normal business transactions and there was no profit siphoning between EGCO or its subsidiaries, joint ventures and parties with potential conflicts of interest. Each transaction was duly approved under the transparent process and the persons with potential conflicts of interests were not involved in the decision making. Such transactions were well justified that they were carried out for the best interest of the Company like the transactions with any third parties. The checking and audit systems also ensured that all transactions were carried out in line with the established process.

Details of related transactions in 2019 that may pose conflicts of interest are as follows:

1. Related Transactions with EGAT

In carrying out EGCO Group's businesses and services, there were transactions relating to the power sales and maintenance services between EGCO Group and EGAT, a major shareholder which owns 25.41 per cent of EGCO stakes and has 4 representative directors on EGCO Board. However, all the transactions followed the established process and were in line with the disclosure and other requirements of the SET and The Securities and Exchange Commission (SEC). The following are the transactions in 2019 in detail:

1.1 Electricity Sales with EGAT

Six subsidiaries of EGCO namely KEGCO, KLU, BPU, EGCO Cogen, RG and CWF were engaged in the Power Purchase Agreement ("PPA") with EGAT. The PPA term is 25 years, 25 years, 21 years, 21 years and 5 years and continued for a period of 5 years automatically, respectively.

Such transactions were considered justified as power generation was EGCO Group's core business and EGAT was the sole wholesale buyer in Thailand. In addition, the pricing and conditions of those transactions were in accordance with the standardized contracts endorsed by concerned government agencies.

Companies	Relationship	Transaction value for the year ended December 31, 2019 (million Baht)			
		Sales of electricity	Finance lease income under PPA	Service income under PPA	Trade receivable, Finance lease receivable and Trade receivable for services income under PPA
EGCO Cogen	Subsidiaries	1,310	-	-	236
KEGCO		-	3,000	11,876	1,922
RG		-	3	242	47
CWF		420	-	-	186
KLU		2,110	-	-	365
BPU		4,182	-	-	728

Kulhanok L.

Since EGCO has recorded the share of profits from joint venture companies using equity method, the value of such transactions is not shown in the consolidated financial statements. The values of the related transactions between joint venture companies and EGAT are shown in the following table.

Companies	Relationship	Transaction value for the year ended December 31, 2019 (million Baht)			
		Sales of electricity	Finance lease income under PPA	Service income under PPA	Trade receivable, Finance lease receivable and Trade receivable for services income under PPA
GEC Group	Joint Ventures	3,319	1,607	2,000	860
BLCP		-	1,767	5,426	737
NTPC		2,709	-	-	604
NED		828	-	-	154
XPCL	Associated	189	-	-	187

1.2 Operation and Maintenance Services with EGAT

EGCO Group has engaged in the operation and maintenance agreements with EGAT which are defined as the normal transactions to support its business operations of which are defined as the normal transactions of which the general trading items and conditions are applied. The fee can be calculated from the venue of assets or the referred price in accordance with SET's guidelines.

- KEGCO has entered into a PPA with EGAT for back up power. The agreement has been effective since June 19, 2016

Companies	Relationship	Transaction value for the year ended December 31, 2019 (million Baht)	
		Back up Power Fee	Account Payables
KEGCO	Subsidiaries	17	3

- KEGCO has entered into a Maintenance Agreement and Service Agreement with EGAT

Companies	Relationship	Transaction value for the year ended December 31, 2019 (million Baht)	
		Maintenance/ Services Fee	Account Payables
KEGCO	Subsidiaries	11	4

Kulhanok L.

- GEC Group has engaged EGAT as its advisor for maintenance works and back up power. The fee was charged in accordance with standard price for those contractual fees.

Companies	Relationship	Transaction value for the year ended December 31, 2019 (million Baht)		
		Back up Power Fee	Maintenance Advisory Fee	Account Payables
GEC Group	Joint Ventures	36	1	6

- NTPC has entered into a Maintenance Agreement and Service Agreement with EGAT

Companies	Relationship	Transaction value for the year ended December 31, 2019 (million Baht)		
		Back up Power Fee	Maintenance Advisory Fee	Account Payables
NTPC	Joint Ventures	-	13	-

- BLCP has engaged EGAT as its advisor for maintenance works and back up power. The fee was charged in accordance with standard price for those contractual fees.

Companies	Relationship	Transaction value for the year ended December 31, 2019 (million baht)		
		Back up Power Fee	Maintenance Advisory Fee	Account Payables
BLCP	Joint Ventures	15	2	3

2. Related Transactions between EGCO and TEPDIA Generating B.V. (TEPDIA)

In carrying out EGCO Group's businesses and services, there were transactions relating to the technical service agreements between EGCO and TEPDIA, a major shareholder which owns 23.94 per cent of EGCO stakes and has 4 representative directors on EGCO Board. However, all the transactions followed the established process and were in line with the disclosure and other requirements of the SET and SEC. The following are the transactions in 2019 in detail:

2.1 Operation and Maintenance Services

- KEGCO has entered into Major Maintenance Agreement with Mitsubishi Corporation which holds some stakes in TEPDIA and Mitsubishi Corporation Machinery, Inc, a subsidiary of Mitsubishi Corporation which indirectly holds some stakes in TEPDIA, in order for the latter to provide maintenance services to the power plant. The price for such services is calculated under the agreements on a cost plus basis and will be adjusted annually according to the Consumer Price Index. The agreements are effective for a period of 12 years, commencing from 19 June 2016 with the contract amount 18,560 million JPY.

Companies	Relationship	Transaction value for the year ended December 31, 2019 (million Baht)	
		Operation / Maintenance Services Fee	Account Payables
KEGCO	Subsidiaries	534	78

- KEGCO has entered into long-term technical service agreement with JERA Co., Inc a joint venture of Tokyo Electric Power Company which indirectly holds some stakes in TEPDIA. The agreements is effective for a period of 25 years, commencing from 19 June 2016 with the contract amount of 0.42 million US Dollar per year.

Kulhanok L.

Companies	Relationship	Transaction value for the year ended December 31, 2019 (million Baht)	
		Technical Services Fee	Account Payables
KEGCO	Subsidiaries	13	3

2.2 Purchases of Spareparts Agreement

- KEGCO has entered into purchases of spareparts agreement with Mitsubishi Corporation Machinery, Inc, a subsidiary of Mitsubishi Corporation which indirectly holds some stakes in TEPDIA. The total contract price is 1,947 million in 2015-2016.

Companies	Relationship	Transaction value as at December 31, 2019 (million Baht)	
		Spareparts	Account Payables
KEGCO	Subsidiaries	110	-

Remark : There is no transaction during the year 2019

- KEGCO has entered into purchases of spareparts agreement with Mitsubishi Corporation, which holds some stakes in TEPDIA. The contract price in 2018 is 31 million Baht and in 2019 is 40 million Yen.

Companies	Relationship	Transaction value as at December 31, 2019 (million Baht)	
		Spareparts	Account Payables
KEGCO	Subsidiaries	9	4

- KEGCO received spareparts to compensate the issue of Engineering Procurement and Construction agreement with Mitsubishi Corporation with the amount of 30 million Baht.

Companies	Relationship	Transaction value for the year ended December 31, 2019 (million Baht)	
		Spareparts	Account Receivable,
KEGCO	Subsidiaries	-	30

2.3 Other Agreement

- KEGCO has entered into other service agreement with Mitsubishi Corporation. The contract price in 2018 is 11 million Yen and in 2019 is 6 million Yen.

Companies	Relationship	Transaction value as at December 31, 2019 (million Baht)	
		Other service fee	Account Payables
KEGCO	Subsidiaries	2	1

3. Related Transactions between EGCO and Group Companies

EGCO has entered into the following agreements with Group Companies where EGCO is a major shareholder and in which EGCO's executives are appointed as directors and executives.

- 3.1 Office Building Rental and Service Agreements with 16 companies namely KEGCO, ESCO, EGCO Cogen, RG, CWF, BPU, KLU, Solarco, SPP2, SPP3, SPP4, SPP5, Yanhee EGCO, TWF, EGCO PLUS and NED. The provision of space and the scope of services are specified in a yearly contract.

Kulhanok L.

Such transactions were considered justified as EGCO maximized its building space usage and the fee was charged at the same market rate which charged to any third parties.

3.2 Management Service Agreement with KEGCO, ESCO, EGCO Cogen, EGCO Green, RG, EGCO PLUS, PEPOI, Quezon, TWF, SPP2, SPP3, SPP4, SPP5, Yanhee EGCO, Solarco, CWF, BPU, KLU, BRWF, NPG, BLCP, GPS, NED, NTPC and SBPL. The scopes of work cover internal audit, legal counseling, Board's secretarial work, IT, public and community relations and financial work (except ESCO).

3.3 Land Rental Agreement for construction with KLU.

Such transactions were justified as those Group companies did not have internal staff to take care of such work while EGCO had the expertise and capability to provide the services. The service fee was charged in accordance with the actual operating hours based on the cost plus basis.

Companies	Relationship	Transaction values for the year ended December 31, 2019 (million Baht)
		Financial Statements
KEGCO	Subsidiaries	47
ESCO		5
EGCO Cogen		10
EGCO Green		1
RG		9
CWF		8
PEPOI		22
Quezon		9
TWF		2
SPP2		6
SPP3		5
SPP4		4
SPP5		5
Yanhee EGCO		2
Solarco		16
BPU		13
KLU		20
EGCO PLUS		5
BRWF		4
NGP		12
Total for Subsidiaries		205
NTPC	Joint Ventures	1
BLCP		14
GPS		7
NED		4
SBPL		4
Total for Joint Ventures		30

Kulhanok L.

4. Financial Support to related business partners

EGCO has provided financial support to subsidiaries and joint ventures in proportional to its ownership in such companies. Such supports are normal business practices and are aimed at optimizing shareholders' returns. The transactions were approved by the Board under the Company's Table of Authority and disclosed in the notes to financial statements as of December 31, 2019.

4.1 Loan

Companies	Relationship	Transaction values by December 31, 2019 (million Baht)	Terms and conditions
SPP 2	Subsidiaries	103	On January 7, 2013, EGCO entered into the loan agreement providing the loan of 103 million Baht to SPP 2. Such loan has fully drawdown. The principal payment will be made on January 11, 2037 at the interest rate of MLR plus a certain margin, payable on a quarterly basis.
SPP 3	Subsidiaries	80	On January 7, 2013, EGCO entered into the loan agreement to provide the loan of 105 million Baht to SPP 3. SPP 3 has repayed the loan amounting 25 Million Baht. The principal payment will be made on September 20, 2036 at the interest rate of MLR plus a certain margin, payable on quarterly basis.
SPP 4	Subsidiaries	80	On January 7, 2013, EGCO entered into the loan agreement to providing the loan of 80 million Baht to SPP4. The full facility had been drawn down. The principal payment will be made on September 20, 2036 at the interest rate of MLR plus a certain margin, payable on a quarterly basis.
SPP 5	Subsidiaries	78	On January 7, 2013, EGCO entered into loan agreement to providing the loan of 78 million Baht to SPP 5. The full facility had been drawn down. The principal payment will be made on March 27, 2037 at the interest

Companies	Relationship	Transaction values by December 31, 2019 (million Baht)	Terms and conditions
			rate of MLR plus a certain margin, payable on a quarterly basis.
Yanhee EGCO	Subsidiaries	860	On October 22, 2012, EGCO entered into the loan agreement to provide the loan of 1,720 million Baht to Yanhee EGCO. The full facility had been drawn down. The principal payment will be made at equal installment on a yearly basis at the interest rate of MLR, payable on a yearly basis.
TWF	Subsidiaries	11	On October 8, 2012, EGCO entered into the loan agreement providing the loan of 31 million Baht to TWF. TWF drew down the loan amounting 29 million baht and has repayed the loan amounting 18 million Baht. The principal will be paid at a lump sum on the 10 th anniversary of the COD, at the interest rate of MLR minus a certain margin. The Interest payment should be made every 6 months starting from the COD.
CWF	Subsidiaries	90	On December 14, 2016, EGCO entered into the loan agreement providing the loan of 293 million baht to CWF. CWF drew down the loan amounting 150 million baht and has repayed the loan amounting 60 million Baht. The principal will be paid at a lump sum on the 10 th anniversary of the COD, at the interest rate of MLR. The Interest payment should be made every 6 months starting from 2019
BPU	Subsidiaries	710	On September 7, 2015, EGCO entered into the loan agreement providing the loan of 1,000 million baht to BPU. BPU drew down the loan amounting 710

Companies	Relationship	Transaction values by December 31, 2019 (million Baht)	Terms and conditions
			million Baht. The principal will be paid at a lump sum by the year 2038, at the interest rate of MLR. The Interest payment should be made every 6 months starting from 2019.
KLU	Subsidiaries	400	On May 22, 2015, EGCO entered into the loan agreement providing the loan of 500 million Baht to KLU. KLU drew down the loan amounting 400 million baht. The principal will be paid at a lump sum by the year 2038, at the interest rate of MLR. The Interest payment should be made every 6 months starting from 2019.
EGCO PLUS	Subsidiaries	48,108	On June 1, 2019, EGCO entered into the long term loan agreement for convert promissory notes issued by EGCO Plus to long-term loans to EGCO Plus providing the loan of 49,094 million Baht. Part of principal has been paid with the fix interest rate per year. The principal will be paid at a lump sum within the year 2029 and the interest payment should be made every year.
XPCL	Other long-term investments	1,231	On 2 August 2016, EGCO entered into a Baht 1,231 million loan agreement with Xayaburi Power Company Limited ("XPCL"). Such loan has fully drawdown, the principal repayments and interest payments beginning after fully complying with the conditions of the long-term loan agreement of the lender bank. The loans are to carry interest at the Minimum Loan Rate plus a stipulated margin (MLR + margin) per annum during the construction period and the interest rates are to be reduced from the Commercial Operation Date.

4.2 Commitments and Liabilities

EGCO's liability under Standby Letter of Credit, Buyer Guarantee and Corporate Guarantee for its subsidiaries, joint ventures and Associates as at December 31, 2019 as follows:

TWF

EGCO was liable under the Letter of Guarantee for the electricity sales proposal to PEA, Land Lease Guarantee to the Agricultural Land Reform Office, Chaiyaphum province, with the total amount of 1.8 million Baht.

KEGCO

EGCO has the liability under the Standby Letter of Credit issued by Hong Kong and Shanghai Banking Corporation (HSBC) to guarantee the decommissioning of Khanom Project 1-3 in the amount of 662 million Baht and also has the liability under 2 Standby Letters of Credit issued by Mizuho Corporate Bank to guarantee the debt obligation in reserve accounts for Khanom Project 4 in the amount of 16 million USD (equivalent to 492 million Baht) and 544 million Baht, respectively.

SPP2

EGCO has the liability under the Standby Letter of Credit amounted to 77 million baht, issued by Kasikorn Bank to guarantee the debt obligation in reserve accounts for SPP2 Project.

SPP3

EGCO has the liability under the Standby Letter of Credit amounted to 85 million Baht, issued by Kasikorn Bank to guarantee the debt obligation in reserve accounts for SPP3 Project.

SPP4

EGCO has the liability under the Standby Letter of Credit amounted to 64 million Baht, issued by Kasikorn Bank to guarantee the debt obligation in reserve accounts for SPP4 Project.

SPP5

EGCO has the liability under the Standby Letter of Credit amounted to 37 million Baht, issued by Kasikorn Bank to guarantee the debt obligation in reserve accounts for SPP5 Project.

NTPC

EGCO has the liability under 2 standby letters of credit issued by Mizuho Corporate Bank to guarantee the debt obligation in reserve accounts for Nam Theun project 2, in the amount of 5 million USD (equivalent to 144 million Baht) and 597 million Baht, respectively.

GPS

EGCO has the liability under the Standby Letter of Credit amounted to 86 million Baht, issued by Kasikorn Bank to guarantee the debt obligation in reserve accounts for GPS .

SBPL

EGCO has the liability under the Standby Letter of Credit amounted to 887 million PHP equivalent to 537 million baht, issued by BNP Paribas to guarantee the capital payment for SBPL project.

Kulhanok L.

SEGSD

EGCO has provided a guarantee from 31 March 2017 to 31 December 2037 of up to 23.96 million USD (equivalent to 781 million baht) for an associate's obligations as the buyer under share sales and purchase agreements for geothermal operations in Indonesia. The guarantee will be for up to 23.78 million USD (equivalent to 776 million Baht) from 1 January 2038 to 31 December 2049. A subsidiary will pay 5 million USD (equivalent to 164 million baht) to Star Energy Group Holding Pte Ltd. during 2040 to 2047 in accordance with the relevant consortium agreement to be released from obligations.

Gen Plus B.V.

EGCO has provided a corporate guarantee to GEN Plus B.V.'s creditors under the principle amount of 300 million USD (equivalent to 9,099 million Baht) and the principle amount of 100 million USD amounting to 122,909 million KRW (equivalent to 3,220 million Baht) of cross currency interest rate swap contract, including interest and other expenses occurred due to Gen Plus B.V. defaulting.

Policy and Tendency of Future Related Transactions

EGCO's existing related transactions tends to continue and EGCO will seek to ensure that all of the related transactions be conducted transparently, fair and beneficial to the Company. The Audit Committee, external auditors or independent consultants shall be assigned by the Board to review and give their independent opinions on the pricing and justifications of those transactions. Disclosure of related transactions shall strictly follow the notifications of SET and SEC. In addition, EGCO will continue to provide the updated information, rules and regulations on related transactions to concerned staffs for thorough understanding which will certainly lead to full compliance and transparency for the optimal benefits of the shareholders.

Kulhanok L.