

## Part 2

### Management and Corporate Governance

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## 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 31<sup>st</sup>, 2015 were as follows:

No.	Shareholders	No. of shares	Percent of total shares (%)
1	Mr. Prasong Tharachai	96,456,312	13.003
2	Mr. Phongthon Tharachai	93,102,360	12.550
3	Mr. Theerathon Tharachai	84,174,912	11.347
4	Thai NVDR Company Limited	43,614,701	5.879
5	Mr. Somphant Hongchintakul	28,500,000	3.842
6	Mr. Taksin Thantipijit	22,649,204	3.053
7	NOMURA CUSTODY NOMINEES LTD	17,458,700	2.353
8	Mr. Chai Manophars	16,000,000	2.157
9	Mr. Dusit Wongsutiroj	12,358,300	1.666
10	Mr. Tat Thongpakdi	12,272,219	1.654
11	Mrs. Rewadee Tharachai	12,096,000	1.631
12	Miss Supranee Yensuk	11,919,000	1.607
13	Asset Plus Small and Mid-Cap Equity Fund	8,342,600	1.125
14	Mr. Voradaj Piemsuwan	8,238,131	1.111
15	Mr. Puwadaj Sawasdee	6,639,000	0.895
16	Mr. Ched Mueansom	5,355,000	0.722
17	Dr. Narandr Chevangkul	4,098,400	0.552
18	Mr. Pornchai Sricharoenlumsum	4,000,000	0.539
19	Mr. Surasak Bunpoem	3,900,000	0.526
20	Miss Anchana Pinitkusonchit	3,840,000	0.518
21	Other Shareholders	246,809,780	33.16
Total paid-up capital		741,824,619	100.000
Thai Investors		723,247,905	97.50
Foreign Investors		18,576,714	2.50



Remark

1. Restrictions on Foreign Investors

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 of December 29<sup>th</sup>, 2017. The company declared that 25% of fully paid – up capital shares were held by the foreigners.

2. There were 20 shareholders who held more than 0.5% of total shares as of December 29<sup>th</sup>, 2017.



### 7.3 Other Securities

- None -

### 7.4 Dividend Payment Policy and History of Dividend Payment in the Accounting Years 2015-2017

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 2015 to 2017

(Unit : Million Baht)

Description	Annual Operating Results		
	2015 passed year	2016 passed year	2017 (proposed year)
Net incomes (Million Baht)	4.23	32.87	49.39
Total dividend payment (Million Baht)	22.24	28.31	31.91
Dividend payment ratio (%) <sup>/1</sup>	554.75	90.68	68.05

Remark <sup>/1</sup> : Dividend payment ratio = Total dividend payment / Net incomes (Separate Financial Statements) after deduction of all specified reserves



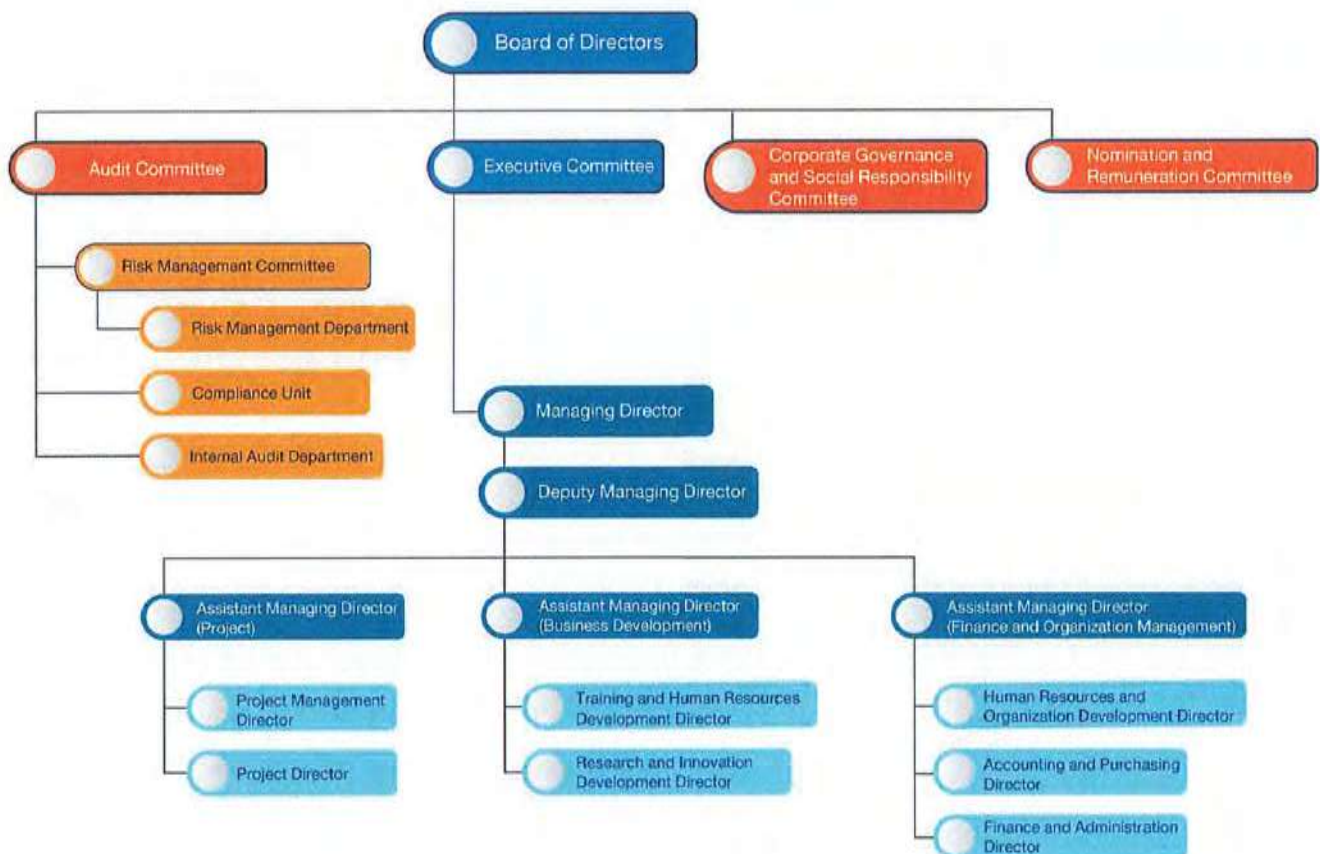
## 8. Management Structure

### 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 Business Improvement Committee
8. The Management Team (Defined in the announcement of SEC)

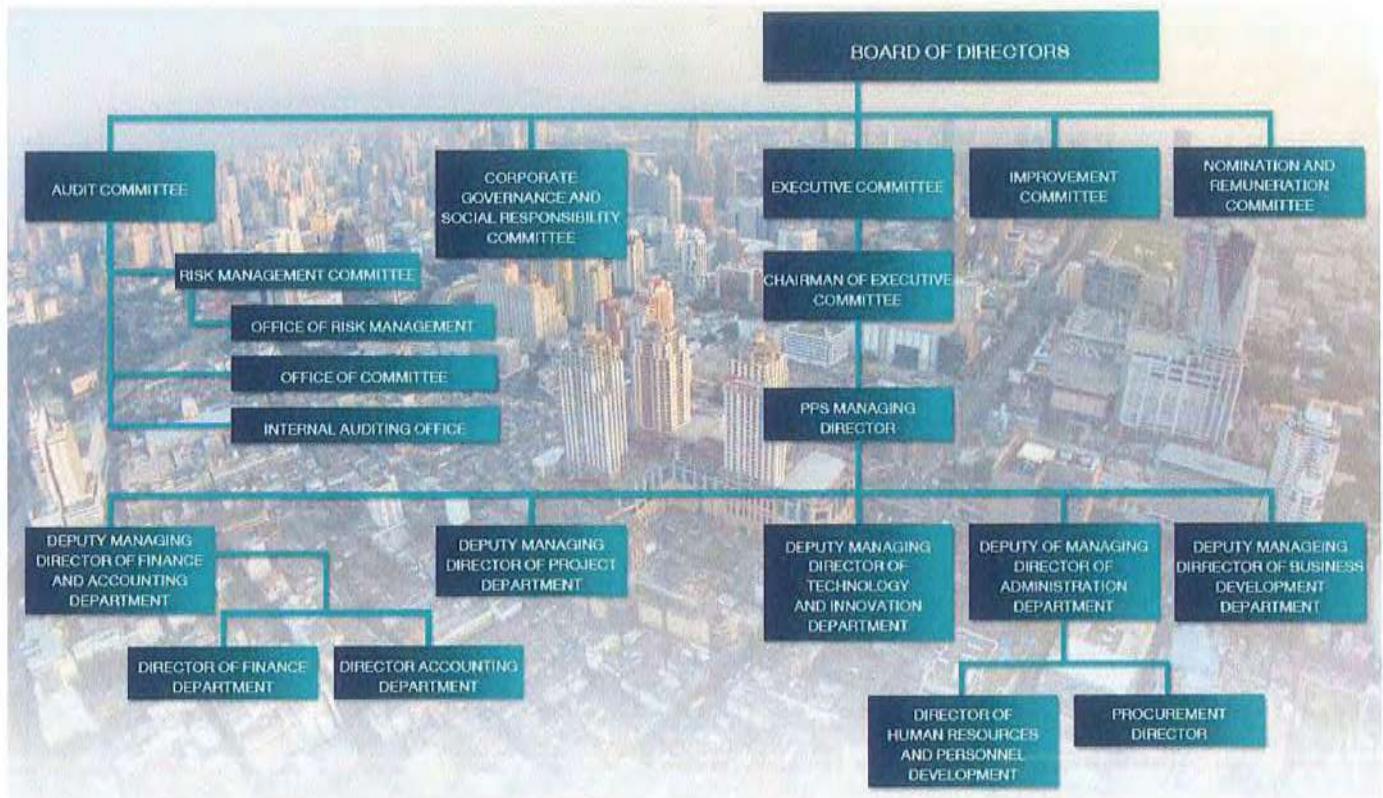
### Organization Chart of the Company (old version)



**Remark:** Approved by the directors in Board of Directors meeting No. 4/2016 on November 12, 2016



Organization Chart of the Company (latest version)



**Remark :** The directors have approved in Board of Directors meeting No. 6/2017 on November 13, 2017 and have approved the managing directors to continue their operation until there will be an announcement which became effective on November 14, 2017.

#### 8.1 Board of Director

In 2017, 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 27, 2017 as the third term
4	Mr. Theerathon Tharachai	Director	Executive Director and Authorized Director	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 27, 2017 as the third term
7	Mr. Kachen Benjakul	Independent Director	Non-executive Director	April 27, 2017 as the third 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 is 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 2017, 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.Anuporn Wananukool was the secretary of the Audit Committee.

#### Nomination and Remuneration Committee

In 2017, 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 2017, 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 Lertchunhakiat	Committee Member
4	Mrs. Wanichthanan Vjacksungsithi	Committee Member
5.	Miss Runnapa Srichuai	Committee Member

#### Executive Committee

In 2017, the Executive Committee comprised as follows:

No.	Name	Position
1	Mr. Prasong Tharachai	Chairman of the Executive Committee/Chairman of Advisors of the Executive Committee
2	Mr. Phongthon Tharachai	Deputy Chairman of the Executive Committee/ Chairman of the Executive Committee
3	Mr. Theerathon Tharachai	Executive Committee/Deputy Chairman of the Executive Committee
4	Mr. Tat Thongpakdi	Executive Committee
5	Mr. Wanchai Ruangsap-anek	Executive Committee
6	Mr. Nopparat Narin	Executive Committee
7	Mr. Voradej Piemsuwan	Executive Committee

Miss Runnapa Srichuai was the secretary of the Executive Committee.

#### Remarks:

1. Mr. Prasong Tharachai, Chairman of the Executive Committee, was appointed to the Chairman of Advisors of the Executive Committee since October 12, 2017
2. Mr. Phongthon Tharachai, Deputy Chairman of the Executive Committee, was appointed to Chairman of the Executive Committee since October 12, 2017
3. Mr. Theerathon Tharachai, Executive Committee, was appointed to Deputy Chairman of the Executive Committee since October 12, 2017





Risk Management Committee

In 2017, the Risk Management Committee comprised as follows:

No.	Name	Position
1.	Mr. Kamon Wiriyaachok	Chairman of the Committee
2.	Mr. Phongthon Tharachai	Committee Member
3.	Mr. Opas Sakulsirikamol	Committee Member
4.	Mr. Panprajak Tansutas	Committee Member
5.	Miss Woraporn Pukpinyo	Committee Member

Business Improvement Committee

In 2017, the Business Improvement Committee comprised as follows:

No.	Name	Position
1	Mr. Eakkamol Lertchunhakit	Chairman of the committee
2	Mr. Dittha Nonthiworawong	Committee
3	Mr. Thakorn Sirawutthiporn	Committee
4	Mr. Panprajak Tansutas	Committee
5	Mr. Prarunya Kamahayung	Committee
6	Mr. Weera Yenpreecha	Committee
7	Miss Saraporn Lerdlam	Committee

*Miss Suree Thongsamarn and Miss Thanyawan Wongkuna was the secretary of the Business Improvement Committee.*



Meeting Attendance of Various Committee Members) Number of Times)

(1 January – 31 December 2017)

Name	Committee						
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Social Responsibility Committee	Executive Committee	Risk Management Committee	Business Improvement Committee
1. Mr. Prasong Tharachai	6/6				10/10		
2. Mr. Tat Thongpakdi	6/6				12/12		
3. Mr. Phongthon Tharachai	6/6			2/2	11/12	4/4	
4. Pol.Lt.Gen. Nukool Jeamanukoolkit	6/6	4/4					
5. Mrs. Vipavee Boonyaprasit	6/6	4/4	3/3	1/2			
6. Mr. Kachen Benjakul	6/6	4/4	3/3				
7. Mr. Theerathon Tharachai	6/6				11/12		
8. Mr. Wanchai Ruangsup-anek					12/12		
9. Mr. Nopparat Narin					11/12		
10. Mr. Voradaj Piemsuwan					12/12		
11. Mr. Opas Sakulsirikamol						2/4	
12. Mr. Kamon Wiriyachok						4/4	
13. Miss Voraporn Pukpinyo			3/3			4/4	
14. Mr. Eakkamol Lertchunhakit				2/2			3/3
15. Mrs. Wanichthanan Vijacksungsithi				2/2			
16. Mr. Panprajak Tansutas						3/4	3/3
17. Miss Runghapa Srichuai				2/2			
18. Mr. Dittha Nonthiworawong							3/3
19. Mr. Thakorn Sirawutthiporn							3/3
20. Mr. Prarunya Kamahayung							3/3
21. Mr. Weera Yenpreecha							3/3
22. Miss Saraporn Lerdlam							3/3

Remark

1. Mr. Wanchai Ruangsup-anek was appointed as the Executive Committee on January 1, 2017 by the board of director meeting No. 4/2016.
2. Business Improvement Committee is appointed to operate since September 11<sup>th</sup>, 2017 by the approval of the board of the director meeting No. 3/2017 on August 10, 2017.





Directors who retired / resigned during the year

1. Mr. Prasong Tharachai was retired from the Executive Committee on October 12, 2017.

8.2 Management Team (Defined in the announcement of SEC)

In 2017, the Management team as defined in the announcement of the Securities and Exchange Commission (SEC), comprised as follows:

1. Between January 1<sup>st</sup>, 2017 to October 11<sup>th</sup>, 2017, 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. Wanchai Ruangsap-anek	Assistant Managing Director of Projects
5.	Mr. Nopparat Narin	Assistant Managing Director of Business Development
6.	Miss Voraporn Pukpinyo	Accounting Director

2. Between October 12<sup>th</sup>, 2017 to December 31<sup>st</sup>, 2017, the Management team comprised:

No.	Name	Position
1.	Mr. Phongthon Tharachai	Chairman of Executive Committee
2.	Mr. Tat Thongpakdi	Managing Director
3.	Mr. Theerathon Tharachai	Assistant Managing Director of Finance and Organization Management
4.	Mr. Wanchai Ruangsap-anek	Assistant Managing Director of Projects
5.	Mr. Nopparat Narin	Assistant Managing Director of Business Development
6.	Miss Voraporn Pukpinyo	Accounting Director

Scope of the Duties and Responsibilities of the Chief Executive Officer (CEO)

1. The Chief Executive Officer (CEO) holds the authority to administrate the business following the policies determined by the Board of Directors or Executive Committee. The Chairman is to report the operation report to the company's Board of Directors or Executive Committee respectively.
2. The CEO is in charge of annual budget consideration, including annual expense of each department, to present to Executive Committee for an approval.
3. Consider and evaluate the business operation regularly in order to prevent the possible risks from internal or external factors.
4. The CEO has an authority to determine command, regulation, announcement, or memorandum for achieving the goals of the Board of Directors or Executive Committee, or for the Company's benefits.
5. Consider and approve of the purchases and expenses concerning the Company's operation, administration, investment to follow the Board of Directors or Executive Committee's permission within the credit limit.





6. Consider the right(s) and asset(s) of the Company when it comes to the obligations with any person, company, or financial institute, and present to Executive Committee for an approval.
7. Investigate the profits and losses, interim and annual dividend payment before receiving an approval from the Board of Directors.
8. Manage any actions to support the Company's administration.
9. Control, supervise, and follow up the administration of subsidiaries' managing directors.

However, the Chief Executive Officer (CEO) is under the supervision of Executive Committee and is to implement along the determined policies.

Furthermore, the CEO's operation must not approve any action that is able to cause the conflicts or interests to persons, the Company, or subsidiaries (according to the announcement of the Securities and Exchange Commission or of the Capital Market Supervisory Board). This is except the approval depending on the policies and principles determined by the Company's Board of Directors or the shareholders' meeting.

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.

#### Scope of the Duties and Responsibilities of the 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 the risks from internal and external factors
4. The Managing Director is authorized to issue orders, rules, announcement and memorandum 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
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. Act to support the Company's operations

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

Furthermore, the Chief Executive Officer's operation must not approve any action that is able to cause the conflicts or interests to persons, the Company, or subsidiaries (according to the announcement of the Securities and Exchange Commission or of the Capital Market Supervisory Board). This is except the approval depending on the policies and principles determined by the Company's Board of Directors or the shareholders' meeting.



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. He is deemed by the Board to be appropriate because he is knowledgeable in managing corporate secretarial work and having served as director of the corporate secretary office. The Company constantly supports the company secretary to undergo training in the Company Secretary Program Class 42 / 2011 by Thailand Institute of Directors (IOD) has been appointed as Company Secretary since 2012 according to the provisions of Article 89/15 of the Act on Public Limited companies Act 2535.

#### 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 report copies 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 information. The secretary must ensure that the documents or evidences are accurately and completely stored. Such documents and evidences 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 evidences include digital storage or any other type of storage in which a document or 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. Be responsible and careful as a wise business operator 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 2015 to 2017

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. Director who was assigned to Audit Committee, Nomination and Remuneration Committee, and Corporate Governance and Social Responsibility Committee will receive remuneration commensurate with more duties and responsibilities assigned.

##### Remuneration Description

Shareholders' AGM 2017 held on April 27, 2017 has approved compensations for the Company's Board of Directors as the following details;

##### 1. Monetary Remuneration

Within the budget of 2.00 million baht, it comprised of (1) meeting allowance, and (2) special compensations (bonuses) which depend on the performance of the Company. The Chairman of the Board of Directors is to allocate these special compensations to each director and member of committees as deemed appropriate and those special compensations are the same financial amount as the previous year.

Meeting allowances are displayed as follows:

Position	Meeting Allowance (per meeting)	
	2017	2016 (previous year)
<b>Board of Directors</b>		
Chairman of the Board of Directors	15,000 baht	15,000 baht
Vice Chairman of the Board of Directors	13,000 baht	13,000 baht
Directors	10,000 baht	10,000 baht
<b>Audit Committee</b>		
Chairman of the Audit Committee	15,000 baht	15,000 baht
Audit Committee Member	10,000 baht	10,000 baht
<b>Nomination and Remuneration Committee</b>		
Chairman of Nomination and Remuneration Committee	10,000 baht	10,000 baht
Nomination and Remuneration Committee Member	10,000 baht	10,000 baht
<b>Corporate Governance &amp; Social Responsibility Committee</b>		
Chairman of Corporate Governance & Social Responsibility Committee	10,000 baht	10,000 baht
Corporate Governance & Social Responsibility Committee Member	10,000 baht	10,000 baht

##### 2. Special Compensations (Bonuses)

-- None --



Summary of the Director's Compensations 2017

Name	Position	Meeting Allowance of 2017				Special Compensa tions (Bonuses)	Total
		Board of Directors	Audit Committee	Nomination and Remunerati on Committee	Corporate Governance & Social Responsibility Committee		
1. Mr. Prasong Tharachai	Chairman, Chairman of the Executive Committee	90,000	-	-	-	180,000	270,000
2. Mr. Tat Thongpakdi	Director, Executive Committee, Managing Director	60,000	-	-	-	180,000	240,000
3. Mr. Phongthon Tharachai	Director, Executive Committee, Chairman of the Corporate Governance and Social Responsibility Committee, Deputy Managing Director	60,000	-	-	-	180,000	240,000
4. Mr. Theerathon Tharachai	Director, Executive Committee, Assistant Managing Director of Finance and Administration Department	60,000	-	-	-	180,000	240,000
5. Pol.Lt.Gen. Nukool Jeamanukoolkit	Director, Chairman of Independent Director	60,000	60,000	-	-	220,000	340,000
6. Mrs. Vipavee Boonyaprasit	Director, Audit Committee, Chairman of Nomination and Remuneration Committee, Corporate Governance and Social Responsibility Committee	60,000	40,000	30,000	10,000	200,000	340,000
7. Mr. Kachen Benjakul	Director, Audit Committee, Nomination and Remuneration Committee	60,000	40,000	30,000	-	200,000	330,000
Total		450,000	140,000	60,000	10,000	1,340,000	2,000,000

(Unit : Baht)





Summary of the Company's Compensations 2015-2017

Name	2015			2016				2017			
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance & Social Responsibility Committee	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance & Social Responsibility Committee
1. Mr. Prasong Tharachai	70,000	-	-	145,000	-	-	-	270,000	-	-	-
2. Mr. Tat Thongpakdi	50,000	-	-	140,000	-	-	-	240,000	-	-	-
3. Mr. Phongthon Tharachai	50,000	-	-	140,000	-	-	-	240,000	-	-	-
4. Mr. Theerathon Tharachai	40,000	-	-	140,000	-	-	-	240,000	-	-	-
5. Pol.Lt.Gen.Nukool Jeamanukoolkit	60,000	60,000	-	184,000	60,000	-	20,000	280,000	60,000	-	-
6. Mrs. Vipavee Boonyaprasit	55,000	40,000	20,000	168,000	40,000	20,000	-	260,000	40,000	30,000	10,000
7. Mr. Kachen Benjakul	55,000	40,000	20,000	168,000	40,000	20,000	20,000	260,000	40,000	30,000	-
Total	380,000	140,000	40,000	1,085,000	140,000	40,000	20,000	1,790,000	140,000	60,000	10,000
Total Amount	560,000			1,285,000				2,000,000			

(Unit : Baht)

1.2 Compensations for the Company's Executive

The director remuneration policy has clearly and transparently determined. The remuneration is 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. <sup>1</sup>

Compensations	2015		2016		2017	
	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)	7	25.44	7	24.17	7	28.64
Total	7	25.44	7	24.17	7	28.64

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

<sup>1</sup> – The compensation was defined since the establishment of the company and paid in same rate. If compensation rate changes, the company will present to the Audit Committee for consideration and comment, and propose 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 2015-2016 and as of December 31, 2017, the Company had personnel in various positions with details as follows;

Position	Number of Staff as of December 29, 2017		
	2015	2016	2017
Project Directors	17	16	16
Project Managers	30	40	29
Civil Engineers	40	57	71
Mechanical Engineers	24	25	26
Electrical Engineers	29	32	33
Architects	10	14	17
Technicians	33	37	37
Accounting and Finance Staff	9	9	9
The Secretary's office and administrative staff	40	53	67
Housekeeping Staff and Drivers	8	7	6
<b>Total</b>	<b>240</b>	<b>290</b>	<b>311</b>

### 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	2015	2016	2017
Salaries, Bonuses and Welfare Payments	158.25	184.82	207.90
<b>Total</b>	<b>158.25</b>	<b>184.82</b>	<b>207.90</b>

### Significant labor disputes in the last 3 years

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

In 2017, the company still maintains 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 considering as the main value of the company.

The company has provided staff improvement planning and Career Path Planning in order to develop the company efficiently. The improvement trainings include In-house Training, Public Training, On the Job Training, E-Learning, and Coaching. The trainings are divided into 5 levels according to Career Path Planning and they will be displayed as follows;





Level 1	" Basic Training (0-1 working year)" focuses on training for new staffs to acknowledge and understand their responsibilities and professional ethics.
Level 2	"Intermediate Training (1-3 working years)" focuses on training for general staffs to adapt knowledge into their operation such as construction inspection, construction cost control, and Microsoft project.
Level 3	" Advance Training (4-6 working years)" focuses on higher position staffs or project managers to be ready for promoting as executive positions such as construction contract management and structural engineering for project supervisors.
Level 4	"Continuous Training (more than 6 working years)" is a soft skill training to increase different working skills and to achieve successes for instance video presentation course and Corporate Social Responsibility (CSR).
Level 5	" Special Training" is held to increase professional proficiency such as Fire Life Safety, BIM for Project Management, and Universal Design.

Meanwhile, the company aims to improve the staffs' potential for the business growth and retired staffs' replacement. The company targets training hours required for all staff at 40 training hours per year in 2017. This target has been achieved with the following training programs:

1. Professional ethics for professionals and managers course supports the operation of staffs who conform to ethics and moralities defined by Council of Engineers and Architect Council of Thailand.
2. Project and construction management course e.g. construction contract management, structural engineering course for project supervisors, Soil protection system, Mat Foundation, responsibilities of supervisor, construction inspection course, etc.
3. Safety plan, safety law in construction, and fire life safety
4. Video presentation course, BIM for Project Management course which brings Information Technology (IT) to help in operation
5. Special training course which are English for construction site and English for beginners held at headquarters
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 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 competitors 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

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 channels;

Post	Project Planning Service PLC, 381/6 Soi Rama IX 58 (Soi 7 Seri 7), Rama IX Road, Suan Luang, Bangkok, 10250.
Website	<a href="http://www.pps.co.th">http://www.pps.co.th</a>
Tel.	0 2718-2785-9
Fax	0 2300-5545-6

Employees may raise a complaint or provide a suggestion or 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](mailto: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](mailto:whistleblow@pps.co.th)

### 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](mailto: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	<a href="mailto:ir@pps.co.th">ir@pps.co.th</a>
Website	<a href="http://www.pps.co.th">http://www.pps.co.th</a>
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. The authority to inform the management to attend the meeting to clarify or prepare the report. The Board of Directors will approve the charter of each subcommittees.

There are six subcommittees as follows:

- 1) Executive committee (Current version) is approved in the Board of Directors Meeting No. 6/2560 held on November 13<sup>th</sup>, 2017 are detailed below.

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. Chief Executive Officer (CEO)
2. Managing Director (Project Planning Service Company Limited)
3. Deputy Managing Director of Finance and Administration Department
4. Deputy Managing Director of Project Department
5. Deputy Managing Director of Technology and Innovation Department
6. Deputy Managing Director of Administration Department
7. Deputy Managing Director of Business Development Department following the nomination from the Board of Directors

The board of Project Directors shall propose two project directors to become 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 representative 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.
- 6) Improvement committee: consists of at least six members who are a person with knowledge, ability, honesty and dedication to the management and operations to achieve the development work.

## 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-executive's 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 shareholders and overseeing shareholders interaction.
- 6) Communicate with relevant regulators.





## 9.2 Management Structure

The Company's management structure comprised of the Board of Directors, 6 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 Business Improvement Committee
8. The Management Team (Defined in the announcement of SEC)

### 1. Board of Director

In 2017, the Board of Directors comprised of 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 27, 2017 as the third term
4	Mr. Theerathon Tharachai	Director	Executive Director	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 27, 2017 as the third term
7	Mr. Kachen Benjakul	Independent Director	Non-executive Director	April 27, 2017 as the third term

Mr. Voradej Piamsuwan 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 is 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 2017, 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 experience 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 the 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 will 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 publicized 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 2017, 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 in charge of policy, criteria and method of recruitment attribution, 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 organizations.
3. Contact persons who have qualifications corresponding to the determined criteria in order to ensure 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. The Corporate Governance and Social Responsibility Committee

In 2017, 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 Vjacksungsithi	Committee Member
5.	Miss Runghapa Srichuai	Committee Member

#### Duties and responsibilities of the Corporate Governance and Social Responsibility Committee

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

1. Determine business strategy and the operation of the company, and consider and comment on anti-corruption policy to ensure that it is proper with this business, company's surroundings, organizational culture, then report to the board of the committee for the approval
2. Examine and give advices about the principles of corporate governance to the board of the committee in order to follow the principles of the Stock Exchange of Thailand and be accepted by the global standard
3. Consider, review, and revise business ethics, code of conduct, and anti-corruption policy of the company to correspond with the appropriateness and modernity, as well as determine the business operation to conform the good governance for the approval from the board of committee
4. Promote the Company's policies and the Company's good practices to support the corporate governance of the Company
5. Handle with the whistleblower's information when ones are violate the law, ethics, or any regulations of the company, together with examine the evidence, and present the matters to the board of the director to investigate the accusation and punishment
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



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

1. Consider and comment on the 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 work plan and annual budget for social responsibility 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 2017, the Executive Committee comprised as follows:

No.	Name	Position
1	Mr. Prasong Tharachai	Chairman of the Executive Committee/Chairman of Advisors of the Executive Committee
2	Mr. Phongthon Tharachai	Deputy Chairman of the Executive Committee/ Chairman of the Executive Committee
3	Mr. Theerathon Tharachai	Executive Committee/Deputy Chairman of the Executive Committee
4	Mr. Tat Thongpakdi	Executive Committee
5	Mr. Wanchai Ruangsup-anek	Executive Committee
6	Mr. Nopparat Narin	Executive Committee
7	Mr. Voradej Piemsuwan	Executive Committee

- Remarks:
1. Mr. Prasong Tharachai, Chairman of the Executive Committee, was appointed to the Chairman of Advisors of the Executive Committee since October 12<sup>th</sup>, 2017
  2. Mr. Phongthon Tharachai, Deputy Chairman of the Executive Committee, was appointed to Chairman of the Executive Committee since October 12<sup>th</sup>, 2017
  3. Mr. Theerathon Tharachai, Executive Committee, was appointed to Deputy Chairman of the Executive Committee since October 12<sup>th</sup>, 2017

**Scope of Duties and Responsibilities of the Executive Committee**

1. Conduct 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 for the approval from the Company's Board of Directors
3. Supervise the Company's business operation 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 facilitate our business





4. The Executive Committee is authorized to approve loans or application for a loan from a financial institution as well as to pay or to spend 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 was effective on June 9, 2012)
5. Determine the efficient structure of the organization and the administration that are 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 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 2017, the Risk Management Committee comprised as follows:

No.	Name	Position
1	Mr. Kamon Wiriyachok	Chairman of the Committee
2	Mr. Phongthon Tharachai	Committee Member
3	Mr. Opas Sakulsirikamol	Committee Member
4	Mr. Panprajak Tansutas	Committee Member
5	Miss Woraporn 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 organization's risk managements.
2. Develop and screen the risk levels deemed acceptable by the organization 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 the risk management plans of Headquarters and the project that occurred compared with the plans every quarter.

#### 7. Business Improvement Committee

In 2017, the Business Improvement Committee comprised as follows:

No.	Name	Position
1	Mr. Eakkamol Lertchunhakit	Chairman of the committee
2	Mr. Dittha Nonthiworawong	Committee
3	Mr. Thakorn Sirawutthiporn	Committee
4	Mr. Panprajak Tansutas	Committee
5	Mr. Prarunya Kamahayung	Committee
6	Mr. Weera Yenpreecha	Committee
7	Miss Saraporn Lerdlam	Committee

Miss Suree Thongsamarn and Miss Thanyawan Wongkuna was the secretary of the Business Improvement Committee.

#### Scope of the Duties and Responsibilities of the Business Improvement Committee

##### Duties and Responsibilities with regards to ISO

1. Be responsible for quality improvement to achieve goal of the Company
2. Apply the policy from the board of the committee for accomplishing the quality improvement goal
3. Require the sufficient resource and personnel for the business improving management
4. Provide the quality management documents for using in company's administration, and maintain the policy, goal, manual, and document about quality
5. Supervise the staff complying with the quality management and improve the quality management to conform the modernity and the Company administration
6. Hold a meeting to examine the process of quality management to assure the regulations' effectiveness

##### Duties and Responsibilities with regards to the Organization Development (ORD)

1. Study, analyze, and evaluate the problems in the company in terms of policy and practice level
2. Study and determine the resolutions to solve or reduce the problems' effect on business administration which is corresponded with the law, regulations, and policy of the Company
3. Study, analyze, and propose the opinion to the board of director about the methods to increase the capability in business administration and coordination
4. Monitor and evaluate the business process to appropriately adjust the strategy and structure of the Company
5. Apply the quality improvement throughout the Company, coordinate with the institute to work along with the scope of required quality management, and follow up the operation in accordance with KPI
6. Advise the entire staff about the business processes used in the Company
7. Propose the policy, measure, procedure, and tool to effectively develop the Company, and to support the board of the directors' decision
8. Develop, manage, and distribute the database and information of the Company improvement
9. Summarize and present the overall operation report and problems and obstacles report to the directors in order
10. Act as assigned by the Company's Board of Directors







8. Management Team (Defined in the announcement of SEC)

In 2017, the Management team as defined in the announcement of the Securities and Exchange Commission (SEC), comprised as follows:

1. Between January 1<sup>st</sup>, 2017 to October 11<sup>th</sup>, 2017, the Management team comprised of;

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 Administration
4.	Mr. Wanchai Ruangsap-anek	Assistant Managing Director of Projects
5.	Mr. Nopparat Narin	Assistant Managing Director of Business Development
6.	Miss Woraporn Pukpinyo	Accounting Director

2. Between October 12<sup>th</sup>, 2017 to December 31<sup>st</sup>, 2017, the Management team comprised of;

No.	Name	Position
1.	Mr. Phongthon Tharachai	Chairman of Executive Committee
2.	Mr. Tat Thongpakdi	Managing Director
3.	Mr. Theerathon Tharachai	Assistant Managing Director of Finance and Organization Management
4.	Mr. Wanchai Ruangsap-anek	Assistant Managing Director of Projects
5.	Mr. Nopparat Narin	Assistant Managing Director of Business Development
6.	Miss Woraporn Pukpinyo	Accounting Director

Scope of the Duties and Responsibilities of the Chief Executive Officer (CEO)

1. The Chief Executive Officer (CEO) holds the authority to administrate the business following the policies determined by the Board of Directors or Executive Committee. The Chairman is to report the operation report to the company's Board of Directors or Executive Committee respectively.
2. The CEO is in charge of annual budget consideration, including annual expense of each department, to present to Executive Committee for an approval.
3. Consider and evaluate the business operation regularly in order to prevent the possible risks from internal or external factors.
4. The CEO has an authority to determine command, regulation, announcement, or memorandum for achieving the goals of the Board of Directors or Executive Committee, or for the Company's benefits.
5. Consider and approve of the purchases and expenses concerning the Company's operation, administration, investment to follow the Board of Directors or Executive Committee's permission within the credit limit.
6. Consider the right(s) and asset(s) of the Company when it comes to the obligations with any person, company, or financial institute, and present to Executive Committee for an approval.
7. Investigate the profits and losses, interim and annual dividend payment before receiving an approval from the Board of Directors.
8. Manage any actions to support the Company's administration.
9. Control, supervise, and follow up the administration of subsidiaries' managing directors.



However, the Chief Executive Officer (CEO) is under the supervision of Executive Committee and is to implement along the determined policies.

Furthermore, the CEO's operation must not approve any action that is able to cause the conflicts or interests to persons, the Company, or subsidiaries (according to the announcement of the Securities and Exchange Commission or of the Capital Market Supervisory Board). This is except the approval depending on the policies and principles determined by the Company's Board of Directors or the shareholders' meeting.

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.

**Scope of the Duties and Responsibilities of the 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 the risks from internal and external factors
4. The Managing Director is authorized to issue orders, rules, announcement and memorandum 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
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. Act to support the Company's operations

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

Furthermore, the Chief Executive Officer's operation must not approve any action that is able to cause the conflicts or interests to persons, the Company, or subsidiaries (according to the announcement of the Securities and Exchange Commission or of the Capital Market Supervisory Board). This is except the approval depending on the policies and principles determined by the Company's Board of Directors or the shareholders' meeting.

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 2017

(January 1, 2017- December 31, 2017)

Name	Committee							
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance and Social Responsibility Committee	Business Improvement 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. Wanchai Ruangsap-anek				✓				
9. Mr. Nopparat Narin				✓				
10. Mr. Voradej Piemsuwan				✓				
11. Mr. Opas Sakulsirikamol					✓			
12. Mr. Kamon Wiriyachok					✓			
13. Miss Voraporn Pukpinyo			✓		✓			
14. Mr. Eakkamol Lertchunhakit						✓	✓	✓
15. Mrs. Wanichthanan Vijacksungsithi						✓		
16. Mr. Panprajak Tansutas					✓		✓	✓
17. Miss Rungnapa Srichuai						✓		
18. Mr. Dittha Nonthiworawong							✓	✓
19. Mr. Thakorn Sirawutthiporn							✓	✓
20. Mr. Prarunya Kamahayung							✓	✓
21. Mr. Weera Yenpreecha							✓	✓
22. Miss Saraporn Lerdlam							✓	✓

- Remark.
1. Mr. Wanchai Ruangsap-anek was appointed as the Executive Committee on January 1<sup>st</sup>, 2017 by the board of director meeting No. 4/2016.
  2. Business Improvement Committee is appointed to operate since September 11<sup>th</sup>, 2017 by the approval of the board of the director meeting No. 3/2017 on August 10<sup>th</sup>, 2017.

Directors who retired / resigned during the year

1. Mr. Prasong Tharachai was retired from the Executive Committee October 12<sup>th</sup>, 2017.



### 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 characterized 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 and effective until November 13<sup>th</sup>, 2017 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 (current version):** Resolutions approved at the meeting of the Board of Directors 6/2017 on November 13<sup>th</sup>, 2017 the details are as follows:

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. Chief Executive Officer (CEO)
2. Managing Director (Project Planning Service Company Limited)
3. Deputy Managing Director of Finance and Administration Department
4. Deputy Managing Director of Project Department
5. Deputy Managing Director of Technology and Innovation Department
6. Deputy Managing Director of Administration Department
7. Deputy Managing Director of Business Development Department following the nomination from the Board of Directors

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 Improvement Committee

Improvement committee: consists of at least six members who are a person with knowledge, ability, honesty and dedication to the management and operations to achieve the development work.

#### Components and the Recruitment of the Chief Executive Officer (CEO)

The CEO is based on the nomination of the Executive Committee by selecting of persons from the Executive Committee during the selection to propose to the Board of Directors for approval the appointment of the person nominated as the Chairman of the Executive Committee.

#### 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 has been performed and audited by common standards and auditor to the Company's.

The operating results from the company's subsidiaries and joint ventures for the year 2017 are reported as follows:

PPS Design (PPSD) has engineering design works on hand for both local and foreign projects including design work of two projects in Cambodia. For the local project, PSD has the design project of LESSO MALL BANGKOK by continuing from Swan &





Maclaren Thailand. It is expected the market will expand in the year 2018 resulting from the domestic economic uptrend with the relax of fee competition. It is also expected that PPSD will expand the revenue from construction management works for small projects.

Swan & Maclaren Thailand (S&M) offers architectural design and interior. In 2017, the company has LESSO MALL BANGKOK Project which is a huge foreign investment. Moreover, the company is focusing to architectural and interior design work of projects in AEC country market (Vietnam, Myanmar and Cambodia) and local market from foreigner's investment.

PPS Information Consultant Company Limited (PIC) is continuing their course on media business and information technology. PIC grew from internal support to PPS with the initiative of utilizing information technology to the underutilized construction business. PIC also supports PPS in all of their training programs and also develops the training media and become a content provider via internet channels and cable TV. PIC's revenue comes from media services for PPS and other media channels including TV - ThaiRath TV, Radio - Changmuns FM 106 and internet channels. This also exposes better image and professional identity of PPS to general public.

Since 2015, PPS aims to bring information technology adapting to operating for upgrade professional services to be more effective, PIC also supports PPS in ProjectLive cloud service software created to service the need for an online tool for construction management and supervision. ProjectLive features construction management workflows of the following tasks: Inspection and Testing Checklist (ITC), Defect Work, Non-Conforming Report (NCR), Safety Improvement Request (SIR), Documents, Dashboard.

PIC also has a business of providing video filming and editing services, Photography, TV Production, and concerts and events organizing. For instance, Tip and Trick with Uncle P, a cartoon about list of knowledge of construction broadcasted on ThaiRath TV. Moreover, PIC also provides computer programs and Applications.

Ensemble Equity Pte.Ltd. (EE) was founded on 18 November 2015 by registration in Singapore. The registered capital has been increased to be 500,000 SGD in 2016. EE offers Provision of Project Management and Engineering Consulting Services & Products. At the present, EE has projects and revenue.

## 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 publicized to purchase, sell, transfer or receive the transfer of the Company's shares within the period of one month prior to the publicization of financial statements and all personnel of the Company should wait at least 24 hours after the publicization.

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)

PPS and Subsidiaries Company paid the audit fee for accounting period 2016-2017 and estimated remuneration of 2018 to DIA International Audit Company Limited. The information will be displayed below.

Unit : Baht

	2016	2017	2018
<b>1. Annual Audit Fee</b>			
1.1 PPS and consolidated financial statements	375,000	410,500	470,000
1.2 PPSD	80,000	80,000	90,000
1.3 PIC	50,000	50,000	53,000
1.4 EE	-	30,000	30,000
1.5 SPP	-	-	90,000
<b>2. Interim Financial Statement Fee</b>			
2.1 PPS and consolidated financial statements	225,000	315,000	330,000
2.2 PPSD	90,000	90,000	120,000
2.3 PIC	45,000	45,000	48,000
2.4 EE	-	30,000	30,000
2.5 SPP	-	-	120,000
<b>Total of PPS and consolidated financial statements</b>	<b>600,000</b>	<b>725,000</b>	<b>800,000</b>
<b>Total</b>	<b>865,000</b>	<b>1,050,000</b>	<b>1,381,000</b>

### 2. Non Audit Fee

- None -

### Independence and Reliability of Auditor

Board of Director and Audit Committee have considered the independence, experience, and ability issue of auditor, and have come to the resolution that PPS should appoint Mrs. Suvimol Kittayakiern, C.P.A. Registration No. 2892, or Miss Suphaphorn Mangjit, C.P.A. Registration No. 8125, or Miss Somjintana Polhilunrat, C.P.A. Registration No. 5599, from DIA International Audit Company Limited as the Company's auditors. The auditors do not operate any other services to the Company and have no relation and/or are disinterested in the Company/subsidiary companies/Board of Director/major shareholder, or are related with the mentioned persons.

These 3 auditors are Certified Public Accountant (C.P.A.) that are certified by Securities and Exchange Commission, Thailand (SEC) and have qualification in accordance with the regulations of The Stock Exchange of Thailand.





## 9.7 Other Corporate Governance

Project Planning Service Company Limited 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 has established the Corporate Governance and Social Responsibility Committee to support the Company's 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 expects to raise the Company corporate governance to international level because it can increase efficiency and effectiveness in administration and can lead to fair practice of all parties.

In 2017, the Board of Directors has developed numerous things about the Company corporate governance as follows.

1) Anti-Corruption (Detailed in Topic 3 – Anti-Corruption)

1.1) Company has arranged anti-corruption training regularly in order to provide all employees the knowledge and understanding about the anti-corruption policy and good practices.

1.2) The Company has revised anti-corruption policy which had been approved by the Board of Directors' meeting No. 6/2017 dated November 13, 2017 and be announced for implementation details as posted on the Company's website.

- 2) Revised the terms of protection to the ones who inform any clues of corruptions or misconduct in legal, Company's rules & ethics (Whistleblower Policy) and had been approved by the Board of Directors' meeting No. 6/2017 dated November 13, 2017 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 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 5-star CG SCORING award 2017
- 5) Received Thailand Sustainability Investment 2017 Award from the Stock Exchange of Thailand
- 6) Received Rising Star of Sustainability Investment Award 2017 from the Stock Exchange of Thailand
- 7) Received Full Score (100 Points) from the result of the quality evaluation of the Company's 2017 Annual General Meeting of Shareholder
- 8) Received Best CEO Awards (CEO of company listed on mai) from SET Awards 2017 by the Stock Exchange of Thailand
- 9) Received Best Company Performance Awards Company Listed on mai from SET Awards 2017 by the Stock Exchange of Thailand
- 10) Received Outstanding Company Performance Awards Company Listed on mai from SET Awards 2017 by the Stock Exchange of Thailand
- 11) Received CEO of Company Listed on mai from SET Awards 2017 by the Stock Exchange of Thailand
- 12) Received Continuing Professional Development (CPD) 2017 by Council of Engineers



Besides the good corporate governance practices, there are 5 more sections that the Company has been performed including the rights of shareholders, equitable treatment of shareholders, roles of stakeholders, publication of information and transparency, and board responsibilities. Each section is explained as follows;

## 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 participate in the meeting, 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 2017, the Company decided to call the shareholders' meeting on April 27<sup>th</sup>, 2017 from 10.00-12.00 at Srinakarin 2, 9<sup>th</sup> floor, The Grand Fourwings Convention Hotel Bangkok, 333 Srinakarin Road Huamark, 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 Srinakarin 2, 9<sup>th</sup> floor, The Grand Fourwings Convention Hotel Bangkok, 333 Srinakarin Road Huamark, 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 votes. The shareholders could register for the meeting 2 hours 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 2017 Started,** all 7 members of the Company's Board of Directors, the Company's secretary, and the Company's auditor took their seats to begin the meeting. Also, Thep 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, to ask questions, and 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 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 payment 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.

Besides, 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.

In addition, shareholders are be able to exercise the right to look after their interests by voicing opinions and suggestions and voting to decide on significant changes including the election of the Board of Directors, 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](http://www.pps.co.th) since October 27<sup>th</sup>, 2017 to December 30<sup>th</sup>, 2017. However, no shareholder proposed a meeting agenda item or director nominee.

To maintain the rights of shareholders who cannot attend the AGM 2017 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 (5<sup>th</sup> version) of 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 2017, 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% 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 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 arrange 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 preceded 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](http://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 2017, 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 Code of Ethics 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 2017, 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, or religion. 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. (Detailed in Chapter 10 Topic 4 – Fair Treatment to Labor)
3. **For Clients** - The Company pays attention and takes customers' satisfaction seriously especially for services. In 2017, 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 80%. The Company provides guarantee for clients with the registered capital of 215 million baht to further increase the confidence of clients. (Detailed in Chapter 10 Topic 5 – Responsibility to customers and consumers)

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. (Detailed in Chapter 10 Topic 1 Sub-topic 1.2 – Performing to promote the social responsibility in trading partners)
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. (Detailed in Chapter 10 Topic 1 Sub-topic 1.1 – Fair Competition)
6. **For Creditors** - The Company complies with the contracts and relevant legislation to pay debts to the creditors who lend to the Company. (Detailed in Chapter 10 Topic 1 Sub-topic 1.2 – Performing to promote the social responsibility in trading partners)
7. **For Intellectual Property and the Copyrights** – The Company respects the right in property, intellectual property and the copyrights of others. (Detailed in Chapter 10 Topic 1 Sub-topic 1.3 – Respect the right in other's property)
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. (Detailed in Chapter 10 Topic 3 – Respect for Human Rights)
9. **For Society** - The Company has emphasized on community and society accountability. (Detailed in Chapter 10 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. (Detailed in Chapter 10 Topic 7 – Society and Community Development)
11. **For Resource and Environment** - The Company has an environmental management policy and disciplinary practices for business operations focusing on using resources efficiently. (Detailed in Chapter 10 Topic 6 – Efficient Resource and Environment Management)

### 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 channels;

<b>Post</b>	Project Planning Service PLC, 381/6 Soi Rama IX 58 (Soi 7 Seri 7), Rama IX Road, Suan Luang, Bangkok, 10250.
<b>Website</b>	<a href="http://www.pps.co.th">http://www.pps.co.th</a>
<b>Tel.</b>	0 2718-2785-9
<b>Fax</b>	0 2300-5545-6







Employees may raise a complaint or provide a suggestion or 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](mailto: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](mailto: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](mailto:whistleblow@pps.co.th). However the Company's Board of Directors has delegated to the Audit Committees, which all are the Independent Directors as recipients of the reports or complaints and examine them and report to the Board of Directors. 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 publication of information that are accurate, comprehensive and timely to investors, the press and other groups of stakeholders utilizing 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 to be responsible for the provision of services and dissemination of the Company's news and information that are 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](mailto:ir@pps.co.th)

Website: [www.pps.co.th](http://www.pps.co.th)

Telephone: 0 2718-2785-9

FAX: 0 2300-5545-6



#### 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 includes 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](http://www.set.or.th) or the Company website [www.pps.co.th](http://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 assure 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 that there are items which 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 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, to reduce, and to 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 Executive Accounting Service Co., Ltd. to be the internal auditor. The Info Associate Co., Ltd 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 stock broking.

#### 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 2017, the Company has participated in the event 2 times as follows:

- |                 |                                   |
|-----------------|-----------------------------------|
| 1 <sup>st</sup> | March 21 <sup>st</sup> , 2017     |
| 2 <sup>nd</sup> | September 20 <sup>th</sup> , 2017 |

### 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 have 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 monitors the performance result. Moreover, the Company established the compliant unit to perform such duty. The Company has publicized the name lists, profiles and roles of both the Board of Directors and other six 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, and Business Improvement Committee in 2017 Annual Report and on [www.pps.co.th](http://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, the Company has publicized the process of determination and appropriateness of compensations in the 2017 Annual Report on the compensations for the members of the Board of Directors and executives. The frequency of the board members and other committee members that attended the meetings are included and the details shown in the Table of Meeting Attendance of various Committee members. The compensations of various committee members show in the Comparison of Compensations of various committee members between 2015 and 2017 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 provides 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. This includes 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](http://www.pps.co.th). Besides, 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, Chairman of the Executive Committee, and managing director. An investor may contact the investor relations department of the Company at tel. 02-7182785-9 or [www.pps.co.th](http://www.pps.co.th)



### 5.1 Terms

Terms of the Company's Board of Directors are according to the Public Company Act 1992. The term of office for Independent Directors is 3 years and they may be in the same position for not more than 3 terms consecutively.

### 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. Furthermore, the Company proposed this rate for approval in the Shareholders' Meeting before using. Remuneration for the Audit Committees, 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 member 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 6 committees.

1. **Executive Committee** must be 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) Chief Executive Officer (CEO)
- (2) Managing Director (Project Planning Service Company Limited)
- (3) Deputy Managing Director of Finance and Administration Department
- (4) Deputy Managing Director of Project Department
- (5) Deputy Managing Director of Technology and Innovation Department
- (6) Deputy Managing Director of Administration Department
- (7) Deputy Managing Director of Business Development Department following the nomination from the Board of Directors





The Board of Directors holds the right to nominate a person for Executive Committee. The term for this position is 2 years.

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 but limited not more than 2 consecutive terms.

5. **The Corporate Governance and Social Responsibility Committee** comprises of 5 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

6. **The Business Improvement Committee** comprises at least 6 persons and each must be approved by the Board of Directors. The term for each committee is 2 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 may meet without directors who are executives as deemed necessary. This is to allow non-executive directors to discuss various issues of interest regarding the management without the attendance/interference of the management. Thus the discussion is conducted freely. The meeting is held at least once a year complying with the principles of good corporate governance. In 2017, the meeting was held on November 13<sup>th</sup>, 2017.

#### 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 2017, the meeting was held on November 13<sup>th</sup>, 2017.

#### 5.7 Reporting of Information

1. The Board of Directors is responsible for the report 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 assign 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 Managing Director, 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 future leader. 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 then 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 solutions for improving the performance. The performance evaluation form of the committees and subcommittees uses the SET guideline but adapts for the Company business characteristics.

In 2017, the Secretary of the Company disseminated self-assessment forms of the Board of Directors. It was comprises 6 major topics as 1) The structure and qualifications of Board of Directors, 2) Roles, Duties and Responsibilities of the Board of Directors, 3) Directors' Meetings, 4) The Conduct of Directors, 5) The Relationship with the Management and 6) 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, the assessment result of the committees is shown below;

- 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 3.73 out of 4 (Very Good)
- 3) The assessment result of the Audit Committee was 3.5 out of 4 (Very Good)
- 4) The self-assessment result of the Nomination and Remuneration Committee was 3.87 out of 4 (Very Good)
- 5) The self-assessment result of the Corporate Governance and Social Responsibility Committee was 3.95 out of 4 (Very Good)
- 6) The self-assessment result of the Executive Committee was 4 out of 4 (Very Good)
- 7) The self-assessment result of the Risk Management Committee was 3.91 out of 4 (Very Good)
- 8) The self-assessment result of the Business Improvement Committee was 3 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 solutions for developing 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 2017, there was no orientation as there was no new member of the Company's Board of Directors. However, to update all Board of Directors' 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 May 11<sup>th</sup>, 2017.



#### 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 2017, 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 Program (DCP), Directors Accreditation Program (DAP), Audit Committee Program (ACP), and Executive Development Program (EDP). The knowledge and experience gained from these curricula and programs 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)

##### Mr. Kachen Benjakul

- Directors Accreditation Program (DAP) 56/2006, Thai Institute of Directors (IOD)

##### 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

- Leadership Succession Program (LSP) Class 8 (2017), Institute of Research and Development for Public Enterprises (IRDP)
- Training Program – Advance Potentiality Development of Innovation for Entrepreneurs by Institute of National Innovation, SET, mai and TMA

- Anti-Corruption For Executive Program 11/2014 (ACEP 11), 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)
- Future Entrepreneurs Forum (FEF) 1, Market for Alternative Investment (MAI)
- Directors Accreditation Program (DAP) 91/2011, Thai Institute of Directors (IOD)
- Executive Development Program (EDP) 5/2010, Thai Listed Company Association (TLCA)
- Anti-Corruption Seminar 2/2013, Thai Institute of Directors (IOD)

**Mr.Theerathon Tharachai**

- Leadership Succession Program Class 7 Institute of Research and Development for Public Enterprises (IRDP)
- 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 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 2017, Board members who attended various programs include

**Mr.Phongthon Tharachai**

- Leadership Succession Program Class 8 (2017) Institute of Research and Development for Public Enterprises (IRDP)

**5.13 The Policy Implementation**

Company practices are conducted in line with the Company polished policies. Moreover, the Company assigns PPS Training Center 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 follows:


1. Sets Board meeting agenda in consultation with the Managing Director 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 Regulations, and laws
  - 2.2 Encourages and allocates sufficient time to each Board member to discuss and express their free opinion with 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 Regulations, 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 Managing Director and the Management team 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 solutions for improving 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 adequately high 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 are 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 not be an executive 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; Pol. Lt. Gen. Dr.Nukool Jeamanukoolkit, Mrs.Vipavee Boonyaprasit, and Mr.Kachen Benjakul.They are 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 never be a partner or employee of the external auditors company during 2 years. In 2017, 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.

### 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 operating according to the principles of good corporate governance as well as monitor to assure 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

PPS and the subsidiaries have realized the duties and responsibilities of taxpayer. Paying tax punctually and legally is counted as an important factor to develop out country, to administrate the Company's tax management circumspectly, and to pay the tax correctly and completely. The Company also focuses on tax planning, guidelines for tax information, as well as tax planning for the best performance for the Company including the tax guidelines for the operation, and the tax dispute with government office. The Company and subsidiaries place an importance on tax management adhering to accuracy, transparency, and accountability in order to prevent the company and subsidiaries' reputation risk, tax risk (penalty, surcharge, etc.), tax risk associated with special transactions, and to support the added value to the shareholders. The policies are approved by senior directors of the company in accordance with the good governance in business administration.

The procedures comprise of;

### 1. Tax Operation

#### 1. Planning and Guideline for Tax Operation

- Administrate and supervise the operation in accordance with the law and other relevant regulations including exercise the tax right to get most benefit for shareholders and government sector by legally paying tax and maintaining reputation, and a good relation between the organization and the government's tax institute
- Perform the tax payment within the duration determined by law and manage the tax payment or refund for the Company's liquidity
- Consider tax impact regularly to be in line with a new legislation or tax policy or tax law adjustment or the Company's new transaction
- Administrate tax planning by studying laws and other regulations for possible effects consideration, including consulting the tax professional for an accurate guidelines in order not to be a tax evasion
- Hire an outsource personnel and hold a training program for employees to learn about the taxes in order that the employees or relevant staffs are able to perform their duties correctly

#### 2. Tax Coordination and Consulting with Government Office

- Assign the responsible employee for the tax coordination and tax information disclosure following the facts when receiving complaints or investigation
- Appoint for tax consulting for the accurate understanding and practice

### 2. Tax Dispute with Government Office

When tax disputes arise that might affect the amount of tax significantly, the Board of Directors must consider and review the tax effect before carry on the clarification or discussion with the government office to examine the solutions





## 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. For a 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 satisfaction and excellent project quality to meet customer expectations more than price competition. In case that 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 2017

PPS has attended in 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 economy, society, 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
  1. According to PPS intention in operating the business without corruption, partners must have honesty and morality for doing business.
  2. Partners must have working experiences with creditability by mostly achieving the taking over certificates from clients.
  3. PPS has created the trustworthy vendor list for the partner selections to operate the business together.

#### Actions in 2017

PPS has strictly performed based on the above guidelines, especially in the obligation of the contracts and contract payment. During 2017, 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 2017

1. Provide trainings about understanding of the intellectual property law and copyright.
2. Announce to all employees that for not using the illegitimate software in PPS. The announcement has publicized since October 7<sup>th</sup>, 2010.





## 2. Anti-corruption

PPS considers that anti-corruption is a vital key driver to conduct the businesses and develop quality of projects. Therefore, PPS has created 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](http://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 has 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. The employees must strictly follow 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 2017

1. PPS has revised the anti-corruption policy (Revision 1/2017) and published on the company's website.
2. 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 human rights policy.
3. Emphasize the employees to respect human rights of others 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 2017

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 2017, PPS has not been complained about human rights violations.

### 4. Fair Treatment to Labor

PPS has placed importance on a 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 Work According to the Rule of Human Rights

PPS has a working policy which is stated clearly that PPS will not force people who are unwilling 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 2017

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 Social Protection and Work Condition of Employees

Besides respecting the right in the work, PPS always cares about fair working condition, remuneration receiving, 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.
  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. Long-term compensation comprises of provident fund, retirement compensation, the Employee Joint Investment Program.

#### Actions in 2017

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 15 years.
2. PPS has provided the Employee Joint Investment Program (EJIP) since April 2014, which was 4 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 and safety shoes.
4. Train PPS staffs regularly about regulations, practices and safety health and environmental management measures especially during the pre-construction phase to reduce the risk of damage and accidents.

Actions in 2017

In 2017, 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 their 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 2017

PPS has done the annual satisfaction survey among customers to assess PPS's operation in various aspects. The average score of all customers was 80%. 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 Safety, Health and Environment (SHE), together with complying with laws and regulations, and efficient resources usage. 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. Give advice to 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, energy, paper 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 2017

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. Moreover, PPS has conducted environmental activity for the employees to realize the importance of natural resource in organization and society through these activities.

1. Carbon Footprint for Organization (CFO) is applied to control energy usage or use alternative energy which leads to reduce cost and increase business opportunity in the future.
2. Develop Project Live and Blue Book (Cost Index) to store data of types and amount of materials for each project in order to control and reduce the material usage.



3. "Forest Conservation" is to afforest in Dong Yai, Buriram to expand the forest area, to absorb carbon dioxide, and to increase the awareness of environment conservation for the youth.
4. "Yellow Star planting Commemorating His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun Rama X" activity is held to enlarge the green area in community and promote environment conservation.
5. "Waste Bank" project happened in Ban Han School, Pak Thong Chai district, Nakhon Ratchasima. This activity helped the youth to acknowledge the importance of resources and environment conservation by teaching waste separation and conducting creative activities such as invention, drawing, and recycling dress contest. Moreover, it could further develop and cause income for the school, students, and nearby community.

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

### Actions in 2017

1. PPS sees the significance of participating in community and society development and encourages our employees to perform the following activities.
  - 1.1 PPS Project Live Challenge – An activity "Forest Conservation" is to afforest in Dong Yai Wildlife Sanctuary, Buriram by the cooperation of Forestry Officers, villagers in Nang Rong district, Ban Lam Nang Rong School, Nong Born Than Choa Pha School, and Ban Sub Somboon School. The project is conducted to expand the forest area, to increase the awareness of environment conservation for the youth, to produce food sources and income for community, to maintain a good relationship between community, government sector, and PPS.
  - 2.1 "PPS and classroom builder" is an activity at Ban Tha Yae School, Kanchanaburi. This activity's purposes are to increase the potential, learning process through activity, build up relationship and harmony in and off organization. In addition, the school is push to be the learning center in community, and to develop for sustainability in education for youth.
  - 3.1 "Waste Bank" project happened in Ban Han School, Pak Thong Chai district, Nakhon Ratchasima. This activity helped the youth to acknowledge the importance of resources and environment conservation by teaching waste separation and conducting creative activities such as invention, drawing, and recycling dress contest. Moreover, it could further develop and cause income for the school, students, and nearby community.
  - 4.1 "Yellow Star plating Commemorating His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun Rama X" activity took place at Pattanakarn intersection park collaborating with Suanluang District Office, Bangkok





in order to enlarge the green area in community that helps absorbing carbon dioxide and decreasing global warming. Also, it helps to establish relationship between PPS, other organization, and nearby community.

2. 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 through these activities.

2.1 "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.

2.2 "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.

2.3 "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.

2.4 "Marathon Commemorating of 84th Anniversary at Ananthamahidol Hospital, Lop Buri on 7th Rare Disease Day" - PPS's employees has attended in activity "Charity Marathon Baby Muns Run for Rare" conducting by RAMATHIBODI FOUNDATION, Thai Rare Disease Foundation, Medical Genetics Network of Genetics Society of Thailand, Medical Genetics Department and Pediatrics Department of Ramathibodi Hospital, and other party network on February 26<sup>th</sup>, 2017. This activity caused the unity for employees, good attitudes for themselves, and the power of PPs.

2.5 "UNICEF Line Run #Run to help disadvantaged children in Thailand" is an activity to support the equality. Children should have opportunity to do any activities regardless of nationality, gender, religion, education, etc.

3. PPS believes that the dissemination of engineering and being good engineers to community and society are able to upgrade education and develop for sustainable growth. Thus, PPS has operated the following activities.

3.1 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

3.2 Disseminate knowledge to community by inviting students to the community for learning real practices

3.3 Disseminate knowledge to the community by creating an opportunity and knowledge for the community via "Chungmuns on Community" programs

3.3.1. The forth program held at Puak Tam temple, Chiang Mai in "Renew Puak Tam". This community was regarded as conservative area, then, art and culture is an outstanding matter of Puak Tam community such as Kua Thong or other decoration in Lanna style and associate with villagers over the topic of art and culture conservation.

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



5. Create corporation network between organizations

- 5.1 Nearby community development has been associated with the project owner in terms of financial support while PPS controlled the construction. We also constructed multi-purpose pavilion and learning tools for Ban Nong Samed school, Buriram, greenhouse, restrooms, and painting playthings for Wat Ban Yang school, Buriram, and greenhouse, floating basket, and agricultural tools for Ban Han school, Nakhon Ratchasima.
- 5.2 Participating in donation for disadvantaged children or people through the foundation or charity. The examples are Foundation For The Welfare Of Needy Schoolchildren Under Royal Patronage Of Her Majesty The Queen, Thai Rare Disease Foundation, UNICEF, The Engineering Institute of Thailand for flood sufferers, Siriraj Foundation, Engineering Exhibition for Chulalongkorn University, golf charity event, and BRICOM for Civil Engineering Department, Sripatum University.

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 2017

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 programs have 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 an animation "Knowledge with Lung Pee" which is 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. The public can watch this Animation "Knowledge with Lung Pee" on Saturdays via Thairath TV, TV digital channel 32HD, YouTube "Changmuns Channel", and Facebook Fanpage "White Engineer".
4. PPS has generated radio program under the name "Changmuns" to broadcast on FM 106 MHz every Sunday at 14:00 to 15:00. This radio program was 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. However, this radio program has been abolished since September 24<sup>th</sup>, 2017.





5. Upgrade "Project Live" application to accord with SiteWalk performance and bring the data from SiteWalk to be a report.
6. Develop "SiteWalk" application on both iOS and Android by sync the data of ProjectLive and SiteWalk together. They are available on both App Store and Play Store.
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. Create business development system and storage of the Company for a further business operation.
9. Bring API (Application Programming Interface) from other organization to adapt with internal system of PPS for document management and seek for new path of business.
10. Create new presentation and recruitment system for investigation and cost controlling.

#### 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. 4/2017 on November 13<sup>th</sup>, 2017 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 2017. 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 "Executive Accounting Services Co., Ltd. (EAS)" 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. Executive Accounting Services Co., Ltd. assigned Miss Patcharatida Joramongkon and Mr. Winai Wangsa-nguankit 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 Executive Accounting Services 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.

#### Risk Factors and Risk Management

Project Planning Service Public Company Limited or PPS recognizes the importance of risk management. As both internal and external factors could affect the performance, the company, then, has established the board of risk management since 2012 to be responsible for corporate risk management. The major function of the board of risk management is to prepare, monitor, and continuously evaluate the risk management plan. In the year 2017, the board has summarized the risk issues into 5 main categories including business risk, management risk, risk associated with the recruitment of qualified staff, research and innovation development risk and corruption risk. Moreover, there are 2 more issues that possibly happen in subsidiary company, PPS Information Consultant Co.,Ltd. (PIC), and they will be explained below.

##### 1. Business Risk

##### 1.1. Business risk (Price competition)

The business of construction project management and supervision can be formed with a few capitals so there are many new starters in the market. This caused the existing businesses to expand their operation for new projects. It also caused higher capitals for the operation, higher competitiveness in the market, and higher price competition. Despite the growing competition which gives more choices to the clients and more pressure on fee structure, we believe reputation, experience, and acceptance on professionals are still the most important factors that clients use in selecting the construction project manager. Therefore, we are able to manage the higher risk in this regard.



Nevertheless, we are fully aware of the risk from growing business competition. It is our policy to create additional competitive advantages. We aim to make our differentiation more concrete and noticeable. For example, we have developed "PROJECT LIVE" program to be used internally to enhance construction project management activities. In addition, we have followed our quality policy to continually improve the efficiency of our operation. These ensure that we can maintain our existing customers and attract new customers from positive referral.

## 2. Management Risk executive

### 2.1. Risk of Dependence on Executive and Risk associated with the lack of required staffs

Our company is the service business; thus, human resources regards as the most important resource of the company. It is crucial to retain and continuously develop this division for sustaining the business growth. It includes the recruitment, existing staffs' potential development, and new management team development to continue the business. The main reason for the higher risk in this concern is due to the rapid growth of construction related-businesses. This growth creates pressure in recruiting and maintaining the quality staffs.

We manage this risk by developing the human resources policy continuously so that we can support the demand of human resources in each department depending on the work and strategy. The human resource planning is monitored on the monthly basis. The continuous human resource development plan has been laid out. We also try to increase overall compensation and other benefits for our valuable staffs for maintaining high morale and retain most important staffs.

### 3. Risk associated with the recruitment of qualified staff

We advertise the job requirement on media and public relations such as job recruitment website and university relations. That website is [www.jobbk.com](http://www.jobbk.com) and we recruit online 25 positions. We can record and observe the resume of applicants as well. For the university relation, we sent the recruitment letter to the deans for requiring the students especially in international engineering program. The lists of university that we have cooperated are displayed below.

- Sirindhorn International Institute of Technology (SIIT), Thammasat University
- Kasetsart University
- King Mongkut's University of Technology Thonburi
- Asian Institute of Technology (AIT)

## 4. Research and innovation development risk

The innovation we created in 2015 to differentiate our company from the others of the same business field is in the risk of adaptation and reproduction.

The risk of lacking the staff in innovation development and the risk of the failed cooperation with external organization are also appeared. Hence, we restrict the access only for the staffs and collaborate with a trustworthy company. Another way is to recruit full-time staff for a closed monitoring and management.

## 5. Corruption Risk

Despite the low risk from internal fraud, we still see risks associated with corruption malpractice. The malpractice is crucial to our reputation. We do not tolerate any of this risk. Therefore, we have set our anti-corruption policy for the staff to follow along with an action plan ISO 9001:2008. Our management closely monitors our operation to ensure transparency throughout operating process. Furthermore, PPS has set up a whistleblower line directly to the company's board of director at [whistleblow@pps.co.th](mailto:whistleblow@pps.co.th)





Risk in subsidiary company: PPS Information Consultant Co.,Ltd. (PIC)

**1. Risk associated with revenue**

We seek for the media content work including broadcasting on the website and social media to control this risk. In 2017, we made the video presentation for 3 external organizations and broadcast our project through Changmuns channel on YouTube, radio TV 3, and engineering tip on Thairath TV.

**2. Risk associated with PIC's project in a specific community**

PPS realized the risk of our work has been broadcast in a specific audience. As a consequence, we outsource to design and improve the website for advertising our company.

**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<sup>st</sup>, 2017. 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 systems 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<sup>nd</sup>, 2016 with intensive implementation and control though out the year 2017. The Audit Committee is a part of the Complaint and Whistle Blowing channel through [www.pps.co.th/whistleblow](http://www.pps.co.th/whistleblow)

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 is to prudently and reasonably perform in accordance with the scope of the duties and responsibilities under the charter of the Nomination and Remuneration Committee. The committee duties include determining methods and principles of the Executive Committee, Managing Director, and new nominated person recruitment, determining methods and principles of remuneration or other benefits to the committee, Chairman of Executive Committee, Managing Director according to the duties and responsibilities.

The Nomination and Remuneration Committee comprised of three members; two members from independent directors and another one from Company's executive. Mrs.Vipavee Boonyaprasit, independent director, as Chairman of the Nomination and Remuneration Committee, followed by Mr. Kachen Benjakul, independent director, as a member and Mrs. Voraporn Chaona, Accounting Director, as a member and secretary of the Committee. In 2017, the Committee has held three meetings and all of the members had attended. The transactions can be summarized as follow;

1. Recruiting qualified persons as nominated Company's directors abide by the Charter, the laws governing public companies, securities law and the Stock Exchange of Thailand, and good governance. The persons are required the knowledge, skills, experience, leadership, ethics and positive attitude towards the company and ability to devote sufficient time to get enough.
2. Consider the methods and principles of the committee party's assessment and the remuneration of the committee
3. Consider the Directors and the Managing Director's remuneration by taking into account the results of operations of the Company with comparison to other companies in the same industry or a similar size as well as economic conditions.
4. Consider the appropriateness of the remuneration for the executive committees in "Employee Joint Investment Program (EJIP)" participation Consider the charter of Nomination and Remuneration Committee
5. Review the Charter of the Nomination and Remuneration Committee



### Risk Management Committee Report

According to the moving forward to ASEAN Economics Community (AEC) in 2017, the Company still determines to be the leader in the consulting business including related businesses. In the present condition, business competition is regarded as a significant factor. Therefore, the Company's committee values risk management as the most important and necessary 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 evaluate the risk management that might affect the business administration. Then the Risk Management Committee is appointed to be responsible for the policy directions, to enhance the effectiveness of the risk management, and to define the risk management as an important mission for every department. The purpose is to manage the risks into an acceptable level without losing business opportunities.

In 2017, 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 2017

The committee held the meeting with all departments and subsidiaries to present the risk management plans and their KPI of 2017 operations for the approval.

2. Risk Evaluation, Mitigation Measure, and Risk Management Plan

The Risk Management Committee had assigned the responsible institute to consider the risk factors that might influence the business administration. The Committee also provided Mitigation Measure, Risk Management Plan, and any other way to reduce the effects into an acceptable level.

3. Follow up on Risk Mitigation Measure and Risk Management Plan

Quarterly meetings were held to closely follow up the risk mitigation measure 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

PPS had set up the social and environmental obligation policies. The Risk Management Committee had assigned the responsible institute to assess the risks associated with social and environment issues, and to follow up the evaluation in order to decrease the effects that might defame the Company's reputation. In terms of security concerning with the services, the Committee had assigned the risk evaluation as well.

5. Risk Management Associated with Corruption Issue

The risk management committee has also informed all of the departments and subsidiaries to evaluate the risk associated with corruption issue 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 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, Executive Accounting Services Co., Ltd. The company was hired to act as an internal auditor.

Name	Position	Age	Education	Major Experience
Miss Patcharatida Jooramongkon	Managing Director Executive Accounting Services Co., Ltd.	39	- Master's Degree in International Business Management (International Program), Chulalongkorn University - Bachelor's Degree in Accounting, Thammasat University - Certified Public Accountant – CPA)	<i>October 2005 – Present</i> - Founder and Executive Director of " Executive Accounting Services Co., Ltd." - Special Lecturer in Accounting and Auditing - Accounting, Tax and Financial Advisor - Audit Consultant And internal control system. - Special guest speakers on accounting, taxation and auditing. - Certified Public Accountant (CPA)  <i>October 2004 - October 2005</i> Pen Green Resources Co., Ltd. - Accounting and Management Manager  <i>April 2000 - November 2003</i> Deloitte Touche Tohmatsu Jaiyos Co., Ltd. Senior Assistant Auditor - Check the financial statements of multinational companies. - Audit of financial statements listed on the stock exchange and public company limited.



## 12. Related Transactions

Related transactions of PPS at the end of the year (December 31, 2017)

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 2016	as at 31 Dec 2017	2016	2017	
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  A deposit in advance.	10,855  120,000	11,627  120,000	851,139  -	874,375  -	- 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.
2	PPQ Joint-venture	Joint-Venture The Company Joint Venture ratio 80%	Joint-venture hired as a project advisor	2,920,075	9,794,316	6,102,370	6,907,241	- 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.
			The Company's Overtime Charge	-	-	321,600	120,000	- Same unit rate which PPQ has charged contractor





บริษัท โปรเจค แพลนนิ่ง เซอร์วิส จำกัด (มหาชน)

PROJECT PLANNING SERVICE PUBLIC COMPANY LIMITED

Annual Registration Statement 2017

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 2016	as at 31 Dec 2017	2016	2017	
			The Company leases the office space for PPQ	2,000	-	24,000	24,000	- The Company allows the use of the Company's office as the office of the joint-venture.
			The Company provides normal administrative services	35,000	18,400	210,000	220,800	- 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 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 joined the design software business with BULK
			The Company lends convertible loans to Bulk Asia	-	-	41,311	-	- Loan Contract, The Interest rate 6 % (interest payment) The interest rate is 1% at the end of each year. The Company's received all outstanding loan payment from Bulk Asia on 29 January 2016.



บริษัท โปรเจค แพลนนิ่ง เซอร์วิส จำกัด (มหาชน)

PROJECT PLANNING SERVICE PUBLIC COMPANY LIMITED

Annual Registration Statement 2017

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 2016	as at 31 Dec 2017	2016	2017	
4	Swan & Maclaren (Thailand) Co., Ltd.	Joint-stock Company. The company invests Ordinary shares 51%	Other Debtor - Received cheque by advance  The Company provides administration service  The company serves as a project consultant.	-	168,250	-	1,704,375	- Employ employees of the company which calculated the price from the employee's salary. The company paid a 5% increase annually by 5%. - The company made a memorandum of understanding as a project consultant for Lesso Mall.





#### 12.1 The Audit Committee's Suggestion

During the audit committee meeting, the audit committee and the Company executives suggested that all transaction in 2017 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.