



Part 2. Management & Corporate Governance



Information of securities and shareholders

Company registered capital and Paid-up capital

At 31 December 2017, the Company has registered capital of THB 588,036,884.50, divided into 1,176,073,769 ordinary shares, at the par value of THB 0.50 per share. Paid-up capital value of THB 587,869,544.50, divided into 1,175,739,089 ordinary shares, at the par value of THB 0.50 per share.

The major shareholders

The list of major shareholders as of 12 March 2018 is as follows:

No	Name - Surname			Shares	%
1. Kangsawiwat Family					
1.1	Mr.	Sompong	Kangsawiwat	208,148,836	17.70%
1.2	Mrs.	Sunanta	Kangsawiwat	1,794,300	0.15%
1.3	Mrs.	Wandee	Kangsawiwat	2,644,578	0.22%
1.4	Mr.	Sukij	Kangsawiwat	98	0.00%
1.5	Mr.	Montri	Kangsawiwat	22,521,101	1.92%
Total of Kangsawiwat				235,108,913	20.00%
2. Mekmanee Family					
2.1	Mr.	Kittirat	Mekmanee	44,058,756	3.75%
2.2	Mrs.	Oranee	Mekmanee	10,000,000	0.85%
2.3	Mr.	Nattapat	Mekmanee	10,000,000	0.85%
Total of Mekmanee				64,058,756	5.45%
3	Mr.	Opas	Tiyawattanaroj	58,339,711	4.96%
4		Thai NVDR		57,186,839	4.86%
5. Sawatwannarat Family					
5.1	Mrs.	Kesorn	Sawatwannarat	22,349,496	1.90%
5.2	Ms.	Panida	Sawatwannarat	3,341,688	0.28%
Total of Sawatwannarat				25,691,184	2.19%
6	Mr.	Preecha	Arunyingmongkol	22,562,240	1.92%
7	Mr.	Sakol	Sanhachavee	21,947,728	1.87%
8	Mrs.	Pacharapan	Arunyingmongkol	20,076,880	1.71%
9	UBS AG LONDON BRANCH			15,370,665	1.31%
10	Mr.	Santhat	Jindasa-nguan	14,640,331	1.25%
Total of top 10				534,983,247	45.50%
Other shareholders				640,755,842	54.50%
Grand Total				1,175,739,089	100.00%



Restrictions of foreign Shareholders.

The foreigners can share ownership of the company not more than 49 % of the total issued and paid-up shares, as of 12 March 2018, has foreign holding of 1.47 % of the total shares.

Issuance of others assets

-None-

Dividend Policy

The Company's dividend policy is to pay dividends at a rate of no less than 40% of its net profit, after deduction of corporate income tax in consolidated financial statement and all reserves as required by law, and retained funds as required by the Company. However, the dividend payment shall confirm the Company's financial status, business operation, investment plans, including necessities and other future considerations as deemed appropriate by the Board of Directors and/or shareholders.

The dividend policy of C.S.S. Energy Co., Ltd. is to pay dividends at a rate of no less than 40 percent of its net profit, after deduction of corporate income tax in consolidated financial statement of the subsidiary and all reserves as required by law, and retained funds as required by the subsidiary. However, the dividend payment shall confirm the Company's financial status, business operation, investment plans, including necessities and other future considerations as deemed appropriate by the Board of Directors and/or shareholders of the subsidiary.

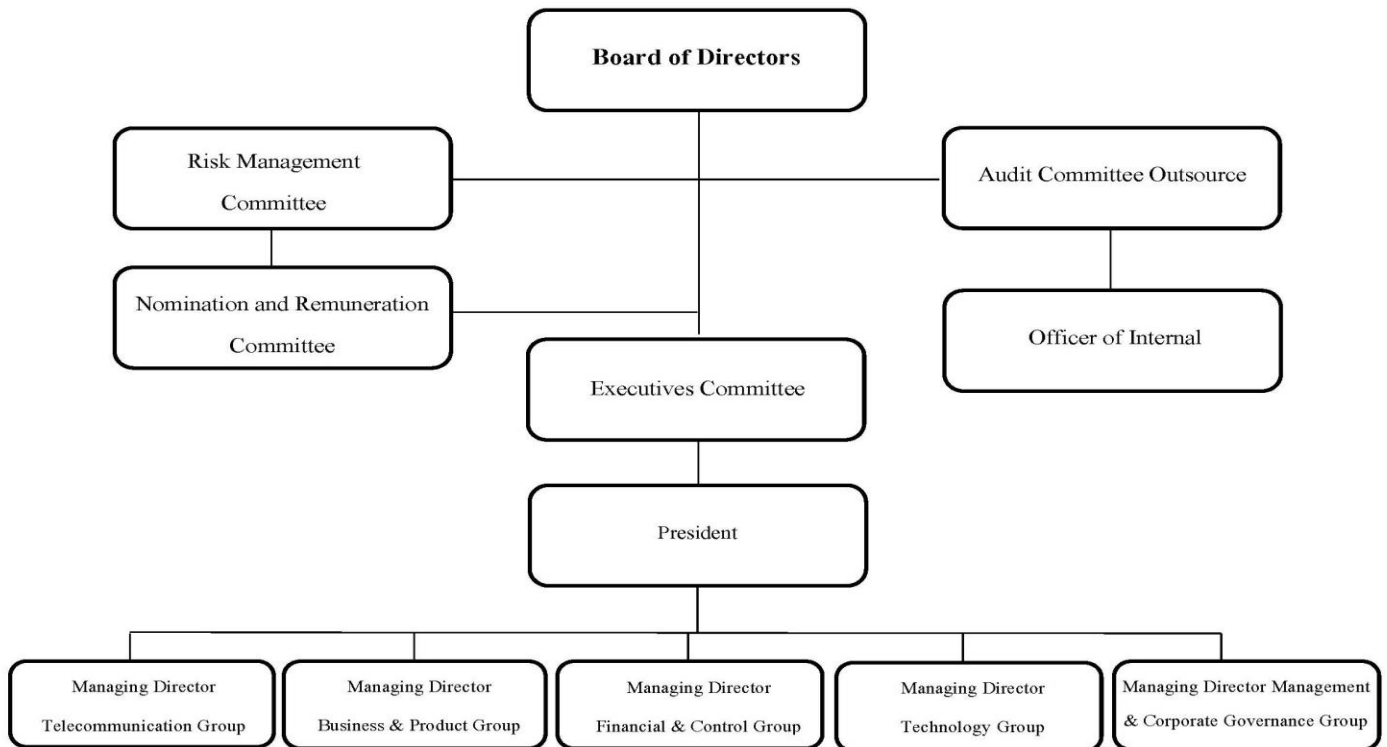
However, during year 2015-2017, the dividend payment of the Company is performed as following:

Year	Separate Financial Statements		
	2015	2016	2017
Earnings before per share (THB)	0.21	0.17	0.22
Dividend per share (THB)	0.20	0.16	0.18
Dividend payment rate per net profit (%)	101%	96%	83%

Remark; In 2017, the Company pay the interim dividend of performance in the first 6 months of the year 2017 of Baht 0.08 per share in cash and the Board of Directors Meeting No.1/2018 Approving to propose the Shareholder's Meeting 2018 to approve the dividend payment for last 6 months the year 2017 of Baht 0.10 per share. Total dividend payment of the year 2017 amount Baht 0.18 per share. However, the dividend payment has to approve by the AGM Meeting 2018 on 26 April 2018.

Management Structure

Company's Structure at 31 December 2017



Remark: The internal Audit Unit works directly to the Audit Committee. The Committee assigned Miss Panida Sawatwannarat representing to the internal auditor by liaise with the firm performing which the Company hires to perform on internal Audit Unit reports its auditing work and give advice to the Audit Committee Directly to improve upon the recommendation of the independent evaluation of the internal control system.



As of 31 December 2017, the management structure of the Company consists of the Board of Directors and the Executives. The Board of Directors consists of Independent Directors, executive and non-executive Directors. Half of the members are Independent Directors.

The Board of Directors determine to have 3 sets of committee with the Audit Committee, Nomination, Remuneration and Corporate Governance Committee and Risk Management Committee. And determine that the Chairman of the Board of Directors, Audit Committee and Nomination, Remuneration and Corporate Governance Committee are Independent Committee.

Structure of Directors and composition of the Board of Director

The Board of Directors provides the appropriate size businesses. The current Board has 10 directors consisting of 5 executives' directors and 5 non-executives' directors (Five are Independent Directors).

The Independent Directors are as follows;

1. Pol.Maj.Gen.Supisal Bhakdinarinath (Ph.D.)
2. Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)
3. Mr. Chattaphum Khantiviriya
4. Assoc.Prof.Prapart Praisuwanna
5. Mr.Vuthichai Duangratana (Ph.D.)

Independent Directors

The present Board of Directors consists of 5 Independent Directors, which is a half of all Directors. The Company realizes the importance of good corporate governance which defined the Chairman of the Board must not be the same person as the President in view of clear-cut responsibilities and duties. The Board of Directors gives consent of the definition and qualifications of Independent Directors, the regulations of which are more stringent than those of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), as follows:

1. Hold no more than 1% of the overall shares in the Company, subsidiaries, associated companies, or person(s) with potential conflicting interests.
2. Take no part in the Director administration, including not being an employee, personnel, permanent advisor, professional advisor to the Company such as an auditor, lawyer or authorized person of the Company or subsidiaries, or Associated companies, or person(s) with potential conflicting interests and with no invested interest for no less than two years and can attend the Directors' meetings with independent opinions.
3. Have no business connection, no vested interest, whether directly or indirectly, financially or administratively, including not being a client, partner, supplier, trade or creditor/debtor of the Company, subsidiaries, associated companies, or person(s) with potential conflicts of interest and thus lacking independence.



4. Have no or never had business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to SEC.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which causes liability or obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3% of the net tangible assets of the applicant or equal or above 20 million baht, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction *mutatis mutandis*. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.

5. Is not or has never been the auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of applicant, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
7. Is not the director who is nominated to be the representative of directors of the applicant, major shareholders, or any other shareholder related to the major shareholder.
8. Do not operate the same and competitive business with the business of the applicant, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the applicant, or its subsidiaries.
9. Is not any otherwise which is unable to have the independent opinion regarding the business operation of the applicant.



Board of Directors

According to the Company's regulations, the Board of Directors consists of at least five and at least half of the directors must reside in the Kingdom without sex discrimination. The Directors must carry out their duties under the laws, objectives and regulations of the Company, as well as the resolutions of shareholders' meetings, safeguarding the Company's benefit and assign Company Executives to work on their behalf. The Board of Directors on 31 December 2017 is as follows;

The Board of Directors consists of :

	Name		Position
1	Pol.Maj.Gen.Supisarn	Bhakdinarinath (Ph.D)	Chairman and Independent Director
2	Assoc.Prof.Pitipat	Chataccaraphat (Ph.D)	Independent Director
3	Mr.Chattaphum	Khantiviriya	Independent Director
4	Assoc.Prof.Prapart	Praisuwanna*	Independent Director
5	Mr.Vuthichai	Duangratana (Ph.D)	Independent Director
6	Mr.Sompong	Kangsawiwat**	President
7	Mr.Opas	Tiyawattanaroj	Director
8	Mr.Kittirat	Mekmanee**	Director
9	Ms.Panida	Sawatwannarat	Director
10	Ms.Nongnuch	Temeesrisuk**	Director

Remarks:

* Assoc.Prof.Prapart Praisuwanna is a non-executive Director who has work experience related to the business of the company.

The Corporate Secretary is Ms.Nongnuch Temeesrisuk.

** Mr.Sompong Kangsawiwat, Mr.Kittirat Mekmanee and Ms.Nongnuch Temeesrisuk's term of office will expire in year 2018.

However, the appointment for replacement will be considered in the Annual General Meeting of Shareholders of year 2018.

Authorized Directors to sign behalf and bind the Company as stated in the Company's certificate

The directors authorized to sign their names binding the Company are Mr. Sompong Kangsawiwat, Mr. Opas Tiyawattanaroj, Mr. Kittirat Mekmanee, Miss Panida Sawatwannarat and Miss Nongnuch Temeesrisuk, two out of five directors jointly sign their named affixed with the Company's seal.

Scope of duties and responsibilities of the Board of Directors

1. To hold annual general meeting of shareholders within 4 months from the end of fiscal year.
 2. To hold the Board of Directors' meeting at least every 3 months, with attendance of all directors.
- Extra meeting may be held in case of necessity.



3. To provide annual report, to be responsible for execution and disclosure of financial statement audited by the auditors in order to reveal the financial status and operation result of the previous year, as well as to propose to the shareholders' meeting for consideration and approval.
4. To authorize and be responsible for compliance with laws, objectives and the Company's regulations, including resolution of the shareholders' meeting with honesty, while maintaining the benefit of the Company and the shareholders on regular basis.
5. To determine target, approach, policy, operation and budget plan of the Company, to efficiently and effectively control and manage the operation of the Executive Committee to be in compliance with the assigned policy in order to add maximum economic value to the Company as well as highest benefit to the shareholders.
6. To have a power of appointment or supervise the committee or operative group to consider or execute in a particular matter as considered appropriated by the Board of Directors.
7. To have the power to audit and approve on policy, approach and operation plan for large investment project as proposed by the Committee and/or the management
8. To control and oversee the compliance to securities and stock exchange law, including regulations of the Stock Exchange such as execution of connected transaction and acquisition or disposal of significant assets under criteria of the Securities and Stock Exchange Commission or the Stock Exchange of Thailand or applicable laws related to the business of the Company.
9. To be responsible for shareholders and to operate business based on the highest benefit of the shareholders, including disclosure information to the investors with accuracy, adequacy, standards and transparency.
10. To consider the management structure, pursue work procedures to be consistent with operation and budget plan on regular basis, monitor business operation and work performance of the committee and/or the management on regular basis to ensure the effective business operation of the Company.
11. Must not operate any business or become a partner in ordinary partnerships or become a partner with unlimited liability in limited partnerships or become a director of other private company which have the same nature as and are in competition with the business of the Company regardless of for their own benefit or the others' unless the notification is made to shareholders meeting prior to the resolution for such appointment.
12. A director shall notify the Company without delay of direct or indirect interest in a contract entered into with the Company or holds shares or debentures in an increased or decreased amount of the Company or an affiliate company.
13. Responsible for shareholders and to operate business with focus on the highest benefit of the shareholders, including disclosing the information to the investors with accuracy, adequacy, standards and transparency.



14. To supervise and set up an internal audit system to enable effective internal control system, reliable risk management and reliable financial report. The Internal Audit Unit is assigned to monitor and jointly work and liaise with the Audit Committee as well as external auditor in reviewing the internal control system.
15. To have power to consider and approve any matters necessary and related to the Company or considered as appropriate and beneficial to the Company.
16. The following matters can be executed by the Board of Directors only upon approval from the shareholders' meeting:
 - a) Any matters as stipulated by law that requires resolutions from the shareholders' meeting and
 - b) Any matters where the directors' interest involved and under the law or notifications from the Securities and Stock Exchange Commission and the Stock Exchange of Thailand which stipulated to require approval from the shareholders' meeting.
17. The decision of the Board of Directors must receive approval from the shareholders' meeting with the votes of not less than three-fourths (3/4) of the shareholders attending the meeting and having the right to vote.
 - a) Disposal or transfer as a whole or important part to other person
 - b) Acquisition or receive business of other companies under ownership of the Company
 - c) Conveyance, amendment or termination of agreements concerning all leasing business of the Company, as a whole or important parts, delegation other person to operate the Company's business, or merging with other juristic person with intention to share the profit margin
 - d) Amend the memorandum of association or articles of association of the Company
 - e) Increase, reduction or issuance of debenture stock of the Company
 - f) Amalgamation or dissolution
 - g) Any other matters set forth under the securities and stock exchange law and/or notification from the Stock Exchange of Thailand that requires approval from the Board of Directors' meeting and the shareholders' meeting with the vote aforesaid.
18. Report on one's own portfolio of securities, as well as those of their spouses and children not yet of legal age in the Company and subsidiaries to the monthly Board of Directors meeting and must report to the Company without delay
19. Each Director cannot hold a Director position in a listed company in SET and subsidiary company more than five companies.

However, any matters where the directors and/or related person have interest or conflict of interest with the Company and/or its subsidiaries (if any), the said directors have not right to vote on such matter.



The appointment and retirement of the Board of Directors

1. At each annual general meeting of shareholders, 1/3 of the directors, or if the number is not a multiple of 3, then the number nearest to 1/3, must retire from office. The directors who have been the longest in office shall retire first. The retiring directors may be re-elected.
2. Prior to annual general meeting of shareholder, the company will give an opportunity to any stakeholders to submit candidates, then the Nomination and Remuneration Committee will select and nominate qualified persons to be directors to the Board of Directors before seeking approval from the shareholders' meeting.
3. The shareholders' meeting shall appoint the Directors upon the rules and procedures below
 - 3.1 Each shareholder shall have one vote per share.
 - 3.2 Each shareholder may cast all his/her vote(s) according to electing one or several candidates as directors, and can allot the votes to any person at any number.
 - 3.3 The candidates receiving the highest number of votes in the respective order of the votes shall be elected as directors at such time. In the event that a number of candidates receiving an equal number of votes for the last directorship exceed the number of directors required, Chairman of the meeting shall have a casting vote.
4. Apart from retirement by rotation, the Directors shall vacate the office upon:
 - Death;
 - Resignation;
 - Lack of qualification or possession of prohibited characteristics as written in section 68 Public Limited Companies Act B.E. 2535;
 - Removal by resolutions of the Shareholders' meeting as written in section 76 Public Limited Companies Act B.E. 2535;
 - Dismissal by a court order.
5. In the case of any vacancy on the Board of Directors not by purpose of retirement by rotation, the Nomination and Remuneration Committee shall elect a person who is qualified and does not possess any prohibited characterize as provided by the Public Limited Companies Act and the Securities and Exchange Act, to become member of the subsequent Board of Directors' meeting. Unless the remaining term of the directorship is less than 2 months, the replacement shall retain his/her office as same as the period for which the former director was entitled to retain. The resolution of the Board of Directors in respect of the first paragraph shall consist of not less than three-fourth votes of the remaining directors.

The Term of Office of Directors

Since year 2013, the Board of Directors has stipulated that members should not have a term of office exceed 3 consecutive terms. Unless any director who is qualified to hold the position longer, the Board shall consider the independence and efficiency of the duties of the Director and report a reason to shareholders.

**Position in other companies**

The Board of Directors has determined the policy to each Director to be appointed as a Director, not exceeding than 5 listed Companies.

Scope of duties and responsibilities of the Chairman of the Board of Directors

1. To be responsible as the leader of the Board of Directors to oversee the operations of the Company to achieve the objectives pursuant to the specified plan;
2. To act as the Chairman of the Board of Directors Meeting and the Shareholders' Meeting and ensure that the said meetings run in good order in accordance with the Public Limited Company Act and the Securities and Exchange Act;
3. To have a casting vote in case the Board of Directors Meeting and Shareholders' Meeting has a tie vote.

Board of Directors' Meeting

The Board of Directors announced the Board Meeting's schedule in advance for 1 entire year to the directors and the relevant parties requiring that arranged every quarter, with a special session meeting involved with company's benefit allowed to be convened as deemed necessary. In the year 2017, there are schedules of Directors' Meeting for the year 2018 in advance. (Meeting schedule is subject to change), excluding the special meeting agenda. As the follow;

No.	Board of Directors Meeting	Audit Committee Meeting	Nomination, Remuneration and Corporate Governance Committee Meeting	Risk Management Committee Meeting	Strategic Committee Meeting
1	23 Feb 2018	23 Feb 2018	23 Feb 2018	11 May 2018	9 Jan 2018
2	11 May 2018	11 May 2018			3 Apr 2018
3	9 Aug 2018	9 Aug 2018			5 Jun 2018
4	8 Nov 2018	8 Nov 2018			3 Jul 2018
5					4 Sep 2018
6					2 Oct 2018
7					4 Dec 2018

In each meeting, The Company Secretary shall submit an invitation letter complete with the meeting agenda and accompanied by related documents to all board members at least 7 days ahead of the meeting date to allow the board members sufficient time to consider the issues whereas all board members are entitled to propose agenda items independently through the company secretary or shareholders.



The Chairman of the Board of Directors will be person who stipulate and consider agenda topic that allows each director to express his/her opinions freely and efficiently. In case of a Director having a stake in a matter being considered, the Director shall inform the meeting of such stake and shall not participate in discussing the matter and not exercise the voting right on the matter. In the event that the votes are equal, Chairman of the meeting shall have an additional casting vote for.

In addition, the minute report will be written completely after the meeting, information approved and stored so that it could be examined by authorized person. At least 2/3 of the total number of directors shall be presented to form a quorum at the same time of the Board passing a resolution. The Board of Directors should attend the board meeting consistently, with an average participation of at least 75% of total number of board meetings held in each year. (In 2017, a total of five times meeting, attendance should not be less than four times)

In 2017, the Board of Director held 5 meetings or 100% of the Meeting, classified into 4 regular term meeting to review business operations and 1 special meeting.

Details of Directors' attendance are as follows:

	Name		Position	Attendance (Times)				Remark
				Normal Term	Extra Term	Total	Meeting of Shareholders	
1	Pol.Maj.Gen.Supisarn	Bhakdinarinath (Ph.D)	Chairman and Independent Director	4/4	1/1	5/5	1/1	
2	Assoc.Prof.Pitipat	Chataccaraphat (Ph.D)	Independent Director	4/4	1/1	5/5	1/1	
3	Mr.Chattaphum	Khantiviriya	Independent Director	4/4	1/1	5/5	1/1	
4	Assoc.Prof.Prapart	Praisuwanna	Independent Director	4/4	1/1	5/5	1/1	
5	Mr.Vuthichai	Duangratana (Ph.D)	Independent Director	3/3	1/1	4/4	1/1	Appointed 23/2/2017 Replaced Mr.Wungson Panudulkitti
6	Mr.Sompong	Kangsawiwat	President	4/4	1/1	5/5	1/1	
7	Mr.Opas	Tiyawattanaroj	Director	4/4	1/1	5/5	1/1	
8	Mr.Kittirat	Mekmanee	Director	4/4	1/1	5/5	1/1	
9	Ms.Panida	Sawatwannarat	Director	4/4	1/1	5/5	1/1	
10	Ms.Nongnuch	Temeesrisuk	Director	4/4	1/1	5/5	1/1	



The Audit Committee

The present Audit Committee consists of four Directors and they are specialist in accounting and finance or audit. Their meetings are to be convened at least once per quarter.

In the year 2017, Audit Committee held 4 meeting. At 31 December 2017, The names of the Audit Committee are:

Name	Position	The Meeting of the Committee	Remark
Assoc.Prof.Pitipat Chataccaraphat (Ph.D)	Chairman of Audit Committee	4/4	
Mr.Chattaphum Khantiviriya	Member of Audit Committee	4/4	
Assoc.Prof.Prapart Praisuwan	Member of Audit Committee	4/4	
Mr.Vuthichai Duangratana (Ph.D)	Member of Audit Committee	2/4	Appointed on 12 May 2017

Miss Panida Sawatwannarat is a secretary of the Audit Committee

Scope of Authority and Responsibilities of the Audit Committee

1. To verify the accuracy and adequacy of the Company's financial statement.
2. To verify the Company's Internal Control and Internal Audit systems are appropriate and effective, evaluate the independence of the Company's Internal Audit Unit, and approve the appointment, transfer and dismissal of the head of the Internal Audit Unit or any other unit that has responsibilities related to the internal audit.
3. To verify that the Company acts in compliance with the Securities and Exchange Act, regulations of the Stock Exchange and laws related to the Company's business.
4. To consider, select and propose the appointment of independent persons to act as auditors of the Company and their appropriate remuneration. They must also attend meetings with the auditors, without anyone from the management present, not less than 1 time per year.
5. To consider matters that is connected or may involve conflicts of interest, to ensure compliance with the law and regulations of the Stock Exchange and to have confidence that those matters are handled discreetly and in the best interests of the Company.
6. To produce the Audit Committee report for publication in the Company's annual report, to be signed by the Chairman of the Audit Committee and containing at least the following information:
 - a. Comments on the accuracy, completeness and reliability of the Company's financial report.
 - b. Comments on the adequacy of the Company's internal control system
 - c. Comments regarding the legality of practices in regard to the Securities and Exchange Act, regulations of the Stock Exchange or other laws relating to the Company's business.
 - d. Comments regarding the suitability of the internal auditor.

- e. Comments matters where there is a possible conflict of interest.
 - f. The number of Audit Committee meetings and attendance of each committee member.
 - g. Comments or overall observations that the Audit Committee have received while carrying out duties in accordance with their charter
 - h. Other matters that should be reported to the shareholders or investors, within the scope of the duties and accountability received from the Board of Directors.
7. Other responsibilities assigned by the Board of Directors and accepted by the Audit Committee.
 8. If, during the course of the aforementioned duties, the audit committee find or suspect any of the following matters or actions, which may have significant effects on the Company's financial stability or business operations, they should report to the Board of Directors so that the matter may be rectified within a time period that the audit committee sees fit.
 - a. Conflicts of interest.
 - b. Dishonesty, irregularities or flaws in the internal control system.
 - c. Violations of the Securities and Exchange Act, the regulations of the Stock Exchange or other laws relating to the Company's business. Should the Board of Directors or Company executives not rectify problems within the specified time period, one of the Audit Committee may report the matter to the Office of the Securities and Exchange Commission or the Stock Exchange.

Nomination, Remuneration and Corporate Governance Committee

The Board of Directors appoints the Nomination, Remuneration and Corporate Governance Committee to nominate and define criteria for transparent and fair remuneration to Directors and the senior executives in compliance. The Nomination, Remuneration and Corporate Governance Committee hold at least one meeting a year.

In the year 2017, the Nomination, Remuneration and Corporate Governance Committee held 1 meeting. At 31 December 2017, The names are:

	Name	Position	The Meeting of the Committee	Remark
1	Assoc. Prof. Pitipat Chataccaraphat (Ph.D)	Chairman of Nomination, Remuneration and Corporate Governance Committee and Independent Director	1/1	
2	Mr.Chattaphum Khantiviriya	Member of Nomination, Remuneration and Corporate Governance Committee and Independent Director	1/1	
3	Ms.Panida Sawatwannarat	Member of Nomination, Remuneration and Corporate Governance Committee and Director	1/1	

Mrs.Prapussorn Lakwuthiwong is a secretary of the Nomination, Remuneration and Corporate Governance Committee



Scope of Authority and Responsibilities of the Nomination, Remuneration Committee

1. Nominate appropriately qualified persons to serve on the Company's Board of Directors and committees (if any), including the achievements, qualifications of outgoing directors and their suitability for re-election, for the consideration of the Board of Directors and the AGM for approval of the appointment as a Director and/or committee member (if necessary).
2. To advise the Board of Directors on approving the structure of compensation for the Board and committees (if any), including monthly remuneration, incentives, bonuses, welfare, meeting allowances and other benefits, financial and otherwise, for approval of the Directors annual compensation by the AGM.
3. To consider, search for and specify appropriate qualifications and also set the compensation structure and terms of the employment agreement for the Company's Chief Executive Officer.
4. To advise the Board of Directors and oversee matters regarding the Company's vision and human resources strategy, including an executive development plan.
5. To undertake other duties related to the nomination and remuneration of directors, committee members (if any) and the Chief Executive Officer as assigned by the Board of Directors.

Scope of Authority and Responsibilities of the Corporate Governance Committee

1. To consider, review, and present the following policies for the Board of Directors' approval. Such policies are Corporate Governance Policy, Code of Conduct, Corporate Social and Environmental Responsibility Policy, Sustainable Development Policy, and any practice for supporting the Company' operation in compliance with corporate governance, transparency, fairness, and sustainable growth.
2. To monitor, review and ensure that systems in the organization comply with code of conduct and best practices as defined.
3. To oversee and operate with the good corporate governance of law and regulations of the Securities and Stock Exchange Commission and the Stock Exchange of Thailand.
4. Assessing the performance of the Board of Directors, the individuals and sub-committee including in the assessment to present to the Board of Directors for consideration.
5. To monitor and report the organization's performance as said in Corporate Governance Policy and relevant policies to the Board of Directors and external organizations as appropriate.



Risk Management Committee

The Risk Management Committee is responsible for the appropriate management of the Company as assigned by the Board of Directors in written form. The Committee has 5 members, at least one of whom must be an independent director

In the year 2017, The Risk Management Committee held 1 meeting. At 31 December 2017, The names of The Risk Management Committee are as follows:

Name	Position	Risk Management Committee Meeting	Remark
1. Mr.Sompong Kangsawiwat	Chairman of Risk Management Committee	1/1	
2. Mr.Opas Tiyawattanoj	Member of Risk Management Committee	1/1	
3. Mr.Kittirat Mekmanee	Member of Risk Management Committee	1/1	
4. Ms.Panida Sawatwannarat	Member of Risk Management Committee	1/1	
5. Mr.Chattaphum Khantiviriya	Member of Risk Management Committee and Independent Director	1/1	

Scope of Authority and Responsibilities of the Risk Management Committee

1. To set and present risk management policies for approval by the Board of Directors in areas such as liquidity risk, operational risk, marketing risk and other areas of significance for the Company.
2. To set strategies, plans and framework for risk management consistent with the policies, and analyzing, evaluating, testing and effective oversight of risk management procedures.
3. To study and revise the Company's working procedures in areas related to risk management to ensure that organizational risk management is adequate and appropriate.
4. To appoint persons and/or units and/or working groups and that are involve with risk management as appropriate and specifying their duties in accordance with the objectives.
5. To oversee, monitor and evaluate the work to ensure the appropriate use of risk management strategies in practice and for the revision and development of an efficient risk management system consistent with the Company's business operations, including assessment of potential risks that will affect operations from both external and internal factors.
6. To undertake any other duties related to risk management as assigned by the Board of Directors.



Executives Committee

The Executive Committee of the Company consisted of 5 persons. The Executives Committee hold every month. In the year 2017, The Executive Committee held 12 meetings. The name are as follows:

Name	Position	Executives Committee Meeting	Remark
1. Mr.Sompong Kangsawiwat	Chairman of Executives Committee	12/12	
2. Mr.Opas Tiyawattanaroj	Member of Executives Committee	12/12	
3. Mr.Kittirat Mekmanee	Member of Executives Committee	12/12	
4. Ms.Panida Sawatwannarat	Member of Executives Committee	12/12	
5. Ms.Nongnuch Temeesrisuk	Member of Executives Committee	12/12	

Authorities and Duties of Chief Executives Officer

1. Govern and monitor the performance of Executive Committee
2. Advise the management on business procedure
3. Govern and monitor Management to perform according to the resolution of the Board of Directors
4. Perform other duties as assigned by the Board of Directors

Scope of Authority and Responsibilities of the Executive Committee

1. The Executive Committee has authority over management and corporate operations as specified by the Board of Directors or by approval of the Board in particular instances.
2. The Executive Committee has authority over the administration of the Company in accordance with the policies and plans that have been set.
3. The Executive Committee has authority as granted by the Board of Directors.
4. The following business must first be submitted for approval by the Executive Committee:
 - 4.1 matters related to Company policy;
 - 4.2 matters that if implemented would cause significant changes to the Company's activities;
 - 4.3 matters that by law have to be performed by the Board of Directors;
 - 4.4 matters that have to be performed according to Company rules;
 - 4.5 matters that the Executive Committee sees fit to submit for approval on a case-by-case basis or following the principles set out by the Board of Directors.
5. The Executive Committee has the authority and duty to carry out specified activities for the administration of the Company's success and to meet Company targets, which include:
 - 5.1 To produce and verify strategic objectives, financial plans and important Company policy, and presentation for Board of Director's approval.



- 5.2 Scrutiny of the annual business plan, the investment budget, targets and new initiatives that important for target achievement, and presentation for Board of Director's approval.
- 5.3 Scrutiny of projects that require capital expenditure beyond the amount allocated by the Board of Directors, and presentation for Board of Director's approval.
- 5.4 Consideration and approval of various matters within their designated authority or as granted by the Board of Directors.
- 5.5 Review of the authority to act in matters as specified in the table of authority, and presentation for Board of Director's approval;
- 5.6 Management and balancing of short-term and long-term objectives;
- 5.7 Development and oversight of human resources in line with human resources strategy approved by the Nomination and Remuneration Committee;
- 5.8 Following up and reporting to the Board of Directors on Company operations and progress on meeting the Company's objectives;
6. Consideration of annual budget allocation for presentation to the Board of Directors for consideration and approval, approving changes and additions to the annual budget without a Board of Directors meeting in urgent circumstances, and presenting these actions at the next Board meeting;
7. Authorizing the purchase of raw materials, goods or services for the purpose of making sales or providing services to customers at an amount of no more than 300 million baht per purchase
8. Authorization of investment in fixed assets such as land, buildings or structures at an amount of no more than 100 million baht per purchase;
9. Authorization of important investment expenditure that was included in the annual budget for which authority was delegated by the Board of Directors or that has already been approved in principle by the Board;
10. Allocation of incentives and rewards that have already been authorized by the Board of Directors for staff and employees of the Company or other individuals who have done work for the Company;
11. Appointing or assigning a particular individual or group to act in a particular instance in place of the Executive Committee as is seen fit and the Executive Committee may cancel, withdraw, change or revise this authority.

Authorization by the Executive Committee will not include approval of any matter in which the committee or any individual has a conflict of interest of any form with the Company or a subsidiary (if any), including reports that require approval from the shareholders and the acquisition or sale of any significant property belonging to the Company and/or a subsidiary, in accordance with the regulations of the Office of the Securities and Exchange Commission or the Stock Exchange, or other laws relating to the Company's business.



Executives

As of 31 December 2017, The Company has 6 Executives, namely are as follows;

	Name	Position
1	Mr.Sompong Kangsawiwat	President
2	Mr.Opas Tiawattanaroj	Managing Director Telecommunication Group
3	Mr.Kittirat Mekmanee	Managing Director Business & Product Group
4	Ms.Panida Sawatwannarat	Managing Director Financial & Control Group
5	Ms.Nongnuch Temeesrisuk	Managing Director Management & Corporate Governance Group
6	Mr.Narachet Chattratitiphan	Managing Director Technology Group

Scope of Authority and Responsibilities of President

1. Designated as authorized person in administering the Company's business to be in line with the objectives, articles of association, policies, rules, regulations, instructions and resolutions of the Board of Directors Meeting and/or resolutions of the Shareholders Meeting.
2. Authority to command, plan, control and supervise the company's operations in compliance with the policy, strategic plan and estimated budget as specified by the Board of Directors and/or the Executives Committee.
3. Arrange annual strategic plan and estimated budget for each division in order to attain approval from the Board of Directors; and also control and monitor on each unit's expenses as authorized by the Board of Directors.
4. Authority to give approval on any juristic act involving the company's general transactions; such as sales and purchase, procurement and supply, expense for general transactions, investments, acquisition or disposal of equipment, properties and service; for the benefits of the company within the allocated budget.
5. Authorizing the purchase of raw materials, goods or services for the purpose of making sales or providing services to customers at an amount of no more than 200 million baht per purchase
6. Authorization of investment in fixed assets such as land, buildings or structures at an amount of no more than 20 million baht per purchase;
7. Be authorized to order and determine internal regulations, rules, notices and records in relation to business operation of the Company to be in accordance with policies of the Company and for the Company's interest, including maintaining good order within the organization
8. Authority to employ, appoint, assign, dismiss, discharge, terminate, specify the wage/ monthly salary/bonus and other welfares, as well as increase the salary for employees whose positions are lower than the Chief Executive Officer.
9. Authority to act and appear to outsiders on behalf of the company in any necessary matter concerning the company's general transactions and benefits.



10. Consider and execute on the submission of any company-related issue to the Board of Directors. Such matters must have an approval from the Board of Director, and should be informed to other relevant organizations including the Securities and Exchange Commission, the Stock Exchange of Thailand, and the Ministry of Commerce.
11. Execute on any tasks assigned by the Board of Directors and/or the Executives Committee; and also appoint a substitute to do any or all of the aforementioned acts and subject matters in order to help facilitate the company's operation as a whole

However, CEO delegates other persons to perform specific duties on his behalf. Such sub authorization and/or delegation shall be within the scope of authorization or delegation in accordance with the power of attorney granted and/or shall be in accordance with the internal regulations, rules or instructions given by the Board of Directors and/or the Company. The authorization of duties and responsibilities of the CEO shall not constitute an authorization or sub authorization which may cause the CEO or his authorized person(s) to be able to approve any transaction in which they, or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board), may have an interest or may gain benefit in any manner, or in which they may have any other conflict of interest with the Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the Board of Directors Meeting.

Corporate Secretary

The Board of Directors approved Ms.Nongnuch Temeesrisuk as a Corporate Secretary since 15 February 2013. The Profile is as follow;

Miss Nongnuch Temeesrisuk

- Director, Managing Director Management & Corporate Governance Group and Corporate Secretary
- Age 54 years old
- Educations / Training
 - Bachelor of Accounting of Ramkhamhaeng University
 - Certificated of Institute of Directors
 - Director Accreditation Program Class 37/2005, IOD
 - Director Certification Program Class 60/2005, IOD
 - Company Secretary Program Class 27/2008
 - Certificated of "basic and rules related to listed companies" class 6/2011 of Thai Listed Companies Association



● Experiences

Communication & System Solution PLC.

- 2013 - Now : Managing Director Management & Corporate Governance Group,
Corporate Secretary
- 2011 - Now : Executive Director
- 2005 - Now : Director

Other

- 1997 – Now : Director, C.S.S. Energy Co.,Ltd
- 2015 – Now : Director, Neonworx Communications (Thailand) Co.,Ltd
- 2015 – Now : Chairman of Board of Directors and Chairman of Audit Committee,
Thai coconut Public Company Limited

Scope of Authority and Responsibilities of the Corporate Secretary

1. Preparing and storing important documents
 - a) The registration of the Company's directors
 - b) The invitation letter and minutes of the Board of Directors Meeting
 - c) The invitation letter and minutes of the Shareholders Meeting
2. Reports of conflicts of interest filed by directors and executives.
3. Executing additional duties about governance as assigned by the Board of Directors.



Report on Securities Holding of Directors, Executives, Director's spouse or minor child of directors and Executives

The Board of Directors has determined that directors and executives have a duty to report holdings of its own securities and related since the election as the directors and executives of the company. Each time there is a change in the holding of such securities. Must Reports to the company and the Securities and Exchange Commission of Thailand (SEC) Within 3 business days for report. In the Board of Directors Meeting No.1/2017 has approved the Company's Secretary to make report on Securities Holding of Directors, Executives, Director's spouse or minor child of directors and Executives to acknowledge before the Board of Directors Meeting on a quarterly basis as at 31 December 2017 are as follows;

Ordinary Share

No.	Name	Position	Number of Shares at 31 December 2016	Number of Shares at 31 December 2017	In 2017 Increase (Decrease)	Ratio of the Company's shares (%)
The Board of Directors						
1	Pol.Maj.Gen.Supisarn Bhakdinarinath (Ph.D.)	Chairman of the Board of Directors / Independent Director	-	-	-	-
	Director's spouse or minor		-	-	-	-
2	Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)	Chairman of the Audit Committee / Independent Director	-	-	-	-
	Director's spouse or minor		-	-	-	-
3	Mr.Chattaphum Khantiviriya	Member of the Audit Committee / Independent Director	-	-	-	-
	Director's spouse or minor		-	-	-	-
4	Assoc.Prof.Prapart Praisuwanna	Member of the Audit Committee / Independent Director	-	-	-	-
	Director's spouse or minor		-	-	-	-
5	Mr.Vuthichai Duangratana (Ph.D.)	Member of the Audit Committee / Independent Director	-	50,000	50,000	0.004
	Director's spouse or minor		-	-	-	-
6	Mr.Sompong Kangsawiat	Chairman of Executives Committee	208,148,836	208,148,836	0	17.70
	Director's spouse or minor		3,304,400	3,030,700	(273,700)	0.26
7	Mr.Opas Tiyawattanaroj	Director	58,319,711	58,339,711	20,000	4.96
	Director's spouse or minor		-	-	-	-
8	Mr.Kittirat Mekmanee	Director	44,058,756	44,058,756	0	3.75
	Director's spouse or minor		-	-	-	-
9	Ms.Panida Sawatwannarat	Director	3,341,688	3,341,688	0	0.28
	Director's spouse or minor		-	-	-	-
10	Ms.Nongnuch Temeesrisuk	Director	1,502,928	1,502,928	0	0.13
	Director's spouse or minor		-	-	-	-



No.	Name	Position	Number of Shares at 31 December 2016	Number of Shares at 31 December 2017	In 2017 Increase (Decrease)	Ratio of the Company's shares (%)
Executives						
1	Mr.Sompong Kangsawiwat	The President	208,148,836	208,148,836	0	17.70
	Director's spouse or minor		3,304,400	3,030,700	(273,700)	0.26
2	Mr.Opas Tiyawattanaroj	Managing Director Telecommunication Group	58,319,711	58,339,711	20,000	4.96
	Director's spouse or minor		-	-	-	-
3	Mr.Kittirat Mekmanee	Managing Director Business Group	44,058,756	44,058,756	0	3.75
	Director's spouse or minor		-	-	-	-
4	Ms.Panida Sawatwannarat	Managing Director Finance & Control Group	3,341,688	3,341,688	0	0.28
	Director's spouse or minor		-	-	-	-
5	Ms.Nongnuch Temeesrisuk	Managing Director Management & Corporate Governance Group	1,502,928	1,502,928	0	0.13
	Director's spouse or minor		-	-	-	-
6	Mr.Narachet Chatratitiphan	Managing Director Technology Group	-	-	-	-
	Director's spouse or minor		-	-	-	-



Remuneration of the directors

The Annual General Meeting of Shareholders 2017, held on 20 April 2017 passed its resolution to determine remuneration of the directors of year 2017. The directors consist of the Board of Directors, Audit Committee, Risk Management Committee, Nomination, Remuneration and Corporate Governance Committee which included but not limited to salary, bonus, attendance fee, extra compensation, and other compensation not exceeding value of 4.5 million baht. Details are as follows:

1. The Board of Directors

Monthly remuneration

- Chairman of the Boards 100,000 Baht per Month

Meeting allowance

- The Board of Director 30,000 Baht per Meeting

2. Audit Committee

Monthly remuneration

- Chairman of Audit Committee 50,000 Baht per Month

- Member of Audit Committee 20,000 Baht per Month

Meeting allowance

- Audit Committee 10,000 Baht per Meeting

3. Risk Management Committee

Meeting allowance

- Risk Management Committee 10,000 Baht per Meeting

4. Nomination and Remuneration Committee

Meeting allowance

- Nomination and Remuneration Committee 10,000 Baht per Meeting

*Item 3 – 4 The Executives Directors are exempted from receiving attendance fee.

5. The remaining is reserved for bonus, extra compensation and other compensation to the Board of Directors. The Board of Directors will then allocate the remaining amount.



In 2017, the individual remuneration of Directors was as follows:

Name of Director	Board Of Director		Audit Committee		Attendance Fee			Total
	Attendance Fee (Baht)	Monthly Remuneration	Attendance Fee (Baht)	Monthly Remuneration	NRC Committee	Risk Manament Committee	Strategic's Meeting	
1. Pol.Maj.Gen.Supisam Bhakdinarinath (Ph.D.)	150,000.00	1,200,000.00					20,000.00	1,370,000.00
2. Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)	150,000.00		40,000.00	600,000.00	10,000.00		20,000.00	820,000.00
3. Mr.Chattaphum Khantiviriya	150,000.00		40,000.00	240,000.00	10,000.00	10,000.00	20,000.00	470,000.00
4. Assoc.Prof.Prapart Praisuwanna	150,000.00		40,000.00	240,000.00			20,000.00	450,000.00
5. Mr.Vuthichai Duangratana (Ph.D.)	120,000.00		20,000.00	152,258.06			20,000.00	312,258.06
6. Mr.Sompong Kangsawiwat	150,000.00						20,000.00	170,000.00
7. Mr.Opas Tiyawattanaroj	150,000.00						20,000.00	170,000.00
8. Mr.Kittirat Mekmanee	150,000.00						20,000.00	170,000.00
9. Ms.Panida Sawatwannarat	150,000.00						20,000.00	170,000.00
10.Ms.Nongnuch Temeesrisuk	150,000.00						20,000.00	170,000.00
								4,272,258.06

Remark: Director in the no.5, has been appointed as a director to replace Mr.Wungson Panudulkitti from the Board of Directors Meeting No.1/2017 held on 23 February 2017 and has been appointed as a member of Audit Committee from the Board of Directors Meeting No.2/2017 held on 12 May 2017

Other Remuneration

- None -

Remuneration of Executives

The Nomination, Remuneration and Corporate Governance Committee of the Company uses measuring performance of the executive in the form of performance indicators. (Key Performance Indicators: KPI). This is the way to measure the performance of each department. The president uses characteristics of KPI overview of the Company to determine the individual's remuneration by using various indicators. Such as Business performance of the company, Evaluation individually and also compare the remuneration in the same position and industry groups Etc. The short term of benefit is salary adjustment and Bonus payment and other welfare. The long term of benefit is the Provident Fund.

For the President, the Nomination, Remuneration and Corporate Governance Committee considers the remuneration of the President and present to the Boards of Directors for approval of appropriate compensation by using characteristics of KPI overview of the Company. It also adheres to global management approach with a qualitative measurement (Balanced Scorecard) with four main aspects, including the financial performance of the Company's business, customer, internal processes and learning and development. It also was applied the concept to include sustainable use quick view of financial base. Lead the management methods to spend wisely cause



worth promoting, learning to achieve better internal process and as the result to creating a comprehensive satisfaction of all stakeholders. The short term of benefit is salary adjustment and Bonus payment and other welfare. The long term of benefit is the Provident Fund.

the remuneration for executives and the President for the year 2016 and 2017 is as follow;

Remuneration	2016		2017	
	Persons	Baht	Persons	Baht
Executives	6	30,662,062.00	6	32,579,325

Other Remuneration

Provident Fund

The Company has established a provident fund to the 6 executives. The Company contributed to the fund monthly at the rate of 5 percent of basic salary. In 2016 and 2017 provident fund are as follows;

provident fund	2016		2017	
	Persons	Baht	Persons	Baht
Executives	6	1,027,764.00	6	1,060,200.00

Personnel

Total employees of the Company (exclude the executives) as of 31 December 2017 were 389 people.

Details of employees in each business line are as followings:

No	Group	Employees
1	Sale and Telecommunication	74
2	Sale and Marketing	213
3	Business Information and Technology	10
4	General Management	92
	Total	389

Remuneration of the employees (exclude executives)

In year 2016 and 2017, the remuneration in cash has been paid to employees in form of salary, wage, over time, bonus, living expense, and other welfares. Details are as follows;

Remuneration	2016	2017
	Amount (Baht)	Amount (Baht)
Employees	172,709,476.00	179,220,713.00

**Other remuneration of the employees (exclude executives)**

The Company has established a provident fund to the employees. In 2016 and 2017 provident fund are as follows;

provident fund	2016	2017
	Amount (Baht)	Amount (Baht)
Employees	4,218,879.00	4,293,563.00

Welfare

For improving the quality of working life, company not only provides benefits as required by law, also offers various welfare benefits such as ward, group insurance, annual health check, welfare grants the employee's death and the deaths of his parents in order to build morale and strengthen confidence in working with the company and highest benefit to employee.

Rules on Consideration of Remuneration for employees of the Company

The Company has considered establishing format and rule for payment of remuneration and welfare for employees which is consistent with the company's operating results in both short term and long term as follows.

Consideration of Short Term Remuneration:

- The Company has established the Salary structure and considered from education, knowledge and experience by comparing with other companies in the same industrial sector
- The Company has considered of salary adjustment and bonus payment once a year which is consistent with the company's operating results. It is based on the ability to make a profit each year by Key Performance Indicators (KPI) of the Company to be used for consideration and comparing with other companies in the same industrial sector
- The company providing welfare services to the employees; Accident Insurance, Health Insurance and arrange annual health check once a year for employee healthy. Others welfare are Allowance for cremation and employee's seminar etc.

Consideration of Long Term Remuneration:

- The company is adjustment level of employees regularly once a year by using the measurement results in the form KPI to determine the performance and capabilities of employees.
- The Company has established the Provident Fund for employees to encourage money saving by the employees. The fund saving proportion was increased so that the employee may choose the rate of 3% - 15% with Company's contribution at the rate not exceeding 5% of base salary, employment period and willingness of the employee, which shall be paid back to the employee upon retirement or job quitting.



Human Resource Development

The company has classified management into categories on this below;

1. Profit Center: defines as sales and business related sector which known as key sector
2. Cost Center: defines as general administrative comprises of finance and account, various administrative

For this reason, the company has developed Human Resource policy to suit more consistent with HR policy of CSS divided into 3 main areas on this below;

1) HRM: Human Resource Management: manage HR assignment to make better quality of employee's life as a Second home, including being a good advisor to all employees and create employee satisfaction inform of HR Clinic

2) HRD: Human Resource Development is a practice which helps enhance employees' efficiency through various ways of learning along with an emphasis on applying the acquired knowledge in a real-life working situation. This practice plays an important role in the future development of each employee. The HR department has conducted a research on employees' needs concerning the seminar and training provided by the company. A questionnaire would be distributed to each department at every year end where the department head should complete and return the form to the HR department who would afterwards gather, examine, and arrange a programme, an annual training plan as well as a budget for yearly training programmes in order to obtain an approval from the Board of Directors' meeting. Following each training programme, the HR department would ask employees to complete the satisfactory evaluation form and also keeps monitoring on the outcomes after the training.

Indicators of successful key developments for this year have shown that:

- 94.14% of employees' performances have been improved after the training program
- 82.53% of employees are satisfied with the training
- 10.61% has been decreased of Budget management for training programs

Furthermore, during the training program, the company also aims to provide a program content which helps support and increase work efficiency for the benefits of the organization as a whole. In 2017, the company had arranged altogether 60 training program, or an average of 17.13 hours/person/year, for executives and employees both inside and outside the organization including

- Internal programme by inviting professional instructors or expertise to share their knowledge and experience to the employees. The company had arranged altogether 12 internal programs in 2016, all focusing on the issues of laws, regulations and international standards.



- External programme by sending out employees to attend training programs arranged by other institutions which provide particular operational contents for each specific division such as The production of electricity from municipal solid waste, CSR & SD training, Strategic CFO in Capital Markets, Thailand 4.0's Marketing, Mind Set & Skill Set for Manager People and others courses related to the principles of Good Corporate Governance as regulated by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The company had arranged altogether 48 external training programs in 2017.

3) Safety & Quality Management (SQM): consist of 2 mainly tasks; employee's safety and ISO 9001: 2015 in order to create accountability and global acceptance. In 2017, the Company has been communicating to educate employees about how safe operating regulations in various works as well as provide training to educate security Occupational Health and Working Environment, caring for the environment and managed system for employees to secure and property as well as good hygiene. Such as the training tower crane, high car, Boat Crane, course of work near high voltage, Safety course to work on electricity. From training courses above, in the year 2017 the company has no accidents from work through stop working or death in any way.

However, in addition to the training and education of safety and health for employees, the Company also recognizes the importance of the security that is one of the factors that are critical to conducting business to achieve the goal as the company put it. So it broadens the scope of safety and occupational health by training and educating contractors of the company. By disclosed in the Corporate Social Responsibility report 2017 (CSR Report 2017).

Significant labor dispute in the past 3 years

-None-



Personnel of Subsidiaries

The Company has 2 subsidiaries as of 31 December 2017. Details are as follows;

Subsidiaries	Employees
C.S.S.Energy Co.,Ltd.	-
Neonworx Communications Co.,Ltd.	81

Remark: C.S.S.Energy Co.,Ltd. has no employee, because employees have been transferred to the company then all since April 2016. In addition, there is no labor dispute in the last 3 years of Subsidiaries

Remuneration of the employees from subsidiaries

In year 2017, the subsidiaries have been paid the remuneration in cash to employees in form of salary, wage, over time, bonus, living expense, and other welfares. Details are as follows;

Company	Baht
C.S.S. Energy Co.,Ltd	
Neonworx Communications (Thailand) Co.,Ltd.	29,183,530.00
Total	29,183,530.00



Corporate Governance

Corporate Governance Policy

It is Company policy to follow the Code of Best Practice in order to ensure transparency and for the benefit of the company's business operations as it creates confidence in shareholders, investors and all related parties. The Board of Directors has therefore set out principles of corporate governance which follow the best practice specified by the Stock Exchange of Thailand. The Company's principles of corporate governance fall into 5 categories:-

Category 1 The Rights of Shareholders

The Company places importance on the basic rights of shareholders both as owners of the Company and as investors in stocks such as the right to trade or transfer stocks, the right to receive adequate information about the Company, the right to receive a share of the profits from the Company, rights in shareholder's meetings, the right to express an opinion, the right to take part in making decisions on important Company issues such as issuing dividends, appointing or removing directors, appointing auditors, and approving important business transactions that affect the running of the business.

Apart from the various basic rights mentioned above, the Company also acts for the convenience of shareholders exercising their rights in various matters as follows:

1. The Company organizes an Annual General Meeting within 4 months of the end of the fiscal year, sending out a notice of the meeting and relevant information to inform shareholders 7 days in advance, and placing notices in newspapers announcing the date for 3 consecutive days ahead of the meeting. With each meeting agenda, the views of the Board of Director are also included.
2. The Company puts information relevant to the agenda of shareholder's meetings on the Company website, and explains the rights of shareholders to participate and vote in the meeting.
3. If the shareholder is unable to attend the meeting in person, the Company allows them to authorize an independent director or another individual to act as a proxy by using one of the power of attorney forms sent out with the notice of the meeting.
4. The Company will provide an opportunity for shareholders to submit opinions, suggestions and questions to the email address of the secretary to the Board of Directors before the meeting takes place.
5. During the meeting, the Company will open opportunities for shareholders to ask questions, make suggestions or voice opinions freely and equally. Directors and executives will be present at the meeting to answer questions and provide information.

Business Operation Year 2017

The Board of Directors support shareholder meeting regarding on shareholder's rights and equitable treatment in compliance with law and corporate governance principles as follows:



- The company gives all shareholders an opportunity to submit an agenda and candidates for becoming a committee together with advance question prior to annual general meeting of shareholders for year 2017. The company has set up time frame for any shareholder to submit agenda and candidate during 6th October 2016 till 15th January 2017 via Stock Exchange of Thailand news announcement together with a guideline and procedure at website, www.cssthai.com in “investor relation” menu, then meeting of shareholder sub-menu. Nevertheless, none of shareholder submit an issue to company.
- Presentation and information delivery to shareholders, the Company has appointed Thailand Securities Depository Co., Ltd. (TSD) as its securities registrar to send the meeting invitation notice, documents and other information which is important and necessary for decision-making to shareholders (in English in case of foreign shareholders) in advance before the meeting date and in accordance with laws or/and regulatory concerned. Besides, company has put in place a communication and data distribution channel that is updated through the Company's website 30 days before meeting in order for shareholder to adequate consideration. In addition, company also published in a newspaper stating date, time, place and agenda of meeting consecutively three days before the meeting.
- The company has delivered proxy legally with instruction and stamp duty to facilitate proxies free of charge. Shareholder could send back an original proxy by post with essential document in advance, attention to Office of Corporate Secretary before the meeting.
- The Company provides for the registration system using barcode that shows the register number of individual shareholders that makes use of a barcode system to speed up the registration process.
- Notification upon voting procedures and vote counting prior to the shareholders' meeting was provided. A use of voting card was also applied in a meeting.
- The Company grant shareholders the right to vote on each agenda fully. By means of a transparent vote count quickly and efficiently. The Scores can be displayed to the meeting immediately.
- The shareholders attending after commencement of the meeting were allowed to vote for agenda items that are still under consideration and do not reach the resolution and count as a quorum since the agenda of that meeting and vote onwards.
- The shareholders shall be offered an opportunity to thoroughly express their opinions and raise their queries prior to voting and deciding resolution. All directors and executives in charge of core business shall attend the meeting so that the shareholders can raise any relevant questions to them.
- The company did not add or change any important information regarding the Annual General Meeting of Shareholders for 2017 without prior notification to the shareholders. Shareholders were also encouraged to give out comments and questions; the details of which had been fully recorded in minutes of the shareholders' meeting.



- The company had ensured that every shareholder was encouraged and well facilitated to attend the meeting through arrangement of an easy-to-access meeting place. A free transportation to and from the venue, with pick-up and drop-off points as specified clearly in the invitation letter, was also provided for every shareholder.
- After the Meeting, the company conducted extensive minutes of shareholders possesses indicating votes agree, disagree, abstained and Invalid Ballots on the occasion to have a vote. Such minutes shall be submitted to the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC") within 14 days after the meeting date as well as allowed the shareholders to view it thoroughly via www.cssthai.com > Investor Relations > Shareholders Info.

Operation plan year 2018

- The company would still emphasize on the importance of the shareholders' basic rights, both as a company owner and an investor. These include, for instance, rights to obtain adequate information from the company; rights to receive a share of profit from the company; rights as a member of the shareholders' meeting; rights in giving out comments and suggestions; as well as rights to participate in any important decision concerning the well-being of the company.
- In addition to the above basic rights, the company also focuses on facilitating shareholders in executing their rights through its concern about the right and equality of the shareholders in a meeting as designated by laws and the Principles of Good Corporate Governance. This includes, for instance, facilitating and encouraging every shareholder to attend the meeting by providing a free transportation to and from the meeting venue, with pick-up and drop-off points as specified clearly in the invitation letter; or arranging the meeting at an easy-to-access place.

Category 2 The Equitable Treatment of Shareholders

The Company will give equal opportunity to every shareholder and allocate voting rights at the meeting according to the number of shares held, one share equivalent to one vote, and will do nothing that restricts, violates or dispossess shareholders of their rights, whether major shareholders, minor shareholders, investors or foreign shareholders. The Company assigns an independent director to assist minor shareholders, allowing them to make proposals, express opinions or raise complaints with the independent director who will decide on the appropriate way to proceed in each case. For example, in the case of a complaint, the independent director will investigate the facts and find an appropriate solution. In the case of a proposal on an important issue that affects the stakeholders or the Company's business, the independent director will put the matter to a shareholder's meeting to consider putting it on the meeting agenda.

The meeting proceeds according to Company regulations, following the meeting agenda. Detailed information is presented for each item and relevant information is clearly presented for consideration. Additional



items will not be added to the agenda without notifying shareholders in advance, unless there is good reason. If the shareholder is unable to attend the meeting in person, the shareholder may authorize the independent director or another individual to attend as a proxy, by using the power of attorney form sent out with the notice of the meeting. Voting is transparent and follows the meeting agenda. The election of directors gives shareholders the opportunity to exercise their right to appoint directors, with votes being cast for individuals.

The Company has also taken measures to prevent insider trading by related persons, which means directors, executives or any staff that work in units dealing with internal information (including spouses and children of minor age). Related persons are not permitted to trade in Company stock for a period of at least 1 month before the quarterly and annual financial statements are released and should wait for at least 24 hours after this information is made public. It is also forbidden to pass that information on to other individuals.

The Company informs directors and executives of their duty to report their stock holding in the Company and the penalties specified in the Securities and Exchange Act 1992 and the regulations of the Stock Exchange of Thailand. In instances where directors or executives trade Company stock, they must report the stock held by themselves, spouse and children who are still minors in compliance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 working days to the Office of the Securities and Exchange Commission for the information to be put into the public domain.

Business Operation Year 2017

- Additional rules and regulations concerning the shareholders' meeting have been included in the invitation to the Annual General Meeting of Shareholders in order for the shareholders, whose presence at the meeting is made either by oneself or an authorized person, to be able to prepare an appropriate and relevant document/evidence which in turn helps preventing possible problems or conflicts of interests in a meeting.
- The Board of Directors conduct meeting followed by those listed in the notice of meeting without additional agenda. In order for fairness of shareholder who is absent.
- During the shareholder meeting, the company provides ballot in a presence of voting in order for adherence to integrity and transparency, together with counting and disclosing result of voting and recording explicitly into report
- The number of votes a shareholder has corresponded to the number of shares he owns.
- Along with the invitation letter, an Authorization Form B which allows shareholders to determine on the voting direction for each agenda has also been attached in order for shareholders who could not attend the meeting to be able to provide their authorizations to an independent board member or any individual to participate and vote in a meeting. Alternatively, shareholders can also download the form from the company's website.
- The company refuses to provide any financial assistance to an entity which is not its subsidiary.



- The Board of Directors has stipulated that the directors, management and their related persons (as defined by SEC and SET) must prepare and submit a report on interests annually by disclosed the conflict of interest of the directors and executives and review every year.
- The Company has sent the Questions Form about the AGM Agendas in the invitation letter of the AGM to facilitate Shareholders who couldn't come by themselves can send questions in advance to the company. The Secretary will collect it to the Board of Directors to consider in the day of Meeting.
- The Company has recorded the AGM's meeting in video format and posted on the company website for shareholders who did not attend the meeting can see the meeting moments and listen to the questions and answers or the information presented at the meeting by themselves.

Operation plan year 2018

- The company would still emphasize on the importance of fairness and equality for every shareholder. The number of votes a shareholder has will be corresponded to the number of share he owns; hence one share means one vote. In addition, the company shall avoid any action which intends to limit or infringe the rights of its shareholders including both major and minor shareholders, institutional investors, as well as foreign shareholders.
- The company would also address on the importance of conducting the meeting in accordance to the meeting agenda and the company's rules and regulations. Details of each agenda along with relevant documents / evidence must be thoroughly presented for further consideration. If not necessary, no additional agenda, particularly those which are crucial and therefore require some time to study and review before making decision, shall be included without prior notice to the shareholders.

Category 3 The Role of Stakeholders

The Company places importance in all groups of stakeholders, whether they are internal stakeholders, i.e. the Company staff and management, or external stakeholders such as competitors, partners and customers. The Company is aware that support and input from all groups of stakeholders is valuable to the Company's business and development. Accordingly, the Company acts in compliance with the relevant laws and regulations to ensure that the rights of the stakeholders are properly respected. To create a stable business environment, the Company works together with each group of stakeholders in the following ways:

(a) Shareholders

The Company is focused on development and continuous growth which will lead to an increase in Company earnings and profits. This will increase the value of the Company and mean that shareholders will receive the best returns.

**(b) Customers**

The Company considers the quality and standards of its products, while customer care and other responsibilities are carried out with honesty and fairness. Also maintain customers' relationship as well as sustainable improvement of customers' relationship and accept customers' suggestions and complains to improve customers' satisfaction.

(c) Partners

Company policy is to deal fairly with trading partners according to the trading terms and/or contractual agreements in order to establish good business relationships that benefit all parties.

(d) Competitors

The Company supports free and fair competition and conducts its business according to the regulatory framework on proper competition.

(e) Creditors

Company Policy is conduct in compliance with contract and conditions both in terms of repayment of loan, interest to maintain and other conditions. Also reports financial status to the creditors of requirements in the loan contract properly. The company will report its creditors in advance if cannot fulfill the obligations in the agreement and jointly find solutions to fix problems.

(f) Employees

Company policy is to treat employees equitably and fairly, providing appropriate remuneration and welfare as well as supporting development of their knowledge and ability.

(g) Community and society

The Company recognizes its responsibilities towards the community and society, conducting an ethical business and supporting creative social projects as appropriate.

(h) The Environment

The Company strictly follows laws and regulations relating to the environment and constantly sets measures to control environmental impact. Also support employees to participate in the training related to environment and keep materials and equipment up to standards level to reduce the use of natural resources

(i) Do not breaches of intellectual property rights.

the Company has policy to employees shall protect and keep the Company's copyright, and intellectual properties in order to avoid any infringement by other individuals. And the employees shall respect and shall not breaches intellectual property rights of others.

(j) Respect of Human Rights

The company focuses on respect for human rights. By conducting business under the labor law and human rights very seriously. To respect for the rights, freedoms and non-discrimination of labor rights, women's rights, children's right, and human dignity.



The Company operates in compliance with the relevant laws and regulations to ensure that the rights of stakeholders are well protected.

Business Operation Year 2017

- The company has defined the framework of ethics and code of conduct in business on the company website and communicate to the employees and the executives to keep right to all stakeholders Whether internal stakeholders such as employees, executives and directors or external stakeholders such as shareholders, customers, partners, competitors, creditors, community & society, environment and also not breaches of intellectual property rights and Respect of Human Rights etc.
- The company's secretary is responsible for providing a shareholding report of the participants including Board of Directors, executives, as well as their spouses and dependent children in order to acknowledge the meeting party prior to each quarterly Board of Directors' meeting.
- The Board of Directors provides contact channels for any complaints and whistle blowing to all stakeholders to complaints problems or corruptions directly to The Audit Committee.
- Company has realized of quality and standard of its products and services, resulting in its responsibility to the customers with honesty and fairness. Company conducts a customer satisfaction survey on a yearly basis in order to maintain a good relationship with customers. In 2017, company has summarized customer satisfaction with the average score of 4.38 (5 points)

Operation plan year 2018

- The company plans to elevate its Anti-Corruption policy in order to obtain a certified approval as a member of the Private Sector Collective Action Coalition Against Corruption (CAC).

Category 4 Disclosure and Transparency

The Company is aware of the importance of the complete and accurate disclosure and transparency of financial and general information in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other important information affecting the Company's stock price, as this influences decision making by investors and stakeholders. The Company makes information available to shareholders, investors and the general public through the channels provided by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as on the Company website: www.cssthai.com

To manage investor relations, the company secretary has been assigned the duty of communicating with investors, shareholders, analysts and relevant state agencies. The Board of Directors is responsible for the financial statement and information that appears in the annual report. The financial statement is compiled in accordance with Thai accounting standards, with a selected accounting policy that has been consistently followed and



presents adequate financial information. The Audit Committee reviews the quality of the financial report and the internal audit process, as well as the adequate nature of information in the financial statement's remarks.

Business Operation Year 2017

- Company's financial reports have been delivered to the Securities and Exchange Commission and The Stock Exchange of Thailand within a specified period. And none of the auditors commented on issue.
- The company has not been recorded to amend its financial statements to the Stock Exchange of Thailand and the Securities and Exchange Commission.
- The company has made available communication and data distribution channel so that shareholders, investors and other stakeholders can access information thoroughly and equitably through various channels on a regular basis
- Clear disclosure of information concerning shareholdings of the Board of Directors and other executives in the annual report.
- The Company has prepared a report on responsibilities of Board on Financial Report as disclosed in Form 56-1 and Annual Report together with report from auditors.
- Disclosure of shareholding of the Board of Directors and Management clearly. The Board of Directors requires directors and executives to report the following:
 - Reporting on the purchase or sale of the Company's shares. Must be reported according to the regulations of the SET and the SEC.
 - Reporting the equity and related transactions. The Board of Directors assigned to the Directors must report to the stakeholders and reviewed annually.
- In the part of Investor Relations, The Company assigned Mrs.Prapussorn Lakwuthiwong, manager of Corporate Secretary & Shareholders Department is responsible for communicating and providing information to investors, Shareholders and general public. Contact number is 02-018-1111 #5501
Email : prapussorn@cssthailand.com

Activity in 2017	Times / Year
Opportunity Day	1
Phone in	2

Operation plan year 2018

- The company would still emphasize on the importance of information disclosure in an appropriate, accurate and transparent way concerning not only financial and general matters in compliance with standard practices of the Securities and Exchange Commission and the Stock Exchange of Thailand; but also other important matters which might affect the company's stock value, and thereafter the decision making process of investors and stakeholders, as regulated by the Securities and Exchange Act (No.5) B.E.2559.



Category 5 Responsibilities of the Board of Directors

1. Structure of the Board of Directors

The Company's Board of Directors consists of individuals who must have skills, professions, specialize, gender etc., The Board of Directors will be act an important role in setting policies and the overall direction of the Company. They are also responsible for governance, checking and evaluating the performance of the Company against the plans that were set.

At 31 December 2017, the Board has 10 directors consisting of 5 executive directors and 5 non-executive directors who are qualified to be independent directors and provide balance when votes are taken. The Audit Committee consists of 4 independent directors who represent the shareholders in overseeing transparency in the governance of Company operations.

The Board also appoints 4 committees: The Audit Committee, the Executive Committee, the Nomination, Remuneration and Corporate Governance Committee and the Risk Management Committee. Each committee has areas focus areas on which they make proposals for the consideration of or acknowledgement by the Board of Directors, with each committee also having its own specified rights and duties.

The Company has clearly separated the role and responsibilities of the Board of Directors and the Company's executives. The Board is responsible for setting policies and oversight of the executives at the policy level. The executives are responsible for the management of the Company's operations in line with the policies that have been set.

It is the duty of the Company Secretary to give advice to the Board of Directors regarding regulatory requirements to coordinate implementation of the Board's decisions.

2. Role, Duties and Responsibilities of the Directors

The Board of Directors is composed of individuals with a great depth of knowledge, skills and expertise, which are recognized for their leadership. The board of directors has an integral role in setting the vision, mission, strategy, policy, business approach and compliance with the law, objectives, regulations and the resolutions of shareholders meetings in order for the benefit and oversight of the Company's operations. The Board of Directors has therefore set up various committees to oversee the operations of the Company.

2.1 Corporate Governance Policy

The Company has a written corporate governance policy that was accepted by the Board of Directors meeting in order that they might review this policy and act accordingly. Moreover, after the Company's ordinary shares are registered on the Stock Exchange of Thailand, the Company will act in accordance with the law and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The corporate governance report will be released in the annual report and the information disclosure form (Form 56-1). For unprocessed parts, company will use as guideline in the appropriate deployment as follows.



Unprocessed	The Reason
1. Board should appoint an independent director to hold the position for not more than 9 years from the date of appointment as the first independent director.	Due to company believes that the directors are knowledgeable and experienced. Long experience of directors will help directors to better understand business operation of company.
2. Non-executive directors have held their own meetings without the management meeting attendance.	Previous year, meeting of non-executive directors had not been set up. Thus, Board of Directors's opinion was meeting should be held in 2018 to open the opportunity for non-executive directors to discuss the issues.
3. Anti-corruption actions	It is in process of preparing information because it contains important information that is consistent with the auditor's audit plan, internal control system of year 2017 as well as the review of the self-assessment data to prepare for applying for a CAC certificate in 2018.

2.2 Code of Conduct

The Company has set out a code of conduct that the Board of Directors, management and staff are expected to adhere to at all times as they carry out their duties according to the Company's mission, displaying honesty and impartiality towards the Company, the stakeholders, the public and society. The Company has therefore announced and informed all employees to act in strict accordance with this approach and disclosed in Company's website.

2.3 Conflicts of Interest

The Company's policy regarding conflict of interest is set on the principle that any decision affecting business operations should only be made in the interests of the Company and any action that creates a conflict of interest should be avoided. Persons with an interest in a matter under consideration must inform the Company of their relationship or connection in that matter, must not take part in the decision and have no authority to approve that business.

The Audit Committee will advise the Board of Directors on matters that are connected and matters where there is conflict of interest, giving full consideration of the appropriateness in accordance with the guidelines of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The information will be included in the annual report and the information disclosure form (Form 56-1).



2.4 Internal Control

The Company places importance on the internal control system at both the management and operational levels. To ensure operational efficiency, the Company has clearly defined in writing the duties and authority of those performing tasks and the executive. There is oversight of the beneficial use of Company property and the separation of duties between those performing tasks and those supervising and evaluating. The Company appoints the Audit Committee to test the internal control system and carry out an appropriate and effective internal audit, as well as to hire outside experts to inspect the internal control system and report the results to the Audit Committee to ensure that the Company's main operations follow the specified approach and are effective.

2.5 Risk Management

The Company made an evaluation of the adequacy of the existing internal control system in order to consider methods of revising operations to further improve efficiency.

2.6 Board of Directors Report

The Audit Committee is responsible for verifying the financial statement, with the accounts division and auditor presenting their financial report quarterly at the Board of Directors' meeting. The Board of Directors are responsible for the Company's budget and the financial information that appears on the annual report (Board of Directors responsibility to the financial report). The financial statement is produced to accredited accounting standards and checked/verified by the Company's auditor and the important information disclosed, both financial and non-financial, is done so on the basis of truth and consistency.

Business Operation Year 2017

- The Company communicates the business ethics policy and code of conduct for the Directors executives and employees upon the business ethics and code of conducts in order for them to use as a guideline in work as designated by the company's obligations provided on Company's website and intranet.
- The Board of Directors had outsourced an expert to help auditing and evaluating the company's internal control system, as well as monitoring on the significant matter in correlation with the business operation. The evaluation outcome showed that the company has a sufficient internal control to the extent that could provide assurance upon achievement of the established operation's objectives.
- The Board of Directors has reconsidered on the Company's vision, mission and strategies so that the executives and employees have the same objectives.
- The Board of Directors has monitored the management of the executive committee by define reporting on the progress of the operation and performance every time in the Board of Directors Meeting
- to ensure that the risk management process is effective at all stages in accordance with principles of good corporate governance. Board of Directors has resolved to extend scope of risk management to affiliated companies in order to build confidence among investors and all stakeholders on business operations under the risk control system compliance with corresponding international principles. It also reduces risk that may occur in the future as well.



Operation plan year 2018

In 2018, the company still focuses on the importance of roles and responsibilities of the Board of Directors according to the principles of Good Corporate. This includes, for instance, a report on the stake holdings of the Board of Directors and other executives in each quarterly Board of Directors' meeting; paying attention to the auditing and monitoring of an internal control system mainly to ensure that the company's core operation has been effectively implemented under the indicated directions.

3. Meetings of the Board of Directors

In accordance with Company regulations, a meeting of the Board of Directors is held at least once every 3 months, with special meeting called when necessary. Invitations are sent out 7 days in advance, unless the situation requires an emergency meeting to protect the Company's interests. Each meeting has a clearly organized agenda. Documents with full details are prepared and sent to the directors in advance so that they have sufficient time to study the information before the meeting. The Chairman and Company directors jointly set the agenda and decide the subjects to be discussed at the meeting, with every director having the chance to propose topics for inclusion. Directors may discuss and give their opinions openly and the Chairman summarizes and concludes the views expressed. Votes are passed by a majority with each director having one vote. Directors with an interest will not attend the meeting and/or vote on that matter. If votes are equal, the Chairman will have a deciding vote. The minutes of the meeting will be written after the meeting has finished and the approved minutes will be kept for inspection by the directors and others.

Business Operation Year 2017

- A meeting agenda had been distributed to participants prior to the last 5 Board of Directors' meetings. (Average 10.4 days)
- According to the Board of Directors' and committees' meeting agenda 2017, all participants or 100% of the party had attended all meetings.
- A secretary to the Board of Directors is responsible for taking minutes of meeting along with other comments and suggestions during the discussion, the details of which should be submitted to the company's president for his/her authorization; and thereafter to the meeting party as the first agenda upon the next meeting. Additionally, a secretary is also responsible for collecting data or documents as considered relevant to the meeting in favour of a better convenience when conducting future searches and references.
- In 2017, company plans to expand its business scope in the future. Therefore, Board of Directors resolved to hold monthly strategic meetings as a tool to monitor company's investment.



4. Remuneration of Directors and Executives

The Company appointed the Nomination and Remuneration Committee to suggest appropriate remuneration for the various committees to the Board of Directors so that policy on remuneration of Company directors is clear and transparent and is at a level that is appropriate for the duties and responsibilities of each director, sufficient to retain directors with knowledge and ability. The Company will present suggested remuneration for these directors for approval at the Annual General Meeting: AGM.

The Company discloses the remuneration paid to Directors and Executives in the format specified by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Policy on Director Remuneration

To provide remuneration for Directors, the Company will take into consideration the appropriateness of duties and responsibilities as assigned and compared with listed companies on SET with a similar industry. The Nomination, Remuneration and Corporate Governance Committee will propose to the Board of directors Meeting to approve the Directors' Remuneration.

Policy on Executives and the President Remuneration

The Nomination, Compensation, and Corporate Governance Committee will consider and approve the remuneration of the President and Executives by using Corporate KPI measurement and evaluation system. Each executive has annual KPI to measure the performance of each Division corresponding to the KPI of the company by President shall consider and approve the appropriate remuneration on an individual basis by using indicators such as indicator. The results include the company's business. Evaluation work individually. It also compares the compensation and position in the same industry. Classify into short term criteria such as Salary, annual Bonus, other welfare and long term benefits such as Provident Fund.

For the President, the Nomination, Compensation, and Corporate Governance Committee will consider and approve the remuneration of the President and submit to the Board of Directors to consider appropriateness of remuneration using Corporate KPI measurement and evaluation system of the President that adheres to international management principles scoring by Balanced Scorecard including 4 aspects; Financial performance including business performance, Customers, Internal process and Learning and development regarding to leader performance based on the guidelines of the Stock Exchange of Thailand and apply to corporate practice to consider remuneration and incentives. It also applies concept of sustainability through use of financial perspectives to lead how to manage cash flow economically, to provide good value for good internal management to satisfy all stakeholders by classify into short term criteria such as Salary, annual Bonus, other welfare and long term benefits such as Provident Fund.

5. Development of Directors and Executives

The Board of Directors has a policy to provide training for the relevant Directors in the corporate governance system of the Company, which includes Directors, the Audit Committee, the Executive Committee, the



Risk Management Committee, the Nomination and Remuneration Committee and Company executives, so that there is continuous development. If there are changes in the Board of Directors will provide advice to new Directors on the Company's business approach and useful information on carrying out their duties in order to support continued efficiency under the corporate governance framework.

New Director Orientation

The Company encourages the directors to attend the training program to increase their understanding on the roles and responsibilities under the good corporate governance campaign by internal training Program and other institute

Internal training The importance of new director orientation by assigning all incoming directors to attend and Executive team will provide themselves with information relevant to the directors' duties

External training Company provides education training for new directors in various courses related to the roles and responsibilities of the directors under the good corporate governance framework such as roles and duties of directors in accordance with the rules and regulations of the directors, the Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), Public Company Limited Act and Thai Institute of Directors (IOD) etc. also encourage specialized knowledge for directors to promote effective performance such as financial reporting knowledge.

Training of The Board of directors

The Company encourages training and knowledge sharing for directors, to promote continuous performance improvement in management under good corporate governance. There are the directors who has been trained in IOD courses are as follows;

Name	Position	Corporate Governance for Executives	Role of the Chairman Program (RCP)	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Advanced Audit Committee Program	Board Matters & Trends (BMT)	Board that Make a Difference (BMD)
1. Pol.Maj.Gen.Supisarn Bhakdinarinath	Chairman of Boards / Independent Director	2014	2014	2015			2016	2016
2. Assoc.Prof.Pitipat Chataccaraphat	Independent Director				2005			
3. Mr.Chattaphum Khantiviriya	Independent Director				2008			
4. Assoc.Prof.Prapart Praisuwan	Independent Director				2009			
5. Mr.Vuthichai Duangratana	Independent Director				2013	2016		
6. Mr.Sompong Kangsawiat	President		2012	2006	2011			
7. Mr.Opas Tiawattananroj	Director			2006				
8. Mr.Kittirat Mekmanee	Director			2011				
9. Ms.Panida Sawatwannarat	Director			2005	2005			
10. Ms.Nongnuch Temeesrisuk	Director			2005	2005			

Training of the Board of Directors for the year 2017 are as follows;

No.	Name	Position	Training Courses
1	Pol.Maj.Gen.Supisarn Bhakdinarnath(Ph.D)	Chairman of the Board of Directors / Independent Director	<ul style="list-style-type: none"> - Development Administrator in Digital Era Class.1 - The seminar academic "conference to develop the operating performance indicators the criminal justice process." - Lecture "Legal Update : Criminal Liabilities of Directors" - Lecture "Chairman Forum 2017 The Role of Chairman in Leading Strategic Risk Oversight" - Lecture "Board of directors and their roles in driving Thailand forward" - Lecture "National Directors Conference 2017 Subject "Steering Governance in A Changing World" - Lecture "Story Telling: Leadership story" - Lecture "Thailand Competitiveness Conference 2017" - Lecture "4th International Conference on CSR,Sustainability, Ethics & Governance" - Lecture "Cybersecurities : Risks, Liabilities,and Best Practices" - Lecture "Bright Spots : Linghting the Way to a Corruption Free Society"
2	Assoc.Prof.Pitipat Chataccaraphat (Ph.D)	Chairman of Audit Committee / Independent Director / Chairman of NRC.	- Academic Seminar on "Accounting standards for inspection.
3	Mr.Chattaphum Khantiviriya	Member of Audit Committee / Independent Director / Member of NRC.	- Academic Seminar on "Accounting standards for inspection.
4	Assoc.Prof.Prapart Praisuwanna	Member of Audit Committee / Independent Director	- None -
5	Mr.Vuthichai Duangratana (Ph.D)	Member of Audit Committee / Independent Director	<ul style="list-style-type: none"> - Global Business Leadership Program (GBL)Class. 2/2017 - Course of Tourism Management Executives (TME) Class. 1
6	Mr.Sompong Kangsawiwat	Chairman of Executives / President / Chairman of Risk Management Committee	- None -
7	Mr.Opas Tiyawattanoj	Director / Member of Risk Management Committee / Managing Director Of Telecommunication Group	- None -
8	Mr.Kittirat Mekmanee	Director / Member of Risk Management Committee / Managing Director Of Business Group	- None -
9	Ms.Panida Sawatwannarat	Director / Member of Risk Management Committee / Managing Director Of Financial & Control Group	- Course of Strategic CFO in Capital Markets
10	Ms.Nongnuch Temeesrisuk	Director / Corporate Secretary / Managing Director Of Management & Corporate Governance Group	- None -

Evaluation of the Board of Directors

The Company has a policy to ask its Board of Directors to the principles of good corporate governance for listed companies to evaluate its performances at least once a year with principles and threads in the assessment with the Stock Exchange of Thailand to consider and review their performances and issues and obstacles over the year and to increase the effectiveness of the Board of Directors by principle and the topic in the evaluation in accordance with the stock exchange of Thailand as follows.



1. Composition and Qualifications of the Board of Directors
2. Board Meetings
3. Roles and Responsibilities of the Board of Directors
4. Duties and Independence of the Board of Directors
5. Relationship with the Board of Directors Management
6. Board Development which appraise are different sub-headings based on roles and responsibilities.

For self-assessment process of Board, Nomination, Compensation, and Corporate Governance Committee will consider performance of the Board of Directors and the committees prior to propose to the Board of Directors for consideration. Secretary will submit the evaluation form to the Board of Directors to appraise annual performance. After evaluation process has been done, will be submitted back to secretary to collect scores of each individual. The results of the performance appraisal of the Board of Directors were analyzed and reported to the Board of Directors for acknowledgment and to seek direction in supporting the performance of the Board which evaluation comprises of self-assessment form of the Board, subcommittees and individual committee.

More than 85 %	=	Excellent
More than 75 %	=	Very Good
More than 65 %	=	Good
More than 50 %	=	Acceptable
Less than 50 %	=	To be improved

In 2017, the self-assessment of the Board of Directors, individual and sub-committees can be summarized as follows.

- a) Board of Directors average score of 99.11% as excellent, highest score is structure and qualifications of Board, this result in importance of recruiting directors for their positions. It must be a knowledgeable person with many different types of professional skills in order for Board to advise company beneficially for the future business.
- b) Board of individual average score of 99.46% as excellent, highest score is structure and qualifications of Board, because of wide range of expertise. They can provide useful advice on the company's business.
- c) Audit Committee average score of 100% as excellent, because Audit Committee can perform its duties according to independence from the management to provide useful advice on business.
- d) Nomination, Compensation and Corporate Governance Committee average score of 100% as excellent, due to they can adhere to duties in recruiting Boards and calculate remuneration including compliance with requirements of Good Corporate Governance.
- e) Risk Management Committee average score of 98.63% as excellent, highest scores is duties and responsibility of committee, due to reviewing risk management process effectively in accordance with principles of good corporate governance, also expanded its risk management to subsidiaries.



Performance Assessment of President and Executives

Company has guidelines for evaluating performance of President and all executive levels by using corporate measurement and evaluation systems by dividing the assessment categories in 2 part are as follows:

- First part is using universal practice of Balanced Scorecard, which comprises of 4 factors such as financial, customer, internal and learning and development factors by the opportunity of Human Resource Department.
- Second part is regarding to leader performance based on the guidelines of the Stock Exchange of Thailand and apply to corporate practice under the responsibility of Secretary and Shareholders Department.

Besides evaluation guidelines, company also consider compensation for fairness and effectiveness based on information from the business results and comparison among the same industry which classify into short term ie. Salary criteria, annual Bonus, other welfare and long term benefits ie. Provident Fund etc.,

The Results of President's assessment leads to process of consideration by the Nomination, Compensation, and Corporate Governance Committee and will consider submit to the Board of Directors to consider onwards.

The Results of President's assessment in 2017 were higher, with 86% in 2016 and 89% in 2017 as Good.

The succession plan

Company recognizes importance of succession planning for top executives and the President to ensure sustainable management. Nomination and Remuneration Committee Corporate Governance determines qualifications of the successor to all aspects of management including knowledge management skills and experiences to ensure that the successor has knowledge sufficient ability to officiate. It also sets the potential for good leadership that information is based on assessment of the Stock Exchange of Thailand and applied to the context of company and assigned Human Resources Management to be responsible for project. Starting from the process of selection of external quality institutes and developed a program of qualified executive development that meets the criteria and guidelines which includes the testing and selection process on summary and report format. This will be used to provide information to the Nomination, Remuneration, and Corporate Governance Committee.

Holding the position of the President in another company

The Board takes into account importance on the performance of duties as President to ensure the sufficient time to perform his duties. The Board of Directors has determined the policy for the Managing Director shall not be appointed as a Director in more than 2 other listed companies and must be agreed by the Board of Directors.

In addition, the Managing Director/Chief Executive Officer shall not hold Director Position in other company which has the same nature as and is in competition with the business of the Company unless the Board of Director has agreed. The above regulations are except being Director in subsidiary company.



Policy on Director Nomination

In its nomination of directors, the Company considered the lists of qualified persons to be appointed as Director of the Company and its subsidiaries. In this regard, the structure of the Board of Directors must have diversity of skills, professions, specialize, gender etc. They must be able to devote adequate time to their duties to benefit the Company's business. The Company provided the opportunity for shareholders to propose meeting agenda items and appointment of new director according to the good corporate governance criteria through the Company's website (www.cssthai.com) from October 2017 to January 2018. The Nomination, Remuneration and Corporate Governance Committee will propose to Board of Directors Meeting before propose to the Annual General Meeting to shareholders onward.

Governance of Operations of Subsidiaries and Associate Companies

The Company has the following policies on the governance of subsidiaries and associate companies:

- To send directors and/or persons assigned by the Company to be its representative according to the proportion of shares held in order to participate in the management of that business, including the right to vote in Board of Directors meetings and shareholders meeting, for the greatest benefit to the Company;
- To set the scope of authority and responsibilities of the directors and executives representing the Company in that business in overseeing or taking part in setting important policies for business operations;
- To ensure complete and accurate disclosure of the financial status and operating results, transactions made between the subsidiary and a connected person, the acquisition or disposal of assets, or other important transactions of the subsidiary, and to apply the rules concerning disclosure and transactions of a nature similar to the rules of the Company;
- To ensure that there is an internal control system that is suitable, efficient and adequate for the main business of the subsidiary, and also other mechanisms in the governance of the subsidiary such as approving a capital increase or decrease, winding up the subsidiary etc.



Oversight of the use of inside information

The Company has the following policies and methods for the oversight of the directors and executives using inside information that has not yet been publically disclosed for their own benefit, including the trading of assets:-

- To inform directors and executives of various divisions regarding their duty to disclose assets held by themselves their spouse and children still of minor age to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in compliance with Section 59 and subject to the penalties prescribed by Sections 59 and 275 of the Securities and Exchange Act B.E. 2535.
- To require directors and executives to report changes in their assets to the Office of the Securities and Exchange Commission in compliance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 working days from the date of the changes, and to send a copy of this report to the Company on the same day.
- The Company requires directors, executives and others carrying out related duties who receive important inside information that could influence the price of stock must refrain from trading in Company stock for a period of at least 1 month before the financial or inside information is disclosed publicly, and at least 24 hours afterwards, and also must not disclose that important information to others.

The Company will take disciplinary action against those violating rules against the use of inside information for their own benefit, including written warnings, pay cuts, suspension without pay or dismissal. Penalties will be determined by the intention of the act and the seriousness of the violation.



Whistle blowing or Complaints

The Company has provided channels for all stakeholders to report or complain about unlawful activities or those in violation of the law, rules, regulations, or corporate governance principles including incorrect financial reports or defective internal control systems of the Company to the Independent Director and Audit Committee.

Channels to report or complain

E-mail : Audit_Com@cssthailand.com

Mail : The Audit Committee
 Communication & System Solution PLC.
 329 Moo.3 Banmai, Pakkred, Nonthaburi, 11120

Action after Receive the Complaint

Once we received the complaint, the Audit Committee will consider the complaint and inform the relevant parties to investigate facts about the complaint and resolve the complaint appropriately. The Audit Committee will periodically monitor the progress of complaint. The relevant parties will notify the result to the complainant within a reasonable period. The Audit Committee shall report to the Board of Directors.

Protection and Confidentiality of the Complainant

To protect the rights of complainant and relevant informants who acts in good faith, the Company shall keep all information of complainants and informants in confidentiality. Only the persons who are responsible in conducting inspection about the complaints can have access to such information. The assigned persons to handling the complaint are responsible for keeping all information regarding the complaint, relevant documents as confidential and shall not disclose such information to other persons unless the disclosure is required by laws.

Environmental Protection and Efficient use of resources

The Company has concerned and promoted employees to save and use resources efficiently for the maximum benefit. The environmental impact is major to consider. So the Company sets policy for employees as follows;

- The company set requiring to care the environment and use resources efficiently is part of the company's operations and consistent with the law and other regulations.
- The Company consider that take care of environment and use resources efficiently is the responsibility of all employees.
- The Company supports knowledge for the employees in the way of caring the environment and use resources efficiently to raise awareness to employees all levels, realize and keep importance in



Environmental Protection and Efficient use of resources. The new employee has to be training about the environment protection and efficient use of resources.

Knowledge and training in the environment

In addition, training and educating new employees of caring the environment and use resources efficiently. In 2017, the Company has course for training employees about transportation management and developed its transportation system seriously, focusing on changing work processes to reduce environmental pollution

The audit fee

The Company's financial auditor is Ms. Krongkaew Limkittikul, certified public accountant registration no. 5874 of EY Office Limited was approved from the AGM 2017. Who is independent and have no relationship or any other types of stake or interest with the Company, its executives, major shareholders or persons related to those mentioned. Total of The Audit Fees in the year 2017 is 2,725,000 baht. Details are as follows;

	CSS	NWC	Energy
Yearly Audit Fee	1,320,000	440,000	185,000
Quarterly Reviewed Financial Statement (3 quarters)	450,000	240,000	90,000
Total (Baht)	1,770,000	680,000	275,000

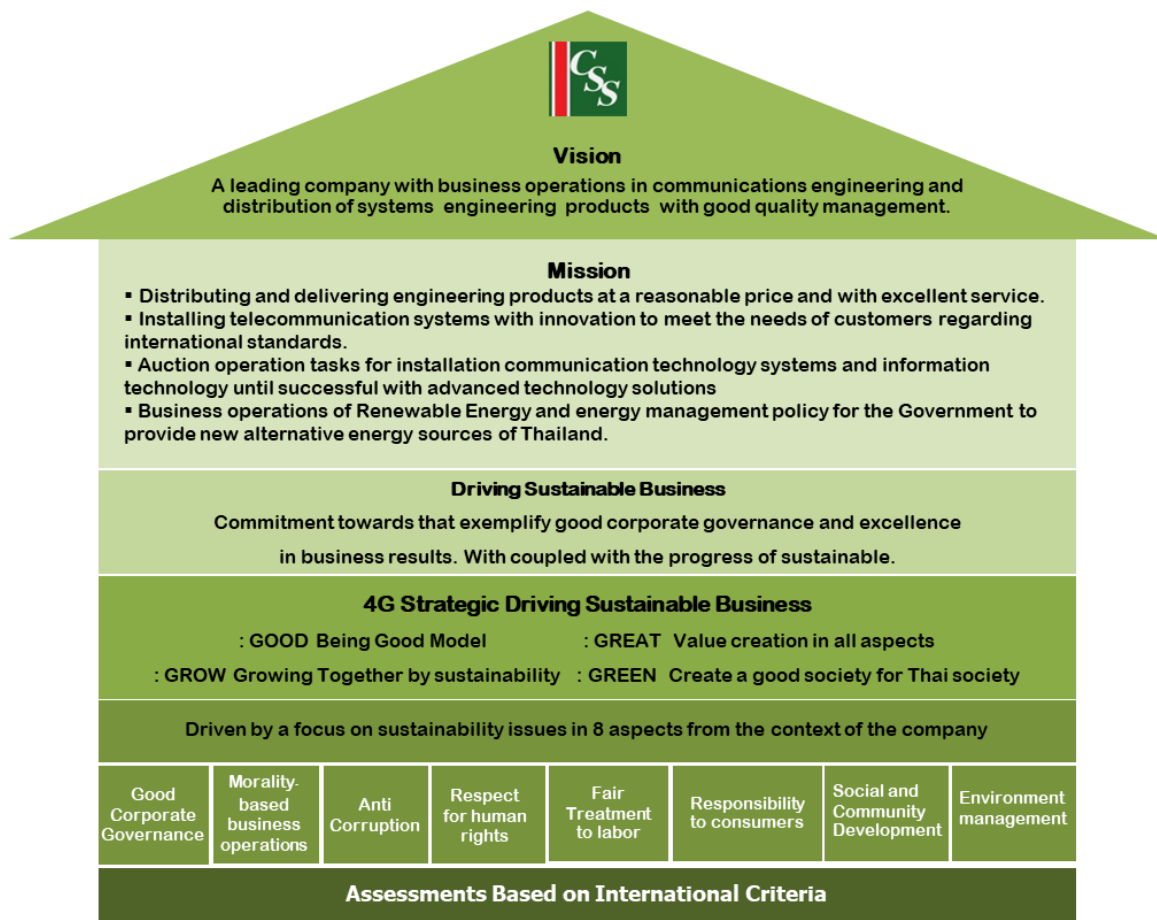
In 2017, There is no other service audit fee Apart from the above list.

Corporate Social Responsibility

Communication & System Solution PLC has prepared a sustainable development report continuously since the Company was listed company on 3 September 2016. Principles of report writing based on the guidelines of the Securities and Exchange Commission. With the aim to make company be good model organization in the implementation of social responsibility.

The Development and improvement this report is from joining training and seminars, thus resulting in the application of planning information and management framework to prepare a sustainability strategy based on the context of the organization as follows;

- 2013 Report in 8 aspects in operating with Corporate Social Responsibility under the guideline of ESGs
- 2014 Writing in policy to covers 8 primary and disclosure of information in truth under the principle of ESGs.
- 2015 The preparation of strategic to use is the main mechanism leading to international standards.
- 2016 The preparation of activities under framework of 4G strategy
- 2017 4G strategy towards sustainable development goals (SDGs).





Driving business in sustainability

Striving toward the Organization as a good corporate governance and excellence in business results, coupled with the strengthening of sustainable progress.

Corporate Social Responsibility Policy

- **Good Corporate Governance**

To support business operations that comply with its good governance standards; determine to improve operations in accordance with international practice.

- **Morality-based business operations**

Emphasize on concrete and clear practice guideline that cover all stakeholders which will cause sustainable growth based on fairness business conduct and encourages enthusiastic participation.

- **Anti-Corruption**

Emphasize risk management by being the capability to define risks and provides strong fortresses to prevent them; determine to be an anti-corruption role model.

- **Respect to Human Rights**

Promote international-standard practice of human rights. The practice covers all groups of workers, from directors and executives to operating officers.

- **Fair Treatment to Labor**

Encourage and allow all groups of employees to express their opinions, which may deal with quality of life or work performance, not only will this benefit the company, but it will also lead to sustainable growth together.

- **Responsibilities to Consumers**

To offer genuine benefits to consumers in order to maximize satisfaction, resulting in sustainable consumption.

- **Community and Social Development**

Supports participation in the development of society and communities; focusing on local participation in the development; to boost social and cultural strength; advertises and promotes operations that can lead to the increase of value for overall concrete benefits of the company and society. Such effective immunization will lead to long-term self-dependence, which then will reflect the truly improved social quality.

- **Environmental management**

CSS encourages the use of natural resources on a sustainable basis. It emphasizes the importance of pollution prevention using internationally-standard assessment tools.



GOOD: Being GOOD Model

Communication & System Solution Public Limited Company has realized of being good model to run business with transparency, accountability, and take into account all stakeholders under good corporate governance and business ethics principles. Our previous performance have proved its commitment to enhance its credibility in all aspects.

Good Corporate Governance

Company prioritizes Corporate Governance policy as our first mission to be accomplished with intention to practice concrete results. Company strongly believe that consequences will lead to creating trustworthy for all stakeholders on this below.

- Upgrading the Quality of Thai Corporate Governance Survey from the Thai Institute of Directors (IOD) in year 2017 states that quality upgrades has been achieved by 2016 with a 3-star rating and increase in 2017 to be 4-star rating which is categorized as excellent, also received Top Quartile award among group of companies with a value of 3,000 - 9,999 million with 87% highest scores in range of 4-stars.

- Raising Quality of Quality Assessment for Shareholders' Meeting from the Thai Investors Association (TIA) in this year 2018, company still maintains its 4-star rating with 99% which categorize in excellent group. Annual General Meeting of Shareholders in 2017 run smoothly complied with good meeting practices that reflect image of confidence for shareholders and investors.

➤ Upgrading information disclosure in the annual report is an important mission, company adheres to its intention to be a transparent and verifiable organization to all stakeholders and equalize fairness in the trading of securities under the correct and complete information provided by the Stock Exchange of Thailand. In 2017, company discloses essential information on these followings

- Separation of duties between Chairman and President
- Holding the position of the President in another company
- The succession plan Position of the President
- Rules on Consideration of Remuneration for employees of the Company
- Whistle blowing and Complaints on the company's website
- Disclosure the business ethics and code of conducts on Company's website
- Average number of hours of employee training courses.
- Responsibility Policy of creditors
- Responsibility of Directors to track the performance of the management
- Training of employees to educate security and Occupational Health
- Encourage employees to use resources with value.
- Responsibility Policy of customers

➤ Revise criteria for director remuneration to comply with requirements of corporate governance

- Improve criteria for selection of directors to comply with the requirements of corporate governance
- Improve community and social responsibility to comply with the requirements of corporate governance
- Improve environmental policy to comply with the requirements of corporate governance
- Additional reporting of spouse and underage children's securities holdings
- Additional opinion of the Audit Committee on the connected transaction
- Additional message in the topic of Audit Committee Report

Nevertheless, company has promoted necessary information to the employees thoroughly ie. Staff guidebook, Ethics and Code of Conduct also corporate governance management communicating through the intranet in order all staffs to aware of their duties and use information as a guideline for their proper practice to retain good member of being a listed company.

The audit of adequacy of internal control

Under the supervision of the Securities and Exchange Commission (SEC) focusing on building trust among business stakeholders with transparency. Company has realized and adhered to the practice throughout. It is an important tool in identifying the efficiency and effectiveness of business operations. In 2017, company changed its audit plan to conform with company's strategy with audit's scope as follows.

- ❖ Q1. Recruitment and training of employees / control of information technology systems
- ❖ Q2. Controlling payment of sale promotional expenses
- ❖ Q3. Annual budget
- ❖ Q4. Inventory Control / Sufficiency of Internal Control System according to SEC

Conclusion, company has adequate internal control system to achieve the business objectives.

Extension scope of risk management to affiliates

For create confidence for investors and all stakeholders, also reduce the risk that may happen in the future as well. From previous year 2016 performance, company has reviewed and revised the risk management manual to be under international standard and has already passed the audit which leads to the expansion of risk management in 2017. Company has policy to expand the results of risk management manual to its subsidiaries, NeonWorx Communications (Thailand) Co., Ltd in order to adhere to manual which is verified from internal audit.

Anti-Corruption practice

company has realized the importance and intention by joining the activities both participating in a detailed statement about preparation for renewal (Re-certification) held by Thai Institute of Directors (IOD) and participating in joint efforts to tackle corruption at the Anti-Corruption day under the concept "New government old corruption held by Anti-Corruption Organizations (Thailand) . In 2017, company accomplished its goal by review of Self-Assessment forms to prepare for CAC Certification in 2018. Thus, provision of such information has benefited from an internal audit process linked to development of more comprehensive Anti-Corruption Resource Guide.

**GREAT: Value creation in all aspects**

Communications & System Solutions Public Company Limited recognizes importance of reviewing work performance annually in order to develop the work process in every dimension to excellence and utilize that tools to enhance success substantially leading to deliver of goods and services to stakeholders' maximum satisfaction and sustainability.

Measurement and Evaluation of the Board of Directors

Company has guidelines for measuring and evaluating performance of Board of Directors complied with principles of Good Corporate Governance which is reviewed once a year to help Board review past performance, and obstacles during past year to solve problems together and develop effectiveness of corporate governance. Adhere to principle and appraisal topic related to SEI practice comprises of

- Composition and Qualifications of the Board of Directors
- Board Meetings
- Roles and Responsibilities of the Board of Directors
- Duties and Independence of the Board of Directors
- Relationship with the Board of Directors Management
- Board Development

which appraise are different sub-headings based on roles and responsibilities.

For self-assessment process of Board, Nomination, Compensation, and Corporate Governance Committee will consider performance of the Board of Directors and the committees prior to propose to the Board of Directors for consideration. Secretary will submit the evaluation form to the Board of Directors to appraise annual performance. After evaluation process has been done, will be submitted back to secretary to collect scores of each individual. The results of the performance appraisal of the Board of Directors were analyzed and reported to the Board of Directors for acknowledgment and to seek direction in supporting the performance of the Board which evaluation comprises of self-assessment form of the Board, subcommittees and individual committee.

More than 85 %	=	Excellent
More than 75 %	=	Very Good
More than 65 %	=	Good
More than 50 %	=	Acceptable
Less than 50 %	=	To be improved



In 2017, the self-assessment of the Board of Directors, individual and sub-committees can be summarized as follows.

- Board of Directors average score of 99.11% as excellent, highest score is structure and qualifications of Board, this result in importance of recruiting directors for their positions. It must be a knowledgeable person with many different types of professional skills in order for Board to advise company beneficially for the future business.
- Board of individual average score of 99.46% as excellent, highest score is structure and qualifications of Board, because of wide range of expertise. They can provide useful advice on the company's business.
- Audit Committee average score of 100% as excellent, because Audit Committee can perform its duties according to independence from the management to provide useful advice on business.
- Nomination, Compensation and Corporate Governance Committee average score of 100% as excellent, due to they can adhere to duties in recruiting Boards and calculate remuneration including compliance with requirements of Good Corporate Governance.
- Risk Management Committee average score of 98.63% as excellent, highest scores is duties and responsibility of committee, due to reviewing risk management process effectively in accordance with principles of good corporate governance, also expanded its risk management to subsidiaries.

Evaluation of the President

Nomination, Compensation, and Corporate Governance Committee will consider and approve the remuneration of the President and submit to the Board of Directors to consider appropriateness of remuneration using Corporate KPI measurement and evaluation system of the President that adheres to international management principles scoring by Balanced Scorecard including 4 aspects; Financial performance including business performance, Customers, Internal process and Learning and development regarding to leader performance based on the guidelines of the Stock Exchange of Thailand and apply to corporate practice to consider remuneration and incentives. It also applies concept of sustainability through use of financial perspectives to lead how to manage cash flow economically, to provide good value for good internal management to satisfy all stakeholders.

Besides evaluation guidelines, company also consider compensation for fairness and effectiveness based on information from the business results and comparison among industry which classify into short term such as Salary criteria, annual Bonus, other welfare and long term benefits such as Provident Fund.

Conclusion, results of President's assessment in 2017 were higher, with 86% in 2016 and 89% in 2017 in good standing.

**Succession plan of senior executives and the President**

Company recognizes importance of succession planning for top executives and the President to ensure sustainable management. Nomination and Remuneration Committee Corporate Governance determines qualifications of the successor to all aspects of management including knowledge management skills and experiences to ensure that the successor has knowledge sufficient ability to officiate. It also sets the potential for good leadership that information is based on assessment of the Stock Exchange of Thailand and applied to the context of company and assigned Human Resources Management to be responsible for project. Starting from the process of selection of external quality institutes and developed a program of qualified executive development that meets the criteria and guidelines which includes the testing and selection process on summary and report format. This will be used to provide information to the Nomination, Remuneration, and Corporate Governance Committee.

Communicating information accurately and thoroughly.

Communicating accurately is essential tool to lead organization to achieve goals and efficient communication will create good relationship toward sustainable organization. In 2017, company has achieved this goal on these followings.

➤ Internal communication is good starting because company is the center of the delivery of good products and services. It is essential to have a consistent and accurate understanding process. Company has developed an effective internal communication system (Intranet) to provide easier access to information together with tracking system for reporting and adding PR board to all key areas and organize activities to stimulate the performance of work for the purpose of all employees get to know current situation. It leads to the preparation for change in a timely manner.

The main content that focuses on communication is categorized into 2 types: business news leading to increased competitiveness of the organization and with regard to the human rights of all employees promoting notification of benefits, including the improvement of other benefits.

➤ External communication Be responsible by secretary and investor relations to publish information to all stakeholders. Therefore, importance of information disclosure under regulation of Stock Exchange of Thailand has been prioritized.

In 2017, company participated in the activity. "SET Opportunity Day" was organized by the Stock Exchange of Thailand (SET). There were about 40 analysts and investors and two phone calls were made which were Make Money 97.0 Mhz. on 22 May 2017 and World & Economic Time TV Springnews channel on 19 June 2017

In addition, company has developed its website for investors and interested individuals by placing the format and information on the Investor Relations website to have easier access to information on this below.

- More sales channels on website including changes of product presentation format
- Separate menu icon on website between Corporate Social Responsibility Report for PR effectively
- Add complaint channels on Corporate Website

ISO 9001: 2015

Communications & Systems Solution Public Company Limited has been certified ISO 9001: 2015 quality system. Training and development of knowledge to the management and staff has been set up to aware of the content, limitations and different details that positively affect to work under framework of new quality system efficiently which quality enhancement leads to satisfaction and deliver responsibility to the customer sincerely.

Opportunity for students to join with company

Company recognizes to improve experience through practical experience. In 2017, company has received many interns from various institutions, taking into consideration equal opportunities and thorough training totally 22 students including,

1. Suan Sunandha Rajabhat University
2. Rajamangala University of Technology Tawan-ok
3. Sripatum University
4. Rangsit University
5. Rajamangala University of Technology Phra Nakhon
6. Phranakhon Rajabhat University

After end of the apprenticeship period, company arranged discussion session for students to speak with President. Company expects this experience to impress and gain a new perspective on life in the future.

Human rights promotion

Company has taken into consideration about promotion of human rights by listening employees' voice through Employee Welfare Board which main activities are as follows:

- Employees are free to present information via conference / survey
- Company strictly adheres to employment regulations under the Labor Code
- Right to freedom of thought focusing on safety and hygiene of employees



In addition, in 2017, Company began to support public sector projects that provided opportunities for retirees to return to work under company's regulations. This way not only create value to employees but also company can retain employees with loyalty and expertise.

GROW: Growing Together

Communications and Systems Public Company Limited is committed to development of excellence in all aspects. We are committed to meet needs of stakeholders, together with sustainable growth.

Human Resources Development Policy

Company has clearly defined human resource development policy with full awareness that employees are key to business' sustainability, so, policy is clearly set to promote and support development of potential employees. It is classified into 3 main areas as follows.

1. Human Resource Management (HRM) provides employees with better quality of life and being happy at work as second home which all employees can consult with HR Clinic to create good relationship with the organization.

❖ Company takes care of staff closely as a family member when they are sick staying at the hospital.

Company has arranged a staff to visit as our practices. In addition, they are aware of the beloved one who has died, by donating the money to the funeral parents and also some activities for their children.

❖ For better quality of life, company provides provident fund for discipline, also gives employees opportunity to set their retention rates from 3% to 15% . And contributes funds to the Fund based on the company's working life in accordance with the rules no more than 5% of the salary base based on employee's age and volunteering. This will be paid back to employees upon retirement or when leaving.

Moreover, employees who have faced with economic problems, company has helped with provision of low interest loans with responsibility under human resource department by adhering to condition, qualification and guideline for better saving discipline.

❖ Employee health care is our mission to continually develop. Every year, employee receives a health check. With providing counseling to employees who have abnormal test results. Besides, company also promote healthy sports activities such as sports activities, aerobic activity and table tennis etc.

❖ Other facilities that company has provided to support the quality of life in the workplace, is delivery service of staff, supply for employee uniform and festivals and the various activities such as New Year's merit activity,. Songkran Festival, also CSS's flea market.

2. Human Resource Development (HRD) is promotion of human resources with a variety of learning methods and to bring knowledge to use in the real work which affects the progress of the future employees.

❖ Human Resources department conducted survey on training needs by submitting surveys every year. After management of each line complete survey, then returned to Human Resources to collect and prepare annual training plan including budget for annual training and prepare proposal for approval from the Executive Board meeting. After training, Human Resources staff will assign staff to evaluate for their training.

❖ Results of human resource management that are key indicators of the success of this year's development are as follows.

- The achievement of annual training plan was 94.14%.
- The measurement of employee satisfaction in training was 82.53%.
- The budget for training costs was reduced to 10.61 percent.

❖ Training with a development framework focuses on content of curriculum that supports effective work for benefit of organization. In 2017, company organized 60 training sessions both inside and outside the organization for management and employees. The average hourly rate is 17.13 hours per person per year.

- In-house training by inviting external experienced speakers to transfer knowledge. In 2017, company organized 12 in-house training courses to meet international standards.
- External training, company sends employees and executives for training. These are specific courses in the work of each department such as Electricity generation from community waste, Corporate Social Responsibility Program for Sustainable Development, Deferred tax, Corporate Health Check-up Program, Study and analysis of financial reports, Strategic CFO in Capital Markets, Capital Markets 4.0, Marketing strategy for government, Mind Marketing & Skill Set for manager People & related to Good Corporate Governance under Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), etc. In 2017, company has provided totally 48 outside training courses.

In 2017, President actively supported activities of learning and developing such as 2017 onwards, President will provide speech for "New employee orientation" to create morale encourage and motivate employees to work with them.

In addition, training seminars with partners is essential for corporate business as a reseller. Company encourages continuous training and transfer of information between employees and business partners to add new information regularly. This will lead to confidence in products and services as well as maximize potential of sales staff.

3. SQM: Safety & Quality Management, company is aware of quality and safety management by categorizing into these;

❖ Employee Security



- Company provides training to educate employees on the safe work practices which included in the course that new employee will have knowledge before starting work with safety.
- Providing a training on safety, occupational health and work environment, also provides staff with safety in life and property as well as good hygiene, such as training courses, tower cranes, crane boats, high voltage operation courses, electrical safety course, fire prevention course (Fire drill).

In addition to educating the organization, company recognizes and values safety as one of the key elements in the business to achieve goals, so expand this training and educating to contractors as well.

- ❖ ISO 9001: 2015 quality system, 2017, company has been able to upgrade its quality with the latest ISO 9001: 2015 certification. This is to create responsibility and confidence that quality of products and services is recognized internationally.

Employee remuneration management

Company has a policy to consider compensation and benefits to employees at all levels. This is consistent with company's performance both short-term and long-term management are as follows.

- ❖ Short-term benefits

- Company has set salary structure of employees appropriately according to the qualifications, knowledge, ability and experiences comparing to companies in the same industry.
- Company has adjusted the wage rate with annual bonus one year, which is in line with company's performance. It is based on the profitability of each year and performance measurement. Key performance indicators (KPIs) are used to determine performance of employees and departments, also comparable companies the same industry and in line with the operating results.
- Company provides various benefits to employees, including accident insurance, life insurance, health insurance, and annual health check-ups. Good health and other benefits include funeral expenses, seminars for employees, etc.

- ❖ Long-term benefits

- Company has recruiting criteria for employee recruitment on a one-time basis, using KPI (Key Performance Indicators) and performance benchmarks to assess employee's capability.
- Company has provident fund for employees to support and motivate employees to have good savings discipline. Company also allows employees to set the retention rate from 3% to 15% . However, company contributes funds to the Fund based on Company's working time in accordance with the regulations, but not exceeding 5% of the salary base based on age and voluntary. This will be paid back to the employees upon retirement or when leaving.

**Sustainable Development of Stakeholders**

Communication & System Solution PLC has divided the stakeholders into 8 main groups: employees, shareholders, customers, creditors, partners, competitors and the society and lastly is the environment. The principle of management is to reach all stakeholder group and also provides opportunities for stakeholders to express their opinions to exchange information that is beneficial in order for better management in the future. In 2017, company has reviewed and added additional stakeholder groups, namely creditors, with additional development plans to lead to better corporate governance sustainability.

Employee

Participatory channels	:	Listening to complaints and suggestions / Organizing festivals / Job Satisfaction Survey / Board Meetings/ Employee Benefits
Responsible agency	:	Human Resource department
Report to	:	Executive/ President
Request	:	Welfare and compensation / security and progress / development Occupational Health and Safety / Quality of Life
Process	:	Employee Opinion Survey / Complaints and Complaints Suggestions / Corporate meeting with management
Sustainable Development Plan:		1. Create effective human resource management system. 2. Create a fair return management system. 3. Maintain a safe working environment. 4. Development of knowledge and competitive workers 5. Organize activities creating intimacy between corporate workers

Shareholder

Participatory channels	:	Annual General Meeting / Company Website / Meeting Investors and Stock Exchange of Thailand
Responsible agency	:	Secretary and shareholders
Report to	:	President / Board of Directors
Request	:	Good returns / Growth of the company / Management with Good governance.
Process	:	Annual General Meeting of Shareholders / Good Corporate Governance / Hearing and Feedback
Sustainable Development Plan:		1. Building investor confidence. 2. Make a solid and sustainable return. 3. Disclosure of accurate, transparent and verifiable information; offering variety of channels for benefit of shareholders and investors.



Customer

Participatory channels	:	Customer Satisfaction Survey / Complaint Form and Suggestions Promotional Activities
Responsible agency	:	Sales and Product development
Report to	:	Managing Director of Sales / President
Request	:	Satisfaction with quality products and services at fair prices / speed
Process	:	Customer Satisfaction Survey / Receiving Complaint and Suggestion

Sustainable Development Plan:	1. Deliver quality goods and services at fair prices. 2. The satisfaction survey was improved and upgraded service 3. Responding to complaints quickly. 4. Build effective customer care system.
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Creditor

Participatory channels	:	Suggestions / Complaints / Conferences
Responsible agency	:	Accounting and Finance
Report to	:	Managing Director, Finance / Accounting / President
Request	:	Correct financial information / timely payment of money
Process	:	1. Adhere to Compliance / Contract 2. Operate under the rules and laws. 3. Submit the correct financial information

Sustainable Development Plan:	1. Analyze results of survey to improve the work. 2. Quick response to problems. 3. Build a system to maintain the financial condition effectively
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Partners

Participatory channels	:	Annual Meeting / Partner Visit / Get Feedback Books and e-mail / Partner training
Responsible agency	:	Relevant parties in sales and service
Report to	:	Managing Director of related group / President
Request	:	Reasonable price Timely Payment / Business Transparency And sustainable
Process	:	Organizing events with partners / conferences
Sustainable Development Plan:		1. Fair and equitable treatment of partners. 2. Be honest in business. 3. Avoid buying products that violate human rights or violate intellectual property



4. Build confidence in compliance with the terms of trade agreements

Competitor

Participatory channels	:	Industry representatives
Responsible agency	:	Related Management / Secretary and shareholders
Report to	:	President
Request	:	Business Transparency and Fairness / Competition under Ethics and Law
Process	:	Provide information through reliable communication channels.
Sustainable Development Plan:		<ol style="list-style-type: none">1. Operate in the framework of good competition.2. Work under ethics and law3. Do not ruin the reputation of a competitor both direct and indirect

Community and society

Participatory channels	:	Organize community activities / listen to complaints / meetings
Responsible agency	:	Human Resources / Secretary and Shareholder
Report to	:	Managing Director/ President
Request	:	Create good relationships / Support community activity sustainably
Process	:	Set up community activities / hearing exchange
Sustainable Development Plan:		<ol style="list-style-type: none">1. Promote good tradition of community2. Provide support to school children in the community3. Encourage good sense of social responsibility seriously4. Participation in Corporate Social Responsibility with other institutions <p>In order to seize the power to produce better results</p>

Environment

Participatory channels	:	Environmental Institute website / Conference
Responsible agency	:	Human Resources / Secretary and Shareholder
Report to	:	Managing Director
Request	:	Environmental Protection / Pollution Control
Process	:	Explore inside of organization / updates on environmental protection including under the current law/ Listen to suggestions and complaints
Sustainable Development Plan:		<ol style="list-style-type: none">1. Practices under strict environmental law.2. Planning and monitoring of pollution control in the work process.



3. Have a plan to build credibility to solve problems sincerely

❖ Build confidence in product quality and service

Company has realized how important of creating confidence in quality of products and services by welcoming business partners to check system or protection practices with great willingness and pleasure such as monitoring system management, safety policy, training, follow-up results are in accordance with the appraisal standards of Huawei Technologies (Thailand) Co., Ltd. which are in good order and satisfactory.

❖ Customer Satisfaction Survey

Company has realized of quality and standard of its products and services, resulting in its responsibility to the customers with honesty and fairness. Company conducts a customer satisfaction survey on a yearly basis in order to maintain a good relationship with customers. In 2017, company has summarized customer satisfaction with the average score of 4.38 (5 points) as follows:

Evaluation	Scores
1. Products (Diversity / quality / packaging)	4.37
2. Management / Service (Advice / problem solving / responsive)	4.41
3. Selling price / bid price (Offer price / value / responsive)	4.24
4. Ordering (Reasonable time / action)	4.20
5. Delivery (Planned / Compliance / Product checked / Document Compliance)	4.53

GREEN Create a good society for Thai society

Communication & System Solution PCL would like to be part of creating and promote good things with Thai society and maintain a good ethical and environmental protection in order for successor in sustainable way.

Thai traditions and customs to maintain a good society

➤ Children's Day Activities

The company continues to operate with awareness of development of knowledge and skills for self-improvement to society. Company has set up activity with Wat Salak Nuea school, Nonthaburi including many activities which encourage children with drawing painting under topic of The Royal Activities of HM the King Rama 9 with purpose to the most memorable remembrance of King Rama 9 and want children to learn more about the Royal Thai people. This activity allows students of all levels to participate in all activities. The prizes are awarded by professional instructors and the management team.

The Company also donated scholarships to students at Wat Salak Nuea School, Nonthaburi Province, who are well-behaved but lack financial resources. This activity encourages students to have good goals in the future as well as promotes good student prototypes to other students in the school.

In addition, company also sponsors school's sporting activities led by Mr.Montri Kangsawiwat Deputy Managing Director Participated in this award. The atmosphere in the sport of children this year is more exciting and fun.

For staff's children day activities, company encourage their children to behave good with the surrounding people by writing narrative stories and then submit to the contest. The management is a judge and award. This activity leads to a good bond with the employees in organization.

➤ CSS sharing love to Thai Society

Volunteer of company has brought happiness to the children along with daily life products sent to Baan NontaPhoom Pakkret Foundation, led by Ms.Ananya Greethapol, Assistant Managing Director. This activity is filled with warm atmosphere. It has been a great day for both the giver and the receiver.



➤ **Love Mother**, company has organized a good activity for elderly mothers in nursing homes at Mitrapap Songkro Foundation totally 100 mothers who can help themselves and disabled by deliver daily use product and money. This activity gives lots of participants with joy and laughter.

➤ **Donated wheelchairs for the disabled**

The company has provided support "wheelchairs for people with disabilities" by volunteer as donation representative to deliver wheelchair for poor and disabled to carry out daily activities and used for self-employment and family at the Thai Disabled Foundation, Pakkred, Nonthaburi.

➤ **Donate money to help the hospital**

The Company donated money to help 11 hospitals in need and help to increase potential of patient care to meet the needs of the "Step by step" project, organized by Mr. Toon Bodyslam and team of fundraising activities with a long distance from Betong - Mae Sai 2,191 km, which donations funded by employees in companies for social assistance.

➤ **Songkran festival**

it is a tradition that company has adhered to the prosperity of life, it is Thai tradition which mean many auspiciousness, except being an important day of happiness in family as well as start working. All employees in the company share holy water and blessed from senior together with apologize for things happened in the past, there may be a lot of frustration at work. This ceremony was filled with warm atmosphere and happy smile that believe this good activity will drive organization to sustainable success.

➤ **Corporate birthday in August**

it is held annually of Company's Birthday in August. All employees are reminded of the importance of the company. This is the center of success in all our aspects of CSS both have good careers and lead to stability in family life. Thus, this important day, we will all realize that no matter what obstacles CSS family will share in the happiness, love, unity, resolve to succeed. The ceremony in the morning provided sacrifice to the shrine of Brahma and court with offering of food to the monks. In this event, all executives and employees are well received and all of them have the strength to continue working.

➤ **Show loyalty**

CSS participated "Confucius Artificial Flowers" by all staff together to fold the flowers to the royal ceremony to present The Royal Burial of His Majesty King Bhumibol Adulyadej and also participate in project. "Grow marigold flowers. Yellow for all the land "to bow to the charity as well.

Safety and Occupational Health Leading to a good environment



➤ **Adhere to good security policies** Company's annual planning is based on the corporate policy of having the best wishes for all employees to work together happily and safely.

1. Safety in work is the first responsibility of every employee.
2. Company will encourage improvement of working environment safely.
3. Company will encourage various safety activities that will stimulate employee awareness such as training, incentives, public relations, safety competition, etc.
4. Supervisors at all levels must behave good model as leaders to train and motivate employees to work in a safe way.
5. All employees must take into account their own safety, colleague and company's assets are all important throughout operation.
6. All employees must keep area clean and in order.
7. All employees must cooperate with company's occupational safety and health program and have right to comment on improving working environment and how to work safely.
8. Company will setup performance assessment follow policy regularly.

➤ **Awareness training** in 2017 is a year of intense focus on knowledge under the Safety Act. company concern much on importance to safety and occupational health and more environmental protection by showing in plan for training, keeping content up to date. The program is scheduled for the annual training. The training courses are as follows.

- Training to educate new employees on safety, occupational health and environmental practices. Company expects new employees to have knowledge they need before they start working with safety and good health and after new orientation was completed, Supervisor will take care of teaching job and provide additional safety and environmental information for each job / area.
- Prevention and firefighting training (fire drill) have been set up every year which cover both headquarters and all of its subsidiaries. It also builds monitoring systems to maintain effective fire prevention and containment systems. The Safety Officer (PM) is responsible for all duties and reports on a monthly basis. This makes in 2017 company did not report any accidents that lead to stop working or death in anyway.
- Company has dispatched employees to learn more on electricity with outside training to understand and to work safely such as assigned to the work nearby high voltage. This is in accordance with the rules, procedures and conditions prescribed by the Ministerial Regulations.
- Security training for employees involved in high-altitude jobs. In 2017, company encourages employees to attend training courses; crane tower and boat crane to increase confidence and safety of employees including properly performing duties as an entrepreneur under Ministry of Labor.
- In addition to the knowledge within the organization, company also recognizes safety as one of the key factors in the business leading to company's goals. Therefore, company set policy of extending the training to educate / guide safety and health to the contractors of the company.



➤ **5s basic activities of keeping clean** company continues to hold 5 consecutive activities among Head office, Ramkhamhaeng 40 and Eastern branch. This year, apart from cleaning in the private area, executives and employees were also allocated common areas for joint cleaning made things more fun and warm.

➤ **Health and safety at work** what company operates on a regular basis is air quality management in the office building with regard to cleaning air conditioner. For the safety of all employees, it is scheduled every 3 months (4 times a year). For Warehouse Building, company conducts inspections under the law which is to measure environmental quality at work.

➤ **ISO 9001: 2015** is the year the company is proud., company has been able to raise its confidence in quality with the latest ISO 9001: 2015 certification. This is a tool to create responsibility and confidence with customers, as well as to certify the quality of products and services to be accepted internationally.

➤ **Environmental improvement** as a result of continued enhancement of the ISO 9001: 2015 quality system, company has developed its transportation system seriously, focusing on changing work processes to reduce environmental pollution. As a preventive measure as follows.

1. Management of transportation system to improve quality without wasting with addition of three coordinating branches to maximize efficiency and reduce run-of-the-mill run.

2. Plan the transportation efficiently, by studying the shortest path of transportation. Increase shipment management on the same route and increased coordination at all times to ensure the most effective running.

3. The most efficient way of arranging goods on a car focusing on quality of product placement to carry the most. to reduce runoff. This will reduce the amount of air pollution.

4. Plan to receive - delivery within the warehouse to reduce running distance of the Fork Lift and not to Double Handling to reduce the amount of energy and oil.

5. Educating employees to save energy in terms of electricity consumption. And supplies to reduce energy consumption and reduce costs.

➤ **Quality waste** from the past year, company has created a project to "separate dispose make money" to help preserve environment within organization clean and beautiful increase safety in work. It was found that some waste disposal. It is good to return to increase organization 's revenue and some parts can be recycled to use. In 2017, company recycled some recycled materials and usable which company can reduce operating costs such as prepare / improve bench seating area around company The result is a more beautiful landscape.

➤ **Awareness of the earth beneath the sea** The company has brought staff to learn how to grow coral to conserve natural sea at Toei Ngam beach, Marine Corps gulf, Sattahip, Chonburi. The company is part of creating a better awareness to the staffs and Lead to forward the correct information to the people and tourists help preserve the marine ecosystem to remain in Thailand for a long time.



Internal Control and Risk Management

Board of Director Opinion about Internal Control

Company has concerned about internal control by assigning Audit Committee to monitor and evaluate regularly. Company has concentrated to adequate and appropriate of internal control system for operational efficiency consists of resource usage, property maintenance and deter instance of errors or fraud. Board of Directors Meeting No.1/2018, 23rd February 2018, by 3 member of Audit Committee to attend the meeting, they express opinions about adequate and appropriate of internal control system refer to "evaluation of adequacy of internal control systems" of Security and Exchange Commission, Audit Committee report on internal control and make recommendation focusing on operational investigation regularly improve in efficiency and effectiveness, monitoring and reporting audit report to Board of Director regularly.

Audit Committee Meeting 4 times in 2018, Auditors and Internal Audit Office, Audit Committee has performed their duties with regard to law and scope of work assigned by Board of Director in accordance with Audit Committee Charter, e.g. Financial Report Review, Governance and Risk Management, appointment of an Auditor, supervisory Internal Auditing compiles with laws and regulations related to business operation.

Board of Director has opinions in internal control system as same as Audit Committee and be summarized as follows;

1. Organization and Environment

Company promotes and supports in corporate environment of internal control adequately, Board of Director in Corporate Governance consist of all company management set goals and clearly annual plan, measurable, business process plan development and strategic planning process ready to respond situation and business fast change in according to organization structure, there have chain of command, approval authority and clear functional group to build business operation flow indicating measurement to perform and follow up outcome comparing with goals. Company is focusing on recruiting process and standard in human resource management to suit for corporate culture and provides reasonable employee compensation. Company raises Code of Conduct and expects all employee to conduct themselves in honesty, ethical manner and responsibility to stakeholders. In Anti-Corruption, it is under information preparation process due to containing important information be consistent with internal control auditor's audit plan of 2017, as well as a review of the self-assessment data preparing for CAC certification application in 2018.



2. Risk Management

Company has concerned about its operating policy and risk management procedure by all management level and functional area to monitor in risk assessment, impact of risk, likelihood of occurrence and risk management planning with Risk Management Committee review throughout organization conform to both internal and external risks. Company has clearly defined its scope of risk lead to business operation integrate with risk management system and strategic management process in the organization.

3. Control Activity

Board of Director has appointed subcommittee into 4 groups; Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Risk Management Committee and Management Committee, all of them work under scope of duties and responsibilities properly and identify protective measure to avoid conflict of interest (company vs private interest), require monitoring compliance with applicable laws and regulations as promoting management under proper and appropriate internal control system.

4. Information and Communication Technology

Company has concerned about both inside and outside Information and Communication Technology that assume as an important tool for business operation serve as performance indicator and financial report using for management decision making base on sufficient information, accurate, trustworthy and enhance in competitiveness. Company has provided communication to staff in relevant ICT laws and regulations concerning in each responsibility and accessible data clearly. Company has concerned about importance of information and communication technology improvement aiming to contribute to business activities and management efficiency.

5. Tracking System

Company has risk tracking system at management and operational level by Board of Director and Management use for evaluating the performance compare with target and provides clear direction and guidance. When found in unexpected, two subcommittees have monitored and reported to Board of Director as indicator system toward exceeding preset timely management actions to mitigate when problems be taken and find solution with relevant team monthly. In part of internal audit, they define plan focusing on balancing and transparency throughout management and operational process, evaluate an adequate and comply with internal control system establishing by management to achieve its effectiveness and efficiency, then report result to Board of Director, Audit Committee, and all management level regularly.



Audit Committee has implemented an adequacy evaluation of internal control system at Security and Exchange Commission execute with an adequacy evaluation of internal control system. Summaries are as follows;

Control Environment

1. Integrity and ethics

Questions	Yes	No
<p>1.1 The committee and management specify the operational guidelines and also rolls out the operations based on the integrity and code of conduct that covers:</p> <p>1.1.1 Daily work operations and decision making.</p> <p>1.1.2 Treatments to counter parties, customers and outside parties.</p> <p><u>Additional comments from auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Board of Director and Executive of Company have concerned about business ethics and integrity in accordance with code of conduct that applicable to executives and employees as guidance setting from company approval authorization.</p> <p><u>Evaluation data:</u></p> <p>The guidelines and compliance on Ethics in business operation.</p> <ul style="list-style-type: none"> Board of Directors approved "Good Corporate Governance" and "Code of Conduct" in Board Meeting No.2/2013 Principle of Good Corporate Governance has approved by Board of Directors through meeting No. 2/ 2013 with related content in shareholder rights, equal treatment of shareholders, stakeholder roles and information disclosure and transparency and Board of Directors accountability. Code of Conduct has approved by Board of Directors through meeting No.2/2013 with related content in Corporate Social Responsibility, client's treatment and product quality, comply with applicable laws and company regulations, security trade and internal data usage, business opportunities, conflict of interest, undisclosed confidential information and fair treatment to client. Board Charter sets out role and responsibility e. g. No. 9 identify responsibility to shareholders and act in the best interest of the shareholders and information disclosure to investor accuracy standard and transparency, No.13 represent responsibility to the shareholders regularly and enhance shareholder value maximization with information disclosure to investor accurately and transparently. 	✓	

Questions	Yes	No
<p>1.2 The required regulations are imposed in writing for the management and staff to perform work with integrity and maintain code of conduct that covers:</p> <p>1.2.1 Code of conduct for management and staff as appropriate.</p> <p>1.2.2 Prohibitions for the management and staff to engage any activities which may cause conflict of interest to the company, including corruption that may cause damage to the organization².</p> <p>1.2.3 Punishments are set out, as appropriate if the violation against the above requirements takes place.</p> <p>1.2.4 Communication about the required regulations and punishment is made among the management and all staff, such as, arranging an orientation for new staff, and staff have to sign for acknowledgment of such regulations and punishment, as well as disseminating code of conduct to staff and third parties.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Having Code of Conduct Handbook for executives and employees impose to penalize the person in violation and provide to all of them in orientation session.</p> <p><u>Evaluation data:</u></p> <p>Code of Conduct for executives and employees;</p> <ul style="list-style-type: none"> ■ Code of Conduct has approved by Board of Directors through meeting No.2/2013 with related content in Corporate Social Responsibility, client's treatment and product quality, comply with applicable laws and company regulations, security trade and internal data usage, business opportunities, conflict of interest, undisclosed confidential information and fair treatment to client. <p>Restriction on conflict of interest and corruption for executives and employees;</p> <ul style="list-style-type: none"> ■ Board of Directors approved "Good Corporate Governance" and "Code of Conduct" in Board Meeting No.2/2013 ■ Principle of Good Corporate Governance has approved by Board of Directors through meeting No. 2/ 2013 with related content in shareholder rights, equal treatment of shareholders, stakeholder roles and information disclosure and transparency and Board of Directors accountability. <p>Appropriate punishment to person who violate the above requirements;</p> <ul style="list-style-type: none"> ■ Employee manual is subject to penalties based on supervisor discretion e.g. oral warning, written warning and suspension from work without pay 1-7 days etc. 	✓	

Questions	Yes	No
<p>Above requirements are communicated to all executives and employees as including in new employee orientation session, required them to sign the acknowledgement annually as well as being published the code of conduct to employees and outsider.</p> <ul style="list-style-type: none"> Above requirements are communicated to all executives and employees through employee handbook as new-hire orientation paperwork. 		
<p>1.3 The follow-up process and evaluation of Code of Conduct is established, namely:</p> <p>1.3.1 Follow up and evaluate by internal audit or compliance unit.</p> <p>1.3.2 Self-assessment by management and staff.</p> <p><u>Additional comments from Dharmniti Auditing Co., Ltd.:</u></p> <p>Having the monitoring and evaluating process for their employee performance, including they can immediately report to supervisor when someone go to wrong direction. At the same time, Company has tracking and evaluation system as a standard performance indicator and shape written self-assessment designing business ethics as a part of evaluation. Executive and employee are evaluated about discipline, behavior, honesty and engagement through their annual performance evaluation.</p> <p><u>Evaluation data:</u></p> <p>Monitoring and evaluating by internal audit or compliance unit</p> <ul style="list-style-type: none"> Quality Management System Audit Report <p>Executive & Employee self-assessment</p> <ul style="list-style-type: none"> Board self-assessment No.3.3 Annual Performance Appraisal No.1,5,9 	✓	
<p>1.4 Any incompliance in the integrity and Code of Conduct is handled in timely manner when such incompliance is noted.</p> <p>1.4.1 Monitoring process is established in order to detect any violation in the appropriate time.</p> <p>1.4.2 Punitory management is established in order to handle the violation in appropriate and timely manner.</p> <p>1.4.3 Corrective counter-measures are implemented to rectify the incompliance actions against integrity and code of conduct appropriately within reasonable time.</p> <p><u>Additional comments from internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Having the compliance monitoring process design for management delegate monitoring to staff follow in regulation and when found in doing the wrong, those will be reported to their manager immediately.</p>	✓	

Questions	Yes	No
<p><u>Evaluation data:</u></p> <p>Having a detect violation process in the real time</p> <ul style="list-style-type: none"> Requirement is “ Employee who violate the regulations, they are subject to be punished in appropriate to the case” in employee handbook of discipline and punishment action. <p>Having an expected punishment process within the right time</p> <ul style="list-style-type: none"> Employee manual is subject to penalties based on supervisor discretion e.g. oral warning, written warning and suspension from work without pay 1-7 days or no bonus, no salary increase or employment termination, dismissal. <p>Having a corrective action to those be contrary to the ethical principle within the right time</p> <ul style="list-style-type: none"> Employee manual is subject to penalties based on supervisor discretion e.g. oral warning, written warning and suspension from work without pay 1-7 days or no bonus, no salary increase or employment termination, dismissal. 		

2. The board is independent from the management and has the oversight function and develop to operate internal control.

Questions	Yes	No
<p>2.1 The roles, duties of the board of directors are separated from the management by stating the right reservations of the board of directors clearly.</p> <p><u>Additional comments from internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has clearly defined in role and responsibility of Board of Director as written separate from management and approval authorization in the “Summary Table of Authorizations” in written.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> Board Charter approved by Board of Director Meeting No.2/2013 Management Charter approved by Board of Director Meeting No.2/2013 Summary Table of Authorizations approval sign on 8 November 2017 	✓	
<p>2.2 The Board of Directors monitor and supervise the business and operation targets to be explicit and measurable to serve as the operational guidelines for the management and staff</p>	✓	

Questions	Yes	No
<p><u>Additional comments from internal auditors of Dharmniti Auditing Co., Ltd.</u></p> <p>Board of Directors requires management set the business goals in written provide as revenue budget and having monthly performance monitoring in the executive meeting.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> ■ Minute of Executive Committee Meeting No.1-11/2017, agenda Operating Result Report, ■ Board of Directors Meeting Report No.1/2017 (revenue budget) 		
<p>2.3 The Board of Directors supervise the company to specify the roles and duties of the committee and management to conform with the required laws and charters that cover the significant roles of the Audit Committee, auditor, internal auditor and person in charge of the financial report.</p> <p><u>Additional comments from internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Board of Directors establish charters for each committee, management, auditors and risk management got approval by Board of Directors quarterly. Board of Directors shall consider and acknowledge to audit committee of finance, approve financial budget and internal audit.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> ■ Charters for the Board of Directors, management, audit and risk management committees got approval by the Board of Directors No.2/2013. ■ Minute of Ordinary shareholders' meeting in 2017, issue of auditor appointment and the examination fee. ■ Audit committee quarterly 1. Acknowledgment auditor comment of company financial statement and intercompany transaction 2. Review internal audit result (refer to minute of audit committee meeting No.1-4 of 2017) ■ Board of Directors quarterly 1. Acknowledgment audit committee comment of company financial statement 2. Consider to approve the financial budget 3. Acknowledgment the internal audit result (refer to minute of Board of Directors Meeting No.1-5 of 2017) 	✓	
<p>2.4 The Board of Directors has knowledge on the business of the company and has expertise that brings the benefits to the company or can request for recommendation from the expert on such matter.</p>	✓	

Questions	Yes	No
<p><u>Additional comments from internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Board of Directors is knowledgeable in engineering, accounting and in business field including in the relevant work experience as stated in the biography.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> ■ Annual report 2016, Board of Directors information by Board of Directors who is knowledgeable and has expertise in company business and who can be consultant those qualified in various fields e.g. engineering, accounting etc. 		
<p>2.5 The Board of Directors consists of independent director who have knowledge and reliability and independence in performing work, such as, engage in nor business relation with the company, neither other relation that may cause the influence on exercising judgement and independent work as appropriate.</p> <p><u>Additional comments from internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>The Company has 5 independent directors who are knowledgeable in engineering, accounting, financial and investment, international trading and law, including in company business experience and not involve any transaction with the Board of Directors and holding Company shares.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> ■ Interest transaction of Independent Directors Report by the Independent Directors notified in November 2016. - Company has a proportion of independent directors in accordance with SEC regulations of not less than one-third of Board of Directors and not less than three persons that mean 10 Board of Directors, 5 whom are the independent directors who have business knowledge. <ul style="list-style-type: none"> ● Pol.Maj.Gen.Supisarn Bhakdinarinath (Ph.D.) in Law & Regulation ● Mr.Chattaphum Khantiviriya in Financial & Investment ● Assoc.Prof.Pitipat Chataccaraphat (Ph.D.) in Accounting ● Assoc.Prof.Prapart Praisuwanna in Engineering ● Mr.Vuthichai Duangratana (Ph.D.) in International Trading (Work at Ministry of Commerce) - The 5 independent directors must not involve any transaction with the Board of Directors and holding Company shares. 	✓	

Questions		Yes	No
2.6	<p>The Board of Directors supervises the development and operations on the internal control in the organization which cover creating control environment, risk assessment, control activities, information and communication and monitoring</p> <p><u>Additional comments from internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>The Board of Directors assign audit committee to review and supervise for adequate and appropriate system of company internal control that audit committee report to Board of Directors in quarterly basis.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> ■ Annual report 2016, scope of roles & duties audit committee ■ Minute of audit committee meeting No. 1-4 of 2017, Audit committee quarterly <ol style="list-style-type: none"> 1. Acknowledgment auditor comment of company financial statement and intercompany transaction 2. Review the internal audit result ■ Minute of Board of Directors Meeting No.1-5 of 2017, Board of Directors quarterly <ol style="list-style-type: none"> 1. Acknowledgment audit committee comment of company financial statement 2. Consider to approve the financial budget 3. Acknowledgment the internal audit result 	✓	

3. The management has appropriately established the reporting structure, authority of command and responsibilities, enabling the organization to achieve the objectives under the oversight of Board of Directors.

Questions		Yes	No
3.1	<p>The senior management establishes the organization structure to support the achievement of the objectives by considering the appropriateness of both business and law, and arranging efficient internal control, such as separating duties in important units in order to bring about the crosschecking and operational balance, assigning the internal audit work to be reported directly to Audit Committees, and distinctive reporting lines, etc.</p> <p><u>Additional comments from Dharmniti Auditing Co., Ltd.:</u></p> <p>Board of Directors approve the organization structure by management propose to Board of Directors. Company has a proper internal control system, including a separation of duties e.g. to distinguish the accountant, financial officer and credit analyst for clear scope of approval authority and credit limit approval. Also, the internal auditor is required to evaluate company internal control and report directly to audit committee in quarterly basis.</p>	✓	

Questions	Yes	No
<p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> Defining the management structure with clearly separation of duties in the important task in which organization structure is subject to approval by the President effective on 9 October 2017. Defining the internal audit of company to perform comply with the internal audit plan approved by the audit committee meeting and report the result at the audit committee meeting No.1-4 in 2017. 		
<p>3.2. The senior management specifies the reporting lines by considering the appropriateness of the authorities, duties, responsibilities and communication of information</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Management require reporting in a line of command in the organizational structure as the hierarchy to show reporting structure on each division along with each job description.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> Defining the management structure with clearly separation of duties in the important task in which the organization structure is subject to approval by President effective on 9 October 2017. Defining the substructure in the unit for the chain of command. Based on review in job/ job specific description paper, it was found the key responsibility/ activity, the required training course, job specification, work experience and the key competencies in a written basis. 	✓	
<p>3.3. The duties and responsibilities for Board of Directors, senior management, executives and staff are clearly and appropriately defined, assigned and restricted.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has clearly defined in role and responsibility of the Board of Director and management committee in the board charter and management committee charter and role and responsibility/ key activity in the job description document for every position with completion approval authority in the Summary Table of Authorizations.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> Board Charter approved by the Board of Director Meeting No.2/2013 Management Charter approved by the Board of Director Meeting No.2/2013 Summary Table of Authorizations approval sign on 8 November 2017 	✓	



4. The organization expresses its commitment to motivate, develop and retain the knowledgeable and capable personnel.

Questions	Yes	No.
<p>4.1 The company has appropriately imposed a policy and operations to procure, develop and retain knowledgeable and capable personnel and set out the process to regularly review the policy and operations.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company defines the recruitment regulation based on job specification in job description document and set up annual employee training with rating evaluation officially by the supervisor.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> ■ Company general practice of recruitment approval by managing director effective on 15 September 2017. ■ Company general practice of training approval by managing director effective on 15 September 2017. ■ Company general practice of performance appraisal approval by managing director effective on 15 September 2017. ■ Annual training plan 2017 with approved ■ The 3 months follow-up training evaluation ■ Training course evaluation form 	✓	
<p>4.2. The company imposes the evaluation process, motivations and rewards to the personnel who are capable of achieving their performance, and management to personnel who fail to achieve the performance goals, including communication of this process to the management and staff.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company defines the performance appraisal for all management and staff to evaluate performance as general practice of performance appraisal. Each individual manager/evaluator give feedback to staff on their performance and get staff signed acknowledgement at the same time using KPIs as indicator to establish staff accountable for achieving in the same business goals.</p>	✓	

Questions	Yes	No.
<p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> Company general practice of performance appraisal approval by managing director Performance evaluation form in part of working and behavior (refer the performance evaluation form) Performance appraisal evaluation form, probation period based on their performance, individual factor affects the job (presentation skill, diligence, respect to the boss, follow the rules, credibility and honesty etc.) . When complete in the evaluation, the feedback will be provided to staff on their performance and getting staff signed acknowledgement. (refer probationary employee performance evaluation form) 		
<p>4.3. The company has the problem-solving process or preparation for the shortage of knowledgeable and capable personnel on timely basis</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company prepares workforce plan in advance in order to handle for hiring staff to carry out company mission by function group providing essential requirement to HR department. When the employee resigning, it is important to give Company one-month advance notice to ensure for the new staff replacement. The staff who resign need to provide the job training to the new staff or those who will handle their work.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> Workforce plan 2017 	✓	
<p>4.4. The company establishes the recruitment process to develop and retain the management and all staff, such as mentoring and training.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has work guide for recruitment and selection or training and improvement their employee in the written basis to establish in hiring the right person and provides the employee's knowledge and skill development process regularly.</p>	✓	

Questions	Yes	No.
<p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> Company general practice of recruitment approval by managing director effective on 15 September 2017. Company general practice of training approval by managing director effective on 15 September 2017. Company general practice of performance appraisal approval by managing director effective on 15 September 2017. 		
<p>4.5. The company sets out the succession plan for the important positions.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has a recruitment process by assistant director of each division and HR assistant director help to screen and select candidates. HR assistant director will report to the President to review their suitability for the role in Company requirements. The right person will get the employee training with their supervisor to match the area of working process.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> Management Committee Meeting No.10/2016, topic acknowledgment of employee promotion and on process of candidate name submission for employee promotion in Management Committee Meeting No.12/2017. Ask for more from the assistant managing director of Human Resource. (Mrs.Piyathida Sungsuan) 	✓	

5. The personnel in the organization are required to have duties and responsibility for the internal control in order to achieve the objectives of the organization.

Questions	Yes	No
<p>5.1. The Board of Directors and the management establish the compulsory communication process to all staff to have the responsibility for the internal control and to implement the corrective actions if necessary.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Overview organization's internal control principles adopted by the committee and executive management e.g. Corporate Governance Policy provided to the employees and the public or announced by Board, Management based on delegation of authority and company website. Company encourages employee to implement and follow internal control system and can regularly improve the communication process. Nevertheless, Company recruits internal audit who are outsiders to examine the operating process, monitoring performance improvement and report such information to audit committee and Board of Directors (under the hierarchical authority).</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> ■ Operational handbook/department procedures ■ Minutes of Audit Committee Meeting No.1-4 in 2017 ■ Minutes of Board of Directors Meeting No.1-5 of 2017 ■ The book offers internal audit service in 2017 	✓	
<p>5.2. The Board of Directors and the management set out the appropriate KPI, incentives and rewards by considering the compliance to the code of conduct and short-term and long-term objectives.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company considers the Code of Conduct as an employee evaluation tool to identify in core competency, job competency including with KPIs indicator for employee being a part of work success.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> ■ Performance evaluation form dividing into Part 3 Core Competency and Job Competency Part 4 KPIs 	✓	



Questions	Yes	No
<p>5.3. The Board of Directors and the management evaluate the incentives and rewards continuously by focusing on the success in performing the duties and compliance to the internal control.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has KPIs setting up as part of employee evaluations for their being a part of work success.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> ■ Performance evaluation form dividing into Part 3 Core Competency and Job Competency Part 4 KPIs 	✓	
<p>5.4. The Board of Directors and the management consider not creating too much load of pressure in performing the work of each personnel.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company considers the Core Competency, Job Competency and KPIs as an employee evaluation tool under each supervisor consideration based on current KPIs setting. The supervisor defines the KPIs depend on using historical data and organization's goal, submit to HR department presenting submission for Board's approval process.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> ■ Job Description ■ Performance evaluation form dividing into Part 3 Core Competency and Job Competency Part 4 KPIs 	✓	



Risk Assessment

6. The organization specifies the objectives clearly and adequately to identify and assess risks related to the achievement of the organizational objectives.

Questions	Yes	No
<p>6.1. The company can comply with the generally- accepted accounting standards as appropriate to the business at that time, and also prove that the items in financial report actually and completely exist, and reflect the obligation of the company correctly with appropriate value and complete and correct information disclosure.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>The Company prepares the financial report for each of the year ended on 31 December and quarterly financial statement accurately in report following the standard and auditor comments.</p> <p><u>Evaluation data:</u></p> <ul style="list-style-type: none"> ■ Report and Consolidated financial statement of Certified Public Accountant on 31 December 2016 (Certified Public Accountant's comment – EY Co., Ltd.) ■ Report and Consolidated financial statement of Certified Public Accountant on 31 March 2017 (Certified Public Accountant's comment – EY Co., Ltd.) 	✓	
<p>6.2. The company specifies the significance of financial transactions by considering the important factors, such as users of the financial report, size of transactions, and trend of the business.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company's executives cooperate closely with auditors to provide information and support to auditors to ensure that financial statements are accurate according to accounting standards. If there is any suggestion to improve financial statements, it will be considered together with auditor.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Report and Consolidated financial statement of Certified Public Accountant on 31 December 2017 (Certified Public Accountant's comment – EY Co., Ltd.) 	✓	
<p>6.3. The financial report of the company truly reflects the operating activity of the company.</p>	✓	



Questions	Yes	No
<p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>The Company prepares the financial report in accordance with the facts and financial standards.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Report and Consolidated financial statement of Certified Public Accountant on 31 December 2017 (Certified Public Accountant's comment – EY Co., Ltd.) 		
<p>6.4. The Board of Directors or Risk Management Committee approves and communicates the risk management policies to the management and all staff to be aware of and comply with such policies as part of the organization culture</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Risk Management Committee shall determine and propose risk management policy to Board of Directors for approval. It is prepared as a risk management manual to communicate risk factors to staff through internal computer systems (Intranet) and Risk Management working group has been established to receive policy from Risk Management Committee in order to encourage employees to be aware of risks that may affect organization and supports all risk management activities.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Charter of the Board of Directors Executive Committee Audit Committee And the Risk Management Committee, which has been approved by the Board of Directors of the Company No.2 / 2013 ■ Announcement of the appointment of the Risk Management Working Group (Announcement No. 042/59) , issued on 11 August 2016, approved by the Chairman of the Risk Management Committee. ■ Risk Management Manual Approved by the Chairman of the Risk Management Committee, dated May 12, 2017. 	✓	

7. The organization identifies and analyses all organization-wide risk types that may affect the achievement of objectives.

Questions	Yes	No
<p>7.1. The organization identifies all risks that may affect the business operations in organization level, business units, departments and various functions.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company considers risk factors that may affect the business operations in aspect of business, financial and other risks as disclosed in annual report. Company has prepared a risk management manual in writing. The Company has a Risk Management Committee meeting to review risk of company once a year.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Company's risk register Approved by Chairman of Risk Management Committee, dated May 12, 2017. ■ Risk Management Manual Approved by Chairman of Risk Management Committee, dated May 12, 2017. ■ Report of Risk Management Committee Meeting No. 1/2560 	✓	
<p>7.2. The company analyzed all risk that may arise from both internal and external factors which include strategic risks, operations, reporting, compliance to rules and information system.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has three types of risk analysis: business risk, financial risk and other risks as disclosed in the annual report. Risk Management Committee jointly assesses potential risks to company considered by internal and external risk factors that may affect from Risk Management Committee's experience. Risk from internal factors such as the risk of project implementation delays than contractual deadline and risk of dependence on engineers, While risk of external factors such as the risk of fluctuations in copper prices, risk of dependence on major manufacturers, risk of interest rate fluctuations, etc. Also, company's Board of Directors meeting determine to monitor progress of investment opportunities, any chances that may cause project to fail to meet the expected goal and other issues regarding to investment project such as data submission and documentation to prepare financial statements in accordance with closing date set by company and choosing right loan rates.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Annual Report 2016 - Risk Factors ■ Minutes of the 1st - 3rd Executive Strategic Committee Meeting the year 2017 	✓	



Questions	Yes	No
<p>7.3. The management in all levels take part in risk management.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd:</u></p> <p>Company has established a Risk Management Committee which each of executives and directors of associated company is Risk Management Committee as well so that management of each line can assess risks associated with self-employment. Every year, Risk Management Committee set up meeting to review company's risk.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Annual Report 2016 - Risk Factors ■ Minutes of the Risk Management Meeting no. 1/2017 	✓	
<p>7.4. The company assesses the significance of risks by considering both the feasibility of occurrence and impacts.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd:</u></p> <p>Company has assessed the significance of risks that may occur in organization's risk management. Company has set evaluation criteria in the Risk Management Manual in order to consider opportunity and impact to risk.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Annual Report 2016 - Risk Factors ■ Company's risk register approved by Chairman of Risk Management Committee, dated May 12, 2017. 	✓	
<p>7.5. The company has counter measures and action plan to manage risks by risk acceptance, reduction, avoidance or sharing.</p> <p><u>Additional comments from the internal auditor of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company have set measures to reduce or integrate risk, such as tracking change of copper prices on a regular basis, copper price volatility and considering credit to trade accounts receivable by analyzing financial statements dating back including purchase of insurance policies for debtors of trade receivables is to reduce / collect exposure to receivables.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Annual Report 2016 - Risk Factors ■ Company's risk register approved by Chairman of Risk Management Committee, dated May 12, 2017. 	✓	



8. For the risk assessment of the achievement of the organization's objectives, the organization has considered the possibility of fraud for such achievement.

Question	Yes	No
<p>8.1. The company has assessed the feasibility of fraud that may occur by including various forms of frauds, such as preparing the false financial report, operations causing the loss of assets, corruption, management override of internal controls, change of information in key reports, the improper acquisition or use of assets, etc.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has assessed likelihood of fraud and set up control process in each process by doing operating manual to be practical guide. This can reduce chances of corruption such as separation of duties between employees who received goods and recorded goods in C-Smile system, checking inventory by warehouse and strategy team without prior notice, financial accounting manual etc.</p> <p>Every year, Executive Committee Risks will set meeting to review and now company is in process of developing a policy against corruption.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Manuals of various departments. ■ Company's risk register approved by Chairman of Risk Management Committee, dated May 12, 2017. ■ Minutes of Risk Management Committee Meeting No. 1/2560 	✓	
<p>8.2. The company has reviewed the target carefully by considering the feasibility of the specified targets, including the reasonableness of the incentives or returns to the employees that they will not cause the staff to have inappropriate behavior, such as, not setting too high sales targets when compared to the reality, as it may cause the staff to make false sales figures, etc.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>KPI will be presented to serve commission by each department's authority to consider and approve the use. The company also incorporates KPIs and targets as part of its annual employee assessment for targeting. Each group has set meeting to set goals for revenue operations using data from Backlog project and expected project in next year and company goals.</p>	✓	

Question	Yes	No
<p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ KPI Matrix year 2560 ■ Employee Assessment Form for 2016 ■ Annual budget guide approved by Managing Director of Management, dated October 10, 2017 ■ Budget comparison with actual monthly expenses & coaching budget approved by Managing Director of Management, dated January 1, 2017. 		
<p>8.3. The Audit Committee considers and inquires the management about the fraud and corruption opportunities and counter-measures that shall prevent from or tackle with the fraud and corruption.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Audit Committee has considered possibility of corruption from results of internal audit and questioned management when there was a doubt and also may affect significantly toward financial and business operation regarding to corruption or default of internal control system.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Audit Committee Charter approved at Board of Directors' Meeting No. 2/2013 ■ Minutes of the Audit Committee No. 1 - 4 of the year 2017 	✓	
<p>8.4. The Company communicates to all staff to understand and comply with the policies and regulation as specified.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company communicates employee etiquette to all employees through employee orientation which informs about treatment of company's interests and actions that should not be taken (Clause 2.4 as stated in the Employee Handbook) such as acquisition of shares or partnerships in business partners, receiving gift and uses information of the company for own benefits and company provide handbook through intranet system.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Staff orientation's guide book ■ Manuals of various departments. ■ Intranet screen that lists manuals to employees, including employee guides, code of conduct Corporate Governance Policy, announcement of risk management committee, Company's Risk Factors Corporate Social Responsibility. 	✓	



9. The organization can identify and assess the change that may impact to the internal control system.

Question	Yes	No
<p>9.1. The Company assesses the external factors of change that may impact to the business operation, internal control and financial report and also impose the appropriate measures to respond to the change.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd:</u></p> <p>Company is evaluating changes from external factors which may affect company's business through various meetings and set policy / practice to accommodate changes. Company appoints Corporate Strategy Committee to monitor progress of investment projects possibility that may cause project not to meet the expected goal also solutions.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Minutes of the Executives Committee No.1-11 of the year 2017 ■ Minutes of the Board of Directors No. 1-5 of the year 2017 ■ Minutes of the Audit Committee No. 1 - 4 of the year 2017 ■ Minutes of the 1st - 3rd Executive Strategic Committee Meeting the year 2017 	✓	
<p>9.2. The Company assesses the change of business operation that may impact to the operation, internal control and financial report and impose the appropriate measures to respond to the change.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd:</u></p> <p>Company has assessed changes in business model such as when a new business is added. (Information Technology), which is related. Company considers strengths, weaknesses, problems and obstacles of each business. Any new business must be submitted to Executive Board for approval. Company has set up a corporate strategic meeting to monitor progress of investment projects including possibility that may cause the project to fail and consider other issues related to investment projects, such as submitting information and supporting documentation to prepare financial statements in accordance with closing date set by company and choosing right loan rates.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Minutes of the Executives Committee No.1-11 of the year 2017 ■ Minutes of the 1st - 3rd Executive Strategic Committee Meeting the year 2017 	✓	



Question	Yes	No
<p>9.3. The Company assesses the change of leader that may impact to the business operation, internal control and financial report, and also impose the adequate measures to respond to the change.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has assessed impact on business operations in the event of organizational change and company has a meeting to recruit people to work.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> Executive Board Meeting No.10/2016, acknowledging the revision of appointment of employees, and in 2017, each department has proposaed candidates toward Executive Board Meeting No. 12/2017. 	✓	

Control Activities

10. The organization establishes the controlling measures that help to reduce risks of not achieving objectives at the acceptable levels.

Question	Yes	No
<p>10.1. The Company's control measure is suitable for the risks, and nature of the organization, such as environment, complexity of work, nature of work, and scope of operation, including other characteristics.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has a set of control measures that form a policy, regulation and / or operational procedures covered corporate risk. Internal Audit Department also helps to monitor and assess adequacy of control process and track continuously.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> Audit Committee Charter approved at Board of Directors' Meeting No. 2/2013 Minutes of the Audit Committee 1 - 4 of 2017 	✓	



Question	Yes	No
<p>10.2. The Company establishes the written control measures which covers the processes appropriately, such as, policies and procedures related to financial transactions, procurement and general administration, as well as the scopes of authority and approval of each management level. Each authority level is clearly stated in order to prevent from the corruption, such as, the credit limits and approval authority of each management level, procedures for approval of investment projects, process of procurement and vendor selection, recording of detailed purchasing decisions, and the process of disbursement of cash, materials or tools, etc. The following processes are as follows:</p> <p>10.2.1. Collecting information of major shareholders, directors, executives and related persons as well as the related parties for the purpose of monitoring and auditing transactions or items that may have a conflict of interest. The information is always up-to-dated.</p> <p>10.2.2. In case that the Company approves the long-term transactions or agreements, such as, purchase agreement, loans, guarantee, the company has ensured that transactions and agreements are complied with the conditions for the whole period of the validity of the transactions and agreements, for example, follow up process for loan repayment, and review of the appropriateness of the agreement, etc.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company shall prepare a written manual covering processes such as procurement, accounting, finance, human resources, etc., as well as authority to approve each matter such as procurement of raw materials, product or service, approval of debt reduction and debt relief for customers.</p> <p>Company has set up operation manual related to connected transaction procedure approved by company's Chief Executive Officer. Company has also provided a close relativity profile of its executives and related companies. Every year, company has submitted form of transaction record of stakeholder to directors and executives in order for all directors and Executive to fill that form.</p>	✓	



Question	Yes	No
<p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ▪ Summary of authorization approved as of November 8, 2017 ▪ Minutes of the Audit Committee 1 - 4 of 2017 ▪ Minutes of the Board of Directors No. 1-5 of the year 2017 ▪ List of executives as well as close relatives of executives of company and related companies ▪ Operation Guide on Connected Transaction Procedure ▪ Report on conflict of interest of Directors and Executives Director and Executive Information for November 2016 		
<p>10.3. The Company imposes the variety of appropriate internal control process, such as, manual and automated control process, preventive and monitoring control actions.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has an internal control system design by organizing regulations and work instructions to guide performance of employees. There are different types of control procedures to perform such as determining Credit Committee to consider credit term appropriateness and credit limits of each trade receivable, trade Accounts Receivable Insurance to transfer the risk if customer default. Determining financial department to follow debt using C-Smile supports the implementation of specified control measures.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ▪ Departmental Operations Manual ▪ Trade Accounts Receivable Insurance for 2017 	✓	
<p>10.4. The Company establishes the internal control process at all levels of the organization, for example, the Group's, business unit, division, department, or work process.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company defines internal controls at all levels of organization, including arranging authority and responsibility of Board Executive Committee, organizational structure, structure to determine line of command, determining authority and level of approval of transaction. There are segregation of duties that may lead to fraudulent actions. (eg, reception staff and C-Smile record staff is different). And preparing guide book for each department by manager is responsible for controlling implementation of internal control system.</p>	✓	



Question	Yes	No
<p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Board Charter approved by the Board of Director Meeting No.2/2013 ■ Management Charter approved by the Board of Director Meeting No.2/2013 ■ Company structure ■ Employees Manual 		
<p>10.5. The Company segregates the following 3 responsibilities as for mutual authentication,</p> <p>(1) To approve;</p> <p>(2) To record accounting items and IT data and;</p> <p>(3) To take care of and maintain assets.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has separate responsibilities which agency is responsible for documenting expenses and propose to authority approve each line with actual costs to consider appropriateness of cost. Finance department is the validator to complete documentation of accounting records. C-Smile (program used to record transactions) while Accounting department is responsible for verifying completeness of the information recorded in the C-Smile system whether C-Smile logs are correct as per documentation in accordance with accounting records. Every year, accounting department has a property count to verify identity of property with property information recorded in the system.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Manuals of various departments. ■ C-Smile property registration ■ Transfer of property document ■ Property counter document 	✓	



11. The organization selects and develops the common control activities by technology systems to support the achievement of the objectives.

Questions	Yes	No
<p>11.1. The Company should impose the relation between the use of information technology, operational processes and IT control system.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company utilizes C-Smile Information Technology in its operations in revenue, sales, collection and accounting, and designs general control processes for its use of information systems such as access rights to information and publish various reports, and use of information technology to legalize.</p> <p>Company has set an IT security policy that describes computer system, use of e-mail, intranet usage, use of shared file space, use of standard programs and specific programs, penalties, and a written disaster recovery plan.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ▪ Declaration on policies and requirements for Enterprise Information Technology, dated September 1, 2015. 	✓	
<p>11.2. The Company should determine the control of infrastructure for the technology system as appropriate.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>The process of controlling security of information technology systems such as backup, checking availability of server and network devices.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ▪ Emergency Disaster Recovery Plan Manual dated September 1, 2015. ▪ Declaration on Policies and Requirements for Enterprise Information Technology, dated September 1, 2015. 	✓	
<p>11.3. The Company should impose the security control for the IT system as appropriate.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>The process of controlling security of information technology such as backup, check the availability of server and network devices including emergency recovery plan.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ▪ Emergency Disaster Recovery Plan Manual dated September 1, 2015. ▪ Declaration on Policies and Requirements for Enterprise Information Technology, dated September 1, 2015. 	✓	

Questions	Yes	No
<p>11.4. The Company should impose the process for the acquisition, development and maintenance of technology systems as appropriate.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd:</u></p> <p>Company assigned Information Technology Department to be responsible for notification of improvement requirements or problem of using program from each unit in company. It also serves to maintain technology available and also gives staff responsible for consulting or resolving issues that are prompted by the user.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Server and Network Availability Report of the Month 	✓	

12. The organization arranges the control activities through the policies which are included the expectation and the procedures so that the policies can be put into practice.

Questions	Yes	No
<p>12.1. The Company sets out the policy to monitor the transactions of major shareholders, directors, executives or related parties, and it is necessary to go through the approval process as required, such as the company regulations, criteria of the Stock Exchange of Thailand, criteria of the office, etc., to prevent from taking advantage for the personal interest.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd:</u></p> <p>Company has established policyguidelines for inter-company transactions approved by Board of Directors which company has set up a manual on procedures for entering into connected transactions. Also, there are tables of relatives of executives of company and related companies are also provided, together with report on conflict of interest of directors and executives in order for secretary of Audit Committee to report the related transactions to the Audit Committee for consideration.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Minutes of Board of Directors' Meeting No. 2/2013 agenda 30 to approve policy or guidelines for future connected transactions of company. ■ Minutes of the Audit Committee No. 1 - 4 of the year 2017 ■ Operation Guide on Connected Transaction Procedure approved by Chief Executive Officer ■ Annual Report for the year 2016 Profile of Director / Audit Committee / Executive ■ Report on conflict of interest of Directors and Executives. 	✓	

Questions	Yes	No
<p>12.2 The Company has a policy to approve the transactions which are made by the parties who have no vested interest in the transactions.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has set policies / guidelines for intercompany transactions and manual on procedure for entering into connected transactions in writing which directors and executives are required to inform company of the relationship or the connected transactions in the business which may cause conflict of interest to approve the connected transaction company will be able to proceed once approved by Board of Directors. The risk rating of the stakeholders is not counted.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Minutes of Board of Directors' meeting No. 2/2556 agenda 30 to approve policy or guidelines for future connected transactions of company. ■ Operation manual on the connected transaction procedure approved by Chief Executive Officer ■ Minutes of the Audit Committee No. 1 - 4 of the year 2017 	✓	
<p>12.3. The Company has a policy that the approval of transactions is made on the maximum company benefits basis and considered as the same practice as arms' length rules.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has set policy of transactions / guidelines for inter-company transactions to support fair and reasonable business operation and maximize benefit to company. In case of no comparable price, company will compare prices of products or services with external prices under the same or similar conditions. Inter-company transactions were also considered through Audit Committee meeting.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Minutes of Board of Directors' Meeting No. 2/2013 agenda 30 to approve the policy or guidelines for future connected transactions of company. ■ Operation manual on the connected transaction procedure approved by Chief Executive Officer ■ Minutes of the Audit Committee No. 1 - 4 of the year 2017 	✓	



Questions	Yes	No
<p>12.4. The Company establishes the monitoring process for the operations of the subsidiaries or affiliates, and also imposes the guidelines for the appointed directors or executives (if the Company does not have an investment in subsidiaries or affiliates c, it is not required to answer this issue).</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Director of company is a director of subsidiaries, so they can monitor and supervise operations of subsidiaries to be in line with direction of the operation.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ The 2016 Annual Report Profile of the Board of Director (CEO, MD of telecommunication Group, MD of Financial & Control Group and MD of Management & Corporate Governance Group) 	✓	
<p>12.5. The Company imposes the duties and responsibilities in the policies and operational procedures which are implemented by the executives and staff.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company provides a Job Description, which defines duties and responsibilities of each written position and has set the operating manual identifying position of person responsible with and department manager supervises staff to comply with the company's guidelines.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Job Description ■ The Operating manual 	✓	
<p>12.6. The policies and operational process have been put into practice by capable personnel in timely manner, including the corrective counter-measures for the erroneous operations.</p> <p><u>Additional comments from the internal auditors from Dharmniti Auditing Co., Ltd.:</u></p> <p>Company's policies and procedures have been applied in a timely manner by skilled personnel A guide for recruiting staff, Job Description, which has set required qualifications to be able to recruit talented employees as required by company.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Job Description ■ Minutes of the Audit Committee No. 1 - 4 of the year 2017 	✓	



Questions	Yes	No
<p>12.7. The Company reviews the policies and operational process to maintain their appropriateness.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company requires all departments to review procedures immediately when operation changes, and quality system (ISO) is checked every year to verify proper operation.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Minutes of the Internal Audit Meeting No.1-3 of the year 2017 ■ Minutes of the Audit Committee No. 1 - 4 of the year 2017 ■ The results of the quality of ISO No.1/2017 	✓	

Information & Communication

13. The organization retains the relevant and qualified information to support the internal control to be implemented as required.

Questions	Yes	No
<p>13.1. The Company imposes the relevant and qualified data required for operations from both internal and external sources.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has determined information required in operational process both internal and external data to assess quality and relevance of data to performance such as consideration of individual accounts receivable salespeople need to request documents / evidence as required by company. Then, creditors' team consider financial data of that customer from financial statements received, new customer registration request.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Minutes of the Approve Credit Meeting No.1/ 2017 	✓	

Questions	Yes	No
<p>13.2. The Company considers both cost and benefits received, including volume and accuracy of information.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Determining information that will be required to operate and manage each process. Purchasing Department considers value and benefits of purchasing by making price comparison table.</p> <p>Company has recruited outside staff to prepare a financial advisor's report on valuation of company's shares by analyzing information of that investment, risks (legal and operational) , industrial conditions and financial statements, which Chairman of Board of Directors presents to Board of Directors to consider the investment.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Operation Manual Procurement (Subject matter Procurement for Sale (Code HRD3.PCD2555 / 001) and Manual General Purchasing (Code HRD3.PCD2555 / 001) ■ Minutes of the Board of Directors Meeting about the Company Strategic No.1-3 of the year 2017 	✓	
<p>13.3. The Company provides the sufficient information to the directors and committees for their decision making, for example, supporting details of the proposals for consideration, including the rationales, impact, and other alternatives.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has prepared invitation letter for meeting identifying agenda and supporting documents to use for commenting in the meeting sufficiently.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Invitation Letter of Board of Directors Meeting No. 1 - 5 of the Year 2017 	✓	
<p>13.4. The directors of the Company shall receive the invitation letters or notice of the meeting and are provided the necessary and adequate information in advance at least the minimum period prescribed by law.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Notice of meeting and supporting documents are sent to Board of Directors prior to meeting at least within time required by law (at least 7 days in advance)</p>	✓	

Questions	Yes	No																												
<p>Evaluation Data:</p> <ul style="list-style-type: none"> ■ Invitation Letter of the Board of Directors Meeting No. 1 - 5 of the Year 2017 ■ Minutes of Board of Directors Meeting No. 1 - 5 of 2017 ■ Schedule for sending meeting invitation and supporting documents with actual meeting date delivered at least 7 days in advance. <table border="1"> <thead> <tr> <th colspan="4">Board Meeting of year 2017</th></tr> <tr> <th>No.</th><th>Date of issue of the invitation letter</th><th>Actual date</th><th>diff</th></tr> </thead> <tbody> <tr> <td>1</td><td>16 February 2017</td><td>23 February 2017</td><td>7 days</td></tr> <tr> <td>2</td><td>2 May 2017</td><td>12 May 2017</td><td>10 days</td></tr> <tr> <td>3</td><td>1 August 2017</td><td>9 August 2017</td><td>8 days</td></tr> <tr> <td>4</td><td>22 September 2017</td><td>4 October 2017</td><td>12 days</td></tr> <tr> <td>5</td><td>27 October 2017</td><td>8 November 2017</td><td>12 days</td></tr> </tbody> </table> <p>Public Company Act Section 82 about convening a meeting of Board of Directors, Chairman or authorized person shall send notice of meeting to Director no less than seven days prior to meeting date except in urgent cases in order to preserve rights or benefits. The meeting shall be notified by other means and meeting date may be earlier than that.</p>	Board Meeting of year 2017				No.	Date of issue of the invitation letter	Actual date	diff	1	16 February 2017	23 February 2017	7 days	2	2 May 2017	12 May 2017	10 days	3	1 August 2017	9 August 2017	8 days	4	22 September 2017	4 October 2017	12 days	5	27 October 2017	8 November 2017	12 days		
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<p>13.5. The Company includes the sufficient information in the minutes of meetings so that they can be rechecked for the proper operations of each director, for example, the record of enquiries raised by directors, comments and feedbacks from directors, arguing comments from the directors who disagree with the issues with their reasons.</p> <p>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</p> <p>Minutes on details and content of meeting were recorded in order to be able to trace back and to record cases in relation to Director's inquiries (if any).</p> <p>Evaluation Data:</p> <ul style="list-style-type: none"> ■ Minutes of the Board of Directors Meeting No. 1 - 5 of the year 2017 ■ Minutes of the Executives Committee No. 1 - 11 of the year 2017 ■ Minutes of the Audit Committee No. 1 - 4 of the year 2017 	✓																													
<p>13.6. The company has taken actions as follows:</p> <p>13.6.1. Retaining/filing important articles arranged in order of classifications.</p> <p>13.6.2. In case it is notified by the accounting auditor or internal auditors that there are any deficiencies in internal control, the Company has completely rectified the deficiency as recommended.</p>	✓																													



Questions	Yes	No
<p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Important documents are stored in system such as accounting documents are stored in the file sorted by type, sorted by number, etc.</p> <p><u>Evaluation Data:</u></p> <p>Document stored based on category.</p> <ul style="list-style-type: none"> ■ Review of document collection as of November 18, 2017 found out <ul style="list-style-type: none"> - Accounting documents are stored. Sort by voucher type and sorted by number. - The contract is stored as a file. Split by project <p>In the case of a defect in internal control, company has corrected the bug completely.</p> <ul style="list-style-type: none"> ■ Internal Audit Report 1 - 3 of the year 2017, with monitoring of internal audit at all times. Once checking is in process 		

14. The organization performs the internal communication for the information which includes the objectives and responsibilities for the necessary internal control activities, in order to support the internal control to be implemented as required.

Question	Yes	No
<p>14.1. The Company established the effective internal communication processes and appropriate channels to support the internal control activities.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company provides appropriate communication procedures such as a central database system ("share drive"), internal telephone, e-mail, and a conference to support internal control such as internal meetings, Board meeting and Audit Committee.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Minutes of the Board of Directors Meeting No. 1 - 5 of the year 2017 ■ Minutes of the Audit Committee No. 1 - 4 of the year 2017 	✓	
<p>14.2. The Company reports the important information to the Board of directors and committees on a regular basis, allowing them to access the necessary information to perform their operations or review items as needed, for example, designating the contact person for other required information, apart from the information received from the executives, as well as inquiries to the accounting auditor, internal auditor, and arranging a meeting with the executives as requested by committees, and organizing discussion events between the management and committees, apart from the committees' regular meetings, etc.</p>	✓	

Question	Yes	No
<p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company assigns secretary as the liaison between Board, auditor and internal auditor.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ▪ Annual Report for year 2016, scope of responsibilities of company secretary 1. Prepare and keep documents such as registration of directors, notice of Board of Directors meeting, minutes of the Board of Directors meeting and company's annual report, notice of minutes of annual general meeting of shareholders 2. Keep a report of any stakeholder reported by a director or executive and submit a copy of report of interests under Section 89/14 to Chairman of Board and Chairman of Audit Committee within 7 business days from date report received. 3. Perform other action as prescribed by Capital Market Supervisory Board. 		
<p>14.3. The Company provides a special internal communication channel or confidential channel to safely report the fraud or corruption within the organization (Whistle-blower hotline).</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has designated special communication channels or secret channels of employees within company. Employees can be notified via the intranet, which is sent to Audit Committee and Human Resources Department and company also receive complaints from outsiders through company's website sent directly to Audit Committee.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ▪ Display complaint in the Intranet system. ▪ The channel to Complaint at http://www.cssthai.com/th/ir_index.php 	✓	

15. The organization communicates with external agencies about the issues that may have an impact on internal controls.

Questions	Yes	No
<p>15.1. The Company has the effective communication process with stakeholders outside the organization and establishes the appropriate communication channels to support the internal control process, for example, providing an officer or Investor Relations Unit, and Complaint Center, etc.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company provides website to communicate with stakeholders outside organization, investor relations including following information: Company Profile Financial Information Shareholder Information Annual Report Stock Information News Contact Investor Relations and channels to receive complaints.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ▪ http://www.cssthai.com/th/ir_index.php. ▪ The channel to Complaint http://www.irplus.in.th/listed/CSS/complaints.asp 	✓	
<p>15.2. The Company provides a special internal communication channel or confidential channel to safely report the fraud or corruption within the organization (Whistle-blower hotline).</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has set up a channel to report complaints through company's website by notifying to Audit Committee, Board of Directors to communicate for third parties.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ▪ http://www.cssthai.com/th/ir_index.php. 	✓	

Monitoring Activities

16. The organization monitors and evaluates the internal controls to ensure that the internal controls are completely and appropriately implemented.

Questions	Yes	No
<p>16.1. The company arranges the monitoring process for the compliance in the Code of Conduct and regulations and the prohibition of the management and employees to prevent from the conflict of interest, such as, imposing that each unit shall monitor the operation and report to the supervisors, or assigning the internal audit unit to monitor the operations and report to the Audit Committees, etc.</p>	✓	



Questions	Yes	No
<p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has a process to track practices of employees who do not comply with business ethics and prohibitions imposed by company which supervisor is monitoring their employee.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> Employee Handbook Section Discipline and Punishment 		
<p>16.2. The Company provides the operational inspection as required by the internal control system, by the self-assessment and/or evaluation by independent auditors.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has recruited independent internal auditors from Dharmniti Auditing Company to assess adequacy of internal control system of each activity in accordance with approved plan. The results will be presented to Audit Committee through meeting.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> Booklet offers internal audit services between company and independent internal auditors from outside organizations. (Dharmniti Auditing Co., Ltd.) 	✓	
<p>16.3. The frequency of the monitoring and assessment process are performed appropriately for the company transformation.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company recruited independent internal auditors from Dharmniti Auditing Company to assess adequacy of internal control system of each approved plan activity and follow up quarterly progress / improvement. The Audit Committee will be informed through meeting.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> Minutes of the Audit Committee No. 1 - 4 of the year 2017 	✓	
<p>16.4. The monitoring and assessment processes for the internal control system are performed by knowledgeable and capable personnel.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has recruited independent internal auditors from external auditing company, Dharmniti Auditing Co., Ltd. to assess adequacy of the internal control system for each activity in accordance with approved plan and follow-up on improvement / improvement The Audit Committee will be informed through the meeting.</p>	✓	



Questions	Yes	No
<p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> Minutes of the Audit Committee No. 1 - 4 of the year 2017 		
<p>16.5. The company imposes that the report of the internal audit shall be directed to the Audit Committee.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Internal Audit Department directly report to Audit Committee.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> Company Structure Minutes of the Audit Committee No. 1 - 4 of the year 2017 	✓	
<p>16.6. The company promotes the internal auditor to perform their duties in accordance with the International Standards for the Professional Practice of Internal Auditing, (IIA).</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company has an internal audit department to monitor whole company and follow up on performance of work plan in accordance with international standards. (International Standards for Professional Practice of Internal Auditing, IIA)</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> Internal audit report of the Dharmniti Auditing Co., Ltd. No.1-3 of the year 2017 	✓	

17. The organization evaluates and communicates the deficiencies of the internal control in a timely manner to the responsible officer, including the senior management and directors as appropriate.

Question	Yes	No
<p>17.1. The Company evaluates and communicates the deficiencies of internal control process and promptly take corrective actions in case that the performance is significantly different from the targets.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Evaluate and communicate the defects of internal controls by Internal Audit Department and report to Audit Committee and Board of Directors to follow up promptly. If performance is different from target. In day-to-day operations, supervisor oversees and evaluates performance to suit company's changes.</p>	✓	

Question	Yes	No
<p>Evaluation Data:</p> <ul style="list-style-type: none"> ■ Company Structure ■ Minutes of the Internal Audit Committee No. 1 - 4 of the year 2017 ■ Minutes of the Board of Directors Meeting No.1-5 of the year 2017 		
<p>17.2. The Company has the reporting policies as follows:</p> <p>17.2.1. The management is required to report to the Board of Directors immediately in the event of serious fraud and corruption, breach against law or other unusual acts, which may significantly affect the reputation and financial position of the company.</p> <p>17.2.2. The significant deficiencies, as well as the corrective actions (although they have already been handled) shall be reported to the Board of Directors/Audit Committees for their consideration in timely manner.</p> <p>17.2.3. The significant progress of rectification should be reported to the Board of Directors/Audit Committees.</p> <p><u>Additional comments from the internal auditors of Dharmniti Auditing Co., Ltd.:</u></p> <p>Company requires Executive Board to report to Board of Directors as set out in Executive Board Charter by reporting to Board every month. Consultation will be held in the event of an incident or suspected serious corruption, a violation of the law or any other unusual action. This may have a significant impact on company's reputation and financial position.</p> <p>Internal Audit Department is responsible for assessing company's control with solutions and follow up quarterly progress updates then report to Audit Committee.</p> <p><u>Evaluation Data:</u></p> <ul style="list-style-type: none"> ■ Minutes of the Board of Directors Meeting No.1-5 of the year 2017 ■ Internal audit report of the Dharmniti Auditing Co., Ltd. No.1-3 of the year 2017 ■ Minutes of the Internal Audit Committee No. 1 - 4 of the year 2017 ■ Company Structure 	✓	



Related Party Transaction

In 2017, the company has transaction with subsidiaries; this transaction is normal business operations. For procedure for the approval of the transaction, the company has conducted business according to general trade agreement, market price and conditions. In case of unusual trade nor in accordance with market terms and conditions must be submitted to the Board of Directors to approve all the transaction.

However, consideration of all the transaction shall be in attendance to Audit Committee's review to examine the appropriateness of the price rates of return. Except in case of normal transaction or usual business according to market terms and conditions, Executive Committee or Chief Executive Officer or senior management has entitled to approve the scope of the authorization given. Yet, in event that the committee does not have the expertise to consider the transaction, the company shall provide expert such as auditors or independent experts to comment on the transaction said. The Board of Directors or a person with special expertise will be applied to the decision of the Board of Directors or shareholders, as the case.

Moreover, company will reveal such transactions in the financial statements 'notes audited by the auditors. The transaction shall be done in accordance with the law, notifications, or regulations of the Securities and Exchange Commission and / or Stock Exchange of Thailand including compliance with the disclosure of transactions and the acquisition or disposal of major company's assets.

For future transaction, company has procedure for approving transaction. Company has stipulated policy to proceed according to general trade, market terms and conditions to maximize company's benefit.

The Audit Committee will give opinions on the appropriateness of the transaction and the price with fair price for the best benefit of the Company.

Details of the transaction

(unit: Thousand Baht)

Individual / related parties	Detail	Transaction value		Remark
		31-Dec.-17	31-Dec.-16	
CSS Energy Co.,Ltd subsidiary	Buy-Sell electric wire	1,774	786	Based on general trade and support the company's operations to maximize benefit.

The Audit Committee Meeting No. 1/2018 held on February 23, 2018 has considered and opined that the above transactions are reasonable. The price and terms are in line with normal business practices. (Fair and arms' length)