

Part 2

Management and Corporate Governance

7 .Shareholding Information

7.1. Amount of Registered Capital

As of 30 December 2019, the Company has a registered capital of THB 2,414,615,498 and a paid-up capital of THB 1,224,249,008 in the amount of 1,224, 249,008 ordinary shares (no preferred shares) at a par value of THB 1.00

7.2. Shareholders

The top twenty major shareholders of the Company as of the Book Closing Date on 30 December 2019.

No.	Shareholder	Amount of Shares	Percentage of Registered Capital
1	Mr. Praphol Milindachinla	288,400,000	23.557
2	Ms. Yuwadee Wachiraprapa	117,894,200	9.630
3	Mrs. Kingkarn Samitanon	79,000,000	6.453
4	Mrs. Anunya Ruangsakvichit	59,896,300	4.892
5	Ms. Pimsuda Suttisonk	43,470,000	3.551
6	Mr. Tanet Panichiwa	41,800,000	3.414
7	Mrs. Vimolwan Milindachinla	36,262,300	2.962
8	Mrs. Nirumol Mangthab	33,758,400	2.757
9	Mr. Anurot Saneepakornkai	25,000,000	2.042
10	Mr. Suchaicharn Wongpiyabaworn	22,381,400	1.828
11	PP Prime Public Company Limited	18,500,200	1.511
12	LGT BANK (SINGAPORE) LTD	17,232,500	1.408
13	Mrs. Duangta Jaiyen	15,500,000	1.266
14	Mr. Sukiat Surabotsopol	14,657,700	1.197
15	Mr. Chuchart Jareanudompol	14,574,000	1.190

No.	Shareholder	Amount of Shares	Percentage of Registered Capital
16	Mr. Kasin Wangsawangkul	12,179,900	0.995
17	Ms. Siriwan Panichiwa	12,000,000	0.980
18	Mr. Pailak Wongwaisayawon	11,000,100	0.899
19	Ms. Kantakorn Smittanon	10,000,000	0.817
20	Mrs. Tanatunyarat Tungpadungrat	9,897,050	0.808
	Total	883,404,050	72.157

Major shareholders with influence on policy-making, management and operation of the Company.

7.3 Public Offering

1) Increase of ordinary shares of AEC Securities Public Company Limited

(A) Decrease of Capital

The Annual General Meeting of Shareholders year 2015 held on 30 April 2015 approve the reduction of the registered capital of the Company from Baht 1,331,716,928 to Baht 1,325,403,898 by cancelling 6,313,030 authorized but unissued ordinary shares at a par value of Baht 1 each (save for the authorized but unissued ordinary shares amounting to 89,211,600 shares which have been reserved for exercising of the holders of the Warrants to purchase the ordinary shares of the Company –Type 2 (“AEC- W2” or “Warrants-Type 2”) and the Warrants to purchase the ordinary shares of the Company –Type 3 (“AEC-W3” or (“Warrants-Type 3”))

(B) Increase of Capital

The Annual General Meeting of Shareholders year 2015 held on 30 April 2015 approve the increase of the registered capital of the Company from Baht 1,325,403,898 to Baht 2,414,615,498 by issuing 1,089,211,600 new ordinary shares at a par value of Baht 1 each. Detail as follows;

Type of capital increase	Type of Shares Issued	Number of shares (shares)	Par Value (THB/Share)	Total (THB)
Specifying the use of proceeds	Ordinary	1,089,211,600	1.00	1,089,211,600
	Preferred	-	-	-

(C) Allotment of Newly Issued Ordinary Shares

Allotted to	Number of shares (shares)	Ratio (Old : New)	Sale Price (THB/Share)	Subscription and payment period	Note
Existing Shareholders (Right Offering)	300,000,000	4 : 1	1.00	16-22 June 2015	-
Private Placement	200,000,000	-	1.00	16-22 June 2015	-
To be reserved for exercising rights of the warrants (AEC-W4) to be issued to the existing shareholders who subscribe for the right offering shares ⁽¹⁾	300,000,000	N/A	N/A	16-22 June 2015	Exercise Price = 1.00 Baht/comm on share
To be reserved for exercising rights of the warrants (AEC-W5) to be issued to the investors who subscribe for the privately placed shares ⁽²⁾	200,000,000	N/A	N/A	16-22 June 2015	Exercise Price = 1.00 Baht/comm on share
To be reserved for adjustment of exercising rights of the warrants (AEC-W2 and AEC-W3)	89,211,600	N/A	N/A		-

2) Details of the Warrants to Purchase the Ordinary Shares of the Company Series #3 Issued to the Private Placement Subscribers (AEC-W3)

Type of Warrants	The third series of warrants to purchase the newly issued ordinary shares of the Company ("AEC-W3")
Category of Warrants	Stated the name of the holder and transferable

Maturity	Not more than 3 years from the Issuance Date
Amounts of Warrants Issued	50,000,000 Units
Selling Price/Unit	-0-
Allocation Method	AEC-W3 will be allocated to the Private Placement subscriber at the ratio of 1 unit of warrant for each 2 newly issued ordinary shares.
Number of Ordinary Shares Reserved for the Exercise of AEC-W3	50,000,000 common shares with 1.00 Baht par value each, or 5.92% of the current outstanding common shares as of 19 December 2013
Conversion Ratio	1 unit of warrant can be converted to 1 ordinary share (except there is any adjustment to rights)
Exercise Price	3.00 Baht/share (except there is any adjustment to rights)
Exercise Periods	The warrant holders can exercise their rights on the last business day of every March and September between 9.00 am to 3.30 pm over the tenor of the warrants. The first exercising date is 31 March 2015 and the last exercising date is 26 March 2018 the date when the warrants are mature. If the exercising date is a holiday, the exercise date will be the last business day before the exercise date.
Declaration of Exercising Rights	Within 5 days before the exercising period
Last Declaration of Exercising Rights	Not fewer than 15 days before the last exercising period
Conditions on Warrant Exercising Rights	According to the terms and conditions of AEC-W3, as approved by the Shareholders.
Conditions on Issuing Additional Ordinary Shares in case of Right Adjustments:	When there is an adjustment of exercise price and conversion ratio as stipulated within the terms and conditions of AEC-W3.
Offering Period for AEC-W3:	The allocation of AEC-W3 to the existing shareholders who subscribe to the Private Placement will be made within one year after the Approval of the Shareholders.
Secondary Market for AEC-W3	None

Secondary Market for the Ordinary Shares Issued for the Exercised Warrants:	The Stock Exchange of Thailand
Benefits of the New Ordinary Shares Issued for the Conversion of Warrants	The New Ordinary Shares Issued from the Conversion of Warrants will have the same rights and benefits as the existing ordinary shares
Conditions for Right Adjustment	Exercise Price and Conversion Ratio can be adjusted over before the maturity of the warrants, AEC-W3, in order to maintain the rights and benefits of the warrant holders under the following circumstances, 1) when there is a change in the par value of the shares of the Company as a result of the share merger or share splits, 2) when the Company sell newly issued shares at the price below 90% of the market price, 3) when the Company sell convertible securities with the exercise price below 90% of the market price, 4) when the Company pays stock dividends, fully or partially, to the shareholders, 5) when the Company pays cash dividends at the payout rate which is higher than the rate stipulated in the terms and conditions, and 6) where there are other circumstances similar to the above which worsen the rights and benefits of the warrant holders. The Board of Directors or any assigned Person will make decisions on changes in terms and conditions related to the adjustment in exercise price and conversion ratio.
Remaining Warrants after Expiry Date	To be cancelled

Other Conditions	Assign the Board of Directors or any Person assigned to have the authority to set conditions and details of the AEC-W3, including the offering and allocation methods, negotiation, entering into any contract or agreement, acquiring permission from any state agency (if needed), or any necessary transaction related to the issuance of AEC-W3, and to register the AEC-W3 with the Stock Exchange of Thailand. The Company will not extend the maturity of AEC-W3 or make any adjustment other than those stated herein.
Registrar of the Warrants	AEC Securities Public Company Limited

3) Details of the Warrants to Purchase the Ordinary Shares of the Company Series #4 Issued to the Existing Shareholders who subscribe to the Right Offering (AEC-W4)

Type of Warrants	The fourth series of warrants to purchase the newly issued ordinary shares of the Company (AEC-W4)
Category of Warrants	Stated the name of the holder and transferable
Maturity	Not more than 3 years from the Issuance Date
Amounts of Warrants Issued	300,000,000 units
Selling Price/Unit	-0-
Offering Method	The Company will allocate AEC-W4 to the shareholders who subscribe to the Right Offering.

Allocation Method	AEC-W4 will be allocated to the shareholders who subscribe to the Right Offering. The list of the shareholders who are eligible for the Right Offering will be determined on May 28, 2015 (Record Date) and the book closing date will be May 29, 2015. The newly issued ordinary shares as aforementioned shall be offered to the existing shareholders at the ratio of 4 existing ordinary shares to 1 newly issued ordinary share in combination with 1 unit of the Warrants to purchase the ordinary shares of the Company –Type 4 (i.e. 1 newly issued ordinary share to 1 unit of the Warrants). The offering price for newly issued ordinary shares shall be Baht 1 per share and for the Warrants–Type 4 shall be Baht 0 per unit. The exercise price for the Warrants-Type 4 shall be Baht 1 per share (except in case of rights adjustment), provided that any fraction of shares or Warrants derived from the calculations shall be disregarded and the existing shareholders who exercise their right to subscribe the newly issued shares are required to subscribe all Warrants-Type 4 at the same time and in line with their proportion.
Number of Ordinary Shares Reserved for the Exercise of AEC-W4	300,000,000 common shares with 1.00 Baht par value each, or 27.03% of the current outstanding common shares as of February 3, 2015.
Conversion Ratio	1 unit of warrant can be converted to 1 ordinary share (except there is any adjustment to rights)
Exercise Price	1.00 Baht/share (except there is any adjustment to rights)
Exercise Periods	The warrant holders can exercise their rights on the last business day of every June and December between 9.00 am to 3.30 pm over the tenor of the warrants. The first exercising date is December 30, 2015 and the last exercising date is May 27, 2018 the date when the warrants are mature. If the exercising date is a holiday, the exercise date will be the last business day before the exercise date.
Declaration of Exercising Rights	Within 5 days before the exercising period.
Last Declaration of Exercising Rights	Not fewer than 15 days before the last exercising period.

Conditions on Warrant Exercising Rights	According to the terms and conditions of AEC-W4, as approved by the Shareholders
Conditions on Issuing Additional Ordinary Shares in case of Right Adjustments	When there is an adjustment of exercise price and conversion ratio as stipulated within the terms and conditions of AEC-W4
Offering Period for AEC-W4	The allocation of AEC-W4 to the existing shareholders who subscribe to the Right Offering will be made within one year after the Approval of the Shareholders.
Secondary Market for AEC-W4	The Stock Exchange of Thailand
Secondary Market for the Ordinary Shares Issued for the Exercised Warrants	The Stock Exchange of Thailand
Benefits of the New Ordinary Shares Issued for the Conversion of Warrants	The New Ordinary Shares Issued from the Conversion of Warrants will have the same rights and benefits as the existing ordinary shares.

Conditions for Right Adjustment	Exercise Price and Conversion Ratio can be adjusted over before the maturity of the warrants, AEC-W4, in order to maintain the rights and benefits of the warrant holders under the following circumstances, 1) when there is a change in the par value of the shares of the Company as a result of the share merger or share splits, 2) when the Company sell newly issued shares at the price below 90% of the market price, 3) when the Company sell convertible securities with the exercise price below 90% of the market price, 4) when the Company pays stock dividends, fully or partially, to the shareholders, 5) when the Company pays cash dividends at the payout rate which is higher than the rate stipulated in the terms and conditions, and 6) where there are other circumstances similar to the above which worsen the rights and benefits of the warrant holders. The Board of Directors or any assigned Person will make decisions on changes in terms and conditions related to the adjustment in exercise price and conversion ratio.
Remaining Warrants after Expiry Date	To be cancelled.
Other Conditions	Assign the Board of Directors or any Person assigned to have the authority to set conditions and details of the AEC-W4, including the offering and allocation methods, negotiation, entering into any contract or agreement, acquiring permission from any state agency (if needed), or any necessary transaction related to the issuance of AEC-W4, and to register the AEC-W4 with the Stock Exchange of Thailand. The Company will not extend the maturity of AEC-W4 or make any adjustment other than those stated herein.
Registrar of the Warrants	Thailand Securities Depository Company Limited ("TSD")

4) Details of the Warrants to Purchase The Ordinary Shares of the Company Series #5 Issued to the Private Placement Subscribers (AEC-W5)

Type of Warrants	The five series of warrants to purchase the newly issued ordinary shares of the Company ("AEC-W5")
Category of Warrants	Stated the name of the holder and transferable
Maturity	Amounts of Warrants Issued
Amounts of Warrants Issued	200,000,000 Units
Selling Price/Unit	-0-
Offering Method	The Company will allocate AEC-W5 to the shareholders who subscribe to the Private Placement
Allocation Method	AEC-W5 will be allocated to the Private Placement subscriber at the ratio of 1 unit of warrant for each 1 newly issued ordinary shares
Number of Ordinary Shares Reserved for the Exercise of AEC-W5	200,000,000 common shares with 1.00 Baht par value each, or 18.02 % of the current outstanding common shares as of February 3, 2015.
Conversion Ratio	1 unit of warrant can be converted to 1 ordinary share (except there is any adjustment to rights)
Exercise Price	1.00 Baht/share (except there is any adjustment to rights)
Exercise Periods	The warrant holders can exercise their rights on the last business day of every June and December between 9.00 am to 3.30 pm over the tenor of the warrants. The first exercising date is 30 December 2015 and the last exercising date is 30 June 2018 the date when the warrants are mature. If the exercising date is a holiday, the exercise date will be the last business day before the exercise date.
Declaration of Exercising Rights	Within 5 days before the exercising period
Last Declaration of Exercising Rights	Not fewer than 15 days before the last exercising period

Conditions on Warrant Exercising Rights	According to the terms and conditions of AEC-W5, as approved by the Shareholders
Conditions on Issuing Additional Ordinary Shares in case of Right Adjustments:	When there is an adjustment of exercise price and conversion ratio as stipulated within the terms and conditions of AEC-W5.
Offering Period for AEC-W5:	The allocation of AEC-W5 to the existing shareholders who subscribe to the Private Placement will be made within one year after the Approval of the Shareholders.
Secondary Market for AEC-W5	None
Secondary Market for the Ordinary Shares Issued for the Exercised Warrants:	The Stock Exchange of Thailand
Benefits of the New Ordinary Shares Issued for the Conversion of Warrants	The New Ordinary Shares Issued from the Conversion of Warrants will have the same rights and benefits as the existing ordinary shares

Conditions for Right Adjustment	Exercise Price and Conversion Ratio can be adjusted over before the maturity of the warrants, AEC-W5, in order to maintain the rights and benefits of the warrant holders under the following circumstances, 1) when there is a change in the par value of the shares of the Company as a result of the share merger or share splits, 2) when the Company sell newly issued shares at the price below 90% of the market price, 3) when the Company sell convertible securities with the exercise price below 90% of the market price, 4) when the Company pays stock dividends, fully or partially, to the shareholders, 5) when the Company pays cash dividends at the payout rate which is higher than the rate stipulated in the terms and conditions, and 6) where there are other circumstances similar to the above which worsen the rights and benefits of the warrant holders. The Board of Directors or any assigned Person will make decisions on changes in terms and conditions related to the adjustment in exercise price and conversion ratio.
Remaining Warrants after Expiry Date	To be cancelled
Other Conditions	Assign the Board of Directors or any Person assigned to have the authority to set conditions and details of the AEC-W5, including the offering and allocation methods, negotiation, entering into any contract or agreement, acquiring permission from any state agency (if needed), or any necessary transaction related to the issuance of AEC-W5, and to register the AEC-W5 with the Stock Exchange of Thailand. The Company will not extend the maturity of AEC-W5 or make any adjustment other than those stated herein.
Registrar of the Warrants	AEC Securities Public Company Limited

7.4 Payment of Dividends

The Company has a policy of paying dividends to shareholders at 75 percent of the net profit for each year. The Board of Directors has the authority to waive this policy or change the policy at their discretion. However, such actions must be for the maximum benefit of the shareholders, such as the necessary use of capital to service any remaining debt, the use of capital to expand the Company's business or to prepare for any changes in the economy and the market that can have an effect on the liquidity of the Company.

8. Management Structure

The management structure of the Company includes comprises of the Board of Directors and Sub-committee are 11 Sub-committee as follows:

1. Audit Committee
2. Nominations and Remuneration Committee
3. Risk Management Committee
4. Executive Committee
5. Investment Sub-Committee
6. Fixed Income Sub-Committee
7. Investment Banking Sub-Committee
8. Credit Sub-Committee
9. Private Fund Management Sub-Committee
10. Risk Management and Anti-Money Laundering Working Group on Sub-Committee
11. Discipline Working Group Sub-Committee

8.1 The Board of Directors

As of 31 December 2019, the Company has 7 directors on the Board of Directors consist of 2 Executive Directors (28.57%) and 5 Independent Directors (71.42%) as following:

No	Name	Board of Director	Date of Appointment
1	Mom Rajawongse Somlabh Kitiyakara	Chairman of the Board of Directors and Independent Director	30 April 2013
2	Mr. Paisit Kaenchan	Independent Director Chairman of Audit Committee Member of Risk Management Committee Member of Nominations and Remuneration Committee	30 April 2013 11 November 2019 5 November 2015 3 March 2014
3	Dr. Vichya Krea-ngam	Independent Director Member of Audit Committee Chairman of Nominations and Remuneration Committee	12 July 2019 12 July 2019 11 November 2019
4	Dr. Pattanant Petchchedchoo	Independent Director Member of Audit Committee	11 November 2019 11 November 2019
5	Dr. Siridech Kumsuprom	Independent Director Chairman of Risk Management Committee Member of Nominations and Remuneration Committee	11 November 2019 11 November 2019 11 November 2019
6	Mr. Waiwit Udayachalerm*	Director (Authorized Director) Executive Director	22 April 2019 12 November 2018

No	Name	Board of Director	Date of Appointment
7	Mr. Thaveedej Uyawong*	Director (Authorized Director) Executive Director Company Secretary	11 October 2017 22 November 2017 1 September 2014

* Executive Director

Authorized Directors

The company's authorized signatory is Mr. Waiwit Udayachalerm and Mr. Thaveedej Uyawong two directors' co-sign together with the company's seal affixed.

Authorization and responsibilities of the Board of Directors

All directors are involved in the management of the Company and its business, and are all independent and neutral for the benefit of the shareholders and all stakeholders. The Board of Directors meets at least once a three months to consider various agendas and manage the Company to reduce risks. The scope of authority of the Board of Directors is as following:

1. To manage under the law, objectives and articles of the Company as prescribed at the General Meeting of Shareholders.
2. To manage under the authorities prescribed in the Memorandum of Association.
3. To appoint persons or a group of persons to carry out actions on behalf of the Board of Directors.
4. To formulate policies, goals and plans of the Company, including managing and supervising the management of the Company.
5. To fulfill the roles, responsibilities and duties as directors of the Company as prescribed under the relevant laws such as good faith, code of ethics and accountability to the shareholders.
6. To formulate the management and control of risks in the management of the Company.

Knowledge and Experience of Director

Name	Board of Director	Finance & Capital Market	Law & Regulations	Accounting & Finance	Management
Mom Rajawongse Somlabh Kitiyakara	- Chairman of the Board of Directors - Independent Director				X
Mr. Paisit Kaenchan	- Independent Director - Chairman of Audit Committee - Member of Risk Management Committee - Member of Nominations and Remuneration Committee	X		X	X
Dr. Vichya Krea-ngam	- Independent Director - Member of Audit Committee - Chairman of Nominations and Remuneration Committee	X	X		X
Dr. Pattanant Petchchedchoo	- Independent Director - Member of Audit Committee	X		X	X
Dr. Siridech Kumsuprom	- Independent Director - Chairman of Risk Management Committee - Member of Nominations and Remuneration Committee	X		X	X
Mr. Waiwit Udayachalerm*	- Director (Authorized Director) - Executive Director	X		X	X
Mr. Thaveeddej Uyawong*	- Director (Authorized Director) - Executive Director - Company Secretary	X	X		X

Remark: * Executive Director

8.2 Sub-Committees

8.2.1 Audit Committee

As of 31 December 2019, there are 3 members of Audit committee as following:

No.	Name	Position
1*	Mr. Paisit Kaenchan	Chairman of Audit Committee
2	Dr. Vichya Krea-ngam	Audit Committee
3	Dr. Pattanant Petchchedchoo	Audit Committee
	The Audit committee's Secretary : Mr. Wiwat Augsupipat	

Authorization and responsibilities of the Audit Committee

1. To review the Company's financial reporting process to ensure accuracy and adequacy.
2. To consider that the connected transaction or transaction that may lead to conflict of interest has been done in compliance to the relevant laws and regulations.
3. To ensure that the Company has a suitable and efficient internal control system and internal audit system.
4. To ensure the independency of the Compliance and Internal Audit Department and to approve the appointment, transfer or employment termination of the head of the Compliance and Internal Audit Department or other related department.
5. To consider, select, nominate, and recommend remunerations of the Company's external auditor to present to the meeting of shareholders to consider and approve.
6. To review the management of the executives to ensure compliance with the recommendations and policies on compliance and internal audit.
7. To review the Company and its compliance with the laws and regulations related to the SEC, SET and other relevant laws and regulations.
8. To review the risk control and management system, as well as the maintenance and safety of the Company's information technology systems.
9. To report important matters to the Board of Directors.
10. To prepare a report of the Audit Committee as required by the SET and disclose it in the annual report of the Company, and have such a report signed by the Chairman of the Audit Committee.
11. To review and adjust the Audit Committee Charter at appropriate times and in case of any changes to the charter, such changes must be approved by the Board of Directors.
12. In case the auditor finds suspicious behavior that the directors or executives of the Company has committed a breach and reported such breach to the Audit Committee, the Audit Committee will immediately review such breach and report the matter to the SEC and the auditor.
13. To perform any other duties assigned by the Board of Directors.

Remark: The Audit Committee No. 1* Mr. Paisit Kaenchan has expert knowledge and experience in auditing financial statements of the Company. Graduate in Master of International Development Administration, Western Michigan University, USA and Master of Business Administration, (Executive M.B.A.), Sasin Graduate Institute of Business Administration of Chulalongkorn University, which as position of Audit Committee for many years and has experience with reviewing and auditing financial statements both of listed company and non-listed company in a variety of business types.

8.2.2 The Nomination and Remuneration Committee

As of 31 December 2019, there are 3 members of Nomination and Remuneration Committee as following:

No.	Name	Position
1	Dr. Vichya Krea-ngam	Chairman of Nomination and Remuneration Committee
2	Mr. Paisit Kaenchan	Nomination and Remuneration Committee
3	Dr. Siridech Kumsuprom	Nomination and Remuneration Committee
The Nomination and Remuneration Committee's Secretary : Mr. Thaveedej Uyawong		

Authorization and responsibilities of the Nomination and Remuneration Committee

1. Reviewing the Board of Director's structure to be appropriate to the strategies of the company and proposes a guidelines for improving criteria for prospect candidates to be comply with the company's strategies.
2. Recommend and assess the nominees for directorship or the chief executive officer and set up criteria and selection method of qualified candidates propose to the Board of Director for approval.
3. Consideration proposes a guidelines for remuneration to directors and set up criteria remuneration to be reasonable propose to the Board of Director for approval.
4. Consideration to appointment sub - committee for supporting to nomination and remuneration of the committee with compensation or not as appropriate.
5. To perform any other duties assigned by the Board of Director.

8.2.3 The Risk Management Committee

As of 31 December 2019, there are 3 members of Risk Management Committee as following:

No.	Name	Position
1	Dr. Siridech Kumsuprom	Chairman of Risk Management Committee
2	Mr. Paisit Kaenchan	Risk Management Committee
3	Mrs. Vallapa Sunakorn	Risk Management Committee

No.	Name	Position
The of Risk Management Committee's Secretary : Mr. Sataya Rangseekajee		

Authorization and responsibilities of The Risk Management Committee

1. Reviewed the policy of risk management transactions, the company provides comprehensive credit risk (Credit Risk) Market Risk (Market Risk) risk operations (Operation Risk) Risk Strategy (Strategic Risk) risk conditions liquidity (liquidity risk) and other risks, including the risks in Law (Legal risk) and regulation (Regulatory risk).
2. To consider and review the guidelines and tools to manage risks effectively. And appropriate to the nature, size and risk of each transaction in which it operates.
3. To consider and review the limits of risk (Risk Limits / Risk Appetite) and measures in the event did not meet the required threshold of risk (Corrective Measures).
4. Monitoring, risk assessment, both in normal and crisis (Stress Testing).
5. Assessment of the risks that may arise from new products or risk potential for a transaction to be re-established. The guidelines for hedge transactions may occur.
6. To perform risk management duties assigned by the Board of Director and report risk management operation to the Board of Director at least one a year.

8.2.4 Executive Committee

As of 31 December 2019, there are 5 members of Executive Committee as following:

No.	Name	Position
1	Prof.Dr. Chaiya Yimwilai*	Chairman of Executive Committee
2	Mr. Waiwit Udayachalerm	Executive Director
3	Mr. Thaveedej Uyawong	Executive Director and Company Secretary
4	Mrs. Vallapa Sunakorn	Executive Director and Chief Operation Officer
5	Mrs.Rachaya Kantamaturapod	Executive Director and Head of Human Resource and Administration
The Executive Committee's Secretary : Ms. Sutthatip Boonrakcharoen		

* Prof.Dr. Chaiya Yimwilai resigned from Chairman of Executive Committee effective on 15 September 2019.

Authorization and responsibilities of the Executive Committee

Responsible for the daily business operations related to the implementation and provide decision management systems and risk controls are adequate in terms of risk and overall risk profile of transactions provided by an analysis of the problems, a major risk measurement, risk control and monitor risks that could

result in such damage has been damaged, policy and strategy, credit risk, market risk, liquidity risk and operational risk, as required under the scope approved by the Board of Directors.

In addition to a streamlined operation and internal control system in accordance with the practices and policies of the Company set rules about the cost as follows:

- (A) The cost of the purchasing asset, chief executive officer can approve expenses in an amount not exceeding THB 500,000 per times. The Executive committee can approve expenses in an amount not exceeding THB 50 million per time and if the expense is more than THB 50 million per time, the expense shall be submitted to the Board of Director for approval.
- (B) The cost of supply (other than (A)) Chief Executive Officer may approve expenses in an amount not exceeding THB 100,000 per time. The Executive Committee can approve expenses in an amount not exceeding THB 50 million per time. If the costs exceed THB 50 million per time, the cost shall be submitted to the Board of Director for approval.
- (C) Costs related to employees and directors. Chief Executive Officer may approve charges based on the amount actually paid. The Executive Committee can approve expenses in an amount not exceeding THB 50 million per time, and if the costs exceed THB 50 million per time, the cost shall be submit to the Board of Director for approval.
- (D) Miscellaneous expenses, Chief Executive officer can approve expenses in an amount not exceeding THB 50,000 per time. The Executive Committee can approve expenses in an amount not exceeding THB 50 million per time, and if the costs exceed THB 50 million per time the cost shall be submit to the Board of Director for approval.

8.2.5 The Credit Committee

As of 31 December 2019, there are 4 members of the Credit Committee as following:

No.	Name	Position
1	Mrs. Vallapa Sunakorn	Chairman of Credit Committee
2	Mr. Sataya Rangseekajee	Credit Committee
3	Mr. Tossporn Kwanjit	Credit Committee
4	Mrs. Wimonrat Hotanom	Credit Committee
	The Credit Committee's Secretary : Mr. Pheeraseth Pannapalakul	

Authorization and responsibilities of The Credit Committee

1. Determining the direction and review of credit limit of customers in accordance with the rules and regulations of the company, the Association of Thai Securities Companies, the Stock Exchange of Thailand and the Securities Exchange Commission.
2. Authorizing credit limit of customers.
3. Approval the credit limit of customers for all types of trading account.
4. Approval of the list of securities, its quantity and margin rate that is available for short selling and buying under a credit margin trading account.
5. Review, amend and change interest rates for deposits and loans for all types of trading accounts related to the securities business and derivatives business.
6. Determine policy and direction in risk management related to the securities business and derivatives business.
7. Receive reports regarding losses resulting from trades by customers that are accidentally transferred into the company's account.
8. Reviewing and proposing the authorized persons to approve the credit limit of customers for all types of trading account.
9. Review the terms and conditions for new types of transactions.
10. Perform any other duties assigned.

8.2.6 The Investment Committee

As of 31 December 2019, there are 3 members of Investment Committee as following:

No.	Name	Position
1	Mr. Sataya Rangseekajee	Chairman of Investment Committee
2	Mr. Thaveedej Uyawong	Investment Committee
3	Ms. Ob-om Ratanapol	Investment Committee
	The Investment Committee's Secretary : Ms. Arada Lawkawee	

Authorization and responsibilities of The Investment Committee

1. Determine direction and follow-up procedures regarding investment activities of the company, including demanding employees of the company to provide information regarding operations and requesting documentation in order to be reviewed.
2. Follow and evaluate the investment of the company under the objectives and missions of the company, including reporting and providing opinions of such investments to the Executive Committee.

3. Recommending and proposing ideas and opinions to the Executive Committee regarding investments by the company.
4. Perform any other duties assigned.

8.2.7 The Investment Banking Committee

As of 31 December 2019, there are 4 members of Investment Banking Committee as following:

No.	Name	Position
1	Mr. Waiwit Udayachalerm	Chairman of Investment Banking Committee
2	Mrs. Vallapa Sunakorn	Investment Banking Committee
3	Mr. Sataya Rangseekajee	Investment Banking Committee
4	Head of Investment Banking	Investment Banking Committee
	The of Investment Banking Committee's Secretary : Ms. Arada Lawkawe	

Authorization and responsibilities of The Investment Banking Committee

1. Recommending direction towards policy determination and policy guidance related to the investment banking business of the company to be proposed to the Executive Committee as following:
 - Financial Advisory
 - Underwriting
 - Capital Markets
2. Reviewing business operations and its impact related to investment banking.
3. Reviewing issues regarding risk and rewards.
4. Determining and amending rules related to the investment banking business.
5. Reviewing methods towards solving problems arising from the investment banking business.
6. Reviewing issues of professional conduct and ethics in business operations related to the investment banking business.
7. Determining directions, follow-up methods and evaluating the business operations and performance of the investment banking department, including demanding employees of the company to provide information regarding operations and requesting documentation in order to be reviewed.
8. Follow-up and evaluating the performance of the investment banking department under the objectives of the company.
9. Reporting and providing opinions regarding investment banking to the Executive Committee.
10. Recommending and proposing ideas and opinions to the Executive Committee regarding investment banking business by the company.
11. Perform any other duties assigned.

8.2.8 The Private Fund Committee

As of 31 December 2019, there are 4 members of the Private Fund Sub-Committee as following:

No.	Name	Position
1	Mr. Waiwit Udayachalerm	Chairman of Private Fund Committee
2	Mrs. Vallapa Sunakorn	Private Fund Committee
3	Mr. Aphisit Limsupanark	Private Fund Committee
4	Mr. Anupon Sriard	Private Fund Committee
	The Private Fund Committee's Secretary : Mr. Anupon Sriard	

Authorization and responsibilities of The Private Fund Committee

1. Determining and approving policies, targets and strategies of investments of private funds.
2. Determining and approving list of securities that can be purchased, including determining strategies for short-term, medium-term and long-term investments.
3. Evaluating investment climate and adjust to the strategies of investments.
4. Review the purchase of securities under the private funds in accordance with the investment policies.
5. Review the performance of private funds using benchmark standards to correctly adjust investments according to each strategy as specified under the investment policies.
6. Review and approve policies towards choosing brokerage companies and securities depository and fees in the operations of the private fund department.
7. Review the investment framework and level of risks associated with the investment policies of each private fund, including following up with the fund manager.
8. Reviewing investments under each private fund in accordance with a safe level of risk.
9. Providing opinions to the compliance and internal audit department in order to correctly adjust the level of risk to the investment climate.

8.2.9 The Fixed Income Committee

As of 31 December 2019, there are 3 members of the Fixed Income Committee as following:

No.	Name	Position
1	Mr. Waiwit Udayachalerm	Chairman of Fixed Income Committee
2	Mr. Sataya Rangseekajee	Fixed Income Committee
3	Ms. Ob-om Ratanapol	Fixed Income Committee
	The Fixed Income Committee's Secretary : Ms. Sumana Siribovornkiat	

Authorization and responsibilities of The Fixed Income Committee

1. Determining policies, targets, strategies, measures towards risk management, interest rates policies, ability to pay back, impacts and risks associated with default, related to the fixed income business in accordance with the policies, rules and regulations determining by the Board of Directors of the Company, the Executive Committee, the rules and regulations of all related agencies and regulators.
2. Review assets, securities and collateral to be used as securities/collateral under the fixed income business.
3. Review and analyze the investment climate related to the fixed income business in order to correctly adjust policies, targets and strategies of the fixed income business.
4. Follow-up, review and evaluate all units under the fixed-income business as define on subject 1.
5. Review the fixed-income business.
6. Perform any other duties assigned by the Executive Committee.
7. Report operation to the Executive Committee.

8.2.10 The Anti-Money Laundering Committee

As of 31 December 2019, there are 5 members of the Anti-Money Laundering Committee as following:

No.	Name	Position
1	Mr. Waiwit Udayachalerm	Chairman of Anti-Money Laundering Committee
2	Mrs. Vallapa Sunakorn	Anti-Money Laundering Committee
3	Head of Risk Management	Anti-Money Laundering Committee
4	Head of the Office of Director and Company Secretary	Anti-Money Laundering Committee
5	Head of Compliance and Internal Audit	Anti-Money Laundering Committee
	The Anti-Money Laundering Committee's Secretary : Mr. Wiwat Angsupipat	

Authorization and responsibilities of The Anti-Money Laundering Committee

1. Determining risk management of the company to include all types of risk.
2. Assess and control risks associated with providing credit to customers, market risks, liquidity risks, operational risks and risks associated with the rules and regulation.
3. Assess, control and support risk management at a high level, including reassessing the risk management policies and systems, its effectiveness and adherence to policy.
4. Follow-up and evaluate risk management systems of the company at a high level.
5. Demanding executives and/or employees of the company to provide information and requesting documentation in order to be reviewed.

6. Requesting an independent/third-party opinion as necessary, and providing all employees with knowledge and training through workshops and seminars.
7. Determining direction, follow-up methods and evaluating the operations and performance towards anti-money laundering practices and anti-terrorism, including demanding executives and/or employees of the company to provide information and requesting documentation in order to be reviewed.
8. Follow and evaluate the anti-money laundering and anti-terrorism process of the company under the objectives and missions of the company.
9. Recommending and proposing ideas and opinions to the Executive Committee regarding anti-money laundering and anti-terrorism by the company.
10. Perform any other duties assigned.

8.2.11 The Discipline Working Group Committee

As of 31 December 2019, there are 4 members of Discipline Working Group Committee as following:

No.	Name	Position
1	Mr. Waiwit Udayachalerm	Chairman of The Discipline Working Group Committee
2	Mrs. Vallapa Sunakorn	The Discipline Working Group Committee
3	Mr. Thaveedej Uyawong	The Discipline Working Group Committee
4	Mr. Sakol Sonklung	The Discipline Working Group Committee
	The Discipline Working Group Committee's Secretary : Mr. Sakol Sonklung	

Authorization and responsibilities of The Discipline Working Group Sub-Committee

1. Investigate issues regarding complaints and conducts against rules and regulations and ethical practices, whereby methods to be used include investigation for evidence, interview and filing reports.
2. Reviewing each case of disciplinary action and all factors involved in order to find an effective and practical solution and recommendation towards disciplining.
3. Investigating disciplinary actions under the proper procedure in order for the process to be fair and legitimate to all parties involved. Such investigations shall cover examination of witnesses, investigation of all facts, cross-examination, as well as review of documents and behaviors, as whatever method is necessary for the situation.
4. Summarize complaints and provide solutions to customers and any parties involved.

Management Team

As of 31 December 2019, Management Team as following:

No.	Name	Position
1	Mr. Waiwit Udayachalerm	Director (Authorized Director) and Executive Director
2	Mr. Thaveedej Uyawong	Director (Authorized Director) , Executive Director, Company Secretary and Head of Officer of Director and Company Secretary
3	Mrs. Vallapa Sunakorn	Executive Director and Chief Operating Officer
4	Mrs. Rachaya Kantamaturapod	Executive Director and Head of Human Resource and Administration
5	Mr. Wiwat Angsupipat	Executive Vice President – Compliance and Internal Audit Department
6	Ms. Obom Ratanapol	Senior Vice President - Finance Department
7	Ms. Manee Khemthong	Vice President - Accounting Department

Note: The people No.2-5 who are rank first four management from Chief Executive Officer and position in line of Financial Manager according announcement of SEC's definition.

Participation of the Board of Director in 2019 (as of 31 December 2019)

No.	Name of Director	Board of Director	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee
1	Mom Rajawongse Somlabh	6/6	-	-	-	-
2	Mr. Paisit Kaenchan	6/6	7/7	6/6	12/12	-
3	Dr. Vichya Krea-ngam ¹	2/6	2/7	1/6	-	-
4	Dr. Pattanant Petchchedchoo ²	0/6	0/7	-	-	-
5	Dr. Siridech Kumsuprom ³	0/6	-	0/6	1/12	-
6	Mr. Waiwit Udayachalerm	4/6	-	-	-	15/16
7	Mr. Thaveedej Uyawong	6/6	-	-	-	16/16
8	Mr. Noppadol Mingchinda ⁴	0/6	-	-	-	-
9	Mr. Seree Suwanpanont ⁵	1/6	1/7	1/6	-	-
10	Prof.Dr. Chaiya Yimwilai ⁶	5/6	-	-	-	12/16
11	Mr. Chanachai Joonjiraporn ⁷	3/6	-	-	-	-
12	Assoc. Prof. Suchart Laopreeda ⁸	5/6	6/7	5/6	6/12	-

Remark:

¹ Dr. Vichya Krea-ngam was appointment as Independent Director and Audit Committee on 12 July 2019 and The Chairman of Nomination and Remuneration Committee on 11 November 2019.

² Dr. Pattanant Petchchedchoo was appointment as Independent Director and Audit Committee on 11 November 2019.

³ Dr. Siridech Kumsuprom was appointment as Independent Director, The Chairman of Risk Management Committee and Nomination and Remuneration Committee on 11 November 2019.

⁴ Mr. Noppadol Mingchinda was resigned from Director (Authorized Director), Executive Director and Chief Financial Officer (Acting) on 1 March 2019.

⁵ Mr. Seree Suwanpanont was resigned from Independent Director, Audit Committee and The Chairman of Nomination and Remuneration Committee on 1 May 2019.

⁶ Prof.Dr. Chaiya Yimwilai was resigned from Vice of Chairman of the Board of Director and Chairman of Executive Officer on 15 June 2019.

⁷ Mr. Chanachai Joonjiraporn was resigned from Director (Authorized Director), Executive Director and Chief Executive Officer on 25 July 2019.

⁸ Assoc. Prof. Suchart Laopreeda was resigned from Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee on 1 September 2019.

8.3 The Company Secretary

The Board of Directors has appointed **Mr. Thaveedej Uyawong** as the Company Secretary due to his high qualifications and experience. He is also the Secretary to the Board of Directors, with the following roles and responsibilities:

1. To organize the meeting of shareholders and the meeting of the Board of Directors under the law and articles of the Company, as well as related rules and regulations.
2. To establish and maintain the register of directors, notice of meetings and minutes of meetings for the meetings of shareholders and the meeting of the Board of Directors, as well as the Company's annual report.
3. To record all parties involved in related and/or conflicted matters as reported by the directors or the executives of the Company, and to report such records as prescribed under the law.
4. To recommend and report to directors about their roles and responsibilities under the law and relevant rules and regulation.
5. To maintain and arrange for the disclosure of information as stipulated under the rules and regulations of the relevant authorities.

8.4 The selection of directors and executives

The executive director and management team are selected from the Board of Director's meeting with the approval from the Nomination and Remuneration Committee. The criteria for selection are as follows:

Components and appointment of members of the Board of Directors

1. The Board of Director comprises at least 5 members with half of the directors having residence in Thailand. The Board of Directors are chosen based on qualifications as stated in article 68 of Public Limited Company Act B.E. 2535 and related announcement of SEC. The Board of Directors also consider the candidates based on related experience to securities business, and will then propose the appointment of the names at the shareholders' meeting

2. In every annual shareholder's meeting, one third of the directors have to leave their positions. If the number of directors leaving cannot be exactly divided by one third, the number closest to one third will be used. The directors leaving in the first and second year after listing are drawn by chance. Then, a director who is in the position longest will have to leave the year after that. Directors then can be reelected.

3. The shareholders' meeting will appoint directors by majority votes' as follow:

- 3.1) One shareholder's number of votes is equal to his/her holding shares.
- 3.2) Each shareholder must use up all his/her number of votes in 3.1 to select 1 person or many

persons to be directors but cannot separate the vote to individual candidates.

3.3) Individuals who gain the highest vote respectively are the elected directors as the number required during election time. If the event there are too many candidates of equal votes, the CEO will be one who makes the ultimate decision.

4. In case the director position is vacant for other reasons other than out of its term, the Executive Committee should find a resolution to a qualified person who does not have legally prohibited qualification to replace with three-fourth majority votes. However, the replaced director can be in the position only as long as the term of previous director left except such director's term is left less than 2 months.

5. Shareholders' meeting can have a resolution to withdraw a director before his/her term with the votes of not less than three-fourth of a number of shareholders in the meeting who have a voting right and have total shares of not less than half of the shareholders in the meeting who have a voting right.

Selection criteria for independent directors and members of the Audit Committee

The company selects independent directors and members of the Audit Committee by considering the minimum qualification set by SEC as following:

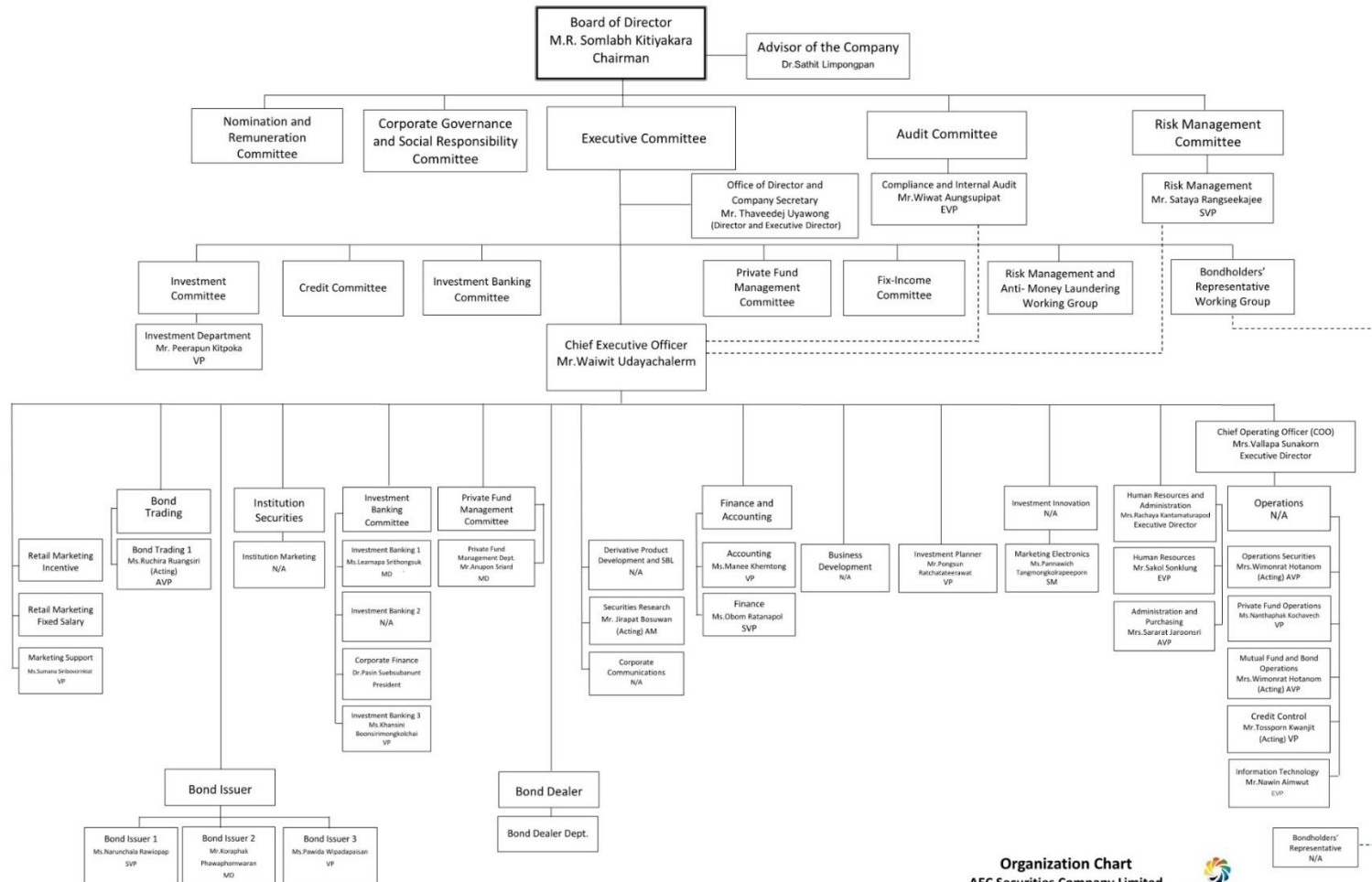
Qualifications of Independent Director

1. Do not hold more than 1% of the total voting share of the company, the parent company, any subsidiary company, any associated company the Company's major shareholder or controlling entity including the shares held by related persons of such independent Director.
2. Is not nor used to be a director that takes part in the management, employees, advisors who receive regular salary from or controlling entity of the Company, the parent company, any subsidiary company, any associate company, major shareholder of the Company or its controlling entity, except in the case that he or she remains free from the abovementioned characteristics for a period not less than 2 years prior to the appointment. However, the aforementioned restriction shall not include the case where an Independent Director used to be a government official or an advisor to any government agency which is the Company's major shareholder or controlling entity.
3. Do not have nor used to have business relationship with the company, the parent company, any subsidiary company, any associated company, major shareholder or the Company's controlling entity in such a way which could potentially interfere with his or her discretion. Is not and have never been a significant shareholder or the controlling person of any entities who has a business relationship with the Company, the parent company, any subsidiary company, any associated company, major shareholder or the company's controlling entity, except in the case that he or she remains free from the abovementioned characteristics for a period not less than 2 years prior to the date of appointment.

4. Have not been used to provide professional service which includes legal or financial advisory service for compensation value over Baht 2 million a year to the Company, the parent company, any subsidiary company, any associated company, major shareholder or the Company's controlling entity and is not a significant shareholder, the controlling person or partner to such service provider, except in the case that he or she remains free from the abovementioned characteristics for a period not less than 2 years prior to the date of appointment.
5. Is not nor used to be an auditor of the Company, the parent company, any subsidiary company, associated company, major shareholder or the company's controlling entity and is not a significant shareholder, the controlling person or partner to such audit firm to which the auditor of the Company, the parent company, any subsidiary company, associated company, major shareholder or the company's controlling entity belongs to except in the case that he or she remains free from the abovementioned characteristics for a period of not less than 2 years prior to the appointment.
6. Is not related by blood or by legal registration as a father, mother, spouse, sibling, and child, including as a spouse of a child, of any other director, management person, major shareholder, any controlling person or the person to be nominated for a director or management position or a controlling person of the Company or any of the Company's subsidiary.
7. Is not a director appointed as a representative of the Company, a major shareholder, or the shareholder who is a related person of a major shareholder of the Company.
8. Have not been conducting any business that is similar to and significantly competing with the business of the Company or its subsidiaries nor being a significant partner in a partnership or a director that takes part in the management, an employee, an officer or an advisor who received regular pay from or holding more than 1 percent of total voting share of another company whose business is similar to and significantly competing with the business of the Company or its subsidiaries.
9. Not having any other characteristics that prevent the exertion of independent opinion with regard to the Company's business.
10. A person who is able to perform duties, express opinions or report results of performances based on his duties entrusted by the Board of Directors independently

The company also considers experience, understanding of the business, the ability to give opinions that are useful to the company's operation in addition to the initial qualifications. At least one of the members of the Audit Committee must have expertise in financial accounting.

8.5 Organization Chart



Organization Chart
AEC Securities Company Limited
November 8, 2019



8.6 Remuneration of Directors and Executive

Name	Position	Remuneration / Year (Baht)	Allowance / Meeting (Baht)	Total (Baht)
Mom Rajawongse Somlabh Kitiyakara	Chairman of the Board of Director and Independent Director	960,000	120,000	1,080,000
Mr. Paisit Kaenchan	Independent Director	480,000	60,000	772,500
	Audit Committee	-	70,000	
	Nominations and Remuneration Committee	-	45,000	
	Chairman of Risk Management Committee	-	117,500	
Dr. Vichya Krea-ngam ¹	Independent Director	200,000	20,000	250,000
	Audit Committee and	-	20,000	
	Chairman of Nominations and Remuneration Committee	-	10,000	
Dr. Pattanant Petchchedchoo ²	Independent Director and	18,666.67	-	18,666.67
	Audit Committee	-	-	
Dr. Siridech Kumsuprom ³	Independent Director	30,666.67	-	40,666.67
	Nominations and Remuneration Committee	-	-	
	Chairman of Risk Management Committee	-	10,000	
Mr. Waiwit Udayachalem*	Director (Authorized Director) and	-	-	-
	Executive Director	-	-	-
Mr. Thaveedej Uyawong*	Director (Authorized Director)	-	-	-
	Executive Director and	-	-	-
	Company Secretary	-	-	-
Dr. Noppadol Mingchinda ⁴	Director (Authorized Director)	-	-	-
	Executive Director and	-	-	-
	Acting Chief Executive Officer	-	-	-
Mr. Seree Suwanpanont ⁵	Independent Director	120,000	20,000	170,000
	Audit Committee and	-	20,000	
	Chairman of Nominations and Remuneration Committee	-	10,000	
Prof.Dr. Chaiya Yimwilai ⁶	Vice Chairman of the Board of Directors	480,000	50,000	820,000
	Acting Chairman of Executive Committee and	140,000	-	
	Chairman of Executive Committee	150,000	-	
Mr. Chanachai Joonjiraporn ⁷	Director (Authorized Director)	-	-	-
	Executive Director and	-	-	-
	Chief Executive Officer	-	-	-

Name	Position	Remuneration / Year (Baht)	Allowance / Meeting (Baht)	Total (Baht)
Assoc. Prof. Suchart Laopreeda ⁸	Independent Director	320,000	50,000	647,500
	Chairman of Audit Committee	-	180,000	
	Nominations and Remuneration Committee	-	37,500	
	Risk Management Committee	-	60,000	
Total		2,899,333	900,000	3,799,333

Note: *Directors who are also management executives do not receive remuneration as directors of the Company and allowance per meeting will be paid only to director who attend the meeting.

¹ Dr. Vichya Krea-ngam as Independent Director and Audit Committee on 12 July 2019 and The Chairman of Nomination and Remuneration Committee on 11 November 2019.

² Dr. Pattanant Petchchedchoo was appointment as Independent Director and Audit Committee on 11 November 2019.

³ Dr. Siridech Kumsuprom was appointment as Independent Director, The Chairman of Risk Management Committee and Nomination and Remuneration Committee on 11 November 2019.

⁴ Mr. Noppadol Mingchinda was resigned from Director (Authorized Director), Executive Director and Chief Financial Officer (Acting) on 1 March 2019.

⁵ Mr. Seree Suwanpanont was resigned from Independent Director, Audit Committee and The Chairman of Nomination and Remuneration Committee on 1 May 2019.

⁶ Prof.Dr. Chaiya Yimwilai was resigned from Vice of Chairman of the Board of Director and Chairman of Executive Officer on 15 June 2019.

⁷ Mr. Chanachai Joonjiraporn was resigned from Director (Authorized Director), Executive Director and Chief Executive Officer on 25 July 2019.

⁸ Assoc. Prof. Suchart Laopreeda was resigned from Independent Director, Chairman of Audit Committee, Nomination and Remuneration Committee and Risk Management Committee on 1 September 2019.

The Annual General Meeting of Shareholders year 2019 has set up the remunerations of the Board of Directors and the Sub - Committees as rate following;

Board / Committee	Position	Remunerations (Baht/Month)	Allowance (Baht/Meeting)
Board of Directors	Chairman of the Board of Director	80,000	20,000
	Vice Chairman of the Board of Directors	60,000	10,000
	Member of the Board Directors	40,000	10,000
Audit Committee	Chairman of Audit Committee	-	30,000
	Member of Audit Committee	-	10,000
Executive Committee	Chairman of Executive Committee	300,000	-
	Member of Executive Committee	250,000	-

Board / Committee	Position	Remunerations (Baht/Month)	Allowance (Baht/Meeting)
Nomination and Remuneration Committee	Chairman of Nomination and Remuneration	-	10,000
	Member of Nomination and Remuneration	-	7,500
Corporate Governance and Social Responsibility Committee	Chairman of Corporate Governance and Social Responsibility Committee	-	10,000
	Member of Corporate Governance and Social Responsibility Committee	-	7,500
Sub-Committee	Chairman of Committee	-	10,000
	Member of Committee	-	7,500
Bonus : Board for Operating results for the year 2019 at a rate not exceeding 5 percentages of net profit from operations. By assign to the Board of Director is to determine the appropriate amount.			
Other Benefit : None			

Note: Directors who are also management executives do not receive remuneration as directors of the Company.

The Remuneration of Personnel

The remuneration of personnel for 2019 is as follows:

Salary	134.85	Million Baht
Provident Fund Contribution	4.22	Million Baht
Social Security Contribution	1.57	Million Baht
Marketing Officers' Benefit	11.99	Million Baht
Total	152.63	Million Baht

Information from Financial Statement as of 31 December 2019

Expenses Related to Personnel	172.77	Million Baht
Remuneration to Directors and Executives	12.61	Million Baht
Total	185.38	Million Baht

8.7 Personnel

As of 31 December 2019, there were 118 officers in the following departments

Department	Amount (Person)
The Office of Director and Company Secretary	8
Department of Information Technology Department	5
Department of Investment 1	1
Department of Investment 3	5
Department of Compliance and Internal Audit	2
Department of Credit Control	2
Department of Human Resource	3
Department of Administration and Procurement	4
Department of Risk Management	2
Department of Accounting	5
Department of Finance	3
Department of Operation	5
Department of Private Fund Operation	2
Department of Private Fund	3
Department of Bond Trading 1	3
Department of Bond Trading 3	1
Department of Institution Marketing	1
Department of Electronic Marketing (E-Biz)	1
Department of Marketing (Fix Salary)	1
Department of Investment Planner	5
Department of Corporate Finance	7
Department of Bond Issuer 1	2
Department of Bond Issuer 2	2
Department of Bond Issuer 3	1
Department of Research Securities	5
Department of Bond Dealer	1
Department of Securities Borrowing and Lending (SBL)	3
Department of Investment Banking 1	5
Department of Investment Banking 3	2
Department of Marketing Support	1

Department	Amount (Person)
Department of Retail Marketing	26
Division of Human Resources and Administration	1
Total	118

Human Resource Development Policy

The Company has policy to promoting, developing and improving of the management system and human resource development system allowing employee and executive officer to improve skill and knowledge. Including ability to compete and acute response for reorganization. As well as, developing employee to be modern to be in line with the advanced technology and participation in social responsibility.

For the year 2019, The Company encourages employee to training courses both of inside and outside the organization for motivation to apply and create opportunities to define working path that meet the same goal of the Company.

9. Corporate Governance

9.1 Policies on Corporate Governance

As the Company is listed on the Stock Exchange of Thailand, the Company acknowledges the significance of corporate governance in order to demonstrate that the Company has efficient management, is transparent and open to review, which will increase confidence in the Company for shareholders, investors and stakeholders. Therefore, corporate governance increases value and supports sustainable growth for the company. The Company has 5 categories of corporate governance according to the guidelines for corporate governance of listed companies as determined by SET, which are rights of the shareholders, equality of treatment to shareholders, role of stakeholders, disclosure and transparency, and responsibilities of the Board.

9.2 Supervision of Business Operation in Subsidiaries Company

The Company has its mechanisms to control the operations of its subsidiaries, to protect the Company's investment as follows:

1. Appoint a Company's representative to act as director in subsidiary company; the appointment shall be approved by the Board
2. The representative appointed as director in subsidiary companies has duties as follows:
 - 2.1 Get the Company's Board approval prior to a vote on significant matters of the subsidiary.
 - 2.2 Act for the best benefit of that subsidiary company.
 - 2.3 Participate in the significant policy of the subsidiary.
 - 2.4 Oversee the subsidiary company to ensure it discloses accurate and complete information, such as financial statements, operating results, connected transactions and acquisition & disposition of assets.
 - 2.5 Oversee the subsidiary company to ensure it has appropriate internal control systems.

9.3 Controlling Inside Information

The Company has measures of protection on using inside information for personal gain or for other persons through abusive self-dealing, such as Directors, Executives and Officers involved in compiling financial information before disclosure to the public (i.e. accounting and finance, executive office and audit and compliance departments). The Company (AECS) will be included on the Watched List on every 15th of the month following the last month of each quarter, until the date that the Company discloses financial information to the public. Directors, executives and officers shall strictly follow this policy and the Company shall appoint a Committee on Discipline and Punishment in case of such breaches of the rules, regulations and articles of the

Company. In addition, the Company has measures to protect acknowledgment of inside information between departments and personnel of the Company as follows:

- The Front Office and Back Office are physically separated from each other.
- The Research department and Investment Banking department are clearly separated from each other to protect marketing officers from knowing vital information before they are disclosed to the public for personal gain and/or for the gain of customers and/or other persons.
- The Proprietary Investment department is clearly separated from Retail Marketing department.
- The Company actively controls a Watched List, Restricted List and Research List to control inside information.
- The Company allows directors, executives and officers to open securities trading and/or derivatives trading accounts with the Company. Related persons to officers such as spouse and offspring that have not reached the legal age must allow other Securities Companies to disclose trading information and activities to the Company so that the Company can control and prohibit the use of inside information for the gain of officers and/or related persons.

Guidelines for keeping confidential information and the use of internal information

Employees must not disclose the clients' or potential clients' confidential information except allowed by them or required by laws. Also, they must not use the Company's and clients' internal information for their own or related persons' benefits. In addition, they must not use the information in securities trading recommendation.

9.4 Remuneration of the External Auditor

The Company acknowledges the significance of accurate information in providing confidence for investors and consumers in the financial statements of the Company. In 2019, the Company and its subsidiaries paid the audit fee to the External Auditor and the related parties to the auditor as follows:

Company and Subsidiaries	Auditor	Audit Fee (Baht)	(Non - Audit Fee) (Baht)
AEC Securities Public Company Limited	Mazars Company Limited	1,500,000	None
Subsidiaries : ACE Incorporation Company Limited	Mazars Company Limited	220,000	None
Audit Fee Total		1,780,000	None

Note: The Audit fee does not include any other expenses such as travel expenses, fax and photocopy fees, etc.
The other expenses are charged based on actual expenses.

9.5 Principles of Corporate Governance

Rights of shareholders

1. Right to obtain profit sharing in the form of dividends

The Company's dividend policy requires the Board of Directors to consider the dividend payment based on performance. If the Company has profits, it will pay dividends of at least 75 percent of net profits to shareholders. Such payment of dividends requires the resolution of the shareholders.

2. Right to attend the Annual General Meeting of Shareholders (AGM)

Before the meeting date

- The Company delivers the notice of the AGM together with related documents in hard copies and annual report CDs to all shareholders (annual reports in document format also provided upon request), prior to the meeting. The Company assigned the Thailand Securities Depository Co., Ltd., as the Company's Registrar in order to send the invitation to its shareholders by registered mail over 14 days prior to the meeting.
- The Company published notice of the AGM with related documents in both Thai and English language on its website, www.aecs.com, under the topic 'Company News', 30 days before the meeting so that shareholders can access such information more conveniently and quickly. Such information are the same as the documents sent to the shareholders.
- In the notice of the AGM, the Company disclosed sufficient information in every agenda to support decision in voting of shareholders.

On the meeting date

- The Company schedules the date, time and venue of the AGM by concerning the convenience of the shareholders, including the elderly and disabled using wheelchairs. The Company provided adequate staff and technology to facilitate the convenience of the shareholders such as staff with expertise in foreign language to assist foreign shareholders, the preparation of a secondary meeting room, communication systems in the meeting room, safety and security in the meeting room, the review of shareholders' documents as well as provided duty stamps to affix the shareholders' proxy forms and providing a reception for shareholders. The Company did not restrict the right to attend the meeting of the late show-up shareholders.
- The AGM was arranged in compliance to the best practice of the Principles of Good Corporate Governance for Listed Companies as follows:
 1. All the Company's directors and management attended the meeting to explain and answer questions to the shareholders. The Chairman of the Board of Directors as chairman of the

meeting welcomed the shareholders and asked the Company Secretary to introduce the members of the Board of Directors, Audit Committee, Executive Directors, the Executives of the Company, the Head of Accounting and Finance and the representatives from the Company's independent auditor. The Company notified a list of directors who had no voting rights in any agendas for the meeting.

2. Before starting the meeting, the Company announced the proportion of shareholders and grantees of proxy attending the meeting, the counting and voting method. All votes of 'disapprove' and 'abstain' were recorded by the shareholders in the voting sheets provided by the company, Regarding the election of Directors agenda, all shareholders have to submit their voting cards which will be kept as evidence.
3. The Company conducted the meeting respectively as specified in the notice of the AGM. There was no further or switching agendas other than those specified in the notice.
4. The Chairman allowed the shareholders full opportunity to express their opinions in the meeting to comment and ask related questions during the end of each agenda before voting or the last agenda which availed for consideration of other business.
5. The Company provided to the shareholders the transparency of voting rights and separate voting for each agenda so that the shareholders can exercise their rights independently for each agenda. For the agenda on the election of Directors to replace those retired by rotation, the shareholders were able to vote for individual Director by using the voting sheet for every vote cast and all of those sheets were kept for records.
6. The Company conducted and disclosed the vote count on each agenda of the AGM with transparency by specifying number and percentage of all vote casts – approve, disapprove or abstain with representatives from the Company's independent auditor as witness in the votes counting.

After the meeting date

- The Company disclosed the AGM resolution via the Stock Exchange of Thailand's Electronic Company Information Disclosure system before 09.00 hrs. of the business day after the day of the meeting. For the AGM, the Company also disclosed the number of all vote casts – approve, disapprove and abstain.
- The Company provided AGM minutes containing entire important information; date, beginning and closing time, list of present and absent directors, significant explanation, questions and

answers, comment summaries, resolutions of individual agenda with number of all vote casts – approve, disapprove and abstain.

- The Company submitted minutes of AGM in both Thai and English language to the Stock Exchange of Thailand and posted on the Company's website within 14 days after the meeting.

3. Right to receive information

The Company ensures that its shareholders receive important information such as the Board of Directors and profiles, major shareholder list, annual report, financial statements, as well as other significant events by posting on its website and always keeping such information updated.

Equitable Treatment of Shareholders

1. Shareholders who cannot attend the meeting themselves are able to grant proxy to others to come to the Meeting and vote on their behalf or the proxy may be granted to the Company's independent directors without any cost on mailing the proxy back or any other costs.

- The shareholders who cannot attend the meeting by themselves are able to grant proxy to others. The Company encourages its shareholders to use the Proxy Form A, B or C (both Thai and English) in which the shareholders can specify comments in the voting, which can be downloaded from the Company's website.
- In the Annual General Meeting of the Shareholders, the Company will provide the Minutes of Meeting to SET and on the Company's website in both Thai and English within 14 days commencing from such meeting.
- In case shareholders who wish to grant proxy to others, the Company will provide the names, profiles and details of the independent directors in the notice sent to the shareholders for the consideration of shareholders who wish to grant proxy.

2. Preventive measure against the use of inside information by directors and executive.

The Company set up rules to prevent and report the abusive self-dealing and related party transactions of directors and executives as well as the staff in the related departments. Directors, managing directors and the first four management level executives below the managing director, including the manager of the accounting and finance department with the equivalent position of head director, must disclose the connected transactions of him/herself, spouse and/or minor children and/or close relatives as follows:

- Shareholding in other firm in which the reporter, their spouse, children and/or close relative hold the shares collectively more than 10 percent of the paid-up capital shares with voting right of such firm, must be reported by using the Company's form on 31 January of every year. The report shall be updated to the Company Secretary annually within 15 February of every year.
- Position holding as director or management with controlling power in any other firm by the reporter, their spouse, children and close relative must be reported by using the Company's form on 31 January of every year. The report shall be updated to the Company Secretary annually within 15 February of every year.
- Report without delay if there are any changes of shareholding and/or position holding as director or management of the reporter, their spouse, children and close relative occurring during the year.

The Company has complied with Section 89/16 of the Securities and Exchange Act B.E. 2551, requiring the Company Secretary to submit a copy of the above reports (according to Section 89/14) to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven business days from the date on which the Company has received such reports, which are used when the Board considers transaction between the Company and its directors or executives. The directors or executives having interest or involvement cannot participate in the decision-making process of such transaction, but may be present at the meeting only to provide additional information only.

Role of Stakeholders

1. Treatment of Stakeholders

The company emphasizes the importance and respects the rights of all stakeholders such as shareholders, customers, employees, suppliers, creditors, competitors, environment and society, etc. All stakeholders mentioned above are well taken care of and treated right according to the related laws or agreement made with the Company. The Company always strengthens the cooperation among all stakeholders in compliance to the related regulations for its optimal performance and sustainable growth detailed as follows:

- Shareholders:

The Company aims to perform the best to create maximum satisfaction to its shareholders by concerning the growth of its value in the long term including the disclosure of accountable information with transparency.

- Customers:

The Company aims to fully satisfy their customers with good care and responsibility. New forms of services and channel / choices were developed to serve the customers through accurate and complete information without any distortion and without any breaches of the rules, regulations and articles of external regulators.

Customers' confidential information were kept confidential except on permission or enforced by law to disclose. In addition, complaint receiving system from the customers has been set up which the audit and compliance department will oversee the procedure and guidelines of investigation aiming for immediate best and justified solutions in accordance with the specified period set by SEC.

- Employees:

Employees are the most valuable and important factors to the Company's success. The Company aims to develop and promote a good working atmosphere and encourage teamwork as well as encourage employees to continuously improve knowledge. The Company is always responsible for maintaining a safe working environment to secure all employees' lives and properties and strictly adhering to comply with labor laws for employment, appointment and transfer of employees which it applies on a moral and merit basis in the consideration process and treats employees fairly and equally, as well as providing suitable compensation.

- Suppliers:

Business with any suppliers must not bring about any infamous reputation of the Company or against any law, especially regarding breaches of intellectual property, copyright or patents. The Company treats its suppliers according to the framework of honest business competition and concerns the equality in operating business and mutual benefits with suppliers by complying with the fair trading terms and fair selection.

- Creditors:

The Company has commitment in contract and complies with the terms and conditions set forth in the agreement with creditors in the repayment of principal, interest and collateral custody.

- Competitors:

The Company promotes fair competition policy without monopoly and follows the related rules set by the regulators particularly regulations concerning the rate of brokerage fee in securities trading and remuneration of marketing staff.

- Environment and Society:

The Company aims to comply with environmental laws and regulations, effectively provides a safety environment, promotes employees' awareness of environmental protection such as switching off unnecessary lights, shutting down unused electric office appliances during lunch time, using both sides of printing papers, separate recycle trashes as well as allocates some budget for public charity.

- Human Rights:

The Company ensures that its business is not involved in human rights violations and the Company treats all stakeholders with utmost respect for human rights with an emphasis on non-discrimination on the grounds of race, religion, ethnicity, gender, age, health, social status, class affiliations and political opinions.

2. Notice of clues or complaints

The Company provides a channel for all stakeholders to send the notice of complaint to the Company's Compliance and Internal Audit Department at No. 63, Athenee Tower, Floor 17, Unit no.1701, 1705-1707, Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Tel. 02-836-0161 or to wiwat.a@aece.com and patcharanant.t@aece.com. The Compliance and Internal Audit Department will propose to the Audit Committee for consideration and report to the Board of Directors.

Disclosure and Transparency

The Company's disclosure policy is to disclose clear, accurate, sufficient and timely information, both financial and non-financial, to all concerns in relation to the rules set by the SET and SEC and with transparency that is able to be inspected. The Company's information will be disclosed through the Company's annual report and the important information will be disclosed through the SET's electronic system (SCP Portal) and also posted on the Company's website under "Company News" topic. Such information will be updated regularly including the Company's quarterly financial information. Such financial statements are prepared by the Certified Public Accountant who has no relationship whatsoever with the Company and in accordance with the generally accepted accounting standard. Before each disclosure, the financial statement is reviewed and audited by the Company's Audit Committee who is the Company's Independent Director and the Board of Directors.

Besides financial information, other significant non-financial information was also disclosed such as related party transactions, list of top 20 shareholders of each quarter, Board of Directors' and Audit Committee's Charter and other Board's resolutions. In addition, 30 days in advance of the AGM, the AGM documents are disclosed in the Company website in both Thai and English language so that the shareholders are able to study the information before the meeting date. There was also an announcement to allow the minor shareholders to

submit the proposal for special agenda and nominate qualified candidates for Directors position in advance to be considered in the AGM. All information disclosed was put in both Thai and English languages and posted on the Company's website and the news was also disclosed on the SET's electronic system to ensure the shareholders of its clear, accurate and sufficiency of the information and to provide sufficient time for them to study the information in each agenda before attending the Meeting by themselves or by granting a proxy to attend the Meeting or to vote on their behalf. Other information which was not able to be put on the Company's website such as remunerations policy as well as types of remunerations was included in the Form 56-1 and the annual report of the Company. The Company has not officially set up an Investor Relations Department as the Company is still considered as relatively small. Nevertheless, shareholders or other investors may reach the Company or contact the executives of the Company by visiting the office of the Company, or contracting through the telephone or by electronic mail.

Responsibilities of the Board

The Company focuses significantly on the role, duties and responsibilities of the Board of Directors as being the one who determines policies and direction of the Company and reveals them to the management who uses them as a direction in operating the Company's businesses towards profit achievement for the benefit of the shareholders. Therefore, the Board's structure and qualifications including the efficiency in carrying out their duties are important factors that the Company are always concerned with. The Company has provided guidelines to Directors and has supported the Directors to attend seminar on the roles, responsibilities and duties of Directors in listed companies organized by the SET and/or other relevant authorities such as the Institute of Directors (IOD), of which all of the Company's directors have attended and completed their course.

1. Structure of the Directors

The Company concerns the appropriateness of structure of the Directors with respect to the Board's Responsibilities. As for the Board of Directors' structure of 2019, the Company's Board of Directors consisted of 7 members comprising 2 Executive Directors (28.57%), 5 Independent Directors (71.43%), whereby the Chairman of the Board of Directors is not the same person as the Managing Director or the highest management of the Company to assure that the Board can actively perform its duties as shareholders' representative and a balance of power is properly exercised. The Board believes that the Board of Directors' composition is appropriate in terms of number of members compared to the Company's size. The qualifications of the Board especially the Audit Committee members all of which are experts in areas of accounting, finance and law.

The Company has established the Audit Committee, the Executive Committee, the Nominations and Remuneration Committee, and the Risk Management Committee in order to help screen information to facilitate

the Board of Directors' decision making or it is able to make its own decision concerning the normal business operations of the Company which is in line with the pre-determined approval authority and along the policies of Company determined by the Board of Directors.

2. The Meeting of the Board of Directors

The Company arranges its Board of Directors Meeting and Audit Committee Meeting regularly on a quarterly basis or at least once times in three months. Before the meeting date, the directors will receive the agenda and documents about 3 - 7 days in advance which is a sufficient time for the members to study and prepare for the meetings. The quarterly meeting for the Board of Directors and the Audit Committee is appropriate and sufficient to oversee that the Company's operations has been running successfully.

In addition to approving the minutes of the previous meeting of the Board of Directors, each meeting of the Board of Directors consists of regular agendas, such as:

- Summary of the minutes of the meeting of the Executive Committee which divided into matters for acknowledgement and matters required further approval from the Board of Directors including the report on each department's performance of the previous month which serves as a form of monitoring of the Company's management operations efficiency.
- Summary of the minutes of the meeting of the Audit Committee which consists of the auditing results in terms of compliance to the rules and regulations of the regulators and the Company's ules as well as internal control and various risk done by the Compliance and Internal Audit Department.
- The approval of disclosing and reporting quarterly financial statements, 56-1 Form, F54-3 Form, Annual Report and the notes and descriptions of any 20 percent change in the operation of the Company's business in comparison to the same quarter of the previous year.
- Update the Company's securities holding of Directors and Executives.

The Board of Directors has established the Executive Board consisting of the Chairman of the Executive Board, the Managing Director and the top management from the Company's core departments, in order to help screen information to facilitate the Board of Directors' decision-making or it is able to make its own decision concerning the normal business operations of the Company which is in line with the pre-determined approval authority and along the policies of Company determined by the Board of Directors.

10. Corporate Social Responsibility (CSR)

The Company operates its business with responsibility for all groups of stakeholders. The Company strives towards this by strictly complying with all applicable laws and regulations. The principles and guidelines consisting of 7 aspects as follows:

1. Fair business operation

The Company is committed to doing business in compliance with the law, giving respect to social rules as well as not committing acts that infringe or degrade the rights of the interested individuals.

2. Anti-corruption

The Company has policies to fight against corruption of all forms directly and indirectly. The Company implements work reviews, financial reports, internal controls and internal audits to ensure proper control systems, which is enough for the risk of any possible corruption.

3. Giving respect to human rights

The Company realizes the importance of humanitarian rights and provides all employees the rights, freedoms and equality in working as well as advancement without discrimination against employee because of position, race, religion, sex, class or political opinions.

4. Fair labor treatment

The Company sets wages at a proper level for the Thai industry. It also provides welfare to its employees in different forms and creates a safe working environment.

5. Responsibilities to the customer

The Company focuses on good services to ensure the highest satisfaction of the customer, adhering to the fairness of price and quality of service and honesty in negotiation and conclusion of the contract, sincere management of customer complaints as well as any attempt to solve any possible deficiencies in activity or services in order to maintain a permanent relationship with the customer.

6. Environmental protection

The Company regularly encourages employees to be environmentally aware.

7. Joint development of the community or society

The Company supports social and community activities and encourages and supports employees to be trainers on investment to investors and students.

Corporate Social Responsibility Operations

Product design

The Company's products are based on the principle of conducting business fairly and responsibly with the consumers. The Company proposes products relevant to clients' needs and that do not impose unfair trade

terms with customers or competitors. The Company will disclose complete, accurate, and fair information about the products without any distortion to clients.

When the Company launches a new product, it will educate clients and investors in order to enhance their knowledge and build confidence in the Company's product.

Sources of Funding

If the Company requires new funds, the policy is to try to procure the cheapest source of funds available and not depend upon just a single source of funds. The Company has a policy to maintain a Net Capital Rule and a Net Capital Ratio (NCR) that are the requirements under the SEC regulations,

Operational laws and regulations

The Company shall strictly abide by all laws and regulations concerning the securities business. The Compliance and Internal Audit Department and Legal Department are responsible for ensuring the Company has effective internal control systems and that the systems are used properly and comply with SEC/SET regulations.

Risk Management

At the heart of the business operation is the question of how to maximize profits while keeping risk at a reasonable level. Under this concept, the Company, who has developed various new financial products, knows that the risk factors must be handled effectively. Therefore, the Company has established a Risk Management Committee as well as other components to see that risk is always balanced with return.

The Company's Risk Management Department is responsible for monitoring all trading positions by systematically calculating Value at Risk (VaR) and also monitoring all the clients' positions by computerized systems. The Company has been able to analytically identify risk and thereby fully realize the full potential of the capital in question. Other innovations by the Company include a variety of standard operational procedures that have been developed to reduce risk in routine operations.

Fair treatment to employees

The Company takes action to ensure that qualified applicants are given equal opportunity to be employed with regards to the required qualification, educational background, experience and other requirements on a non-discriminatory basis regarding gender, age, nationality or religion. The Company ensures fair employment and offers fair career advancement opportunities.

Fair competition policy

The Company practices under the international competition rules, commercial practices, and does not seek competitors' information using fraudulent methods. The Company does not seek any competitors' confidential information in a dishonest or improper manner and does not destroy the reputation of competitors by accusing them without honest and factual data.

Anti - Corruption Practices

The Company's staff must not ask or receive any bribes which can lead to misbehavior or omit to do any duties or cause the Company to lose its benefits. The Company's staff must omit to propose, or give benefit or assets to third parties to encourage such third parties to do illegal practices or behavior. Our ideology is to run business ethically based on the Best Practice Guidelines for Business Engagement. We hereby declare the intention to adhere to responsibility towards the society and all related parties, and have participated in the "Collective Action Coalition in Anti-corruption Policy enacted by Thai Private Sector" to show our intention and determination to fight against corruption in any form. To ensure that we have an appropriate policy determining responsibilities, practical guidelines and implementation provisions as a tool to prevent corruption from all business activities, our operations are principally based on the currently reigning monarch's ten royal virtues comprised of ten ways of life: 1.) alms-giving 2.) Morality 3.) Liberality 4.) Honesty 5.) Mildness 6.) Self-restriction 7.) Non-anger 8.) Non-violence 9.) Patience 10.) Non-offensiveness

In order to prudently make a decision on any course of action that could possibly pose fraud and corruption risks. We formulated as principles of conduct a written guideline called "Anti-corruption Policy" to serve as an apparent guideline in performing business and effectively developing to organization of sustainability and require that the Directors, Management Team and all staff, including persons involved in the operations, comply strictly with the Anti-corruption Policy.

In addition, the Company has taken actions to prevent fraud and corruption as follows:

- The Company has communicated the policy to all levels of management and employees to ensure they strictly comply with the policy.
- The Company also provides a channel to inform of violations or corruption and has protective measures for the person who reports the violation or corruption to the Company, by report to Compliance and Internal Audit Department, at Telephone number: 02-836-0160 or Email : Wiwat.a@aece.com and Pacharanant.t@aece.com
- The Company will propose to Board of director to review the anti-corruption policy every year.

Anti-corruption Policy

AEC Securities Public Company Limited hereby declares that we do not accept any corruption, covering all transactions conducted by enterprise-wide relevant units. The Directors, Management Team and all staff are required to accept these Anti-corruption measures and prohibited from demanding, committing or accepting every type of corruption both in a direct and indirect manner for organizational, their own or family's gain, encompassing every business and every related department in every country. Compliance with the Anti-corruption Policy is needed to be reviewed regularly, including with a possible revision of the practical guidelines and implementation provisions in order to accord with business changes, rules and regulations, and statutory requirements.

Duties and Responsibilities Involving Combating Corruption

1. The Board of Directors is responsible for formulating the policy, forming an effective system supporting Anti-corruption act in order to ensure operational compliance with the rules and regulations. The Management Team intensively concerns, emphasizes and cultivates Anti-corruption mindset as the organization's culture.
2. The Audit Committee is responsible for revision of the financial and accounting system, internal controls and internal audit functions so that such operations are concise, appropriate, modern and effective.
3. The Chief Executive Officer is responsible for putting the Anti-corruption Policy into practice through a required job system, promoting and encouraging Anti-corruption manner conveyed to all staff and related parties. This also includes reconsideration of the job system and measures in order to best adjust with business changes, rules and regulations, and statutory requirements.
4. Directors, executives, and employees are responsible for strictly observing and encouraging the Anti-corruption Policy without either direct or indirect corruption involvement, including whistleblowing or giving information, in order for the policy to achieve successful results.
5. The Compliance and Internal Audit Department is responsible for auditing, assessment, and evaluations in business transactions whether they are accurate and complied with the policy, practical guidelines, approval authority, regulatory practices and laws in order to assure that the operations are proper and the controls are suitable and sufficient for probable risk in corruption. This shall be reported to the Audit Committee.
6. In this Announcement, notification of incidents or reporting in order of chain of command or superiors shall be according to the corporate organizational structure chain of command whereby a director makes notification to the Chairman of the Board, and the Chairman of the Board makes notification to the Board of Directors, in a sequential manner.

Practical Guidelines to Combating Corruption

1. Directors, executives and employees must follow the Anti-corruption Policy and AEC Securities Code of Conduct by avoiding involving with any course of corruption in a direct or indirect manner.
2. Directors, executives and employees shall not neglect or disregard any discovery of an act that falls within AEC Securities related corruption and must notify such act to the supervisors or responsible person, including collaborate with investigation. Any questions or queries are needed to be consulted by the supervisor or a responsible person who monitors AEC Securities Code of Conduct compliance provided in particular channels.
3. AEC Securities shall provide fairness and safeguard staff who denies or informs corruption cases relating to AEC Securities by applying Protection Policy for appellant or persons who incorporate with Anti-corruption information as stated in the Whistleblower Policy.
4. AEC Securities concerns the importance of dissemination, knowledge sharing, and communications with other people who involve or affect the Company so that those parties shall conform effectively to the Anti-Corruption Policy.
5. AEC Securities shall communicate the Anti-corruption measures, whistleblowing channels or complaints to its people through different channels such as director and staff orientations, corporate seminars and training courses, etc., for serious adoption of the measures and to make sure that AEC Securities personnel understand and agree to implement the measures in a serious manner.
6. AEC Securities shall communicate the Anti-corruption measures, whistleblowing channels or complaints to the public, its associated companies, subsidiaries and other companies controlled by AEC Securities (if any), business representatives, and related business partners through different channels such as AEC Securities' website, annual reports, etc., in order to create an understanding and for serious adoption of the measures.
7. Staff shall sign as an acknowledgement of the Anti-corruption measures to affirm their entire acknowledgement, understanding and willing to use the policy in their enterprise-wide performance in a strict manner.
8. AEC Securities put in place a money payment regulation specifying approval authority or limits. Any reimbursement or payment other than in AEC Securities' normal course of business requires documentary proof to prevent inappropriate reimbursements or payments and inappropriate political contributions and to ensure that reimbursement for any charitable cause is not meant for corruption and business support reimbursement is not used as an assertion for corruption.
9. Directors, executives, and employees should not accept or give gifts, entertainment and hospitality activities, and any other expenses that are more than necessary and inappropriate for government

officers or persons doing business with AEC Securities. If a gift with value more than customary for a traditional occasion is received, Directors, executives or employees should deny or refuse to accept such gift and must report it to hierarchical supervisors immediately.

10. AEC Securities shall provide internal audits and controls to prevent corruption, covering sales, marketing, purchasing, contracting, human resources management, finance and accounting, data record storage, performance of works, including other internal processes related to the Anti-corruption measures, and shall cause the audits to be conducted regularly in accordance with the audit process established by the Compliance and Internal Audit Department.
11. This Anti-Corruption Policy shall encompass personnel management process from recruitment or selection to remuneration, promotion, training and job performance evaluation.
12. AEC Securities shall provide a risk management to prevent corruption by identifying incidents with a good chance to be from probable corruption from the operations; assessment of risk levels both in terms of chance and possible impact; and regular monitoring of development in risk management to prevent corruption, including review of appropriate risk handling to keep risks at acceptable levels.
13. AEC Securities shall provide internal audits to ensure that the risk management so established would help AEC Securities to attain the set goals, including internal performance audits to ensure compliance with requirements, rules and regulations.
14. AEC Securities shall cause these practices to be documented in accordance with the internal control principles in order to be in alignment with its policy and regulations.
15. The Compliance and Internal Audit Department must provide as an annual meeting agenda for the CEO to report the annual audit results of Anti-corruption measures to the Audit Committee for further proposing to the Board of Directors.

Political Contribution Guidelines

“Political contributions” means provision of financial or non-financial support to politicians or political parties; non-financial support shall include lending and donation of equipment, free provision of technology services, and promoting and supporting advertisement for a political party and/or encouragement for employees to participate in political activities on behalf of the company. The Company has primary political contribution guidelines as follows:

1. The Company shall not provide financial or supply support to any political party, politicians or political candidates as political contributions according to the definition above, with an objective to wrongfully facilitate business benefits.

2. Directors, executives and employees are free to participate in political activities under the provisions of the Constitution, but with no reference of being directors, executives and employees or with any properties, equipment and devices of the Company to be used for any political undertaking. If a political participation is decided, it must be careful not to suggest that any action is done by or on behalf of the Company.
3. The Company shall inform directors, executives and employees that it shall not participate or assist in any inappropriate political activities and wrongfully facilitate business benefits.

Charity donation and financial aid guidelines

Charity donation in the form of financial assistance or others such as knowledge provision or time devotion is allowed as part of a social contribution activity, however to be undertaken strictly in accordance with the charity donation and financial aid guidelines in order to create business publicity and good image to the Company. It can be done with a purpose for business, product brand or Company's reputation; nonetheless, it may have some risk as it is concerned with spending for services or benefits difficult to be evaluated and followed. Therefore, the charity donation and financial aid guidelines must be strictly observed; such donation and aid may cause the Company to risk corruption because such activity is related to spending without tangible benefits and can be used as excuse or way to corruption. To avoid hidden purposes of charity donation and financial aid, the action must be taken with prudence to ensure that such charity donation and financial aid are transparent and complying with the governing laws and the Company's regulations. In any case, the charity donation and financial aid guidelines are as follows:

1. The Company's directors, executives and employees who wish to join a charity donation or financial aid, shall submit a document requesting approval for charity donation and financial aid, by specifying the donor's name and/or the recipient's name, and the objective of such donation and aid, along with supporting documents, to the Company's authorized person.
2. Those who wish the Company to join charity donation or financial aid shall be responsible for verifying charity organizations, foundations, companies, or stores with which the Company will join the donation or aid prior to submitting it to the authorized person, with the following procedures:
 - 2.1 It is to be ensured that the charity donation or financial aid will not be used as a way to bypass bribery, and that the undertaking thereof is transparent and complying with the governing laws.
 - 2.2 It must be proven that any activities for such charity are really held with undertakings to reach the charity's objective and provide benefits to the society in a concrete way, or to comply with the objective based on the corporate social responsibility.

- 2.3 It must be proven that such activities are meant for charity and financial aid purposes, with no relation to interest to any person or organization, except for honor announcement based on common etiquette.
3. If the Company finds or is informed by the authority that corruption occurs in the organization, foundation, company or store to which the Company made donation or financial aid, the Company shall suppress the donation or activity support to such organization or company as soon as it is known.
4. Follow-up and verification to ensure that the charity donation or financial aid has not been made for corruption, is part of the compliance procedures.

Guidelines for gifts, hospitality and other expenses

Receiving and giving inappropriate gifts, hospitality and other expenses may lead to corruption risk and open a way to malpractice such as payment of money to be expenses for the Company's directors, executives and employees as bribery; besides, the Company's inappropriate gifts, hospitality or other expenses given to customers may be a practice against the policy of certain customers or trading partners, and cause the Company to lose business opportunity.

The Company is aware of the importance in building good relationships with business alliance so as to bring continual success to the Company, meanwhile to maintain the Company's reputation of running the business with honesty and legality. In any case, the Company's guidelines for gifts, hospitality and other expenses are as follows:

1. The Company's directors, executives and employees are allowed to give or receive gifts, hospitality and other expenses such as a welcoming party or receiving of one from other persons in different occasions according to generally practiced custom, tradition or social manner, with transparency and no hidden purposes. Such giving or receiving shall not create any advantage or profitability through inappropriate acts, or shall not be an obvious or hidden exchange to gain assistance or benefits in return or to cause approval or flexibility in any inappropriate business agreement or decision; and it must be in line with related laws. At all events, any gifts given by the Company shall be in the name of the Company and not personal name, the gifts may be made with the Company's logo or attached with a name card with the Company's logo on it, and they must be proper for the occasion; for example, new year festival, Chinese new year or Songkran, etc. However, the gifts shall not be in the form of cash or cash equivalents such as checks, gift cards or vouchers; except for the form of sale promotion with clearly specified criteria to be practiced in the same way by everyone.

2. The Company's directors, executives and employees shall not demand or receive any gifts, hospitality or other expenses from customers or persons relating to the Company's business in any cases, which can effect on decision making or performing duties with partiality or discomfort or conflicts of interest.

3. The Company's directors, executives and employees shall not receive any unreasonable gifts or compensations owing to duty performance; for instance, in a bidding they shall not receive any gift or hospitality from a bidding or related company.

4. To receive gifts, hospitality or other benefits of over 3,000 Baht or gifts in cash or cash equivalents such as gift cards or vouchers, when in a situation in which one cannot refuse such gifts or benefits as in a meeting with customers, the receiver may accept such gifts or benefits for the time being and report it to the superior immediately. In any case, the Company shall consider further donating the received articles or gifts to charity as appropriate.

5. To give and receive other benefits such as a reception party, it must be ensured that such reception party is not too often held or in a way of too much spending that an obligation is caused to its organizer whether directly or indirectly.

6. The Company shall publicize to its directors, executives and employees the guidelines for gifts, hospitality and other expenses through an annual meeting and other existing communication systems.

7. The Company shall publicize or inform customers, trading partners or those relating to the Company's business on the policy and guidelines for gifts, hospitality and other expenses through company brochures.

Penalties for breach or non-observance of anti-corruption policy

1. If a director breaches or does not observe this policy, the Company shall appoint a committee to investigate the truth about such action in no time. However, the investigating committee shall compose of all the independent directors of the Company. If in an investigation, there is a director who has breached or has not observed the policy in it, it is forbidden for that independent director to be a member of the investigating committee. In case where it is proven that a director has really breached or has really not observed the policy, the investigating committee shall consider a penalty as based on evidence, facts and circumstances as the case may be, and report the result and penalty to the Company's Board of Directors (excluding the breaching director) for further consideration. At all events, if such breach or non-observance of anti-corruption policy is an illegal act, a legal penalty as prescribed by the law shall also be applied.

2. If a director or employee of the Company commits a breach or non-observance of this policy, they shall be subject to a disciplinary penalty; the punishing method will depend on the facts and circumstances. At all events, if such breach or non-observance of anti-corruption policy is an illegal act, a legal penalty as prescribed by the law shall also be applied along with consideration of employment termination. However, the Company has

no policy to decrease positions, punish or bring negative effects to employees who deny corruption even though such act causes the Company the lose business opportunity.

3. The Company uses all the internal communication systems to publicize the penalties if the anti-corruption policy is not observed and the awareness of the policy has no negative effects to employees denying corruption even though such act causes the Company the lose business opportunity.

4. The Company builds the awareness to general employees in terms of anti-corruption policy observance by an employee or several; for example, a eulogy or an award.

Informant protection mechanism

In order to assure informants or appellant, the Company prioritizes data collection, whistleblowing or complaint to be confidential, and has specified the process of receiving the matter and investigating in writing. Such complaint will be acknowledged only by a group of assigned and associated people. If such confidentiality is disclosed, the Company shall detect the disclosing person and execute a penalty to such person. Besides, it is considered as a duty of the superior or the head of the informant or appellant's unit to use his discretion to execute suitable order for the protection of the informant or appellant, witnesses and those giving information for investigation in order for them not to be endangered or disturbed with any injustice due to whistleblowing, complaint, attestation or information, however to be in line with the policy to protect and give fair treatment to the employees informing or complaining about corruption or non-compliance with the laws, regulations, rules and the Company's code of conduct.

Implementation of measures by the Company and related persons

1. The Company shall inform and support subsidiaries, associated companies or other companies under its authorization (if any) on the implementation of anti-corruption measure.
2. It is forbidden for the Company's directors, executives and employees to hire any agent or business intermediary for the purpose of corruption.
3. The Company shall arrange for purchase of products and services with fairness and transparency, and conduct an evaluation to select sellers, service providers, as well as contractors in accordance with the procurement regulations in a strict manner. At all events, the Company shall inform sellers, service providers, and contractors on the present anti-corruption policy and measures.
4. The Company reserves the right to cancel any procurement if it appears that any sellers, service providers, and contractors commit corruption or bribery.

Publicity of anti-corruption policy

1. The Company shall post a notice about its anti-corruption policy in an observable space for everyone in the organization to acknowledge.
2. The Company shall disseminate the anti-corruption policy through its communication channels such as website or pamphlets, to the public.
3. The Company shall communicate the anti-corruption policy and its penalties in case of non-observance, including the whistleblowing or complaining channel in the Company through several methods such as new employees' orientation program, annual seminar and training, or BOD meeting, in order to seriously implement the policy and ensure that the Company has the human resources with sufficient skills for policy execution.

Internal control and report

1. The Company has an internal control system to undertake its tasks with suitability and efficiency, including compliance with the laws and related governmental regulations. In order to reduce the risk of corruption, an internal monitoring system is executed to reasonably ensure that the existing internal control system enables the Company to achieve its goal.

2. The Company specifies the Compliance and Internal Audit Department to prepare a monitoring plan at least once a year; such plan will be approved by the Audit Committee with consideration based on the risk of corruption.

3. The Company shall maintain the internal control system to be effective against corruption, which includes an inter-balance and audit in terms of accounting and finance, data collection and other related business procedures.

4. The Company specifies the process to report audit results and urgent issues as follows:

- 4.1 The Compliance and Internal Audit Department shall report audit results and issues on a yearly basis minimally to the Audit Committee and parallelly to the Chief Executive Officer.
- 4.2 After having reported the audit result, the Compliance and Internal Audit Department shall discuss the internal control result with the department administrator, the Chief Executive Officer, and the chairman of the Audit Committee, to find a suitable method of internal control.
- 4.3 If an urgent issue is found, the Compliance and Internal Audit Department shall directly inform the chairman of the Audit Committee immediately.
- 4.4 The Audit Committee shall report the audit result to the Company's Board of Directors.

Data collection

1. The Company has a policy to comply with the standard, principle and governing laws in regard to accounting and financial reporting.
2. All types of expense must be supported with documents, approved according to the authorization; and the Company's data collection and storage must comply with the related laws and regulations.
3. The Company does not permit recording of false, illegitimate, incomplete and incorrect information or window dressing. Also, no extra-budgetary account shall be made to support or conceal inappropriate payments.

Human resource management

This anti-corruption policy shall cover the process of human resource management, from personnel recruitment, promotion, training, performance evaluation and remuneration; the Company prescribes that the superior of all levels shall communicate and create understanding with the employees under their responsibility about the policy, and effectively supervise the observance to the policy as follows:

1. Employment:

The Company has specified the types and qualifications for recruitment; applicants with specified qualifications must never have a background of misconduct or omitting of duty performance or abuse of function for undue benefits by corruption of any forms; the procedure to recruit an employee is the following:

- Applicants shall submit the application form with supporting evidence as specified by the Company, to the Human Resource Department.
- The Human Resource Department considers the primary qualifications and joins the administrator of the unit requesting the employment in carrying out a knowledge and ability test as appropriate.
- Once the Company has made an employment agreement with any person to work in any position, it shall be deemed that such person is the Company's employee to receive the wage as specified in the agreement or the employee registration as the hiring rate is based on knowledge, skill, experience and the competitiveness in the labor market.

2. Performance evaluation:

The Company conducts the employees' performance evaluation in the 2 phases as follows:

- Probationary performance evaluation: new employees must work for the probationary period of 120 days counting from the beginning date of working.
- Annual performance evaluation: to create common understanding towards the working goal and the employees' efficiency improvement in the past year, including an assessment of working behavior, especially that indicating non-performance or omission of performance or abuse of power in seeking undue benefits by corruption in any forms.

Training and communication**1. Board of Directors**

The Company shall present information on the anti-corruption policy to all the directors for acknowledgement, and conduct an orientation to new directors in regard to anti-corruption matter.

2. Employees

- All the new employees shall receive a copy of the anti-corruption policy and training on the policy and measure of anti-corruption, as well as the penalties in case of non-observance in the orientation program for new employees.
- All the current employees shall read, study, and sign to acknowledge the anti-corruption policy, in order to ensure that they know and understand the Company's policy against corruption. Besides, they can learn of the updated policy and information in the Company's website as the Company will inform the employees on any significant change of information. All employees shall constantly receive training regarding anti-corruption, so that they are aware of such policy and in particular different forms of corruption, the risk of taking part in corruption and the reporting method in case of finding or suspecting corruption, as well as the penalties in case of non-observance of the present policy.

Measure for whistleblowing and complaining

The Company provides a measure for whistleblowing and complaining on violation of laws and codes of conduct, behaviors of corruption risk or misconduct of any person in the organization, including employees and other interested persons, such action as well as false financial reporting or defective internal control system. The Company must have a protection mechanism for informants or appellants so that the interested persons can be part of the surveillance of the Company's benefits with better efficiency.

Matters of whistleblowing and complaining:

- Violation of laws or the Company's regulations, depravity or misconduct of employees and directors;
- Abnormality of financial reporting;
- Defective internal control system;
- Matters with impacts on the Company's interest.

Channels for whistleblowing or complaining

The Company offers an opportunity for interested persons to communicate with the directors and to be protected of their right for whistleblowing or complaining on any issue, with communication channels through the

Company's Audit Committee to undertake the process as specified by the Company and further report to the Company's Board of Directors. At all events, the communication channels are the following:

- Via postal mails, to be addressed to the Chairman of the Audit Committee,
AEC Securities Public Company Limited, 63 Athenee Tower 17th Fl. Unit no.1701,1705-1707,
Withhayu Rd., Lumphini, Pathumwan, Bangkok 10330;
- Via email, to be sent to Wiwat.a@aeccs.com and Pacharanant.t@aeccs.com

11. Internal Control and Risk Management

11.1 Internal Control

Summary of Internal Control

AEC Securities Public Company Limited understands the importance of internal control in order to protect against potential loss and risks that may arise against the Company and stakeholders. Executives and officers must follow these guidelines:

- Assist and support the internal control process to create a good working relationship and understanding of the roles between executives and officers
- Assist and support all departments to have self-control and internal control according to the Committee of Sponsoring Organizations of the Tread way Commission (COSO) of which there are 5 (five) categories:
 1. Internal Environment
 2. Risk Management
 3. Control of Operations of Management Executives
 4. Communication and Information Systems
 5. Tracking and Review System

Internal Environment

AEC Securities Public Company Limited has a policy of efficient self-control and regulation, internal control and risk management, which the Audit Committee, Risk Management Sub-Committee and Management Executives constantly review. Such policies include financial control and control of operations according to the law and regulations, and to constantly develop such policies and procedures.

The Company promotes directors, executives and officers to understand the necessity of internal control systems, where the Board of Directors supervises and sets clear guidelines for the Company to follow and to allow efficient management. Professional codes of conduct and ethics are instilled in the principles prescribed in the Compliance Manual to prohibit management executives and officers from engaging in conflicts of interests with the Company and to punish those who breach such duties.

Corporate structure also supports efficient and effective management to reach the goals of the Company, where the Board of Directors provides policies for the Company and the Executive Committee provides management direction and operations for the management executives. Furthermore, the Company has an audit and compliance department, and a risk management and control department, to efficiently and effectively regulate and control the internal environment and potential risks. Such guidelines are provided in writing to protect against corruption issues. Nomination of qualified personnel by considering knowledge, experience and

qualifications to meet each job description, where each job requires different roles and responsibilities, is essential to the Company, its business and its corporate culture. Orientation of new personnel is important so that new personnel understand the vision and mission of the Company. The control of each department is controlled by the heads of each department, who creates a check and balance system for all types of business that the Company is engaged in.

Risk Management

AEC Securities Public Company Limited has clear objectives that coincide with the visions, missions and Strategies of the Company. Such objectives are at a satisfactory level to allow for efficient and effective management, as well as at an acceptable rate of risk. Stress scenarios are used to prepare against possible negative scenarios and to evaluate potential damage and loss that may occur. The Company constantly develops and prepares against stress scenarios under careful risk management.

The Company has a policy of risk management and is constantly evaluating internal and external risks that may affect the Company, as well as establishing measures to review causes of risk factors and measures to decrease such risks under the management and control of the Executive Committee. Such measures are communicated to all the departments of the Company to prepare against any potential risks in protection against potential damage and/or loss. Audit and review of the internal environment to ensure that operations of each department are proceeding as planned by the risk management and control plan, especially regarding the Net Capital Rule (NCR) for Credit Balance accounts and proprietary trading accounts of the Company.

Risk Management Department work together with related department to determine how to respond for the risk in the acceptable level. By selecting the appropriate response to deal with the probability and effect, which comparing the cost and benefits including monitoring and review of the measures in response to the risk according the regulatory, Monitor operation of the company in accordance with related regulatory to reduce the risk of the business and maintaining in the event of a crash occurs. Establish a committee investigation that includes federal agency to find out the facts and solutions to prevent such errors.

Control of Operations of Management Executives

The Company has established and separated the scope of roles and responsibilities, as well as the authorization limit, of management executives and committees at each level. Issues such as recording information, accounting information and communication information are separated from each other to allow for checks and balances. In case the Company engages in related party transactions or acquisition and disposition of assets, the Company has provided written regulations where related parties must disclose to the Company as

soon as possible and such related parties shall not be involved or vote on that transaction. Such information shall also be disclosed to public with the interests of the Company and shareholders regarded as highest.

Information and Communication

The Company has established clear, accurate and efficient information and communication systems throughout the Company to aid quick reactions and decision-making. Information are separated from each other to allow for clear and concise understanding, increasing efficiency and effectiveness in process, coupled with developing personnel to understand their roles further in providing information to customers, investors, business partners and related persons. The Company has established policies to secure and protect information and communication as follows:

- Segregation of duties to support checks and balances of personnel in the Company to reduce infrastructure risk.
- Creating physical security for computers and server rooms in case of emergencies from fire, electricity failure and temperature malfunction.
- Establishing information and network security to restrict unauthorized persons from knowing and modifying computer information.
- Creating change management in information systems management in the Company so information systems are constantly developing to facilitate users, which will reduce integrity risks.
- Establishing backup and information technology continuity plan so information systems can work continuously and effectively, reducing availability risks.
- Creating continuous computer operation for increased accuracy, continuity and efficiency.
- Establishing control and management of IT outsourcing for efficient and effective management of outsourcing, thus controlling risks in the process.

Tracking and Review System

The Company has created steps, procedure and tools to assist and support management executives and various sub-committees to track and review operations to ensure efficiency in operations and internal control. The track and review system allows for the Company to adapt to changing situations and problems to be easily fixed. The Company has established a report system where business and operations are reported quarterly or monthly, depending on the situation, to assess the impacts and loss towards the Company. Through evaluating the reports, the Company is able to reassess the procedure, operations and efficiency of risk management methods. Such reports are carried out by the audit and compliance department and the risk management and

control department, including reviews by an external auditor and the Board of Directors according to the Committee of Sponsoring Organizations of the Tread way Commission (COSO), to increase confidence that the Company has an internal control mechanism that can fulfill the objectives of the Company

11.2 Report of Audit Committee

The Board of Directors of AEC Securities Public Company Limited has appointed 3 Independent Directors as the Audit Committee including (1) Mr. Paisit Kaenchan; (2) Dr. Vichya Krea-ngam and (3) Dr. Pattanant Petchchedchoo, with Mr. Paisit Kaenchan Chairman of the Audit Committee and Head of of Internal Audit and Compliance Department as the secretary to the Audit Committee. Each committee member has sufficient qualifications and experiences to carry out a review on the creditability of financial statements. The committee members are not advisor, executive director, worker or employee of the Company and have full qualifications as determined by the Securities and Exchange Commission.

The Audit Committee has independently performed its duties in the scope of authority prescribed in the Charter of the Audit Committee with cooperation from all related parties. The Committee is aware of the importance of internal control, risk management and good corporate governance to ensure that the Company has effective internal controls, manages risks in an appropriate and acceptable level, and reports accurate and reliable financial statements.

Throughout the year 2019, the Audit Committee held a total of 7 meetings, attended by all committee members as following;

1. Mr. Paisit Kaenchan ¹	Attendance Meeting	7/7	Time
2. Dr. Vichya Krea-ngam ²	Attendance Meeting	2/7	Time
3. Dr. Pattanant Petchchedchoo ³	Attendance Meeting	0/7	Time

Remark: ¹ Appointment as a Chairman of Audit Committee on 11 November 2019

² Appointment as an Audit Committee on 12 July 2019

³ Appointment as an Audit Committee on 11 November 2019

The Committee's main activities are summarized as follows:

1. Review of quarterly and annual financial statements: The Committee reviewed the Company's quarterly and annual financial statements before proposing to the Board of Directors to ensure that the Company's financial statements were in conformity with accounting standards under the generally accepted accounting principles; the information in the financial statements was timely, accurately and sufficiently disclosed; and the preparation of the financial statements was improved based on observations of the auditor. The Audit Committee agreed with the external auditor that the Company's financial statements were in conformity with accounting standards under the

generally accepted accounting principles and the information in the financial statements was timely, accurately and sufficiently disclosed.

2. Selection and appointment of the auditor: The Committee considered choosing the external auditor by taking in consideration the independence of the auditor and also determined appropriate audit fees. It also proposed to the Board of Directors the appointment of a well-qualified certified public accountant as the Company's auditor. It endorsed the appointment of Mazars Company Limited as the Company's external auditor in 2019.

3. Consideration on related matters and conflict of interest: The Committee reviewed compliance and accurate and complete information disclosure as stipulated by applicable laws.

4. Consideration on the report on performance of the external legal office: The Committee reviewed compliance of the legal office's performance with the Company's policy.

5. Regulating the regulatory and audit department: The Committee reviewed the annual audit plan which was mainly based on awareness of possible risks that may affect the Company's financial statements and operations and other issues possibly affecting the operations. The Committee acknowledged the report on the regulatory and audit department's quarterly performance to consider and propose guidelines for improvement and correction and monitoring the improvement based on the observations.

In summary, the Audit Committee performed its duties and responsibilities in the scope and authority stated in the Charter of the Audit Committee. The Committee's opinion is that preparation and disclosure of the Company's financial information are accurate, reliable and in accordance with the requirements of the regulatory agencies. In addition, the Company commands adequate and effective risk management, and suitable and sufficient internal audit. The Committee found no significant errors affecting the Company's financial status and then reported the full results to the Board of Directors.

11.3 Summary of the Opinions of the Board of Directors of AEC Securities Public Company Limited on Internal Control and Environment

The Board of Directors considers that the internal control of the Company is satisfactory and appropriate, which protects the assets of the Company against unauthorized use and abuse of power by management executives. The Company has not had any issues on internal control and the external auditor has not raised any issues on internal control of the Company. The Company has also established guidelines for internal control according to the Committee of Sponsoring Organizations of the Tread way Commission (COSO), which has been considered and approved by the Board of Directors.

The Audit Committee agrees with the Board of Directors.

11.4 Head of Internal Control and Compliance of the Company

Details of the Head of internal control and compliance of the Company as follows;

Name	Mr. Wiwat Angsupipat
Position	Executive Vice President
Education	Master Degree – Business Administration, Kasetsart University Bachelor Degree – Business Administration, Assumption University
Experience	AEC Securities PCL. Executive Vice President Aug. 2016 – Present Merchant Partners Asset Management Co., Ltd. Vice President Sep. 2015 – Aug. 2016 Apple wealth Securities PCL. Senior Vice President Aug. 2014 – Aug. 2015
Related Trainings	Course of Regulatory Practice (ASCO Compliance Training Program) Which Organized by Association of Thai Securities Companies, The Stock Exchange of Thailand and The Securities and Exchange Commission) ▪ Expectations of SEC in supervising a securities business ▪ Regulation regarding an issuance and offering of debt instruments ▪ Regulation and new practice in E-KYC ▪ Issue which obtained from investigating a securities company by SEC & SET ▪ Progress in amending of Anti-Money laundering law ▪ Act of Electronic transaction in Thailand ▪ Knowledge in Bankruptcy law and progress of data linkage with The Legal Execution Department
Duty and Responsibility	▪ Control and responsibility on auditing results accordance with the plan and objective are determinate, which is conformity with policy of the Company. Reporting on operation of the department to supervisor and management. ▪ Consultant comments and recommend on the internal control and system development to be effective and adapt to changing business environments. Including to legal compliance regulations of the Company along with ethics of member companies ▪ Consulting and training and evaluate the performance of employee in the department.

The Audit Committee has considered the head of compliance and Internal Audit of the Company as knowledgeable, experienced and qualified for the position.

Appointment, dismissal and transfer of the head of internal control and compliance of the Company require approval from the Audit Committee.

12. Connected Transactions

12.1 Connected Transactions between the Company and related persons in 2019 - 2017

Related Person	Relationship	Transaction	Value (Thousand Baht)			Necessity and reasons
			2019	2018	2017	
1. Thai Rent A Car Co., Ltd.	Mom Rajawongse Somlabh Kitiyakara, Director of the Company as a Director in Thai Rent A Car Co., Ltd. (Mom Rajawongse Somlabh Kitiyakara has resigned from Thai Rent A Car on 27 August 2017)	- Car rental	-	-	39	Thai Rent A Car Co., Ltd. is service provider of car rental of the company. The service fee is under general trading terms. <u>Tendency of future transactions</u> Such transactions may occur in the future under general trading terms. If it appears that the service provider offers the best service fee and terms are most beneficial to the company.
2. ACE Incorporation Co.,Ltd. ("Subsidiary")	The Company is a major shareholder of the subsidiary of 99.60 % as of 31 December 2019	- The Company has a load s to the subsidiary for operating on business.	105,000	13,003	-	Loads transaction have arisen in the ordinary course of business and were conclude on commercial terms and bases agreed upon between the Company and those related parties. <u>Tendency of future transactions</u> Such transactions may occur in the future under interest rate condition that can be compared with the transactions with those related parties due to the ordinary course of business.
3. O Mobile Co.,Ltd. ("Subsidiary")	The Company is a shareholder of the subsidiary of 25 % as of 31 December 2019	- The Company has a load s to the subsidiary for operating on business.	40,000	-	-	Investments in associate have arisen in the ordinary course of business and were concluding on commercial terms. <u>Tendency of future transactions</u> Such transactions may occur in the future under interest rate condition that can be compared with the transactions with those related parties due to the ordinary course of business.

Noted: * The value from separated financial statement and it is that auditor note on noted to the financial statements No.32.3

12.2 Measures or approval process for connected transactions

The Board of Directors had considered the above connected transactions and agreed that they were for the highest benefits of the company and were normal businesses. For similar transactions in the future, the Board of Directors stated that if they are the company's normal transactions which are transactions of brokerage, securities dealing, investment advisory, and securities underwriting such as the approval of securities trading credit line as in the company's regulations, the company can process by following the approval procedure and report to Audit Committee or the Board of Directors for acknowledgement.

For connected transactions that are not normal business transactions, there must be a presentation of details, transactions, relationship, appropriateness, and expert opinions from the third person such as auditor, property valuer, independent engineer, or legal office (if any) to the Audit Committee and the Board of Directors for consideration, then submit to the shareholders' meeting for approval before actually making the transactions.

Nonetheless, directors who will be affected by the transactions are not allowed to approve the transactions and have to reveal relationship with the counter party to the company.

12.3 Policies and tendency of connected transactions

The Board of Directors, with the opinion of the Audit Committee, will consider policies of connected transactions and reasons of such transaction by considering conditions of price setting and conditions of transactions as normal business. However, related persons will not participate in the approval consideration. The Board of Directors to be complies with the laws of securities and exchange, regulations, notifications, and SET's regulations. This includes the cooperation in information disclosure about connected transactions and the acquisition or sale of important asset of the company or subsidiary company and in accordance with accounting standard set by Institute of Certified Accountants and Auditors of Thailand in case there are connected transactions taking place with individuals who may have conflicts of interest, impacts, or future conflicts of interest. The company will assign the Audit Committee to give opinions about necessity and appropriateness of such transactions whether they are complied with normal business conduct and compare the price setting with the outsiders. In case the Audit Committee does not have expertise in consideration of possible connected transactions, the Company will find independent expertise or the company's auditors to give opinions about such transactions to increment the decision making of the Board of Directors or shareholders. However, the company will disclose connected transactions in note to financial statement audited by the auditor.