



Part 2

Management and Corporate Governance

7. Securities and Shareholders

7.1 Securities of the Company

The company has a registered capital of 180 million baht and paid up capital of 119,999,973 baht. It can be divided in 720 million units of common share with the par value of 0.25 baht.

The shareholders of the Company. Registered Securities In The Stock Exchange of Thailand (mai).

7.2 Major Shareholders

List of major shareholders as at December 31th, 2015 were as follows:

No.	Shareholders	No. of shares	Percent of total shares (%)
1	Mr. Phongthon Tharachai	65,358,235	13.616
2	Mr. Prasong Tharachai	62,893,560	13.103
3	Mr. Theerathon Tharachai	60,131,875	12.527
4	Mr. Somphant Hongchintakul	36,000,000	7.500
5	Mrs. Rewadee Tharachai	10,080,000	2.100
6	Mr. Tat Thongpakdi	6,851,875	1.427
7	Mr. Voradaj Piemsuwan	6,776,035	1.412
8	Miss Sopis Phusanakom	5,000,000	1.042
9	Mr. Chai Manopas	4,880,000	1.017
10	Mr. Surapol Tankkprasert	4,030,000	0.840
11	Other shareholders	217,998,402	45.42
Total paid-up capital		479,999,982	100.000
Thai Investors		479,135,970	99.82
Foreign Investors		864,012	0.18

Foreign Limit

The company had imposed limitations on the number of shares which could be held by the foreigners at 49% of fully paid-up capital. As at December 31th, 2016, the company declared that 0.18% of fully paid-up capital shares were held by the foreigners.



7.3 Other Securities

- None -

7.4 Dividend Payment Policy and History of Dividend Payment in the Accounting Years 2014-2016

The Company has a policy to pay dividends annually to shareholders at least 40 percent of the net profits after all types of reserve deductions required by law considering the Company's specific financial statement(s). However, dividend payment also depends on cash flows, investment plans, legal requirements, necessity and appropriateness of various factors in the future. The Company needs to make sure that such dividend payment is not to affect day-to-day running of the Company in any significant way. A resolution of the Company's board members approving the payment of dividends is to be submitted to a shareholders' meeting for approval. Also, the Company's board of directors is authorized to consider paying dividends in the interim if such payment is deemed appropriate and does not affect the operations of the Company. In any case, the report of such payment is to be produced and reported to the next shareholders' meeting.

Comparison of dividend payment for year 2014 to 2016

Description	2014	2015	2016 (proposed year)
Net incomes (Million Baht)	16.27	4.23	32.87
Total dividend payment (Million Baht)	12.00	22.24	28.31
Dividend payment ratio (%) ^{/1}	78.59	554.75	90.68

Remark ^{/1} : Dividend payment ratio = Total dividend payment / Net incomes (Separate Financial Statements) after deduction of all specified reserves



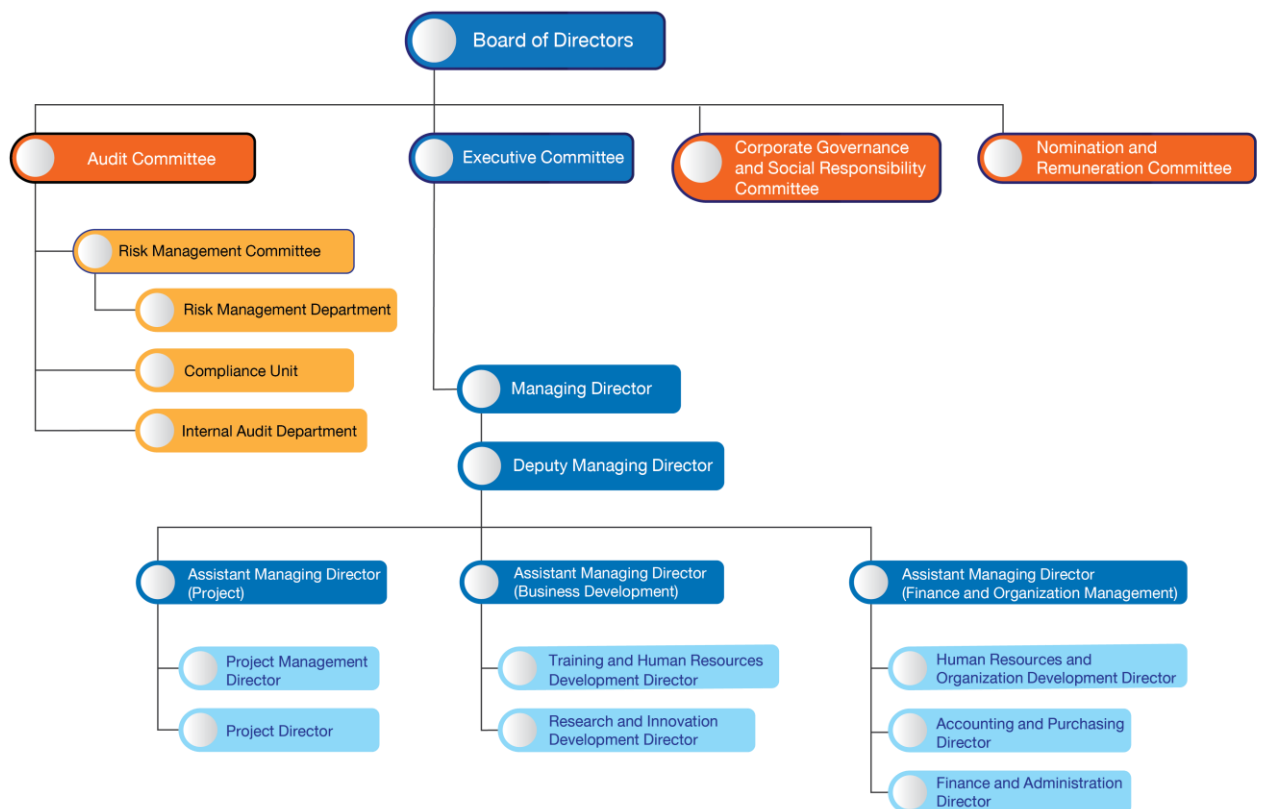
8. Management Structure

The Company's management structure

Comprised the Board of Directors, the Management Team and 5 Sub-Committees as follows:

1. The Board of Directors
2. The Audit Committee
3. The Nomination and Remuneration Committee
4. The Corporate Governance and Social Responsibility Committee
5. The Executive Committee
6. The Risk Management Committee
7. The Management Team (Defined in the announcement of SEC)

Organization Chart of the Company





8.1 Board of Director

In 2016, the Board of Directors comprised executive and non-executive directors as follows:

No.	Name	Position	Director	Date of Appointment
1	Mr. Prasong Tharachai	Chairman	Executive Director and Authorized Director	April 22, 2016 as the third term
2	Mr. Tat Thongpakdi	Director	Executive Director and Authorized Director	April 22, 2016 as the second term
3	Mr. Phongthon Tharachai	Director	Executive Director and Authorized Director	April 9, 2014 as the second term
4	Mr. Theerathon Tharachai	Director	Executive Director and	April 24, 2015 as the first term
5	Pol.Lt.Gen. Nukool Jeamanukoolkit	Independent Director	Non-executive Director	April 24, 2015 as the second term
6	Mrs. Vipavee Boonyaprasit	Independent Director	Non-executive Director	April 9, 2014 as the second term
7	Mr. Kachen Benjakul	Independent Director	Non-executive Director	April 9, 2014 as the second term

Mr. Voradej Piemsuwan is appointed as the Secretary to the Board of Directors and the Company Secretary

Authorized Directors

Mr. Prasong Tharachai or Mr. Phongthon Tharachai or Mr. Tat Thongpakdi are authorized to sign jointly on behalf of the Company.

Limitation to the Board of Directors' Authorization

- None -

Scope of Duties and Responsibilities of the Company's Board of Directors

1. Work in accordance with the law, purposes and regulations of the Company as well as resolutions of shareholders' meetings and approvals of shareholders in meetings on matters including the connected items and the purchase and sales of important properties according to the regulations of the Stock Exchange of Thailand or as specified by any other organization.
2. Approve the business policies, purposes, operation plans, business strategies and annual budgets.
3. Appoint personnel who are qualified with no prohibited properties as specified in the Public Company Act 1992 and the legislation on securities and the Stock Exchange of Thailand as well as announcements, rules and/or regulations related to positions of the members of the Board of Directors in case there is a vacancy due to any other reason apart from a retirement on rotation.
4. Appoint the Executive Committee as well as determine the scope of duties and responsibilities of the Executive Committee.
5. Appoint Independent Committee and the Audit Committee by considering the qualifications and prohibited properties of Independent Committee and Audit Committee following the legislation on securities and the Stock Exchange of Thailand as well as



announcements, rules and/or regulations related to the Stock Exchange of Thailand. Nominations are to be submitted to the shareholders' meeting for final approval and appointment the nominated persons as members of the Independent Committee and the Audit Committee.

6. Consider, determine and amend the names of members of the Board of Directors whose authority binds the Company.

7. Appoint any other person to operate the businesses of the Company under the supervision of the Board of Directors or grant power of attorney to authorize that person and/or within the timeframe deemed appropriate by the Board of Directors. The Board of Directors may cancel, revoke, alter or change such authority at any time.

8. Approve of a receipt or a sale of security unless such transaction needs an approval from the shareholders' meeting. Such approval is to be in accordance with the announcement, rules and/or regulations related to the Stock Exchange of Thailand.

9. Approve a connected transaction unless such transaction needs an approval from the shareholders' meeting. Such approval is to be in accordance with the announcement, rules and/or regulations related to the Stock Exchange of Thailand.

10. Approve interim dividend payments to shareholders when the Company has made enough profits and report the payment of dividends to the shareholders in the next shareholders' meeting.

The allocation of duties and responsibilities of the Company's Board of Directors is not a grant of authority or part of the authority that allows the Company's Board of Directors or those with the power of attorney from the Company's Board of Directors to approve any matter that involves any person in conflict (including themselves) (according to the definitions in the announcement by the Securities and Exchange Commission). This applies for the Company and its subsidiary companies.

Audit Committee

In 2016, the Audit Committee comprised as follows:

No.	Name	Position
1	Pol.Lt.Gen.Nukool Jeamanukoolkit	Chairman of the Audit Committee, Independent Director, Non-Executive Director
2	Mrs. Vipavee Boonyaprasit	Audit Committee, Independent Director, Non-Executive Director
3	Mr. Kachen Benjakul	Audit Committee, Independent Director, Non-Executive Director

- Remarks**
1. Mrs.Vipavee Boonyaprasit was a member of the audit committee with knowledge and expertise on Accounting and Finance
 2. Mr.Kachen Benjakul was a member of the Non-Executive Director with knowledge and experience on Engineering
 3. Mr.Anupan Wananukool was the secretary of the Audit Committee.

**Nomination and Remuneration Committee**

In 2016, the Nomination and Remuneration Committee comprised as follows:

No.	Name	Position
1	Mrs. Vipavee Boonyaprasit	Chairman of the Committee
2	Mr. Kachen Benjakul	Committee Member
3	Miss Voraporn Pukpinyo	Committee Member

Remarks

1. Numbers 1 and 2 were independent committee members
2. Miss Voraporn Pukpinyo was the secretary of the Nomination and Remuneration Committee.

Corporate Governance and Social Responsibility Committee

In 2016, the Corporate Governance and Social Responsibility Committee comprised as follows:

No.	Name	Position
1	Mr. Phongthon Tharachai	Chairman of the Committee
2	Mrs. Vipavee Boonyaprasit	Committee Member
3	Mr. Eakkamol Lertchunhakit	Committee Member
4	Mrs. Wanichthanan Vijacksungsithi	Committee Member

Executive Committee

In 2016, the Executive Committee comprised as follows:

No.	Name	Position
1	Mr. Prasong Tharachai	Chairman of the Committee
2	Mr. Phongthon Tharachai	Vice Chairman of the Committee
3	Mr. Tat Thongpakdi	Committee Member
4	Mr. Nopparat Narin	Committee Member
5	Mr. Theerathon Tharachai	Committee Member
6	Mr. Maitri Wongpaisert	Committee Member
7	Mr. Voradej Piemsuwan	Committee Member
8	Miss Voraporn Pukpinyo	Committee Member
9	Mrs. Wanichthanan Vijacksungsithi	Committee Member

Miss Runghana Srichuai was the secretary of the Executive Committee.

Remarks

1. Miss Voraporn Pukpinyo and Mrs. Wanichthanan Vijacksungsithi were full term on February 23rd, 2016.
2. Mr. Maitri Wongpaisert was appointed on February 23rd, 2016.



Risk Management Committee

In 2016, the Risk Management Committee comprised as follows:

No.	Name	Position
1	Mr. Prawat Kitipongpairoj	Chairman of the Risk Management Committee
2	Mr. Phongthon Tharachai	Committee Member
3	Mr. Nopparat Narin	Committee Member
4	Mr. Kamon Wiriyachok	Committee Member
5	Miss Voraporn Pukpinyo	Committee Member



Meeting Attendance of Various Committee Members (Number of Times)

(1 January -31 December 2016)

Name	Committee					
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Social Responsibility Committee	Executive Committee	Risk Management Committee
1. Mr. Prasong Tharachai	3/4				11/12	
2. Mr. Tat Thongpakdi	4/4				11/12	
3. Mr. Phongthon Tharachai	4/4			2/2	12/12	4/4
4. Pol.Lt.Gen. Nukool Jeamanukoolkit	4/4	4/4				
5. Mrs. Vipavee Boonyaprasit	4/4	4/4	2/2	2/2		
6. Mr. Kachen Benjakul	4/4	4/4	2/2			
7. Mr. Theerathon Tharachai	4/4				12/12	
8. Mr. Maitri Wongpaisert					10/10	
9. Mr. Nopparat Narin					9/10	4/4
10. Mr. Voradaj Piemsuwan					12/12	
11. Mr. Prawat Kitipongpairoj						4/4
12. Mr. Kamon Wiriyachok						3/4
13. Miss Voraporn Pukpinyo			2/2		2/2	4/4
14. Mrs. Wanichthanan Vijacksungsithi				2/2	2/2	
15. Mr. Eakkamol Lertchunhakiat				1/2		

Remark 1. Mr. Maitri Wongpaisert was appointed as the Board of Directors on February 23rd, 2016. by the board of director meeting No. 1/2016 on on February 23rd, 2016.

Directors who retired / resigned during the year

1. Miss Voraporn Pukpinyo and Mrs. Wanichthanan Vijacksungsithi were retired from the Executive Committee on February 23rd, 2016.

**8.2 Management Team (Defined in the announcement of SEC)**

In 2016, the Management team as defined in the announcement of the Securities and Exchange Commission (SEC), comprised as follows:

1. Between January 1st, 2016 to February 23rd, 2016, the Management team comprised:

No.	Name	Position
1	Mr. Tat Thongpakdi	Managing Director
2	Mr. Phongthon Tharachai	Deputy Managing Director of Operation and Business Development
3	Mr. Theerathon Tharachai	Deputy Managing Director of Finance and Administration
4	Miss Woraporn Pukpinyo	Assistant Managing Director of Finance and Administration
5	Mrs. Wanichthanan Vijacksungsithi	Assistant Managing Director of Operation and Business Development

1. Between February 23rd, 2016 to December 31st, 2016, the Management team comprised:

No.	Name	Position
1	Mr. Tat Thongpakdi	Managing Director
2	Mr. Phongthon Tharachai	Deputy Managing Director
3	Mr. Theerathon Tharachai	Assistant Managing Director of Finance and Organization Management
4	Mr. Maitri Wongpaisert	Assistant Managing Director of Projects
5	Mr. Nopparat Narin	Assistant Managing Director of Business Development
6	Miss Woraporn Pukpinyo	Director of Accounting

Scope of Duties and Responsibilities of Managing Director

1. The Managing Director is authorized to supervise the Company's management to comply with the policies determined by the Board of Directors or the Executive Committee and to report the outcomes to the Company's Board of Directors or the Executive Committee respectively.
2. Consider the allocation of annual budget produced by the Management team to submit to the Executive Committee for approval as well as monitor the disbursements of annual budget of each agency.
3. Evaluate the Company's performance regularly to prevent risks from internal and external factors.
4. The Managing Director is authorized to issue orders, rules, announcement and memoranda to ensure that the operations comply with the policies of the Company's Board of Directors or the Executive Committee or for the best interests of the Company.
5. The Managing Director is authorized to approve the purchases and expenses related to normal operations of the Company. The Managing Director is to ensure that expenses in operation, administration and investment are within and according to the budget approved by the Company's Board of Directors or the Executive Committee following the Summary Table of General Approval Authority announced (the latest version of Summary Table of General Approval Authority has been valid since 7 November 2012).
6. Consider the issue of binding the Company's right(s) and property with an individual, company, shop or a financial institution and submit to the Executive Committee for approval.



7. Consider the Company's profits and losses, interim dividend payments or annual dividend payments and submit to the Company's Board of Directors for approval.

8. Act to support the Company's operations as authorized by the Company's Board of Directors in compliance with the policies issued by the Board of Directors.

The Managing Director is under the jurisdiction of and directly accountable to the Executive Committee. The Managing Director is to act according to the ways and policies determined by the Executive Committee.

The Managing Director has no authority to act in any way related to the item or issue that the Managing Director or an individual may have conflict with, have stakes in or have a conflict of interest in any other way related to the Company or its subsidiary companies (if any) following the rules and regulations issued by the Capital Market Supervisory Board or any other related organization.

The Company's Board of Directors is authorized to change and amend the scope of duties and authority of the Managing Director as deemed necessary or appropriate.

8.3 The Company Secretary

The Board appointed Mr. Voradej Piemsuwan as the company secretary responsible for organizing the meetings of the Board, committees and shareholders. The company secretary is also in charge of preparing the minutes of the Board's meetings, the minutes of shareholders' meetings, and Annual Report as well as filing documents as stipulated by law. He is deemed by the Board to be appropriate because he is knowledgeable in managing corporate secretarial work, having served as director of the corporate secretary office, which supports the corporate secretarial work involving compliance with laws, rules, regulations and the PPS Corporate Governance Policy. The Company constantly supports the company secretary to undergo training in the Company Secretary Program Class 42 / 2011 by Thailand Institute of Directors (IOD).

Scope of Duties and Responsibilities of the Company Secretary

1. Produce and keep the following documents
 - (a) Registration of Members of the Board of Directors
 - (b) Board Meeting invitations, Board Meeting Reports and the Company's Annual Reports.
 - (c) Shareholders' meeting invitations and shareholders' meeting reports.
2. Keep stakeholder reports that have been submitted by members of the Board of Directors or the Executive committee and send copies of the reports to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven days from the date that the Company receives the reports.
3. Systematically keep the following documents and evidence that is related to the display of information. The secretary is to ensure the accurate and complete storage of documents or evidence mentioned.

Such documents and evidence need to be accountable for at least 5 years from the dates that such documents or information were made. The storage of the aforementioned documents and evidence is to include digital storage or any other type of storage in which a document or an evidence may be recalled without any alteration to the statement in the document or evidence.

- (a) Provision of information to support the resolution of a shareholders' meeting.
- (b) Financial statements and reports on the financial status and the performance of the Company or any other report that needs to be reveal following articles 56, 57, 58 or 199 of the Act on Securities and the Stock Exchange of Thailand.



- (c) The Company's opinions when there are requests for Company's share purchase from the shareholders in an ordinary circumstance.
- (d) Provision of information or any other report on the business that the Company has produced to disseminate among the shareholders or the general public as determined by the Capital Market Supervisory Board.
- 4. Be responsible for any other task following orders and announcements of the Capital Market Supervisory Board.
- 5. The secretary is to work with responsibilities, care and integrity. One is to comply with the law, purposes, the Company's regulations, the resolutions of the Board of Directors as well as resolutions of shareholders. One is not to act in any way that significantly obstruct or conflict the Company's interests.
- 6. Work with responsibilities and care as a wise man who is in charge of a business would do under the same circumstances by
 - (a) Decide and act with honest belief and rationality that such a decision or an act is mainly for the best interest of the Company.
 - (b) Decide and act on the basis of information that is honestly believed to be enough.
 - (c) Decide and act in a way that one is not at stake directly or indirectly with the matter.

In case the Company's secretary is retired from the position or cannot work, the Board of Directors is to appoint a new secretary for the Company within ninety days from the date of the previous secretary's retirement or inability to work.

8.4 Compensations for members of the Board of Directors and the Comparison of compensations between various committees between 2013 to 2015.

The director remuneration policy (Board of Director, Independent Director, Executive Director and Non-Executive Director) has been clearly and transparently. The remuneration in the line with other companies of same nature of business and sufficient to maintain the effective directors and approved by shareholders. Directors who was assigned to Audit Committee and Nomination and Remuneration Committee will receive remuneration commensurate with more duties and responsibilities assigned.

Remuneration Description

1. Monetary Remuneration

1.1 Compensations for the Company's Board of Directors

Shareholders' AGM 2016 held on 22 April 2016 has approved compensations for the Company's Board of Directors within the budget of 2.00 million baht with the following details;

(1) Meeting Allowances

Position	Meeting Allowance (per meeting)
Chairman of the Board of Directors	15,000 baht
Vice Chairman of the Board of Directors	13,000 baht
Directors	10,000 baht
Chairman of the Audit Committee	15,000 baht
Audit Committee Member	10,000 baht
Nomination and Remuneration Committee	10,000 baht
Corporate Governance & Social Responsibility Committee	10,000 Baht



(2) Special Compensations (Bonuses)

Special Compensations depend on the performance of the Company. However, there is a limit of not more than 2 percent of the net profits before tax. The Chairman of the Board of Directors is to allocate these special compensations to each director and member of committees as deemed appropriate.

**Summary of the Director's Compensations 2016**

(unit : baht)

Name	Position	Meeting Allowances				Special Compensations (Bonuses)	Total
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance & Social Responsibility Committee		
1. Mr. Prasong Tharachai	Chairman, Chairman of the Executive Committee	45,000	-	-	-	100,000	145,000
2. Mr. Tat Thongpakdi	Director, Executive Committee, Managing Director	40,000	-	-	-	100,000	140,000
3. Mr. Phongthon Tharachai	Director, Executive Board Member, Chairman of the Corporate Governance and Social Responsibility Committee, Vice Managing Director	40,000	-	-	-	100,000	140,000
4. Mr. Theerathon Tharachai	Director, Executive Board Member, Assistance Managing Director of Finance and Administration Department	40,000	-	-	-	100,000	140,000
5. Pol.Lt.Gen. Nukool Jeamanukoolkit	Director, Chairman of Independent Director	40,000	60,000	-	-	144,000	244,000
6. Mrs. Vipavee Boonyaprasit	Director, Audit Committee, Chairman of Nomination and Remuneration Committee, Corporate Governance and Social Responsibility Committee	40,000	40,000	20,000	20,000	128,000	248,000
7. Mr. Kachen Benjakul	Director, Audit Committee, Nomination and Remuneration Committee	40,000	40,000	20,000	20,000	128,000	228,000
Total		285,000	140,000	40,000	20,000	800,000	1,285,000

**Summary of the Company's Compensations 2014-2016**

(Unit : Baht)

Name	2014			2015			2016		
	Board of Directors	Audit Committee	Board of Directors	Audit Committee	Board of Directors	Audit Committee	Board of Directors	Audit Committee	Nomination and Remuneration Committee
1. Mr. Prasong Tharachai	100,000	-	100,000	-	100,000	-	145,000	-	-
2. Mr. Somphant Hongchintakul	80,000	-	80,000	-	80,000	-	-	-	-
3. Mr. Tat Thongpakdi	80,000	-	80,000	-	80,000	-	140,000	-	-
4. Mr. Phongthon Tharachai	80,000	-	80,000	-	80,000	-	140,000	-	-
5. Mr. Theerathon Tharachai	-	-	-	-	-	-	140,000	-	-
6. Pol.Lt.Gen.Nukool Jeamanukoolkit	140,000	60,000	140,000	60,000	140,000	60,000	184,000	60,000	20,000
7. Mrs. Vipavee Boonyaprasit	110,000	40,000	110,000	40,000	110,000	40,000	168,000	40,000	-
8. Mr. Kachen Benjakul	110,000	40,000	110,000	40,000	110,000	40,000	168,000	40,000	20,000
Total	700,000	140,000	700,000	140,000	700,000	140,000	1,085,000	140,000	20,000
Total Amount	880,000			560,000			1,285,000		

1.2 Compensations for the Company's Executive

The director remuneration policy has been clearly and transparently. The remuneration in the line with other companies

of same nature of business and sufficient to maintain the effective directors.

The Company pays compensations to executives in the form of salaries, consultancy pays, bonuses and various welfare for instance allowances, provident fund and telephone allowances. Senior engineers who are the project consultants, consultants or project directors will receive additional compensations in the rates based on the professional service rates (in respective positions) indicated in the contracts agreed with the project owners who are the clients.^{/1}

Compensations	2014		2015		2016	
	Number (Persons)	Amount (Million Baht)	Number (Persons)	Amount (Million Baht)	Number (Persons)	Amount (Million Baht)
Salaries, Bonuses and Welfare Compensations (Excluding compensations as the Company's Board of Directors)	8	30.28	7	25.44	7	24.17
Total	8	30.28	7	25.44	7	24.17

Remark Remuneration for Management Team in this instance refers the SEC definition for 6 directors and including the Chairman of the Executive Board and Vice Chairman of the Executive Board.

^{/1} – The compensation was defined since the establishment of the company and paid in same rate. If compensation rate changed, the company will be presented to the Audit Committee for consideration and comment, and proposed to the Board of Directors for approval. (approved by board of director meeting 3/2012 on 11 September 2012)

2. Other remuneration

-None-



8.5 Staff

The number of Company's Staff (Excluding Executives)

In 2014, 2015 and as of 31 December 2016, the Company had personnel in various positions with details as follows;

Position	Number of Staff as of December 31 th		
	2014	2015	2016
Project Directors	13	17	16
Project Managers	30	30	40
Civil Engineers	39	40	57
Mechanical Engineers	22	24	25
Electrical Engineers	28	29	32
Architects	11	10	14
Technicians	47	33	37
Accounting and Finance Staff	9	9	9
The Secretary's office and administrative staff	49	40	53
Housekeeping Staff and Drivers	8	8	7
Total	256	240	290

Total earnings of Staff

The Company pays compensations to staff in the forms of salaries, bonuses and various welfare payments for instance allowances and provident fund.

(unit: million baht)

Compensation	2014	2015	2016
Salaries, Bonuses and Welfare Payments	172.70	158.25	184.82
Total	172.70	158.25	184.82

Significant labour disputes in the last 3 years

The Company has had no significant labour dispute in the last 3 years.

Further to the above results, the company still maintain our course in increasing our competitiveness including operation standard to differentiate our service values and also intensely train our staff to ensure that their skills are competitive which is the main value of the company.

The company still moves forward towards Information Technology competitiveness. Google cloud software has been utilized throughout the company as one integrated cloud system to ensure better communication and access to information efficiently including sharing of organization knowledge to serve the needs of clients. The company has been investing in development of innovation and IT technology together with PPS Information Consultant Company Limited (PIC). We are targeting that all of our projects and our internal process to be fully utilized on our innovation and IT in 2017. The development of our own ProjectLive is being moved forward to be used in all projects to differentiate our operations from



competitors and enhancing our efficiency in managing and supervising construction projects. We are proud to inform that PPS has received an award of TIM Forum “Innovative Organization to Sustainability in SET”.

The company targets training hours required for all staff at 40 training hours per year in 2016. This target has been achieved with the following training programs:

1. Professional ethics for professionals and managers
2. Project and construction management for condominium projects including facade works
3. Soil protection system for deep excavation including fire / life safety practice in construction project
4. ProjectLive practice in construction projects
5. English conversation skills training and self image development
6. Anti-corruption workshop under the policy “Operational Transparency with Good Governance and Anti-Corruption)
7. Environmental conservation and best utilization of resources training
8. ISO 9001; On the job training at project sites
9. Stakeholder duties and responsibilities towards information disclosure and human rights
10. Good governance, disclosure, stakeholders and board of directors responsibilities

Apart from the above, succession plans were developed to ensure that project managers are well groomed from the company's resources and be in line with business growth.



9. Corporate Governance

9.1 Corporate Governance Policy

The company is committed to the corporate governance practices as per the guideline of the Stock Exchange of Thailand (SET) and the Security Exchange Commission of Thailand (SEC) towards sustainable growth and adhere to international standards for the benefit of the shareholders and stakeholders. Followings are the corporate governance guidelines for practice:

1. Rights of Shareholders

The company recognizes the importance and the equitable rights of shareholders with fairness as per the related law and regulations. Those rights are rights to attend shareholders meetings, rights to proxy and voting, rights to propose meeting agendas, rights to nominate person(s) to directorship, rights to vote in nomination and denomination of the directors, rights to nominate the company accountant and remuneration, rights to vote for company's actions including rights to dividends, rights to comments and suggestions in the meetings and rights to be fully, timely and correctly informed of the company's business.

Besides, the company also enforce such policies execution to ensure that all of the shareholders could fully execute their rights and attend the meetings equally.

1.1 Shareholders meeting

The board of directors shall hold Annual General Meeting (AGM) within four months from the last accounting date of every year. For other meetings other than the AGM, the board of directors will hold the meeting as appropriate or when the shareholders petition for a meeting according to the company's regulations. In every meeting, the board of directors will issue an agenda informing the meeting date in Thai and English. The agenda shall identify the date and time of the meeting. The agenda will also inform the items to be discussed and proposed to the meeting including the reasons, recommendations and what to be asked from the quorum whether they are to be acknowledged or to be approved. The agenda letter will be sent to the shareholders and the company's registrar and also include a proxy form for any shareholders that couldn't attend the meeting could execute their rights. The agenda letter will be sent by registered mail seven days in advance of the meeting date. A newspaper advertisement will be posted within three days to the meeting date. However, the company targeted that the letter be sent no later than 21 days before the meeting and 30 days on the company's website.

The board of directors shall promote that the shareholders attend shareholders meetings. The board of directors shall also encourage the shareholders to fully participate in shareholders meetings including facilitating the meeting venues, date, time and access to the meeting that encourage shareholders attendance. Adequate information shall be disclosed to ensure that shareholders are fully informed and could make their decisions. Meeting chairman will provide adequate time and promote that shareholders participate in making comments and observations in the meeting equally. The board of directors will not add extraordinary agenda items to the meeting that has not been previously informed. All of the directors including the accountant shall attend the meeting to answer all of the questions by the shareholders.

Before the meeting, the company shall inform the shareholders of their rights in the meeting as per the company's regulations including the rights to vote and comments or observations in the meeting.

After the meeting, the company will inform the resolutions of the meeting to the SET before the next trading session. Minutes of meeting shall be recorded correctly and inclusively including all of the voting counts and relevant comments and observations. The minutes of meeting will be submitted to the SET within fourteen days after the meeting date. The annual report



including the balance sheet and profit and lost statement which were approved by the meeting including the minutes of meeting relating to the approval of the balance sheet the profit appropriation and dividends shall be sent to the registrar and posted in newspapers for at least one day within thirty days after the meeting date.

Moreover, the company will prepare and post the minutes of meetings in Thai and English on the company's website.

1.2 Responsibilities to shareholders

The board of directors is responsible and committed to ensure that the executives and staffs of the company works and make decisions with efficiency and responsibilities towards the interests of the shareholders both major and minor shareholders.

The board of directors shall ensure that shareholders would be able to protect their own rights and be able to make observations and vote on major company's decisions including directors selection, directors remuneration, profit appropriation, dividends and accountant appointment and remuneration. Moreover the company shall fully disclose all relevant information which is true complete and traceable and remuneration of the directors shall be part of the annual agenda and the remuneration policy shall also be presented as part of the shareholders' consideration.

2. Equitable Treatment of Shareholders

The company realizes the importance of the equitable treatments of the shareholders and the following are the relevant practices

2.1 Proxy form for meetings

The company will provide a proxy form which proposes an independent director as a proxy to vote for the shareholders at meetings.

2.2 Proposal of agenda in the shareholders' meeting

In case that shareholders propose to add an agenda that is beneficial to the company business, the board of directors shall arrange for that proposed agenda to be part of the meeting agenda unless:

- 1) The proposed agenda is against the law and regulations of the country or it is against the regulator's policy or it is against the registered objectives and regulations of the company or it is against the company's shareholders mandate and the company's corporate governance practice.
- 2) The proposed agenda is beyond company's control
- 3) The proposed agenda is specific to anyone's interests only.
- 4) The proposed agenda was proposed within the last 12 months and was not supported by the vote that is more than ten percent and it has no new information relevant to the matter.
- 5) The proposed agenda is the business of the board of directors but it could greatly damage the shareholders.
- 6) The proposed agenda is the matter that has already been addressed by the company.
- 7) The proposed agenda is not the same as any agenda proposed earlier.
- 8) The proposed agenda is informatively inadequate or not enough supporting documents or submitted late or not traceable.

Any agendas that is passing the board of directors' consideration will be added in the meeting agenda of the AGM with the board of director's opinion. For any agenda that is not passing the board of directors' consideration, the reasons for rejection will be posted on the company's website.



2.3 Nomination of person(s) for directorship

When a person is nominated for the company's directorship by the shareholders, the nomination must be supported by a letter acknowledging the nomination of that person together with his credentials. The documents must be complete and be received within the pre-determined time frame. The board of directors shall propose that person for directorship in the meeting.

However, such person must have and not have the following qualifications:

- 1) Prohibition qualification as per the public company act, the investment and stock exchange act and the company's corporate governance principles.
- 2) The person must have a leadership qualification with visions, ethics and virtues including corporate working records.
- 3) The person must have interests in the company with available time to work as a director efficiently.
- 4) That person must not be working in a similar business or a competitor as the company either for the person's own interests or other's interests.

2.4 Insider information

- 1) The board of directors has stipulated a policy and guidelines for overseeing the inside information to prevent the board of directors, executives and staff of the company to use this insider information according to the SET and SEC regulations to trade stocks or execute any stock transactions without revealing such inside information to the public within one month before the published of the company's financial results and twenty four hours after such information is published.
- 2) The company has a policy for insider information prevention by informing all of the board of directors' resolutions to the SET before the next trading session and all of the board of directors must report their change of the company's shares possession within three days after any change.

2.5 Related transaction

The board of directors has a policy that any transaction between the directors and the company is treated as an outside person. All of the related transactions must be reported for review by independent directors and revealed in the company's annual report and disclosure form.

2.6 Conflict of interests

The company has stipulated the guidelines and codes for conflict of interests in the "Guidelines for professional ethics for the directors, executives and staffs". Any actions that could stipulate conflict of interests shall be investigated based on fairness and ethical practice. Related parties shall be excluded in the board of directors meetings if necessary for transparency.

2.7 Agenda for the shareholders' meeting in Thai and English

The company has a policy to send these policies and invitation to the meeting letter to foreign shareholders.



3. Roles of Stakeholders

The company realizes the importance of all stakeholders and also understands that the company's growth and competitiveness depends on them. The company has formulated roles towards stakeholders both intrinsic and extrinsic to the company as per the law and regulations as follows:

3.1 Stakeholders Rights

The company is strictly committed to all stakeholders' rights without prejudices races or religions for the whole society. The company has formulated a guideline for practice as follows:

- 1) Equal rights to all employees with relevant compensations.
- 2) Safe healthy and environmentally friendly workplace for all employees.
- 3) Pension funds for all employees.
- 4) Training center for career enhancement and development.
- 5) Non involvement with human rights issue.
- 6) Be responsible towards clients.
- 7) Be fair to business competitors by abide by rules and avoid destructive tactics.
- 8) Treat vendors fairly and follow the agreement on all transactions.
- 9) Follow agreed rules when obtaining financial support.
- 10) Do not violate intellectual rights.
- 11) Anti corruption and not paying bribes for the company's benefit.
- 12) Be responsible for the environment and society.
- 13) Support social activities when appropriate.
- 14) Be mindful and environmentally friendly.
- 15) Support efficient use of resources.

3.2 Complaints and whistle blowing

Clients and general public could file a complaint directly to the company as per the process of complaints announced since 2009 via the following channels:

Letter	Project Planning Service PLC 381/6 Rama 9 Soi 58 (Seri 7 Soi 7) Rama 9 road Suanluang, Bangkok 10250
Website	http://www.pps.co.th
Telephone	02-7182785-9
Telefax	02-3005545-6

3.3 Direct communication to the company's directors

Direct communication to the company's board of directors without passing through the company's executives relating to misconducts violations of professional ethics or violations of law or regulations could be done via email: whistleblow@pps.co.th. The company also have a policy to protect whistle blowers and a policy of sensitive information non-disclosure.



3.4 Communication channel

The board of directors has empowered the board of executives to be responsible for disclosure of relevant information to public. The disclosure must be complete correct and punctual to investors and media including all stakeholders. The company also have an investor relations officer responsible for such communications.

3.5 Investors relations

The company has an investor relation officer who is responsible for providing the company operation public information to all stakeholders equally via multi channel media.

Contact Investor Relations:

Letter	Project Planning Service PLC 381/6 Rama 9 Soi 58 (Seri 7 Soi 7) Rama 9 road Suanluang, Bangkok 10250
Email	ir@pps.co.th
Website	http://www.pps.co.th
Telephone	02-7182785-9
Telefax	02-3005545-6

4. Disclosure and transparency

The company realizes the importance of disclosure and the company is committed to relevantly disclose all of the information that is complete correct and punctual to public via information report form 56-1 and annual report form 56-2 which are posted to SET and the company's website.

Furthermore, the company has assigned persons who are responsible for such disclosures as follows:

4.1 Financial report

It is the responsibility of the board of directors to issue the company's financial report with all of necessary information to the shareholders. The board of directors also ensures that the financial statements are being carried out based on acceptable standards with financial audit by acceptable and independent auditor and the accounting policy is appropriate and represent the true financial state of the company. The information disclosed shall be complete reasonable and true.

The board of directors facilitates that the company's work processes are audited in intervals so that the work processes are correctly carried out and transparent as per the company's policy and comply with relevant law and regulations.

The board of directors also appointed three independent directors to verify that all of the financial reports are clear, present and verified with internal control and audit that is effective and complying to relevant law and regulations. The information disclosed are to be complete reasonable and represent the true state of the company and includes all of related transactions.

4.2 Risk management

The board of directors has appointed a risk management committee who will consider and present risk management policy and planning to the board of directors. The risk management policy shall cover all of the departments of the company and also cover the strategic visions and missions of the company. The risks identified shall have associated risk mitigation actions to ensure that those risks are being reasonably managed with follow up actions.



4.3 Internal audit

The board of directors facilitates that there is an internal audit system that covers all of the company's operations. The internal audit system shall ensure that the company's operations are being carried out within the relevant law and regulations and also with a balance of power of approval to ensure that shareholders equity are being fairly managed. All of the approval authorities are being announced in writing and being audited by the internal audit system. The internal auditors is directly reporting to the board of directors.

4.4 Report preparation by the directors

- 1) All of the company's share transactions by directors are to be reported.
- 2) All of the conflict of interest by directors are to be reported to the audit committee.
- 3) All of the major related transactions by directors are to be approved by the board of directors.
- 4) It is the policy of the company that all share transactions of the directors and executives are to be reported to the company secretary at least one day before the transaction date.

5. Board Responsibilities

The board of directors are responsible and independent from the management to ensure that the shareholders' equity are being protected. The board of directors and the management executives have clear roles and responsibilities. The board of directors will ensure that the company's operation are being carried out within the realm of law and ethics.

5.1 Qualifications of directors

Board of directors comprises of a diverse group of people who has expertise that is benefiting the company. One of the directors must have knowledge and experience in accounting. All of the directors must be able to bring in new visions and also could be able to devote time to the company's business.

All of the board of directors must be proposed by the selection and remuneration committee to ensure the right qualification that could enhance the company's business growth.

It is the company's policy that any board of directors are to be a director of any company for less than three companies including the managing director.

5.2 Qualifications of independent directors

- 1) Hold less than one percent of the company's shares including all subsidiaries or any entities that the company has management control over. The one percent shares also includes the holding of shares by related persons to the directors.
- 2) Has never been the company's or the company's subsidiaries employee including any entities that the company has management control over. Unless the director has resigned from the position for more than two years before the registered date. The aforementioned does not include government officials or government advisors in which the government hold a majority of shares of the company.
- 3) Has no blood line relation or by registration as parents partners siblings or parenthood with the company's executives or the major share holders or any person who has control over the company's operation.
- 4) Has or has no business relationship to the company or any subsidiaries or major shareholders or any person who has control over the company's operation unless no such relations for more than two years before the registered date.



- 5) Has or has been an auditor of the company or any subsidiaries or major shareholders or any person who has control over the company's operation unless no such relations for more than two years before the registered date.
- 6) Has or has been a legal advisor or financial advisor for the company or any subsidiaries or major shareholders or any person who has control over the company's operation unless no such relations for more than two years before the registered date.
- 7) Not being nominated as a nominee of the board of directors, major share holders or share holders who are related to the major share holders.
- 8) Not operating a similar business that competes with the company either the main business or subsidiaries. The director must not have more than one percent shares of such business.
- 9) No outside influence that could render independent futile.
- 10) The above independent directors may be authorized by the board of directors to make decisions on the business and its subsidiaries as a collective decision making.

5.3 Qualifications of audit committee's directors

The following qualifications are for the audit committee directors

- 1) Not the director authorized by the board of directors to make decisions on the business and its subsidiaries.
- 2) Not the director of the company, its subsidiaries or any subsidiaries that is a registered company.
- 3) Qualify with experience for an audit committee member. One audit committee member must be able to review and verify, with credibility, the company's financial statement.
- 4) Must have the same qualification as announced by SET.

5.4 Elements and selection of the company's directors

- 1) The company's directors must have more than five directors. Half of the directors must reside in Thailand and be qualified as per the Thai law.
- 2) The following voting process must be followed in the share holders meeting:
 - 2.1) One share equals one vote only.
 - 2.2) All shares of any one share holder must be totally voted for a director or directors. No vote separations allowed.
 - 2.3) The nominated directors who have the most votes qualified for the directorship. The next most vote also qualifies for the next available directorship. Tie breaking is the authority of the chairman of the meeting.
- 3) For the annual general meeting, one out of three directors must relinquish the directorship. The denomination of three counts as three. The director relinquished their directorship could be reelected to the board of directors. After the registration the director who wishes to relinquish the directorship on the first year and the second year after the registration must be randomly chosen and the selection of the subsequent directors must be considered based on the length of his directorship.
- 4) The resignation of a director must be submitted in writing to the company. The effective date is the date that the letter is received by the company.



- 5) In case of any position of directors is vacant with any reasons other than the relinquish of the directorship as per the item 5.4.3, the board of directors shall chose a person who qualifies for the directorship to be the director in the next board of directors' meeting if only the available term of the directorship is more than two months. The new director shall continue on his directorship term of the person whom he replaces. The vote for this directorship must be three out of four of the number of the company's directors.
- 6) The shareholders meeting quorum could vote for any director to be out of the board of directors with three out of four votes of number of shareholders attending the meeting and with more than half of the shares registered altogether.
- 7) Directors could or could not be the company's shareholders.
- 8) Board of directors must choose one member as the chairman and vice chairman and managing director. The vice chairman is responsible for any assigned responsibilities by the chairman as registered in the company's regulation.
- 9) The board of directors must choose on person as the company's secretary. The company's secretary could or could not be a member of the board of directors.
- 10) The selection and remuneration committee must choose a candidate for the director based on the qualification requirements including the skill lacking in the board of directors and also be in line with the company's strategy and visions. The selection and remuneration committee must present to the share holders in the share holders' meeting for their approval by voteing.

5.5 Directorship term

The director of the company shall have directorship term as per the public company act 2535 BE. Independent directors has directorship terms dates of three years with not more than three continuous terms.

5.6 Determination of compensation of directors

The selection and remuneration committee shall propose rules and regulations for the meeting, entertain, prize and bonus compensation including any other benefits to the directors and propose in the board of directors' meeting for comments and then propose in the annual general meeting for approval. The compensation excludes the company's compensation as part of the company's regulations.

5.7 Subcommittee

The board of directors shall appoint subcommittees members who will be working for the board of directors based on their directions and policy. There are five subcommittees as follows:

- 1) Executive committee: comprising of not more than nine persons and must be the directors or high level managers of the company. The following persons are member of the executive committee by position:
 - 1.1) Managing Director
 - 1.2) Deputy Managing Director
 - 1.3) Assistant Managing Director – Projects
 - 1.4) Assistant Managing Director – Accounting and Finance
 - 1.5) Assistant Managing Director – Business Development



The board of Project Directors shall propose two project directors to be come members of executive board via the appointment of the executive board. The executive committee shall also appoint two more persons to become the board members. All of these appointed board members shall have a two year term with not more than two continuous terms.

- 2) Audit committee: comprising of at least three independent directors. At least one of the audit committee members must have enough experience and knowledge in credibly auditing the company's financial statement. The term for the audit committee member is three years with the eligibility of reappointment after the term ends.
- 3) Selection and remuneration committee: There are at least three committee members. Majority of the committee must be independent directors. The committee has three year term with the eligibility of reappointment after the term ends.
- 4) Risk management committee: There are at least five committee members comprising of each representatives from each operation department. The committee has two year term with the eligibility of reappointment after the term ends but not more than two consecutive terms.
- 5) Corporate governance and corporate social responsibility committee: There are at least five committee members with three year term and eligibility for reappointment after the term ends.

5.8 Board of directors meeting

The meeting of the board of directors must be held at least every three months. The meeting quorum must be two out of three of the number of directors. The directors must be able to independently express their comments and observations. And directors who cannot attend the meeting must inform the company's secretary prior to the meeting. The meeting attendance shall be tallied and reported in the company's annual report. The meeting dates shall be scheduled annually in advance so the directors are known. An invitation letter will be sent out to the directors by the company's secretary for seven days in advance of the meeting date together with the agenda and any necessary documents to be used in the meeting. After the meeting, the company's secretary will record the minutes of meeting representing the true accounts of the meeting and submit to the chairman for his signature. The minutes of meeting shall be systematically filed, searchable and secured.

5.9 Meeting of the non-executives directors

The meeting of the board of directors without executive directors must be held at least once a year to discuss issues of the company without any influence from the executive directors.

5.10 Meeting of the independent directors

The meeting of the independent directors without executive directors must be held at least once a year to discuss issues of the company without any influence from the executive directors.

5.11 Reporting

- 1) Board of directors is responsible to report to the shareholders and investors with complete correct and transparent information together with reasonable supporting information with respect to the company policy, operations, growth, success and obstructions of the company.
- 2) The board of directors fully understands and support the operation of accounting practice standard of the accountant personnel.



- 3) The board of directors should report the responsibilities of the board of directors for the reporting and disclosure of the company's financial statement in the company's annual report together with the financial statement and the audit report. The report shall cover the followings:
 - 3.1) The regulation required by law to have the board of directors to execute the financial report that represents the true and reasonable state of the company.
 - 3.2) The responsibilities of the board of directors who must provide accurate accounting information which is complete and adequate for the preservation of the company's asset and making known of any weak points in prevention of any corruption or misconducts within the company.
 - 3.3) The confirmation that the company has conducted accounting practice that is complying to acceptable accounting standards with all reasonable scrutiny in producing the company's financial statement.

5.12 Succession plan

The board of directors shall ensure that the company has laid out succession plan for all executives so the company always has capable executives to continue on with the operation sustainably.

5.13 Self evaluation of directors

The directors shall evaluate themselves once a year. The evaluation is aiming at the effectiveness of the directorship following the corporate governance policy. The evaluation results shall be analyzed among the board of directors for the improvement of the board of directors. The board of directors shall also evaluate the performance of the managing director and the evaluation shall be used to determine the compensation of the managing director.

5.14 Introduction to new directors

The board of directors shall arrange for an introduction session for new directors to ensure that the new directors realizes the expectations towards roles and responsibilities and the corporate governance policy including the understanding of the operation of the company.

5.15 Directorship of the directors and executives on other companies

The board of directors shall stipulate a policy and guideline for the directors who are other company's director so that all directors could fully perform their roles and responsibilities for the company effectively.

5.16 Director development

The board of directors shall support the training of the directors and the executives to ensure that they are well trained with adequate knowledge with network connections to other directors and executives of other companies. The recommended training courses are those provided by the Institution of Directors such as Director Certification Program (DCP), Directors Accreditation Program (DAP), Audit Committee Program (ACP) and Executive Development Program (EDP)

5.17 Communication with the executives

The board of directors encourages that the company's executives and the directors meet together so there is an exchange of ideas and policies and create harmony in carrying out the company's business. Moreover, the meeting will be the venue for them to socialize and be acquainted with each other to create understanding towards each other.



6. The company's secretary

The board of directors shall appoint a company's secretary to oversee the corporate governance practice according to the corporate governance principles. The company's secretary has the followings responsibilities:

- 1) Support the board of directors in relation to the rules and regulations and relevant law.
- 2) Overseeing corporate governance practice of the company and follow up on any necessary policy actions that needs to be followed up.
- 3) Responsible for documentation and filing of related documents.
- 4) Overseeing the company and the board of directors and the executives to follow the relevant rules and regulations.
- 5) Communicate with share holders and overseeing share holders interaction.
- 6) Communicate with relevant regulators.



9.2 Management Structure

The Company's management structure comprised the Board of Directors, 5 Sub-Committees and the Management Team as follows:

1. The Board of Directors
2. The Audit Committee
3. The Nomination and Remuneration Committee
4. The Corporate Governance and Social Responsibility Committee
5. The Executive Committee
6. The Risk Management Committee
7. The Management Team (Defined in the announcement of SEC)

1 Board of Director

In 2016, the Board of Directors comprised executive and non-executive directors as follows:

No.	Name	Position	Director	Date of Appointment
1	Mr. Prasong Tharachai	Chairman	Executive Director and Authorized Director	April 22, 2016 as the third term
2	Mr. Tat Thongpakdi	Director	Executive Director and Authorized Director	April 22, 2016 as the second term
3	Mr. Phongthon Tharachai	Director	Executive Director and Authorized Director	April 9, 2014 as the second term
4	Mr. Theerathon Tharachai	Director	Executive Director and	April 24, 2015 as the first term
5	Pol.Lt.Gen. Nukool Jeamanukoolkit	Independent Director	Non-executive Director	April 24, 2015 as the second term
6	Mrs. Vipavee Boonyaprasit	Independent Director	Non-executive Director	April 9, 2014 as the second term
7	Mr. Kachen Benjakul	Independent Director	Non-executive Director	April 9, 2014 as the second term

Mr. Voradej Piemsuwan is appointed as the Secretary to the Board of Directors and the Company Secretary

Authorized Directors

Mr. Prasong Tharachai or Mr. Phongthon Tharachai or Mr. Tat Thongpakdi are authorized to sign jointly on behalf of the Company.

Limitation to the Board of Directors' Authorization

- None -



Scope of Duties and Responsibilities of the Company's Board of Directors

1. Work in accordance with the law, purposes and regulations of the Company as well as resolutions of shareholders' meetings and approvals of shareholders in meetings on matters including the connected items and the purchase and sales of important properties according to the regulations of the Stock Exchange of Thailand or as specified by any other organization.
2. Approve the business policies, purposes, operation plans, business strategies and annual budgets.
3. Appoint personnel who are qualified with no prohibited properties as specified in the Public Company Act 1992 and the legislation on securities and the Stock Exchange of Thailand as well as announcements, rules and/or regulations related to positions of the members of the Board of Directors in case there is a vacancy due to any other reason apart from a retirement on rotation.
4. Appoint the Executive Committee as well as determine the scope of duties and responsibilities of the Executive Committee.
5. Appoint Independent Committee and the Audit Committee by considering the qualifications and prohibited properties of Independent Committee and Audit Committee following the legislation on securities and the Stock Exchange of Thailand as well as announcements, rules and/or regulations related to the Stock Exchange of Thailand. Nominations are to be submitted to the shareholders' meeting for final approval and appointment the nominated persons as members of the Independent Committee and the Audit Committee.
6. Consider, determine and amend the names of members of the Board of Directors whose authority binds the Company.
7. Appoint any other person to operate the businesses of the Company under the supervision of the Board of Directors or grant power of attorney to authorize that person and/or within the timeframe deemed appropriate by the Board of Directors. The Board of Directors may cancel, revoke, alter or change such authority at any time.
8. Approve of a receipt or a sale of security unless such transaction needs an approval from the shareholders' meeting. Such approval is to be in accordance with the announcement, rules and/or regulations related to the Stock Exchange of Thailand.
9. Approve a connected transaction unless such transaction needs an approval from the shareholders' meeting. Such approval is to be in accordance with the announcement, rules and/or regulations related to the Stock Exchange of Thailand.
10. Approve interim dividend payments to shareholders when the Company has made enough profits and report the payment of dividends to the shareholders in the next shareholders' meeting.

The allocation of duties and responsibilities of the Company's Board of Directors is not a grant of authority or part of the authority that allows the Company's Board of Directors or those with the power of attorney from the Company's Board of Directors to approve any matter that involves any person in conflict (including themselves) (according to the definitions in the announcement by the Securities and Exchange Commission). This applies for the Company and its subsidiary companies.



2. Audit Committee

In 2016, the Audit Committee comprised as follows:

No.	Name	Position
1	Pol.Lt.Gen.Nukool Jeamanukoolkit	Chairman of the Audit Committee, Independent Director, Non-Executive Director
2	Mrs. Vipavee Boonyaprasit	Audit Committee, Independent Director, Non-Executive Director
3	Mr. Kachen Benjakul	Audit Committee, Independent Director, Non-Executive Director

- Remarks*
1. Mrs.Vipavee Boonyaprasit was a member of the audit committee with knowledge and expertise on Accounting and Finance
 2. Mr.Kachen Benjakul was a member of the Non-Executive Director with knowledge and experience on Engineering
 3. Mr.Anupan Wananukool was the secretary of the Audit Committee.

Scope of the Duties and Responsibilities of the Audit Committee

1. Review for the Company and its subsidiaries. Report financial matters accurately and in an open manner. The committee is to coordinate with the auditor and the responsible executive members to produce financial reports quarterly and annually. The audit committee may suggest the auditor to review or check any item that is deemed necessary and important during the Company's period of audition.
2. Review for the Company and its subsidiaries with regards to suitable and efficient Internal Control system and Internal Audit System. The audit committee is to consider the independence of the Internal Audit Office as well as to approve the appointment, transfer or dismissal of the head of internal audit office or any other unit under jurisdiction with regards to internal audition.
3. Review the work of the Company and its subsidiary companies to make sure that it is in compliance with the legislation on securities and the Stock Exchange of Thailand, regulations of the Stock Exchange of Thailand and other legislation related to the Company's businesses.
4. Select and propose the appointment or discharge an independent person to perform the duties of the Company and its subsidiary companies auditor and also propose the remuneration of the external auditor with regard to reliability, resource adequacy, the audit of the office accounting and effectiveness of external auditor's performance, as well as attending meetings with the Company's external auditor, without the attendance of management, at least once a year
5. Consider connected items/transactions or any item that suggests a conflict of interest to comply with the legislation and the regulations of the Stock Exchange of Thailand. This is to ensure that such items are reasonable and are for the best interest of the Company.
6. Produce reports of the audit committee which are to be revealed in the Company's annual reports. Such reports are to be signed by the Chairman of the Audit Committee. A report should comprise the following information;
 - a) Opinions on the accuracy, completeness and credibility of the production and revelation of information in the financial reports of the Company and its subsidiary companies.
 - b) Opinions on the sufficiency of the internal audit system of the Company and its subsidiary companies.



- c) Opinions on the compliance with the legislation on securities and the Stock Exchange of Thailand, the regulations of the Stock Exchange of Thailand or legislation related to the businesses of the Company and its subsidiary companies.
- d) Opinions on the suitability of the auditors of the Company and its subsidiary companies.
- e) Opinions on certain items/transactions that may result in conflict of interests.
- f) The number of Audit Committee meetings and the attendance of each member of the Audit Committee.
- g) General opinions or observations that the Audit Committee has received from working according to the Charter.
- h) Any other opinion that is deemed beneficial for shareholders and general investors to know under the scope of duties and responsibilities assigned from the Company's Board of Directors.

The Audit Committee is to work for any other assigned task from the Company's Board of Directors that has been agreed by the Audit Committee for instance, a review on the policy on financial management and risk management, a review on the compliance with the business ethics of the executive members, a review with the Company's executives on important reports that are to be publicised following the legislation including the report and analysis of the executives (MD&A).

The three members of the Company's Audit Committee are from the independent board members who are qualified according to article 16 of the Announcement No. Tor Jor. 28/2551 by Capital Market Supervisory Board.



3. Nomination and Remuneration Committee

In 2016, the Nomination and Remuneration Committee comprised as follows:

No.	Name	Position
1	Mrs. Vipavee Boonyaprasit	Chairman of the Committee
2	Mr. Kachen Benjakul	Committee Member
3	Miss Voraporn Pukpinyo	Committee Member

Remarks

1. Numbers 1 and 2 were independent committee members
2. Miss Voraporn Pukpinyo was the secretary of the Nomination and Remuneration Committee.

Scope of duties and responsibilities of the Nomination and Remuneration Committee.

Duties and Responsibilities with regards to the Nomination Process

1. The committee is to determine policy, criteria and method of recruitment, selection and nomination of the Company's Board of Directors and the Nomination Committee as assigned by the Company's Board of Directors and submit the nominations to the Company's Board of Directors for approval to replace the positions of the Company's Board of Directors/ Nomination Committee that are vacant regardless of the reason for vacancy.
2. Carefully verify the nominated person for qualifications according to the legislation and regulations of related organisations.
3. Contact persons who have qualifications corresponding to the determined criteria in order to be confident that such persons are prepared to become members of the Company's Board of Directors should they be appointed from shareholders.
4. The nomination committee may be assigned to nominate high-level executives especially the managing director or the chairman of the executive personnel.

Duties and Responsibilities with regards to the Remuneration

1. The committee is to consider the forms and criteria of appropriate remuneration in terms of pays for the Company's Board of Directors and Managing Director to ensure the appropriate forms and criteria of remuneration.
2. Consider the criteria of performance assessment of the Managing Director and present them to the Company's Board of Directors for approval.
3. Consider and determine annual pays for the Company's Board of Directors and the Managing Director. The pays for the Company's Board of Directors are to be entered as an agenda for the approval from the AGM of shareholders.
4. Consider conditions and details of the sales of new securities or share warrants for members of the Board of Directors and employees (if any).
5. Work for any other duties assigned by the Company's Board of Directors.

In order to facilitate the efficient work of the Remuneration Committee, the Remuneration Committee is to act in the following ways;

1. In following the scope of duties and authority, the Remuneration Committee is to invite the managing department or the supervisors to attend meetings to explain or to submit relevant documents.
2. The Nomination and Remuneration Committee may ask for professional opinions from external experts or advisors from the Company's expenses.



4. Corporate Governance and Social Responsibility Committee

In 2016, the Corporate Governance and Social Responsibility Committee comprised as follows:

No.	Name	Position
1	Mr. Phongthon Tharachai	Chairman of the Committee
2	Mrs. Vipavee Boonyaprasit	Committee Member
3	Mr. Eakkamol Lertchunhakit	Committee Member
4	Mrs. Wanichthanan Vijacksungsithi	Committee Member

Scope of duties and responsibilities of the Corporate Governance and Social Responsibility Committee

Duties and Responsibilities with regards to the Corporate Governance (CG)

1. Establish strategies and the Company's good practices of good corporate governance.
2. Verify and advise best practices to the Company's Board of Directors about good corporate governance in order to ensure that the Company's good corporate governance will comply with the regulations of Ministry of Finance and the Stock Exchange of Thailand, including the practices followed by international standard.
3. Revise the Terms of Ethics and Code of Conduct for Directors and Employees to be sufficient, up-to-date and conform to the Company's code of conduct.
4. Promote the Company's policies and the Company's good practices to boost the good corporate governance of the Company.
5. Report the Company's corporate governance performance to the Company's Board of Directors periodically.
6. Appoint working groups to support the operation as deemed appropriate.

Duties and Responsibilities with regards to the Social Responsibility (SR)

1. Consider to comment strategies and policies of social and environmental responsibility.
2. Consider social and environmental responsibility's activities to propose the Company's Board of Directors for further approval.
3. Consider social responsibility's work plan and annual budget to propose the Company's Board of Directors for further approval.
4. Consider and track the progress of social responsibility activities including evaluation of the achievement and quality of activities.
5. Promote the Company's policies and the Company's good practices to boost the social responsibility of the Company.
6. Report the Company's social responsibility performance to the Company's Board of Directors periodically.
7. Appoint working groups to support the operation as deemed appropriate.



5. Executive Committee

In 2016, the Executive Committee comprised as follows:

No.	Name	Position
1	Mr. Prasong Tharachai	Chairman of the Committee
2	Mr. Phongthon Tharachai	Vice Chairman of the Committee
3	Mr. Tat Thongpakdi	Committee Member
4	Mr. Nopparat Narin	Committee Member
5	Mr. Theerathon Tharachai	Committee Member
6	Mr. Maitri Wongpaisert	Committee Member
7	Mr. Voradej Piemsuwan	Committee Member
8	Miss Voraporn Pukpinyo	Committee Member
9	Mrs. Wanichthanan Vijacksungsithi	Committee Member

Miss Rungnapa Srichuai was the secretary of the Executive Committee.

- Remarks*
1. Miss Voraporn Pukpinyo and Mrs. Wanichthanan Vijacksungsithi were full term on February 23rd, 2016.
 2. Mr. Maitri Wongpaisert was appointed on February 23rd, 2016.

Scope of Duties and Responsibilities of the Executive Committee.

1. Produce and present business policies, targets, operational plans, business strategies and annual budgets of the Company to the Company's Board of Directors for approval.
2. Determine business plans, the administrative authority and the Company's budgets to seek approval from the Company's Board of Directors.
3. Supervise the conduct of businesses of the Company to comply with business policies, targets, operational plans, business strategies and budgets approved by the Board of Directors to ensure that they are efficient and facilitating businesses.
4. The Executive Committee is authorised to approve loans or application for a loan from a financial institution as well as to pay or to dispense money for ordinary transactions of the Company's businesses for instance investment and other expenses under the budget determined following the Summary Table of General Approval Authority announced (the latest version of Summary Table of General Approval Authority has been valid since 9 June 2012).
5. Determine the structure of the organization and the administration that are efficient covering the recruitment, training, employment and termination of employment of the Company's employees at the level of executive members or high-level executives. The managing director may be assigned to be the authorized person signing an employment contract.
6. Monitor, supervise and approve on matters related to the Company's operations. The committee may appoint or assign any one person or a group of persons to act on behalf of the Executive Committee as deemed appropriate. The Executive Committee may revoke, change or alter such authority.
7. Act as assigned by the Company's Board of Directors.
8. The Executive Committee is to report to the Company's Board of Directors immediately should there be an incident of corruption or a suspicion of corruption, violation of a law and an abnormal act causing significant damage to the Company's reputation and the financial status.



With regards to the above provision of authority to the Executive Committee, an item/matter that the Executive Committee or an individual (in the Committee) may be in conflict, may have stakes in or may have any other conflict of interests with the Company or its subsidiary companies. Should that incident arises, the concerned member(s) of the Executive Committee will not have the right to vote on that matter. The approval of an item that may result in a conflict of interests as mentioned above is to follow the announcement of the Stock Exchange of Thailand on the regulations, method and revelations of related items of the registered companies.

6. Risk Management Committee

In 2016, the Risk Management Committee comprised as follows:

No.	Name	Position
1	Mr. Prawat Kitipongpairoj	Chairman of the Risk Management Committee
2	Mr. Phongthon Tharachai	Committee Member
3	Mr. Nopparat Narin	Committee Member
4	Mr. Kamon Wiriyachok	Committee Member
5	Miss Voraporn Pukpinyo	Committee Member

Scope of Duties and Responsibilities of the Risk Management Committee

1. Monitor and supervise the development and participate in the annual analysis of the strategies of the organisation's risk managements.
2. Develop and screen the risk levels deemed acceptable by the organisation and screen for the acceptable deviations of the risks.
3. Provide directions and monitoring methods to the head of risk management personnel.
4. Assess significant risks and report to the Company's Board of Directors.
5. Assess the Company's risk reports.
6. Review and monitors Company's risk plans and project risk plans every quarter.

**7. Management Team (Defined in the announcement of SEC)**

In 2016, the Management team as defined in the announcement of the Securities and Exchange Commission (SEC), comprised as follows:

1. Between January 1st, 2016 to February 23rd, 2016, the Management team comprised:

No.	Name	Position
1	Mr. Tat Thongpakdi	Managing Director
2	Mr. Phongthon Tharachai	Deputy Managing Director of Operation and Business Development
3	Mr. Theerathon Tharachai	Deputy Managing Director of Finance and Administration
4	Miss Woraporn Pukpinyo	Assistant Managing Director of Finance and Administration
5	Mrs. Wanichthanan Vijacksungsithi	Assistant Managing Director of Operation and Business Development

2. Between February 23rd, 2016 to December 31st, 2016, the Management team comprised:

No.	Name	Position
1	Mr. Tat Thongpakdi	Managing Director
2	Mr. Phongthon Tharachai	Deputy Managing Director
3	Mr. Theerathon Tharachai	Assistant Managing Director of Finance and Organization Management
4	Mr. Maitri Wongpaisert	Assistant Managing Director of Projects
5	Mr. Nopparat Narin	Assistant Managing Director of Business Development
6	Miss Woraporn Pukpinyo	Director of Accounting

Scope of Duties and Responsibilities of Managing Director

1. The Managing Director is authorized to supervise the Company's management to comply with the policies determined by the Board of Directors or the Executive Committee and to report the outcomes to the Company's Board of Directors or the Executive Committee respectively.
2. Consider the allocation of annual budget produced by the Management team to submit to the Executive Committee for approval as well as monitor the disbursements of annual budget of each agency.
3. Evaluate the Company's performance regularly to prevent risks from internal and external factors.
4. The Managing Director is authorized to issue orders, rules, announcement and memoranda to ensure that the operations comply with the policies of the Company's Board of Directors or the Executive Committee or for the best interests of the Company.
5. The Managing Director is authorized to approve the purchases and expenses related to normal operations of the Company. The Managing Director is to ensure that expenses in operation, administration and investment are within and according to the budget approved by the Company's Board of Directors or the Executive Committee following the Summary Table of General Approval Authority announced (the latest version of Summary Table of General Approval Authority has been valid since 9 June 2012).
6. Consider the issue of binding the Company's right(s) and property with an individual, company, shop or a financial institution and submit to the Executive Committee for approval.



7. Consider the Company's profits and losses, interim dividend payments or annual dividend payments and submit to the Company's Board of Directors for approval.

8. Act to support the Company's operations as authorized by the Company's Board of Directors in compliance with the policies issued by the Board of Directors.

The Managing Director is under the jurisdiction of and directly accountable to the Executive Committee. The Managing Director is to act according to the ways and policies determined by the Executive Committee.

The Managing Director has no authority to act in any way related to the item or issue that the Managing Director or an individual may have conflict with, have stakes in or have a conflict of interest in any other way related to the Company or its subsidiary companies (if any) following the rules and regulations issued by the Capital Market Supervisory Board or any other related organization.

The Company's Board of Directors is authorized to change and amend the scope of duties and authority of the Managing Director as deemed necessary or appropriate.



Committees in 2016

(1 January 2016- 31 December 2016)

Name	Committee						
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance and Social Responsibility Committee	Entered during the term
1. Mr. Prasong Tharachai	✓			✓			
2. Mr. Tat Thongpakdi	✓			✓			
3. Mr. Phongthon Tharachai	✓			✓	✓	✓	
4. Pol.Lt.Gen. Nukool Jeamanukoolkit	✓	✓					
5. Mrs. Vipavee Boonyaprasit	✓	✓	✓			✓	
6. Mr. Kachen Benjakul	✓	✓	✓				
7. Mr. Theerathon Tharachai	✓			✓			
8. Mr. Maitri Wongpaisert				✓			✓
9. Mr. Nopparat Narin				✓	✓		✓
10. Mr. Voradej Piemsuwan				✓			
11. Mr. Prawat Kitipongpairoj					✓		
12. Mr. Kamon Wiriyachok					✓		
13. Miss Voraporn Pukpinyo			✓	✓	✓		
14. Mr. Eakkamol Lertchunhakit						✓	
15. Mrs. Wanichthanan Vijacksungsithi				✓		✓	

Remark 1. Mr. Maitri Wongpaisert was appointed as the Executive Committee on February 23rd, 2016 by the board of director meeting No. 1/2016 on on February 23rd, 2016.

2. Mr. Nopparat Narin was appointed as the Executive Committee on February 23rd, 2016 by the board of director meeting No. 1/2016 on on February 23rd, 2016.

Directors who retired / resigned during the year

1. Miss Voraporn Pukpinyo and Mrs. Wanichthanan Vijacksungsithi were retired from the Executive Committee on February 23rd, 2016



9.3 Directors and the Executives

Persons who are appointed as members of the Board of Directors and the Executives of the Company are those who are qualified in accordance with article 68 of the Public Company Act 1992 and the Announcement of the Capital Market Supervisory Board No. Tor.Jor.28/2551 on the request and the permission to sell new shares dated 15 December 2008. The qualified persons must not be of forbidden character according to the Announcement of the Capital Market Supervisory Board on the Regulations related to the executives of a Company issuing securities. All members of the Board of Directors and executives must not have any record of violating law within the last 10 years before the date of submitting the request. All persons must not have a record of bankruptcy, violation of rules, regulations, announcements, orders, resolutions of the Board of Directors or the agreement on security registration with the Stock Exchange of Thailand and the circular notice at the Stock Exchange of Thailand as well as a dispute or a case that has not been fully judged or solved.

Components and the Recruitment of the Board of Directors

1. The Company comprises at least 5 members in the Board of Directors. At least half of the directors reside in the kingdom and they are to qualify with the regulations determined by law.
2. Members of the Board of Directors are to be elected in a shareholders' meeting through the following regulations and procedure;
 - 2.1 Each shareholder is to have the number of votes equals to the number of shares one holds.
 - 2.2 Each shareholder is to use all the votes that one possesses to elect one or more than one person as member(s) of the Board of Directors. However, it is not possible to divide the votes unequally to different candidates.
 - 2.3 Those candidates who receive the number of votes in descending order are to become the members of the Board of Directors as the number of the Board allows or as the number of vacancy of the Board of Directors to be elected at that time. In case the votes are equal and the number of the members to be elected at that particular time has been reached, the chair man is to provide a final vote on the matter.
3. At a shareholders' AGM, at least 1/3 of the members of the Board of Directors are to stand down. If the number of the members cannot be divided into three groups, the number of those standing down has to be closest to 1/3. Those members of the Board of Directors may be reinstated into their positions as members of the Board of Directors should the meeting votes them back. Members of the Board of Directors who are to stand down in the first and second year after the Company's registration are to be selected randomly. Afterwards, those members who have been in the positions the longest are to stand down.
4. Any member of the Board of Directors wishes to resign is to submit the resignation to the Company. The resignation takes effect from the date the resignation reaches the Company.
5. In case there is a vacancy in the Board of Directors that is not due to the termly retirement, the Board of Directors is to select a person who is qualified and is not of forbidden character according to the law to become a member of the Board of Director in the next meeting of the Board of Directors. Unless the remaining term of that Board member is less than two months, the person replacing the Board member may be in the position for the remaining term only. The resolution of the Board of Directors in appointing a person replacing a Board member needs to comprise at least $\frac{3}{4}$ of the votes of the remaining Board members.
6. A shareholders' meeting may vote to ask any Board member to stand down before his/her term ends with at least $\frac{3}{4}$ of the votes of shareholders who attend the meeting and are eligible to vote with the accumulated shares of those who vote for a member standing down at least half the number of shares held by shareholders who attend the meeting and are eligible to vote.



7. A member of the Board of Directors may or may not be a shareholder of the Company.
8. One board member is to be selected as the Chairman of the Board of Directors. One or more other member(s) may be selected as vice chairman and managing director should the Board deems appropriate. The vice chairman has the duties according to the regulations in businesses assigned by the Chairman of the Board of Directors.
9. The Board is to be selected Secretary to the board of directors from a board member or not.
10. In case of vacancy of the Nomination and Remuneration Committee, the board of director will consider a qualified person according to the requirement and propose at the next Annual General Meeting of Shareholders.

Components and the Recruitment of the Audit Committee

Members of the Audit Committee of the Company are to be appointed by the Board of Directors to the positions of the Company's Board of Directors. They are to be qualified according to the legislation on securities and the Stock Exchange of Thailand as well as announcement, regulations and/or rules of the Stock Exchange of Thailand. The Audit Committee comprises at least three members. One member in the Audit Committee is to have good knowledge in Accounting and Finance. The term of a member of the Audit Committee is three years from the date of appointment. When the term lapses and the shareholders' meeting has not appoint a new Audit Committee, the incumbent Audit Committee is to continue working until the Company's Board of Directors or the shareholders' meeting appoints a new committee to replace the incumbent Committee whose term has lapsed and/or whose members' terms have lapsed as members of the Board of Directors. Members of the Audit Committee that have been selected must be independent members and are qualified to be members of the Audit Committee.

Qualifications of an Independent Member

The Company defined the independent directors of the company referred to the Securities and Exchange Commission (SEC) definition. The details as follows.

1. Holds shares of not more than 1 percent of the total number of shares that may be counted as votes of the Company, the Main Company, subsidiary Companies, joint-companies, large shareholders or those who are authorised to control the Company. The number of shares held by an independent member is to include the shares held by those related to that particular independent member.
2. An independent member is not and has never been a member of the Board that has the authority to supervise the businesses, employees, personnel, salaried consultants or those who have the authority to control the Company, the Main Company, subsidiary companies, joint-companies, same-level subsidiary companies, large shareholders or of those who have the authority to control the Company unless the member has been out of such position for at least 2 years prior to the date of submitting a request to the Office. Such forbidden character does not include the case where an independent member had been a civil servant or a consultant of a government agency who is a large shareholder or the authorised entity that controls the Company.
3. An independent member is not to have a blood relationship or legal relationship as a parent, spouse, sibling and child including a spouse of a child of an executive, large shareholder, an individual with the authority to control or the person who is about to be nominated as an executive or the individual with the authority to control the Company or its subsidiary companies.
4. An independent member does not have and has never had a business relationship with the Company, the Main Company, a subsidiary company, joint-company, a large shareholder or an individual with the authority to control the Company in a way that may obstruct the use of one's independent thoughts. An independent member is not and has never been a



significant shareholder or an individual with the authority to control under a person who has a business relationship with the Company, the Main Company, a subsidiary company, a joint-company, a large shareholder or a person with the authority to control the Company unless the member has left that position for at least 2 years prior to the date of submission of the request to the Office.

5. An independent member is not and has never been an auditor of the Company, the Main Company, a subsidiary company, a joint-company, a large shareholder or an individual with the authority to control the Company. An independent member must not be a significant shareholder, an individual with the authority to control or a partner of the auditing office which auditor(s) of the Company, the Main Company, a subsidiary company, a joint-company, a large shareholder or an individual with the authority to control the Company works for unless the member has left that position for at least 2 years prior to the date of submission of the request to the Office.

6. An independent member is not and has never been a provider of any professional service including the service of legal consultancy or financial consultancy receiving a service fee of more than 2 million baht a year from the Company, the Main Company, a subsidiary company, a joint-company, a large shareholder or an individual with the authority to control the Company. An independent must not be a significant shareholder, an individual with the authority to control or a partner of a provider of a professional service unless the member has left that position for at least 2 years prior to the date of submission of the request to the Office.

7. An independent member is not a member appointed to represent the Company's Board of Directors, a large shareholder or a shareholder who is related to a large shareholder.

8. An independent member does not operate a business that is of similar type and significantly competing with the business of the Company or a subsidiary company. An independent member must not be a significant partner in a partnership or a committee member who participates in the management, an employee, a personnel, a regularly paid consultant or a shareholder with more than 1 percent of the total shares eligible to vote of another Company that operates in a similar type and significantly competing with the business of the Company or a subsidiary company.

9. There is no other quality that prevents one from giving an independent opinion on the Company's operations.

10. An independent member with the above qualifications may be assigned by the Company's Board of Directors to decide in the operations of the Company, the Main Company, a subsidiary company, a joint-company, a subsidiary company of the same level, a large shareholder or an individual with the authority to control in the form of collective decision.

Qualifications of an Audit Committee Member

1. An Audit Committee member must not be a member who has been assigned by the Board of Directors to decide on the operations of the Company, the Main Company, a subsidiary company, a joint company, a subsidiary company of the same level, a large shareholder or an individual with the authority to control the Company and;

2. An Audit Committee member must not be a member of the Board of Director of the registered Main Company, subsidiary company or a subsidiary company of the same level.

3. An Audit Committee member has enough knowledge and experience to act as a member of the Audit Committee. At least one member of the Audit Committee needs to have enough knowledge and experience to review the credibility of the financial statements.

4. An Audit Committee member performs duties in the same way that is determined in the announcement of the Stock Exchange of Thailand on the qualifications and the scope of the work of the Audit Committee.



Components of the Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee is appointed by the Company's Board of Directors. It comprises mostly independent members.
2. There must be at least 3 members in the Committee. The Committee's term is 3 years and may be re-appointed.
3. The chairman of the Nomination and Remuneration Committee is an independent member.
4. Members of the Nomination and Remuneration Committee apart from those characterised in 1.1 should not participate in the remuneration of the managing director.
5. The Company's Board of Directors appoints the secretary of the Nomination and Remuneration Committee.

Components and the Recruitment of the Executive Committee

Components and the Recruitment of the Executive Committee (old version): In effect until February 23, 2016 details are as follows:

The Executive Committee comprises not more than 7 members. They need to be members of the Company's Board of Directors or the high-level executives of the Company. Individuals in the following positions are to be automatically considered as members of the Company's Board of Directors by their positions;

- (1) Managing Director
- (2) Deputy Managing Director
- (3) Assistant Managing Director of Financial and Administrative
- (4) Assistant Managing Director of Operation and Business Development
- (5) Assistant to the Managing Director on Financial and Administrative Affairs

However, the Board of Directors Eligible nominate as Directors. According to the agreed maximum of two members, deemed appropriate by the Executive Committee, appoint a term of 2 years each term.

Components and the Recruitment of the Executive Committee (new version): Resolutions approved at the meeting of the Board of Directors 1/2016 on 23 February 2016, when the details are as follows:

The Executive Committee comprises not more than 7 members. They need to be members of the Company's Board of Directors or the high-level executives of the Company. Individuals in the following positions are to be automatically considered as members of the Company's Board of Directors by their positions;

- (1) Managing Director
- (2) Deputy Managing Director of Operation and Business Development
- (3) Deputy Managing Director of Financial and Administration
- (4) Assistant Managing Director of Operation and Business Development
- (5) Assistant Managing Director of Financial and Administration

However, the Board of Directors Eligible nominate as Directors. According to the agreed maximum of two members, deemed appropriate by the Executive Committee, appoint a term of 2 years each term.



Components and the Recruitment of Risk Management Committee Members

The Risk Management Committee comprises of not more than 5 members. According to the Department consists of representatives from the followings : the management, financial, accounting, Project Department at least 1 per person and must be appointed by the Board of Directors the Board of Directors shall elect one of its members to be Chairman of the risk management. The risk management committee has been appointed and a 2 year tenure together no more than 2 each.

Components and the Recruitment of Corporate Governance and Social Responsibility Committee

The Corporate Governance and Social Responsibility Committee is appointed by Board of Directors, comprised of nine members. At least one member must be independent Directors and another one member must be Board of Directors. The Corporate Governance and Social Responsibility Committee's term is 3 years and may be re-appointed.

Components and the Recruitment of the Managing Director

The Managing Director is nominated by the Executive Committee by selecting from the members of the Executive Committee. The selection is to be submitted to the Company's Board of Directors for approval and appointment of the nominated person as the Managing Director. The Managing Director's term is 4 years. There is a term limit of 2 consecutive terms.

9.4 Governance to Subsidiary and Joint Venture Companies' Operations

In the past few years, the Company established new subsidiary and joint venture companies to support the business operations. In order to grow the businesses effectively, the Company has put in place effective and efficient corporate governance, risk management, and internal controls that conform to international standards both in operation and information technology system. The company assigned representatives to oversee operation of affiliate companies and report to the Company's Board of Directors for consideration and make decision. Company's representatives shall perform their role and responsibilities as instructed by the Company's board of Directors.

To govern to operation of subsidiary and joint venture companies. Further to their financial statements which reflect to Company's consolidated financial statements which have been reviewed and approved by quarterly, the Company has sent staffs to supervise and evaluate of their accounting standard of recording and preparation of financial statements including of connected transactions procedures. Internal audit of subsidiary and joint venture companies have been performed and audited by common standards and auditor to the Company's.

9.5 Internal Data Control

The Company's policy on Internal Data Use is as follows;

1. The Company's Board of Directors determines the policy and guidelines with regards to the supervision of Internal Data Use by; having measures to prevent the members of the Board of Directors, executives and employees of the Company buying and selling securities using internal data in accordance with the regulations of the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET); by informing the Board of Directors, executives and all employees so that they are aware and comply with the policy and guidelines that forbade the Board of Directors, executives and employees to use internal data that has not been publicised to purchase, sell, transfer or receive the transfer of the Company's shares within the period of one month prior to the publicisation of financial statements and all personnel of the Company should wait at least 24 hours after the publicisation.



2. The Company has a policy and measures to prevent the Board of Directors and executives benefiting from important information that may have an impact on investment. The Company is to inform every resolution of a meeting of Company's Board of Directors to the Stock Exchange of Thailand immediately before the opening of the next trading round of the Stock Exchange of Thailand. The Board of Directors and the executives are to report on their holdings of securities every time there is a purchase or sale of securities within 3 working days to the SEC Office.



9.6 Audit Fee

1. Remuneration for review and audit of financial statement. (Audit Fee)

The company and its subsidiaries have paid the remuneration for the audit of financial statements for The accounting period of 2015 – 2016 and the estimated remuneration for 2017 to DIA International Auditing Company Limited as follows:

Unit: Baht

	2014	2015	2016
1. Annual audit fee			
1.1 PPS and consolidated financial statements	375,000	375,000	375,000
1.2 PPSD	80,000	80,000	80,000
1.3 PIC	50,000	50,000	50,000
1.4 EE	-	-	30,000
2. Review of interim financial statements			
2.1 PPS and consolidated financial statements	225,000	225,000	225,000
2.2 PPSD	90,000	90,000	90,000
2.3 PIC	45,000	45,000	45,000
2.4 EE	-	-	30,000
Total for PPS and consolidated financial statements	600,000	600,000	725,000
Grand total	865,000	865,000	1,050,000

2. Non-Audit Fee

- None -

The independence and credibility of the auditor

The Board of Directors and The Audit Committee has been selected the external auditor based on the qualification as independent auditors and possess professional expertise, knowledge and experience in auditing and appointed the auditors are DIA International Auditing Company Limited included Mrs. Suvimol Krittayakiern, Certified Public Accountant Registration No. 2892 and/or Miss Supaporn Mungjit, Certified Public Accountant Registration No.8125 and/or Miss Somjintana Pholhirunrat, Certified Public Accountant Registration No. 5599 as the auditor of the Company. The auditor did not provide other services to the Company and has no relationship and gain or loss with the Company, its subsidiaries / Directors /Major shareholders or any person related to such person.

All of the three auditors named above are in Certified Public Accountant that has been approved by the Securities and Exchange Commission (SEC) and are not contrary to the rules of the Stock Exchange of Thailand (SET).



9.7 Other

Project Planning Service PLC or the Company and the Company's Board of Directors are firmly determined to develop the organization for sustainable growth not only to increase profit in business but also to strengthen the organization in other ways to grow strongly and sustainably together with community, society and environment in the future.

The Board of Directors considers that this point is another vital key driver to conduct the business. Therefore, the Board of Directors established the Corporate Governance and Social Responsibility Committee to support the Company's Board of Directors' administration in formulating a policy, strategies, work plan and annual budget to propose the Company's Board of Directors for further approval including tracking the progress of social and environmental responsibility activities to report the Company's Board of Directors.

The Board of Directors always emphasizes and expect to raise the Company corporate governance to international level because it can increase efficiency and effectiveness in the administration and can lead to fair practice of all parties.

In 2016, the Board of Directors has developed numerous things about the Company corporate governance.

1. Anti-Corruption

- 1.1 The Company has provides all required documents to get certified by the Private Sector Collective Action Coalition against Corruption (CAC) in the preventive corruption measures on September 18, 2015 and get certified on January 22, 2016.
- 1.2 The Company has arranged anti-corruption training regularly in order to provide all employees with the knowledge and understanding about the anti-corruption policy and good practices.
- 1.3 The Company has revised anti-corruption policy which had been approved by the Board of Directors' meeting #3/2016 dated August 10, 2016 and be announced for implementation details as posted on the Company's website.

2. Revised the term of protection to staff who inform any clues of corruptions or misconducting to legal, Company's rules & ethics (Whistleblower Policy) and had been approved by the Board of Directors' meeting #3/2016 dated August 10, 2016 and be announced for implementation details as posted on the Company's website.

3. Revised the Terms of Ethics and Code of Conduct for Directors and Employees (Revision 1/2016) to conduct in line with national and international standard be sufficient, up-to-date and conform to the Company's code of conduct The newest version of the Terms of Ethics and Code of Conduct for Directors and Employees was approved by the Board of Directors meeting No.1/2017 on February 22, 2017 and was published on the Company's website.

4. Received Excellent Innovative Organization Award of TIM Forum "Innovative Organization to Sustainability in SET"
5. Received Thailand Sustainability Investment 2015 Award from the Stock Exchange of Thailand
6. Received Excellent CG Scoring (5 Stars) from the result of Corporate Governance Report 2016 survey by IOD
7. Received Full Score (100 Points) from the result of the quality evaluation of the Company's 2015 Annual General Meeting of Shareholder survey by Thai Investors Association.
8. Received EIT – CSR Awards 2016 (Honorable mention) by Engineering Institute of Thailand
9. Received Best IR by a mai from IR Magazine Awards Southeast Asia 2016

Besides the good corporate governance practices, there are 5 more sections that the Company has been performed.



Section 1 Rights of Shareholders

As the owners, the shareholders are entitled to dictate the Company's direction or decide on matters of significant impacts. The Company respects the rights and equality of each shareholder and adheres to the principle of fairness as indicated in the Company's regulations and other relevant legislation. Basic rights of shareholders that are upheld equally include the right to grant the power of attorney for other persons to attend the meetings and vote on their behalves, the right to add meeting agenda, the right to nominate a person to become a board member, the right to vote in elections or impeach board members individually, the right to vote for the appointment and remuneration of auditors, the right to vote in various businesses of the Company, the right to receive dividends, the right to provide opinions and ask questions in shareholders' meetings, the right to receive information in a sufficient and timely manner. The Company also facilitates to shareholders to attend the meeting and vote.

The Company supervises the compliance with such policy as well as other regulations determined by law closely to protect rights of shareholders.

1.1 Shareholders' Meeting

Before the Meeting, the Company schedules an annual general meeting of shareholders (AGM) within four months of the annual closing date of its accounting books. In 2016, the Company decided to call the shareholders' meeting on April 22, 2016 from 10.00-12.00 at Ballroom, 3rd floor, The Grand Fourwings Convention Hotel Bangkok 333 Srinakarin Road Huamark, Bangkok Bangkok 10240, Thailand. The call for meeting was issued as written invitation letters indicating the venue, date, time, the meeting agenda and the points to be proposed in the meeting together with appropriate details and reasons. Points were clearly marked as points for acknowledgement, for approval or for consideration. Opinions of the board members on such issues were included. The invitations were then sent to shareholders and the registrar for their acknowledgement. Each invitation had the Power of Attorney form attached for any shareholder who cannot attend the meeting. Invitations were sent by registered post at least 7 days in advance prior to the meeting date. The meeting details were announced in newspaper(s) for three consecutive days at least 14 days in advance prior to the meeting date following The Company's regulations or the legislation. The Company had set a target for sending out complete shareholders' meeting invitations at least 21 days in advance as well as publicizing the meeting details on the Company's website at least 30 days in advance in order to allow the shareholders enough time to prepare themselves for the meeting. The Company regards the shareholders' meetings highly so the Company has set a policy to make the convenience of the shareholders and investors in attending meetings. The management and the share registrar of the Company were responsible for the organization of a shareholders' meeting, sending out invitations, preparing the venue that was convenient and select date and time that are appropriate, providing information with regards to the meeting, facilitating the meeting as well as preparing information that was sufficiently revealed to assist the decision-making of shareholders in meetings. The chairman of the board allocated timings that were proper and encouraged shareholders to have an equal opportunity to provide opinions and ask questions at the meeting following the meeting's regulations. The Board of Directors ensured that the meeting proceeds according to the order of the agenda and did not add an item without notifying shareholders in advance.

On the Meeting Day, the Company took into account the convenience of the shareholders in attending meetings. Hence the Company opted for Ballroom, 3rd floor, The Grand Fourwings Convention Hotel Bangkok 333 Srinakarin Road Huamark, Bangkok Bangkok 10240. The Company had prepared to conduct the meeting in a smooth and appropriate manner. Such preparations included the preparation of the venue that was conveniently reached with appropriate numbers of receptionists and registration personnel, the use of Barcode system in registration and counting of the votes. The shareholders could register for the meeting 2 hour in advance prior to the meeting. The ballots were sufficiently prepared for all shareholders in accordance with the agenda of the meeting.



The AGM Meeting in 2016 Started, all seven members of the Company's Board of Directors, the Company's secretary and the Company's auditor took their seats to begin the meeting. And also, Law Office Limited was invited to attend the meeting as an observer to ensure that the meeting complied with the law and the Company's regulations. Moreover, all members of the Board of Directors and committees especially the chairman of the Board of Directors and the chairmen of committees as well as the Company's high-level executives all attended the meeting to answer questions from shareholders. The chairman informed the meeting that the Company's secretary was assigned to call the number of shareholders who attended the meeting both in person and with proxies. The secretary informed the shareholders of their rights according to the regulations of the Company. After explaining the Company's rules on the method of voting by using different ballots for each minute of the meeting in particular and vote counting for individual agenda items, the chairman clearly addressed how to vote on each agenda item. These were in order to ensure that the shareholders could vote in a transparent and accountable manner.

During the Meeting The chairman ensures that the meeting proceeds according to the order of the agenda and does not add an item without notifying shareholders in advance. Each minute is given appropriate time for discussion and voting. Accurate information of the auditor is given accurately and sufficiently to shareholders to reflect the independence of the auditor. Once information has been provided for each item, the chairman gives the floor to all attendants to express opinions or recommendations and ask questions, giving adequate time for debate. The chairman and the management are to address and answer all questions clearly and precisely, treating all questions with due respect. In order for the Company's meeting to be accountable, the Company had arranged for the recording of the meeting including questions from the shareholders and answers as well as vote results for each minute in written form with breakdowns of those shareholders who agreed, disagreed and abstained. The minutes of the meeting must be completely and accurately recorded.

After the shareholders' meeting, the Company duly submitted the summary of resolutions made to SET and the SET Board before the Stock Exchange opened its next round of trade. It also duly submitted the report of the shareholders' meeting with minutes, voting records, and every question raised by shareholders to SET and the SET Board within 14 days after the meeting. Moreover, the Company sent the annual report and copies of balance sheets and revenue accounts that had been audited by the auditor and approved by the shareholders' meeting as well as copies of the shareholders' meeting reports related to the approval of balance sheets, the allocation of profits and the division of dividends to the Public Company Registrar. For balance sheets, the Company would publicize for the general public in newspaper at least 1 day within 1 month from the date that the shareholders' meeting approved of it.

Moreover, the report of the shareholders' AGMs and extraordinary meetings are accessible through the Company's website.

1.2 Responsibilities to the Shareholders

The Company's Board of Directors have duty to ensure that the executives and employees have integrity and responsibility on their jobs which create the confidence and acceptance to large and small shareholders that the Company concern the basic lawful rights and maximize their profit.

Moreover, shareholders need to be able to exercise the right to look after their interests be it voicing opinions and suggestions and voting to decide on significant changes including the election of the Board of Directors and the remuneration of the Board of Directors members and the committees, the allocation of profits and the payment of dividends as well as appointment and remunerations of auditor(s) at the shareholders' meeting. The Company is to reveal the information that is truthful, accurate, complete and accountable. For the Board of Directors remuneration, the Board of



Directors has to propose it to the shareholders for approval every year and attach the Board of Directors remuneration policy for the shareholders consideration as well.

Section 2 Equitable Treatment of Shareholders

The Company treats all shareholders fairly regardless of different shareholding proportions, foreign or Thai shareholders by conducting the guideline for equitable treatment of shareholders. The rights of equal treatment that shareholders could expect to receive from the Company described as follows;

To enable minor shareholders to earnestly take part in business, the Company has defined the criteria and consideration process for entitling them to propose meeting agenda items and/or nominate directors in advance including the selection of qualified directors to perform their duties efficiently in the best interests of the Company and all stakeholders alike. The proposal of meeting agenda items and the nomination of directors by shareholders could be done through www.pps.co.th since October 25, 2016 to December 30, 2016. However, no shareholder proposed a meeting agenda item or director nominee.

To maintain the rights of shareholders who cannot attend the 2014 AGM in person, the Company had sent types a, b, and c. of the Power of Attorney forms in accordance with the Notification of the Department of Business Development, Ministry of Commerce on the Determination of Forms of Power of Attorney (5th version) 2007. The types include the ordinary form and the form in which a shareholder may determine the direction of the votes. A shareholder could grant the power of attorney to any one individual or a member of the Audit Committee approved by the Company for voting on behalf of shareholders. The Company will be responsible for attaching revenue stamps on power of attorney forms of shareholders.

With regards to the election of the Board of Directors agenda, a shareholder could exercise the right to elect a member of the Board of Directors individually. The amount of votes for a shareholder equals to the number of shares owned by the shareholder; in other words, one share equals to one vote.

On the day of the shareholders' AGM 2016, the Company proceeded according to the Company's policy that requires all members of the Board of Directors to attend the meeting. On that day, 7 out of 7 members of the Board of Directors which is equivalent to 100 percent of the Company's Board of Directors attended the meeting. Once the meeting commenced, the Company's secretary explained the procedure of voting and counting the votes to shareholders following the regulations of the Company with regards to voting namely each share equals one vote and the open/transparent voting procedure. The Company had prepared ballots to shareholders for every minute/agenda. With regards to the appointment of members of the Board of Directors, the Company provided the opportunity for shareholders to exercise the right to consider the committee appointment individually.

The meeting proceeded according to the order of the agenda and did not add an item without notifying shareholders in advance. The regulations of the Company were strictly upheld. The chairman of the Board of Directors presided over the meeting and provided opportunities for shareholders to voice their opinions and give suggestions to the meeting with sufficient and appropriate amount of time before voting in each minute of the meeting. Shareholders voted using ballots that the Company prepared for shareholders. Once shareholders had voted, the Company would immediately arranged for vote counting. The Company allowed the shareholders to become the staff who count, observe and verify the accuracy of the votes. Thus, the voting and counting procedures were proceeded with accuracy, transparency and a speedy manner. The Company has also kept the voted ballots as evidence for future examination as well as questions, answers, opinions in the meeting and the record of the meeting resolutions including approved, disapproved and abstained votes in each minute/agenda in writing.



14 Days after the meeting, the Company publicized the report of the shareholders' AGM on www.pps.or.th. The Company has kept the report of the meeting at the Company's headquarters to enable all parties to check.

With regards to the supervision of internal data of the Company, the Company has determined the policy which is implemented on the Company's executives and employees. The Company's executives and employees are forbidden to use the Company's internal information for personal benefits. Details on this topic can be found in the document on the use of internal information. In 2016, there was no evidence that the members of the Board of Directors, executives or the Company's employees bought and sold the Company's asset eccentrically before the financial statements publication.

The Company has determined the guidelines on conflict of interests in the Regulations on Business Ethics and Ethics Code for the Board of Directors, executives and employees of the Company. Members of the Board of Directors, executives and employees are not to act in any way that may cause a conflict of interest against the Company. In 2016, there was no evidence that the Board of Directors, executives and employees of the Company had acted in any way which caused a conflict of interest against the Company.



Section 3 Roles of stakeholders

The Company's businesses involve working together with several stakeholders. The Company has managed the interests with great care and has attempted to maintain fairness for all parties by strictly complying with related legislation in order to protect the rights of stakeholders.

3.1 Respect of Rights of Other Stakeholder

The Company is committed in justice and being ethical to treat all shareholders fairly despite different shareholding proportions and thus different voting proportions. The fundamental rights of the shareholders are conserved regardless of their gender, age, origin, nationality, religious belief, physical impairment, or political inclinations. The Company is fully aware of the responsibility to society and community and regards this as the main task. Thus, the Company seeks to create projects and activities that are beneficial to the development of society and community by creating policies and guidelines for all parties of stakeholders and also reporting the Company's performance to shareholders as follows;

1. **For Shareholders** - The Company is committed to operate profitable businesses leading to sustainable growth in order to compete in the long-term while allocating appropriate amount of profits to shareholders. Moreover, the Company also provides accurate, comprehensive, transparent, timely and equal information to shareholders.
2. **For Employees** - All employees - wherever they work - must be treated without prejudice. Furthermore, the Company uses the performance assessment system (KPI) to assess the performance of employees. The results of the assessment are used to plan the trainings and support for further education of employees as well as to consider paying suitable compensations. The Company has also established a provident fund as well as other welfare benefits for employees and provided a safe work environment and good sanitation in workplaces.
3. **For Clients** - The Company pays attention and takes customers' satisfaction seriously especially for services. In 2016, the Company asked customers to evaluate their satisfaction with regards to the Company's services. The results of the evaluation amounted to the average score of 84%. The Company provides guarantee for clients with the registered capital of 180 million baht to further increase the confidence of clients.
4. **For Business partners** - As business partners are vital to the quality of the Company products and services, the Company strictly complies with values procurement processes, contracts and the law.
5. **For Competitors** - The Company sticks to the principles of good conduct in the framework of competition without using unfair methods to destroy competitors. To be fair competition, the quality of the work is the most essential factor to defeat the competitors.
6. **For Creditors** - The Company complies with the contracts and relevant legislation to pay debts to creditors who lend to the Company.
7. **For intellectual property and the copyrights** - The Company respects the right in property, intellectual property and the copyrights of others.
8. **For human rights** - The Company puts an emphasis on fair treatment based on ethics and code of conduct including the respect of human rights.



9. **For society** - The Company has emphasized on community and society accountability. (Detailed in Topic 7 – Society and Community Development)
10. **For community** - The Company values the well-being of communities by supporting activities in communities to assist society based on appropriate times and opportunities.
11. **For resource and environment** - The Company has an environmental management policy and disciplinary practices for business operations focusing on using resources efficiently.

3.2 Complaint Center

To increase the efficiency in the treatment of all stakeholders, the Company provides various channels allowing stakeholders easily to fill a complaint.

3.2.1 Clients and the general public may raise a complaint or provide opinions for the Company in accordance with the Regulation on the Procedure of Receiving and Considering Complaints 2009 through the following levels;

Post	Project Planning Service PLC, 381/6 Soi Rama IX 58 (Soi 7 Seri 7), Rama IX Road, Suan Luang, Bangkok, 10250.
Website	http://www.pps.co.th
Telephone	02-7182785-9
FAX	02-3005545-6

Employees may raise a complaint or provide a suggestion or an opinion to the Company's Board of Directors and executives directly through the internal E-mail system of the Company.

3.2.2 If there are any complaints to the Company's staff, please inform to the CG & Social Responsibility Committee via Email : cgcommittee@pps.co.th

3.2.3 If there are any complaints to the Company's director(s) or Managing Director, please inform to the Audit Committee via Email : Whistleblow@pps.co.th

3.3 Direct Communication Channels to the Company's Board of Directors

Stakeholders who wish to contact the Company's Board of Directors directly (bypassing the Company's executives) may do so through email: whistleblow@pps.co.th The Company has determined the policy or guidelines to protect whistleblowers as well as the policy with regards to the confidentiality of information related to a case of whistle blowing.

The Company will investigate the case which has been raised and complained and will seek a solution.

3.4 Communication channels

The Company's Board of Directors has assigned the management to ensure that the Company has channels of communication and publicisation of information that are accurate, comprehensive and timely to investors, the press and other groups of stakeholders utilising various media platforms for instance, press releases, newspapers, radio, television, meetings and press conferences as well as website and e-mail which allow the Company to receive-send data and information quickly and accurately. There is an Investor Relations Department/Unit which is responsible for such matters.



3.5 Investor Relations

The Company has established an Investor Relations Department/Unit to be responsible for the provision of services and dissemination of the Company's news and information that are of benefits to all groups of stakeholders including employees, shareholders, clients, trading partners, creditors and analysts equally, justly and comprehensively using diverse communication activities.

Contact details for the Investor Relations Department/Unit

Address	Project Planning Service PLC. 381/6 Soi Rama IX 58 (Soi 7 Seri 7) Rama IX Road Suan Luang, Bangkok 10250
Email	ir@pps.co.th
Website	http://www.pps.co.th
Telephone	02-7182785-9
FAX	02-3005545-6

Section 4 Publication of Information and Transparency

The Company provides confidence to investors by publicizing important information of the Company accurately, comprehensively, timely, transparently and equally. Such information include financial information and performances/operating results. Other relevant information is kept and under the rules, regulations as well as the Company's guidelines to prevent leakages of the Company's confidential information to trading competitors following the regulations of the Securities and Exchange Commission (SEC) and the regulations of the Stock Exchange of Thailand (SET). Apart from publicizing information through the Annual Information Form (Form 56-1) and the Annual Report (56-2), most information is publicized through the website of the Stock Exchange of Thailand and the Company's website allowing shareholders, clients, analysts, investors and those interested parties to access credible information with ease and equality. Investors can learn more about the issuing of additional securities from the annual registration statement (Form 56-1) of companies listed on www.set.or.th or the Company website www.pps.co.th

The Company specifies agencies and individuals who coordinate and provide information for shareholders, prospective investors and the Stock Exchange of Thailand. The Company also provides opportunities for meeting sessions that involve explanations, questions and answers from the Company's executives.

4.1 Financial Reports

The Company's Board of Directors is responsible for the overall financial reports of the Company as well as the information proposed to shareholders in annual reports. The Board of Directors is to supervise the quality of the financial reports covering the overall financial statements of the Company. The financial statements are to be produced in accordance with the generally accepted accounting standards. There are auditing processes by credible and independent auditors. The Board of Directors is to use appropriate accounting policies and to comply with them regularly. The Board of Directors is to ensure that the overall financial reports of the Company are correct and accurate with sufficient, credible and rational publication of important information.

The Company's Board of Directors provides for the Audit Committee which inspects all departments of the Company in regular intervals in order to ensure correct and comprehensive information recording. The departments work according to the standards and integrity following the policies determined by the Company and not to act in a way that breaches any relevant legislation.



The Company's Board of Directors has appointed three independent board members as the Audit Committee which conducts; reviews to ensure that the Company has financial reports which are correct, clear and timely; reviews to ensure that the Company has appropriate and efficient internal supervisory systems and internal audit system; as well as considers the compliance with various legislations and the Company's regulations; considers the publication of information to ensure its accuracy, clarity, transparency and timely manner in accordance with the regulations of listed companies. In case there are items that are connected to or items that may amount to a conflict of interests, the Company is going to propose to the Audit Committee to consider their appropriateness and rationality before proceeding.

4.2 Risk Management

The Company's Board of Directors has provided for the Risk Management Committee which considers and proposes risk management policies, plans, risk assessment and performances according to pre-determined plans to the Board of Directors. The Risk Management Committee's works cover all departments in the Company and cover all risk factors that are associated with the vision, objective, business strategies, finances, production, anti-corruption assessment and other aspects of operations. The Risk Management Committee also considers possibilities of occurrence and the severity level of the impact, determines measures to correct and clear responsible individuals and determines measures of reporting and assessing results to ensure that the risk management system works efficiently.

4.3 Internal Control System

The company's Board of Directors provides for the internal control system that covers all aspects including finances, performance compliance with the relevant legislation, rules and regulations including corporate governance to prevent, reduce and monitor risk of anti-corruption. The Board of Directors provides for regular check and balance mechanisms that are sufficiently efficient in protecting and maintaining invested capitals of shareholders and the Company's assets. The Board of Directors provides for the determination of approving authority hierarchy and the responsibilities of executives and employees which inherently conduct inspections and create balances. The Board of Directors determines work regulations in written form and internal audit department that is independent. The Company hires Quantum Point Consulting Co., Ltd. to be the internal auditor. The Aim to Prosperity Company is directly accountable to the Audit Committee which inspects the work of various departments both the business and support departments according to the regulations.

4.4 Transactions of Members of the Board of Directors or Executives

1. The Company's policy states that members of the Board of Directors are to reveal their share transactions and Company's asset possession.
2. The Company's policy states that members of the Board of Directors are to report their state of being stakeholder to the Audit Committee.
3. The Company's policy states that the important internal reports are to be considered and approved by the Committee.
4. The Company's policy mentions that directors and senior executives have to inform the Committee and notify the Company secretary at least one day in advance before stockbroking.



4.5 Meetings with analysts, investors and the media

The company has participated in the event “Opportunity Day” organized by the Stock Exchange of Thailand which aims to facilitate investor relations activities of the listed companies. An Opportunity Day makes it convenient for analysts, investors, and the media to find out about the business and operations of listed companies – and for listed firms to communicate with these key audiences. In 2016, the Company has participated in the event 2 times as follows:

1th March 28, 2016

2nd September 7, 2016

Section 5 Board Responsibilities

To maximize the benefit of company and shareholders, the Board of Directors is responsible for the operations of the Company and is truly independent from the management. Responsibilities are divided clearly between the Board of Directors and the management team. The Board of Directors sets the executive management policy and supervises to ensure that various systems and operations of the Company proceed according to correct policies, legislation and ethics. The executives has duty to make business profit and have to perform its duties with responsibilities with faithfulness, fairness and equity for all stakeholders.

The Board of Directors has duty to review and approve the policies on good corporate governance, the Terms of Ethics and Code of Conduct for Directors and Employees, vision, mission, value, and the Company’s strategies before implementation. The Board of Directors supports and promotes good practices and monitor the performance result. Moreover, The Company established the compliant unit to do the duty. The Company has publicized the name lists, profiles and roles of both the Board of Directors and other five committees such as the executive committee, the Audit Committee and the nomination and remuneration committee, the Corporate Governance and Social Responsibility Committee, the Risk Management Committee. In 2016 Annual Report and on www.pps.co.th. Moreover, the Board of Directors supports the chairman of committees to reveal the number of meetings, the number of meetings that each member attended in the previous year and the publication of opinions on their work in the annual report.

In addition to that, the Company has publicized the process of determination and appropriateness of compensations in the 2015 Annual Report on the compensations for the members of the Board of Directors and executives. The numbers of times that the board members and other committee members attended meetings are included and the details shown in the Meeting Attendance of Various Committee Members Table. The compensations of various committee members show in the Comparison of Compensations of various committee members between 2014 to 2016 Table.

The Company’s Board of Directors is responsible for the accuracy and completeness of the financial statements of the Company and to ensure that the financial statements are transparent. The Board of Directors also response to provide the publication of sufficient important information in the remarks accompanying financial statements as well as financial information in Annual Reports. Such financial statements are produced in accordance with the general accounting standards and are examined by auditors that have been certified by the Securities and Exchange Commission. The Company’s Board of Directors has appointed 3 members as the Audit Committee who involves in the independent members but not be executives. The Audit Committee have to both review quarterly financial reports and annual financial statements and also ensure that the financial statement are accurate and completely comply with the generally accepted accounting principles before submitting to the Company’s Board of Directors for further consideration.

The Company’s accounting department is responsible for publicizing connected transaction information and transactions that result in conflict of interests following article 89/12 in the Act on Securities and Stock Exchange of Thailand



(Fourth Version) 2008 and the Notification of the Capital Market Supervisory Board TorJor. 21/2551 on the Regulations on the connected transactions and the Notification of the Stock Exchange of Thailand Commission on the publication of information and conduct of listed companies with regards to connected transactions 2003. These are to be submitted to the Audit Committee for consideration and opinions.

The Company's Board of Directors emphasizes the publication of information that is transparent, accurate, comprehensive and timely be it the financial information or other important information that may affect the share prices. The Company disseminates various news and information to investors and shareholders through various channels and media for instance through electronic media system of the Stock Exchange of Thailand and through www.pps.co.th. Moreover, the Company's Board of Directors produces the report on responsibilities of the Board of Directors on financial reports and reports produced by the Audit Committee to be publicized together with reports of the auditors. These are to be publicized in annual reports regularly every year.

The dissemination of information of the Company to investors both shareholders and prospective shareholders falls under the discretion and authority of the chairman of the Board of Directors, managing director and deputy managing director. An investor may contact the investor relations department of the Company at tel. 02-7182785-9 or www.pps.co.th

5.1 Terms

Terms of directors are according to the Public Company Act 1992. The term of office for independent board members is 3 years and they may be in the same position for not more than 3 terms consecutively unless unanimously considered and approved by the Nomination and Remuneration Committee that the member has greatly contributed to the benefits of the Company and the reinstatement does not compromise their independence. The member needs approval from the Company's Board of Directors and shareholders as well.

5.2 Remuneration for the Committees

The Company sets appropriate remuneration for members of the Committees clearly and transparently at rates comparable to other top companies in the same industries. Remuneration for the Committees is high enough to keep the qualified the Committees to work with the Company. Moreover, the Company proposed this rate for approval in the Shareholders' Meeting before using. Remuneration for the Audit Committee s and the nomination and remuneration committees is set by the Board of Directors, based on their responsibilities and performance.

The Remuneration for the Committees (As an executive director or non-executive Directors)

1. Monetary compensation
 - 1.1 Attendance fee
 - 1.2 Gratuity (bonuses) based on the operating results of businesses
2. Monthly Remuneration and other remunerations
 - None -

The Nomination and Remuneration Committee proposes the approach and method in determining meeting allowances, hospitality allowances, bonuses and pensions as well as other financial benefits for the Board of Directors. The proposal to seek opinions and suggestions from the Company's Board of Directors meeting is submitted to the shareholders meeting for approval every year. These exclude inherent rights according to the Company's regulations.



5.3 Various Committees

The Company's Board of Directors appoints each committee members from qualified individuals. Each committee works as assigned by the Board of Directors. Each committee has the authority to summon the executives to attend the meeting, clarify or produce reports. The Board of Directors approves the charter of each committee.

At present, the Company's Board of Directors has appointed 5 committees.

1. Executive Committee comprises executive committee members of not more than 7 persons. Each member is either the Company's Board of Directors member or a high-level executive of the Company. An individual in one of the following positions is a member of the Company's executive committee by default.

- (1) Managing Director
- (2) Deputy Managing Director
- (3) Assistant to the Managing Director on Projects
- (4) Assistant to the Managing Director on Financial and Organization Management
- (5) Assistant to the Managing Director on Business Development

The term for executive committee members from this appointment is 2 years. Board of Directors members may propose no more than 2 other persons as deemed appropriate to the Company's Board of Directors to appoint them as executive committee members..

2. The Audit Committee comprises at least 3 independent board members and at least 1 audit committee member needs to have sufficient knowledge and experience to review the credibility of financial statements. The term for each audit committee member is 3 years. Once the term has expired, the committee member may be reinstated but limited not more than 3 consecutive terms.

3. The Nomination and Remuneration Committee comprises mostly of independent members. There are at least 3 members in this Committee. The term for each member is 3 years. Once the term has expired, the committee member may be reinstated.

4. The Risk Management Committee comprises of risk management committee members not more than 5 persons. Each member has to be the representatives of management department or accounting or finance department or project department (at least 1 person per 1 department). The term for risk management committee members from this appointment is 2 years. They may remain in their office for no more than 2 consecutive terms.

5. The Corporate Governance and Social Responsibility Committee comprises of five members in total. The term for the Corporate Governance and Social Responsibility Committee from this appointment is 3 years. Once the term has expired, the committee member may be reinstated.

5.4 Meetings of the Board of Directors

The Company's Board of Directors meet at least every 3 months to work as assigned and to acknowledge performance of the Company. In a meeting, members must be allowed to voice their opinions and discretion independently. The quorum of the vote in a Board of Directors meeting is at least 2/3 of the total number of Board members. Board members are to attend every meeting unless there is a reason of necessity that is force majeure. Such a reason needs to be informed to the Secretary of the Company's Board of Directors in advance. The Company publicizes the attendance of each member of the Board of Directors in the annual report. The Company arranges for the Secretary of the Company's Board of Directors to produce the meeting schedule for the year in advance in order for all members to acknowledge the schedule well in advance. The Secretary of the Board of Directors is to send meeting invitations to all Board members to confirm the date, time, venue and meeting agenda at least 7 days in advance. The Secretary of the Board of Directors collects supporting documents from



the management to send to the Board of Directors in advance. Such documents form information that is sufficient for the decision-making and the use of independent discretion of the Board members. The Secretary of the Board of Directors is to record meeting minutes to produce meeting report with complete and comprehensive content within 14 days after the date of the meeting to submit it to the Chairman of the Board of Directors to sign. Good storage that allows for convenient search and access as well as confidentiality must be in place.

5.5 Meetings of Board of Directors who are not Executives

The Company's Board of Directors arranges for independent board members to meet among themselves to allow them to discuss various issues freely and independently. The meeting is held at least once a year complying with the principles of good corporate governance. In 2016, the meeting was held on 12 November 2016.

5.6 Meeting of Independent Board Members

The Company's Board of Directors arranges for independent board members to meet among themselves to allow them to discuss various issues freely and independently. The meeting is held at least once a year complying with the principles of good corporate governance. In 2016, the meeting was held on 12 November 2016.

5.7 Reporting of Information

1. The Board of Directors is responsible for the reporting of financial information and general information to shareholders and general investors in an accurate, truthful, comprehensive and transparent manner. Information comes with rational explanations and quantitative supporting evidence both in terms of policies and performances, future trends as well as successes and obstacles of the business.
2. The Board of Directors understands and supports the compliance with the professional standards of auditors.
3. The Company's Board of Directors has produced a report on the responsibilities of the Board of Directors on the provision and publication of financial reports of the business and has publicized it alongside the financial statements and reports of auditors. It covers;
 - 3.1 Legal regulations assigns the Board of Directors with the duty to produce financial statements to show the financial status and the performance in the previous year that are accurate/true and rational.
 - 3.2 The responsibilities of the Company's Board of Directors in the provision of correct, comprehensive and sufficient accounting information to be able to maintain the Company's assets and to realize weaknesses to prevent corruption or abnormalities.
 - 3.3 Confirmation that the Company has adhered to the generally accepted accounting standards. The Company uses appropriate accounting policies and constantly adheres to them. The Company has carefully considered the rationality and appropriateness in producing financial statements of the Company.



5.8 Nomination and Succession Plan for Top Executive Positions

The Company has put in place a proper and transparent nomination process for key management positions at every level. The succession plan for top executives is carried out by the Nomination and Remuneration Committee and considered by the Board of Directors.

The Company nomination process for top executive commences with the process of recruiting candidates who possess both talent and integrity. Young talents are the focus of recruitment, so that they can be groomed to become leaders in the future. Qualified employees will undergo a high potential assessment and pursue development courses following individual career development plan. These talents will be assigned challenging tasks, and their positions will be rotated periodically in order to further develop their leadership skills and all-round knowledge in every area of the Company business. The plan is implemented at every level of employment to ensure that staff members are ready to fill any positions that become vacant.

5.9 Self-assessment of the Board of Directors

The performance appraisal of the Board of Directors consists of self-assessment, group assessment (as a whole) and subcommittees and carries out on an annual basis at least once a year. The assessment results are reviewed in order to consider about their performance, problems and obstacles and find ways to continue to improve the performance. The performance evaluation form of the committees and subcommittees uses the SET guideline but adapts for the Company business characteristics.

In 2016, the Secretary of the Company disseminated self-assessment forms of the Board of Directors. It was comprises six major topics as follows: the structure and qualifications of Board of Directors Roles, Duties and Responsibilities of the Board of Directors Directors' Meetings The Conduct of Directors The Relationship with the Management and Self-development of the Directors The score of the self-assessment of all members of the Board of Directors is divided into 4 = Very Good, 3 = Good, 2 = Moderate, 1 = Fair, 0 = Poor

1. The assessment result of the Board of Directors as a whole was 3.63 out of 4 (Very Good)
2. The self-assessment result of the Board of Directors was 3.70 out of 4 (Very Good)
3. The assessment result of the Audit Committee was 3.83 out of 4 (Very Good)
4. The self-assessment result of the Nomination and Remuneration Committee was 3.83 out of 4 (Very Good)
5. The self-assessment result of the Corporate Governance and Social Responsibility Committee was 3.67 out of 4 (Very Good)
6. The self-assessment result of the Executive Committee was 2.33 out of 4 (Moderate)
7. The self-assessment result of the Risk Management Committee was 3.83 out of 4 (Very Good)

The performance appraisal of the Board of Directors carries out on an annual basis at least once a year. The assessment results are reviewed in order to consider about their performance, problems and obstacles and find ways to continue to improve the performance. The performance evaluation form of the committees and subcommittees uses the SET guideline but adapts for the Company business characteristics.



5.10 Orientation for new member(s) of the Committees

The Company's Board of Directors provides for an orientation for new member(s) of the Board of Directors before taking up the position as a director. This is in order for a new director to acknowledge the expectations of the Company on their roles, duties and responsibilities as well as the policies and guidelines in supervising the businesses of the Company and construct knowledge and understanding in the businesses and various aspects of operation of the Company, including any other relevant information to the new member(s) of the Board of Directors to prepare new member(s) for the job of being director(s).

In 2016, There was no orientation as there was no new member of the Company's Board of Directors. However to update all BOD's member on Anti-corruption, Company's governance, Company's products & services and the situation of construction market, the Company had arrange the communication activity for directors on 9 May 2016.

5.11 Policy with regards to members of the Board of Directors and High-level Executives taking up positions in other Companies

The Company's Board of Directors has issued a policy that limits the number of listed companies and non-listed companies in which each member of the Board of Directors may take up positions to not more than 3 places. For a managing director, the number of companies which one may take up a position as a Board or Committee member is limited to not more than 3 places. In 2019, there was no issue of non-compliance with this policy.

5.12 Development of Members of the Board of Directors and High-level executives

The Company encourages the Company's Board of Directors and high-level executives to attend the seminars on curricula that are of benefits to their work and to regularly exchange their opinions with the Board of Directors and high-level executives of various other organizations. The curricula that directors should attend include those of Thai Institute of Directors (IOD) for instance Directors Certification Programme (DCP), Directors Accreditation Programme (DAP), Audit Committee Programme (ACP) and Executive Development Programme (EDP). The knowledge and experience gained from these curricula and programmes should be applied to Company development. So far, Board members who attended various curricula include

Mr.Prasong Tharachai

- Directors Accreditation Program (DAP) 91/2011, Thai Institute of Directors (IOD)
- Role of the Chairman Program (RCP) 34/2014, Thai Institute of Directors (IOD)
- Chairman Forum R-CF 1/2014, Thai Institute of Directors (IOD)

Pol.Lt.Gen.Dr.Nukool Jeamanukoolkit

- Directors Accreditation Program (DAP) 94/2012, Thai Institute of Directors (IOD)

Mr.Tat Thongpakdi

- Directors Accreditation Program (DAP) 100/2013, Thai Institute of Directors (IOD)
- Financial Instruments for Directors (FID) 3/2013, Market for Alternative Investment (MAI)
- Successful Formulation and Execution of strategy (SFE) 24/2015, Thai institute of Directors (IOD)
- Enhancing Thailand Competitiveness (2015), Thai Listed Companies Association (TLCA)

Mrs.Vipavee Boonyaprasit

- Directors Accreditation Program (DAP) 91/2011, Thai Institute of Directors (IOD)
- Anti-Corruption Seminar 2/2013, Thai Institute of Directors (IOD)



- Governance as a driving force for business sustainability (2015), The Stock Exchange of Thailand (SET)
- Anti-Corruption The Practical guide 2015, Thai institute of Directors (IOD)

Mr.Phongthon Tharachai

- Training Program – Advance Potentiality Development of Innovation for Entrepreneurs by Institute of National Innovation, SET, mai and TMA
- Directors Accreditation Program (DAP) 91/2011, Thai Institute of Directors (IOD)
- Executive Development Program (EDP) 5/2010, Thai Listed Company Association (TLCA)
- Future Entrepreneurs Forum (FEF) 1, Market for Alternative Investment (MAI)
- Anti-Corruption For Executive Program 11/2014 (ACEP 11), Thai Institute of Directors (IOD)
- Anti-Corruption Seminar 2/2013, Thai Institute of Directors (IOD)
- CSR Report 8/2014, The Stock Exchange of Thailand (SET)
- Preliminary CSR for Corporate Sustainability 8/2014, The Stock Exchange of Thailand (SET)
- Thai Intelligent Investor Program 2014, Thai Investors Academy
- Corporate Sustainability Advisory Program 2014, The Stock Exchange of Thailand (SET)

Mr.Theerathon Tharachai

- Leadership Succession Program Class 7 Institute of Research and Development for Public Enterprises
- Directors Certification Program (DCP) 101/2008, Thai Institute of Directors (IOD)
- Directors Accreditation Program (DAP) 68/2008, Thai Institute of Directors (IOD)
- Executive Development Program (EDP) 4/2009, Thai Listed Company Association (TLCA)
- Financial Instruments for Directors (FID) 3/2013, Market for Alternative Investment (MAI)
- Strategic CFO in Capital Markets Program (2015), The Stock Exchange of Thailand (SET)
- Enhancing Thailand Competitiveness (2015), Thai Listed Companies Association (TLCA)
- CFO in the new financial world (2015), Securities and Exchange Commission (SEC)

Every the Company's committee has attended the seminars and training courses which Thai Institute of Directors (IOD) created. The percentage of attending committees is 100%.

In 2016, Board members who attended various programs include

Mr.Phongthon Tharachai

- Training Program – Advance Potentiality Development of Innovation for Entrepreneurs by Institute of National Innovation, SET, mai and TMA

Mr.Theerathon Tharachai

- Leadership Succession Program Class 7 Institute of Research and Development for Public Enterprises

5.13 The Policy Implementation

The Company committees not only emphasize on the fair practices but also ensure that the Company practices are conducted in line with the Company polished policies. Moreover, the Company assigns training department to adjust some training courses by combining and adding the Company polished policies into the Company training courses. Also, the Company established compliant unit to be responsible for operating and monitoring the Company performance.

The Company published policies which are parts of training courses are described as follows;

1. Good Corporate Governance Policy



2. The Terms of Ethics and Code of Conduct for Directors and Employees
3. Anti-Corruption Policy
4. Respect for Human Rights
5. Friendly Environmental Operation
6. Using Resources Efficiently

5.14 Scope of Authority of the Chairman of the Board of Directors

The Company arranges for the Chairman of the Board of Directors has authority as follow:

1. Sets Board meeting agenda in consultation with the President & CEO and oversees to ensure Board members receive accurate, complete, timely, and clear information prior to the meeting to assist in their decision making process.
2. Provides leadership and direction to the Board of Directors and chairs meetings of the Board.
 - 2.1) Conducts a Board meeting according to the agendas, the Company's Articles of Association, and applicable laws.
 - 2.2) Encourages and allocates sufficient time to each Board member to discuss and express their free and frank opinion with due circumspection and concern for all stakeholders.
 - 2.3) Sums up the Board meeting resolutions and the actions to take clearly.
 - 2.4) Sets up a Board meeting without the presence of the Executive Director.
 - 2.5) In case of an equality of votes, the Chairman shall have a casting vote.
3. Chairs meetings of shareholders according to the agendas, the Company's Articles of Association, and relevant laws by allocating time appropriately along with providing opportunities for shareholders to express their opinions equitably and ensuring that shareholders' inquiries are responded to appropriately and transparently.
4. Supports and be a role model in compliance with the principles of good corporate governance and the Company Code of Conduct
5. Fosters a positive working relationship between the Board of Directors and the Management and supports the performance of the duties of the President & CEO and the Management in accordance with the Company's policy.
6. Oversees to ensure the transparent disclosure of information and management in the event of conflicts of interest.
7. Oversees to ensure the Board of Directors has appropriate structure and composition.
8. Oversees that the Board of Directors as a whole, Sub-committee members, and each individual director perform their duties effectively and efficiently.
9. Oversees to ensure the performance assessment of the Board of Directors as a whole and self-assessment of directors, Chairman, and Sub-committee members. The assessment results are reviewed to find ways to improve their performance and enhance the knowledge and capabilities of the directors and Sub-committee members.



5.15 Remuneration for the Board and the Top Executives

The Company sets appropriate remuneration for members of the Board and the Top Executives clearly and transparently at rates comparable to other top companies in the same industries. Remuneration for the Board and the Top Executives is high enough to keep the qualified the Board and the Top Executives to work with The Company.

1. Remuneration Rules

- 1.1 Short term remuneration consists of salary, consulting compensation, bonuses and other welfares such as daily allowance and phone allowance. For senior consulting engineers, they will get extra remuneration based on the shown rate in contract agreement.
- 1.2 Long-term remuneration comprises of provident fund, retirement compensation, the Employee Joint Investment Program (EJIP).

2. Remuneration Consideration Payment

- 2.1 Managing Director Remuneration: The nomination and remuneration committees will use performance evaluation results which is assessed by the Company's Board of Directors for remuneration consideration. The chairman of the board of director will inform managing director and the board of director performance evaluation results.
- 2.2 Top Executive Remuneration: The committees assign managing director to evaluate top executive performance including considering top executive remuneration based on the rules
- 2.3 Executive Director Remuneration: The executive directors do not get paid as the committees but get paid as employees and executives.

5.16 Independent Directors

An independent director shall neither be nor have ever been a director with management authority and a large Shareholder of the Company. There not have and never had a business relationship with the Company, the Main Company, a subsidiary company, joint-company, a large shareholder or the legal entity which could result in conflicts, which might affect the interests of the company and/or shareholders.

Currently, there are 3 independent directors of the Company, number of people: Pol. Lt. Gen. Dr. Nukool Jeamanukoolkit, Mrs.Vipavee Boonyaprasit, Mr. Kachen Benjakul. Qualified in accordance with the definition of independent. (Qualifications) of the Company, which are equivalent to the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.

5.17 Communications with the Executives

The Company's Board of Directors encourages high-level executives of the Company to meet with the Company's Board of Directors. The executives are to present information related to the agenda under their responsibilities to the Board of Directors in order to make the directors aware of the information and opinions of executives directly responsible for the work. At the same time, the executives also have an opportunity to learn and understand viewpoints of the Company's Board of Directors.

The Company's Board of Directors encourages meetings and exchange of opinions between directors and high-level executives in other opportunities apart from the Board of Directors meetings so that the Board members are able to build relationship with the Company's high-level executives.



5.18 Non-Executive Director with experience in related business

Mr. Kachen Benjakul acquired the bachelor degree at Chulalongkorn University in Faculty of Engineering. Currently, he is independent director and Board of Director and experiences in related engineering business. Therefore, he is able to raise the Company business operation effectively.

5.19 The Company's Strategy into practice.

The Board of Directors has to monitoring compliance with the company's strategy on a quarterly by setting the agenda for report and monitor on the Company's Board of Director Meeting.

5.20 Independence of the Company's Board of Directors and High-Level Executives from the external Auditor.

The Company has determined the Company's Board of Directors and High-Level Executives must be independent from the external auditors, must ever be a partner or employee of the external auditors company during 2 years. In 2015, The Company has adopted stringently and there was no evidence that the Board of Directors and executives had acted in any way which caused a conflict of interest against the Company.

Section 6 The Secretary of the Company

The Company's Board of Directors has created a position of a Secretary of the Company. Mr.Voradaj Piemsuwan has been appointed the Secretary of the Board of Directors and the Secretary of the Company in order to manage the Company to the highest efficiency in accordance with the principles of good corporate governance with the following main duties and responsibilities;

1. Provide suggestions and support the work of the Company's Board of Directors with regards to legal issues and related rules and regulations.
2. Ensure that the Company operates according to the principles of good corporate governance as well as monitor to ensure that policies and suggestions of the Board of Directors are being practically implemented.
3. Be responsible in the production and storage of important documents.
4. Ensure that the Company and the Company's Board of Directors as well as the management comply with the related legislation and various rules and regulations.
5. Communicate with shareholders and look after shareholders in an appropriate manner.
6. Communicate with the relevant supervisory organizations.

Apparently, Mr.Voradaj Piemsuwan already took a "Company Secretary Program Class" 42/2011 of Thai Institute of Directors (IOD), which is specific class for the company secretary training.



TAX POLICY

Project Planning Service Public Company Limited (PPS) and subsidiaries always recognizes that the role and responsibilities as well behaved “taxpayer” is an essential factor for the Country’s development.

To enhance the PPS’s tax management on correctness, prudence, effectiveness and guidance to disclose tax information in case of tax disputes with government tax departments, PPS places full importance on tax management based on compliance to law, transparency and accountability as risk protection to the Company’s reputation & image and tax penalties as value added to shareholders.

The tax policies have been developed and approved from the Company’s executive committee based on correctness and fully covering under PPS’s good governance.

Implementation of the tax policies are as following.

1. Taxation Operation

1.1 Planning and operation guide on tax

- Tax management to ensure correct operation in compliance to all tax related law and regulations, apply proper tax benefits to maximize shareholders’ equities with good relation to government tax department and retain the Company reputation.
- Tax filing within due date and practically manage tax payment or tax refund to maximize the Company’s cash liquidity.
- Regular review on tax effect from any new tax regulation or new business transactions.
- Manage efficient tax planning by study of tax effect from law and regulations including of consulting to tax specialist to comply all regulations without tax evasion.
- Educate tax knowledge to the Company’s staff by internal knowledge transfer and assignment of staff’s external training to ensure completion and correctness of tax operation approaches of related staff.

1.2 Tax Coordination and consulting to government department

- Assign responsible person on tax coordination and provision of actual information as being requested to tax auditing from tax department officer.
- Specify requirement of tax consulting to ensure correct understanding and practice.

2. Tax disputes with government tax departments

If there is any tax disputes or arguments with tax department which significantly affect to tax amount, responsible person shall inform top management for consideration of proper operational approach prior to any clarification, defend or consent to government tax officer.



10. Corporate Social Responsibility

The Company has separated the results of operations into the following nine main topics based on the framework of sustainable development. The details are as follows.

1. Business operation with fairness
2. Anti-corruption
3. Respect for Human Rights
4. Fair Treatment to Labor
5. Responsibility to customers and consumers
6. Environmental Operation
7. Society and Community Development
8. Innovation and Distribution of Innovation
9. Making the Sustainability Report

1 Business operation with fairness

Project Planning Service PLC or PPS is one of the leading engineering professional services firm in Thailand providing engineering services, architectural services, and other works related to construction with over 20 years of experience. With a team of professional engineers, PPS has completed a plenty of famous projects and built the strong customer trustworthiness and good relationship for more than 29 years. Moreover, PPS has fairly supported and created level of playing field for all parties with honesty. In order to clearly understanding, PPS has separated the operation of fairness into the following three main topics.

1.1 Fair Competition

PPS has a policy for fair practice and competitor responsibility by competing under the reasonable rules and applying anti-corruption policy to avoid discrediting competitors. PPS has always focused on competitive value, service satisfactory and excellent project quality to meet customer expectations more than price competition. However, in case of project cost is a key element for competition, PPS has always purposed the reasonable bid price.

Guidelines in Practice

1. Compete in business with fairness and honesty to achieve competitor information legally under morality and ethics in the practice.
2. Focus on the fair bid price which is reasonable for the quality of workmanship and customer expectations.
3. Perform strictly good practices based on contract agreement.
4. Deliver qualitative services and products that meet the customer expectations with competitive prices.

Actions in 2016

Submitted the project proposals with reasonable fees and costs under the terms and conditions of project owners.

However, since PPS has established the organization and run the business, there has been no one claiming about bidding transparency of PPS.

1.2 Performing to promote the social responsibility in trading partners

Partners are another essential key driver to help business grow sustainably along with good economic, social and environment. To operate the business into the right path, PPS has provided clear guidance on the definition of the word "partner" as a person, group or entity doing business with the company including business partners, vendors, service providers and creditors. Also, PPS has a policy to be complied with the partner agreements, partner contracts and conditions strictly and fairly.

Guidelines in Practice

1. Perform based on the obligations, commitment, terms in the contracts or agreements firmly. If PPS cannot fulfill any of them, PPS has to inform partners as soon as possible to find the best solutions together.
2. Treat partners equally and fairly including not to ask for or accept any corrupted assets from partners.
3. Establish the policies regarding any gifts and entertainment expenses from partners.
4. Create the terms of partner selection to clarify the qualifications and capabilities to join the businesses together such as
 - 4.1 According to PPS intention in operating the business without corruption, partners have to have honesty and morality for doing business.
 - 4.2 Partners have to have working experiences with creditability by mostly achieving the taking over certificates from clients.
 - 4.3 PPS has created the trustworthy vendor list for the partner selections to operate the business together.

Actions in 2016

PPS has strictly performed based on the above guidelines, especially in the obligation of the contracts and contract payment. Furthermore, in 2016, PPS has no any complaints from partners.

1.3 Respect the right in other's property

PPS respects the right in property, intellectual property and the copyrights of others. Also, PPS has clearly shown the intention of this topic by setting up the guidelines in practice as follows:

Guidelines in Practice

1. Establish the Terms of Ethics and Code of Conduct for Directors and Employees.
2. Respect and act followed by the laws related to intellectual property and copyright.
3. Set the campaign for employees to use resource and property with legal copyright and do not support products that are intellectual property right infringement.
4. Strongly support and promote the use of legitimate products. For example, all computer programs used in PPS is a licensed and legitimate program.

Actions in 2016

1. Provide trainings about understanding of the intellectual property law and copyright.
2. Announce to all employees that do not use the illegitimate software in PPS. The announcement has publicized since October 7, 2010.

2. Anti-corruption

PPS considers that anti-corruption is another vital key driver to conduct the businesses and develop quality of projects. Therefore, PPS creates an anti-corruption policy under slogan “Perform Transparently, Good Corporate Governance, Anti-Corruption”

To ensure that anti-corruption policy is consistent with the business operation, PPS has done anti-corruption risk assessment to get the results of analysis before creating an anti-corruption policy.

Currently, PPS has announced its intention in this matter clearly. Not only publicizing an anti-corruption policy through the company's website www.pps.co.th, but also cooperating with other outside organizations to be a part of the Private Sector Collective Action Coalition against Corruption (CAC) and the Thai Institute of Directors (IOD). As a result, PPS has set the guidelines in practice as follows:

Guidelines in Practice

1. The board of directors, executives, and employees have to follow the PPS anti-corruption policy.
2. The board of directors have duties and responsibilities to set guidelines on governance and oversight not only to prevent and monitor the risk of corruption but also support the anticorruption policy effectively.
3. The audit committee is responsible for directing, controlling and monitoring the internal audit system to monitor and evaluate the implementation of the anti-corruption policy. Furthermore, the audit committee has to consider and follow the risk of corruption in order to ensure that the policy is sufficient, up-to-date, and conform to international standard. Also, the policy will be evaluated and revised at least every quarter.
4. All employees will be trained by PPS regularly to provide the knowledge and understanding about the anti-corruption policy and good practices. PPS has arranged anti-corruption training to be a part of the orientation of all new employees.
5. Due to the requirement of employees strictly following the PPS anti-corruption policy. If employees witness any corruption activities, they must notify the supervisor or the responsible person for the matter, or inform the supervisor via the available communication channel.

Actions in 2016

1. PPS has been certified by the Private Sector Collective Action Coalition against Corruption (CAC) in the preventive corruption measures on January 22, 2016.
2. PPS has revised the anti-corruption policy (Revision 1/2016) and published on the company's website.
3. PPS has arranged anti-corruption training regularly in order to provide all employees with the knowledge and understanding about the anti-corruption policy and good practices.

3. Respect for Human Rights

PPS has placed importance towards the respect for human rights and considered it as the main policy in the permanency of business operation. PPS realizes that employees are an important factor which creates quality products for PPS. Therefore, PPS puts an emphasis on fair treatment based on ethics and code of conduct including the respect of human rights. For example, PPS always keeps the personal employee information to be secret such as biography, health records, working experience records, and etc. Moreover, PPS has never disclosed the personal employee information without the consent of the employees.



Guidelines in Practice

1. Do not support any activities which are related to disrespect for human rights or corruption.
2. Train and communicate to all employees to acknowledge them human rights policy.
3. Emphasize every employee to respect human rights of other people and ensure that they will perform towards others based on culture, race, gender, religion, education, age, marital status, sexual orientation, identity and / or gender expression, physical and mental disabilities including exotic ideas and working style.
4. Create appropriate and safe communication channel for all stakeholder groups to receive complaints when they see the clue on illegal action or ethical offense of any employees or board of directors.
5. Determine a whistleblower policy to protect employees and stakeholders who informed PPS when there is corruption activity or an illegal action. The details of whistleblower policy include management procedure, case investigation, good record-keeping and penalties for offenders.

Actions in 2016

1. PPS has followed the guidelines in practice strictly.
2. PPS provides suitable and safe communication channel for all employees and stakeholders to file complaints or freely express their opinions.

However, throughout the year 2016, PPS has not been complained about human rights violations.

4. Fair Treatment to Labor

PPS has placed importance to fair treatment to employees and to respect individuality and human dignity according to international human right standard, ethics and code of conduct to create the growth to organization.

4.1 Respect the right in the work according to the rule of human rights

PPS has a working policy which is stated clearly that PPS will not force people who do not want to work and not use child labor and respect the right and freedom of employees.

Guidelines in Practice

1. Follow the fair treatment rules of PPS strictly in terms of hiring new employees, fair treatment to current employees, getting promoted, salary increment and bonus. PPS will evaluate and consider fairly and frankly without prejudice and without limiting age, race, nationality, color, religion, background, or personal opinion.
2. Create appropriate and safe communication channel for all stakeholder groups to receive complaints in case they are treated unfairly, inequitably, or when they notify the clue on the thing that can be illegal and to have correcting measure and protecting measure of notifying employee that is systematic and fair.
3. Regularly, arrange several effective trainings for all employees to develop and increase their working skill and their potential.

Actions in 2016

1. PPS has followed the guidelines in practice strictly.
2. PPS provides suitable and safe communication channel for all employees and stakeholders to file complaints or freely express their opinions.



3. PPS has established PPS Training Center for the purpose of training PPS employees and outsiders to achieve the training goal.

4.2 Give social protection and work condition of employees

Besides respecting the right in the work, PPS always cares about fair working condition, receive remuneration, and social welfare in accordance with the law including special welfares subsidized by PPS such as provident fund.

Guidelines in Practice

1. Distribute employee handbook and train all employees to acknowledge the fair employment conditions, benefits, suitable remuneration according to the potential and performance in a form of salary, leave, compensation, bonus, welfare including special welfares subsidized by PPS such as provident fund, the Employee Joint Investment Program (EJIP), retirement compensation, social security, health insurance
2. Stipulate a remuneration and welfare policy of employees clearly and transparently. Moreover, comparing to the same business level, PPS offers suitable and competitive compensation, and benefits which is sufficient enough to retain qualified employees.
 - 2.1 Short-term compensation comprises of salary and bonus which is based on the ability of individual employee and PPS's profit in each year, other benefits such as daily allowance, phone allowance, health insurance, social security.
 - 2.2 Long-term compensation comprises of provident fund, retirement compensation, the Employee Joint Investment Program.

Actions in 2016

1. PPS has provided provident fund for all employees since August 2004 until now, which is the fund that PPS has been continuously providing for 12 years.
2. PPS has provided the Employee Joint Investment Program (EJIP) since April 2014, which was 3 years in operation.
3. PPS has provided health insurance for all employees.

4.3 Protection of health and safety at work

According to PPS business characteristics, most of employees have to work in construction site to monitor and supervise the project quality. Therefore, there is a high risk of being harmed. PPS seriously recognizes the importance of this matter, so PPS has created guidelines concerning health protection and safety at work.

Guidelines in Practice

1. Provide additional life and health insurance to every employee besides social security and other benefits as required by law.
2. Determine the safety measures, safety plan and health, environment management of PPS office, and construction sites.
3. Provide personal safety equipment to protect employees and visitors coming to work in the construction area such as helmets, safety shoes.
4. Train PPS staffs regularly about regulation, practices and safety health and environmental management measures especially during the pre-construction phase to reduce the risk of damage and accidents.



Actions in 2016

In 2016, PPS staffs have followed guidelines in practice firmly so PPS had no accidents at work and work interruption.

5. Responsibility to customers and consumers

As professional service provider, PPS has used the principle and follow the policy to respond customers, who are directly received the service from PPS, with their most satisfaction. This will help customers to be confident that they will receive the service with good quality, fair price and delivery of project on time. This is the main goal of PPS for running the business. Also, PPS realized the safety that would affects communities, society, environment, and an action that would violate or cause customers to lose a right.

Guidelines in Practice

1. Respond to the customer policies appropriately.
2. Execute the tasks followed by scope of works, the terms and agreements which are made with the customers correctly.
3. Execute the tasks followed by Safety, Health and Environment practices including laws and regulations.
4. Pay attention to fair service and improving customer responsiveness.

Actions in 2016

PPS has done the annual satisfaction survey among customers to assess PPS's operation in various aspects. The average score of all customers was 84%. The information from the survey will be compared year by year and used to improve PPS ability to effectively answer to the demands of customers.

6. Environmental Operation.

PPS has an environmental management policy and disciplinary practices for business operations focusing on using resources efficiently. Moreover, PPS has procedures for environmental risk assessment and environmental risk management in the business operation.

Guidelines in Practice

1. Train PPS staffs regularly about safety health and environmental management measures and how to use resources efficiently in order to acknowledge them and foster PPS culture.
2. Advise customers and designers about energy saving and friendly environmental building design and management (Green Building).
3. Set the campaign for employees to use resource efficiently and environmentally friendly by saving water and energy and also setting up Big Cleaning Day event.
4. Control the contractors to comply with safety health and environment requirements (SHE) and strictly follow the law and regulations. For example,
 - 4.1 Must have a strong, solid fence with at least 2 meters of height around the construction site.
 - 4.2 Must install canvas or other suitable materials around the construction site to protect and block falling debris, dust diffusion.



- 4.3 Must have required equipment and facilities for cleaning wheels and body of vehicle before leaving the construction site. Moreover, the contractors have to maintain the cleanliness of public streets and adjacent sidewalks around the construction site.
- 4.4 Must prevent noise and light in construction site in order not to disturb adjacent community.
- 4.5 Must control and get rid of waste from the construction site appropriately.
- 4.6 Must prepare safety equipment for staff and construction workers such as helmets, safety shoes and safety belt when working at height, etc.
- 4.7 Must have safety officer to monitor and check construction performance in terms of safety, health and environment at least every week. If there are items that do not comply with contract or specification, safety officer have to inform owner and find the solution to correct them.

Actions in 2016

As guidelines in practice are part of PPS professional service standard, PPS has definitely implemented them to head quarter office and all construction projects. PPS has continued to improve efficiency of safety, health and environment management and has followed the laws and regulations including emphasizing on using resources efficiently to strengthen PPS capability sustainability.

7. Society and Community Development

As being professional in the design and constructive supervision and project management for business operation, the board of directors has emphasized on community and society accountability including supporting and engaging activities related to community and society development. Additionally, PPS also focuses on dissemination of knowledge, expertise and innovation to community and society in order to upgrade the engineering profession.

Guidelines in Practice

1. Develop employee capability and personnel skills.
2. Promote and support positive attitudes in the engineering profession.
3. Be a role model of good engineer; "White Engineer Project".
4. Create cooperation networks among other organizations.

Actions in 2016

1. PPS realizes how importance of human resource development is, so PPS has created several activities to be another way to improve and increases potential and working skills of all employees:
 - 1.1 "Project Live Challenge" – The project in combination of PPS's staff performance on utilization of PPS's owned developing innovation called "Project Live".
 - 1.2 "Undergraduate Scholarships Endowment Project (2 continuous years)" - The project purpose is to give educational opportunities to employees for further study and improvement of their capabilities.
 - 1.3 "Upgraded License for Professional Practice Award" – The project purpose is to encourage engineer/architect in the organization to develop their knowledge and working skills by upgrading their License for Professional Practice.



- 1.4 "Value Employee Project" – The project purpose is to promote and create a good culture and good attitude within PPS about performing good actions in order to be a role model for PPS, supervisors, colleagues and other employees.
- 1.5 "Walk – run for the king 84 years at Anantamahidol hospital Lopburi" - The project purposes are to create a unity within the organization, a positive attitude, and encourage employees to challenge their ability.
- 1.6 "Children are Good Engineers in the future Project (Year)" – This project was formed by the Company's employees and the budget fully supported by high-level executive. The project purpose is to demonstrate success depictions trying to inspire engineers as "Good Engineers" to be distributed outside of the Company as the creation of a "Network of Good Engineers", like a sustained cyclical. This project also provides an opportunity of PPS's employees have the opportunity to learn to help society.
2. PPS believes that the dissemination of engineering knowledge and being a great engineer will help raising the engineering profession. Then, PPS has created numerous activities to fulfill this goal such as:
 - 2.1 Disseminate knowledge to project participants by working with PPS. With this activity, project participants such as customers, designers, contractors or subcontractors have seen right examples of good practice from PPS employee performance such as qualified person, well organized working procedure, and facilitated work with innovation.
 - 2.2 Disseminate knowledge to the community by creating an opportunity for the community to participate in the projects such as construction site visit for students.
 - 2.3 Changmuns on Community I at NangLerng. Further to Nang Lerng Community often has fire accident, PPS provides the knowledge to prevent the situation. The villagers, therefore, can be able to help themselves in a crisis situation.
 - 2.3.1 At The first "Changmuns on Community" at NangLerng. PPS provided knowledge to the community about how to prevent and correct fire situations so that they can help themselves during occurring of crisis situations.
 - 2.3.2 The second "Changmuns on Community" in the National Engineering 2016 at Queen Sirikit National Convention Center. Was conducted by organizing activities through the exhibition "King with workman". There was speech about new innovations of residence on 4.0 era and provided opportunities for the audiences to consult and solve the engineering problems.
 - 2.3.3 The third "Changmuns on Community" at Wieng Pa Pao was a safety campaign for residences and dormitory. To provide knowledge to society by "white engineers project" by how acquiring suitable engineers via reputed universities advertisement
 - 2.4 Disseminate knowledge to the society through the white engineer project. Thus, people are able to see how good engineers should be. "Network of Good Engineers" be used as the PR channel to various universities.
 - 2.5 Community development is supported by the project owners funding. PPS offers support for the construction management. For development of public areas such as the hydronic farm sa well as entertainment equipment at Ban Nong Muang School, Satuk District, Buriram Province, building new toilets at Phayakkhaphumphisai school, Mahasarakham province, renovating public assets for Kangkhor district, Chaiyaphoom province, renovating toilets and giving sport equipment for Ban Nhong Sam Khao School, Kangkhor district, Chaiyaphoom province, renovating libraries and toilets for Ban Nhong Chang School,



Beung Sam Phan district, Phetchaboon province, renovating classrooms and toilets for Ban Sra Si Leum nursery, Chatulat district, Chaiyaphoom province, etc.

- 2.6 Furthermore PPS has helped society by supporting iCare Thailand foundation. While being a part of society to encourage all needy candidates by donating to King Chulalongkorn Memorial Hospital for its smooth operation.

8. Innovation and Distribution of Innovation

PPS has developed its own information technology systems and innovation to use in the business. Moreover, PPS has distributed and shared innovation to the community, society and public for free.

Guidelines in Practice

1. Apply information technology systems to use in a full range of business operation.
2. Create and develop its own information technology systems focusing on the part related to the management and constructive supervision of projects.
3. Distribute innovation back to the community and society.

Actions in 2016

1. PPS has applied the information technology system to the business for information sharing among construction sites and head quarter office. It helps to speed up the working process and be able to serve the customer needs faster.
2. PPS had continuously developed "ProjectLive Program" to develop and increase the capacity of the Company. These program has been applied in construction management projects to make a difference in the same industry. These programs enable the communication of project participants to be more convenient. Moreover, these programs are used in project management meeting to reduce redundant tasks, help to save time, and can be used as references and follow the project progress through the Application on the Smart Phone.
3. PPS has Animation "Knowledge with Lung Pee" which one of the company's portfolio dissemination of knowledge, innovation and outstanding due creativity combining technology and innovation, the company invented to make it easier to understand and to attract young people to get involved.
4. PPS has generates radio program under the name "Changmuns" to broadcast on FM 106 MHz every Sunday at 14:00 to 15:00. This radio program is edutainment radio program containing various topics from different professional expertise. At the end of program, DJ will let the audiences to phone in to ask questions, and DJ will provide the clear answers, direct to the point, and easy to understand.
5. Upgrade "Project Live" application by addition of features and registered patent to the Department of Intellectual Property.
6. Develop "Project Live" application on both iOS and Android platform as "Site Walk" name opened for general users targeting for the Company's new business in the future.
7. Develop new intranet for communication between the Company's various project sites to head office call "My PPS" as the Company's centralized information system.
8. Utilize inspection to defect works function in Project Live as a new business for handover process of condominium.
9. The company has been received innovation research and development fund from advance training and development of innovation program from National Innovation Agency, SET, mai and Thailand Management Association



10. Establish “Innovation Research and Development” department to develop any innovations which enhance the Company’s efficiency, transparency and differentiation.
11. Join “National Innovation Competition” project to acquire tax saving measurement.

9. Making the Sustainability Report

In order to clearly present PPS social responsibility information, PPS has prepared a sustainability report which is separated from the annual report. A sustainability report will disclose all social responsibility activity detail. However, all contents in a sustainability report have been developed to cover the index according to the Global Reporting Initiative (GRI) G4 (Generation 4), which is provided for sustainability reporting and is the most universally accepted indicator of sustainability report for now.



11. Internal Audit and Risk Management

In the Company's Board of Directors meeting No. 4/2016 on November 12, 2016 which was attended by all three member of the Audit Committee, the responses of the evaluation form on the sufficiency and appropriateness of the Internal Audit of the Company were approved in year 2016. The results of the assessment of the Internal Audit were satisfactory and may be summarized following the assessment of sufficiency of the Internal Audit covered to following components.

Part 1 : The organization and environment of control

- 1.1 Organization perform full commitment to value of honesty
- 1.2 Directors are independent to the management and perform directing and development.
- 1.3 Management provides appropriate line of command, reporting and authorization to facilitate company's achievement to objectives under Board of Directors' directing.
- 1.4 Organization performs full effort to persuade, develop and retain competent staffs.
- 1.5 Organization arranges staffs who be responsible to internal control to achieve objectives.

Part 2 : Risk Assessment

- 2.1 Organization clearly set up objectives in order to define and assess various risks concerning to Company's objectives.
- 2.2 Organization defines and analyzes all type of risks which may be affected to achievement of objectives though out the organization.
- 2.3 Organization consider to possibility of corruption in the risk assessment process.
- 2.4 Organization is capable of define and evaluate to any changes affecting to internal control.

Part 3 : Operation Control

- 3.1 Organization has controlling measures of reduction to risks of failure from objective achievement to acceptable level.
- 3.2 Organization selects and develops general control activities using technology system supporting to objective achievement.
- 3.3 Organization provides control activities though policies which practically defined expectation and implementations.

Part 4 : Information and data communication system

- 4.1 Organization provides qualified concerning data to support objective achievement.
- 4.2 Organization performs internal communication including of objectives and responsibilities to essential internal control.
- 4.3 Organization performs external communication on any issues which may affect to internal control.

Part 5 : Follow up System

- 5.1 Organization follows up and evaluates to effectiveness of internal control to ensure that the internal controls are complete and appropriate.
- 5.2 Organization evaluates and coincidently communicates deficiencies of internal control to responsible persons including of management executives and directors.

Summary of the Assessment of internal control systems following the opinions of Internal Auditor

The Company has employed “Info Associate Co., Ltd.” to be the Internal Audit for the assessment of Company’s internal control systems as well as assess and monitor the implementation following suggestions of the Internal Auditor. Info Associate Co., Ltd. assigned Mr. Wirote Sathapanikkoon as lead auditor to coordinate and direct to the Company’s assessment. The assessments and reviews are quarterly conducted. With regards to the latest assessment of the internal control systems, the internal audit’s report states that there is no significant deficiency in the internal control systems.

Moreover, the Company has established an internal audit office and assigned Mr. Anupan Wananukul, the secretary of the Audit Committee who is a Company’s employee to coordinate and direct the internal auditing procedures of Info Associate Co., Ltd. The Internal Audit office is directly accountable to the Audit Committee and is independent from the executives.

The Audit Committee has reviewed the sufficiency, appropriateness and efficiency of the internal control system by supervising, providing suggestions and supporting the independent work of Internal Audit office, reviewing the reports on the audit results in year 2016 including of monitoring the improvement and correction following recommendations and suggestions stated in the internal auditor’s report to ensure the efficiency and effectiveness of the work. The Committee is of the opinion that the internal control systems of the Company and subsidiary companies are sufficient and appropriate in preventing and reducing possible risks. No significant deficiency has been found.

The company gives priority arrangement of internal control system in both management and operational level, in an efficient and effective. Specifically, the internal control system of risk management, the company has appointed risk management committee, setting up a risk management strategy of the company for the year. Audit assessment, Review and track the solution or take any action to prevent or reduce the risk of the organization according to the opinion of the Board of Directors, The Audit Committee and the internal auditor.

Report on the Board of Directors’ Responsibilities for Financial Statements

Responsibility for the integrity and objectivity of the financial information presented in this annual report rests with PPS management. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in Thailand, applying certain estimates and judgments as required. Moreover, PPS maintains an effective internal control structure. It consists, in part, of organizational arrangements with clearly defined lines of responsibility and delegation of authority, and comprehensive systems and control procedures. An important element of the control environment is an ongoing internal audit program. Our system also contains self-monitoring mechanisms, and actions are taken to correct deficiencies. The company’s internal control over financial reporting includes those policies and procedures that pertain to the maintenance of record that, in responsible detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

The audit committee of the board of directors is composed solely of independent, non-management directors, and is responsible for quality control of financial statements and internal audit procedures and risk management system are efficient. The opinion of this audit committee about these mentioned issues is demonstrated in the audit committee report which is included in the annual report.

Management concluded that the company’s internal control over financial reporting was effective as of December 31, 2016. Also, the audit committee has audited all financial information and accepted that all financial statement have been prepared in accordance with accounting principles generally accepted in Thailand.



Report of the Audit Committee

The Audit Committee has proceeded according to the charter of the Audit Committee conforming to scope of duties and responsibilities assigned by the Board of Directors. To monitor and to review the company's corporate governance and internal control systems are adequate. To benefit all stakeholders equally. In year 2016, the Audit Committee held total of 4 meetings. All members of the Audit Committee had attended every meeting. The Audit Committee proceeded consideration through various agenda which can be summarized as follows;

1. The Accuracy and Credibility of the Financial Reports : The Audit Committee has reviewed the quarter and annual financial statements for year 2016 to ensure that the preparation of financial statements of the Company has been in accordance with the generally accepted accounting standards and the information has been publicized in correct, comprehensive and credible manners. The auditor has given their opinions on financial statements which have been submitted to the Board of Directors and shareholders.

2. Sufficiency of the Internal Control System of the Company : The Audit Committee has reviewed the sufficiency, appropriateness and efficiency of the internal control system by supervising, providing suggestions and supporting the independent work of Internal Audit office, reviewing the reports on the audit results in year 2016 including of monitoring the improvement and correction following recommendations and suggestions stated in the internal auditor's report to ensure the efficiency and effectiveness of the work. The Committee is of the opinion that the internal control systems of the Company and subsidiary companies are sufficient and appropriate in preventing and reducing possible risks. No significant deficiency has been found.

3. Compliance with the law on securities and the Stock Exchange, regulations of the Stock Exchange of Thailand and other legislation related to the businesses of the Company including the compliance with the regulations and obligations that the Company has agreed with external parties : The Audit Committee has reviewed the compliance with the law on securities and the Stock Exchange, regulations of the Stock Exchange of Thailand and other legislation related to the businesses of the Company including the compliance with the regulations and obligations that the Company has agreed with external parties. The Audit Committee has concurred that a significant breach of legislation and regulations as well as obligations that the Company has made with external parties has not been found.

4. Selection of the Auditor : The Audit Committee perform selection of auditor based on competency, experiences, independency, audit team and reasonable remunerations therefore proposed DIA International Auditing Company Limited to as the Board of Directors for appointment as auditor of the Company for year 2016. A meeting was quarterly held between the Audit Committee to the auditor discussed all issues regarding auditing process and solutions of significant issues.

5. Risk Management : The Company's Board of Directors and executives have regarded the risk management as important aspect and carefully performed to it. The Risk Management Committee has also contributed to the consideration and the set-up of risk management system throughout the organization. There are regular risk monitoring and reviewing processes to ensure that they are up-to-date and correspond to the current situations. Hence, it is believed that the risk management procedures accommodate benefit to the Company and all shareholders.

6. Report that may result in a conflict of interest : The Audit Committee has reviewed and provided opinion on related items or items that result in conflict of interest as well as the data publication of such reports according to the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

7. Good Corporate Governance : The Company's Board of Directors and executives regard good corporate governance as important issue to generate confidence among shareholders.



8. Anti-Corruption : The Company's Board of Directors and executives regard anti-corruption after Company's launch of anti-corruption policy in year 2013 which assigned major involvement to the audit committee. The Company has joined to the "Collective Action Coalition Against Corruption in Private Sector" in the year 2014. This is the current Joint Committee of Collective Action Coalition Against Corruption in Private Sector in Thailand had certified the company as a member on January 22, 2016 with intensive implementation and control through out the year 2016.

Overall, the Audit Committee has acted independently within the scope of duties and responsibilities assigned by the Company's Board of Directors and those determined in the Charter of the Audit Committee. Using the knowledge, ability and discretion are sufficiently independent. To benefit all stakeholders equally. The Audit Committee has concurred that the Company has reported its financial information correctly. The Company has operated under the internal control system that is efficient and under an effective risk Management. The Company has complied with the legislation, rules and regulations that are relating to the Company's businesses. There were appropriate publication of related items and operations is in accordance with sufficient good corporate governance, transparency and creditability.

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established by resolution 4/2013 of the Company's Board of Directors on 9 November 2013. There are 3 members in the Nomination and Remuneration Committee, two independent directors and a Company's executive as following persons. Mrs.Vipavee Boonyaprasit as Chairperson, Mr. Kachen Benjakul as a member and Mrs. Voraporn Chaona as a member and secretary of the Nomination and Remuneration Committee.

The Nomination and Compensation Committee. Compliance with obligations under the Charter of the Nomination and Compensation Committee. According to the duties and responsibilities assigned by the Board of Directors carefully, fairly and reasonably.

In 2016, the Nomination Committee and Remuneration Committee. The conference included a second time for the mission. Briefly summarized as follows:

1. Recruiting individuals qualified for the position director of the company. Abide by the Charter, the laws governing public companies, securities law and stock exchange, and good governance. Guide the as well as taking into account the knowledge, skills, experience, leadership, ethics and positive attitude towards the company. Able to devote sufficient time to get enough.
2. Consider Remuneration of Directors and the Managing Directors remuneration. Taking into account the results of operations of the Company. The comparison with other companies in the same industry or a similar size, as well as economic conditions.

Report of the Corporate Governance and Social Responsibility Committee

The Corporate Governance and Social Responsibility Committee duties based on the Charter of Corporate Governance and Social Responsibility Committee under the scope of duties and responsibilities assigned by the Board of Directors of the company. In 2016 The Corporate Governance and Social Responsibility Committee have been meeting twice and total consider matters summarized as follows:

- 1. The appropriateness of the Charter,**

The Corporate Governance and Social Responsibility Committee has reviewed the appropriateness of Charter with comments, the draft revised Charter of governance and social responsibility in some text to achieve a more appropriate.



2. Preparation of the master plan (Roadmap) sustainable development.

The Corporate Governance and Social Responsibility Committee have prepared the master plan (Roadmap) for sustainable development up to define a clear direction in the development of the company, including strategic plans have been made to such a plan to achieve maximum efficiency in operations. In addition, The Corporate Governance and Social Responsibility Committee has also prepared various schemes intended to support development of the company, e.g. If true concrete plan training for employees and executives of the company, plans to make a Knowledge Management System.

3. Sustainable risk management,

The Corporate Governance and Social Responsibility Committee have shared risk factors analysis about sustainability and the risk factors found to have 2 major issues of sustainability is at risk, coupled with quality, safety and risk transparency throughout the supply chain, to find protection guidelines and appropriate solution. The Corporate Governance and Social Responsibility Committee to consider and analyze together carefully to minimize the risk plan that is appropriate for all such risks, issues, and inform the management and staff of the company to proceed with a planned correctly and appropriate.

According to above plan, PPS considers it as a guide for The Company to set the clearer business strategy. Also, it will support The Company to grow strongly and sustainably together with community, society and environment in the future.

Risk Management Committee Report

To be competitive and ready to move forward to AEC in 2016 and also be the leader in the consulting business including related businesses, the committee values risk management as the most important tool to achieve those goals while maintain effectiveness and ensuring that all of business opportunities are not lost. PPS has a policy that the main business and all subsidiaries need to go through risk management process via risk management committee review so that the risks are being evaluated with mitigation measures applied according to the risk management policies. The risk management policies are being formulated that all of the risks identified are being managed to an acceptable level without losing business opportunities.

In 2016, risk management committee had four meetings in which the following resolutions could be summarized as follows:

- 1. Presentation of KPI and Risk Management plan for 2016**

The committee met with all department including all subsidiaries to present, review and discuss risk management plans and their KPI for the 2016 operations.

- 2. Risk evaluation and mitigation measures**

All of the risk management plans were reviewed, commented and approved. Risk elements were reviewed together with mitigation measures so they are now rest upon acceptable levels. Furthermore the risk management committee and the company management have drafted an Emergency Plan to Manage the Business on Economic Downtrend. This plan will come into effect and be a guideline for the management to execute during the economic downtrends including political complications if any.

- 3. Follow up on risk mitigation measures**

Quarterly meetings were held to closely follow up the risk mitigation measures with relevant departments to ensure that those measures were being implemented. Comments and feedbacks were collected to improve the process efficiently.

- 4. Risk management associated with social and environmental issues**

As part of the sustainable business practice, the risk management committee has also informed all of the departments and subsidiaries to also factor in the risks associated with the social and environmental with monitoring and evaluation issues to ensure that those issues are being carefully addressed as risk elements with mitigation measures being implemented.

- 5. Risk management associated with anti-corruption practice**

The risk management committee has also informed all of the departments and subsidiaries to address the risks associated with anti-corruption practices following the company's policy of anti-corruption which was announced with the Private Sector Collective Action Coalition Against Corruption movement.

From the above report, the risk management committee has successfully implemented risk management practices to satisfy the company board of directors to ensure that all aspects of business risks are foreseen and measures are implemented to alleviate those risks identified. The risk management committee strongly believes that the risk management implementation will ensure sustainable business practices of the company in the longer term.



Information of The head of Internal Audit, Info Associate Co., Ltd. The company was hired to act as an internal auditor.

Name	Position	Age	Education	Major Experience
Mr. Wirote Sathapanikkoon	Managing Director Info Associate Co., Ltd.	51	- Bachelor of Engineering King Mongkut's Institute of Technology - Master of Business Administration (Finance) Eastern Asia University	2014 – Present Managing Director Info Associate Co., Ltd. 2012 – 2014 Head of Internal Audit Aim To Prosperity Co., Ltd.



12. Related Transactions

Related transactions of PPS at the end of the year (December 31, 2016)

No.	Individual/Juristic Person that may be in conflict	Relationship	Type of Item/Transaction/Dealing	Outstanding in B/S (Baht)		Profit & Loss Statement (Baht)		Explanation from the executive(s) on the necessity and rationality of such connection
				as at 31 Dec 2015	as at 31 Dec 2016	2015	2016	
1	Phongtheerathon Company Limited	Business owned by the Company's large shareholders and the Company's Board of Directors Directors of Phongtheerathon are; 1. Mrs.Rewadee Tharachai 2. Mr.Phongthon Tharachai 3. Mr.Theerathon Tharachai	The Company rents building space on the fourth floor as training room and rents building space on the first floor as office	15,241	10,855	884,142	851,139	- The fee is similar to the fee that the Company used to pay to other organization (EIT Association) but this venue is more convenient as it is located it is also close to the Company's head office.
			A deposit in advance.	120,000	120,000			
2	PPQ Joint-venture	Joint-Venture The Company Joint Venture ratio 80%	Joint-venture hired as a project advisor	2,657,589	2,920,075	6,102,370	6,102,370	- The Company has agreed in a memorandum to be the advisor for the Supreme Court project together with two other joint-venture companies. Fees are calculated according to regular prices. - Same unit rate which PPQ has charged contractor - The Company allows the use of the Company's office as the office of the joint-venture.
			The Company's Overtime Charge	-	-	-	321,600	
			The Company leases the office space for PPQ	2,000	2,000	24,000	24,000	



No.	Individual/Juristic Person that may be in conflict	Relationship	Type of Item/Transaction/Dealing	Outstanding in B/S (Baht)		Profit & Loss Statement (Baht)		Explanation from the executive(s) on the necessity and rationality of such connection
				as at 31 Dec 2015	as at 31 Dec 2016	2015	2016	
			The Company provides normal administrative services	33,200	35,000	199,200	210,000	- The staff of company provides normal administrative services, and Calculated from 5% of the staff's salary
3	Bulk Asia Company Limited	Joint-stock Company. The company invests Ordinary shares 10% Mr.Theerathon Tharachai, who is a director of company, is one of the BULK Committee. In April 2016, the Company has sold all investment in BULK Asia.	The Company has hired Bulk Asia on information technology system services The Company lends convertible loans to Bulk Asia Accrued interest received Other Debtor - Received cheque by advance			510,019	-	The company recognizes that BULK 's business, is able to help and support the Company's operation and expect to opportunity of dramatic growth in IT business. Thus, the Company has jointed the design software business with BULK Fees as agreed.
				9,000,000	-	540,000	41,311	Loan Contract, The Interest rate 6 % (interest payment)
				1,080,000	-			The interest rate is 1% at the end of each year
				90,000	-			The Company's received all outstanding loan payment from Bulk Asia on 29 January 2016.



12.1 The Audit Committee's Suggestion

During the audit committee meeting, the audit committee and the Company executives suggested that all transaction in 2016 that is related to any persons or legal persons is reasonable. Also, related transaction price and conditions are average because of the suitable cost assessment comparison. The Company always uses cost estimate or market price to compare so the company never lost any benefit.

12.2 The Measure or Approval Procedure of the Transaction

In case of transactions with conflict of interest between the Company or subsidiaries and any related persons, the Company will ask for the audit committee opinions on necessity and appropriateness case by case. In case that the audit committee has not enough experienced to judge or consider any transactions with conflict of interest, the Company will invite the independent expertise or the Company auditors to consider them and give the suggestions instead. Then, the Company will bring their suggestions to be a part of important evident for committees or shareholders to make the final decision. The related transactions will be disclosed in the remarks of the audited financial statements and Annual Registration Statement (56-1).

12.3 Future Connected Transaction

In the future, the Company may engage in the transactions as appropriate. However, the transactions have to follow by commercial standard terms and be able to refer to the same business type conditions. The Company will perform followed by the regulations of Ministry of Finance and the Stock Exchange of Thailand and rules, announcement, orders or regulations of the Market for Alternative Investment (mai). Moreover, the Company will comply with regulations of the related transaction disclosure and the Company and subsidiaries asset acquisition or distribution accordance with accounting standard of Federation of Accounting Professions.

12.4 Future Measures to Prevent Conflict of Interest

In order to protect investors in the future, if there is any transaction with conflict of interest between the Company or subsidiaries and any related persons, the Company will arrange the committee meeting which has at least one of the audit committee to attend for fair and appropriate consideration before approval (case by case). Moreover, the Board of Directors have to perform followed by laws related to Ministry of Finance and the Stock Exchange of Thailand and rules, announcement and regulations of the Market for Alternative Investment (mai) including the regulations of the related transaction disclosure and the Company and subsidiaries asset acquisition or distribution.