



Part 2

Management and Corporate Governance

7. Information on Securities and Shareholders

7.1 Registered and paid-up capital

(1) As at December 31, 2018, the Company's registered capital amounts to Baht 1,693,899,970, divided into 1,693,899,970 ordinary shares at the par value of Baht 1 per share, Baht 1,693,896,872 of which has been paid up, divided into 1,693,896,872 ordinary shares at the par value of Baht 1 per share.

(2) The Company does not have any other type of shares providing rights or conditions differing from those of the ordinary shares.

(3) The Company neither has any plan to offer shares or convertible securities to the Thai Trust Fund, nor issues non-voting depository receipts (NVDR).

7.2 Shareholders

(1) Major shareholders

(a) Top ten major shareholders

Major Shareholders as at August 28, 2018 (As of the most recent date of closing the shareholder register)

	Shareholders	Total Shares	Shareholding (%)
1	Trivisvavet Family	570,622,888	33.686
	1.1 Mr. Plew Trivisvavet	13,631,497	0.805
	1.2 Mrs. Saikasem Trivisvavet	6,061,142	0.358
	1.3 Mrs. Pranee Tongkittikul	4,614,342	0.272
	1.4 Mr. Nattavut Trivisvavet	2,405,785	0.142
	1.5 Miss Supamas Trivisvavet	1,700,000	0.100
	1.6 Mr. Sittidej Trivisvavet	1,550,000	0.092
	1.7 Mr. Puwanet Trivisvavet	1,109,255	0.065
	1.8 Miss Sawanya Trivisvavet	835,225	0.049
	1.9 Mrs. Korakot Trivisvavet	1,030,250	0.061
	1.10 Mr. Prasert Trivisvavet	184,285	0.011
	1.11 Mr. Krittinun Suwanpitak	44,000	0.002
	1.12 Mahasiri Siam Co., Ltd. ¹	280,012,365	16.531
	1.13 CH. Karnchang Holding Co., Ltd. ²	171,396,530	10.118
	1.14 CK. Office Tower Co., Ltd. ³	86,048,212	5.080
2	Thai NVDR Co., Ltd. ⁴	56,672,419	3.346
3	Bangkok Bank Public Company Limited	38,950,000	2.299
4	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED ⁵	31,252,900	1.845
5	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	29,669,300	1.752
6	Krungsri Dividend Stock LTF (KFLTFDIV)	17,875,900	1.055
7	The Viriyah Insurance Public Company Limited	15,545,200	0.918
8	Mrs. Sopida Trivisvavet	15,383,225	0.908
9	Mr. Winai Teawsomboonkij	13,952,500	0.824
10	K Equity 70:30 LTF	12,514,165	0.739



Remarks: ¹ Mahasiri Siam Co., Ltd.'s shareholders comprise:

Major Shareholders	Total Shares	Shareholding (%)
Mr. Thavorn Trivisvavet	2,411,473	26.80
Mr. Prasert Trivisvavet	2,281,895	25.35
Mr. Plew Trivisvavet	1,993,633	22.15
Mr. Thep Trivisvavet	937,837	10.42
Mr. Kamthorn Trivisvavet	753,948	8.38
Mrs. Chonthida Suwanvit	621,213	6.90
Mrs. Saikasem Trivisvavet	1	0.00
Total	9,000,000	100.00

² CH. Karnchang Holding Co., Ltd.'s shareholders comprise:

Major Shareholders	Total Shares	Shareholding (%)
Mahasiri Siam Co., Ltd.	2,100,000	25.00
Mrs. Panicha Padphaiboon	1,050,000	12.50
Namphol Construction Co., Ltd.	1,050,000	12.50
Cholavet Civil Co., Ltd.	1,050,000	12.50
Tawornwong Co., Ltd.	1,050,000	12.50
Vetprasert Co., Ltd.	1,050,000	12.50
Ekkamthorn Co., Ltd.	1,050,000	12.50
Total	8,400,000	100.00

³ CK. Office Tower Co., Ltd.'s shareholders comprise:

Major Shareholders	Total Shares	Shareholding (%)
Mahasiri Siam Co., Ltd.	750,000	25.00
Mr. Thavorn Trivisvavet	375,000	12.50
Mr. Plew Trivisvavet	375,000	12.50
Mr. Prasert Trivisvavet	375,000	12.50
Mr. Thep Trivisvavet	375,000	12.50
Mr. Yim Trivisvavet	375,000	12.50
Mr. Kamthorn Trivisvavet	375,000	12.50
Total	3,000,000	100.00

⁴ This is a subsidiary established by the Stock Exchange. NVDR represents automatically listed securities. NVDR investors enjoy the same financial privileges as investment in ordinary shares of companies, except that they have no right to vote in shareholders' meetings.

⁵ This is a company registered abroad and trades securities on the Stock Exchange of Thailand without disclosing if its shareholding is for its own interest or for others, and the Company is not in a position to request the shareholder to disclose such information.

(b) None of the Company's major shareholders has, by circumstances, any material influence over the determination of policies on management or operations of the Company.

**Increase or Decrease in Direct and Indirect Shareholding by Directors and Executives until December 31, 2018**

Name of Director/Executive	Brought Forward as at January 1, 2018	Change		Balance as at December 31, 2018
		Acquisition	Disposal	
Mr. Aswin Kongsiri	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Plew Trivisvavet	13,631,497	-	-	13,631,497
Spouse and minor child	5,061,142	1,000,000	-	6,061,142
Mr. Vitoon Tejatussanasoonporn	256,250	-	100,000	156,250
Spouse and minor child	-	-	-	-
Mr. Thawansak Sukhawun	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Pavich Tongroach	-	-	-	-
Spouse and minor child	-	-	-	-
Miss Supamas Trivisvavet	1,700,000	-	-	1,700,000
Spouse and minor child	-	-	-	-
Mr. Narong Sangsuriya	512,500	-	-	512,500
Spouse and minor child	-	-	-	-
Mr. Prasert Marittanaporn	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Ratn Santaannop	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Anukool Tuntimas	-	-	-	-
Spouse and minor child	3,177,484	-	3,000,000	177,484
Mr. Sittidej Trivisvavet	1,550,000	-	1,550,000	-
Spouse and minor child	-	-	-	-
Mr. Phongsarit Tantisuvanitchkul	153,750	-	-	153,750
Spouse and minor child	-	-	-	-
Mr. Pornnarong Siriyothin	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Prapon Chanpradubfa	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Phairat Prom-in	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Thammanoon Surarat	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Watchara Sanghattawattana	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Pichai Cheybumroong	150,000	-	-	150,000
Spouse and minor child	-	-	-	-
Mrs. Rinrada Tangtrongkid	-	-	-	-
Spouse and minor child	-	-	-	-



Name of Director/Executive	Brought Forward as at January 1, 2018	Change		Balance as at December 31, 2018
		Acquisition	Disposal	
Mr. Wiboon Ungapipathanachai	-	-	-	-
Spouse and minor child	-	-	-	-
Mr. Keerati Luangchookiat	50,050	-	-	50,050
Spouse and minor child	-	-	-	-

(2) Shareholders' Agreement

None of the Company's major shareholders has entered into a shareholders' agreement, to which the Company is a party, concerning any matters which have affect the Company's issuance and offering of securities or its administration.

7.3 Outstanding obligations in previous issuance of bills of exchange or debentures and issuance of other securities of the Company

(1) The Company has no convertible securities.

(2) The Company's securities in the form of debt instrument are debentures, with the details as follows:

The Company's Outstanding Debentures as at December 31, 2018

Debenture Symbol	Issuance Date	Value as at Issuance Date (Million Baht)	Value as at Dec 31, 2018 (Million Baht)	Term	Maturity Date	Interest Rate (per annum)	Type of Offering*	Credit Rating as at Jul 19, 2018
CK198A	August 7, 2015	500	500	4 years	August 7, 2019	2.85%	PP-II&HNW	A-
CK193B	March 7, 2016	1,500	1,500	3 years	March 7, 2019	2.19%	PP-II&HNW	A-
CK235A	May 26, 2016	1,000	1,000	7 years	May 26, 2023	3.22%	PP10	A-
CK246A	June 7, 2016	500	500	8 years	June 7, 2024	3.50%	PP10	A-
CK197A	July 8, 2016	2,500	2,500	3 years	July 8, 2019	2.24%	PP-II&HNW	A-
CK247A	July 8, 2016	1,500	1,500	8 years	July 8, 2024	3.51%	PP-II&HNW	A-
CK267A	July 8, 2016	2,700	2,700	10 years	July 8, 2026	3.82%	PP-II&HNW	A-
CK283A	July 8, 2016	800	800	11 years 8 months	March 8, 2028	3.99%	PP-II&HNW	A-
CK277A	July 11, 2016	1,000	1,000	11 years	July 11, 2027	3.95%	PP10	A-
CK27NA*	November 8, 2016	1,000	1,000	11 years	November 8, 2027	4.05%	PP10	A-
CK27NB*	November 17, 2016	500	500	11 years	November 17, 2027	4.05%	PP10	A-
CK215A	May 26, 2017	2,250	2,250	4 years	May 26, 2021	2.97%	PP-II&HNW	A-



Debenture Symbol	Issuance Date	Value as at Issuance Date (Million Baht)	Value as at Dec 31, 2018 (Million Baht)	Term	Maturity Date	Interest Rate (per annum)	Type of Offering*	Credit Rating as at Jul 19, 2018
CK245A*	May 26, 2017	1,600	1,600	7 years	May 26, 2024	3.80%	PP-II&HNW	A-
CK275A*	May 26, 2017	1,150	1,150	10 years	May 26, 2027	4.19%	PP-II&HNW	A-
CK295A*	May 26, 2017	1,000	1,000	12 years	May 26, 2029	4.32%	PP-II&HNW	A-
CK20NA	November 3, 2017	1,000	1,000	3 years	November 3, 2020	2.24%	PP-II&HNW	A-
CK25NA*	November 3, 2017	1,000	1,000	8 years	November 3, 2025	3.34%	PP-II&HNW	A-
CK27NC*	November 3, 2017	1,000	1,000	10 years	November 3, 2027	3.65%	PP10	A-
CK225A	May 23, 2018	1,600	1,600	4 years	May 23, 2022	2.48%	PP-II	A-
CK235B	May 23, 2018	2,700	2,700	5 years	May 23, 2023	2.74%	PP-II	A-
CK217A	July 25, 2018	820	820	3 years	July 25, 2021	2.60%	PP-II	A-
CK227A	July 25, 2018	910	910	4 years	July 25, 2022	2.80%	PP-II	A-
CK287A*	July 25, 2018	1,020	1,020	10 years	July 25, 2028	4.00%	PP-II	A-
Total		29,550.00	29,550.00					

* This refers to debentures which the issuer has the early redemption right.

Remarks: PO refers to public offering to all types of investors.
PP10 refers to private placement to not more than 10 investors.
PP-II&HNW refers to private placement to institutional investors or high net worth investors.
PP-II refers to private placement to institutional investors.

The Company's Outstanding Bills of Exchange as at December 31, 2018

As at December 31, 2018, the Company's bills of exchange payable amounted to Baht 2,900 Million, which would mature during February 2019 and March 2019.

The Company's Outstanding Short-Term Debentures as at December 31, 2018

As at December 31, 2018, the Company had no an outstanding debt for the short-term debentures.

Latest Credit Rating of Debentures

As at July 19, 2018, TRIS Rating Co., Ltd. has affirmed the corporate rating and the existing unsubordinated and unsecured debenture ratings of the Company at "A-", with the "Stable" outlook. The Company's credit ratings also reflect its leading position in Thailand's construction industry, together with proven records in its ability to undertake large-scale infrastructure and sophisticated construction projects requiring specific expertise, including strengths in project operations and financial flexibility obtained from the



Company's strategic investments. However, these strengths are partially constrained by the cyclical nature and the intense competition in the construction industry, together with the Company's high financial leverage.

7.4 Policy on dividend payment

The Company has a policy to pay dividend to shareholders at an expected rate of approximately not less than 40 percent of the net profit after tax in each year, which will be payable in the following year provided that there is no any other necessary requirements and such dividend payment will not affect the ordinary course of the Company's business operations in any material aspects.

As for the subsidiaries, joint ventures and related companies, the Company has not yet set out any policy on dividend payment.

Companies in the basic infrastructure project group which are associated companies, namely:

1. Bangkok Expressway and Metro Public Company Limited has a policy to pay dividend at not less than 40 percent of the net profit of each year, taking into account the operational results, financial structure and obligations, investment, as well as regular payment of dividend to shareholders. In this regard, the board of directors may pay interim dividend to its shareholders when it is of the initial view that the company has sufficient profit and cash flow to pay dividend. Once the dividend payment has been made, such dividend payment shall be reported to the following shareholders' meeting.

2. CK Power Public Company Limited has a policy on dividend payment to shareholders from its separate financial statements at the rate not less than 40 percent of the net profit after deduction of corporate income tax and legal reserve of each year. In this regard, the rate of such dividend payment may vary from the specified rate subject to the operational results, financial position, liquidity, necessity in investments, working capital, additional investments, business expansion, conditions and restrictions specified in the loan agreement, and other relevant factors in the management as the board of directors and/or the company's shareholders may deem appropriate. In addition, the board of directors may consider approving an interim dividend payment to its shareholders when it initially considers that the company has sufficient profits and cash flows for dividend payment.

The Company's dividend payments during the past five years were as follows:

Unit (Baht)

Year	2014	2015	2016	2017	2018
Net Profit Margin per share	1.24	1.46	0.53	0.31	0.37
Dividend per share	0.55	0.65	0.50	0.50	0.50

The Company's retained earnings and shareholders' equity during the past five years were as follows:

Unit (Million Baht)

	2014	2015	2016	2017	2018
Retained earnings	6,821.99	8,300.54	8,096.91	7,775.18	7,638.40
Shareholders' equity	19,470.68	20,855.67	21,854.32	23,873.08	25,828.72



8. Management Structure

8.1 Board of Directors

As at December 31, 2018, the Board of Directors consists of 10 directors as listed below:

Directors	Positions	Category	Total Number of Board of Directors' Meetings (2018)	Attendances of Board of Directors' Meetings (2018)
1. Mr. Aswin Kongsiri	Chairman of the Board of Directors	Independent Director	7	7
2. Mr. Plew Trivisvavet	Director Chairman of the Executive Board Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Executive Director	7	7
3. Mr. Vitoon Tejatussanasoontorn	Director Chairman of the Audit Committee Chairman of the Nomination and Remuneration Committee Chairman of the Corporate Governance and Risk Management Committee	Independent Director	7	7
4. Mr. Thawansak Sukhawun	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Independent Director	7	7



Directors	Positions	Category	Total Number of Board of Directors' Meetings (2018)	Attendances of Board of Directors' Meetings (2018)
5. Mr. Pavich Tongroach	Director Audit Committee Member Chairman of the Corporate Social and Environmental Responsibility Committee	Independent Director	7	7
6. Miss Supamas Trivisvavet	Director Executive Director President Corporate Governance and Risk Management Committee Member	Executive Director	7	7
7. Mr. Narong Sangsuriya	Director Executive Director Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Executive Director	7	7
8. Mr. Prasert Marittanaporn	Director Executive Director Corporate Social and Environmental Responsibility Committee Member	Executive Director	7	7
9. Mr. Ratn Santaannop	Director Executive Director	Executive Director	7	7
10. Mr. Anukool Tuntimas	Director Executive Director Corporate Social and Environmental Responsibility Committee Member	Executive Director	7	7

The Company's authorized signatory directors are two of the following four directors, namely, Miss Supamas Trivisvavet, the President, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, jointly sign and affix the Company's seal, or any one of the said four directors and either Mr. Ratn Santaannop or Mr. Anukool Tuntimas, totaling two directors, jointly sign and affix the Company's seal.



Board of Directors' Authority

- 1) Determining policies and directions of the Company's operation and supervising the management to comply with the specified policies as well as taking steps to ensure that the Company has efficient and effective internal control system and the intention to continue its business operations;
- 2) Performing the duties in compliance with laws, objectives and Articles of Association of the Company, as well as resolutions passed by shareholders' meetings, taking into account the integrity and protection of the Company's interest;
- 3) Being responsible for preparation of balance sheet and income statement at the close of the Company's accounting period to ensure that they contain accurate information and truly and fairly reflect the Company's status, in compliance with generally accepted accounting standards, and having said financial statements audited by the Company's auditor so as to submit the same to the Annual Ordinary General Meeting of Shareholders for consideration and approval;
- 4) Focusing on the duty to disclose the Company's information in accordance with the Stock Exchange of Thailand's requirements, Re: Rules and Procedures for Disclosure of Information and Acts of Listed Companies, so as to disclose to the public such information which is material and necessary to the decision to invest in securities;
- 5) Having the authority to appoint other person to operate the Company's business subject to the supervision of the Board of Directors or the President or delegating to such person the authorities as the Board deems appropriate and during a certain period as the Board deems appropriate, provided that the Board of Directors may cancel, revoke or amend such authorities and that said authorization in no way allows such authorized person to approve any transactions in which such authorized person or another person may have conflict, interest or conflicts of interest in other manners with the Company or its subsidiaries;
- 6) Considering and granting approval for capital increase, issuance of debentures, for submission to the shareholders' meeting for further approval;
- 7) Considering and granting approval for operating expenses in excess of the amount authorized to be approved by the President, for submission to the Board of Directors' meeting for further approval.

The authority to take the foregoing actions shall not extend to connected transactions and such transactions relating to acquisition or disposition of significant assets of listed companies in accordance with the rules and regulations of the Office of the Securities and Exchange Commission/the Stock Exchange of Thailand and the Company shall comply with the Stock Exchange's rules, regulations and requirements governing those related matters. In addition, the foregoing authority shall not include any other matters subject to approval by the shareholders' meeting in accordance with the Company's Articles of Association.

Board of Directors' Approval Authority

1. Approving appointment of any natural persons or legal entities as share registrars;
2. Approving close of the register book and suspension of share transfer;
3. Approving management of all businesses of the Company in accordance with the laws, objectives and Articles of Association of the Company and resolutions of the shareholders' meeting; and having authority to take any actions specified in the Memorandum of Association or pertaining thereto;



4. Approving authorization of one or more persons to take any actions on behalf of the Board of Directors;
5. Approving assignment of any other persons or groups of persons to engage in the Company's business under the supervision of the Board of Directors, or authorizing such person to have authority as the Board of Directors deems appropriate and within a period of time as the Board of Directors deems appropriate, whereby the Board of Directors may revoke, repeal, change or amend such authorization;
6. Approving sale or mortgage of any immovable assets of the Company or leasing out any immovable assets of the Company for three years or longer or allowing for or making compromise or filing a lawsuit in court(s) or referring any disputes to arbitration;
7. Approving interim dividend payment to shareholders from time to time if it is found that the Company's profit is justifiable to do so, reporting to the next shareholders' meeting;
8. Approving election of the Executive Board to perform any or several matters;
9. Approving remuneration and rewards or other benefits for executive directors;
10. Approving appointment of the Company's authorized signatory directors.

Chairman of the Board of Directors' Authority

- 1) Monitoring the management in setting the direction of the business operations, providing suggestions, including supervision, control and following up the management via the Executive Board and the President;
- 2) Determining the Company's policies in association with the Board of Directors, by jointly considering and establishing the business goals with management;
- 3) Presiding over both Board of Directors' meetings and shareholders' meetings, to control and conduct meetings efficiently and effectively, and encouraging all directors to participate in meetings and offers opinions independently.

Structure of Subsidiaries' Directors

As at December 31, 2018, the Boards of Directors of subsidiaries consist of qualified persons as listed below:

➤ CH. Karnchang Real Estate Co., Ltd.

- | | |
|------------------------------|----------|
| 1. Mr. Plew Trivisvavet | Director |
| 2. Miss Supamas Trivisvavet | Director |
| 3. Mr. Prasert Marittanaporn | Director |
| 4. Mr. Nattavut Trivisvavet | Director |

➤ Phrompratharn Construction Co., Ltd.

- | | |
|-----------------------|----------|
| 1 Mr. Yim Trivisvavet | Director |
|-----------------------|----------|

➤ Prasertvit Construction Co., Ltd.

- | | |
|-----------------------------|----------|
| 1 Mrs. Ornanong Trivisvavet | Director |
|-----------------------------|----------|

➤ CH. Karnchang-Tokyu Construction Co., Ltd.

- | | |
|-----------------------------|------------------------------------|
| 1. Mr. Plew Trivisvavet | Chairman of the Board of Directors |
| 2. Miss Khajornwit Sae-chia | Director |



- | | | |
|-----|----------------------------------|----------|
| 3. | Miss Supamas Trivisvavet | Director |
| 4. | Mr. Phongsarit Tantisuvanitchkul | Director |
| 5. | Mr. Narong Sangsuriya | Director |
| 6. | Mr. Prasert Marittanaporn | Director |
| 7. | Mr. Hideo Miyagawa | Director |
| 8. | Mr. Tsuneo Izuka | Director |
| 9. | Mr. Mitsuhiro Terada | Director |
| 10. | Mr. Masatoshi Shimizu | Director |
| 11. | Mr. Shigehiko Shibusawa | Director |

➤ CH. Karnchang (Lao) Co., Ltd.

- | | | |
|----|---------------------|----------|
| 1. | Mr. Ratn Santaannop | Director |
|----|---------------------|----------|

8.2 Management Team

As at December 31, 2018, the management team⁽¹⁾ of the Company consists of 17 persons as listed below:

Names	Positions
1. Mr. Plew Trivisvavet	Chairman of the Executive Board
2. Miss Supamas Trivisvavet	President
3. Mr. Narong Sangsuriya	Senior Executive
4. Mr. Prasert Marittanaporn	Senior Executive
5. Mr. Ratn Santaannop	Senior Executive
6. Mr. Sittidej Trivisvavet	Senior Executive Vice President: Administration Group
7. Mr. Phongsarit Tantisuvanitchkul	Senior Executive Vice President: Operation Group
8. Mr. Pornnarong Siriyothin	Executive Vice President: Construction 1
9. Mr. Prapon Chanpradubfa	Executive Vice President: Construction 2
10. Mr. Phairat Prom-in	Executive Vice President: Construction 3
11. Mr. Thammanoon Surarat	Executive Vice President: Construction 4
12. Mr. Watchara Sanghattawattana	Executive Vice President: Engineering
13. Mr. Anukool Tuntimas	Executive Vice President: Human Resource and General Administration
14. Mr. Pichai Cheybumroong	Executive Vice President: Purchasing
15. Mrs. Rinrada Tangtrongkid	Executive Vice President: Accounting and Finance
16. Mr. Wiboon Ungapipathanachai	Executive Vice President: Internal Audit Office
17. Mr. Keerati Luangchookiat	Executive Vice President: Business Development

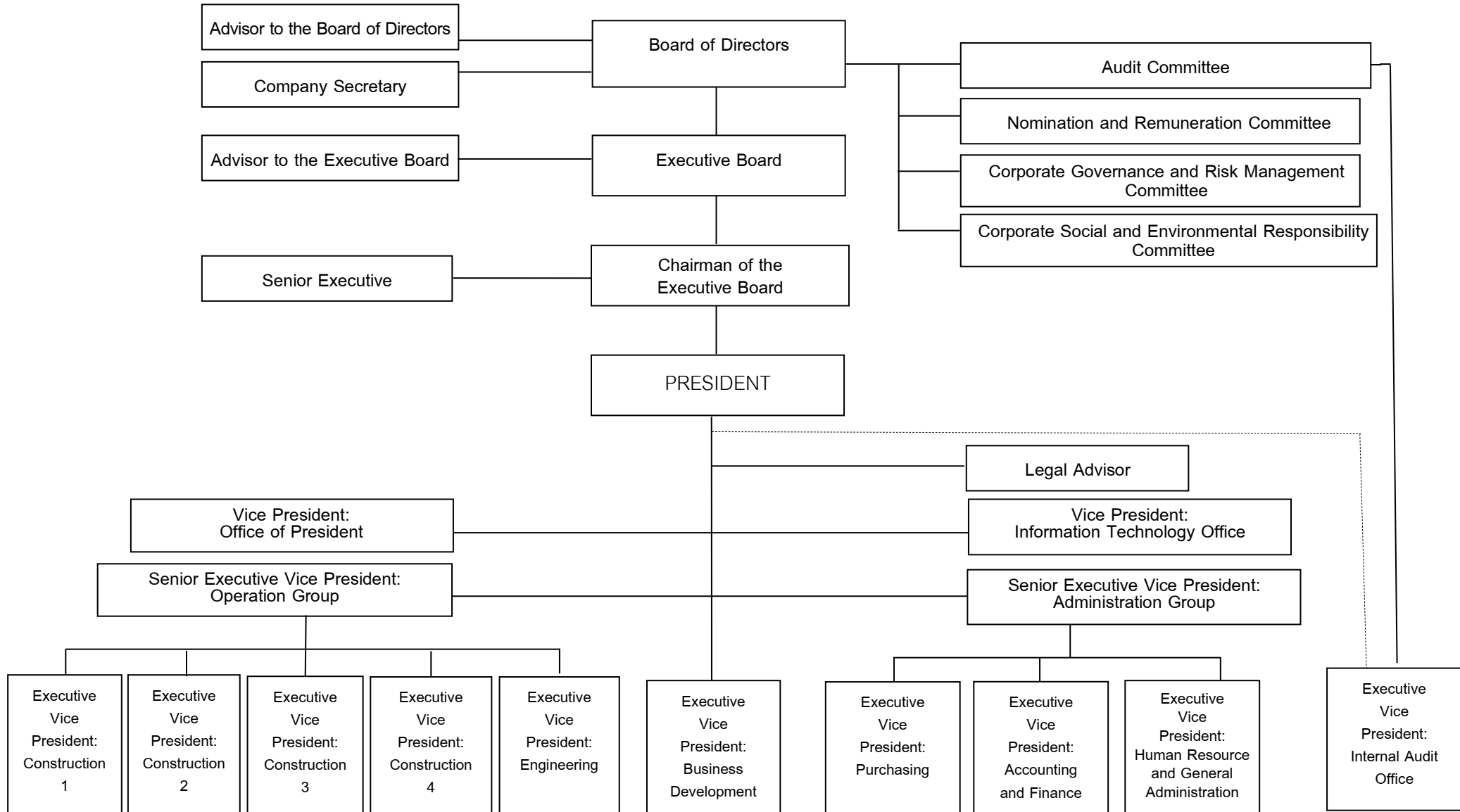
Remark: ⁽¹⁾ The management team refers to the definition of “executive” of the Office of the Securities and Exchange Commission.

President's Authority

The President shall have the authority to control and manage the Company's core business and monitor all businesses of the Company to ensure compliance with resolutions and policies of as assigned by the Board of Directors, including their suggestions. In this regard, the Board of Directors shall evaluate the President's performance in comparison with the annual goals, whereby the Nomination and Remuneration Committee shall consider remuneration for the President by evaluating from the performance in the past year for proposal to the Board of Directors for consideration and approval in accordance with the criteria.



The Company's Management Structure as at December 31, 2018





8.3 Company Secretary

The Board of Directors' Meeting No. 2/2013 on May 28, 2013 appointed Mr. Nattavut Trivisvavet to hold office as the Company Secretary with duties and responsibilities as follows:

1. Providing advice to directors as to relevant legal provisions, rules, criteria, and regulations;
2. Ensuring compliance with laws, the Articles of Association, relevant regulations and the good corporate governance principles by the Company;
3. Arranging for meetings as specified by law and the Articles of Association, preparing and keeping directors registration, notices and minutes of the Board of Directors' meetings and annual reports of the Company, notices and minutes of the shareholders' meetings as well as coordinating to ensure compliance with resolutions of the Board of Directors or resolutions of the shareholders with efficiency;
4. Ensuring disclosure of information and report on information to the regulatory units;
5. Contacting and communicating with shareholders and the related regulatory units;
6. Promoting training in various courses and providing information useful for new directors; and
7. Proceeding with other matters as assigned by the Board of Directors.

8.4 Remuneration for Directors and Executives

Remuneration for Directors and President

The Company has considered providing appropriate remuneration to directors and the President, whereby remuneration for directors is subject to shareholders' approval and the Board of Directors must approve remuneration for the President, as per the criteria of determination of remuneration for directors and the President as follows:

- 1) Remuneration shall be appropriate for and in line with the scope of duties and responsibilities of each director, e.g., Chairman of the Board of Directors, Chairman of each subcommittee and members of the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee and the Corporate Social and Environmental Responsibility Committee, who shall receive additional remuneration for such position;
- 2) Remuneration shall be sufficient to attract and retain knowledgeable and qualified directors and the President to efficiently perform duties for the Company to lead the organization into achievements in the short-term and long-term goals;
- 3) Elements of remuneration are clear, transparent and easy to understand;
- 4) Remuneration must be considered and screened by the Nomination and Remuneration Committee to stay at the reasonable and competitive rate which is at the same level as that of the same industry and at a sufficient level to take care of and retain the directors and the President who are qualified in line with the Company's business goals.



In this regard, the Nomination and Remuneration Committee and the Board of Directors did survey remuneration for directors for 2018 based on performance of directors, in comparison with other companies in the same industry of a similar size and nature, including results of director remuneration survey of the Thai Institute of Directors.

Remuneration for Executives

Consideration of the remuneration for executives shall be subject to the criteria as specified by the Board of Directors, namely, such remuneration is appropriate and at a sufficient level to attract and retain qualified high-ranking executives to work for the Company, as well as at a rate comparable to companies at the same level or in the same business. This will be consistent with the Company's operational results and the results of performance evaluation of each executive via the Performance Management System.

In 2018, the remuneration of directors and executives is as follows:

(1) Monetary Remuneration for the year ended December 31, 2018

(a) Remuneration for directors (including remuneration for non-executive directors) consists of remuneration and meeting allowance, allowance, bonus, bringing the total remuneration for directors in 2018 to Baht 18,809,998, which was consistent with the resolution of the 2018 Annual Ordinary General Meeting of Shareholders approving remuneration for directors in the total amount not exceeding Baht 19,625,000, namely, bonus for directors for the year 2017 in the amount not exceeding Baht 11,000,000 and remuneration for directors for the year 2018 in the amount not exceeding Baht 8,625,000, as per the following details:

1. Remuneration and office remuneration

1.1 Remuneration for directors

Remuneration for directors	Baht	200,000 per year per person
Remuneration for Audit Committee Members	Baht	200,000 per year per person
Remuneration for executive directors	Baht	100,000 per year per person

1.2 Office remuneration

Chairman of the Board of Directors	Baht	550,000 per year
Chairman of the Executive Board	Baht	300,000 per year
Chairman of the Audit Committee	Baht	200,000 per year
Chairman of the Nomination and Remuneration Committee	Baht	100,000 per year
Chairman of the Corporate Governance and Risk Management Committee	Baht	100,000 per year
Chairman of the Corporate Social and Environmental Responsibility Committee	Baht	100,000 per year



2. Meeting allowance is paid according to the number of attendances to the Board of Directors' Meetings or subcommittees' meetings, whereby the meeting allowance is Baht 20,000 per person for each Board of Directors' Meeting and Executive Board's Meeting and Baht 10,000 per person for any other subcommittees.

Unit: Baht

Directors	Positions	Office Remuneration and Meeting Allowance in 2018						Bonus 2017	Total
		Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Corporate Social and Environmental Responsibility Committee		
Mr. Aswin Kongsiri	Chairman of the Board of Directors	890,000	-	-	-	-	-	1,270,124	2,160,124
Mr. Plew Trivisvavet	Chairman of the Executive Board	340,000	640,000	-	20,000	40,000	-	1,270,124	2,310,124
Mr. Vitoon Tejatussanasoontorn	Chairman of the Audit Committee	340,000	-	440,000	120,000	140,000	-	1,270,124	2,310,124
Mr. Thawansak Sukhawun	Audit Committee Member	340,000	-	240,000	20,000	40,000	-	1,057,146	1,697,146
Mr. Pavich Tongroach	Audit Committee Member	340,000	-	240,000	-	-	120,000	846,750	1,546,750
Miss Supamas Trivisvavet	Executive Director	340,000	340,000	-	-	30,000	-	1,057,146	1,767,146
Mr. Narong Sangsuriya	Executive Director	340,000	340,000	-	20,000	40,000	-	1,057,146	1,797,146
Mr. Prasert Marittanaporn	Executive Director	340,000	340,000	-	-	-	20,000	1,057,146	1,757,146
Mr. Ratn Santaannop	Executive Director	340,000	340,000	-	-	-	-	1,057,146	1,737,146
Mr. Anukool Tuntimas	Executive Director	340,000	340,000	-	-	-	20,000	1,057,146	1,757,146
Total		3,950,000	2,340,000	920,000	180,000	290,000	160,000	10,999,998	18,839,998

(b) Remuneration for executive directors consists of remuneration, meeting allowance as well as allowance. Remuneration for executives consists of salary, bonus and welfare. The total remuneration for six executive directors and 11 executives in 2018 amounted to Baht 158,989,554.

(2) Other Remuneration and Benefits

2.1 Other Remuneration and Benefits for Directors

- None -

2.2 Other Remuneration and Benefits for Executives

- Provident Fund Contributions

The Company established a provident fund which represents its employees' long-term remuneration upon termination of employment with the Company or upon retirement, whereby executives pay their savings at the rate of 10 - 15 percent of his/her salary according to service years and the Company pays contributions at the same rate to the fund, but not exceeding 10 percent of such executive's wage. In 2018, the Company paid the provident fund contributions for 17 executives in the amount of Baht 9,841,910.



8.5 Personnel

(1) Number of all staff and number of staff in each main work line of CH. Karnchang Public Company Limited as at December 31, 2018 consist of:

Total number of directors	10	persons
High-ranking executives (excluding the Board of Directors)	14	persons
Engineering	47	persons
Construction 1	145	persons
Construction 2	404	persons
Construction 3	584	persons
Construction 4	2	persons
Business Development	12	persons
Purchasing	103	persons
Accounting and Finance	119	persons
Human Resource and General Administration	62	persons
Office of President	33	persons
Internal Audit Office	10	persons
Information Technology Office	11	persons
Total	1,556	persons

Remark: The number of staff as reported above is the total number of full-time staff. There also are 415 daily staff members, 1,940 staff members of CKCH Joint Venture, 890 staff members of CKST Joint Venture, and 2,457 staff members of CH. Karnchang (Lao) Co., Ltd.

(2) The Company neither has any significant change in number of staff nor labor dispute during the past three years.

(3) Total remuneration, namely, salary, overtime pay, allowance, office remuneration, bonus and provident fund contributions of all staff of the Company in 2018, amounted to Baht 1,526,594,056.

(4) **Personnel Development Policy:** The Company has been developing human resources. The management realizes the significance of improvement of performance and potential of staff in respect of management skills, team building and learning about specific professional knowledge, including encouraging staff to learn about information technology, foreign languages and continuously improve themselves. Furthermore, the Company organized the project for human resources management system development by allowing our qualified advisors to study and develop the structure and supporting systems in various aspects, such as, the organization structure, nature of work, training plan, evaluation of performance of staff, career path and succession plan, etc., in order to ensure their efficient performance, including fair and competitive return. Moreover, directors and executives are also encouraged to learn modern techniques of work management, namely by way of ensuring a learning organization, change management, etc. These reflect that the Company is determined to improve its personnel, both staff and executives, to keep pace with the world of technology and nature of business under a more intense competition, including the structure and supporting systems so as to accommodate the management of the organization. In doing so, the Company focuses on improvement, enhancement and development of competency of the Company's personnel towards the goals of services to the service users' satisfaction, whereby the personnel development is deemed to be the Company's key action plan, and as such, the Company sets out the action plans and conducts personnel development on key matters as follows:



1. Development of Competency

The Company arranges for development of personnel in both main functions and supporting functions, particularly in respect of such main functions, training course for competency has been provided, both in theory and in practice, by experts in order for staff to have competency and skills in the respective aspects in operations in order to refresh and enhance specific skills on a regular basis. Moreover, the Key Performance Indicators (KPIs) are reviewed on a regular basis to ensure compliance with the Company's policy.

2. Development of Staff Potential

This is based on the belief that every person has potential which could be used without limitation if they were given support and opportunity. The Company thus allows staff to show their potential through various quality activities, such as, 5S, Suggestion System, as well as supporting them to further study in a level higher than bachelor's degrees in the fields relating to their assigned duties or long-term training course in specific fields.

3. Retention of Potential Personnel

The Company has taken care of its staff who have high ability and potential, by allowing for advancement in their career paths and setting out clear criteria to be regularly implemented every year. Moreover, the Company arranges for the individual development plan, especially such personnel at the supervisor level or higher. Furthermore, the Company also improves the performance evaluation by using KPIs in the evaluation to ensure concrete and measurable results, along with factors in respect of competency and work behavior of staff which would serve as a mechanism to retain competent personnel and for the purpose of development of staff's competency to possess core competencies as desirable by the Company, namely:

- Self-learning and self-development to ensure continued development in the learning organization;
- Focus on ethics to promote the performance in accordance with the good corporate governance principles;
- Provision of good and quality services to meet customers' satisfaction;
- Results-based goals as key performance indicators and achievable action plans.

4. Succession Plan

The Company focuses on internal rather than outside recruitment, particularly such work positions in the primary line, through the promotion process in accordance with the criteria, significantly based on performance and potentials. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions.

5. Quality Management System

The Company is regularly determined to improve the efficiency and quality of work performance, by way of maintenance of the quality of its service provision through the Company's quality management certification, ISO 9001, which has been certified by SGS (Thailand) Limited in accordance with UKAS Standard of England and NAC Standard of Thailand.



6. Promotion and Creation of Innovations in the Organization

With the Company's commitment to and support of development of personnel and bodies of knowledge to have them keep pace with technology and innovations in terms of design, engineering, construction and operational procedures to ensure that they are kept up to date with new innovations in the digital generation, and with the significance realized by the Company towards development of innovations and technology, which is a part of the Company's vision and business strategies; the Company was therefore presented with the awards as follows:

2017: Innovation on Use of Limestone Powder in Concrete Work

The Xayaburi Hydroelectric Power Project located in the Lao People's Democratic Republic (Lao PDR) has been made of more than 4 million cubic meters of concrete and its construction site is located in the area of limited sources of raw materials of concrete-mixed sand, that is, the volume of sand in the Mekong River in the construction site is inadequate, let alone the fact that the sand's physical property is rather fine than the required standard of sand to be used for concrete mixture. For these reasons, it is necessary to use limestone for production as crushed sand to be mixed with certain portions of the river sand for concrete production. Upon mixture of such two types of sand, the fineness modulus would be obtained in accordance with the requirements of concrete-mixed sand, and the quality concrete can be produced as required.

However, the sand so produced from crushing would have fine aggregate or dust of smaller than 75 microns in size which must not exceed 3 percent of the requirements; while the crushed sand so produced would have dust particles averaging 10 - 13 percent. The method to reduce dust in crushed sand was to wash it before using, which needed water and electricity, with residue from such process. To enable such a large-sized construction project to minimize the environmental impact and use resources for the maximum benefits, further studies and testing of crushed sand were conducted, and it was found that dust or fine aggregate to be washed off could be used for concrete mixture without any impact on concrete quality, through various methods, testing, and seeking approval for use from a supervising engineer based on the Deming Cycle, PDCA, until the approval was granted for use of such crushed sand without having the washing process, and still, the quality control was required from the original source of materials, namely, rock mine, until the concrete production, to ensure that the concrete work met quality and had properties as required, in respect of the property of fresh concrete during placing of concrete and the property of setting of concrete, and that the raw materials could be produced as required according to the construction plan.

From such achievement of use of crushed sand, the Company then was of the view that such information would be useful to the engineering profession in Thailand on use of crushed sand in concrete, therefore, an article regarding **"The Use of Limestone Powder in Concrete of the Xayaburi Hydroelectric Power Project"** was proposed to the Thailand Concrete Association, and the "TCA Concrete Practice Award: Silver Medal for 2016" was thus granted. In addition, the ARE-QP Award was granted from the Asian Network for Quality (ANQ) in the ANQ Congress 2017, Kathmandu, Nepal, for the article's subject "Continuous Improvement on Concrete Quality for Xayaburi Hydropower Project".



Summary of Number of Days, Classification and Category of Courses under the 2018 Annual Training Plan

Chart of Total Training Hours of Each Program in 2018

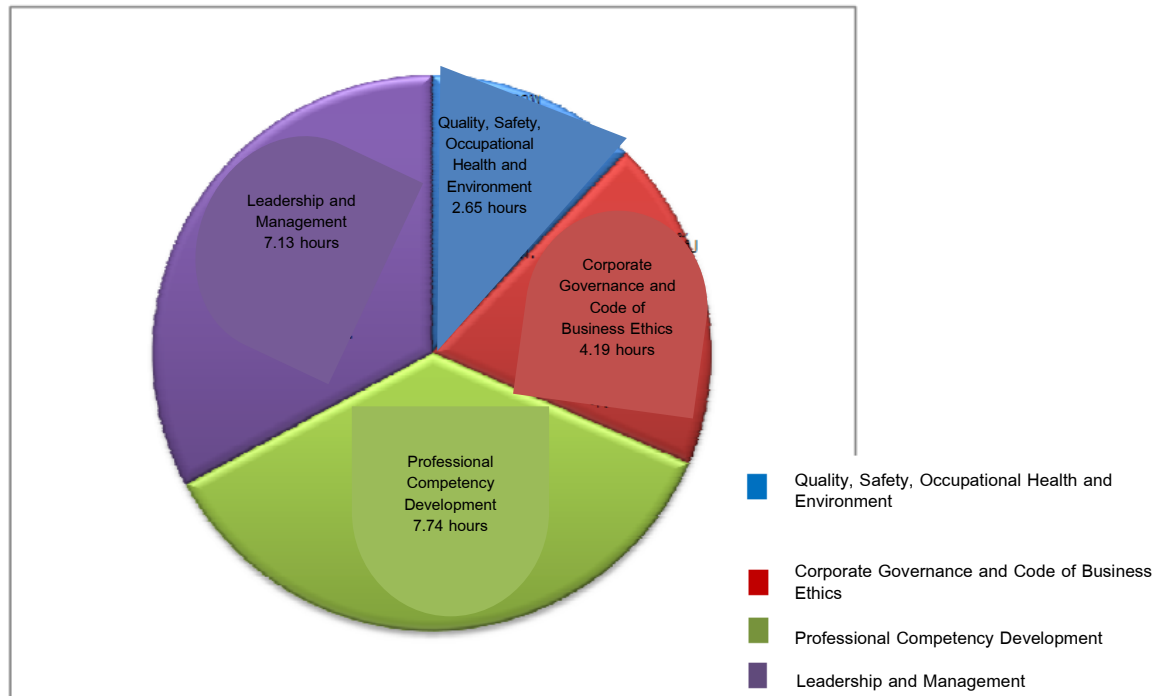
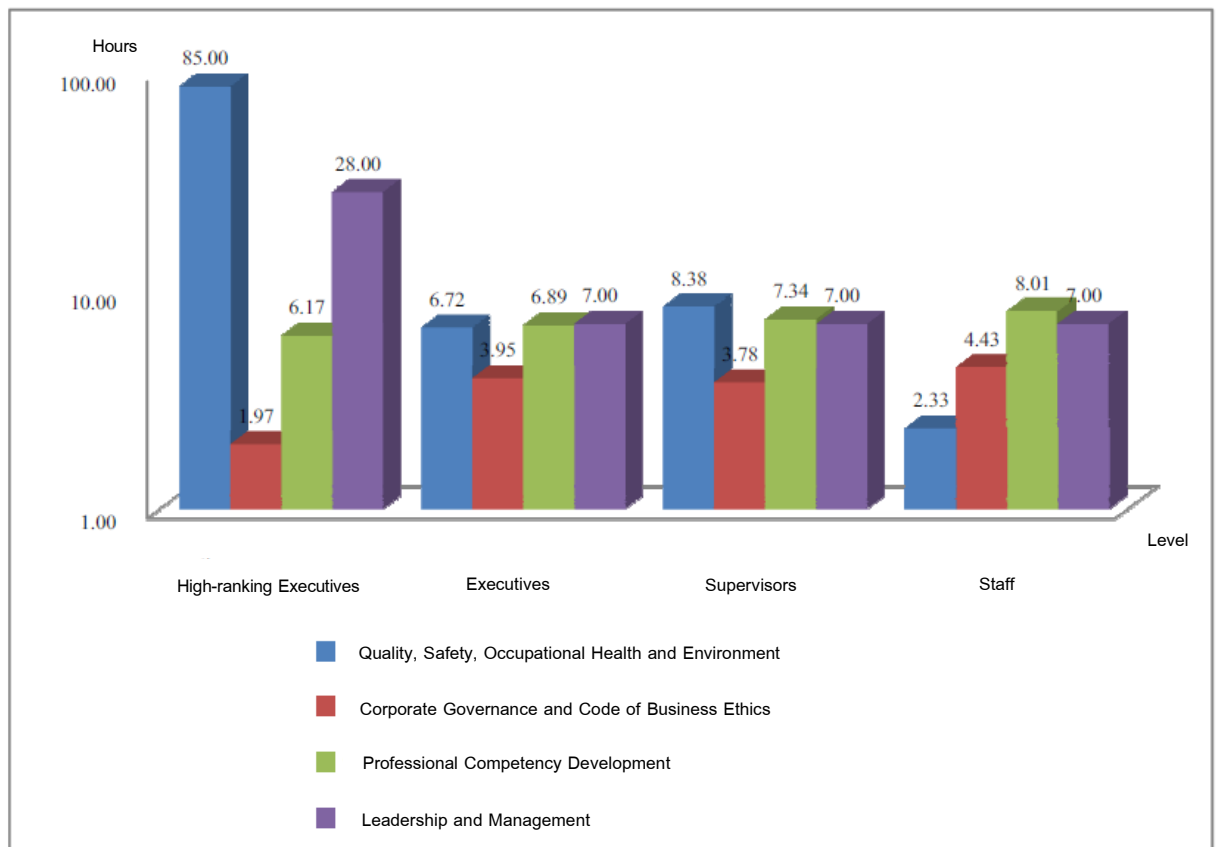


Chart of Average Training Hours Classified by Staff Level and Training Courses in 2018





9. Corporate Governance

The Board of Directors puts their trust in and realizes the significance of the Corporate Governance Code, consisting of establishing organizational leadership role and responsibilities of the Board for creating value for the business to attain the sustainable business operations; strengthening effective management and internal control; implementing mechanisms for control and checks and balances intended to ensure the transparent and auditable management; respect for rights and equality of shareholders by encouraging and supporting participation and communication with shareholders; ensuring disclosure and maintaining financial integrity; and ensuring all groups of stakeholders-oriented management, which is a key factor in adding value and bringing the highest returns to the Company's shareholders in the long run on a sustainable basis.

To boost confidence of all shareholders, investors and stakeholders and development resulting in the good corporate governance of the Company on a continuous basis, including understanding of the Board of Directors in the Company's business operations, expectations of stakeholders, opportunities and risks affecting the business operations, the Board of Directors then requires that the corporate governance policy and compliance with the policy shall be regularly reviewed on a yearly basis. In this connection, the Company has publicized the Company's corporate governance policy on its website to allow all shareholders, investors and stakeholders to have access to the Company's practical guidelines and business operations which have adhered to the Corporate Governance Code. Moreover, the Company's corporate governance has been widely disseminated and communicated to the Company's staff for acknowledgment. Besides, the Company has encouraged its staff to involve in compliance with such policy.

As a result of the Company's administration which has always complied with the Principles of Good Corporate Governance, by realizing the significance of and responsibilities towards shareholders and stakeholders of the Company, the Company then received results of assessments by the regulatory units, various organizations and agencies, as follows:

- The Company received an "Excellent" rating in the assessment of the quality of the 2018 Annual Ordinary General Meeting of Shareholders by the Thai Investors Association.
- The Company received an "Excellent" rating in the assessment of the corporate governance of Thai listed companies for 2018 from the Thai Institute of Directors Association (IOD).

9.1 Corporate Governance Policy

The Board of Directors realizes the significance of ensuring that shareholders exercise their rights, and has the duty to equally safeguard the benefits of all shareholders, including institutional investors or major or minor shareholders in their capacity as investors in the Stock Exchange and as shareholders who own the Company, in accordance with the accepted CG Code of the Stock Exchange of Thailand, namely:



1) Shareholders' Rights

Promoting shareholders to exercise their basic rights and taking care of shareholders better than their rights as specified by law without any actions in violation of or depriving shareholders of their rights.

2) Equitable Treatment of Shareholders

Monitoring to ensure that all shareholders are equally treated and protected in respect of their basic rights, implementing measures to prevent inside information usage for personal gain or others, which would cause damage to shareholders as a whole.

3) Role of Stakeholders

Taking care of stakeholders based on their rights under applicable laws without any actions in violation of stakeholders' rights as well as establishing measures to compensate any stakeholders suffering from damage arising from violation of rights, promoting cooperation between the Company and stakeholders for the Company's prosperity, financial stability and sustainability. The Company formulates the policy on anti-corruption and anti-bribery to prevent any act in exchange for any business advantage of the Company or granting of any item or any other benefits to any person who has authority or business related to the organization for the business benefits of the Company.

4) Disclosure and Transparency

Undertaking all activities with transparency, open for inspection, and sufficient information disclosure to all relevant parties as well as monitoring disclosure of material information relating to the Company, both financial and non-financial records, to ensure accuracy, completeness, timeliness and transparency through easy access with equality and reliability.

5) The Board of Directors' Responsibilities

Ensuring that the Board of Directors performs duties with honesty and due care to the best interest of the Company and in fairness to all shareholders under the good internal control system and appropriate risk management, including compliance with the Company's code of ethics.

In 2018, the Company has adhered to the Corporate Governance Code for Listed Companies as stipulated by the Stock Exchange of Thailand as follows:

1. Shareholders' Rights

The Company gives priority to shareholders' rights and also realizes the significance of shareholders and their rights of ownership to control the Company through appointment of the Board of Directors and their rights to make decisions on significant changes of the Company. The Company thus promotes shareholders to exercise their protected basic rights. In this respect, shareholders shall be informed of the Company's correct, complete, sufficient and up-to-date



information and news, including the right to attend the shareholders' meeting, the right to appoint proxy to attend and vote at the meeting, the right to share opinions and make inquiries in the shareholders' meeting in order to jointly make decisions on the Company's important matters, e.g., profit allocation, election of directors, determination of remuneration for directors, appointment of the auditor, determination of the audit fees, and approval of important transactions which may affect the Company's business direction, etc. The Board of Directors clearly sets out the corporate governance policy that the Company shall promote shareholders to exercise their basic rights without taking any actions in violation of or depriving shareholders of their rights. The guidelines for best practices towards shareholders are as follows:

Annual Ordinary General Meeting of Shareholders

1. The Company assigns Thailand Securities Depository Company Limited, as its share registrar, to deliver the notice of the shareholders' meeting and supporting documents to all shareholders in advance at least 21 days prior to the meeting date, whereby the notice of the meeting shall contain complete and clear details on day, time, place and agenda items, as well as clearly specifying objectives, reasons, and opinions of the Board of Directors on each item of the proposed agenda to ensure that shareholders acknowledge matters to be considered in the meeting in order to serve as a factor for consideration of making a decision to attend the meeting, and that shareholders obtain information in support of their decision making in advance prior to the meeting. In this regard, the Company shall avoid adding other agenda items required the meeting's resolution without prior determination in the shareholders' meeting, which is deemed to be unfair treatment towards shareholders absent from the meeting.

2. In the annual ordinary general meeting of shareholders, the Company shall regularly propose the remuneration for directors to shareholders for consideration and approval on a yearly basis as well as proposing the policy to determine remuneration, including criteria for provision of the remuneration for directors in support of shareholders' consideration.

3. The Company allows shareholders to vote to elect directors on an individual basis, by nominating directors to shareholders for voting on an individual basis in order for shareholders to have the right to truly elect directors of their choice.

4. The Company allows shareholders to propose in advance items of the agenda of the shareholders' meeting and nominate directors, by way of announcement via the channels of the Stock Exchange of Thailand and the Company's website, together with detailed and clear criteria for consideration and acceptance of the proposed matters in the agenda, directly via the Company's website.

5. The Company allows shareholders to make inquiries and provide their opinions in advance to the Board of Directors on any matters relating to the Company, which would be answered in the shareholders' meeting, by way of announcement via the channels of the Stock Exchange of Thailand and the Company's website, directly to the Company Secretary via the Company's website. And during the meeting, the Chairman of the Board of Directors who presides over the shareholders' meeting allows and encourages shareholders to share opinions and ask questions concerning related matters to the meeting, whereby sharing opinions or asking questions



relating to agenda items is allowed during the meetings, after the end of report or presentation of each agenda item; or further sharing opinions or asking questions relating to matters other than the agenda items is allowed after the meeting has already proceeded in accordance with all agenda items.

6. The Company has a policy to encourage shareholders, particularly institutional investors, to attend the shareholders' meeting, whereby prior registration shall be available.

7. The Company uses the barcode system and the meeting program provided by InvenTech Systems (Thailand) Co., Ltd. in the shareholders' meeting, including registration, vote, counting of votes and display of the voting results to ensure the rapid, correct and precise conduct of the meeting.

8. The Company arranges for its legal advisor and at least two shareholders' representatives to serve as witnesses in the counting of votes, to ensure transparency, compliance with the laws and articles of association. The Chairman of the Board of Directors who presides over the shareholders' meeting introduces the examiners of the vote counting to the meeting, and arranges to have it recorded in the minutes of the meeting, with the voting results showing all favorable votes, unfavorable vote, abstaining votes, and voided voting cards. As for the voting results, shareholders may examine such results, as the Company discloses the resolutions, together with the voting results, in each agenda item to the meeting.

9. The Company shall specify complete details on agenda items in the notice of the shareholders' meeting, consisting of:

- 9.1 To consider the election of directors, by specifying names, surnames, education, work experience, number of listed and general companies in which they hold office as director, including nomination procedures and criteria, category of nominated directors, such as, directors or independent directors, together with information on attendance at the previous meetings, and period/years of holding office as director in the Company;
- 9.2 To consider the appointment of auditor, by clearly specifying the auditor's name, company, auditing license, experience and capabilities, years of audit service for the Company, including issues relating to independence and remuneration for the auditor;
- 9.3 To consider and approve dividend payment, by notifying the Company's policy on dividend payment, proposed dividend rate, and reasons and supporting information, including suspension of dividend payment;
- 9.4 The notice of the meeting shall clearly contain facts and reasons of each agenda item, including opinion of the Board on each agenda item.

10. The Company efficiently prepares the minutes of the shareholders' meeting covering significant details on various matters as follows:



- 10.1 Record of clarification on the voting procedures, by notifying shareholders of voting method and counting by using voting cards, including method of display of the results of votes, prior to the meeting;
- 10.2 Record of questions posed by the shareholders and answers or opinions on various items at the meeting to allow the shareholders absent from the meeting to acknowledge the same;
- 10.3 Clear record of resolutions of the meeting, together with such votes on each agenda item to agree, disagree and abstain on all items requiring voting;
- 10.4 Record of the list of attending directors and absent directors, together with their position, for review of the directors' participation in each shareholders' meeting.

In this regard, the Company has publicized the resolutions of the shareholders' meeting via the news system of the Stock Exchange of Thailand and on the Company's website within the following business day and also publicized the complete minutes of the shareholders' meeting on the Company's website at www.ch-karnchang.co.th within 14 days from the meeting date to enable the shareholders to review such information instead of waiting until the next meeting. Moreover, video presentation of the atmosphere of the shareholders' meeting is made available on the Company's website in order to allow shareholders who do not attend the meeting or any persons interesting in the Company's information to acknowledge the details of the meeting other than those recorded in the minutes of the meeting, whereby such video presentation is made available on the Company's website until the next shareholders' meeting.

11. The Chairman of the Board of Directors, chairpersons of various committees, namely, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, the Chairman of the Corporate Governance and Risk Management Committee, the Chairman of the Corporate Social and Environmental Responsibility Committee, the Chairman of the Executive Board, and the President (top management), including auditor and legal advisor of the Company, participate in every annual ordinary general meeting of shareholders to answer questions in relevant matters.

12. The Company greatly realizes the significance of the shareholders' meeting, i.e., the meeting place must be convenient for the shareholders' commute, including suitable and sufficient time. The Company thus uses its office as the meeting place, which is located at No. 587 Viriyathavorn Building, Sutthisarnvinitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok, and which is convenient for commuting, nearby a subway station or an expressway on- and off-ramp, by providing a shuttle van service to and from a subway station, with sufficient parking areas for shareholders.

13. The shareholding structure of the Company and its subsidiaries is disclosed with clarity, transparency and open for review, and without any cross shareholding in the Company Group.



14. The Company has a free float greater than 40 percent, whereby the Board of Directors shall hold shares in aggregate not exceeding 25 percent of the Company's issued shares.

15. The Company's shareholding proportion of institutional investors in aggregate is more than five percent.

16. The Company has treated shareholders equally regarding share repurchase and opportunity for shareholders to contact or communicate each other.

17. The Company has no shareholders' agreement which has a material effect on the Company or other shareholders.

2. Equitable Treatment of Shareholders

The Company has a policy to promote and ensure equal and fair treatment towards all shareholders, including minority and foreign shareholders, with the following measures for protection of the shareholders' basic rights:

1. The Company allows all shareholders to cast votes, namely, one share for one vote, to ensure equitable treatment towards the shareholders, based on the criteria that shares of the same type should represent the right to vote on an equitable basis, namely, one share for one vote.

2. The Company has the process and channels for minority shareholders to involve in the Company's management, by allowing the minority shareholders to propose any item of agenda of the ordinary general meeting of shareholders and propose any qualified person to be considered and appointed as the Company's director prior to the meeting date. In this connection, the Company clearly notifies the shareholders of the details, together with the criteria for the consideration via channels of the Stock Exchange of Thailand and the Company's website, for four months, in order to build up the confidence of the minority shareholders to exercise the right to propose any matters relating to any significant change of the Company and the right to elect any independent directors to take care of the benefits on their behalf.

3. The Company sets out the written guidelines to prevent the use of insider information of the Company under the resolution of the Board of Directors, whereby the Company treats this as important policy which will prevent directors, management and staff from abusing their position for personal interests, as specified in the Annual Report. In addition, the Code of Conduct and Business Ethics are distributed and disseminated to all directors, management and staff of the Company for acknowledgment and compliance, which are available on the Company's website as a channel for all staff to access such information.

The Company's directors and management are required to disclose the reports to the Securities and Exchange Commission on their holding of securities, his/her spouse's holding of securities and minor children's holding of securities which are securities in the Company, as well as reporting on every change in such holdings of securities in respect of purchase, sale, transfer or acceptance of transfer, under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within three business days after the date of purchase, sale, transfer or acceptance of transfer of



securities. Moreover, the directors and management realize their duties and responsibilities as specified, including the penalty provisions as specified in the Securities and Exchange Act B.E. 2535 (1992).

The Company pays significant attention to the efficient internal control system by setting out the internal control guidelines to prevent and minimize risks which may arise, namely, the Company specifies that management with access to insider information shall be prohibited from taking any actions in violation of Section 241 of the Securities and Exchange Act B.E. 2535 (1992), including applicable regulations. Due to the guidelines to prevent the use of insider information, in each past year, there has never been any case that the Company's directors and management abuse insider information to seek personal interests or others' interests.

4. The Company clearly discloses to shareholders the details and reasons of execution of related party transactions requiring the disclosure or approval of shareholders under the Stock Exchange of Thailand's regulations, by disclosing names and relationship of connected persons, pricing policy and transaction value, including opinion of the Board relating to such transactions.

The Board of Directors sets out a policy to prohibit its directors and executives who are connected persons or interested persons in relation to any agenda items to be considered from participating in the meeting and voting on such items. The management gives prior notice to such directors and executives who are not allowed to participate in the meeting or vote on such item. In considering a connected person and interested person, the Board of Directors takes into account such reports on interests which all directors and executives have a duty to prepare and submit to the Chairman of the Board of Directors and the Chairman of the Audit Committee in accordance with the Board of Directors' policy requiring directors and executives to report on their personal interests.

5. The Company discloses that the connected transactions have been executed according to market price and in accordance with the ordinary course of business. In the previous year, the Company did not execute any connected transactions in violation of or not in compliance with the rules of the Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission. In this regard, other than the notifications of such connected transactions via the channels of the Stock Exchange of Thailand, the Company also discloses the connected transactions in its Annual Report.

6. The Company has no the structure of business group with connected transactions in such a manner which may have a conflict of interests, taking into account the shareholding structure and level of execution of the connected transactions within the business group, based on the Company's income and expenditure as a result of the business operation in the group, compared with the total income and expenditure. In this regard, the level of execution of connected transactions shall be considered, both income and expenditure, which shall be less than 25 percent, except for transactions in the ordinary course of business and transactions with subsidiaries or associated companies without related persons holding shares exceeding 10 percent.

7. Any shareholder unable to attend the meeting in person may exercise his/her right to vote by appointing proxy to attend and vote on his/her behalf. In addition, the Company



nominates members of the Audit Committee who are independent directors as an option for appointment of shareholders' proxy. The Company sends Proxy Form B, together with the notice of the shareholders' meeting, in order for the shareholder unable to attend the meeting on the scheduled date to enjoy his/her equal rights as shareholder.

8. Proxy Form sent by the Company with the notice of the shareholders' meeting specifies clear details, documents and evidence in support of the appointment of proxy, together with suggestions and procedures for appointment of proxy to enable shareholders to produce complete documentations without any difficulty in attending the meeting by proxy.

9. As for the requirement for appointment of proxy by any shareholder unable to attend the meeting in person, the Company has not set out any rules or conditions causing any difficulties to the appointment of proxy to attend the meeting on his/her behalf. Instead, such documents shall be certified by the proxy grantor and the proxy holder to confirm the exercise and granting of the right to attend the shareholders' meeting in accordance with the criteria.

10. The Company delivers the notice of the shareholders' meeting to shareholders in advance at least 21 days prior to the meeting.

11. The Company posts the notice of the meeting, together with details of the complete notice of the shareholders' meeting, on the Company's website in advance 30 days prior to the meeting date for the shareholders to have time to consider details of each agenda item, especially for those shareholders unable to attend the meeting in person.

12. The Company delivers the notice of the shareholders' meeting and supporting documents in Thai version to Thai shareholders. For foreign shareholders' convenience, the Company prepares the notice of the shareholders' meeting and supporting documents in English version to the foreign shareholders. In this regard, both all Thai and foreign shareholders shall receive complete documents within the period of time specified by law.

13. The Company has no policy to provide any financial support, whether loan or guarantee, to any companies which are not the Company's subsidiaries, except such loan or guarantee due to the Company's shareholding in accordance with a joint venture agreement.

14. Last year, the Company did not execute any transactions on acquisition or disposition of assets in violation of or not in compliance with the rules of the Stock Exchange of Thailand and/or the Office of the Securities and Exchange Commission.

3. Role of Stakeholders

The Company realizes the significance of rights of all groups of stakeholders, whether inside, such as staff and executives of the Company and the subsidiaries, or outside, such as customers, traders, competitors, creditors, communities, society, public sector and other relevant authorities, to ensure that the basic rights of these stakeholders are well protected and taken care of under the provisions of the laws and other relevant rules and regulations. The Company recognizes support from these stakeholders which could help building up the Company's competitiveness and profitability to result in long-term success for the Company. The Company's Board of Directors has



set out the corporate governance policy that the Company shall take care of the stakeholders based on their rights under the relevant laws, shall not take any acts in violation of the rights of stakeholders, and shall establish measures to compensate any stakeholders suffering from damage arising from violation of rights. The practices towards the Company's stakeholders are as follows:

1. Shareholders

- The Company has performed duties with integrity, honesty and fairness, taking into account both major and minor shareholders, and for the benefit of the group of related persons as a whole;
- The Company has managed its business to ensure prosperity, stability and good return for shareholders;
- The Company has protected its assets from depreciation or unnecessary loss;
- The Company has, regularly and in a timely manner, disclosed the accurate and sufficient information, both financial and non-financial, relating to the Company's business and the operational results, and representing the Company's actual operational and financial status;
- The Company's treatment of shareholders complies with the CG Code in the Chapter: Shareholders' Rights and Equitable Treatment of Shareholders. In addition, the Company pays significant attention to the annual ordinary general meeting of shareholders by complying with the assessment of the shareholders' meeting by the Office of the Securities and Exchange Commission and the Thai Investors Association before the meeting, during the meeting and after the meeting for facilitating all shareholders' exercise of their right to vote in the meeting equally.

2. Traders and/or Creditors/Debtors

- Every trader and/or creditor/debtor has been equally and fairly treated by the Company, taking into account the Company's optimum benefit and based on the fair returns for both parties;
- Based on the conditions of selection of traders, the Company's competition is on the basis of equal information access, without preventing any trader from participating in business competition;
- The Company has utilized copyrighted goods and services and does not support any goods or any actions in violation of the intellectual property;
- The Company has prepared appropriate and standard contracts;
- The Company has arranged for management and monitoring systems to ensure the full compliance with contracts, and internal control system to



prevent any fraud and misconduct in every step of the procurement procedures;

- The Company has made payments to traders on time in accordance with terms of payment as mutually agreed, and has strictly complied with various conditions as mutually agreed upon with traders and/or creditors;
- The Company has refrained from seeking any trader's secret by any dishonest or improper means, such as, bribing any director and staff of competitors;
- The Company has refrained from making any negative accusation against traders without actual information;
- The Company has avoided the situation which causes a conflict of interest, as well as complying with the contractual obligations;
- The Company has provided actual information and accurate report. The negotiation for problem resolution is based on the business relationship;
- The Company has strictly complied with various agreements or conditions as mutually agreed, including commitment and contingent liability. In case it is unable to comply with any condition or there is a default on debt repayment, the lenders must be informed thereof without any undisclosed facts to jointly seek a justifiable solution;
- The Company manages fund to ensure appropriate structure in support of the Company's business operations and to maintain creditors' trust;
- The Company is determined to maintain the sustainable relationship with creditors and mutual trust.

3. Customers

- The Company has clear and concrete policies and practices with fairness and responsibility towards customers. The Company maintains the optimism and gives priority to customers, treats customers willingly, actively, politely, keeps customers' confidential information from misuse for personal gain or others, as well as treating all customers equally without discrimination;
- The Company delivers quality goods at fair price in accordance with agreements with its customers;
- The Company provides correct, adequate and up-to-date information, news, and suggestions relating to goods and services to customers;
- The Company strictly complies with various conditions with customers. If the Company is unable to comply with any of such conditions, the Company must



promptly give notice to customers to jointly consider finding a solution to such problem.

- The Company has a procedure for customers to submit any complaint about quality, quantity, safety of goods and services, including turnaround time for delivery, and the Company makes its best efforts to ensure rapid turnaround time to customers.

4. Competitors

- The Company has clear and concrete policies and practices with fairness and responsibility towards competitors, based on ethics, transparency and fair competition within the scope of laws;
- The Company has free trading policy and believes that competition is a positive factor to encourage the development of service standard and innovations to be offered to customers;
- The Company has complied with the fair competition framework;
- The Company in no way discredits any trading competitor's reputation by negative accusation without actual information;
- The Company in no way accesses any competitor's confidential information through any dishonest or other inappropriate methods.

5. Business Interested Parties

- The Company has clearly determined policies and procedures for approval of connected transactions to prevent any potential conflicts of interest.

6. Staff

- The Company has policies and practices relating to occupational health and safety for staff at work place as well as creating a good working environment and promoting good physical and mental health of staff, by arranging for fitness room, annual sports competition, to ensure the unity and good relationship;
- The Company truly realizes the significance of its staff, and to meet its objectives, the Company recruits and employs knowledgeable, capable and experienced personnel to perform works, and in response to the Company's requirements and growth, by continually organizing programs for development of staff knowledge and capacities to advance their skills;
- The Company has concrete and open policies and practices as to management of staff remuneration and welfares on an equal and fair basis, whereby the Company has equally and fairly treated its staff through proper and



fair remuneration and welfare, as well as provided more welfares than those specified by law, such as, establishment of a provident fund, medical treatment packages in hospitals designated by the Company, financial aids in the event of death of staff or their parent or spouse, annual health check-up, 5S activity, and fitness center, etc.;

- The Company truly realizes the significance of personnel development by establishing clear internal personnel development plans, encouraging all levels of its staff up to high ranking executives to receive training for improvement of their knowledge and capacities, both in theory and practice, so as to ensure the efficient performance skills, including fair employment conditions suitable for the market and in compliance with the labor laws;
- The Company provides the fair and suitable remuneration for staff based on their performance by applying the staff performance evaluation system to measure their capabilities to ensure development of competency and clear performance measurement subject to key performance indicators (KPI) for all major activities, in support of the consideration of merits of staff to ensure incentives for staff development and remuneration in connection with value added to the business and in line with the Company's operational results for short and long term;
- The Company builds the participatory working atmosphere and teamwork by allowing staff to express their opinions relating to their works;
- The Company establishes a policy on human rights by determining clear operational guidelines and practices towards non-discrimination, equal employment opportunity for women, persons with disabilities, underprivileged groups, youth, elderly, and recognition of staff's right to collective bargaining. In 2018, the Company received no complaint about violation of human rights;
- The Company ensures that staff strictly comply with laws and regulations relating to staff, including provision of suggestions in order to prevent any illegal action, whereby the Company supervises to ensure that staff use lawful products and refrain from infringement of copyrights or intellectual property, along with support of compliance with the operational guidelines and performance of duties with integrity, without any involvement with corruption for the benefits and success of the Company.

7. Society and Public

- The Company has clear and concrete policies and practices with fairness and responsibility towards society, and with transparent operations, by taking into account the public interest and refraining from taking any acts which may cause damage to the country's reputation, natural resources, environment and public interest;



- The Company has promoted and instilled into its staff at all levels the corporate social responsibility;
- The Company in no way facilitates, supports or allows to be instrumental in any avoidance of compliance with the law.

8. Communities

- The Company has considered communities as part to be concerned and facilitated, and thus focuses on various activities for improvement of the quality of life of communities and environment as its contribution to society. The Company then has a policy to support and participate in activities related to development of communities by complying with laws and regulations;
- The Company regularly participates in meetings, sharing of opinions, and provides cooperation with local agencies for development of livelihood of communities;
- The Company establishes preventive and remedial measures against environmental and community impact as a result of the Company's operations.

9. Environment

- The Board of Directors has set out a policy to operate the business by taking into account the environment, with a commitment to compliance with applicable laws, regulations, standards and requirements, including strict adherence to the government's environmental policies, together with its readiness to continuously and seriously carry out the development of the environmental management procedures within the organization to ensure the cost-efficient resources utilization and minimize waste with the environmental impact from the organization's activities, including provision of knowledge and training regarding environment to staff and participation in support of activities related to community development to ensure the continuity of environmental activities and reflect the business sustainability;
- The Company has developed and improved the environmental management system in all activities of the Company to continuously minimize pollution and impact on the environment, with clear objectives, goals, action plans and evaluation;
- The Company has promoted the environment preservation, as well as publicizing the information and news, and cooperated with the staff, customers, government agencies and private entities, including the public, as a gesture of the Company's image and awareness of the environmental management;



- The Company has rapidly and efficiently responded to any events giving rise to impact on the environment and communities caused by the Company's operation;
- The Company has raised the consciousness and responsibility of staff in relation to environment under the environment management system as well as campaigning conservation and consumption of energy and resources with efficiency through training and public relations media, such as, internal newsletters, notice board, internal circular letters, in order to regularly keep them well informed on knowledge and skills on environment;
- The Company has presented the results of performance in compliance with the policy and action plans in respect of the social responsibility by reporting directly to the Board of Directors and disseminating the social and environmental activities to the Company's staff, shareholders, and persons related to the Company, as well as publicizing such information via website and Annual Report of the Company.

10. The Company has set out a non-infringement of human rights policy to confirm its respect for human rights which is the foundation of personnel care and development, and which will play an important role in building the Company's quality and achievements as a whole. The Company is committed to its staff care as follows:

1. In terms of remuneration and welfare, other than the fundamental welfare as required by laws, the Company also commits itself to paying remuneration and providing welfare as appropriate and reasonable, always taking into account the overall market condition;
2. In terms of personnel development, the Company has set out a personnel development policy by ensuring satisfaction of remuneration and work environment through development of competency in response to requirements of each work unit for the purpose of the organization's competitiveness.

11. The Company determines a non-infringement of intellectual property or copyright policy and practices to prevent any problems which may damage or discredit the Company, by prohibiting its management and staff from using any illegal software and copying any copyrighted software for any reason whatsoever without prior permission of the software owners. All staff have a duty to help take care of the Company's intellectual property works and refrain from misusing or allowing any third parties to use the Company's intellectual property without permission. In addition, the Company formulates a policy to forbid any arrangements which infringe intellectual property of any kind, based on the following guidelines:

1. All staff have duty to protect and keep the Company's intellectual property confidential to ensure that such information must not be leaked out and exploited for personal gain or any other person's gain without permission;



2. All staff must respect and honor others' intellectual property and refrain from exploiting any of others' intellectual property, whether in whole or in part, without the owner's permission.

12. The Company determines an anti-corruption and bribery policy to prohibit any bribe payment for the Company's business interest or granting of any items or any other benefits to any persons having a duty or business related to the organization for the Company's business interest. It is clearly set out as a guideline to prevent any problems due to corruption and unfairness in the business operation, such as, compliance with prohibitions, action plans or internal control measures, morality, and work supervision, as a duty of staff at all levels in the Company, as well as monitoring code of ethics, morality and action plans or measures in work supervision relating to anti-corruption and bribery, including authority and duty to report on various matters directly to the Company's independent unit for inspection and monitoring. Moreover, the Company has adopted the corruption risk assessment process and the practices relating to supervision and control for prevention and monitoring of corruption risks, including guidelines for following up and evaluation of performance in compliance with the anti-corruption policy, by providing staff training to ensure their knowledge relating to the anti-corruption policy and practices at least once a year. The Company then establishes the anti-corruption policy for ensuring strict adherence thereto and compliance therewith by all of the Company's directors, executives and staff. The following are the key practical guidelines:

1. The Company's directors, executives and staff of all levels should engage in activities with various agencies based on fairness, honesty, integrity, and transparency, provided that such activities must be proper in accordance with laws, policies, articles of association, rules announcements or accurate operational procedures.
2. The Company promotes and supports fair and honest treatments towards all its business alliances, including compliance with contractual obligations to the Company's stakeholders.
3. The Company promotes and supports awareness-raising among directors, executives and staff to ensure that they refrain from committing any fraud or corruption and realize negative impacts of corruption.
4. The Company supports and encourages its directors, executives and staff to refrain from receiving, agreeing to receive, providing any hospitality, gift/souvenir and any other payments which are extravagant and inappropriate from and to those who make business deals with the Company.
5. The Company arranges for staff training to educate them regarding the anti-corruption policy, practices and guidelines.

In this regard, the Company conducts supervision and monitoring to prevent any fraud or corruption by determining clear and concise procedures, and the internal unit has a duty to inspect the actual performance in order to prevent any fraud or corruption.



13. The Company has the corruption risk assessment process via the risk management working group which shall meet quarterly to report on the results, to management and the Corporate Governance and Risk Management Committee for further report to the Board of Directors, respectively, and also determines the practices relating to supervision and monitoring to prevent and follow up corruption risks, as follows:

1. Staff are prohibited from granting or offering any items or any other benefits to third parties, such as, government officials, agents, representatives, counterparts, etc., with the intention of inducing such third parties to take or omit to take any acts in violation of laws or contrary to their positions or functions or in exchange for undue privileges;
2. Staff are prohibited from demanding or receiving any items or any other benefits for personal gain or for gains of others in a manner that persuades them to abuse their duties or neglect to perform their duties;
3. Any business dealings in association with various agencies, such as, government agencies, state enterprises or private sector, etc., both local and international, must be transparent, fair and lawful in Thailand and foreign countries where such dealings take place;
4. Any fraudulent acts against duties are deemed to be a serious disciplinary misconduct.

14. The Company realizes the significance of communication with all groups of stakeholders to exchange information, as well as listening to opinions and suggestions of all groups of stakeholders for common interest. In case where any stakeholders are not fairly treated by the Company, they may contact or file complaints directly with the Company through the Audit Committee or via e-mail: audit_committee@ch-karnchang.co.th, and/or through the Company Secretary or via e-mail: company_secretary@ch-karnchang.co.th. In 2018, there was no any complaint.

15. The Company determines policies or guidelines for protection of staff or any whistleblower by establishing measures to protect them under the criteria as follows:

1. Any complainant or person who provide cooperation in fact-findings may choose not to disclose his/her identity if he/she considers it unsafe or damaging. However, if the identity is disclosed, it will enable the organization to report on any development and explain the facts to the complainant;
2. The Company will not disclose name-surname, address, photograph, or any other data which may identify the complainant or person who provide cooperation in fact-findings;
3. The complaint recipient will keep relevant information confidential/be concerned about safety by establishing measures to protect staff who make complaints and/or who provide information and/or cooperation in investigation, whereby they will be protected from unfair treatment, such as, change of work



position, job description, work place, work suspension, threat, nuisance in performance of work, employment termination, as a result of the complaints;

4. Any aggrieved party will be relieved by means of proper and fair process.

16. The Company arranges for channels for all stakeholders, general people, and staff to make complaints on unfair treatment or to provide any clues relating to matters which may be considered illegal and correctable, including measures to protect staff who make the complaints and notice of the results to the complainants on a systematic and fair basis, by allowing staff to have channels to make their complaints and independently provide their opinions, as follows:

1. The complaint recipient shall gather facts concerning violation or non-compliance with ethics;
2. The complaint recipient shall report to the independent directors on facts, conduct an investigation of facts in order to consider the complaints, by dividing related matters into issues in terms of management, knowledge development, investigation of facts, etc.
3. As for the operational measures, the complaint recipient shall propose the independent directors to conduct an investigation of facts and establish measures to resolve such violation or non-compliance with laws.
4. As for the report on the results, the complaint recipient shall notify the complainants of the results should such complainants disclose their identity. In case of a significant matter, the results shall be reported to the Chairman of the Board of Directors and/or the Board of Directors.

17. The Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The Company, in its capacity as a public limited company listed on the Stock Exchange of Thailand, has strictly complied with the Securities and Exchange Act, including rules and regulations issued by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

Over the past period, the Company has disclosed its significant information via the news system of the Stock Exchange and prepared the financial reports and other reports, namely, connected transactions, minor shareholding distribution, in accordance with requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

4. Disclosure and Transparency

The Company realizes the significance of the good corporate governance by disclosing material information which affect or may affect change in the Company's securities value or investment decision-making or benefits of shareholders in order for shareholders and general investors to rapidly and equally acknowledge news and information.

The Company has the guidelines on disclosure of significant information relating to the Company to the public with accuracy, completeness, punctuality and transparency in accordance



with requirements stipulated by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand through an easy access to information, namely, dissemination of information, both in Thai and English, on websites of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, including the Company's website, with the practices as follows:

1. To ensure shareholders/investors' acknowledgement of the structure of ownership of business in which they have invested and their rights, compared with other shareholders, the Company discloses the most recent structure of major shareholders for those who utilize information to truly and clearly acknowledge shareholders; discloses shareholding of directors and executives, both direct and indirect, including information on structure of the business group and shareholding proportion, major risks in the Company's business operations.

2. The Board of Directors establishes a policy that the Company shall undertake activities with transparency and open for inspection with sufficient information disclosure to all relevant parties as well as monitoring to ensure disclosure of correct, complete, timely and reliable information, and everyone can equally access such information. In disclosing the Company's significant information, other than by way of dissemination under the specified criteria via the Stock Exchange of Thailand's channels, the Company also disseminates such information on the Company's website: www.ch-karnchang.co.th, both Thai and English, such as, Annual Report, Annual Registration Statement (Form 56-1), Corporate Governance Policy, the Company's information, nature of business operations of the Company, financial statements, public relations news, shareholding structure, organization structure, business group structure, information relating to directors and executives, investor relations information, the Articles of Association, the meeting notice, the operational results, financial ratio, dividend payment record, together with other information, such as, corporate social responsibility activities. In this regard, the Company regularly updates the website for up-to-date information and news for convenient access and to the best interest of users.

3. In respect of investor relations, the Board of Directors is well aware of the significance of accurate, complete, transparent, thorough and timely disclosure of information relating to the Company. Therefore, the Company has set up an Investor Relations unit to be specifically responsible for disclosure of information to shareholders and investors, both financial and non-financial, such as, financial report, operational results, financial ratio, dividend history and other information which may impact the Company's securities value. Such information and news in support of their decision making are published for investors and relevant parties through various channels and media of the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, including the Company's website at www.ch-karnchang.co.th in both Thai and English languages.

Those interested to receive information in support of investment may contact Khun Sawanya Trivisvavet at Investor Relations, Telephone 0-2275-0026 ext. 2317-2319.

The provision of the Company's related information to securities analysts is also another main duty of the Investor Relations unit since the Company's information is made available in the Analyst Consensus to assist investors in making their decisions to invest. The Investor



Relations staff are then assigned to provide such information to ensure correct understanding and maintain good relationships with securities analysts. Staff may review and correct the Analyst Consensus, as opposed to guiding or distorting the Analyst Consensus by securities analysts, or may revise only such facts which have been outdated or disclosed to the public, in which case, such revision is not treated as guiding investment.

Other than public disclosure, the Company also participates in various activities to serve as a disclosure channel to directly meet with investors and hear their opinions as well as create good relationships with investors via activities, such as, Roadshow, Opportunity Day, Company Visit, Analyst meeting, exhibition booths, etc.

In addition, the Company has set out a policy to rotate high level executives from the President, Executive Vice President, Vice President: Finance, and the Company Secretary to provide information and answer questions to investors, so that they would be personally aware of opinions and requirements of Thai and foreign investors. As for internal communication, the Investor Relations unit prepares IR Report, by collecting and summarizing questions and opinions of investors towards the Company's business operations for submission to the management on a monthly basis in order to present useful suggestions or feedbacks of investors to the management for further improvement of the operations. Consequently, such activities in various forms contributed to achievements of the Investor Relations, as follows:

Investor Relations Awards

- In 2017, the Company was presented with the Outstanding Investor Relations Awards in the category of companies listed on the Stock Exchange of Thailand with market capitalization ranging from Baht 30,000 - 100,000 Million in SET Awards 2017 Event.

- In 2018, the Company was presented with the Best Investor Relations Awards in the category of companies listed on the Stock Exchange of Thailand with market capitalization ranging from Baht 30,000 - 100,000 Million in SET Awards 2018 Event.

4. The Company discloses its financial information and reports the responsibilities of the Board of Directors towards the financial report, together with the auditor's report, the management discussion and analysis, general information and significant information in the Annual Report correctly, timely and in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

5. The Company did disclose the roles and duties of the Board and various subcommittees, number of meetings and attendances of each director in 2018.

6. The Board of Directors and the management have prepared the report on securities holding and change in securities holding in accordance with the rules of the Office of the Securities and Exchange Commission. The Board of Directors has also set out a policy requiring directors and executives to make a report on each change in their share acquisition-disposition/securities holding to the Board of Directors' meeting.



Other than the report on securities trading of executives in accordance with the requirements of the SEC, in regard to other executives along with staff who are authorized to access the Company's material information which may influence securities price movements, securities trading by usage of inside information, such as, information on capital increase or decrease, dividend payment, the Company's operational results, joint investments, etc., is considered as taking advantage of general investors. In this respect, the Company prevents any insider trading of securities by requiring its executives to report on their securities trading in accordance with the rules as required by the Stock Exchange, whereby all insiders should refrain from trading securities or should wait until the public has been informed of such information for a reasonable period of time.

7. The Board of Directors has set out a policy regarding report on interest of directors and executives by requiring directors and executives to report the Company of their personal interest or their related persons', which is related to the business operation and management of the Company or its subsidiaries, in accordance with the criteria, conditions and methods as required and announced by the Capital Market Supervisory Board. Such report also includes a disclosure of information on directorship or executive position in other legal entities and information on their shareholding in other legal entities in excess of 10 percent of the total number of voting shares by both reporters and their related persons (spouse, child/adopted minor child and related legal entity) for submission to the Company Secretary for reference, and copies of such reports shall be submitted to the Chairman of the Board of Directors and the Chairman of Audit Committee within seven business days from the date of receipt thereof.

8. In regard to the policy on payment of remuneration for directors and executives, the Company establishes a clear and transparent policy on remuneration for directors and executives, subject to review by the Nomination and Remuneration Committee. The remuneration shall be at the same level as that in the same industry and sufficient to retain the qualified directors and the President, and remuneration for executives, excluding the President, shall be in accordance with the principles and policies determined by the Executive Board corresponding to the Company's operational results and performance of the executives, as per the details of Remuneration for Directors and Executives on pages 8-7 to 8-9.

9. The Company establishes a whistleblowing policy for the purpose of development of the Company's sustainable growth and prosperity. Such arrangement is a key mechanism which will help enable management, staff or stakeholders to report on acts in violation of the code of ethics, fraudulent acts, and other ethical issues, without identifying any whistleblower's name. The Company will also assure whistleblowers that the whistleblowing process is independent, reliable and dependable, together with a monitoring process for fact-findings or conclusion, including fair whistleblower protection measures.

10. The Company establishes the policy on significant connected transactions which shall be subject to consideration and approval of the Board of Directors in compliance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. In the case of execution of connected transactions, the Company shall disclose details of persons with whom the Company executes such connected transactions, relationship, transaction description, price conditions/policies and transaction value.



11. The Company formulates its objectives/goals in the long run to become the leading construction and regional infrastructure investment development business that provides quality and full services.

5. The Board of Directors' Responsibilities

The Board of Directors acknowledges its role and responsibilities to set policies and directions of the Company's operations under the laws, its business objectives, the Articles of Association, as well as resolutions of shareholders' meetings. The Board of Directors monitors and supervises the management to efficiently and effectively perform in compliance with the specified policies in order to protect the Company's interests, maximize its economic value and create wealth for shareholders based on the CG Code. The Board of Directors monitors and supervises management to ensure that the strategies have been applied to the business for sustainable growth. In respect of the significance of the role and duties of the Board of Directors towards the Company and shareholders, the Board of Directors shall consist of qualified persons who have leadership, vision, knowledge, abilities and experience in various fields, honesty and integrity as well as independence on decision-making for the optimum benefits to the Company and shareholders as a whole.

The Board of Directors complies with the best practices of the Stock Exchange in various aspects, as follows:

1. Structure of the Board of Directors

The Board of Directors consists of 10 qualified members, with useful skills, knowledge and experience to efficiently perform their duties, comprising: six executive directors, four independent directors, constituting a counterbalance from non-executive director. The Company has four independent directors, which represents more than one-third of the total number of directors. The Chairman of the Board of Directors is an independent director by the definition of the Stock Exchange of Thailand and has no relationship with management and is not the President, so as to separate the policy-making and supervisory duty from the regular managerial duty. The Board of Directors clearly determines power and duties of the Chairman of the Board of Directors and the President.

The Company determines qualifications of "independent directors" stricter than the minimum requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors establishes the policy on limitation to the number of listed companies in which each director will hold office as director which shall not exceed five companies, without any exemption, since, after considering the matter, it is deemed that such number enables all directors to devote their time to regularly attend meetings. In this regard, the Board of Directors has not established the policy on limitation to the number of term of office as director since directors have a good understanding of the Company's business and provide suggestions which are useful for both the Company and shareholders. Furthermore, the Board of Directors also appoints the Company Secretary in accordance with the guidelines for the CG Code to provide suggestions



relating to various laws and regulations as required by the Board of Directors and to supervise activities of the Board of Directors as well as coordinating to ensure compliance with the Board of Directors' resolutions.

The Board of Directors establishes the policy on holding of office as director in other companies by the President, whereby the Board of Directors' meetings shall be notified of reasons and details of companies in which he/she holds such office, which shall not exceed five listed companies.

2. Subcommittees

The Company establishes five subcommittees to closely monitor and supervise the operation and regularly report to the Board of Directors, namely, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Corporate Social and Environmental Responsibility Committee. In this regard, the Board of Directors determines duties and responsibilities of each subcommittee. Furthermore, all subcommittees have reported to the Board of Directors on their respective self-performance evaluation results, as follows:

1) The Executive Board has performed its duties to provide useful suggestions and advice to management and consider scrutinizing works proposed to the Board, as well as providing beneficial opinions and instructions in terms of financial management.

2) The Audit Committee has performed its duties to review the reliability of the Company's financial reports prior to submission to the Stock Exchange of Thailand, audit the internal control system, as well as considering the disclosure of connected transactions to ensure the accurate and complete information, and provide useful suggestions and advice to management in terms of good corporate governance.

3) The Nomination and Remuneration Committee has performed its duties to consider nomination criteria and procedures for qualified persons to hold the position of the Company's directors and consider determining criteria on consideration of remuneration for directors and President.

4) The Corporate Governance and Risk Management Committee has performed its duties to provide suggestions, follow up performance under the CG Code, monitor and review the Company's overall risk management, strategies for risk management.

5) The Corporate Social and Environmental Responsibility Committee has performed its duties to provide suggestions, follow up performance to ensure achievement of the goals and the social and environmental policy as well as considering and following up progress of corporate social and environmental implementation, together with evaluation of success.

3. Roles, Duties and Responsibilities of the Board of Directors

1) The Board of Directors comprises personnel having knowledge, ability, skills and experiences in various fields to exercise their judgment independently with leadership, who



determine vision, missions, strategies, goals, business plans and budget of the Company, and supervise the management to take actions in compliance with the business plans and forecast budget with efficiency and effectiveness so as to optimize the economic value to the business, including monitoring the operational results to meet the objectives and comply with the policies, rules, laws and other relevant regulations.

2) The Board of Directors establishes a corporate governance policy and has such policy reviewed at least once a year.

3) The Board of Directors has a duty to consider granting approval of important matters relating to the Company's operations, such as, vision and missions of the Company, strategies, financial target, action plan and budget, as well as supervising, controlling, monitoring to ensure management's compliance with the specified policies and plans with efficiency and effectiveness so as to enhance the optimum economic value to the business, and ensure that the operational results meet the objectives and comply with the policies, rules, laws, and relevant regulations. The Company did have its vision and missions reviewed and approved at least every five years. Subsequently, the Board of Directors' Meeting No. 7/2014 on December 18, 2014 resolved to grant approval for the Board of Directors to consider reviewing the Company's vision, missions or strategies in every previous accounting year in order for the Board of Directors to oversee and monitor the implementation of the Company's strategies.

4) The Company prepares its code of ethics since the year 2003, with the approval by the Board of Directors. The code of ethics contains proper conduct and practices for directors, executives and staff, and guidelines for conduct and treatment towards the Company, colleagues, third parties and society, in accordance with the best practices. In the past, all directors, executives and staff have been informed and well understood of the proper and ethical conduct and complied with such practices in the performance of their duties in line with the Company's missions, with honesty, integrity and equality, to build up confidence of shareholders and all groups of stakeholders, including the public and society.

The Company has the guidelines in support of compliance with the code of ethics, as well as following up performance, whereby the ethical compliance survey forms shall be sent yearly to all directors, executives and staff, and the results of the survey shall be then concluded as standard for strict adherence to the code of ethics.

In addition, the Company has determined to review its code of ethics on a regular basis, should it be found that any practices in its code of ethics do not cover its business operation, the amendment thereof shall be made promptly. Other than the provision for the annual survey on compliance with the Company's code of ethics for directors, executives and staff, in which they must sign to signify their responsibility for compliance with the Company's code of ethics, the Company also continues to encourage high and middle executives to undergo corporate governance training, in order to enhance their knowledge, understanding, vision and good attitude towards management in accordance with the CG Code, to create leadership and to succeed to an office in management, as well as to further perform duties and push ahead the organization with morals and ethics.



5) The Board of Directors establishes the Internal Audit Office which shall report directly to the Audit Committee, with the duty to follow up and review the Company's operations, together with the operating system in various departments of the Company to ensure efficiency in compliance with the annual audit plan as approved by the Audit Committee. Last year, the Company has no records of violation of any rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

6) The Company establishes the Compliance Unit to perform the duty to provide suggestions and monitor to ensure the Company's compliance with laws, the Articles of Association, relevant rules and regulations, including disclosure and information memoranda.

7) The Board of Directors and the Audit Committee shall provide an opinion relating to adequacy of the internal control system in the Annual Report.

8) The Board of Directors properly considers the transactions which may have a conflict of interests or connected transactions or related party transactions under the best practices subject to review by the Audit Committee to ensure compliance with the rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, as well as the disclosure of information on the execution of such transactions which may have a conflict of interests to the public. In this regard, the Company establishes the policy, rules and regulations, and procedures for approval of the transactions which may have a conflict of interests for executives, staff and the relevant persons for compliance with the significant principles, as follows:

(1) Compliance with the rules set out by the Stock Exchange of Thailand in the execution of connected transactions to propose the connected transactions to the Audit Committee for consideration and approval prior to seeking approval of the Board of Directors under the CG Code.

(2) Disclosure of information on the transactions which may have conflict of interest or connected transactions or related party transactions pursuant to the rules set out by the Office of the Securities and Exchange Commission/Stock Exchange of Thailand, in the Annual Registration Statement (Form 56-1) and the Annual Report, as well as disclosing the information of such transactions in the financial statements in accordance with the accounting standards.

(3) In the consideration of the execution of the transactions which may have a conflict of interests, the Board of Directors shall carefully consider such transactions to ensure the benefits of the Company and shareholders as a whole, whereby the interested directors shall not attend the meeting nor vote on such agenda.

9) In respect of risk management, the Board of Directors follows up and acknowledges the Company's risk management plan from management's report on operational results in every the Board of Directors' meeting and from the Report of the Corporate Governance and Risk Management Committee. In this regard, the Company determines and assesses its business risks by establishing the efficient risk preventive measures and risk management systems for the entire organization.



Risk Management Policy

1. The Board of Directors, all executives, staff and units own the risks and have the duties to be responsible for, assess, follow up, and support the risk management process with efficiency.
 2. All units of the Company shall have a risk management process, as well as having a systematic and continuous assessment and follow-up, subject to regular review at least once a year in line with business changes.
 3. The risk assessment shall form an integral part of the annual work plan of all units, by considering all risks of the entire organization, taking into account such risk factors, both inside and outside the organization, including proper risk management.
 4. The Corporate Governance and Risk Management Committee has the duties to assess the risk management and propose its opinion to the Board of Directors.
 5. The organization culture will focus on common understanding and awareness of risks. The body of knowledge shall be established for staff at all levels to have access for study and research and sharing of experiences, which would pave the way for development and improvement of the risk management process to become an efficient mechanism in the strategic administration.
- 10) Segregation of Roles and Duties between the Board of Directors and Management

The Company has the roles and duties between the Board of Directors and management clearly segregated, namely, the Board of Directors shall have the duty to set out the Company's policies and supervise management's operations while the Company's management shall have the duty to handle various administration affairs to ensure compliance with the policies set out by the Board of Directors. Therefore, the Chairman of the Board of Directors and the President shall be two different persons, and the Chairman of the Board of Directors shall be an independent director.

The Board of Directors consists of the Chairman of the Board of Directors and directors. The Company's management consists of the Chairman of the Executive Board, the President, Senior Executive Vice President: Operation Group, Senior Executive Vice President: Administration Group, Executive Vice President: Construction 1, Executive Vice President: Construction 2, Executive Vice President: Construction 3, Executive Vice President: Construction 4, Executive Vice President: Engineering, Executive Vice President: Business Development, Executive Vice President: Purchasing, Executive Vice President: Accounting and Finance, Executive Vice President: Human Resource and General Administration, and Executive Vice President: Internal Audit Office.



11) The Board of Directors has monitored and supervised to ensure the Company's strategic implementation by setting out policy formulation process which is clear and ready for implementation, jointly meeting among high level executives, management and workers, planning process and plan implementation process in close cooperation with each other to convey knowledge and understanding in plans/action plans to all related personnel, namely, those who have a duty to be responsible for doing various projects, those who have a duty to conduct inspection and evaluation, appointing a working group to follow up performance, in which case, if it is found that performance fails to meet the target, trying to modify the action plans to ensure achievement of the set target.

4. Board of Directors' Meetings

The Company schedules the Board of Directors' meetings in advance for directors to manage their time to attend the meetings, except for special agenda, the Chairman of the Board of Directors or the directors in the number specified by law may convene additional meetings as necessary. The Board of Directors regularly meets every two months. The President Office shall deliver the notice of the meeting, together with agenda and supporting documents, at least seven days prior to the meeting date for the Board's review prior to attending each meeting.

The agenda shall be determined by mutual discussion between the Chairman of the Board of Directors and the President. In 2018, the Board of Directors convened a total of seven meetings, one of which was convened with non-executive director without the management's presence in order to allow directors to independently discuss and share opinions as well as efficiently following up performance of the management. Moreover, the Executive Board meets on a monthly basis. Most of the directors were able to attend the meetings, except where they were engaged by urgent business. In every meeting, the Chairman of the Board of Directors shall serve as the chairman of the meeting to ensure each item shall be carefully considered and all directors shall be allowed to express their opinions and take part in discussions. In addition, the high level executives will attend the meeting to clarify the information in the capacity as persons directly relevant to the matters to the satisfaction prior to voting on each item. In this regard, the minutes of the meetings are recorded in writing and systematically kept for inspection.

Moreover, the Board of Directors sets out a policy to prohibit directors and executives who are connected persons or interested persons in relation to any items to be considered from attending the meeting or voting on such item. In considering a connected person and interested person, the Board of Directors shall take into account such report on interests which all directors and executives shall have a duty to submit in accordance with the Board of Directors' policy requiring directors and executives to report their personal interests in order to disclose such information to the Chairman of the Board of Directors and the Chairman of the Audit Committee. In addition, the Board of Directors establishes a policy relating to minimum quorum of a Board of Directors' meeting to pass resolutions, whereby the directors present at the meeting shall not be less than two-thirds of all directors.



Meeting attendance of each director (attendances/total number of meetings) may be summarized as follows:

Directors	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Corporate Social and Environmental Responsibility Committee
1. Mr. Aswin Kongsiri	7/7					
2. Mr. Plew Trivisvavet	7/7	12/12		2/2	4/4	
3. Mr. Vitoon Tejatussanasoontorn	7/7		4/4	2/2	4/4	
4. Mr. Thawansak Sukhawun	7/7		4/4	2/2	4/4	
5. Mr. Pavich Tongroach	7/7		4/4			2/2
6. Mr. Narong Sangsuriya	7/7	12/12		2/2	4/4	
7. Miss Supamas Trivisvavet	7/7	12/12			3/4*	
8. Mr. Prasert Marittanaporn	7/7	12/12				2/2
9. Mr. Ratn Santaannop	7/7	12/12				
10. Mr. Anukool Tuntimas	7/7	12/12				2/2

Remark: * The Board of Directors' Meeting No. 2/2018 held on April 27, 2018 resolved to approve the appointment of Miss Supamas Trivisvavet to hold the position of Corporate Governance and Risk Management Committee Member.

5. Self-Evaluation of the Board of Directors

The Board of Directors has a policy that its overall performance shall be evaluated at least once a year. In addition, the Board of Directors has evaluated performance of the President every year in accordance with the criteria specified by the Nomination and Remuneration Committee. In this regard, the Board of Directors also requires that evaluation subjects shall be reviewed to ensure that they are suitable for and in line with the roles, duties, responsibilities, and the guidelines of the Corporate Governance Code.

In this regard, the evaluation results are divided into six subjects, namely, structure and qualifications of the Board of Directors; roles, duties and responsibilities of the Board of Directors; the Board of Directors' meetings; directors' performance of duties; relationship with management; and self-development of directors and development of executives. In 2018, the Company delivered the board evaluation form to each director for evaluating the overall performance of the Board of Directors as a whole so that the evaluation results would be proposed to the Board of Directors to consider improving its performance. Most of the directors' opinions can be summarized as follows:

**1) Structure and Qualifications of the Board of Directors**

Most directors were of the view that the structure and qualifications of the Board of Directors were proper and suitable to the nature of business operations of the Company. The Board of Directors comprised personnel with sufficient knowledge, ability and experiences in a variety of fields to perform their overall duties efficiently. In this regard, the Board of Directors appointed another five subcommittees, namely, 1. the Audit Committee with the duty to help supervise and monitor the business as well as considering the appropriateness and justifications of various transactions for the optimum benefit of the Company; 2. the Nomination and Remuneration Committee with the duty to consider criteria and procedures for nomination of qualified persons to be appointed as the Company's directors based on transparency, fairness, without influence of any persons; 3. the Corporate Governance and Risk Management Committee with the duty to establish policies and directions of operations in respect of the good corporate governance of the Company, including risk management; 4. the Corporate Social and Environmental Responsibility Committee with the duty to establish guidelines and policies on corporate social and environmental activities; and 5. the Executive Board with the duty to supervise and provide suggestions to the management, and proceed with other matters as assigned by the Board of Directors.

2) Roles, Duties and Responsibilities of the Board of Directors

Most directors were of the view that the roles, duties and responsibilities of the Board of Directors were proper, namely, the Board of Directors gave priority and contributed sufficient time to consider significant matters relating to directions of the Company's business operations, review the corporate governance policy of the Company, as well as ensuring compliance with various policies, review of the code of business ethics and compliance. The Board of Directors, at the same time, set a policy to prevent a conflict of interests. As for connected transactions and transactions which might have a conflict of interest, the Board of Directors also followed the procedures by taking into account the optimum benefit of the Company. Furthermore, the Board of Directors has regularly reviewed the internal control system to ensure good and sufficient internal control system and appropriate risk management, as well as following up and monitoring the performance of duties of the management in accordance with the policies as assigned by the Board of Directors.

3) Board of Directors' Meetings

Most directors were of the view that the Board of Directors' meetings were proper, namely, the Company gave prior notice of annual schedule of the meetings to directors so that they would be able to manage their time to attend every meeting. The number of meetings and agenda were suitable, thereby supporting the Board of Directors to perform duties efficiently and enabling it to supervise and monitor the Company's business operations with success. Moreover, directors also received supporting documents prior to each meeting and had sufficient time to study additional



information in preparation for each meeting. The supporting documents contained sufficient information for decision making and they could ask for additional information in support of decisions to the benefit of the Company. Furthermore, the atmosphere at each Board of Directors' meeting allowed all directors to express constructive opinions without any influence of any persons. In addition, directors could fully discuss significant issues at each meeting.

4) Directors' Performance of Duties

Most directors were of the view that directors' performance of duties was satisfactory, namely, they were well prepared and sufficiently study information prior to each meeting and regularly attend the meetings. In addition, directors independently provided their opinions and impartially considered various matters and were independent on voting, including useful suggestions for the Company's operations; and understood the significance of each matter and properly contributed their time to consider such matter; and opened for different opinions among them without any conflict.

5) Relationship with Management

Most directors were of the view that the relationship with management was proper. Directors could straightforwardly discuss with the President and maintain good relationship with management, whereby the President could request directors' advice as and when necessary and the Board of Directors did not interfere in the performance of duties of the management. Moreover, the Board of Directors also participated in solving problems as appropriate in case the management's performance of duties did not meet the operational plans and forecast budget.

6) Self-Development of Directors and Development of Executives

Most directors were of the view that the self-development of directors and development of executives were satisfactory, namely, directors understood their roles, duties and responsibilities, had sufficient knowledge and understanding of the Company's business, paid attention to significant information or news relating to economic and industrial conditions, changes in rules and regulations and the state of competition, which would allow directors to efficiently perform their duties. In this regard, all directors were trained to ensure their understanding of performance of duties in the capacity of directors. Furthermore, in case of new directors, the Board of Directors would have the management provide documents or briefing for the new directors to understand the business and performance of duties as directors. In addition, the Board of Directors also set out the succession plan to ensure continuity of performance of duties of the Company's high level executives.

Procedures/process of performance evaluation are as follows:

1. The Nomination and Remuneration Committee reviews the self-evaluation form to ensure its accuracy and completeness in accordance with the criteria stipulated by the regulatory unit;
2. The Company Secretary delivers a self-evaluation form to each director to evaluate the overall performance of the Board of Directors;



3. The Secretary to the Nomination and Remuneration Committee summarizes and reports the results of evaluation to the Nomination and Remuneration Committee;

4. The Nomination and Remuneration Committee reports the results of evaluation to the Board of Directors for acknowledgment and improvement of their performance to be more efficient.

6. Individual Performance Evaluation of Directors

The Chairman of the Board of Directors has conducted the performance evaluation of all directors since 2013 onwards in accordance with the criteria as specified by the Nomination and Remuneration Committee, to consider guiding the improvement and development of work performance of the Company's directors. In this regard, the evaluation results shall be divided into six subjects, namely, qualifications of directors; roles, duties and responsibilities of directors; the Board of Directors' meetings; directors' performance of duties; relationship with management; and self-development of directors. Procedures/process of performance evaluation are as follows:

1. The Nomination and Remuneration Committee reviews the self-evaluation form to ensure its accuracy and completeness in accordance with the criteria stipulated by the regulatory unit;

2. The Company Secretary delivers self-evaluation forms of all directors to the Chairman of the Board of Directors to evaluate the individual performance of each director;

3. The Secretary to the Nomination and Remuneration Committee summarizes and reports the results of evaluation to the Nomination and Remuneration Committee;

4. The Nomination and Remuneration Committee reports the results of evaluation to the Board of Directors for acknowledgment and improvement of their performance to be more efficient.

7. Evaluation of Performance of Subcommittees

The Board of Directors arranges for evaluation of performance of five subcommittees, namely, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Corporate Social and Environmental Responsibility Committee, the results of which were used as guidance for improvement, correction and development of their performance. In this regard, the evaluation results are divided into six subjects, namely, structure and qualifications of the subcommittees, roles, duties and responsibilities of the subcommittees, the subcommittees' meetings, the subcommittee members' performance of duties, relationship with management, and self-development of subcommittee members and executives. The opinions of committee members can be summarized as follows:

1) Structure and Qualifications of the Subcommittees: The results of evaluation are proper. All subcommittee members are of the opinion that the total number of all subcommittee members is appropriate to the nature of business operations of the Company, thereby allowing the



subcommittees to perform the overall duties efficiently; and the subcommittees comprise personnel with sufficient knowledge and experience in a variety of fields, which enable them to perform the overall duties efficiently. In addition, the subcommittees also have the duties in providing assistance in the corporate governance, nominating qualified persons to hold offices as directors, with transparency and justice, without undue influence of any person, including appropriate and competitive remuneration sufficient to retain qualified directors, setting out policies and directions of the implementation in respect of the corporate governance of the Company, code of ethics, as well as risk administration and management, taking care of and providing suggestions to the management, for the benefit of the Company's business operations under the good corporate governance.

2) Roles, Duties and Responsibilities of the Subcommittees: The subcommittees' results of evaluation are proper, which can be summarized as follows:

- The Executive Board has provided guiding policies, supervised, made suggestions and advice for the President and the management; has set up business plan, budget and managerial power of the Company as assigned by the Board of Directors; has inspected and followed up the compliance with the Company's policies and plans with efficiency; has conducted feasibility studies on new projects; and has reported on the Company's operational results to the Board of Directors.
- The Audit Committee has ensured that the financial statements have been prepared in accordance with the generally accepted accounting standards; the internal audit tasks have been supervised and monitored for ensuring the appropriate and effective internal audit system; the execution of transactions which may have a conflict of interest has been considered under the specified procedures and for the utmost benefit to the Company; the Company has complied with the securities and exchange law and other applicable laws; and the nomination of candidates for appointment, determination of remuneration, and assessment of the auditor's performance are appropriate.
- The Nomination and Remuneration Committee has ensured that the appropriate criteria for nomination of directors have been determined; the qualified candidates have been considered and nominated for appointment as the Company's directors; the appropriate and transparent criteria for consideration of remuneration for directors have been determined; remuneration for directors has been considered under the specified criteria for submission to shareholders; the results of the President's performance have been assessed under the specified criteria; and remuneration for the President has been considered in line with the results of assessment.
- The Corporate Governance and Risk Management Committee has conducted studies and followed up movement, tendency and practice in respect of the good corporate governance; has improved and made suggestions on the Company's corporate governance policy; has followed up and evaluated the



results under the Company's good corporate governance; has considered policies and work plans relating to risk management; has monitored and reviewed the Company's overall risk management, strategies for risk management; and has reported on risks and actions taken to minimize risks to the Board of Directors.

- The Corporate Social and Environmental Responsibility Committee has conducted studies and followed up movement as well as monitored progress of social and environmental operations; has improved and made suggestions on the Company's environmental policy; has searched information or followed up significant news in respect of environment, and changes in laws and regulations; and has considered setting out policies and action plans in respect of social and environmental operations.

3) The Subcommittees' Meetings: The results of evaluation are proper. Subcommittee members are given prior notice of the annual schedule of the subcommittees' meetings so as to enable them to manage time to attend every meeting; the number of the subcommittees' meetings is suitable to support the performance of its duties efficiently and to supervise and monitor the Company's business operations successfully; the agenda of the subcommittees' meetings are suitable to support the performance of its duties efficiently; subcommittee members are also given supporting documents prior to each meeting and sufficient time to read such information in preparation for each meeting; the supporting documents contain sufficient information for subcommittee members' decision making; the subcommittees can request any other necessary information in support of their decisions for the benefit to the Company; the atmosphere at each subcommittees' meeting allows all subcommittee members to express constructive opinions without undue influence of any person; and subcommittee members can fully discuss significant issues at each subcommittees' meeting.

4) Subcommittee Members' Performance of Duties: The results of evaluation are proper. Subcommittee members are well prepared and sufficiently study information prior to each subcommittees' meeting; subcommittee members have regularly attended the subcommittees' meetings; subcommittee members independently provide their opinions; subcommittee members impartially consider various matters and are independent in making decisions or passing resolutions without undue influence of any individual; subcommittee members have provided useful suggestions for the Company's operations; subcommittee members understand the significance of each matter and properly contribute their time to consider such matters without wasting time on minor issues; and subcommittee members accept different opinions among them without conflict.

5) Relationship with Management: The results of evaluation are proper. Subcommittee members may straightforwardly discuss with the President; the subcommittees maintain a good relationship with management; the President can request subcommittee members' advice as necessary; the subcommittees do not intervene with management's performance of duties; and the subcommittees participate in solving problems as appropriate in case management's performance does not meet the specified plans and budget.



6) Self-Development of Subcommittee Members and Executives: The results of evaluation are proper. Subcommittee members understand their roles, duties and responsibilities; subcommittee members have sufficient knowledge and understanding relating to the Company's business to ensure efficiency in their performance; subcommittee members have paid attention to significant information or news relating to economic and industrial conditions, changes in rules and regulations and the status of competition, which allows subcommittee members to efficiently perform their duties; all subcommittee members undergo training to ensure their understanding of the performance of duties in their capacity as members; subcommittee members are well prepared and sufficiently study information prior to each subcommittees' meeting; subcommittee members have regularly attended the subcommittees' meetings; subcommittee members independently provide their opinions; subcommittee members impartially consider various matters and are independent in making decisions or passing resolutions without undue influence of any individual; subcommittee members have provided useful suggestions for the Company's operations; subcommittee members understand the significance of each matter and properly contribute their time to consider such matters without wasting time on minor issues; and subcommittee members accept different opinions among them without conflict.

Procedures/process of performance evaluation are as follows:

1. The Subcommittees prepare a self-evaluation form in accordance with the good corporate governance principles of the Thai Institute of Directors Association and the guidelines for operations of the subcommittee;
2. The secretary to the subcommittees summarizes and reports the results of performance evaluation of the subcommittees for improvement of their performance to be more efficient.
3. The Secretary to the Nomination and Remuneration Committee summarizes and reports the results of evaluation of the subcommittees to the Nomination and Remuneration Committee.
4. The Nomination and Remuneration Committee reports the results of evaluation to the Board of Directors for acknowledgement and improvement of their performance to be more efficient.

8. Assessment of Performance in Compliance with the Company's Code of Ethics

The Board of Directors sets out the Company's code of ethics as principles and goals of the Company's business operations, and guidelines for performance of all directors, executives and staff. Directors, executives and staff will assess their performance in compliance with the Company's code of business ethics every year. In this regard, the results of assessment can be summarized as a whole that directors and executives have complied with the Company's code of ethics, as follows:



1. Compliance with the code of ethics: Understanding and adhering to the guidelines as specified in the Company's code of ethics.
2. Guidelines for business operations: Strictly complying with the laws applicable to the Company and the trading business under the desirable morality, including the Company's policies.
3. Conflict of interests: Not disclosing any confidential information of the Company to any third party; refraining from any act which will give rise to a conflict of interests between their own interest and the Company's interest; not involving in nor holding any share in any business which may have a conflict of interests with the Company.
4. Insider trading: Not disclosing any insider information which has not yet been disclosed to the public, which may affect the prices or trading of securities of the Company and its related companies.
5. Commitments to shareholders: Making an effort in best to create value added to the organization to ensure its capability to accommodate the business growth and expand its business with continuity and create value added to the shareholders in the long run.
6. Responsibilities for executives and staff: Setting out guidelines and practices for taking care of working environment to ensure safety for their life and properties at all times.
7. Commitments to communities, society and environment: Providing cooperation in making benefits for the communities, society and environment on an occasional and ready basis.
8. Disclosure of information and confidentiality: Complying with the policy to efficiently manage the Company's information; and disseminating necessary, correct and proper information to the public on an occasional basis; and not disclosing the Company's information which has not yet been disclosed to the public, including any personal information, nor using any information as known from performance of duties for their own interest.
9. The Company's assets: Setting out practices in taking care of the Company's assets to prevent them from loss, damage or misuse.
10. Gifts and parties: Setting out practices regarding giving of gifts and holding of parties by refraining from receiving any item or benefit from counterparts, contractual parties or persons who have connection with the Company's business, except during festival or according to custom, in which case, at the reasonable value as shall be considered by recipient.



9. Evaluation of Performance of the President

Independent directors and non-executive directors have continued to evaluate performance of the President every year from 2012 in accordance with the criteria as specified by the Nomination and Remuneration Committee. The Board of Directors has authorized the Nomination and Remuneration Committee to consider proposing remuneration and other benefits as appropriate for the President to use in the annual performance evaluation for the Board of Directors' consideration and approval. In this regard, the criteria for evaluation can be divided into three chapters, as follows:

- Chapter 1: Success of Business Goals
- Chapter 2: Performance Measurement, comprising:
 - 1) Leadership
 - 2) Determination of Strategies
 - 3) Compliance with Strategies
 - 4) Financial Planning and Performance
 - 5) Relationship with the Board of Directors
 - 6) Relationship with Third Parties
 - 7) Management and Relationship with Personnel
 - 8) Succession
 - 9) Knowledge in terms of Products and Services
 - 10) Personal Characteristics
- Chapter 3: Development of CEO

10. Remuneration for Directors and Executives

Remuneration for directors : The Company establishes a clear and transparent policy on remuneration for directors and the President in line with duties and responsibilities of each director as chairman or member of subcommittee, subject to review by the Nomination and Remuneration Committee. The remuneration shall be at the same level as that in the same industry and sufficient to retain the qualified directors.

Remuneration for President : The Company formulates policies on remuneration for President. The Nomination and Remuneration Committee shall consider remuneration of the President in line with the Company's operational results in the short term and long term, and performance of the



President for submission to the Board of Directors for consideration each year.

Remuneration for executives : Remuneration for executives shall be in accordance with the principles and policies determined by the Board of Directors corresponding to the Company's operational results and performance of the executives.

11. Development of Directors and Executives

- Training for Directors and Executives

The Board of Directors has a policy to support and facilitate training and learning for its directors and executives to ensure their continued improvement and performance, involving both internal and external training courses. All directors must attend training for understanding of performance of their duties in their capacity as directors. The Board of Directors and the high level executives realize the significance of participation in training or seminars in various courses or development of their knowledge and skills. The Board of Directors attends training courses organized by the Thai Institute of Directors Association (IOD), namely, Director Certification Program (DCP), Directors Accreditation Program (DAP), The Role of Chairman (RCP), Audit Committee Program, Role of Compensation Committee (RCC).

In this regard, the Company has regularly sent directors and executives to attend training courses organized by the IOD and other institutions. In 2018, directors and executives attended various training courses, as follows:

Names of Directors and Executives	Training Date	Course / Organized by
1. Mr. Aswin Kongsiri	October 30-31, 2018	Board Matters and Trends Agenda BMT 6/2018, organized by the Thai Institute of Directors Association (IOD)
2. Mr. Plew Trivisvavet	February 6, 2018	Thai Economy and Global Economy Trends for 2018, organized by Krungthai Bank Public Company Limited
	September 11, 2018	IFRS 9, organized by Krungthai Bank Public Company Limited
3. Miss Supamas Trivisvavet	February 6, 2018	Thai Economy and Global Economy Trends for 2018, organized by Krungthai Bank Public Company Limited



Names of Directors and Executives	Training Date	Course / Organized by
4. Mr. Prasert Marittanaporn	February 6, 2018	Thai Economy and Global Economy Trends for 2018, organized by Krungthai Bank Public Company Limited
	September 11, 2018	IFRS 9, organized by Krungthai Bank Public Company Limited
5. Mr. Ratn Santaannop	February 6, 2018	Thai Economy and Global Economy Trends for 2018, organized by Krungthai Bank Public Company Limited
6. Mr. Anukool Tuntimas	August 2017 - February 2018	Thailand Insurance Leadership Program (TIL) Class 7, organized by Office of Insurance Commission
	February 6, 2018	Thai Economy and Global Economy Trends for 2018, organized by Krungthai Bank Public Company Limited
	July 4, 2018	Self-Regulation Driving, organized by Thai Journalist Association
	September 11, 2018	IFRS 9, organized by Krungthai Bank Public Company Limited
	June 21-26, 2018	Leadership Communication Batch#8 (Certificate Program 2018), organized by Thailand Management Association (TMA)
7. Mr. Sittidej Trivisvavet	February 6, 2018	Thai Economy and Global Economy Trends for 2018, organized by Krungthai Bank Public Company Limited
	September 1, 2018	Organizational Changes in Thailand 4.0, organized by CH. Karnchang Public Company Limited
	September 11, 2018	IFRS 9, organized by Krungthai Bank Public Company Limited



Names of Directors and Executives	Training Date	Course / Organized by
8. Mr. Watchara Sanghattawattana	August 13, 2018	EEC Mega Infrastructure Project Development: An Innovation Approach by New Space Technology Frontier, organized by Geo-Informatics and Space Technology Development Agency (Public Organization): GISTDA
	September 11, 2018	IFRS 9, organized by Krungthai Bank Public Company Limited
9. Mr. Pichai Cheybumroong	February 6, 2018	Thai Economy and Global Economy Trends for 2018, organized by Krungthai Bank Public Company Limited
	September 1, 2018	Organizational Changes in Thailand 4.0, organized by CH. Karnchang Public Company Limited
10. Mrs. Rinrada Tangtrongkid	February 6, 2018	Thai Economy and Global Economy Trends for 2018, organized by Krungthai Bank Public Company Limited
	May 21, 2018	e-Tax Invoice and e-Receipt, organized by Dharmniti Seminar and Training Co., Ltd.
	September 11, 2018	IFRS 9, organized by Krungthai Bank Public Company Limited
	September 28, 2018	Innovation-Driven New Investing Strategies to keep pace with the World Business, organized by the Stock Exchange of Thailand
11. Mr. Wiboon Ungapipathanachai	February 6, 2018	Thai Economy and Global Economy Trends for 2018, organized by Krungthai Bank Public Company Limited
	June 13, 2018	Direct and Indirect Utilization of Statement of Cash Flows, organized by NYC Management Co., Ltd.
	July 18, 2018	Financial Information Analysis and



Names of Directors and Executives	Training Date	Course / Organized by
		Financial Forecasting for Managerial Decision Making, organized by NYC Management Co., Ltd.
	August 30, 2018	Customs Duty Accountants Need to Know, organized by NYC Management Co., Ltd.
	September 11, 2018	IFRS 9, organized by Krungthai Bank Public Company Limited
	September 11, 2018	63 Accounting Techniques and Taxes for Foreign Exchange Rate-Related Business, organized by Dharmniti Seminar and Training Co., Ltd.
	October 30, 2018	TFRS 15: Revenue from Contracts with Customers, organized by NYC Management Co., Ltd.
12. Mr. Pornnarong Siriyothin	February 6, 2018	Thai Economy and Global Economy Trends for 2018, organized by Krungthai Bank Public Company Limited
	July 19, 2018	Seminar on Japanese Construction Technology, organized by Advanced Construction Technology Center
	September 11, 2018	IFRS 9, organized by Krungthai Bank Public Company Limited
13. Mr. Praon Chanpradubfa	February 6, 2018	Thai Economy and Global Economy Trends for 2018, organized by Krungthai Bank Public Company Limited
	July 19, 2018	Seminar on Japanese Construction Technology, organized by Advanced Construction Technology Center
14. Mr. Pairat Prom-In	September 11, 2018	IFRS 9, organized by Krungthai Bank Public Company Limited



- Orientation for New Directors

The Company also arranges for orientation for newly-appointed directors, whereby the Board of Directors assigns the Company Secretary to meet newly-appointed directors by convening a meeting with the relevant directors and/or executives and/or officers for clarification and answer to questions, as well as preparing documents and briefing for new directors, such as, information relating to the Company, business overview, shareholding structure, organization structure, listed company director's handbook, the CG Code, code of ethics, power and duties of the Board of Directors, the annual schedule of the Board of Directors' meetings. Meanwhile, the Company allows directors to attend any training course as suggested by the Office of the SEC and organized by the Thai Institute of Directors (IOD).

12. Succession Plan

The Board of Directors sets out a succession plan for executive level and in the primary line of work, by significantly taking into account the performance, potentials and readiness of each person. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions for succession in the event that the Managing Director or executives in the key positions are not able to perform duties.

An executive who has been assigned to succeed an office shall not only be qualified and experienced in an appropriate field, but also accept transfer of knowledge and experience by rotation to other related work units, as well as attending additional necessary training courses to be well prepared in the performance of duties in a higher position in the future, and to ensure smooth succession and continued management.

The Company sets up a human resource management system with sufficient allocation, control and following up of the assessment in respect of nomination process for qualified and knowledgeable persons as required; appropriate and fair remuneration; determination of duties and responsibilities, performance of personnel; performance standard; personnel development; and efficient communication, to ensure staff knowledge and skills, by applying a performance evaluation system in support of consideration of remuneration as appropriate for staff ability and performance.

9.2 Subcommittees

(1) The Company's management structure comprises the Board of Directors and five subcommittees, namely, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Corporate Social and Environmental Responsibility Committee. The names of members of subcommittees, including authority and duties of the respective committees are as follows:



A. Executive Board

The Board of Directors appoints the Executive Board to help give suggestions and advice to management and make other arrangements as assigned by the Board of Directors. As at December 31, 2018, the Executive Board consists of six members, namely:

Names	Positions
1. Mr. Plew Trivisvavet	Chairman of the Executive Board
2. Miss Supamas Trivisvavet	Executive Director
3. Mr. Narong Sangsuriya	Executive Director
4. Mr. Prasert Marittanaporn	Executive Director
5. Mr. Ratn Santaannop	Executive Director
6. Mr. Anukool Tuntimas	Executive Director

The Executive Board meets monthly for consideration of various matters within the scope of the authority assigned by the Board of Directors and for screening matters to be proposed to the Board of Directors for consideration and approval.

Executive Board's Authority

The Board of Directors authorizes the Executive Board to have the following authority:

- 1) Providing policy guidelines, appointing, prescribing powers and duties, supervising, monitoring, coordinating and prescribing powers and duties of special working groups or work management groups, as well as considering and approving various proposals submitted by the management groups or the special working groups;
- 2) Approving proposals submitted by various working groups for the purposes of managing work and conducting business in accordance with the Company's objectives;
- 3) Conducting feasibility studies on new projects and having power to consider approving participation in various biddings, including operation of various projects as it deems appropriate, as well as entering into any juristic acts related thereto until completion;
- 4) Conducting feasibility studies on investment in new projects and having power to consider granting approval for the Company to invest or jointly invest with other persons, legal entities, groups of persons in various forms for conducting business in compliance with the objectives within the amount of not exceeding Baht 3,000 Million per project, including investment in other manners, such as, purchase of shares, exchange of shares with other legal entities as it deems



appropriate, as well as entering into any juristic acts related thereto until completion;

- 5) Prescribing, considering, approving regulations, rules, work management and business operation policy guidelines or any actions binding the Company;
- 6) Providing advice, consultation and determining policy guidelines and authorities of the President and special working groups;
- 7) Having power to approve, appoint, employ, remove, impose disciplinary action, determine salary, wages, benefits, bonus, allowances, and other remunerations, including expenses and facilities of the Company's officers or staff in the position of department directors or higher, including Assistant Managing Director, Deputy Managing Director or equivalent or various special working groups for specific operation;
- 8) Proceeding with other matters in accordance with the policy as assigned by the Board of Directors;
- 9) Having power to appoint any person or group of persons to operate the Company's business under control of the Executive Board or authorize such person or group of persons to take any action as the Executive Board deems appropriate, and change, amend, repeal and revoke such authority;
- 10) Having power to appoint the Chairman of the Advisory Committee or advisors or Advisory Committee for Executive Board as appropriate, and determine remuneration, allowances, benefits, facilities and other expenses of the Chairman of the Advisory Committee or advisors or the Advisory Committee as appropriate;
- 11) The Executive Board or the Chairman of the Executive Board has power to convene the Executive Board's meetings and/or determine rules and regulations of the meetings as it deems appropriate;
- 12) In the case that the Chairman of the Executive Board cannot perform duties, the Chairman of the Executive Board shall appoint a substitute to perform duties on his or her behalf on each occasion, whereby the substitute shall have authorities equal to the Chairman of the Executive Board;
- 13) Considering and approving for authorization of executives to operate and manage business in accordance with the relevant rules, regulations and requirements;
- 14) Having power to approve and withdraw money from all accounts of the Company, and use credits provided by all banks or financial institutions for the Company, including apply for opening accounts and/or apply for credits in various forms with all banks or financial institutions, as well as placing



securities of the Company as collateral against such debts, regardless of whether or not it requires registration.

B. Audit Committee

The Board of Directors appoints the Audit Committee to help supervise and monitor the Company's business. Mr. Vitoon Tejatussanasoontorn, an independent director who has knowledge in accounting and finance, was appointed as Chairman of the Audit Committee. As at December 31, 2018, the Audit Committee consists of three independent directors, namely:

Names	Positions
1. Mr. Vitoon Tejatussanasoontorn *	Chairman of the Audit Committee
2. Mr. Thawansak Sukhawun	Audit Committee Member
3. Mr. Pavich Tongroach	Audit Committee Member

With a three-year term of office.

Remark: *Serving as Audit Committee member with the knowledge and experience in review of the Company's financial statements.

The Audit Committee regularly meets at least every three months with the external auditor, internal auditor, management team and executives who are accountable for accounting and finance for review of financial statements on a quarterly basis and reports to the Board of Directors, or in case the management team would execute any connected transactions or transactions relating to acquisition or disposition of assets, which shall take into account appropriateness, justification of such transactions and the utmost benefits of the Company, the Chairman of the Audit Committee may convene additional meeting. In 2018, the Audit Committee convened a total of four meetings.

Audit Committee's Authority

The Board of Directors authorizes the Audit Committee to have the authority as follows:

- 1) Reviewing to ensure that the Company's financial reports are accurate and adequate;
- 2) Reviewing to ensure that the Company's internal control and internal audit systems are suitable and effective, considering the independence of the internal audit unit as well as providing opinions on consideration for appointment, transfer, termination of employment of head of the internal audit unit or any other unit responsible for the internal audit;
- 3) Reviewing to ensure the Company's performance in compliance with the securities and exchange law, requirements of the Stock Exchange and the laws relating to the Company's business;



- 4) Considering, selecting, submitting for appointment and termination of person who is independent to serve as the Company's auditor, proposing remuneration of such person as well as meeting with the auditor without the management team at least once a year;
- 5) Considering connected transactions or transactions which may have conflict of interest in compliance with the laws and requirements of the Stock Exchange in order to ensure that such transactions are justified and of the utmost benefit to the Company;
- 6) Preparing reports of the Audit Committee to be disclosed in the Company's Annual Report, whereby such reports must be signed by the Chairman of the Audit Committee and be comprised of at least the following information:
 - (a) opinions on correctness, completeness, and reliability of the Company's financial reports;
 - (b) opinions on adequacy of the Company's internal control system;
 - (c) opinions on compliance with the securities and exchange law, requirements of the Stock Exchange or laws relating to the Company's business;
 - (d) opinions on appropriateness of the auditor;
 - (e) opinions on transactions which may have conflict of interest;
 - (f) number of meetings of the Audit Committee and attendance of each Audit Committee member;
 - (g) overall opinions or observations by the Audit Committee from the performance of duties in accordance with the charter;
 - (h) other matters that should be informed to shareholders and general investors within the scope of the authority and responsibilities assigned by the Board of Directors.
- 7) Performing any other activities as assigned by the Board of Directors of the Company and approved by the Audit Committee.

C. Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee to nominate and consider remuneration for directors and the President to ensure transparency and fairness. Mr. Vitoon Tejatussanasoontorn, an independent director, was appointed as Chairman of the Nomination and Remuneration Committee in line with the CG Code stipulating that chairmen of subcommittees should be an independent director. As at December 31, 2018, the Nomination and Remuneration Committee consists of four members, namely:



Names	Positions
1. Mr. Vitoon Tejatussanasoontorn	Chairman of the Nomination and Remuneration Committee
2. Mr. Thawansak Sukhawun	Nomination and Remuneration Committee Member
3. Mr. Plew Trivisvavet	Nomination and Remuneration Committee Member
4. Mr. Narong Sangsuriya	Nomination and Remuneration Committee Member

With a three-year term of office.

In 2018, the Nomination and Remuneration Committee convened two meetings for nomination of qualified persons to be proposed and appointed as directors to replace those who were due to retire by rotation and for consideration of remuneration for directors for 2018 and bonus for 2017 for submission to the 2018 Annual Ordinary General Meeting of Shareholders for consideration and approval, and consideration of remuneration for the President for submission to the Board of Directors for consideration and approval.

Nomination and Remuneration Committee's Authority

The Board of Directors authorizes the Nomination and Remuneration Committee to have the authority as follows:

- 1) Considering the nomination criteria and procedures, as well as selecting and proposing qualified persons to hold the position of the Company's directors to the Board of Directors so as to nominate them to the shareholders' meeting, or proposing the nomination to the Board of Directors for appointment;
- 2) Considering, selecting and proposing qualified persons to hold the position of the President to the Board of Directors for appointment;
- 3) Considering and determining criteria on consideration for remuneration for directors and the President;
- 4) Considering, determining and proposing remuneration for directors to the shareholders' meeting for approval;
- 5) Considering and reviewing rates of salary and other remuneration for the President and proposing the same to the Board of Directors for approval;
- 6) Proceeding with other matters as assigned by the Board of Directors.

D. Corporate Governance and Risk Management Committee

The Board of Directors appoints the Corporate Governance and Risk Management Committee to supervise and monitor performance of the directors and the management to ensure compliance with the CG Code and to oversee and support the risk management to achieve success in the organizational level. As at December 31, 2018, the Corporate Governance and Risk Management Committee consists of five members, namely:



Names	Positions
1. Mr. Vitoon Tejatussanasoontorn	Chairman of the Corporate Governance and Risk Management Committee
2. Mr. Thawansak Sukhawun	Corporate Governance and Risk Management Committee Member
3. Mr. Plew Trivisvavet	Corporate Governance and Risk Management Committee Member
4. Mr. Narong Sangsuriya	Corporate Governance and Risk Management Committee Member
5. Miss Supamas Trivisvavet	Corporate Governance and Risk Management Committee Member

With a three-year term of office.

The Corporate Governance and Risk Management Committee met to follow up and evaluate the results of compliance with the CG Code and the risk management plan of the Company. In 2018, the Corporate Governance and Risk Management Committee convened four meetings.

Corporate Governance and Risk Management Committee's Authority

The Board of Directors authorizes the Corporate Governance and Risk Management Committee to have the authority as follows:

Corporate Governance

- 1) Determining and proposing policies and directions of operations in respect of the good corporate governance of the Company, including the code of business ethics, to the Board of Directors for consideration and approval for further compliance at all levels;
- 2) Supervising and monitoring the business operation of the Company and performance of the Board of Directors, the management and personnel of the Company to ensure compliance with Clause 1);
- 3) Evaluating and reviewing policies, directions, code of ethics, and best practices or practical guidelines in respect of the good corporate governance of the Company to ensure compliance with the international practices and recommendations of various institutions, as well as proposing the same to the Board of Directors for further consideration and approval;
- 4) Following up on movement, tendencies, as well as comparing performance in respect of the good corporate governance of the Company with the practices of other leading companies;
- 5) Overseeing and supporting performance in compliance with the good corporate governance policies to ensure continual effectiveness and appropriateness to the Company's business;



- 6) Giving advice to the Company, the Board of Directors, the management and working groups on the matters relating to the good corporate governance;
- 7) Reporting on the corporate governance of the Company to the Board of Directors on a regular basis, and immediately reporting to the Board of Directors for consideration in case there is any matter materially affecting the Company, as well as providing opinions on the practices and suggestions for improvement and resolution as appropriate;
- 8) Disclosing information relating to the good corporate governance of the Company to related parties and in the Annual Report, provided that it shall always be proposed to the Board of Directors for prior approval;
- 9) Establishing any working group as it deems appropriate.

Risk Management

- 1) Determining policies and scope of risk management operations of the Company, as well as giving advice to the Board of Directors and the management on risk management;
- 2) Overseeing and supporting the risk management to ensure successful implementation by emphasizing the significance of and taking into account risk factors in support of the decision making as appropriate;
- 3) Considering the Company's material risks in line with the Company's business, e.g., in terms of investment, finance, security, law, rules and regulations, by suggesting measures to prevent and minimize risks to stay at an acceptable level, as well as following up, evaluating and improving the working plans for minimizing risks on a continual basis as appropriate to the condition of the business operation;
- 4) Reporting risk assessment results and operations for minimizing risks to the Board of Directors on a regular basis, and promptly reporting to the Board of Directors for consideration in case there is any matter materially affecting the Company;
- 5) Establishing any working group as it deems appropriate.

E. Corporate Social and Environmental Responsibility Committee

The Board of Directors appoints the Corporate Social and Environmental Responsibility Committee to supervise the Company's operations in respect of the corporate social and environmental responsibility by focusing on the impact on its shareholders and stakeholders. As at December 31, 2018, the Corporate Social and Environmental Responsibility Committee consists of three members, namely:



Names	Positions
1. Mr. Pavich Tongroach	Chairman of the Corporate Social and Environmental Responsibility Committee
2. Mr. Prasert Marittanaporn	Corporate Social and Environmental Responsibility Committee Member
3. Mr. Anukool Tuntimas	Corporate Social and Environmental Responsibility Committee Member

With a three-year term of office.

The Corporate Social and Environmental Responsibility Committee met to follow up progress of the social and environmental activities of the Company. In 2018, the Corporate Social and Environmental Responsibility Committee convened two meetings.

Corporate Social and Environmental Responsibility Committee's Authority

The Board of Directors authorizes the Corporate Social and Environmental Responsibility Committee to have the authority as follows:

- 1) Considering establishing the corporate social and environmental guidelines and policies for submission to the Board of Directors;
- 2) Considering and approving the Company's strategies to meet the CSR target and policies;
- 3) Considering the action plans and the annual budget for arrangement of the CSR activities for submission to the Executive Board and the Board of Directors;
- 4) Considering and following up the progress of the arrangement of the CSR activities as well as assessing the result and the quality of the CSR projects;
- 5) Proceeding with other matters as assigned by the Board of Directors.

President's Authority

The Board of Directors authorizes the President to have the authority as follows:

- (1) Having authority to supervise and monitor all businesses of the Company to ensure compliance with the resolutions and policies of the Board of Directors and the Executive Board;
- (2) Having power to approve, appoint, remove, engage, impose disciplinary actions, determine salary, bonus, pension, welfare and



other remuneration, including expenses and facilities of the Company's officers or staff in the position of division general manager or lower (excluding Senior Executive Vice President, Executive Vice President, and division manager or equivalent) and, if applicable, substitute any work groups, the Board of Directors/committees, management team, groups of persons or executives as appropriate;

- (3) Having power to approve any juristic acts binding upon the Company in the amount not exceeding Baht 60,000,000 (Sixty Million Baht Only) per transaction;
- (4) Having power to sign and affix the Company's seal on cheques and withdraw money from all accounts of the Company and utilize credit facilities available to the Company by all banks or financial institutions in the amount not exceeding Baht 60,000,000 (Sixty Million Baht Only) or equivalent per transaction;
- (5) Authorizing from time to time the Company's staff in the executive positions (Senior Executive Vice President, Executive Vice President, division manager or equivalent) to perform duties on behalf of the President in certain matters (such as purchase order, procurement, payment order) as appropriate;
- (6) Having power to issue, amend, add, update regulations, orders and work rules of the Company, such as, assignment, appointment, removal, and discipline of staff and employees, determination of salary and other monies, including various aid and welfare;
- (7) Having duty to prepare and approve balance sheets, financial statements and income statements of the Company for submission to the Board of Directors;
- (8) Conducting feasibility study for new projects and having power to consider approving projects as assigned by the Executive Board;
- (9) Appointing a person acting in place of the President from time to time in the event that the President is unable to perform his/her duties, whereby such acting person shall have the same authority as the President;
- (10) Having power to appoint any persons or groups of persons to engage in the Company's business under the supervision of the President, or, if applicable, authorizing such persons to make arrangements as the President deems appropriate and having power to change, amend, revoke and repeal such authorization;



- (11) Proceeding with other matters as assigned by the Board of Directors or the Executive Board from time to time.

9.3 Nomination and Appointment of Directors and Top Management

(1) Nomination of Independent Directors

The Nomination and Remuneration Committee nominates directors who are qualified in terms of useful skills and experience for the Company and meet the qualifications of independent director. The Company has adjusted the definition of the Company's independent directors to become stricter than the definition set out by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as follows:

Qualifications of Independent Directors

1. Holding shares of not exceeding 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company, including shares held by any related persons;
2. Not being or having been a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or a controller of the Company, its parent company, subsidiary, associated company, subsidiary at the same level, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment, provided that such prohibited characteristics shall not apply to the independent director who has been a public servant or an advisor to a government authority which is the Company's major shareholder or controller;
3. Not being a person having relationship by blood or by legal registration in the capacity as parent, spouse, sibling and offspring, including spouse of the offspring, executive, major shareholder, controller or person to be nominated as executive or controller of the Company or its subsidiary;
4. Not having or having had any business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company in a manner which may prevent the exercise of his or her independent judgment; and not being or having been a substantial shareholder or controller of any person having a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;

The aforesaid business relationship shall include any transaction which is an ordinary course of business for the business operation of lease taking or lease out of immovable property, any transaction relating



to assets or services or grant or receipt of financial assistance through receiving or extending any loan, guarantee, providing assets as collateral, including any other similar action, which causes the Company or contractual party to be subject to indebtedness payable to the other party in the amount of three percent or more of the Company's net tangible assets or in the amount of Baht Twenty Million or more, whichever is lower;

Such indebtedness shall be calculated in accordance with the calculation method for value of the connected transaction under the Notification of the Capital Market Supervisory Board governing Rules on Connected Transactions, *mutatis mutandis*. However, the consideration of such indebtedness shall include the indebtedness incurred during the course of one year prior to the date on which the business relationship with the same person occurs;

5. Not being or having been an auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of an audit firm which employs the auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;
6. Not being or having been a professional service provider, including legal advisor or financial advisor which receives an annual service fee exceeding Baht Two Million from the Company, its parent company, subsidiary, associated company, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of such professional service provider, unless such independent director has no longer been in such capacity for not less than two years prior to the date of appointment;
7. Not being a director appointed as representative of the Company's director, major shareholder or shareholder who is a related person of the major shareholder;
8. Not engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiary; or not being a substantial partner in a partnership or a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or holding more than one percent of the total number of voting shares of another company engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiary;
9. Not having any other characteristics preventing provision of independent opinions on the Company's operations.



(2) Nomination of Directors and Top Management

2.1 Nomination of Directors

2.1.1 Criteria

The Nomination and Remuneration Committee considers nominating persons to be appointed as directors to replace those directors who vacate office, both resignation prior to the end of term and retirement by rotation, in accordance with the following criteria:

1. Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, rules of the SEC and rules of the Stock Exchange.
2. Having knowledge, ability and experience in a variety of fields which will be beneficial and create value to the Company.
3. Having characteristics supporting and promoting the corporate governance to create value to the Company, such as, independence, willingness to share opinions, initiative, and performance of duties with responsibility, due care, integrity and full-time contribution, etc.
4. In case of a director who retires by rotation, there should be consideration from his past records as to whether he performed duties as director with due care, integrity and full-time contribution.
5. In the nomination of directors, there should be consideration of the required qualifications taking into account necessary skills for the Board and qualifications in line with the Company's business strategies.

The Nomination and Remuneration Committee shall nominate such qualified persons to the Board of Directors for consideration for submission to the shareholders' meeting for appointment as directors.

2.1.2 Nomination Procedures

The Board of Directors sets out the procedures for nomination of directors. The Nomination and Remuneration Committee proceeds in accordance with the following procedures:



1. Nominating qualified candidates to fill the vacancy.
2. Considering qualifications of candidates nominated by minor shareholders according to the Company's policy to allow shareholders to propose their nominations in advance (if any).
3. Proposing the nominations to the Board of Directors for consideration and appointment (in case of interim vacancy).
4. Considering proposing the nominations to the Board of Directors for consideration and approval for submission to the annual ordinary general meeting of shareholders for appointment.

Pursuant to the Articles of Association, at every annual general meeting, at least one-third of the number of directors shall vacate their office. If the number of directors is not a multiple of three, then the number nearest to one-third must retire from office. Therefore, directors have a term of three years, and a retiring director may be re-elected. In this regard, the Company does not fix the number of terms of holding office as director or the number of other listed companies in which the directors will hold office as directors, but considers the suitability of appointment of directors who are due to retire by rotation to resume office.

Pursuant to the Articles of Association, the criteria and procedures for appointment of directors by shareholders are as follows:

1. Each shareholder has one vote for one share held.
2. The group election of all directors to be appointed on such occasion shall be by a single vote or if deemed appropriate by the shareholders' meeting, the election may be on an individual basis, the vote for any candidate by each individual shareholder, whether as individual or group election, shall reflect the number of all shares held by such shareholder at the time of the vote in accordance with Clause 1 and no shareholder shall apportion a partial vote to any specific candidate.
3. In case of an election on an individual basis, the candidates with the highest number of votes in descending order shall be elected as directors up to the number of directors to be elected or vacancies at that time. If more than one



candidate has equal votes for the final vacancies, the appointment shall be made by drawing of lots.

2.2 Nomination of President and Executives

1. With respect to an executive in the position of the President, he/she will be nominated by the Nomination and Remuneration Committee, which would consider selecting a qualified person, namely, who has knowledge, skills and experiences useful for the administration to meet the objectives or goals specified by the Board of Directors, as well as insight into the Company's business, whereby the Nomination and Remuneration Committee would nominate such person to the Board of Directors for consideration and appointment.
2. As for an executive at the managerial level or higher, the management would nominate such person to the Executive Board for consideration and appointment.

Besides, in nomination of directors, President, and high-ranking executives of the Company, the Company has emphasized and nominated persons who has experience, qualifications and skills essential for the business management under the policies stipulating that the structure of the Board of Directors shall be composed of those who have knowledge in various fields, whether it would be professional skills, expertise in specific fields, and gender, etc., Currently, the Company has analyzed vital skills as required by the Company for nomination of directors and also analyzed the existing skills of the members of the current Board of Directors, with the results that the current Board of Directors, including the President, already have experience, qualifications and skills as required by the Company in all respects. Details are shown as follows:

**Skill Matrix**

Positions/Qualifications	Engineer	Technology	Industrial Condition	Foreign Marketing	Policy	Strategy	Management	Corporate Governance	Risk Management	Accounting / Finance	Law	Audit
1. Independent Directors and Chairman of the Board of Directors												
2. Directors and Chairman of the Executive Board												
3. Independent Directors												
4. Independent Directors												
5. Independent Directors												
6. Directors												
7. Directors												
8. Directors												
9. Directors												
10. President												

9.4 Supervision of Operations of Subsidiaries and Associated Companies

(1) The Board of Directors has its governance mechanism to monitor and supervise the management and responsibility for operations of subsidiaries and associated companies in order to protect interests in the Company's investments. The Company's representatives shall be assigned to hold office as directors, executives, or controllers in such companies according to the shareholding proportion. The Company specifies that the assignment of such representatives shall be subject to approval by resolution of the Board of Directors' meeting, and such persons who are appointed as directors in subsidiaries or associated companies shall have the duty to ensure the best interests of such subsidiaries or associated companies; provided that such appointed persons shall obtain approval from the Board of Directors of the Company prior to passing a resolution or exercising the voting right on significant matters at the same level as that shall be approved by the Board of Directors in the Company's operations. The Company sets out the scope of power, duties and responsibilities of directors and executives as the Company's representatives in such companies to control or participate in the determination of significant policies on their business operations, with the governance mechanism for accurate and full disclosure of financial position and operational results; execution of connected transactions between such companies and related persons; acquisition or disposition of assets; or execution of any other significant transactions of such



companies. Rules and regulations relating to disclosure and execution of transactions above shall be similar to those of the Company.

Moreover, in case of a subsidiary, the Company has set up rules that persons who are appointed by such subsidiary shall monitor to ensure that such subsidiary has its articles of association regarding connected transactions, acquisition or disposition of assets, or any other material transactions of such subsidiary to ensure completeness and correctness, and using the criteria relating to the disclosure of information and the execution of the aforesaid transactions in the same manner as those of the Company, as well as monitoring to keep and make information and accounting records of such subsidiary available for the Company's review and use in support of the preparation of the consolidated financial statements in due course.

The Company determines that its subsidiaries and associated companies are required to notify the Company of their execution of connected transactions and transaction on acquisition or disposition of assets, as well as other transactions which are material to the subsidiaries' operations. Prior to execution of such transactions, each subsidiary shall obtain approval for execution of such transaction from the Company, in order to allow the Company to control and specify directions of the subsidiary's business operations. In the event that the subsidiaries and associated companies have the investment expansion plan or have conducted the feasibility study on any new project, the subsidiaries and associated companies shall propose such investment plan, project development schedule, and report on progress of the process and details of the investment plan, to enable the Company to assess the feasibility of the project, fund usage plan, and to closely follow up the progress, including material problems and obstacles which may arise from the development of the project.

(2) The Company has no any shareholders' agreement between the Company and other shareholders in respect of management of subsidiaries and associated companies which are material to the operations of the Group or administration or sharing of returns other than such normal returns from its shareholding.

9.5 Control of Inside Information Usage

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

1) Policy and monitoring of directors and executives

The Company must keep directors and executives informed of the SEC's applicable notifications requiring directors and executives to report on every change in their securities holdings to the SEC pursuant to Section 59 of the Securities and Exchange Act B. E. 2535 (1992) within three business days from the date of such change in securities holdings. The Company Secretary must be informed thereof to keep records of such change and summarize the number of securities holdings by directors and executives on an individual basis for submission to the Board of



Directors for acknowledgement in the next meeting. In addition, punishments in case of any violation or non-compliance with such rules are also informed. In this regard, the directors and executives have acknowledged and strictly comply with the policies and relevant laws regarding inside information usage.

2) Measures relating to protection of inside information

1. Not using inside information for personal interests or others.
2. Identifying and restricting persons who are authorized to access inside information, whereby the authorized persons shall not disclose such information to other persons until such information has been disclosed to the public in accordance with various regulations.
3. Disclosing information which has a material effect on the operations via the Stock Exchange's channel prior to disclosure to any specific groups of investors.
4. Insiders should refrain from trading securities or should wait until the public has been informed of such information with a reasonable period of time to study such information.

3) Protection and prevention of inside information usage

1. The Company has policies and procedures for controlling the use of inside information by directors, executives and staff to prevent any occurrence of the use of inside information for personal interests or the interests of others. The work rules and regulations of the Company prohibit staff from disclosing the Company's confidential information to any third parties or abusing their positions for personal gains or others. Any violation is deemed a disciplinary misconduct.
2. The Company has a control system for use of the Company's information by adopting such information security systems as the restriction of access to the Company's information by setting authorization level of staff's access to the Company's information as appropriate for their responsibilities.
3. The Company prohibits executives who have access to inside information from taking any actions contrary to Section 241 of the



Securities and Exchange Act, including relevant rules and regulations.

In this regard, the Company's management has been conducted based on the CG Code by realizing the significance of and responsibility for shareholders and stakeholders of the Company in order to reinforce the confidence of shareholders, investors and all related parties, together with the general practical guidelines regarding prevention of misuse of inside information by related persons, namely, the Board of Directors, management, and staff in work units related to such information (including their spouse and minor child), whereby the Company sets out the practical guidelines for all directors and executives so as to prevent misuse of inside information as follows:

1. Avoiding or refraining from trading the Company's securities during 21 days prior to disclosure of the quarterly and annual financial statements and during 24 hours after such disclosure;
2. Refraining from trading of the Company's securities, if they have access to any undisclosed information which may have an impact on the Company's securities price, until a lapse of 24 hours from the disclosure of all such information to the public;
3. Not allowing any executives who know or should have known that the Company will disseminate the material information which may have an impact on change in market price of the Company's securities, to purchase or sell the securities from the date on which he/she knows or should have known such information until the end of the day following the date of such disclosure and dissemination.

9.6 Remuneration for Auditor

(1) Audit Fee

The Company and subsidiaries paid the audit fee to:

- the Company's auditor, in the previous accounting period, amounting to Baht-
- the audit firm of which the auditor is a member, persons or businesses related to the auditor and the audit firm of which the auditor is a member, in the 2018 accounting period, amounting to Baht 11,090,000, and which is the same auditor as the one of the previous year.

(2) Non-audit fee

- None -

9.7 Application of the Corporate Governance Code for Listed Companies 2017

The Board of Directors has understood the roles, duties, benefits and principles of the Corporate Governance Code for Listed Companies 2017. After the promulgation of such



Corporate Governance Code, the Corporate Governance and Risk Management Committee, as a subcommittee with the duty to supervise and monitor to ensure the Company's compliance with the Corporate Governance Code to promote and support the Company's business operations conducive to the sustainable value creation, reported to all directors of the Board of Directors on the promulgation of the Corporate Governance Code for Listed Companies 2017 as guidelines stipulated and announced by the Office of the Securities and Exchange Commission (SEC). The Board of Directors then assigned the management to inform all staff of the Company for acknowledgment and strict compliance therewith and also required that such compliance shall be evaluated at least once a year. In this regard, the Board of Directors then authorized the Corporate Governance and Risk Management Committee to consider and evaluate the application of the same for proposal to the Board of Directors for further consideration.

The Board of Directors' Meeting No. 7/2018 held on December 24, 2018 resolved to grant approval for the Board of Directors to consider reviewing the Company's corporate governance policy by applying the principles under the Corporate Governance Code for Listed Companies 2017 as appropriate for the Company's business context, and jointly evaluated the compliance with such Corporate Governance Code, thereby coming to an understanding on benefits and principles of the Corporate Governance Code which greatly created the sustainable value for the Company's business, as well as drawing up a plan to develop and add guidelines in aspects which the Company should have to improve and remedy to make it suitable for the Company's circumstances. Meanwhile, any principles which could not yet be or have not yet been applied were already provided with reasons as part of the resolutions of the Board of Directors.

An overview of the Company's compliance with the Corporate Governance Code for Listed Companies 2017 was in detail as follows:

Principles of the Corporate Governance Code	Scope
1. Establishing Clear Leadership Role and Responsibilities of the Board, contributing to the sustainable value creation for the business	The Board of Directors acknowledged and studied the CG Code and then authorized the Corporate Governance and Risk Management Committee to evaluate the compliance with such principle to rest assured that it obtained a satisfactory outcome of compliance.
2. Defining Objectives and Goals that Promote Sustainable Value Creation	The Board of Directors followed up and ensured implementation of the Company's strategies for the interests of all shareholders and stakeholders on a sustainable basis.
3. Enhancing the Board Effectiveness	The Board of Directors was composed of 10 qualified persons, namely, six executive directors and four independent directors, to meet the requirements of stakeholders, as well as carrying out operations conducive to exercising their discretion independently.



Principles of the Corporate Governance Code	Scope
4. Ensuring Effective CEO and People Management	The Company had the process for nomination and development of the President, high level executives, to ensure that they had knowledge, skills, experience and qualifications necessary for driving the organization into achievement of the goals, had the appropriate remuneration structure, and also followed up, took care of and developed its personnel to ensure that the Company had adequate personnel who had knowledge, skills, experience and motivates as appropriate.
5. Nurturing Innovation and Responsible Business	The Company supported creating innovations which had value for the business alongside benefiting stakeholders of all groups, and also operated the socially and environmentally responsible business.
6. Strengthening Effective Risk Management and Internal Control System	The Company had the work-related risk management system in compliance with applicable laws, the Articles of Association, resolutions of the shareholders' meeting, together with policies or guidelines as specified, and also had the process for approval of significant transactions, such as, execution of transactions which materially affected the Company, or execution of transactions which might give rise to a conflict of interest.
7. Ensuring Disclosure and Maintaining Financial Integrity	The Company prepared the financial reports and disclosed material information with accuracy, adequacy, punctuality, and equality via appropriate channels; protected confidential information and information which had an influence on the securities prices, to ensure that the disclosed information reflected the practices or contributed to the sustainable value creation for the business.
8. Ensuring Engagement and Communication with Shareholders	The Board of Directors gave priority to the fundamental rights of shareholders in such a way as allowing the shareholders to send their questions and nominate qualified persons as directors in advance, etc., and to receive information and news of the Company rapidly, completely and adequately via easily accessible channels.



9.8 Compliance with the Corporate Governance Code in other Matters

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

1. Determination of the number of terms of holding of office as director and independent director.

The Board of Directors does not clearly determine any number of terms of holding of office as director. In regard to the determination of a term of consecutive holding of office as independent director of not exceeding nine years, the Board of Directors considers and deems that the appointment of independent directors to resume office as directors will be useful for the Company and shareholders since the directors consecutively holding such office will have knowledge and experiences in the Company's business operations, thereby maximizing value to shareholders.

2. The Board of Directors has not mostly comprised independent directors (namely, more than 50 percent) since the Company has independent directors representing more than one-third of the total number of directors who are experienced, expert and independent in performance of the duties.

3. The Nomination and Remuneration Committee has not yet completely or mostly comprised independent directors, and currently comprises independent directors equal to 50 percent.

4. There is no any female independent director on the Board of Directors since there have currently been independent directors in a variety of fields.

5. The Board of Directors acknowledges the signing for anti-corruption campaign by participating in the private concerted efforts against corruption. However, it is deemed appropriate for the Executive Board and/or management to consult on such matter with Thai Contractors Association and companies in the construction industry in order to consider their participation in the campaign.

Last year, there was no any fraudulent offence or ethical misconduct; there was no any resignation of non-executive director due to the Company's corporate governance; and there was no any negative effect on the Company's reputation as a result of failure of the Board of Directors' fiduciary duties.



10. Corporate Social Responsibility

The Company operates its business under the corporate social and environmental responsibility and takes into account the utmost benefits of all stakeholders. In 2017, the Company has prepared the Sustainable Development Report to disclose its economic, social and environmental information. This Sustainable Development Report has been prepared in Thai and English versions in printed materials, CD and available for download at www.ch-karnchang.co.th/#/mission/growth-together.



11. Internal Control and Risk Management

11.1 Summary of Opinions of the Board of Directors regarding the Company's Internal Control System

The Board of Directors continuously realizes the significance of the internal control system to prevent and minimize potential risks, by assigning the Audit Committee comprising independent directors to review the evaluation of the internal control system. The Internal Audit Department shall report directly to the Audit Committee and review the operation systems in various departments of the Company in accordance with the annual audit plan as approved by the Audit Committee, for the purpose of ensuring that the work performance is efficient and effective, that the Company's resources are used cost-efficiently, that the financial reporting is properly controlled to ensure correctness, reliability and timeliness, that it complies with the policy in accordance with the provisions of the laws and regulations of the relevant authorities and agencies, and that the efficiency of the internal control system is regularly reviewed, to ensure the best interest of the shareholders on the basis of fair returns to all stakeholders. In addition, the Audit Committee also has the duty to consider selecting and nominating the auditor, including the audit fee; and consider disclosing the Company's correct and complete information in case of connected transactions and transactions which may have conflict of interest.

In 2018, the Audit Committee convened four meetings, in which the Company's management and the auditor of EY Office Limited attended each and every meeting, and a meeting with the auditor without the management's presence for consideration of the financial statements for 2018 so as to independently make inquiries on audit plan and other matters found during the audit.

The Company recognizes the significance of the use of the risk management in its administration, by assigning the Corporate Governance and Risk Management Committee to monitor and review the Company's overall risk management to stay at an acceptable level. The Company's management considers the risk factors currently being encountered or expected to be encountered by the Company, analyzes the impact and the possibility of such risks, establishes measures to prevent and manage such risks to stay at an acceptable level in compliance with the Company's policy, and then submits the same to the Corporate Governance and Risk Management Committee for consideration of appropriateness and sufficiency. The risk management system shall also be reviewed and evaluated for its effectiveness every year and every interval in which the risk level has changed, subject to regular monitoring on a quarterly basis by the Internal Audit Department, and the results of such monitoring shall be reported to management and the Corporate Governance and Risk Management Committee for acknowledgement and further reported to the Board of Directors for acknowledgement as a whole.

In the Board of Directors' Meeting No. 1/2019 on February 28, 2019, the Board of Directors has evaluated the adequacy and suitability of the Company's internal control system as per the evaluation report by the Audit Committee in various aspects as per the internal control adequacy evaluation form, comprising five elements, namely, corporate internal control; risk assessment; operational control; information technology and communications system; and monitoring system,



together with the report on risk management results by the Corporate Governance and Risk Management Committee. They are of the opinion that the Company's internal control system is adequate and suitable to the business operation without any material fault, which would prevent the Company's and the subsidiaries' assets from misuse or unauthorized use by the executives. The Company's financial reports are correct and reliable in accordance with the generally accepted accounting principles and the financial reporting standards. The Company operates its business in full compliance with the securities and exchange law and other relevant laws.

The Board of Directors, the Audit Committee and the auditor are of the common opinion that the Company's business operation is in accordance with the good corporate governance principles with transparency, and the internal control system is suitable, effective, and can prevent the Company's assets from misuse or unauthorized use by the executives or staff.

11.2 The Head of Internal Audit Unit is Mr. Wiboon Ungapipathanachai, Executive Vice President: Internal Audit Office. The Audit Committee is of the view that Mr. Wiboon Ungapipathanachai has knowledge, abilities and work experience and is qualified to efficiently perform duties as the Head of Internal Audit Unit. The appointment, removal and transfer of a person holding office as Head of Internal Audit Unit shall be subject to the Audit Committee's approval.

The Head of Compliance Unit is Mrs. Thipwaree Athagrisna, Legal Manager/Compliance Manager, who shall be responsible for compliance matters in cooperation with the Office of President, and in coordination with the Company Secretary.



Audit Committee's Report

The Audit Committee of CH. Karnchang Public Company Limited, by the appointment of the Company's Board of Directors, comprises three qualified independent directors, namely, Mr. Vitoon Tejatussanasoontorn, Chairman of the Audit Committee, Mr. Thawansak Sukhawun and Mr. Pavich Tongroach, Audit Committee Members, and Executive Vice President: Internal Audit Department as secretary to the Audit Committee.

The Audit Committee has performed under the scope, duties and responsibilities as assigned by the Company's Board of Directors, in accordance with the regulations of the Stock Exchange of Thailand, as well as relevant suggestions on various matters, which were fully cooperated by the Company's Management, internal auditors and auditor. In 2018, the Audit Committee held four meetings with the executives, internal auditors and auditor as appropriate, including a meeting with the auditor without the Management for independent discussion on material information in preparation of financial statements and sharing of opinions, which may be summarized as follows:

1. **The Audit Committee has reviewed the quarterly financial statements and the financial statements for 2018**, by making inquiries and taking into consideration the clarifications of the executives and the auditor in respect of accuracy and completeness of the financial statements and sufficiency of information disclosure. The Audit Committee is of the opinion in line with the auditor that the said financial statements are fairly accurate in all material aspects and comply with generally accepted accounting standards.
2. **The Audit Committee has reviewed the compliance with the provisions of laws and the Company's internal control system**, and is of the opinion according to the assessment that the internal control system is sufficient, proper and effective without any material fault in order to support the operations to achieve the specified goal. The Company properly maintains its property and work operations in compliance with the law on securities and exchange and the relevant rules and regulations on business. The authorization and approval are systematically conducted in accordance with the good internal control system, and the corporate governance is transparent, as well as being amended to efficiently conform to the changed situation.
3. **The Audit Committee has reviewed the internal audit**, by taking into consideration the mission, scope of work, duties, responsibilities and independence of the Internal Audit Department in order to conform to the guidelines on internal audit of the Stock Exchange of Thailand. The Audit Committee is of the opinion that the Company's internal audit system is sufficient and proper, including the consideration for approval of the appointment of Vice President: Internal Audit Department and secretary to the Audit Committee. The Audit Committee is of the opinion that the Company's internal audit system is sufficient, proper and efficient in accordance with the international standards.
4. **The Audit Committee has reviewed the risk management** in order to connect with the internal control system to manage general risks. The Company has specified objectives and criteria for assessment of the overall risks and risk levels, risk assessment and rating, determination of management plan on existing risks, and



preparation of report on risk assessment and management plan on existing risks. The Audit Committee is of the opinion that the Company's risk management system is efficient and effective, by determining objectives for indicating, assessing, managing and monitoring risks on a quarterly basis, risk appetite and risk tolerance, as well as regularly reviewing the risks to be in line with the current situation.

5. **The Audit Committee has reviewed the good corporate governance**, by reviewing the Company's operations in compliance with the law on securities and exchange, rules and regulations of the Office of the Securities and Exchange Commission, requirements of the Stock Exchange of Thailand, and other laws relating to the Company's business operations, including obligations which may arise from agreements executed with third parties, and found that the Company has duly and properly complied with the relevant laws and requirements in a timely manner.
6. **The Audit Committee has reviewed and provided an opinion on the connected transactions or transactions which may have conflict of interest, including disclosure of such transactions** in accordance with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. The auditor is of the opinion that the transactions with material aspects executed with the related companies have already been disclosed and shown in the financial statements and notes to the financial statements. The Audit Committee is of the opinion in line with the auditor, as well as providing an opinion that such transactions are reasonable and for the optimum benefit to the Company's business operations, and the information disclosure is accurate and complete.
7. **The Audit Committee has considered selecting, nominating the auditor and proposing the audit fee**, by taking into account the performance of the auditor in the previous year, reliability, capability to provide service and consultation on accounting standards, auditing and certification of the financial statements in a timely manner, and has then provided an opinion to the Company's Board of Directors to seek approval of the Shareholders' Meeting for appointment of either Ms. Siraporn Ouuanunkun or Mr. Chatchai Kasemsrithanawat or Ms. Chonlaros Suntiasvaraporn of EY Office Limited as the Company's auditor for 2019, with the audit fee in the amount not exceeding Baht 3,733,000 per year.

Given the performance of duties under the scope of responsibilities as assigned by the Board of Directors to independently provide opinions and suggestions in the equal interests of all stakeholders, the Audit Committee is of the view that the Company's financial reports are correct and reliable in line with the generally accepted accounting standards and financial reporting standards, with sufficient risk management, proper internal control system and effective internal audit. The Company's operation is in accordance with the good corporate governance principles and in full compliance with the laws and requirements relating to the Company's business operations in all respects.

Signed:

(Mr. Vitoon Tejatussanasoontorn)
Chairman of the Audit Committee



12. Connected Transactions

12.1 Connected Transactions between the Company, Subsidiaries, Associated and Related Companies (Only connected transactions with a value of Baht 500,000 or higher are shown) in 2018 and 2017 can be summarized, as follows:

Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
1. Bangkok Expressway and Metro Public Company Limited					
Operation of concession business for mass transit in Bangkok by the metro and operation of concession business for expressway construction and management	<ul style="list-style-type: none"> - This is an associated company. - On December 30, 2015, Bangkok Metro Public Company Limited and Bangkok Expressway Public Company Limited were amalgamated into a new company named Bangkok Expressway and Metro Public Company Limited. - The Company holds shares representing 30.89 percent in Bangkok Expressway and Metro Public Company Limited. - An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in Bangkok Expressway and Metro Public Company Limited. - An executive of the Company, namely, Mr. Phongsarit Tantisuvanitchkul, serves as director in Bangkok Expressway and Metro Public Company Limited. - A director of Bangkok Expressway and Metro Public Company Limited, namely, Mrs. Payao Marittanaporn, is the spouse of Mr. Prasert Marittanaporn, a director of the Company. 	1.1 The Company	Revenues from construction services		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - The contractor will arrange for a loan throughout the construction period of the Project, provided that all construction costs and finance costs shall be borne by the employer, and the repayment shall be made upon delivery of all works.
		- Bangkok Metro Public Company Limited engaged the Company to manage the Project for supply and installation of the M&E Systems for the MRT Purple Line, Bang Yai - Rat Burana (Bang Yai - Bang Sue Section), Contract 4, Concession for Supply of M&E Systems and O&M Services (Klong Bang Phai Station - Tao Poon Station), with a value of Baht 15,689 Million.	22,478,393	513,465,685	
			Construction revenue received in advance	836,830,841	
		1.2 The Company			
			Revenues from construction services		
			216,172,307	126,039,631	
			Trade accounts receivable	15,158,333	<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
			118,622,554		
			Unbilled receivables		
			107,948,621	99,721,847	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
1. Bangkok Expressway and Metro Public Company Limited (continued)					
Operation of concession business for mass transit in Bangkok by the metro and operation of concession business for expressway construction and management		1.3 The Company	Revenues from construction services		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
		- Bangkok Metro Public Company Limited engaged the Company to provide maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section, with a value of Baht 1,590 Million.	103,133,922	144,143,793	
			Trade accounts receivable		
			81,962,000	17,833,333	
			Construction revenue received in advance		
			220,867,606	155,668,195	
		1.4 The Company	Revenues from construction services		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
		- Bangkok Metro Public Company Limited engaged the Company to supply and install equipment for improvement of the communication system for the MRT Blue Line Project (one station) with the MRT Purple Line Project, Bang Yai - Bang Sue Section, with a value of Baht 1,020 Million.	14,063,149	215,883,823	
			Construction revenue received in advance		
			-	14,063,149	
		1.5 The Company	Dividend income		<ul style="list-style-type: none"> - The Company has earned a return on investment at the same rate as other shareholders of Bangkok Expressway and Metro Public Company Limited.
		- The Company received dividend from its shareholding in Bangkok Expressway and Metro Public Company Limited.	603,475,837	549,854,619	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
1. Bangkok Expressway and Metro Public Company Limited (continued)					
Operation of concession business for mass transit in Bangkok by the metro and operation of concession business for expressway construction and management		1.6 The Company	Revenues from construction services		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
		- Bangkok Expressway and Metro Public Company Limited engaged the Company to carry out repair of structure of the Si Rat Expressway, Period 4, Phase 1, Sector A, with a value of Baht 25.9 Million.	24,240,582	1,629,264	
			Trade accounts receivable		
			-	896,347	
			Retention receivable		
			1,293,492	113,560	
			Construction revenue received in advance		<ul style="list-style-type: none"> - This transaction provides a credit term of 30-45 days.
			-	1,627,467	
		1.7 The Company	Revenues from construction services		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
		- Bangkok Expressway and Metro Public Company Limited engaged the Company to carry out design and construction of the Si Rat - Outer Ring Road Expressway, with a value of Baht 22,500 Million, and construction of a connection between the Si Rat - Outer Ring Road Expressway and the Si Rat Expressway in the north (heading to Chaeng Watthana), with a value of Baht 275 Million.	186,461,378	181,314,611	
			Trade accounts receivable		
			2,118,600	34,427,250	
			Retention receivable		
			13,612,500	1,100,000	
			Construction revenue received in advance		<ul style="list-style-type: none"> - CH. Karnchang-Tokyu Construction Co., Ltd. has earned a return on investment at the same rate as other shareholders of Bangkok Expressway and Metro Public Company Limited.
			41,461,540	11,222,919	
		1.8 CH. Karnchang-Tokyu Construction Co., Ltd.	Dividend income		
		- The company received dividend from its shareholding in Bangkok Expressway and Metro Public Company Limited.	17,892,233	16,399,194	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
1. Bangkok Expressway and Metro Public Company Limited (continued)					
Operation of concession business for mass transit in Bangkok by the metro and operation of concession business for expressway construction and management		1.9 The Company	Revenues from construction services		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
		- Bangkok Expressway and Metro Public Company Limited engaged the Company to carry out repair of structure of the Si Rat Expressway, Period 3, Phase 5, Sector D (Asoke-Srinagarindra), with a value of Baht 33.2 Million.	7,199,234	26,576,830	
			Trade accounts receivable		
			1,826,153	-	
			Retention receivable		
			214,369	1,660,421	
			Unbilled receivables		
			903,984	-	
		- Bangkok Expressway and Metro Public Company Limited engaged the Company to carry out repair of structure of the Si Rat Expressway, Period 4, Phase 2, Sector C (Prachachuen - Chaeng Watthana) and certain part of Sector B (Urupong - Phayathai), with a value of Baht 31.9 Million.			
		1.10 The Company	Revenues from construction services		
		- Bangkok Expressway and Metro Public Company Limited engaged the Company for the project management, including supply, installation, testing M&E Systems and commissioning of the MRT Blue Line Extension Project, including installation and supply of Facilities necessary for Through Operation with the M.R.T. Chaloem Ratchamongkhon Line Project, with the value of Baht 21,099 Million.	7,125,497,615	5,368,175,262	
			Trade accounts receivable		
			521,210,442	1,170,138,204	
			Construction revenue received in advance		
			2,265,659,457	1,805,599,019	
		1.11 The Company	Investments in associated companies		
		- CH. Karnchang Public Company Limited acquired 180,000,000 and 37,209,700 ordinary shares in Bangkok Expressway and Metro Public Company Limited in 2018 and 2017, respectively.	1,404,885,990	281,497,719	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
1. Bangkok Expressway and Metro Public Company Limited (continued)					
Operation of concession business for mass transit in Bangkok by the metro and operation of concession business for expressway construction and management		1.12 The Company The Company sold 40 million ordinary shares in Bangkok Expressway and Metro Public Company Limited.	Gain on sales of investments in associated companies 208,049,279	-	- The Company has earned a return on sales of investments at market price.



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017(Baht)	Necessity / Justification
2. Nam Ngum 2 Power Company Limited					
Production and distribution of electricity in Thailand and overseas	<ul style="list-style-type: none"> - This is a related company. - SouthEast Asia Energy Limited holds shares representing 75 percent. - Three executive directors of the Company, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, and Mr. Prasert Marittanaporn, serve as directors in Nam Ngum 2 Power Company Limited. - A director of Nam Ngum 2 Power Company Limited, namely, Mr. Thanawat Trivisvavet, a son of Mr. Plew Trivisvavet, serve as director of the Company. 	2.1 CH. Karnchang (Lao) Co., Ltd. - Nam Ngum 2 Power Company Limited engaged CH. Karnchang (Lao) Co., Ltd., in which 100 percent of shares are held by the Company, for improvement of voltage and construction of the 230/500 kV Nabong Substation, with a value of Baht 799,850,000 and USD 53,481,457.	Revenues from construction services		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.
			429,858,535	1,350,070,637	
			Trade accounts receivable		
			-	48,917,071	
			Construction revenue received in advance		
			6,803,373	201,507,018	
		2.2 CH. Karnchang (Lao) Co., Ltd. - Nam Ngum 2 Power Company Limited engaged CH. Karnchang (Lao) Co., Ltd., in which 100 percent of shares are held by the Company, for repair of the Nam Ngum 2 Dam, with a value of Baht 54 Million.	Revenues from construction services		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
			-	5,140,625	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
3. TTW Public Company Limited					
Operation of concession business for water production and distribution in Samut Sakhon Province and certain areas of Nakhon Pathom Province for the Provincial Waterworks Authority.	<ul style="list-style-type: none"> - This is a related company. - The Company holds shares representing 19.40 percent. - An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in TTW Public Company Limited. - An executive of the Company, namely, Mr. Phongsarit Tantisuvanitchkul, serves as director in TTW Public Company Limited. - A director of TTW Public Company Limited, namely, Mrs. Payao Marittanaporn, is the spouse of Mr. Prasert Marittanaporn, a director of the Company. - A director of TTW Public Company Limited, namely, Miss Walainut Trivisvavet, the spouse of Mr. Anukool Tantimas, serves as director of the Company. 	3.1 The Company	Dividend income		<ul style="list-style-type: none"> - The Company has earned a return on investment at the same rate as other shareholders of TTW Public Company Limited.
		- The Company received dividend from its shareholding in TTW Public Company Limited.	464,446,440	464,446,440	
		3.2 The Company	Revenues from construction services		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
		- TTW Public Company Limited engaged the Company for construction of the Second Water Treatment Plant, to enhance the water production capacity in Samut Sakhon - Nakhon Pathom, with a value of Baht 3,206.6 Million.	55,002,146	671,542,840	
			Construction revenue received in advance		
			17,188,896	72,191,042	
		3.3 The Company	Revenues from construction services		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
		- TTW Public Company Limited engaged the Company to carry out construction of the raw water intake relocation project by way of construction of a new building, with a value of Baht 138.1 Million.	17,026,780	37,785,879	
			Construction revenue received in advance		
			3,001,108	20,027,888	
			Revenues from construction services		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
			20,813,541	-	
		3.4 The Company	Trade accounts receivable		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
		- TTW Public Company Limited engaged the Company to carry out construction of the tap water distribution and intake system improvement project, with a value of Baht 38 Million.	6,088,642	-	
			Retention receivable		
			2,428,985	-	
			Construction revenue received in advance		<ul style="list-style-type: none"> - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
			10,589,208	-	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification	
4. Expert Transport Co., Ltd.						
Operation of business of large vehicles for transportation	<ul style="list-style-type: none">- This is a related company.- Mahasiri Siam Co., Ltd., as a major shareholder in the Company, holds shares representing 90.00 percent.- Three executive directors of the Company, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, and Mr. Prasert Marittanaporn, serve as directors in Expert Transport Co., Ltd.- An executive of the Company, namely, Mr. Sittidej Trivisvavet, serves as director in Expert Transport Co., Ltd.	4.1 The Company <ul style="list-style-type: none">- The Company leased out area and rendered public utilities services for Expert Transport Co., Ltd.	Service fee income		<ul style="list-style-type: none">- Expert Transport Co., Ltd. took on lease for a total area of 1,073.82 square meters at the rental and service fee rate of Baht 451,004.40 per month, for a lease term of three years from January 1, 2018 to December 31, 2020.- The rate is close to market rate, representing an ordinary course of business.- This transaction provides a credit term of 30-45 days.	
			5,817,167 5,855,038			
			Other receivables			
			11,466,134 5,762,994			
		4.2 The Company <ul style="list-style-type: none">- The Company charged public utilities fees from Expert Transport Co., Ltd.	Rental expenses			<ul style="list-style-type: none">- The Company used public utilities services from Expert Transport Co., Ltd.- This transaction is an ordinary course of business.- This transaction provides a credit term of 30-45 days.
			567,200 771,400			
			Other payables			
			32,750			



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification	
5. Bang Pa-in Land Development Co., Ltd.						
Operation of Bang Pa-in Industrial Estate	<ul style="list-style-type: none">- This is a related company.- CK. Office Tower Co., Ltd., as a shareholder in the Company, holds shares representing 25 percent.- Mahasiri Siam Co., Ltd., as a major shareholder in the Company, holds shares representing 25 percent.- Two executive directors of the Company, namely, Mr. Plew Trivisvavet and Miss Supamas Trivisvavet, serve as directors in Bang Pa-in Land Development Co., Ltd.	5.1 The Company	Service fee income		<ul style="list-style-type: none">- The rate is close to market rate, representing an ordinary course of business.- This transaction provides a credit term of 30-45 days.	
		<ul style="list-style-type: none">- The Company rendered transportation services and other services, such as, lease of water tank trailers, shovels, backhoe, for Bang Pa-in Land Development Co., Ltd.	-	49,999		
		5.2 The Company	Service fee income		<ul style="list-style-type: none">- Bang Pa-in Land Development Co., Ltd. took on lease from the Company for a total area of 173.79 square meters at the rental and service fee rate of Baht 72,991.80 per month, for a lease term of three years from January 1, 2018 to December 31, 2020.- The rate is close to market rate, representing an ordinary course of business.- This transaction provides a credit term of 30-45 days.	
		<ul style="list-style-type: none">- The Company leased out area and rendered public utilities services for Bang Pa-in Land Development Co., Ltd.	979,478	1,083,260		
			Other receivables			
			3,302	13,891		
		5.3 The Company	Rental and utilities fees		<ul style="list-style-type: none">- The Company took on lease of area and paid electricity cost to Bang Pa-in Land Development Co., Ltd. for the construction of the Cogeneration Power Project Phase 2.- The rate is close to market rate, representing an ordinary course of business.- This transaction provides a credit term of 30-45 days.	
		<ul style="list-style-type: none">- The Company took on lease of area and used public utilities services and purchased supply from Bang Pa-in Land Development Co., Ltd.	583,042	616,409		
			Other payables			
				79,580	103,371	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
5. Bang Pa-in Land Development Co., Ltd. (continued)					
		5.4 The Company - Bang Pa-in Land Development Co., Ltd. engaged the Company to carry out design and construction of dikes and drainage system for the Bang Pa-in Industrial Estate Restoration Project, with a value of Baht 665.4 Million.	Retention receivable 19,417,363	28,417,363	<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects. - This transaction provides a credit term of 30-45 days.



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
6. Bangkok Metro Networks Limited					
Operation of service business for common areas and public utilities in the metro	<ul style="list-style-type: none"> - This is a related company. - Bangkok Expressway and Metro Public Company Limited (CH. Karnchang Public Company Limited's associated company) holds shares representing 69.67 percent. - An executive of the Company, namely, Mr. Phongsarit Tantisuvanitchkul, serves as director in Bangkok Metro Networks Limited. 	6.1 The Company - The Company leased out area and rendered public utilities services for Bangkok Metro Networks Limited.			<ul style="list-style-type: none"> - Bangkok Metro Networks Limited took on lease from the Company, as follows: 1) 1,225.40 square meters at the rental and service fee rate of Baht 441,914.80 per month, for a lease term of three years and three months from February 10, 2013 to May 9, 2016; 2) 725 square meters at the rental and service fee rate of Baht 580,000 per month, for a lease term of three years from July 10, 2016 to July 9, 2019. - The rate is close to market rate, representing an ordinary course of business. - This transaction provides a credit term of 30-45 days.
			Service fee income		
			7,876,505	7,885,899	
			Other receivables		
			79,852	69,449	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
7. Xayaburi Power Company Limited					
Operation of study, survey, and design business for the Hydroelectric Power Dam Construction Project in the Mekong River, Xayaburi, with the Government of the Lao People's Democratic Republic	<ul style="list-style-type: none"> - This is a related company. The Company holds shares representing 50.00 percent - As at December 31, 2012, the Company has reduced its shareholding to 30.00 percent in the first quarter of 2013. - In 2015, the Company sold all investments in Xayaburi Power Company Limited to CK Power Public Company Limited. - An executive director of the Company, namely, Mr. Plew Trivisvavet, serves as director in Xayaburi Power Company Limited. - A director of Xayaburi Power Company Limited, namely, Mr. Thanawat Trivisvavet, is the son of Mr. Plew Trivisvavet, a director of the Company. 	7.1 CH. Karnchang (Lao) Co., Ltd. - Xayaburi Power Company Limited engaged CH. Karnchang (Lao) Co., Ltd., in which 100 percent of shares are held by the Company, to carry out the construction of the Xayaburi Hydroelectric Power Project, with a value of approximately Baht 71,225 Million and USD 711 Million, inclusive of costs for additional works.	Revenues from construction services	12,896,965,888	<ul style="list-style-type: none"> - CH. Karnchang (Lao) Co., Ltd. is capable to carry out the works properly and is well-prepared to promptly start the works. In addition, the project value is reasonable, representing an ordinary course of business. - This transaction provides a credit term of 30-45 days.
			5,851,727,767		
			Trade accounts receivable	914,174,000	
			665,227,420		
			Unbilled receivables	497,550,561	
			-		
		7.2 The Company - The Company leased out area and rendered public utilities services for Xayaburi Power Company Limited.	Construction revenue received in advance	-	<ul style="list-style-type: none"> - Xayaburi Power Company Limited took on lease from the Company for a total area of 239.72 square meters at the rental and service fee rate of Baht 215,743.50 per month, for a lease term of three years from April 19, 2018 to April 18, 2021. - The rate is close to market rate, representing an ordinary course of business. - This transaction provides a credit term of 30-45 days.
			2,663,893,240		
			Service fee income	3,486,860	
			3,264,154		
			Other receivables	102,513	
			55,180		



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
7. Xayaburi Power Company Limited (continued)					
		7.3 The Company			
		- The Company extended the loan to Xayaburi Power Company Limited in the amount of Baht 13,547 Million.	Interest income 762,274,641	691,577,866	- The Company provided the sponsor support for Xayaburi Power Company Limited under the Sponsors Support Agreement which the Company and shareholders in Xayaburi Power Company Limited executed with the banks (financial institution creditors loan-lending to the Xayaburi Hydroelectric Power Project) in the amount of Baht 13,547 Million, at the interest rate during construction not exceeding MLR plus 0.25 percent per annum, and at the interest rate not exceeding MLR upon commercial operation of the Xayaburi Hydroelectric Power Project by 2019, which the repayment of all loans is scheduled to be made by 2031.
			Loan receivable and accrued interest receivable 14,072,892,983	12,183,818,342	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
Operation of power plant business, including businesses relating to electricity and other powers	<ul style="list-style-type: none"> - This is a subsidiary of CK Power Public Company Limited. - CK Power Public Company Limited is an associated company of CH. Karnchang Public Company Limited, which the Company holds shares representing 27.22 percent. 	8.1 The Company - Bangpa-in Cogeneration Limited engaged the Company to manage the Project and provide other services, at the monthly rates of Baht 259,000 and Baht 50,000, respectively.	Service fee income		<ul style="list-style-type: none"> - The Company is capable to manage the Project properly and reasonably, representing an ordinary course of business. - This transaction provides a credit term of 30-45 days. - The value of the Project Management Agreement was Baht 259,000, from January 1, 2015 to February 28, 2016. - The value of Other Service Agreement was Baht 50,000, from January 1, 2016 to December 31, 2017.
			-	604,248	
			Other receivables		
			-	123,862	
		8.2 The Company - The Company leased out area and rendered public utilities services for Bangpa-in Cogeneration Limited. - The Company leased out vehicles for Bangpa-in Cogeneration Limited.	Service fee income		<ul style="list-style-type: none"> - Bangpa-in Cogeneration Limited took on lease from the Company for a total area of 140.91 square meters at the rental and service fee rate of Baht 59,182.20 per month, for a lease term of one year from January 1, 2018 to December 31, 2018 and with a renewal for another two months until February 28, 2019. - The rate is close to market rate, representing an ordinary course of business. - This transaction provides a credit term of 30-45 days.
			801,010	814,854	
			Service fee income		
			604,248	604,248	
		8.3 The Company - Bangpa-in Cogeneration Limited engaged the Company to carry out construction of the Bangpa-in Cogeneration Power Project Phase 2 (BIC-2), with a value of Baht 4,310.10 Million.	Other receivables		<ul style="list-style-type: none"> - This transaction is an ordinary course of business. - This project is of a nature in which the Company has experience and could be completed within the scheduled period. - The Company has earned a return at market price at a rate not lower than the rate of return generally received in other projects.
			60,653		
			Revenues from construction services		
			55,401,211	760,094,030	
			Trade accounts receivable		
			-	-	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
9. Krung Thon Engineers Company Limited					
Operation of construction business	- This is a partner of CH. Karnchang-Krung Thon Engineers Joint Venture, in which CH. Karnchang Public Company Limited's proportion represents 60 percent.	9.1 CH. Karnchang-Krung Thon Engineers Joint Venture - The Joint Venture engaged Krung Thon Engineers Company Limited to carry out installation of the conduit system for the Phra Ong Chao Chaiyanuchit Canal Conduit System Project, with a value of Baht 1,464.50 Million.	Trade accounts and retention payable 408,000	408,000	- This transaction is an ordinary course of business. - This project is of a nature in which Krung Thon Engineers Company Limited has experience and could be completed within the scheduled period.
10. Silasaicrete Co., Ltd.					
Silasaicrete Limited Partnership registered for conversion into Silasaicrete Co., Ltd. on June 15, 2018.	- This is a related company. - CK. Office Tower Co., Ltd. and Bang Pa-in Land Development Co., Ltd., as shareholders in the Company, are partners of Silasaicrete Limited Partnership. - On November 8, 2017, CK. Office Tower Co., Ltd. transferred its investments in the amount of Baht 5 Million to Exclusive Management Co., Ltd. - On November 8, 2017, Bang Pa-in Land Development Co., Ltd. transferred its investments in the amount of Baht 4 Million to Para Management Co., Ltd.	10.1 The Company - The Company leased out area and rendered public utilities services for Silasaicrete Co., Ltd.	Service fee income 110,000	120,000	- Silasaicrete Limited Partnership took on lease from the Company for a total area of 20 square meters at the rental and service fee rate of Baht 10,000 per month, for a lease term of one year from April 1, 2018 to March 31, 2018. - The rate is close to market rate, representing an ordinary course of business. - This transaction provides a credit term of 30-45 days.
		10.2 The Company - The Company purchased rock for use as construction materials from Silasaicrete Co., Ltd.	Cost of construction materials 9,833 Trade accounts payable -	254,530 16,742	- The rate is close to market rate, representing an ordinary course of business. - This transaction provides a credit term of 30-45 days.



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
11. CK Power Public Company Limited					
Operation of business as a holding company, holding shares in companies operating core businesses in the production and distribution of electricity	<ul style="list-style-type: none">- This is an associated company.- The Company holds shares representing 27.22 percent.- Four executive directors of the Company, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Prasert Marittanaporn, and Miss Supamas Trivisvavet, serve as directors in CK Power Public Company Limited.- A director of CK Power Public Company Limited, namely, Mr. Thanawat Trivisvavet, is the son of Mr. Plew Trivisvavet, and the brother of Miss Supamas Trivisvavet, directors of the Company.	11.1 The Company			<ul style="list-style-type: none">- CK Power Public Company Limited took on lease from the Company as follows:<ul style="list-style-type: none">1) 642.50 square meters at the rental and service fee rate of Baht 269,850.00 per month, for a lease term of three years from September 1, 2017 to August 31, 2020;2) 479.43 square meters at the rental and service fee rate of Baht 201,360.00 per month, for a lease term of three years from February 1, 2017 to March 31, 2020.3) 468.92 square meters at the rental and service fee rate of Baht 211,014.00 per month, for a lease term of three years from June 1, 2017 to May 31, 2020.- The rate is close to market rate, representing an ordinary course of business.- This transaction provides a credit term of 30-45 days.
		<ul style="list-style-type: none">- The Company leased out area and rendered public utilities services for CK Power Public Company Limited.	Service fee income		
			11,683,964	9,352,989	
			Other receivables		
			370,184	1,231,129	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
12. Nakhon Ratchasima Solar Limited					
Operation of power production and distribution business	- CH. Karnchang Public Company Limited formerly held shares representing 30 percent, and then sold all of its shares to CK Power Public Company Limited.	12.1 The Company - The Company extended loans to Nakhon Ratchasima Solar Limited.	Loans to related company and accrued interest receivable		- This transaction is an ordinary course of business. - The loans have been extended as per its proportion to enhance the liquidity of Nakhon Ratchasima Solar Limited. - Nakhon Ratchasima Solar Limited will be required to repay the principal and interest upon its repayment of the long-term loans from financial institutions in full.
			3,874,608	6,705,936	
13. Bilfinger Berger AG					
Operation of construction business	- This is a partner of Joint Venture BBCT, in which CH. Karnchang Public Company Limited’s proportion represents 99.97 percent.	13.1 Joint Venture BBCT - Advance payment to related parties - Amounts due to related parties	Advance payment		- The loans have been extended as per the proportion to the Joint Venture. - This is a share of profit unpaid to the partner. - The loans have been extended to the partner of Joint Venture BBCT. - Joint Venture BBCT will make the loan repayment upon its receipt of compensation for increased costs from the Expressway Authority of Thailand (referred to Joint Venture BBCT) or upon the Company’s demand, whichever occurs first.
			3,986,901	3,986,901	
			Amounts due to related parties		
			20,017,243	20,017,243	



Name of Interested or Related Party/Company	Relationship	Nature of Transaction	Transaction Value of 2018 (Baht)	Transaction Value of 2017 (Baht)	Necessity / Justification
13. Bilfinger Berger AG (continued)					
Operation of construction business	- This is a partner of Joint Venture BBCE, in which CH. Karnchang Public Company Limited's proportion represents 35 percent.	13.2 Joint Venture BBCE - Advance payment to related parties	Advance payment 4,120,900	4,120,900	<ul style="list-style-type: none"> - The loans have been extended as per the proportion to the Joint Venture. - This is a share of profit unpaid to the partner. - As for the loans extended to the partner of Joint Venture BBCE, there is a condition for exemption from interest payment (since the auditor opined to suspend the interest calculation, as the interest was long overdue), with the repayment schedule upon Joint Venture BBCE's receipt of compensation for increased costs from the Expressway Authority of Thailand or upon the Company's demand, whichever occurs first.



12.2 Opinions of the Board and the Audit Committee

The Company's contracts with its related companies to carry out construction on a subcontract basis are undertaken at reasonable prices, whereby the costs of relevant projects under such contracts were reviewed and deemed appropriate by the Company's engineers and based on an ordinary course of business.

- Project management fees are derived from transactions where the Company arranged for personnel to various related companies and joint ventures for the purpose of project management, whereby the Company entered into contracts for management fees with those related companies and joint ventures, and such management fees covered salaries, bonuses, benefits and other management expenses.
- Service fees are derived from transactions where the Company leased out to joint ventures and subsidiaries equipment and machinery at the rental rates close to market rates, representing an ordinary course of business.
- Costs of goods are derived from transactions where the Company traded goods with related companies at the price close to market price, representing an ordinary course of business.
- Accounts receivable in the form of intercompany loans bear interest at an appropriate rate and subject to an ordinary course of business. Connected transactions are submitted to the meeting of the Board of Directors or the Executive Board, for consideration in respect of their suitability.

12.3 Measures or Procedures for Approval of Connected Transactions

The Company has complied with the relevant rules, regulations and requirements of the Securities and Exchange Commission. As for any transactions that might give rise to a conflict of interests and require approval of the Board of Directors and of the Audit Committee, the Company has already complied with such rules, regulations or requirements, whereby the grant of approval for the said connected transactions shall take into account the optimum benefits to the Company, fairness and justifications of the transactions as well as based on market prices in the ordinary course of business. In addition, the interested parties or those who might have a conflict of interests in such connected transactions shall not be allowed to participate in the consideration and approval of the connected transactions so as to ensure the fairness and the optimum benefits to the Company. As for any connected transactions falling under the criteria as specified in the regulations, notifications, orders, requirements or rules of the Stock Exchange of Thailand, the Company has complied with the applicable requirements of the Stock Exchange of Thailand.

12.4 Policy or Trend of Future Connected Transactions

The policy on consideration and approval of connected transactions with related businesses shall comply with the procedures that require consideration by the Board of Directors and the Audit Committee while those who have interests or might have a conflict of interests in connected transactions shall not be allowed to participate in the approval of such connected transactions. The criteria used by the Board of Directors and the Audit Committee as guidelines in the consideration is that related businesses are required to propose competitive products or services in terms of price and quality. On the contrary, should the Company be to render services to any related businesses, the Company is required to propose price and quality in line with standards or market price without giving any favorable benefit to the related businesses, which may result in transfer of benefits to those who might have a conflict of interests with the Company.

Future connected transactions in the form of loans tend to be loans among the Company, subsidiaries and joint ventures for the purpose of financial support in business operations so as to support and facilitate their operations, which will be deemed as an ordinary course of business. Consideration and approval for such transactions will be mainly based on the optimum benefits of the Company. However, for the loans between the Company, subsidiaries or joint ventures, and related companies in which the Company's major shareholders, directors or executives hold shares, the Company group has no policy to extend any intercompany loans in the future.