



## Part 2. Management & Corporate Governance



## Information of securities and shareholders

### 7. Company registered capital and Paid-up capital

#### 7.1.1 Common Stock

At 31 December 2019, 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.

#### 7.1.2 Debenture

-None-

### 7.2 The major shareholders

The list of major shareholders as of 16 March 2020 is as follows:

No		Name - Surname		Shares	%
1. Kangsawiwat FamilyTotal					
1.1	Mr.	Sompong	Kangsawiwat	208,148,836	17.70
1.2	Mrs.	Wandee	Kangsawiwat	2,644,578	0.22
1.3	Mrs.	Sunanta	Kangsawiwat	1,794,300	0.15
1.4	Mr.	Sukij	Kangsawiwat	98	0.00
Total of Kangsawiwat				212,587,812	18.08
2. Mekmanee Family					
2.1	Mr.	Kittirat	Mekmanee	30,058,756	2.56
2.2	Mrs.	Oranee	Mekmanee	7,500,000	0.64
2.3	Mr.	Nattapat	Mekmanee	10,000,000	0.85
2.4	Mrs.	Waree	Mekmanee	10,000,000	0.85
Total of Mekmanee				57,558,756	4.90
3	Mr.	Opas	Tiyawattanaroj	58,339,711	4.96
4		Thai NVDR		38,911,254	3.31
5. Sawatwannarat Family					
5.1	Ms.	Kesorn	Sawatwannarat	22,349,496	1.90
5.2	Mrs.	Panida	Sawatwannarat	3,341,688	0.28
Total of Sawatwannarat				25,691,184	2.19
6	Mr.	Preecha	Arunyingmongkol	22,362,240	1.90
7	Mr.	Sakol	Sanhachavee	20,956,528	1.78
8	Mrs.	Pacharapan	Arunyingmongkol	20,076,880	1.71
9	Mr.	Montree	Kangsawiwat	10,000,901	0.85
10		Nomura PB Nominess Ltd.		9,621,200	0.82
Top of top 10				476,106,466	40.49
Other Shareholders				699,632,623	59.51
Grand Total				1,175,739,089.00	100.00



### 7.2.1 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 16 March 2020, has foreign holding of 1.61 % of the total shares.

### 7.3 Issuance of others assets

-None-

### 7.4 Dividend Policy of the Company and Subsidiaries

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. and Neon Worx Communication (Thailand) Co.,Ltd (Subsidiaries) are 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.

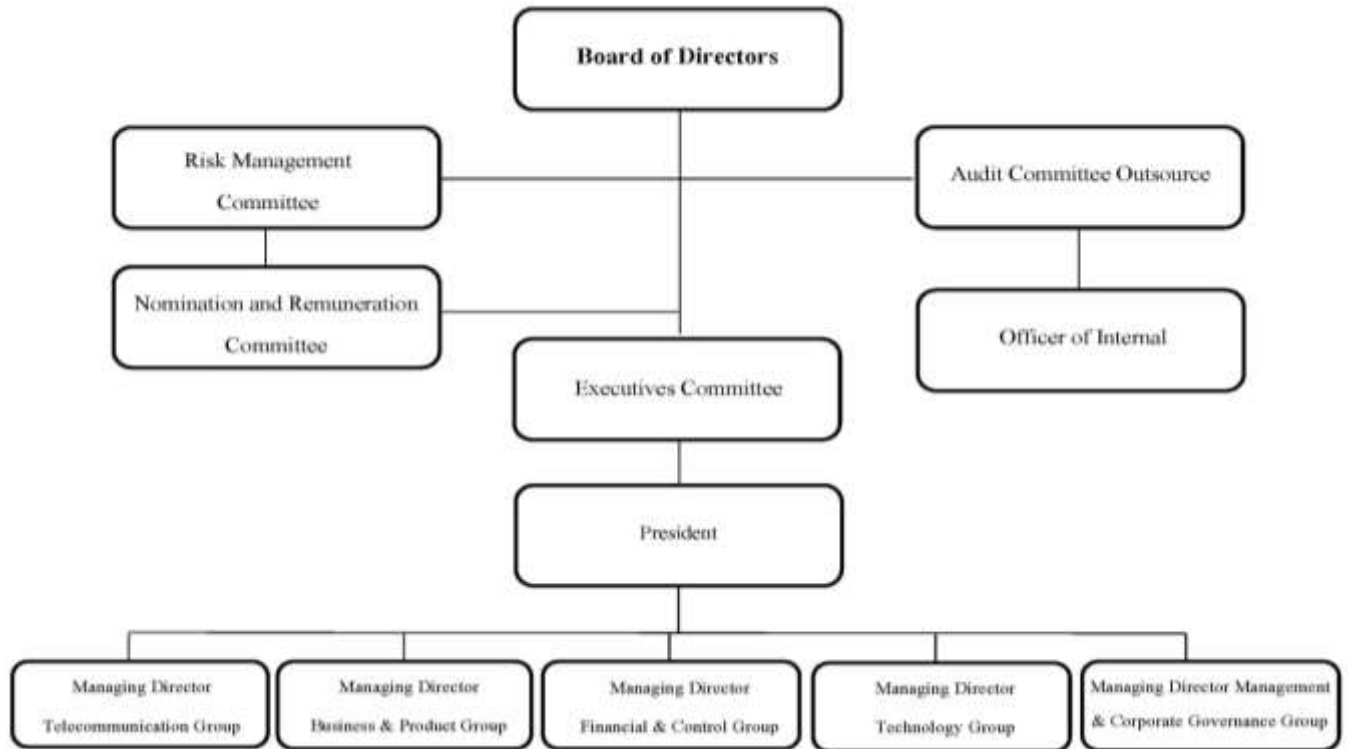
However, during year 2017-2019, the dividend payment of the Company is performed as following:

Year	Separate Financial Statements		
	2017	2018	2019
Earnings before per share (THB)	0.22	0.15	0.03
Dividend per share (THB)	0.18	0.12	0.03
Dividend payment rate per net profit (%)	83%	82%	101%

Remark; In 2019, The Company pay the interim dividend of performance in the first 6 months of the year 2019 of Baht 0.02 per share in cash and the Board of Directors Meeting No.1/2020 Approving to propose the Shareholder's Meeting 2020 to approve the dividend payment for last 6 months the year 2019 of Baht 0.01 per share. Total dividend payment of the year 2019 amount Baht 0.03 per share. However, the dividend payment has to approve by the AGM Meeting on 28 April 2020.

## 8. Management Structure

### 8.1 Company's Structure at 31 December 2019



**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 2019, 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 9 directors consisting of 4 executives' directors and 4 non-executives' directors (Four are Independent Directors).

The Independent Directors are as follows;

1. Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)
2. Mr. Chattaphum Khantiviriya
3. Assoc.Prof.Prapart Praisuwanna
4. 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.



### 8.1.1 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 2019 is as follows;

The Board of Directors consists of : 9 People

	Name		Position
1	Mr.Sompong	Kangsawiwat	Chairman and Chief Executive Officer
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.Opas	Tiyawattanaroj	Director
7	Mr.Kittirat	Mekmanee	Director
8	Ms.Panida	Sawatwannarat	Director
9	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.Chattaphum Khantiviriya and Assoc.Prof.Prapart Praisuwanna term of office will expire in year 2020. However, the appointment for replacement will be considered in the Annual General Meeting of Shareholders of year 2020.

### 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 2018, there are schedules of Directors' Meeting for the year 2019 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	28 Feb 2020	28 Feb 2020	28 Feb 2020	12 May 2020	9 Jan 2020
2	12 May 2020	12 May 2020			2 Apr 2020
3	14 Aug 2020	14 Aug 2020			2 Jun 2020
4	13 Nov 2020	13 Nov 2020			7 Jul 2020
5	13 Nov 2020	13 Nov 2020			1 Sep 2020
6					6 Oct 2020
7					1 Dec 2020

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 2019, The Board of Directors attendance about 95.56% of the meetings)

In 2019, the Board of Director held 5 meetings, classified into 4 regular term meeting to review business operations and into 1 extra term meeting.

Details of Directors' attendance are as follows:

	Name		Position	Attendance (Times)				Remark
				Normal Term	Extra Term	Total	Meeting of Shareholders	
1	Mr.Sompong	Kangsawiwat	Chairman and Chief Executive Officer	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	4/4	1/1	5/5	1/1	
6	Mr.Opas	Tiyawattanaroj	Director	3/4	1/1	4/5	1/1	
7	Mr.Kittirat	Mekmanee	Director	4/4	1/1	5/5	1/1	
8	Ms.Panida	Sawatwannarat	Director	4/4	1/1	5/5	1/1	
9	Ms.Nongnuch	Temeesrisuk	Director	3/4	1/1	4/5	1/1	



### 8.1.2 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 2019, Audit Committee hold 4 meeting. Should attendance not less than 3 times. Members of The Audit Committee attendance about 100% of the meetings. At 31 December 2019, The names of the Audit Committee are:

Name - Surname	Position	The Meeting of the Audit Committee (Times)	Remark
1. Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)	Chairman of Audit Committee	4/4	
2. Mr. Chataphum Khantiviriya	Member of Audit Committee	4/4	
3. Assoc.Prof.Prapart Praisuwanna	Member of Audit Committee	4/4	
4. Mr. Vuthichai Duangratana (Ph.D.)	Member of Audit Committee	4/4	

*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.

### 8.1.3 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 2019, the Nomination, Remuneration and Corporate Governance Committee held 1 meeting. Members of The Nomination, Remuneration and Corporate Governance Committee attendance 100% of the meeting. At 31 December 2019, The names of Nomination, Remuneration and Corporate Governance 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.

#### 8.1.4 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 2019, The Risk Management Committee held 1 meeting. Member of The Risk Management Committee attendance 100% of the meeting. At 31 December 2019, 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 Tiyawattanaroj	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.





### 8.1.5 Strategic Committee

The Board of Directors has set up the Strategic Committee to oversee the investment operations of The Company also follow up the investment strategy. The strategic Committee hold 5 meetings each year. In 2019, Member of The Strategic Committee attendance about 91.11% of the meeting. At 31 December 2019, The names of The Strategic Committee are as follows:

Name	Position	Strategic Committee Meeting	Remark
1. Mr.Sompong Kangsawiwat	Chairman and Chief Executive Officer	5/5	
2. Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)	Member of Strategic Committee	5/5	
3. Mr.Chattaphum Khantiviriya	Member of Strategic Committee	5/5	
4. Assoc.Prof.Prapart Praisuwanna	Member of Strategic Committee	5/5	
5. Mr.Vuthichai Duangratana (Ph.D.)	Member of Strategic Committee	1/5	
6. Mr.Opas Tiyawattanaroj	Member of Strategic Committee	5/5	
7. Mr.Kittirat Mekmanee	Member of Strategic Committee	5/5	
8. Ms.Panida Sawatwannarat	Member of Strategic Committee	5/5	
9. Ms.Nongnuch Temeesrisuk	Member of Strategic Committee	5/5	

### Scope of Authority and Responsibilities of the Strategic Committee

1. Formulate strategies, plans and operational frameworks for investment of company to comply with investment policy which can analyze, evaluate, measure and track effectively
2. Study and review work processes of company in relation to investment to ensure that organization has appropriate management and investment management processes
3. Supervise, monitor and evaluate performance to ensure investment management strategies have been implemented appropriately and to review and develop an efficient investment management system in accordance with business operations
4. Perform any or tasks related to risk management as assigned by Board of Directors.



### 8.1.6 Executives Committee

The Executive Committee of The Company consisted of 5 persons. The Executives Committee hold every month. In the year 2019, The Executive Committee hold 12 meetings. Members of the Executives Committee attendance 100% of the meetings. The names are as follows:

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



## 8.2 Executives

As of 31 December 2019, 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<sup>1</sup>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.



### 8.3 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 56 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

### 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.



## 8.4 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.1/2018 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 2019 are as follows;

### Ordinary Share

No	Name	Position	Number of Shares at 31 December 2018	Number of Shares at 31 December 2019	In 2019 Increase (Decrease)	Ratio of the Company's shares (%)
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#### The Board of Director

1	Mr.Sompong Kangsawiwat	Chairman and Chief Executive Officer	208,148,836	-	-	17.70
	Director's spouse or minor		1,794,300	-	-	0.15
2	Assoc.Prof.Pitipat Chataccaraphat (Pl Chairman of Audit Committee/ Independent Direct		-	-	-	-
	Director's spouse or minor		-	-	-	-
3	Mr.Chattaphum Khantiviriya	Member of Audit Committee /Independent Director	-	-	-	-
	Director's spouse or minor		-	-	-	-
4	Assoc.Prof.Prapart Praisuwanna	Member of Audit Committee /Independent Director	-	-	-	-
	Director's spouse or minor		-	-	-	-
5	Mr.Vuthichai Duangratana (Ph.D.)	Member of Audit Committee /Independent Director	50,000	-	-	0.00
	Director's spouse or minor		-	-	-	-
6	Mr.Opas Tiyawattanaoj	Director	58,339,711	-	-	4.96
	Director's spouse or minor		-	-	-	-
7	Mr.Kittirat Mekmanee	Director	30,058,756	-	-	2.56
	Director's spouse or minor		10,000,000	-	-	0.85
8	Ms.Panida Sawatwannarat	Director	3,341,688			0.28
	Director's spouse or minor		-	-	-	-
9	Ms.Nongnuch Temeesrisuk	Director	1,502,928			0.13



No	Name	Position	Number of Shares at 31 December 2018	Number of Shares at 31 December 2019	In 2019 Increase (Decrease)	Ratio of the Company's shares (%)
<b>Executives</b>						
1	Mr.Sompong Kangsawiwat	The President	208,148,836	-	-	17.70
	Director's spouse or minor		1,794,300	-	-	0.15
2	Mr.Opas Tiyawattanaoj	Managing Director Telecommunication	58,339,711	-	-	4.96
	Director's spouse or minor		-	-	-	-
3	Mr.Kittirat Mekmanee	Managing Director Business Group	30,058,756	-	-	2.56
	Director's spouse or minor		10,000,000	-	-	0.85
4	Ms.Panida Sawatwannarat	Managing Director Finance & Control Group	3,341,688	-	-	0.28
	Director's spouse or minor		-	-	-	-
5	Ms.Nongnuch Temeesrisuk	Managing Director Management & Corporate Governance Group	1,502,928	-	-	0.13
	Director's spouse or minor		-	-	-	-
6	Mr.Narachet Chatratitipan	Managing Director Technology Group	-	-	-	-
	Director's spouse or minor		-	-	-	-





## 8.5 Remuneration of the directors

The Nomination, Compensation and Corporate Governance Committee has guidelines for considering the remuneration of the Board of Directors. Sub-committee of each committee, which considering The Company's operating results and performance Including the responsibilities of the directors compare from the same industry and business expansion. The Annual General Meeting of Shareholders 2019, held on 26 April 2019 passed its resolution to determine remuneration of the directors of year 2018. 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 70,000 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

### 5. Strategic Committee

Meeting allowance

- Strategic Committee 5,000 Baht per Meeting

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

6. 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 2019, 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 Committee	
Pol.Maj.Gen Supisarn Bhakdinarnath(Ph.D.)	-	70,000.00	-	-	-	-	-	70,000.00
Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)	150,000.00	-	40,000.00	600,000.00	10,000.00	-	25,000.00	825,000.00
Mr.Chattaphum Khantiviriya	150,000.00	-	40,000.00	240,000.00	10,000.00	10,000.00	25,000.00	475,000.00
Assoc.Prof.Prapart Praisuwanna	150,000.00	-	40,000.00	240,000.00	-	-	25,000.00	455,000.00
Mr.Vuthichai Duangratana (Ph.D.)	150,000.00	-	40,000.00	240,000.00	-	-	5,000.00	435,000.00
Mr.Sompong Kangsawiwat	150,000.00	-	-	-	-	-	25,000.00	175,000.00
Mr.Opas Tiyawattanaoj	120,000.00	-	-	-	-	-	25,000.00	145,000.00
Mr.Kittirat Mekmanee	150,000.00	-	-	-	-	-	25,000.00	175,000.00
Ms.Panida Sawatwannarat	150,000.00	-	-	-	-	-	25,000.00	175,000.00
Ms.Nongnuch Temeesrisuk	120,000.00	-	-	-	-	-	25,000.00	145,000.00
	<u>1,290,000.00</u>	<u>70,000.00</u>	<u>160,000.00</u>	<u>1,320,000.00</u>	<u>20,000.00</u>	<u>10,000.00</u>	<u>205,000.00</u>	<u>3,075,000.00</u>

Remark: Pol.Maj.Gen.Supisarn Bhakdinarnath (Ph.D) Resigned from the Chairman and Independent Director on 1 February 2019. In this regard, Mr. Sompong Kangsawiwat was appointed as the Chairman of the Board of Directors on 25 February 2019, without requesting a monthly remuneration as the Chairman.

### 8.5.1 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 2018 and 2019 are as follow;

Remuneration	2018		2019	
	Persons	Baht	Persons	Baht
Executives	6	36,549,829.00	6	28,021,575.00



## 8.5.2 Other Remuneration

### 8.5.2.1 Other Remuneration of Directors

-None-

### 8.5.2.3 Other Remuneration of Executives

#### 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 2018 and 2019 provident fund are as follows;

Provident fund	2018		2019	
	Persons	Baht	Persons	Baht
Executives	6	1,092,600.00	6	1,684,584.00

## 8.6 Personnel and Employee Development Policy

### 8.6.1 Personnel

Total employees of The Company (exclude the executives) as of 31 December 2019 were 308 people.

Details of employees in each business line are as followings:

No	Group	Employees
1	Sale and Telecommunication	44
2	Sale and Marketing	178
3	Business Information and Technology	10
4	General Management	76
	Total	308

The ratio of employees by gender, age is as follows :

Classified by gender	Number of employees	Ratio by gender
Male	140	45.45%
Female	168	54.55%
Total	308	100.00%

Classified by age	Number of employees	Ratio by age %
Less than 30 years	43	13.96%
30 – 50 years	234	75.98%
More than 50 years	31	10.06%
Total	308	100.00%

**8.6.2 Remuneration of the employees (exclude executives)**

In year 2018 and 2019, the remuneration in cash has been paid to employees in form of salary, wage, overtime, bonus, living expense, and other welfares. Details are as follows;

Remuneration	2018	2019
	Amount (Baht)	Amount (Baht)
Employees	146,508,162.49	149,381,721.81

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

The Company has established a provident fund to the employees. In 2018 and 2019 provident fund are as follows;

provident fund	2018	2019
	Amount (Baht)	Amount (Baht)
Employees	4,129,544.00	4,173,373.00

**8.6.4 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:**

- Company has a criteria for considering adjustment of staff level on a regular basis, once a year, using KPI (Key Performance Indicators) criteria to consider of performance and ability of employees by adhering to an international management approach with quality metrics Balanced Scorecard consists of four main factors: finance, business performance of company, customer, internal process and learning development determined appropriate compensation and incentives.
- 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.



### 8.6.5 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:

- 71.00% of employees' performances have been improved after the training program
- 87.89% of employees are satisfied with the training
- 53.24% has been 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 2019, The Company had arranged altogether 35 training program, or an average of 14.67 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 10 internal programs in 2019, all focusing on the issues of laws, regulations and international standards. For the year 2019, internal training courses such as: Team for fun run for work Course , Follow-up and prosecution course when customers default , Crane Operator Course, 5S Program for Productivity, Basic Fire Prevention and Extinguishing Course. Basic knowledge course for employees, Course Product Knowledge, Course on Establishing Work Discipline in the Workplace.
- External programme by sending employees and executives to training from external institutions which is Specific course for each department, such as 100 Intensive Course for AGM 2019, Sustainable Supply Chain Course, Safety Management Training Course, Level 1 indoor electrician course, Technical Safety Course, Course New Income Recognition Criteria for TFRS 15 for the Next Business, Class 3-62. In the year 2019, The Company has organized 25 external trainings.



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 2019, 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 Level 1 indoor electrician course , Safety Management Training Course, Technical Safety, Modern Business Model Program, Focusing on Global Warming and Sustainability, fire prevention and suppression (fire escape). Last year, company has managed to control and prevent accidents from work by dividing into 4 areas as follows:

- System: company has ISO 9001: 2015 support system which is an international standard, company has provided a process to manage security system. occupational health with a clear plan.
- Equipment tools company provides a plan to check equipment before use to prevent accidents
- Company employees require employees who use tools equipment must be trained and certified
- Organization
  - Company has publicized news to employees both via Intranet system and attached public relations boards at each point of safety including front office
  - Company supports, promotes and operates safety protection in air pollution, light and noise by checking with certified Council
  - Company has arranged work area to be suitable and convenient for operation to reduce accidents from using space
  - Company provides knowledge and understanding about safety correctly to company's Sub contract

From training courses above, in the year 2019 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 2019 (CSR Report 2019).

#### **8.6.6 Cooperation of employees in ethics and code of conduct and corporate governance.**

The Board has established policies and encourages employees abide by the ethics and The Company's code of ethics, including corporate governance policies by applying the code of ethics and business ethics as part of the new employee orientation course, On the first day of work, employees are given explanations and understanding for implementation. There are still communications to employees about The Company's corporate governance policy continuously, Such as public relations announcement and Electronic system communication (Intranet). With the aim of raising awareness and it is everyone's duty to help each other to keep The Company's operations to be consistent with the intention. In the past year, there were no cases of employees who failed to comply with or violated the ethics and corporate governance policies of The Company.

#### **8.6.7 Significant labor dispute in the past 3 years**

-None-



### 8.6.8 Personnel of Subsidiaries

The Company has 2 subsidiaries as of 31 December 2019. Details are as follows;

Subsidiaries	Employees
C.S.S.Energy Co.,Ltd.	-
Neonworx Communications Co.,Ltd.	52
Total	52

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

### 8.6.9 Remuneration of the employees from subsidiaries

In year 2019, 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.	33,487,825.85
Total	33,487,825.85



## 9. Corporate Governance

### 9.1 Corporate Governance Policy

The Company determined driven for business growth to be stable and sustainable **with the goal of achieving** success in the business of communications engineering and distribution services for systems engineering to be accepted and trusted by quality management at international standards. By adhering to responsibility to all stakeholders for business operations by managing business with fairness Transparent and verifiable According to the principles of good corporate governance principles. The Board of Directors intends to continuously develop and enhance the level of corporate governance, with scheduled for revision every year and always updated. To consistent with regulations and changing circumstances, to make the operation in these matters have been continuously developed. The Board of Directors is confident that good corporate governance practices to be successful, must be cooperated and practiced together in the organization. Therefore defined as Policy for the executives and employees of The Company to comply with the policy Ethics and guidelines for corporate governance policies including communication create understanding and constantly monitor the performance of the corporate governance, Therefore has established a policy for corporate governance and business ethics In order to be a pattern for various operations as follows:

1. The Board of Directors, executives and all employees must adhere to the principles of corporate governance and business ethics. In order to be a guideline for behavior and perform duties as a motto in the operation
2. The Board of Directors have an important role with the management in determining the vision, strategy and goals of business operations By considering efficiency and effectiveness, transparency by adhering to responsibility to all stakeholders.
3. The Board of Directors and executives must be leaders in ethics and set good role model for performing duties with integrity. In accordance with the business ethics of The Company

The Company has a Code of Best practice policy for enhance transparency and is beneficial to The Company's business operations This will give confidence in the group of shareholders, investors and all relevant parties. Therefore, The Board of Directors has established the principles of corporate governance, which is a practice in accordance with good corporate governance guidelines. which is determined by the Stock Exchange of Thailand. The principles of corporate governance of The Company cover the following 5 principles:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure and Transparency
5. Board Responsibilities





Which The Board of Directors has specified that the dissemination of good corporate governance policies of The Company for Stakeholders are informed via The Company's website on the topic of investor relations Corporate Governance Subtopics. **Also** The Company has prepared ethics and business ethics to be a guideline for The Directors, executives, and employees of The Company which has been publicized to employees both via Intranet system. In the year 2019, The Company operates under the aforementioned corporate governance policy in each category as follows:

## Category 1      The Rights of Shareholders

The Board of Directors 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. As well as having clear intention to not take any action that deprives the basic rights of shareholders which deprives the basic rights of shareholders and facilitates shareholders to exercise the rights that the shareholders deserve.

### 1.1. Protecting the rights of shareholders.

The Board of Directors recognizes and values the duty of overseeing and protecting the rights of shareholders. As well as protecting and promoting all shareholders to receive and exercise their basic rights in accordance with the laws and regulations of The Company appropriately, equitably and fairly according to The Company's restrictions and regulations of the office, The Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) including other related laws and consider matters that affect The Company, such as the allocation of dividends determination or amendment of company regulations and memorandum of association Capital reduction or increase of capital And approval of special items etc. The Company does not have a policy in away that prevents shareholders from communicating with each other and there is no policy to make agreements between shareholders that have a significant impact on The Company or other shareholders.

### 1.2. Shareholders' Meeting

. The Company organizes an Annual General Meeting within 4 months of the end of the fiscal year, for other shareholders' meetings, it will be an extraordinary meeting of shareholders. The Board of Directors will arrange a meeting as it deems appropriate, with policies to support and provide various processes to help facilitate meetings to support and encourage all shareholders including institutional investors attending the meeting and exercising the right to vote. In addition, The Company places importance on the date, time and venue of the meeting to be appropriate and convenient to attend the meeting of all shareholders, it allows the shareholders to propose the meeting agenda in advance



before the meeting date according to the rules and relevant laws. Including the takedown public of the details of the securities, channels, time periods and results of the proposals to the shareholders via the website of the Stock Exchange of Thailand (SET). In the shareholders' meeting The Company has prepared a meeting invitation letter. Which specifies the meeting agenda, objectives, reasons, opinions and recommendations of The Board of Directors, along with relevant documents and information for each agenda in Thai, English, for publication on The Company's website and sent to shareholders in advance by post and if any shareholders have any queries Can send questions that need to be answered in the shareholders' meeting in advance in accordance with the channels and criteria specified by The Company or able to make inquiries, suggestions or comments on relevant matters on the date of the shareholders' meeting after the meeting, The Company has recorded and prepared minutes of shareholders' meetings that are accurate, complete and can be inspected.

In the year 2019, The Company held a general meeting of shareholders. On Tuesday 26 April 2019 at 10:00 am at Venus Room 3-4, Impact Exhibition Hall 5, Floor 2, Muang Thong Thani, 99 Popular Road, Ban Mai Subdistrict, Pak Kred District Nonthaburi Province. During the meeting, The Company did not add any meeting agendas or change important information without notifying shareholders in advance. In the 2019 Annual General Meeting of Shareholders, The Company proceeded as follows

**Before the shareholders' meeting**

1. The Company gives shareholders the opportunity to participate by proposing the agenda of the general meeting of shareholders. and nominating a person to be a director Including sending questions in advance before the general meeting of shareholders for the 2019 Annual General Meeting of Shareholders, The Company requires the shareholders to propose the agenda and names of the persons to be appointed as directors for the 2019 Annual General Meeting of Shareholders, The Company requires the shareholders to propose the agenda and names of the persons to be appointed as directors in advance from 9 October 2019 until 15 January 2020, with The Company notifying shareholders Through the news system of The Stock Exchange of Thailand. Along with announcement of rules and specify clear procedures on The Company's website at [www.cssthai.com](http://www.cssthai.com) under the menu "Investor Information" under the heading "Shareholders' Meeting". At that time period no one proposed an agenda or propose a list of names That is suitable for Serve as a director.
2. The Company has announced the schedule of the annual general meeting of shareholders in advance. So that shareholders can allocate time to attend the meeting appropriately
3. The Company disseminated the invitation letter and meeting documents in both Thai and English for foreign shareholders via The Company's website 30 days before the meeting date. In the year 2019, The Company disclosed the invitation letter and meeting documents on the website on 25 March 2019.



4. Presentation and delivery of information to shareholders The Company assigned Thailand Securities Depository Co., Ltd., which is the registrar of securities of The Company, to deliver the meeting invitation and meeting documents stating the agenda, objectives, rationale and opinions of The Board of directors and information Important to consideration Including The Company prepared in english for foreign shareholders and delivered to the shareholders no less than 21 days in advance of the meeting for the shareholders have sufficient time to study the information and make decisions In addition, The Company also posted in newspapers To specify the date, time, place and agenda for 3 consecutive days before the meeting.
5. The Company delivers the proxies in the form specified by law. As well as advice on proxies Along with the meeting invitation letter to facilitate the shareholders who are unable to attend the meeting by themselves and appoint a proxy to others or appoint any independent director as specified in the proxy to be a proxy to attend the meeting and vote as specified by the shareholders and providing stamp duty to the proxies free of charge.
6. The election of directors There is information specified educational background, work history, The number of companies that hold directorship positions, despite being in SET and not in SET, number of years in the position and type of committee proposed and attendance in the past year. Including showing policies criteria and guidelines for the selection of directors in the invitation letter to be the information for consideration of the shareholders' decision.
7. Agenda for determining remuneration for directors for the year. The Board of Directors has established a transparent remuneration determination process and approved by shareholders. By considering the remuneration of that director The Company has proposed to the shareholders to consider and approve all forms of compensation, both monthly compensation, the remuneration is a meeting allowance and remuneration in the form of gratuity. By dividing the presentation into groups and positions Including disclosure of policies And guidelines for determining compensation in the meeting invitation letter In order to be the information for consideration of the shareholders' decision.
8. The Company gives shareholders the opportunity to submit questions that need to be clarified on issues relating to the meeting agenda in advance of the meeting day via the email address of The Board secretary. [secretary@cssthailand.com](mailto:secretary@cssthailand.com) or send question documents by post by addressed to the secretariat and to the shareholders (Investor Relations) Communication And Systems Solution Public Company Limited No. 329 Moo 3, Ban Mai Subdistrict, Pak Kred District Nonthaburi 11120.

#### **The date of the shareholders' meeting**

The Company supports and encourages all shareholders. Including all institutional investors exercising the right to attend the meeting and vote. In the shareholders' meeting, which facilitates and arranges the meeting transparently and can be examined and do not do anything That is depriving the rights of shareholders As well as allowing shareholders to ask questions and express their



opinions appropriately. In addition, in the 2019 Annual General Meeting of Shareholders, The Company conducted the following activities on the meeting date as follows:

1. The Company facilitates and encourages all shareholders to attend the meeting by arranging a convenient meeting location. And also providing a shuttle service for shareholders to the meeting location, clearly specifying the drop-off points in the meeting invitation letter.
2. The Company has prepared personnel and technology By using the barcode system showing the registration number of each shareholder In order to facilitate the registration and examination of documents to the attendees appropriately, Sufficient, convenient, fast. Also The Company uses the meeting system of OJ International Co., Ltd., from registration, vote counting and processing. Which can show the results to the meeting immediately and transparent, able to be inspected.
3. Prepare ballots for shareholders at the meeting.
4. Company Directors and Senior Executives Including the chairman of The Board and the chairman of every sub-committee attended the annual general meeting of shareholders to clarify and answer questions, listen to opinions and suggestions from shareholders. In addition, the auditor of The Company attended the general meeting of shareholders to answer questions for shareholders.
5. Notifying shareholders before starting the meeting regarding the rules methods of attending the meeting proxy and the use of ballots, along with explaining the rules and procedures for voting and counting votes to inform shareholders.
6. The Company gives the right to shareholders to vote 1 share per 1 vote.
7. Arrange for an independent person, including an auditor representative or minor shareholders participating in the examination of the voting in the shareholders 'meeting and disclosed in the minutes of the shareholders' meeting.
8. Arrange for legal advisors to attend the shareholders 'meeting and disclose in the minutes of the shareholders' meeting.
9. The Company gives rights to shareholders who attend the meeting after the meeting has started. Have the right to vote for the agenda being considered and not yet being voted on It was considered a quorum from the agenda that was attended and pronounce onwards.
10. Conducting the meeting according to the meeting agenda specified in the meeting invitation letter, In which the details any relevant information in each agenda has been informed to the shareholders in the meeting invitation letter and The Company does not add a meeting agenda or change important information without notifying shareholders in advance.
11. In the election of directors in place of those retired by rotation The Company requires the shareholders to vote for each individual director.



12. The Company allows the shareholders to freely express opinions, suggestions or ask questions in various agendas before voting. And recorded the questions and answers clearly in the minutes of the meeting.

**After the shareholders' meeting**

1. The Company arranges to notify the resolutions of the general meeting of shareholders and the voting results. Through the news system of the Stock Exchange of Thailand (SET) within the time specified by the SET
2. After the shareholders' meeting ended The Company prepares the minutes of the shareholders' meeting with complete and complete details, including voting of approval, disapproval, abstention and invalid votes in every agenda. Agenda that requires voting And delivered to the Stock Exchange of Thailand within 14 days after the meeting date And also published on The Company website at [www.cssthai.com](http://www.cssthai.com)> Investor Relations > Shareholder Information So that the shareholders can check
3. Announcement of images of the atmosphere of the Annual General Meeting of shareholders on The Company's website [www.cssthai.com](http://www.cssthai.com)> Investor Relations > Multimedia presentation So that the shareholders who did not attend the meeting were informed the meeting atmosphere.

In the year 2019, The Company received 100 points from the assessment of the quality assessment of the general meeting of shareholders, which is evaluated by the Thai Investment Promotion Association.

## **Category 2      The Equitable Treatment of Shareholders**

The Board of Directors recognizes the importance of treating shareholders and 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. Therefore establishing policy guidelines for supervision Protect and support all shareholders to receive fair and fair treatment as follows:

1. 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.

2. 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.
3. 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.
4. 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.
5. The Company gives shareholders the opportunity to propose meeting agendas and names of qualified and qualified persons. In order to be considered to be a director of The Company in advance of the date of the general meeting of shareholders in accordance with the rules, conditions and procedures that The Company or related laws. Including dissemination of the details, criteria, channels, duration and results of the agenda and names of the shareholders to the shareholders via The Company website and the SET website As well as informing the result of the meeting's agenda proposal and the name of the said person to shareholders for acknowledgment.
6. The Company prepares an invitation letter for the annual general meeting of shareholders, meeting documents, annual reports and report corporate social responsibility Both Thai and English.
7. The Company has sent Notice to the 2019 Annual General Meeting of Shareholders with the supporting documents to shareholders and publish the documents on The Company's website in advance of the meeting date within the period specified by relevant laws and regulations.
8. In case of shareholders are unable to attend the meeting by themselves The Company has attached the Proxy Form B, Which is a form in which shareholders can specify their own voting guidelines for each agenda together with the notice of the meeting for allow shareholders who are not convenient to attend the meeting by themselves can authorize independent directors or other persons to attend the



meeting and vote on their behalf. Also The Company publishes on The Company website for shareholders to download.

9. In the shareholders' meeting The Company makes use of voting cards on every agenda item that requires voting for transparency and can be checked in the event of a dispute later. Along with the counting of votes and revealing the voting and recording the resolution of the meeting clearly in the minutes of the meeting.
10. Giving the right to vote according to the number of shares held equally 1 share per 1 vote.
11. 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.
12. In conducting Related Party Transactions, it must be done fairly. (Fair and at arm's length) By considering the normal price of the business or as a reference to the market price And consider the benefits of The Company as important. Which The Board of Directors supervising the compliance with the rules and disclosure of Related Parties Transaction of listed companies strictly.

In addition, The Board has clearly defined guidelines for the implementation as accordance with the laws, rules and regulations of the SET and the SEC. Along with regularly reviewing compliance with corporate governance principles Therefore, shareholders can be confident that they are treated and used, have an equal opportunity and justice.

### **Category 3      The Role of Stakeholders**

The Board of The Company places importance in all groups of stakeholders, whether they are internal stakeholders, etc. 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. In addition, The Company has determined the scope of ethics and business ethics. Which announcements on The Company website and communicate with employees and executives as a guideline for the rights of all groups of stakeholders. 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.

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 there are topics as follows: 1) Product 2) Service management 3) Selling price 4) the order side 5) Delivery. In this year The Company has summarized customer satisfaction with the average score of 4.27 (5 points)

Also, The Board of Directors has established other operational guidelines related to social responsibility and care for the benefits of stakeholders as follows:

### **Guidelines for the process of reporting clues, wrongdoing 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](mailto: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.

### **Guidelines for the process of anti-corruption**

The Board recognizes and places importance on anti-corruption. By cooperating with various agencies in combating corruption as appropriate The Company is in the process of raising the of anti-corruption of the organization. To be certified as a member of the Private Sector Collective Action Coalition Against Corruption Project (CAC).



## Category 4 Disclosure and Transparency

The Board of 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](http://www.cssthai.com). Disclosure guidelines which cover company communications are as follows:

1. The Board of Directors is responsible for the disclosure of company information and reports. Including financial reports that are not financial information and other information in accordance with the rules and regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to be clear and clear and can be able to authenticate it.
2. The Board of Directors is responsible for overseeing that the reporting of information and various operations according to the annual information disclosure form (Form 56-1) and annual report (Form 56-2) is complete, accurate and timely according to the law or other departments stipulated. Including disclosing such information on The Company website In order for the shareholders and the stakeholders to receive the information correctly and equally.
3. The Board of Directors is responsible for the financial reports of The Company which have been prepared. There is a report of The Board of Directors' responsibility for financial reports together with the auditor's report in the annual report form (Form 56-2), as well as supervising the management to prepare financial statements and financial information to be correct complete under the generally accepted accounting principles in Thailand and also choosing to use appropriate accounting policies and practice consistently. Including sufficient information disclosure in the financial statements. The Audit Committee will review the quality of financial reports and internal control systems, as well as sufficient disclosure of important information in the notes to financial statements.
4. The Company submits financial reports to the office of SEC and SET within the time limit and there are no conditional items for which the auditor has expressed opinions.
5. The Company has set to disclose information and news to shareholders, investors, and related parties through the SET's media and The Company's website for investors and all groups of stakeholders can access The Company information thoroughly and equally, such as financial statements, news documents, company regulations, etc.
6. 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.
7. Disclosure of shareholding of The Board of Directors and Management clearly. The Board of Directors requires directors and executives to report the following:



- a. Reporting on the purchase or sale of The Company's shares. Must be reported according to the regulations of the SET and the SEC.
  - b. Reporting the equity and related transactions. The Board of Directors assigned to The Directors must report to the stakeholders and reviewed annually.
8. The Company has provided a channel for disclosure of information, which is a way that shareholders, investors, and the general public can access information easily and equally. In both Thai and English In addition, The Company has provided the website of The Company as another way to disseminate important information of The Company. However, The Company is determined to develop the website of The Company to have up-to-date information at all times for investors and people who are interested can have access to company information.
9. 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](mailto:prapussorn@cssthailand.com)

In the year 2019, The Company held 2 meetings with analysts and there were no complaints regarding incorrect announcement or disclosure of important events and the order to amend the financial statements also The Company not delivering financial reports both quarterly and annually late.

## **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 2019, The Board has 9 Directors consisting of 5 Executive Directors and 4 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 Independent Directors of The Company have qualifications regarding independence. According to the requirements of the Securities and Exchange Act and other relevant laws

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

### 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 and intranet.

### 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 off 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. In the year 2019, the audit results concluded that The Company has sufficient internal control to ensure confidence in achieving the specified operational objectives.

#### 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.

In order to have an effective risk management process at every step in accordance with the principles of good corporate governance The Board therefore resolved to expand the scope of risk management to affiliated companies in order to create confidence among investors and all interested parties regarding business operations under the risk control system that has Guideline in accordance with consistent international principles and also reduces the risk that may occur in the future as well.

#### 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.

#### 2.7 Board of Directors Report

The Board of Directors determines and approves the vision, mission, strategy, goal, business plan and budget of The Company. By having a board meeting at least 1 time per quarter to monitor The Company's performance and acknowledge important operations of the management. The Board of Directors has established an appropriate vision and mission with the business operations of The Company. As well as reviewing annually to make the vision and mission of The Company appropriate and consistent with the current economic situation and conditions. Disclosed on The Company website In the section about The Company> sub-topic, vision and mission..



### 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, Which the meeting is scheduled in advance for the whole year and able to schedule 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 will be written after the meeting has finished and the approved minutes will be kept for inspection by The Directors and others. In addition, the secretary of The Board will record the minutes of the meeting as well as record the discussion and opinions of the committee and submitted to the Chairman of The Board to consider and certify the signature By proposing to the meeting for approval in the first agenda of the next meeting and is the organizer for storing information or documents about various meetings. However, in the year 2019, The Company held 5 meetings of The Board of Directors, 95.56% of the members attending the meeting. The Company delivered documents for each meeting agenda in advance (average of 7 days).

#### Subcommittee Meeting

The meeting is scheduled in advance for the whole year and able to schedule with special meeting called when necessary and record and prepare meeting minutes every time. According to The Board of Directors' and committees' meeting agenda 2019, The Directors had attended to the meeting as the follows.

- The Audit Committee had 4 times meeting, there were directors attended 100%
- The Nominations, Remuneration and Corporate Governance Committee had 1 meeting, there was directors attended 100%
- The Risk Management Committee had 1 times meeting, there was directors attended 100%
- The Strategic Committee had 5 times meeting, there were directors attended 91.11%
- The Executives Committee had 12 times meeting, there were directors attended 100%

### 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.



## 6. 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.

## 7. 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 (AACP)	Audit Committee Program (ACP)	Financial Statements for Director (FSD)	Board Matters & Trends (BMT)	Board That make a Difference (BMD)	Board Nomination and Compensation Program (BNCP)
1. Mr.Sompong Kangsawiat	Chairman and Chief Executive Officer		2012	2006	2011						
2. Assoc.Prof.Pitipat Chatacaraphat (Ph.)	Independent Director				2005						
3. Mr.Chattaphum Khantiviriya	Independent Director		2008		2008		2005				
4. Assoc.Prof.Prapart Praisuwanna	Independent Director				2009			2013			
5. Mr.Vuthichai Duangratana (Ph.D.)	Independent Director				2014	2016					2018
6. Mr.Opas Tiawattanoj	Director				2011						
7. Mr.Kittirat Mekmanee	Director				2011						
8. Ms.Panida Sawatwannarat	Director			2005	2005						
9. Ms.Nongnuch Temeesrisuk	Director			2005	2005						





Training of The Board of Directors for the year 2019 are as follows;

No	Name	Position	Training Courses
1	Mr.Sompong Kangsawiwat	Chairman of the Board / Chief Executive Officer / President / Chairman of Risk Management	
2	Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)	Chairman of Audit Committee/ Independent Director Chairman of NRCG Committee	
3	Mr.Chattaphum Khantiviriya	Member of Audit Committee /Independent Director Member of NRCG Committee	
4	Assoc.Prof.Prapart Praisuwanna	Member of Audit Committee /Independent Director	
5	Mr.Vuthichai Duangratana (Ph.D.)	Member of Audit Committee /Independent Director	- Design Thinking Deep Drive for Executive Board 2562
6	Mr.Opas Tiyawattanoj	Director / Member of Risk Management Committee / Managing Director Telecommunication	
7	Mr.Kittirat Mekmanee	Director / Member of Risk Management Committee / Managing Director Business Group	
8	Ms.Panida Sawatwannarat	Director / Member of Risk Management Committee / Managing Director Finance & Control Group	
9	Ms.Nongnuch Temeesrisuk	Director / Corporate Secretary and Managing Director Management & Corporate Governance Group	



## 8. 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 2019, the self-assessment of The Board of Directors, individual and sub-committees can be summarized as follows.

(A) Entire Board of Directors with an average score of 96.12 at an excellent level which the highest score is The Board of Directors' meeting. The Board Attach importance to the meeting and monitor the performance of the management to be in accordance with the strategy set or not In addition, the Board of Directors' meetings can express opinions freely. Which all suggestions are beneficial to all business operations

(B) Individual Board of Directors has an average score of 96.53 at an excellent level with the highest score being Structure and Qualifications of Board of Directors. Since Board of Directors is a person with diverse knowledge and capabilities and be able to provide useful advice for business.

(C) Audit Committee get an average score of 100 at an excellent level due to Audit Committee is able to perform duties in accordance with Charter of Audit Committee and being independent from management



(D) Nomination, Remuneration and Corporate Governance Committee get an average score of 99.72 at excellent level because of performing duties in recruiting directors and determining remuneration for directors, also manage to control company to comply with requirements of good corporate governance as well.

(E) Risk Management Committee with an average score of 94.02 at an excellent level, the highest score is Structure and qualifications of the risk management committee. As the Risk Management Committee has knowledge, ability and expertise in The Company's business Therefore, being able to analyze the risks may affect The Company and manage the risk to be able to control Also, able to give suggestions that are beneficial to The Company's business operations.

(F) Strategy Committee with an average score of 95.08 at an excellent level, the highest score is topic of meeting. In the past year, economic conditions and situations changes rapidly and more intense, company has plans to invest in business expansion from various opinions of each director which is beneficial to decision and business.

(G) Executive Committee with an average score of 94.17 at an excellent level, the highest score is role, Structure and qualifications of directors and board meetings. Which, The Board of directors has various knowledge and capabilities and have expertise in The Company's business and able to give suggestions that are beneficial to The Company's business operations.

## 9. 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 . Salary criteria, annual Bonus, other welfare and long term benefits . 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 2019 with the overall score decreasing with 86.03 % in 2018 and 85% in 2019 as Good.



## 10. 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.

## 11. 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.

## 9.2 Sub-Committees

Details about the sub-committees are shown in Section 8 Management Structure, Part 2, Page 44 - 58 of the annual registration statement for 2019.

## 9.3 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](http://www.cssthai.com)) from October to January. The Nomination, Remuneration and Corporate Governance Committee will propose to Board of Directors Meeting before propose to the Annual General Meeting to shareholders onward.



## 9.4 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.

## 9.5 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 business 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.



## 9.6 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 2019. 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 2019 is 2,905,000 baht. Details are as follows;

	CSS	Energy	NWC
Yearly Audit fee (Baht)	1,410,000.00	185,000.00	440,000.00
Quarterly Reviewed Financial Statements (3quarters)	540,000.00	90,000.00	240,000.00
Total	1,950,000.00	275,000.00	680,000.00

In 2019, There is no other service audit fee Apart from the above list.

## 9.7 Implementing good corporate governance principles for listed companies in 2017

The Company has always emphasized and followed the principles of good corporate governance. By following good corporate governance principles for listed companies in 2017 to be suitable for the business of The Company. However, The Board of Directors requires regular review at least once a year.

## 9.8 Compliance with good corporate governance principles in other matters.

According to the survey conducted in 2019, the Thai Institute of Directors Association surveyed 677 companies. Summary of the survey The Company received an overall score in the "Excellent" The rating was 90%, which is one of 172 companies with five-star quality level. from past performance Showing The Company's commitment to continuously developing corporate governance standards. To be a good organization and quality, also being transparent and verifiable However, in 2019, it is still not possible to cover the criteria of the CGR project in the following;

Has not been implemented	Reason
1. The committee should consist of more than 50% independent directors.	The Board of Directors consists of qualified members with diverse qualifications, capabilities and experience. There are 4 independent directors out of the total of 9 directors, which are considered to be appropriate to the performance of The Board of directors.
2. The Chairman of The Board and the President shouldn't be the same person to divide the supervision duties and management responsibilities Clearly	Although the Chairman of the Board And the President are the same person And is not an independent director But the chairman of the board Has overseen the company Fair, transparent, verifiable by taking into account the interests of the company. By not allowing the benefit of any person



	<p>It also supports and encourages directors and independent directors to Participate in discussions and express independent opinions. Including the company, there has never been a case In which the chairman has exercised the right to vote in order to decide in any resolution.</p>
<p>3. The Board of directors should specify that the independent directors hold their positions for not more than 9 years from the date of first appointment as independent directors.</p>	<p>As the independent directors are knowledgeable and are experts in the business of The Company Therefore is considered an important person for The Company to achieve the business success.</p>
<p>4. The Nomination, Remuneration and Corporate Governance Committee should be an independent committee.</p>	<p>The Nomination, Remuneration Committee consists of The Nomination Committee consists of 3 members consisting of 2 independent directors and 1 executive director. In which The Nomination, Remuneration Committee is an independent director .The Board of Directors has considered that The composition of the current selection committee is appropriate. Including all of the Nomination Committee who are qualified and able to perform their duties well and efficiently.</p>
<p>5. The non-executive board held a meeting among themselves without the management in attendance.</p>	<p>In the past year, The Company did not hold a meeting of non-executive directors, held meetings among themselves without management participation in the meetings. There is an opinion that the meeting will be held in 2020 to allow non-executive directors to discuss various issues. Regardless of The Company's business.</p>
<p>6. Anti-Corruption Action</p>	<p>The data preparation process is in progress due to the important data that is consistent with the internal audit plan of the internal control system auditors. Including the data review based on the self-assessment to prepare for the CAC certificate application.</p>



## 9.9 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.

### Educating and training employees on environmental issues.

In addition to training and educating employees on the environment and efficient use of resources, it is a course for training New employee orientation. In the year 2019, The Company also organized training courses for employees in the Safety Management Program, Professional Safety Course, Modern Business Model Course, Focusing on Global Warming and Sustainability. As well as focusing on the change of work process to reduce the environmental pollution.



## 10. Corporate Social Responsibility Strategy

### The company's business overview

After the conversion is a public company, on August 8, 2005, with the name Communication and System Solution Public Company Limited" Initial growth from the establishment of business, distribution, and installation of materials and equipment of fire protection (Passive Fire Protection) for high-rise buildings and industrial plants. Later, the company has continuously expanded its business to its distributors, suppliers, electrical wires and other equipment related to the electrical system from leading producers of international manufacturers, such as conventional electrical wires for buildings and industrial plants. Electric lamp for interior and exterior building, transformer, electrical wiring, and material related to anti-static systems with a customer, both government and private companies. In addition, the company also provides services for the installation and maintenance of telecommunication systems. This includes the construction and installation of a mobile phone transmission system and in the year 2015, the company has continuously expanded business. The company has been installing the engineering, technology and information system, and current companies have expanded renewable energy and energy management services.

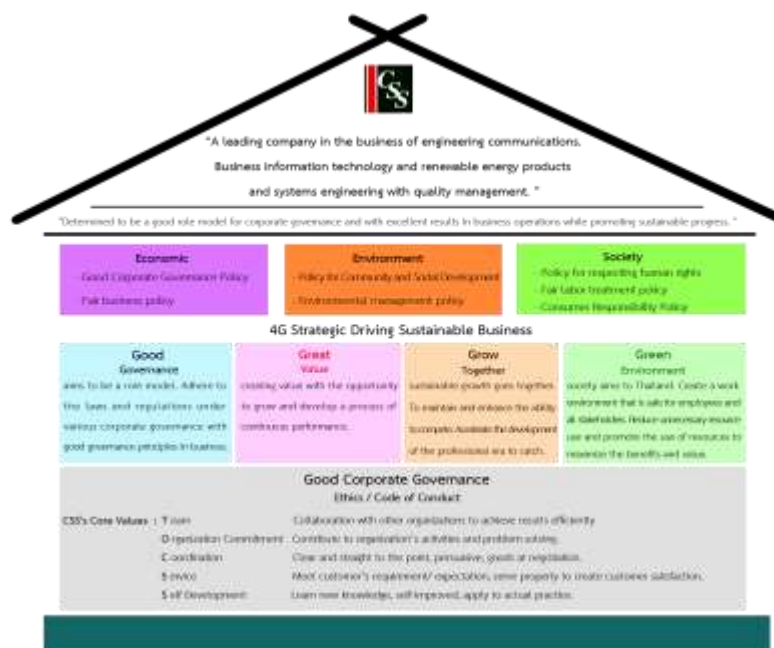
The Company's headquarters located at 329 Moo 3 Tambon Ban Mai, Pakket, Nonthaburi and 1 branch in the province of Chonburi at 59 Moo 7 Tambon Bangphra, Sriracha, Chonburi. Total number of employees 308 people

Information of Communications and Systems Public Company Limited. See more at [www.cssthai.com](http://www.cssthai.com)

### Business strategy

Communication and Systems Solution PLC Operate under the main strategy **"to create competitive potential and create value for stakeholders"** that focuses on growing together balanced and sustainable by defining important competencies.

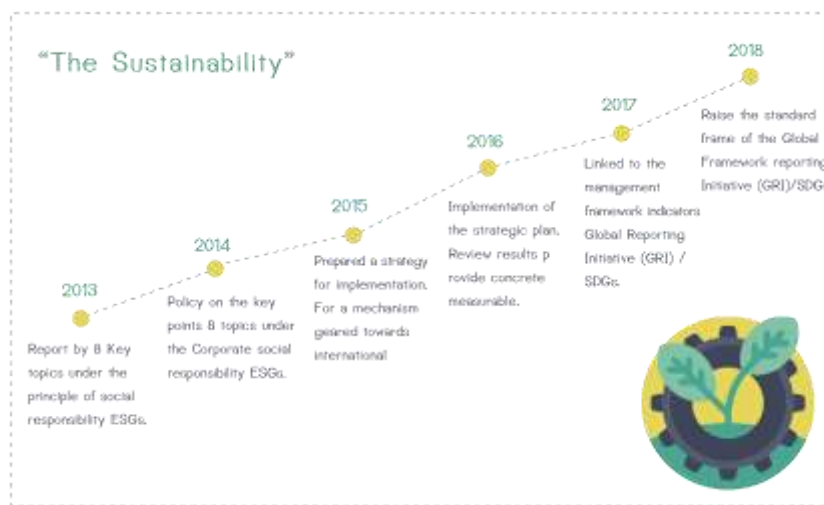
- Expanding your business abroad to grow and create investment opportunities Providing a wide range of products to meet every customer's needs.
- Extending the customer base to cover all industries in both public and private sectors.
- Maintaining the quality of sales and service to customers to create the highest satisfaction.
- Human resource development to keep pace with every change.



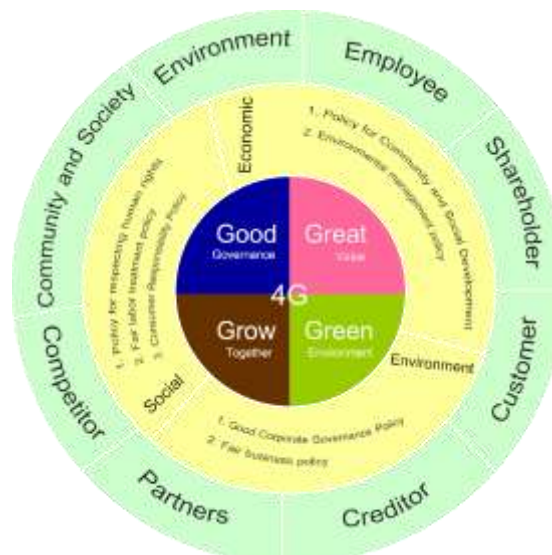
## The beginning of Sustainable development

The sustainability of the company, Communication & Systems Solutions PCL. which began in 2013 after the company was listed. Company has realized the importance and delivery teams participate in the training on the Stock Exchange of Thailand to receive policy directions and guidelines valid. Leading to operational planning with the goal of developing a sustainable one.

The company continuously follows the corporate social responsibility activities on the basis of our sustainability policy, "committed to be a good corporate governance and has excellent results. In the process of doing business alongside the strengthening of sustainable growth, "until the year 2019 was a year of development. By elevating the content of the report under the new concept of the Securities and Exchange Commission, is geared towards. "The Sustainability" literally.



In the year 2019, the company brought the 4G strategy to the core of creating good practices. Link to sustainability dimensions consisting of economic dimensions, a social dimension, and the environmental dimension. Leading to a positive impact on all stakeholders. The reflection of the commitment to real corporate sustainability.



### The social responsibility policy and the strategy for 4G to build a balance of sustainability

**Good** Governance aims to be a role model. Adhere to the laws and regulations under various corporate governance with good governance principles in business.

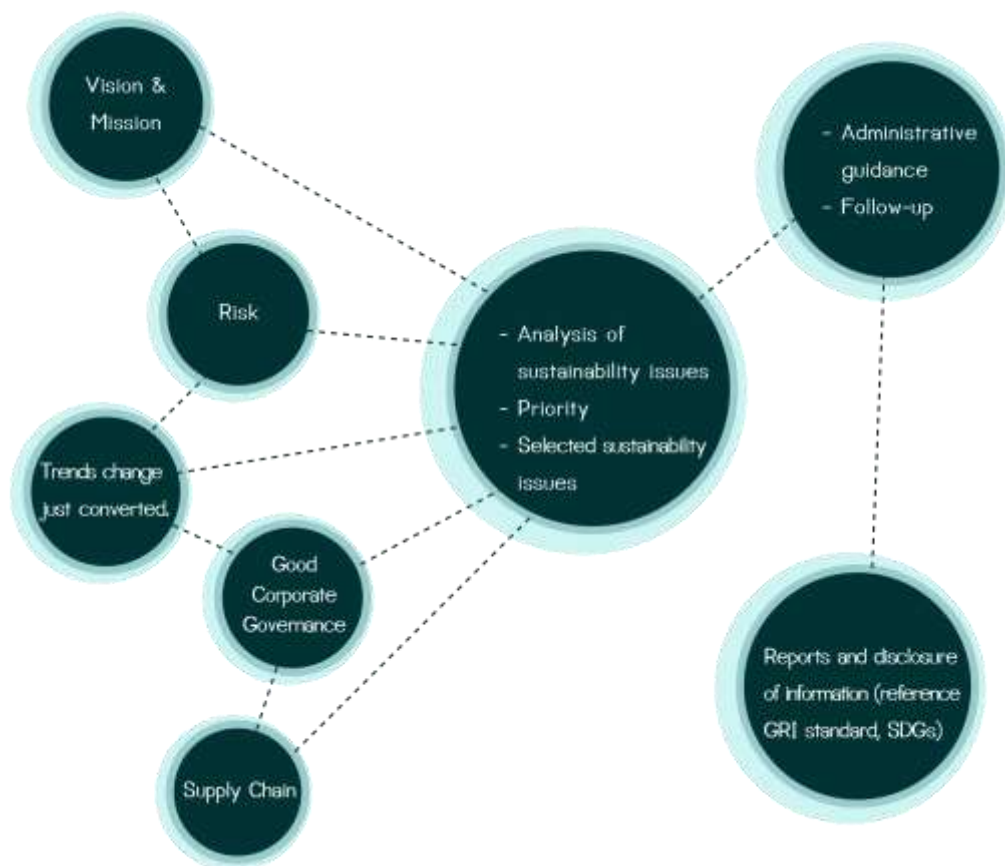
**Great** value creating value with the opportunity to grow and develop a process of continuous performance.

**Grow** Together sustainable growth goes together. To maintain and enhance the ability to compete. Accelerate the development of the professional era to catch

**Green** Environment Society aims to Thailand. Create a work environment that is safe for employees and all stakeholders. Reduce unnecessary resource use and promote the use of resources to maximize the benefits and value.

### To determine the sustainability issues that are important

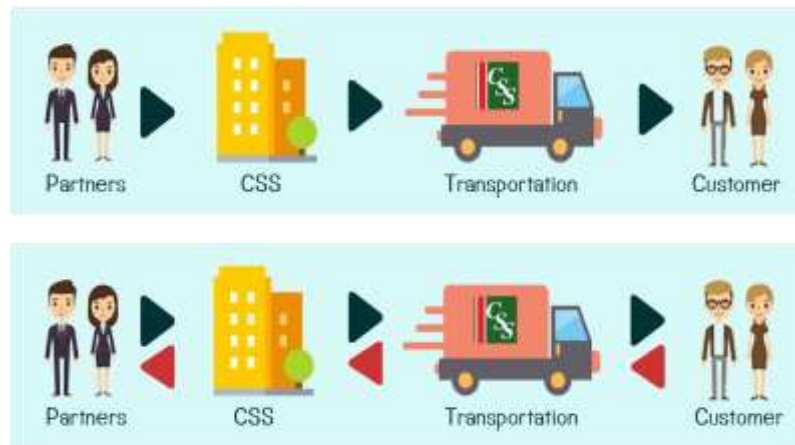
The company has compiled sustainability issues that are relevant to the nature of the business. Using international guidelines of the GRI Standard to determine the context of sustainability and global trends from the United Nations (SDGs) as well as case studies in the same industry. To induce the most useful addition, the Board has reviewed the screening and moderated by a team of consultants. Be prioritized based on the impact of the stakeholders of the company, coupled with the impact of economic, social and environmental.



## Business value chain

The company recognizes the importance of driving business to sustainability with regard to ESG issues, especially reviewing the value chain of the business, which shows activities that arise. From the beginning of the water to the end of the water, reflecting the determination of delivering the goods and services to meet the needs of such stakeholders.

The company has leveraged its relationships in the supply chain, from supply chain management to sustainability. Through the process of risk analysis principles into account the expectations and satisfy the expectations of all stakeholders in the group appropriately. To reduce the risk of impact to the supply chain of companies that do business together and grow together in the long-term sustainability.



## Economic

### Adherence to fair business practices.

The company's growth amid global economic volatility. It relies on various factors, including changing the way you think. How to Practice and mechanisms to drive business to assist management in order to achieve the objectives set. Company policymakers in the business. And prepared in writing. A practical guide to creating results based on clear objectives to materialize quickly. This will affect the economic growth of the organization, with truly justified.

### Good governance

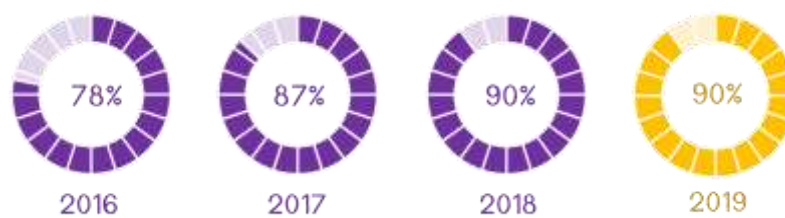
The company believes that in addition to adhering to the laws, regulations and standards. Supervision is key to the company's operations. The Board of Directors has the mission to review and monitor procedures to operate annually. To build confidence and bring benefits to all stakeholders of the company's long-term sustainability.



The company's corporate governance program is listed by the Thai Institute of Directors, established to support the Company's actual intention and reflect the results of confidence in good corporate governance. This is a challenge and is the goal of the company to continuously strive for. Therefore, a policy and a guideline has been regularly reviewed in 5 important section, which are shareholders' rights, the equitable treatment of shareholders, consideration of the roles of stakeholders, disclosure of transparency and responsibilities of the Board Including new issues in the Code of Conduct

In 2019, although there were many factors affecting the overall economic system. The Board of Directors has followed a close supervision to ensure that the company can maintain the level of assessment in the 5-star rating to earn points equal to 90 points from the average score of listed companies as of 82 points.

The chart compares the scores each year



In addition, the company is considering the creation of a stage to engage effectively with stakeholder groups. A concrete The General Meeting of Shareholders for the year 2019 for shareholders of the company. Be able to participate in decisions about the importance of effectiveness. On Friday, April 26, 2019, at the IMPACT Exhibition Exhibition Hall, Muang Thong Thani, and in 2019 the company received the results of the Annual General Meeting 2019. Annual Shareholders Investors Association of Thailand in 5-star rating with a score of 100 represents the average level of excellence. As a visual reflection of the confidence in the management efficiency of the organization.



## Ethics in business

The company is committed to operating in accordance with the good corporate governance principles. Under the framework of good corporate governance by adhering to the principles of transparency, equality and responsibility to all groups of stakeholders. By creating long-term business values, the company has defined business ethics or business ethics as follows:

1. Conduct business by adhering to the ideology of business conduct, as well as the mechanism to control the conduct and report of ethical results.



2. Conduct business in a manner of transparency, adhering to the responsibility of all parties, equality and equality.
3. Do business without the need for employees to receive money or valuable items from business stakeholders with all the parties which may cause unfair justice to those involved.
4. Doing business under non-political involvement by acting neutral in politics Do not act in alignment with any political party or someone with political power.
5. Conducting business under seeking benefits in a favorable and open manner. By not giving money or things to anyone in order to induce or omit to do anything incorrectly.
6. Conducting business under social and environmental responsibility regarding the impact from the company by accepting inspection and ready to be responsible for the results of the examination based on the facts
7. Conduct business with respect to international human rights. That can be adapted for use in every country Every culture and every situation by adhering to the principles of international respect.

In addition to the business conduct. The company is also aware of the significant relevance to the business operations to the sustainability, defining the principles of the company's ethics. And the code of conduct to stakeholders. This is for the benefit of using a truly effective guideline. The company has applied such code to the relevant people in all channels of communication. The expectation of all stakeholders, acknowledge and comply with the understanding and disclosure of the company's website.

The company recognizes that honesty is the cornerstone of organizational development, thereby promoting continuous anti-corruption activities. The company aims to create a strong corporate culture with good governance that will lead to further sustainability. For the year 2562, the company has organized activities within the organization is the "CSS combined power-fighting cheat" and has set up simultaneously with the job "total volunteering." Anti-corruption and listed companies in the stock exchange of Thailand. On September 6, 2562 at the Exhibition and Convention Center, Bitec Bangna. In the event of such activities, the company has focused on communicating information to provide accurate knowledge of anti-corruption information through a variety of activities in order to create knowledge. The understanding It is easy to remember and practical to use, such as text labels, PR board. Join the fun, answer questions and activities games that are highly interested in employees.



Years 2020, the company intends to raise the ethical principles of corporate ethics. By participating in the Thai Government's joint-compliance program in combating corruption. This is to be used as an anti-corruption tool in all company business activities. It leads to truly sustainable business confidence.

### Awards of sustainability

The company focuses on sustainable business operations and has developed a good reporting and disclosure of information from the beginning of the company until registered in 2013 until now, the company received the opportunity to receive the prize. Michael announced "Sustainability Disclosure Acknowledgement" from the Thai Board of Directors ' Sustainability Disclosure Award 2019 ", which is organized by the Securities and Exchange Commission (sec.). The sustainability award reflects the company's operational intention against the sustainability development of the 3-dimensional, social and environmental economy.



### Risk Management

The company recognizes the challenges of risk management in the context of economic volatility, under the supervision of the working group 2019. Under the supervision of the risk management committee, the company's policies have been effectively reviewed. The recommendations in the committee are as follows:

The risk management of the company has been continuously operating in determining the internal audit plan. Every year, it is set out in every quarterly manner in order to ensure that the company's operating process is truly effective. In the year 2019, the audit results were satisfactory for all 4 quarters. As follows:

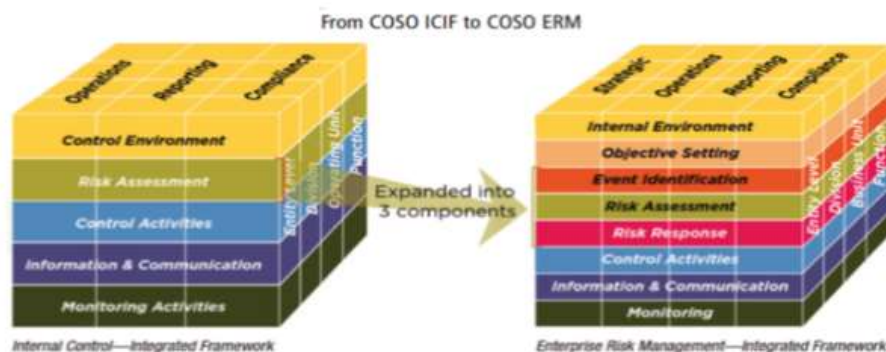
**Q1** revenue system to verify the payment. This includes a review of sales applications. Process payments and debt. And include system management, inventory management, and security. It includes a review of inventory storage process in the inventory cost. As well as monitoring the availability of fire extinguishers.

**Q2** determine budgeting and cost management to ensure compliance with the guidelines set forth sufficient spanning. The right to present the annual plan and budget requirements. Control costs incurred in order to reflect the reality as possible. The criteria and the appropriate allocation of costs.

**Q3** assessing the adequacy of the internal control system, according to the guidelines of the Securities and Exchange Commission (SEC) using assessment tools based on the COSO (The Committee of Sponsoring Organizations of the Treadway Commission) comprising. Controlled environment Risk Assessment the Operational Control Information Systems and Data Communications The tracking system to be effective, according to the stated goal.

**Q4** monitoring systems, performance-related fixed assets. Since buying admission, registration, transfer of registration, including the sale of fixed assets in accordance with the company policy. To ensure that such practices are truly efficient and effective.

For the year 2020 the company plans to update the report. By upgrading to report information related to the risk ESG. According to the latest information is COSO ERM 2017.



## Evaluation of Corporate Management

The company is committed towards a model of good corporate performance management excellence. Therefore, the evaluation committees and subcommittees within the Office of the Securities and Exchange Commission (SEC) is to be used as a tool to measure the effectiveness of the administration to achieve the goal. the company in the year 2019 can be summarized as follows.



## Evaluation Managing director

The evaluation of the Managing director, including executives at all levels of the organization, the company has established guidelines to evaluate pricing model with performance indicators that are consistent throughout the system. The classification evaluation into 2 parts as follows:

- The first section is measured by reference to the principle of universality. The balanced scorecard performance measures (Balance Scorecard) is comprised of four key aspects, including the financial performance of the Company's business, customer, internal processes. And learning and development. The Human Resources Department is responsible for the operation.
- The second section is Performance measurement and performance indicators of potential leaders. Based on the evaluation guidelines of the Stock Exchange of Thailand. And applied appropriately in line with the practices of the organization. The Company Secretary is responsible for the operation.

In addition to the guidelines for the evaluation, the Company has focused on the orientation of the Remuneration Committee to be fair and effective. By reference to the turnover of the business. And the disclosures related to the same industry. Total consideration for the benefits plan, including both short. The salary rates, including annual bonuses and other fringe benefits, including long-term. Contributions to provident fund, etc.



The conclusion of the assessment of the performance of the Managing Director. Lead qualification process by the Nominating Committee, Remuneration and Corporate Governance Committee. An act to be reviewed and presented to the Board for consideration and approval.

For the evaluation of the directors of the President in the year 2019, the overview was reduced by the year 2018, with a rate of 88 percent, and in 2019, there were a percentage of 80 percent due to the financial results of the company's business performance. However, the majority of the Executive Directors are committed to creating a business opportunity for new business investments. Such as in energy and renewable energy. As a result, this is to ensure that a stable income contributes to the creation of confidence in creating a sustainable return.

#### Focuses on professional customer management

Business operations in changing consumer behavior is a complex process in greater service. The cause Priorities in goods and services increased as well. The company is committed to maintaining high standards and quality in every product development, product assortment strategies "One stop service" for maximum efficiency. Also, take into account the creation of a mechanism to monitor sales and services in all categories to meet the quality criteria. In order to meet customer requirements for accuracy. And supremely satisfying. This will lead to the creation of sustainable value to the organization in the long-term.

The company conducted a customer satisfaction survey annually, covering the five major requirements such as product, sale management, sales price, purchase goods and delivery of goods. In 2019, the company received the results of customer satisfaction in the 4.27 average rating from a full score of 5.



The company has launched a distributor of products from the brand. Belden from Benden Asia (Thailand) Co., Ltd. Official on 4 April 2562 under the name of the Grand Opening: CSS your smart Distributor, Belden your smart solution. At Crystal Ballroom at CDC Crystal Design Center.



The company has renovated Web site ([www.cssthai.com](http://www.cssthai.com)). To meet the needs of customers, investors and all stakeholders to get information easily, quickly and evenly.



The company co-organized a booth to publicize the products at the National Engineering Fair of the year 2019 on - 13 - 15 November 2019 at the IMPACT Forum, Muang Thong Thani.



The company accepts the inspection from the partners to show the sincerity and confidence of management in the year 2019 and the achievements achieved. 87.27% in group A grade from the partners of True Corporation Public Company Limited is a reflection of the quality of public services. The working group has a qualified working skill with a certificate of delivery quality. Efficiency and completion of the project management on a timely basis.



In year 2020, the company plans to develop a professional development for customer care, namely the development of new accounting software for the management of sales. It's more convenient and quick to develop sales skills and train product details to salespeople for professional customer service.



## Social

### Respect for human rights and quality of life to a sustainable society

The company aims to provide a guideline in accordance with the global human rights principles and as well as to expand the results to a comprehensive practice from the Executive Board level. To reach the employee level, including the opportunity for all stakeholders to be involved in the opinion of the quality of life and the creation of the results of beneficial works to the company. Contribute to steady growth.

### Human resource management

In this era of rapid change, the change in employment is an important factor. CSS is a company with 100% Thai employees and there is no employment of child labor with the realization of the aforementioned changes, the company has developed a clear management policy, which is divided into 2 groups. The first workgroup, the Profit Center, which is the sales department and the business side of the company which is considered the main workgroup. And the second group, the cost center, General management includes finance, accounting, and other supporting teams. In addition, planning, policy, and upgrading. Human resource management focuses on creating a balance between life and work. There are 3 main aspects that really work.

#### The Human Resources HRM: Human Resource Management

Focus on fair employment, and provide reasonable benefits for the period and changing lifestyle.

➤ Employment The company defines fair employment policies. It is open and gives an opportunity to a variety of individuals, without limitation, focusing on the management of every employee. No discrimination and the opportunity to all employees have the right to express a comment. Clarification on basic guidelines for compliance the company's Articles of the association shall is appropriate in accordance with the company's operating. Under the Fair employment policy, the company has used the tools to manage a global portfolio that measures the achievement of Key Performance Indicators (KPI) keys to help bosses. The principle of consideration is appropriate to the fair value of the employees in fairness, both short and long-term.

#### Short-term return consideration

1. Determine salary structure of employees with appropriate qualifications, knowledge, skills and work experience. By comparable companies in the same industry.

2. The Company has adjusted the wage rate. 1 time per year and annual bonuses, in line with the performance of the Company. Apart from the ability to make a profit each year. And measurable performance criteria to measure the KPI model used to determine the performance of employees and departments. The comparable companies in the same industry and in line with the performance of the company.

3. The Company has the welfare of its employees appropriately, including life insurance, accident insurance and health insurance to provide for the annual check 1 time per year to care for their employees to be healthy. As well as providing other benefits such as money cremation seminars etc.

### Long-term return consideration

1. The company regularly assigns an adjustment criterion to the employee once a year by using the measurement criteria in a KPI form, it is used to consider employees ' performance and capabilities based on a global management approach with Balanced quality measurement. The Scorecard consist of four aspects including the financial performance of the Company's business, customer, internal processes, Learning and Development the Remuneration and incentives right.

2. The Company has a provident fund for employees. To encourage and incentivize employees disciplined great savings. The company allows employees to determine the rate of accumulation has ranged from 3% to 15% for the company's contribution to the fund based on length of service in accordance with regulation, but not more than 5% of base salary, years of service and availability. voluntary Which will be refunded to employees upon retirement. Or upon retirement.

➤ **Labor Relations Management** The company recognizes that it effectively focuses on sustainable sustainability. Must rely on every employee's loyalty to work in order to achieve their goals. The company has the benefit of managing the benefits, as well as promoting appropriate activities that will lead to a harmonious relationship of employees. Feel safe to live together as follows:

- Health: annual health check Primary care by company nurses Taking care of external medical expenses Health insurance and accident insurance Visiting staff the provision of a fitness room as well as various exercise activities.
- Financial matters, such as provident fund grants Compensation fund short-term loans from financial institutions and home loans at special interest rates.
- Other specialties such as funeral benefits.



- In addition to managing various welfare properly. The company also recognizes the opportunity for employees are free to express opinions that are beneficial to growth, along with the organization. The Committee established under Commonwealth law to support the work of the Welfare Board provides a forum for the exchange of information between creative employees and executives of the company. To discuss the recommendations. About employment conditions Operations Quality of life This leads to a great morale of employees. Explore affect ties between employees and the company in 2019 has been rated as unsatisfactory in 78% of the total turnover rate of 2.5%.





➤ Communication quality development The Company is aware of the importance of participation of all groups of stakeholders. This will bring quality information that can be used to develop the organization towards sustainability. Therefore, the company has developed the quality of all forms of communication to cover the said stakeholders both inside and outside the organization.

1. Improvements to internal computer networking (Intranet) The Company provides modern equipment to suit the current communication data. The Company believes that it creates a positive impact, giving all employees the opportunity to share useful information together and the tools that facilitate teamwork as well. In addition, such development brought effective changes to increased employee productivity. It is possible to save money on the paperless office concept, as well as the cost of coordination in the area can be realized and working together effectively.
2. Focus on the retention process for the analysis and evaluation of performance potential to develop enterprise
3. The development of all communication channels provides quick and easy access to and transfer of information. It has the audience to cover all stakeholders.
4. An external computer network (Internet) update has updated the website to its presence. It focuses on simple, easy-to-access formatting, including full-featured information for stakeholders

Development of human Resources HRD : Human Resource Development

Aims to enhance learning. Skills in Practice This will affect the progress of the future

➤ Development of potential for advancement is a key factor in the treatment of employees and growing together with the company, it has determined the development of people in accordance with the strategy each year. By taking into account the participation of all the managers, we offer opinions about the development of the potential of every operational team in order to make the most of our employees and organizations. The Human resources management team will conduct a survey of training needs and analyze and develop personnel development plans. Proposed approval to the Executive Committee annually.

In the year 2019, Human Resources Development Department was able to achieve the objectives according to the work plan. With results from success indicators as follows

- Successful evaluation according to the annual training plan is 71.00%
- Measuring employee satisfaction in training is 87.89 %
- Budget management, training expenses are 53.24 %
- The average number of training hours / person / year is 14.67



The training focuses on the development of the potential under strict laws, including the development of appropriate knowledge and skills. For special courses, the company focuses on promoting the knowledge beyond the annual development plan 2019 with more details as follows:

Internal training - The company focuses on creating the competitive potential to support company growth. In addition to the training partners with the details of the product information strict. The company has trained the skills of TEAM FOR FUN RUN FOR WORK. Follow-up programs and proceedings when the customer is liable to pay. It recognizes the need for the protection of risks in the economic age of volatility and the course of the commander. Carrier to the Commander to enhance the safety of the fieldwork for the employees involved.

External training -The company supports training in specific courses based on the needs of various parties and promotes the training of knowledge under the regulations of the company membership, registered as a registered company that is committed to the management of excellent governance. Such as courses The guidelines for the use of the reporting system or the securities and exchange of The recognition of new revenue is based on TFRS 15 for business. This is useful for the preparation of financial reporting transparency and build trust with stakeholders effectively. In addition to promoting knowledge of sustainability programs including master modern business conscious of global warming and sustainability. And geared towards sustainability within the framework of international standards in the curriculum. Sustainability reporting workshop: GRI Standards.



#### Management, quality and safety (SQM: Safety & Quality Management)

Focus on creating a better quality of life is safe for employees. By promoting the security system operating under international standards.

➤ Security knowledge The company has a policy to provide knowledge of quality management and safety management. Start by defining the content in the course. "Orientation for new employees" all new employees must learn to understand and be able to comply with the company's requirements. When entering the operation process, the head of the job will continue to follow and communicate with the area. As well as considering the training of the courses involved in the situation, such as the internal electrician of the building, 1 course, chop. A professional course chop. Course Early protection and fire suppression (fire drill / Fire safety training)

In the year 2019, the company has managed quality and safety in order to control and prevent accidents from work, divided into 4 areas as follows;

- System: The company has upgraded by expanding the scope of the ISO 9001: 2015 quality system as well as reviewing the plan for the management of occupational safety and health

systems to be up to date. In addition, the Intranet system has been improved to add such security information so that all employees, including those involved, can study more at any time.



- The equipment: The company plans to check the equipment before use in a systematic manner to employees who perform the duties involved. Including subcontractors to prevent accidents.
- Employee: The company is assigned to an employee who uses the tool. The equipment must be trained in both the development plan and the course required by the situation, and has a certificate of trust.
- The organization
  - The company publicizes news for all employees to be informed in all communication channels such as the Intranet system, public relations boards and through various internal and external meetings.
  - The company is strict to inspect the quality and safety system under the law And in accordance with environmental protection guidelines
  - The company arranges work areas that are appropriate and convenient for the operation. To reduce accidents from using the area
  - The company provided knowledge and understanding about safety That is correct with the subcontractor and subcontractor companies.

From the management of occupational safety and health, therefore, in the year 2019, the company does not have statistics for accidents from work to stop or death in any way.



## Implementation of human rights.

The company is aware that current business activities may affect or contribute to human rights violations and impacts and can affect the company's image. As such, the company has given the importance to contribute to the appropriate protection and management practices. By considering issues related to the organizational context, including important issues related to international regulations in the initial operation, the related parties are divided into groups with appropriate guidelines as follows:

Order of important stakeholder groups According to organization context	Issue	Current practices/ measures currently implemented
 <p>Employee</p>	Job-employ	<ul style="list-style-type: none"> <li>- Employee's Code of conduct</li> <li>- Establishment of the Welfare committee</li> <li>- Complaint Channels</li> </ul>
	Health and safety	<ul style="list-style-type: none"> <li>- Occupational Health and Safety policy</li> <li>- Safety and Occupational Health Committee</li> <li>- Employee Safety Training</li> </ul>
	sales / services	<ul style="list-style-type: none"> <li>- Clear regulatory structure</li> <li>- Formulate policies and procedures with fairness</li> <li>- Prepare the code of ethics for customers.</li> <li>- Channel of complaint</li> </ul>
 <p>Partners</p>	Keep confidentiality / conflicts of interest	<ul style="list-style-type: none"> <li>- Adhering to contract and terms</li> <li>- Prepare a code of ethics for partners.</li> <li>- Channel of complaint</li> </ul>

## Corporate social

The company recognizes that the overall society is the foundation for supporting the growth of the company leading to the sustainable path of sustainability. The social aspect is geared towards the care of a group of stakeholders both within and outside the context of a comprehensive enterprise. In particular, supporting activities that benefit to employees, as well as the surrounding community area, should be involved in growing together with the company. so the strategy implementation is geared towards consolidating good relations with each other and support the creation of opportunities that lead to self-sufficiency in the long term.



## CSS cultural heritage

- Happy new year

Mr. Sompong Kangsawiat, the director, led the management team and employees. Join in making merit and offering food to dry rice. For The ceremony to welcome the new year was held on January 11, 2019, at the headquarters building Pakkret, Nonthaburi as well as giving remarks and encouraging morale that has been devoted all year long and would like everyone to have a common goal to develop their potential, quality, and service excellence.



- Songkran Festival

Songkran Festival in Thailand is considered to be treated as a traditional Thai New Year celebration in Thailand. The company has held an activity to preserve the arts of good culture on April 10, 2019, with a Buddhist monk and watering to the executives for all the years of luck 2019.



- The annual merit of the company

The annual merit of the company is making a merit of the year 2019, as the date of the establishment of the company on July 5, 2019, is the important day that all employees have realized that the company is a second home. That is a Buddhist monk and spirit Court for luck to work and be in mind to cope with changes and obstacles. The power to develop the organization further.



- Father's Day

The National Father's Day event, 5 December 2019, a birthday similar to His Majesty King Bhumibol Adulyadej the Great, the Royal Borommarajonabophit, the company participated in honor and shows the devotion by the event titled "Continuing Father's words " Teachings "in order to embrace His Majesty's benevolence. By employees jointly writing the teachings of King Rama 9, have been adhered to be used in life Follow in the footsteps of His Majesty King Bhumibol Adulyadej.



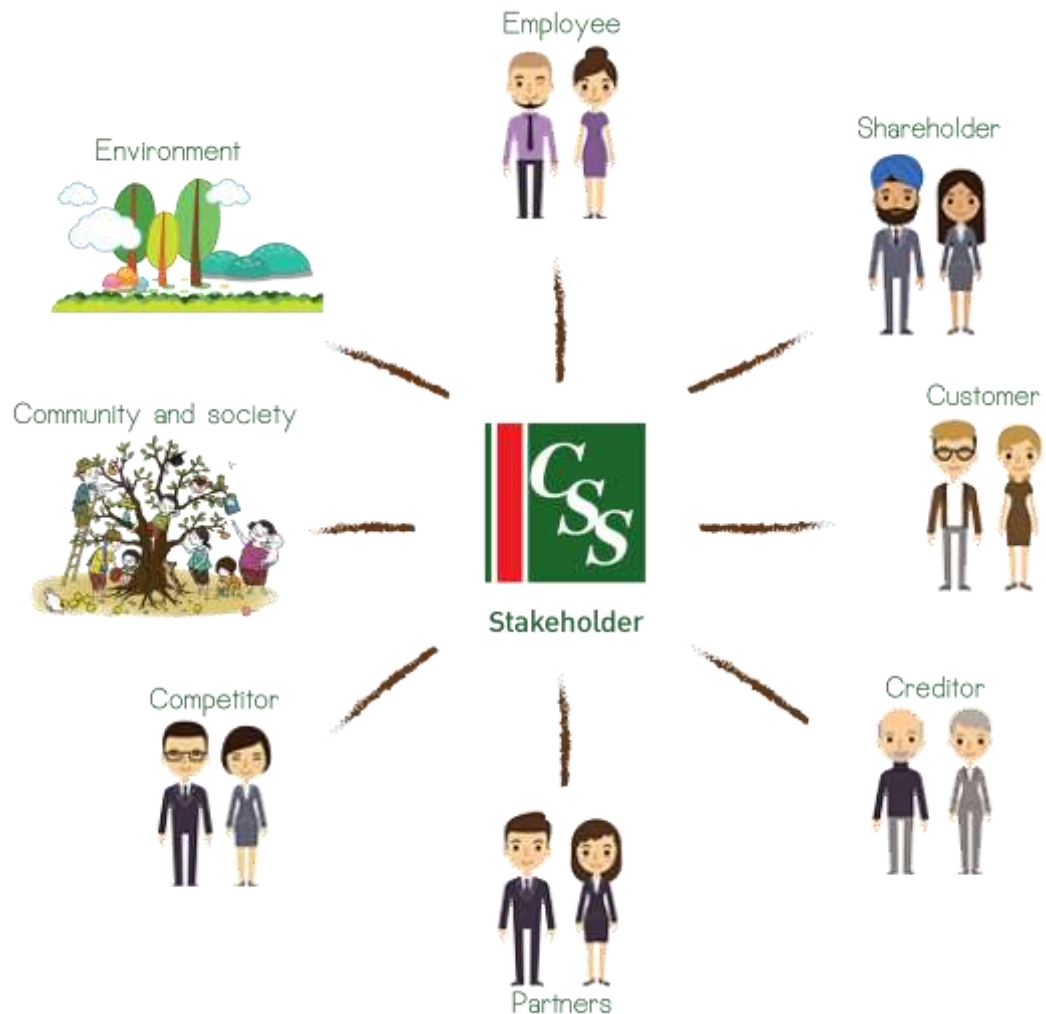
- CSS promotes community development.

National Children's Day activity on 8 January 2019, the company has aimed at the importance of children and youth Which must be the future of the national force, it is encouraged to organize the school's activities and grants scholarships to the National Children's Day activities to Wat Salak Nuea School. In addition, the award supports the Samutla community and the Chamber of residence.



### Development, the involvement of stakeholders sustainable

The company recognize the importance of both inside and outside stakeholders that contribute to the existence and sustainable growth of the organization. The frame analysis of stakeholders is to identify steps to cover. Identifying the impact of the company's stakeholders. Identify the major stakeholders of the Company. Grouping order to find very little impact on operations. And establish proper communication. Adequate and effective implementation.



## Employee

### Participatory channels

: Orientation for employees / IPreparation questionnaire for the needs of training topics / Complaints and Complaints / Job Satisfaction Survey / Organizing activities to make engagement and morale with employees / Corporate meeting with management

### Responsible agency

: Human Resource department

### Report to

: Executive/ President

### Expectationt

: Welfare and compensation / security and progress / Development Occupational Health and Safety /Quality of Life

### Process

: 1. Employee Opinion Survey.  
2. Complaints and Complaints Suggestions.  
3. Corporate meeting with management.

### Sustainable Development Plan

: 1. Create a fair return management system.  
2. Create effective human resource management system.  
3. Maintain a safe working environment.  
4. Organize activities creating intimacy between corporate workers.



## Shareholder

### Participatory channels

: Annual General Meeting / Investors with Stock Exchange of Thailand activity / Company Website Questionnaire

### Responsible agency

: Secretary and shareholders

### Report to

: President / Board of Directors

### Expectationt

: Good returns / Growth of the company / Management with Good governance

### Process

: 1. Annual General Meeting of Shareholders.  
2. Good Corporate Governance.  
3. 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

: Provide convenience to customers' needs / Customer Visit / Complaint Form and Suggestions /Creating information media to educate / Customer Satisfaction Survey

### Responsible agency

: Sales and Product development

### Report to

: Managing Director of Sales / President

### Expectationt

: Satisfaction with quality products and services at fair prices / Reach to products and services along with advice / Privacy Policy

### Process

: 1. Customer Satisfaction Survey.  
2. Receiving Complaint and Suggestion.

### Sustainable Development Plan

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



## Creditor

### Participatory channels

: Providing channels for listening to suggestions and complaints / Conferences

### Responsible agency

: Accounting and Finance

### Report to

: Managing Director, Finance / Accounting / President

### Expectation

: Correct financial information / Timely payment of money / Continuous communication and disclosure

### 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.



## Partners

Participatory channels	: Annual Meeting / Partner Visit / Get Feedback Books and e-mail
Responsible agency	: Relevant parties in sales and service
Report to	: Managing Director of related group / President
Expectation	: Business Transparency and sustainable / Fair trade
Process	: Organizing events with partners / Conferences.
Sustainable Development Plan	: 1. Fair and equitable treatment of partners. 2. 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
Expectation	: Business Transparency and Fairness / Competition under Ethics and Law
Process	: Provide information through reliable communication channels.
Sustainable Development Plan	: Operate in the framework of good competition.



## Community and society

Participatory channels	: Organize community activities / Listen to complaints
Responsible agency	: Human Resources / Secretary and Shareholder
Report to	: Managing Director/ President
Expectation	: Create good relationships / Support community activity sustainably
Process	: 1. Set up community activities. 2. Hearing exchange.
Sustainable Development Plan	: 1. Promote good tradition of community 2. Participation in Corporate Social Responsibility with other institutions In order to seize the power to produce better results.



## Environment

Participatory channels

: Conference / Environmental Institute website

Responsible agency

: Human Resources / Secretary and Shareholder

Report to

: Managing Director

Expectationt

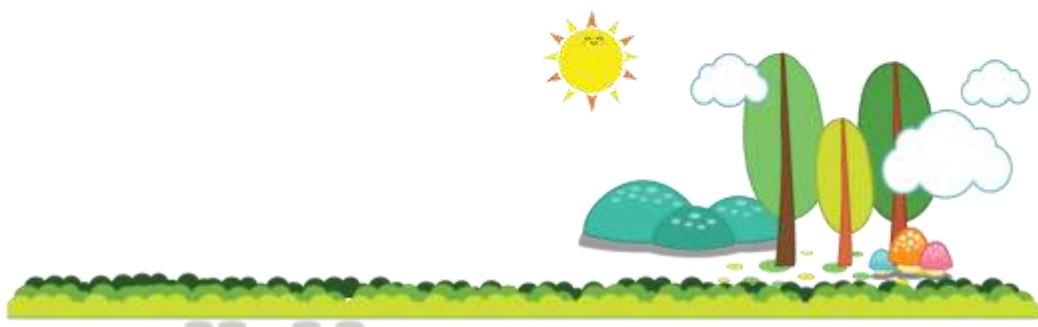
: Environmental Protection and Pollution Control

Process

: 1. Explore inside of organization.  
2. Updates on environmental protection including under the current law.  
3. Listen to suggestions and complaints.

Sustainable Development Plan

: 1. Practices under strict environmental law.  
2. Planning and monitoring of pollution control in the work process.



## Environment

### Management of environmental sustainability

The environmental management of the company.







Communication & System Solution PCL focuses on product quality alongside with the environment. Have measures to monitor the environment every year by hiring VCare Environment Services Co., Ltd, the company that certified the ability to perform the test. The Ministry of Industry Thai Industrial Standards Institute to investigate the environmental impact. To contribute to the editor, Improve safety standards. As well as reducing the impact on the health of its employees to a minimum as well.



Environmental Quality	Inspection results 2019	Inspection results 2018
 <p>Air quality in the area - including dust - dust particles smaller than 10 microns.</p>	<p>Within the standard (Warehouses)</p> 	<p>Within the standard (Warehouses)</p> 
 <p>Sound level measurement 8 hrs.</p>	<p>Within the standard (Warehouse / Office building class 1-4)</p> 	<p>Within the standard (Warehouse / Office building class 1-4)</p> 
 <p>Light intensity Measurement</p>	<p>Within the standard (Warehouse / Office building class 1-4)</p> 	<p>Within the standard (Warehouse / Office building class 1-4)</p> 
 <p>Heat level measurement</p>	<p>Within the standard (Warehouses)</p> 	<p>Within the standard (Warehouses)</p> 



In addition, the company has determined the safety of our operations, as well as to determine the various systems under the laws, including:

Review system under the law	Methods/Quality Criteria	Inspector / Administrator
<b>Services and amenities</b>		
 <ul style="list-style-type: none"> <li>- lifts office</li> <li>- lift transport</li> </ul>	- 1 time/mth	- ECG Corporation Co., Ltd.
	 <ul style="list-style-type: none"> <li>- 1 time/year</li> </ul>	- Asia Service Express Co., Ltd.
<b>Electrical system</b>		
 <ul style="list-style-type: none"> <li>- Generator</li> <li>- MDB security</li> <li>- Emergency supply</li> </ul>	- 1 time/week	- Maintenance Department
	- 1 time/year	- Iyara Engineering Co., Ltd.
	- 1 time/year	- Metropolitan Electricity Authority
	- 1 time/mth	- Maintenance Department
<b>Air Condition System</b>		
	- Duration 2 months / time	- Aircon Sales and Service Co., Ltd.
<b>Sanitation and the environment</b>		
 <ul style="list-style-type: none"> <li>- waste disposal system</li> </ul>	- 2 times/week	- Pakkret Municipality
<b>Fire Protection systems</b>		
 <ul style="list-style-type: none"> <li>- Fire alarm system</li> <li>- Fire Extinguisher</li> <li>- Fire pump system</li> <li>- Fire Extinguisher</li> <li>- Fire protection planning</li> <li>- Fire training and fire drill</li> </ul>	- 1 time/year	- JP Tech Engineering Co., Ltd.
	- 1 time/mth	- Maintenance Department
	- 1 time/week	- Maintenance Department
	- 1 time/year	- NPT Engineering Co., Ltd.
	- 1 time/mth	- Maintenance Department
	- 1 time/year	- Make a plan by the Safety Professional
	- 1 time/year	- Company registered with the welfare office and labor protection

## Green Office Project

The community & Systems Solution PLC. To see the importance of sustainable environmental management. With the awareness of the activities of corporate operations, it can cause pollution and impact on the environment. The company has plans to join the Green Office Project with the goal of changing employee behaviour. Everyone is more caring for the environment.

In the year 2019. The company sent an employee to attend the details of the project operation criteria, consisting of 6 main sections:

1. Defining operations planning policies and continuous improvement.
2. Communication and creation of Consciousness
3. The use of resources and Energy
4. Waste Management
5. Environment and Safety
6. Purchasing and procurement

The criteria will be beneficial to review the policies in accordance with the development in the same direction. The company has begun to create knowledge and understanding of resource management. Efficient energy and environment by communicating the causes of environmental changes that are becoming a significant impact on both domestic and worldwide. By using all of the company's communication channels, to create a sense of awareness and to create a new habit to truly benefit the environment.



### Environmentally friendly operations

The company recognizes that the process of delivery goods to the customer is part of creating air pollution. Therefore, the development of the delivery process is effective and environmentally resistant. The company has brought the concept of logistics to apply for management to enhance the quality of the logistics. With the removal principle, the process does not create value to reduce the time of operation and overall cost, along with the protection of the environment toward real sustainability.

In 2019 the company introduced the system of vehicle management Transport Management Solution (TMS) applications by providing GPS Tracking FORTH use the software with functionality, usability, efficiency and quality certifications from the Department of Transport. On vehicles equipped with all units of the company. Employees can analyze the transport route. And administrators can track the route of the car immediately. The system of record of such applications will lead to the improvement and development of transportation efficiency even further.



Work on upgrading the logistics of this year. Led to the creation of good discipline and links to a variety of environmental activities. This can be summarized as follows:

- Analysis of the route Can reduce carbon dioxide emissions and improves the performance of the work is. Shorten the time to run freight cars. The rapid increase in transport and reduce transportation costs
- tracking system. It can help minimize the damage from an accident. And to discipline employees responsible for the operation.
- The camera front/rear of the freight car. It can be used as evidence of damage. And prevents disputes about the accidents that may affect the environment
- Through the document control system. Reduce the use of paper stock cards and shorten the time to do their jobs effectively.



## 11. 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.5/2019, 8<sup>th</sup> November 2019, by 4 members 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 2019, 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 2019, as well as a review of the self-assessment data preparing for CAC certification application.



## 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 Internal auditors</u></p> <p>Charter of Board of Directors clearly defines duties and responsibilities of Board of Directors, both in performance of duties and making decision in considering various matters. With integrity and maintaining code of business conduct toward any related parties such as shareholders, employees, business partners, debtors, creditors or competitors by defining in ethics manual Business ethics and corporate governance policy (last updated on February 23, 2017) and has communicated to executives and employees of company both orientation and communication on intranet system to follow and conduct business with integrity and maintain code of conduct in business.</p>	<p>✓</p> <p>✓</p>	
<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 organization<sup>2</sup>.</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>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	



Questions	Yes	No
<p><u><b>Additional comments from Internal auditors</b></u></p> <p>Company has set up an ethics manual, business ethics, corporate governance policy and staff manuals written in order for executives and employees to comply with, while stipulating directors, executives and employees shall not take opportunity to seek personal benefits and conduct business that competes with company as well as avoiding transactions that are related to oneself that may cause conflicts of interest. In this regard, employee manual has determined penalties and communicated through intranet system and orientation.</p>		
<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>1.3.3 Assessment by independent experts from outside the organization</p> <p><u><b>Additional comments from Internal auditors</b></u></p> <p>Company has an internal audit unit responsible for assessing and monitoring compliance with rules and regulations which are part of internal control system audit process appropriately and report results to Audit Committee on a quarterly basis. Company has a process to monitor and evaluate performance of executives and employees, if not comply with guidelines that require supervisor to be informed according to command line and company has prepared a self-assessment written form which determines assessment of business code as one topic in assessment for executives and employees regarding compliance with discipline, conduct, integrity, participation and loyalty to organization is part of annual performance evaluation.</p>	<p>✓</p> <p>✓</p> <p>✓</p>	
<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 Punitive 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><b>Additional comments from Internal auditors</b></u></p> <p>Company has a process to monitor compliance which management has a duty to monitor and supervise subordinates and internal staff to follow guidelines enabling company to detect and manage within a reasonable time. However, if employee finds that people who do not work according to guidelines, supervisor will notify supervisor</p>	<p>✓</p> <p>✓</p> <p>✓</p>	



Questions	Yes	No
immediately and company has imposed penalties if violate, penalties or corrective guidelines considered based on severity of offenses committed.		

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</u></p> <p>Company has a charter of Board of Directors which defines role duties and responsibilities of Board of Directors clearly. Such roles, duties and responsibilities do not cover supervision of daily business operations, which are written on summary.</p>	✓	
<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> <p><u>Additional comments from Internal auditors</u></p> <p>Board of Directors Charter requires Board of Directors to set goals, guidelines, policies, plans and budgets including monitoring performance to be in line with plan and budget continuously. Board of Directors requires management to prepare written business goals and monitoring results monthly through Executive Committee meeting</p>	✓	
<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</u></p> <p>Company has a Charter of Board of Directors which defines roles, duties and responsibilities of Board for benefit of shareholders and to comply with relevant laws in addition to Board of Directors Charter. Board of Directors supervise to prepare for Executive Committee Charter, Audit Committee and Risk Management Committee, which has been approved by Board of Directors quarterly. Board of Directors has a duty to consider and acknowledge opinions of Audit Committee on financial statements, consider and approve financial statements and internal audits</p>	✓	
<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</p>	✓	





Questions	Yes	No
<p>from the expert on such matter.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Charter of Board of Directors determines qualifications of directors which Board of Directors has knowledge such as engineering, accounting and experience in such work as specified in records.</p>		
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Charter of Board of Directors stipulates Board of Directors must consist of at least 3 independent directors. Company has 4 independent directors who are knowledgeable in engineering, accounting, economics, finance and investment. International trade and law, including experience related to business and has no relationship with management and holding of shares.</p>	✓	
<p>2.6 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><b><u>Additional comments from Internal auditors</u></b></p> <p>Board of Directors has authority to supervise by assigning Audit Committee to have authority and responsibility to review company's internal control system appropriately and effectively. Audit Committee will report results to Board of Directors quarterly.</p>	✓	

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
<p>3.1 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><b><u>Additional comments from Internal auditors</u></b></p> <p>Management considers appropriateness of organization structure and presents it to</p>	✓	



Questions	Yes	No
Chief Executive Officer as an approver. Company has taken into account appropriateness and regulation and also appropriate internal control system specifically segregation of duties, resulting in checks and balances, and regulation of approval authority approved by Board of Directors. In addition, company has internal auditors who evaluate internal control system which internal auditor must report directly to Audit Committee quarterly.		
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>High-level executives require reporting on line of command in organization structure, specifying in job description document of each job position. Company has set delegation of Authority by preparing summary table of approval authority in order to determine authority and order of approval of important business transactions of company.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has defined roles, powers and responsibilities of Board of Directors and Executive Committee in Charter and Executive Committee Charter in writing. For authority and duties of executives and employees specified in job description document including approval authority in summary table.</p>	✓	

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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company defines procedures for recruiting according to qualifications which specified in job description document for development of knowledge and competency of that employee re is a survey of training needs of each segment to compile into an annual training plan and provide training according to approved</p>	✓	



Questions	Yes	No.
plan.		
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has established criteria for performance evaluation and provide an assessment every year. Evaluation results will be used as supporting information for salary adjustment and job positions which company requires supervisor to evaluate according to form specified by company and communicate results of assessment to subordinates.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has manpower plan to prepare employees by giving each line requirement to Human Resources Department to know in accordance with schedule specified by company must notify company 1 month in advance in order to prepare for recruitment to replace. Resigned employees must transfer work that are responsible to new employees.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company requires promotion and staff improvement by providing training according to annual training plan as well as sending staff to attend seminars and training in various fields associated to continuously improve knowledge and ability.</p>	✓	
<p>4.5. The company sets out the succession plan for the important positions.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has identified succession plan for President in regulatory policy. Because company gives importance to selection of persons with knowledge and ability and have experience that is suitable for business by creating a "Succession Planning and Successor Recruitment Project" which defines guidelines for creating a succession plan, divided into 2 groups: President and senior management and level of manager and supervisor by clearly defining principles and guidelines for selection of successor</p>	✓	

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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has established a policy to control operations such as corporate governance in writing which is communicated to all stakeholders through announcements, notices and websites so that all employees are aware of work process that follow an appropriate internal control system which, if any changes, responsible person must adjust work process accordingly. Moreover, company hired external auditors to review and consider appropriateness of operation process and conduct monitoring and follow-up on correction and report results to Audit Committee and Board of Directors for acknowledgment respectively</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has evaluated employees by adopting business ethics (Code of Conduct) is a part of consideration which specified in topic of Core Competency and Job Competency including completion of work according to KPIs as part of evaluation to allow employees to participate in success of work.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has established KPIs which are specified as part of employee evaluation so that employees can participate in achievement of work. Results will be used as consideration for promotion, salary adjustment, bonus payment to motivate employees to work.</p>	✓	
<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>	✓	



Questions	Yes	No
<p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has prepared an ethical guide, business ethics which states principles of conduct and responsibility to employees by specifying to avoid any unfair action which may have an impact on stability of work duties of employees, human rights principles and respect for personal rights and determining appropriate compensation for knowledge, ability, responsibility and performance. Company has set criteria for evaluating performance based on KPIs for executives and employees to be aware of clear operational goals which company provides an annual performance evaluation and supervisors under command will communicate performance what needs to be improved to subordinates appropriately.</p>		

### 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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has prepared financial report for each year ended December 31 and quarterly financial statements in accordance with financial reporting standards and opinion of certified public accountant.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Executives cooperate in operation and support information for auditors closely to ensure that financial statements are accurate according to accounting standards, any suggestions to improve of financial statements will consider important issues together with company's certified public accountant.</p>	✓	
<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 Internal auditors</u></p> <p>Company prepares financial reports by complying with generally accepted accounting principles which audited by a certified accountant approved by Securities and Exchange Commission which financial report is written with facts to comply with financial reporting standards.</p>		
<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 Internal auditors</u></p> <p>Company has established a written risk management policy as part of corporate governance policy which Committee determines and proposes policy for Board of Directors to consider and approve that is part of corporate governance policy communicated through intranet system and on company website. In addition, company has a prepared a risk management manual and risk management working group to cooperate with Risk Management Committee to take concrete action and encourage employees to be aware of risks that may affect organization.</p> <p>However, the company's corporate governance policy The subject of risk management with content regarding components of risk management and scope of risk management. Which the company should improve to be a risk management that is the current international standard to cover the view of risk management throughout the organization And aside from updating the content in the corporate governance policy The company should update the content in the risk management manual. (Announced on 12 May 2017) to be updated as well. Once completed, it must be submitted for approval from the Risk Management Committee and the Board of Directors.</p>	✓	

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 Internal auditors</u></p> <p>Company has considered risk factors that may affect business operation by considering business risks (Trader and telecommunications business) financial and or matters as disclosed in annual report and Company has a meeting of Risk</p>	✓	



Questions	Yes	No
Management Committee to review risk once a year.		
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has a risk management committee to assess potential risks by considering both internal and external risk factors that may affect company from experience of Risk Management Committee. Company has risk analysis divided into 3 areas, namely business risks, financial risk and/or other risks (Risk of corruption Risk from computer system conflicts And the risk of fires, floods, earthquakes, landslides) as disclosed in annual report.</p>	✓	
<p>7.3. The management in all levels take part in risk management.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Risk management policy requires all employees to be aware of risks that may affect organization and support risk management to be successful in all activities. Company has established Risk Management Committee which consists of executives of each line of work and directors of associated company as Risk Management Committee and every year Risk Management Committee will have a meeting to review.</p>	✓	
<p>7.4. The company assesses the significance of risks by considering both the feasibility of occurrence and impacts.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has various risk factors analyzed by considering potential risk. and potential impact and put such risks in company risk registration.</p>	✓	
<p>7.5. The company has counter measures and action plan to manage risks by risk acceptance, reduction, avoidance or sharing.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has established a risk management system which includes risk management measures to avoid transferring or controlling risks that reduce the risk of occurrence. Company will consider cause, cost or resource required to compare results that will be worthwhile.</p>	✓	



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 Internal auditors</u></p> <p>Company operates every step according to internal control system to ensure complied with regulations, procedures and work procedures specified, also arrange for internal auditors and auditors to monitor compliance with accounting policies and standards. Company has assessed possibility of fraud and Risk Management Committee held The company is in the process of establishing an anti-corruption policy. And have a plan to apply for CAC certification in 2020.</p>	✓	
<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 Internal auditors</u></p> <p>Top management of each department considers suitability of indicators to align with business plan and present to Executive Committee for acknowledgment In order to consider appropriateness and approval, indicators will be used to evaluate performance for consideration of compensation and promotion.</p>	✓	
<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 Internal auditors</u></p> <p>Audit Committee has considered possibility of fraud from internal audit results and raise a question to management when is suspicious there may be fraud related transactions or impact on financial status and performance result.</p>	✓	
<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 Internal auditors</u></p> <p>Company has ethical communication, business ethics for employees to acknowledge</p>	✓	





Question	Yes	No
through orientation which informs policy regarding company's interest.		

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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has assessed the risks that may affect whole operation objectives both caused by internal and external factors by analyzing risks that may affect or possibility and assess impact including determining measures to prevent and correct and assign staff to manage that risk. However, changes from external factors that may affect business operations, company has a meeting with relevant executives to set policies and guidelines to support changes appropriately especially meeting of the Board of Directors toward strategy which is a meeting to monitor progress of investment projects probability that may cause project to fail as targeted and solutions.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has evaluated business model transformation by considering strengths, weaknesses, problems and obstacles of each business. In the event that company will create new business, must be presented to Executive Committee for approval Also, establishment of a corporate strategy committee meeting to monitor progress of investment projects including the possibility that may cause the project to fail as targeted.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has evaluated the changes of corporate leaders and consider various impacts that may occur to company and has a policy of succession plan for the President as defined in the supervision policy so that business operations can continue.</p>	✓	



### 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 Internal auditors</u></p> <p>Company has control measures defined as policy, rule and various operational procedures covering various risks in the internal work process and constantly monitoring results of the improvement.</p>	✓	
<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 Internal auditors</u></p> <p>Company has prepared a written operation manual which covers various work processes such as procurement, accounting, finance, human resources, etc. including the clear approval authority for each type of transaction such as marketing</p>	<p>✓</p> <p>✓</p>	



Question	Yes	No
<p>transactions, investment related to business operations, general administration, personnel management, etc. In addition, company has prepared manual about connected transaction procedure. which has been approved by the Chief Executive Officer and every year the Company has prepared a report on the availability of Interests of directors and executives Submit to the Company's directors and executives to fill in and sign the information.</p>		
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has designed an internal control system by organizing regulations and work manuals as guidelines for employees that is suitable for work such as in debtor management. Company has a credit committee to consider appropriateness of credit term, credit limit of each debtor, transfer of risk by creating a policy for trade accounts receivable. In case customer does not pay using information to follow unpaid one.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company determines internal control at all levels of organization, such as preparation of authority and duties, responsibilities of Board of Directors Executive Committee Organization structure has been created by separating important duties from each other in order to prevent corruption. In addition, company has established employee regulations, manuals, rules and procedures for each process that are important to each department. Supervisors of each line are responsible for controlling employees to comply with the internal control system.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company recognizes importance of segregation of duties and responsibilities in various tasks, which company has clearly defined according to summary table, authority, approval and regulations. Accounting department assigned to monitor and revise company's tangible asset and record.</p>	✓	



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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has established guidelines on use of computers and information technology in ethics manual. business ethics such as avoiding access to illegal internet information or violating good morals and prohibition of unauthorized access to computer data that has specific protective measures. Company has established an IT Security Policy which specifies requirements for using information technology consisting of computer system, usage regulations, using electronic mail, internet use of space for sharing files, using standard programs and specific programs and penalties. In addition, important operation manuals have been provided, including service notification, repair, installation, configuration, and operation of network equipment. Including an emergency recovery plan manual.</p>	✓	
<p>11.2. The Company should determine the control of infrastructure for the technology system as appropriate.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has established an operation manual for information technology department, determining the basic structure and security policy of information technology system and use of information systems as a guideline for system management and allow employees to use information technology systems appropriately by preparation of an emergency recovery plan manual for maintenance of the organization's information security database and reduce damage to information technology system, also damage from not being able to use information technology system as well. In addition has created operating manuals, service notification, repair, installation, configuration, and use of networked devices Including an emergency recovery plan manual.</p>	✓	
<p>11.3. The Company should impose the security control for the IT system as appropriate.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has prepared an operation manual for information technology department to determine basic structure and security policy of information technology system and the use of information systems as a guideline for system management and allow</p>	✓	



Questions	Yes	No
employees to use information technology systems appropriately, also, preparation of an emergency recovery plan manual for maintenance information security database and damage from not being able to use system.		
<p>11.4. The Company should impose the process for the acquisition, development and maintenance of technology systems as appropriate.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company's technology operation manual covers development process, maintenance of to be workable by assigning Information Technology Department responsible for receiving notification of requirements for improvement or problems and maintain under good condition.</p>	✓	

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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has established a policy and set guidelines for making inter-company transactions by preparing a working manual for making connected transactions including preparation of a close relative table of management of company and related companies and secretary will do report to committee to acknowledge.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has a policy toward conflict of interest which is part of corporate governance policy by requiring any related party with the item to consider must inform company of their relationship and interest in such transactions and no attend on that issue and also having no authority to approve transaction If shown conflict of interest, company has established a policy and set guidelines for making related party transactions of the Company. By preparing a work manual to notify any related parties about relationship or connected transactions that may cause conflicts of interest. Company will get</p>	✓	



Questions	Yes	No
approved by Board of Directors meeting not counting the votes of stakeholders from making related transactions.		
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has established policies and guidelines for making related transactions which sets the same practice criteria as general customers to be fair and reasonable and maximize benefits for company considered through Audit Committee meeting.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Directors of company hold positions as directors in subsidiaries to be able to monitor and supervise operations of the subsidiaries as guideline.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has prepared a job description by assigning duties and responsibilities of each job position and set the operation manual which specifies position of person responsible for specified process and manager to supervise employees to comply with.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has established clear guidelines for work practices and communication of various policies for all employees to be informed through intranet system. Company has the criteria for selection and has a job description for job description in order to determine the qualifications required.</p>	✓	
<p>12.7. The Company reviews the policies and operational process to maintain their appropriateness.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company arranges executive meeting to report performance on a quarterly basis. In</p>	✓	



Questions	Yes	No
the event that policy or operational process is not suitable for current operation, they will improve environment. Internal Audit Department is responsible for ensuring actual operation has implemented the policies and work processes. If found out work process is not appropriate will notify relevant executives to find ways to improve. In addition, in company requires that all departments must review operational regulations immediately and continue to improve to be in the same direction as quality system audit (ISO) every year to verify process.		

### 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 Internal auditors</u></p> <p>Company has determined information used in operation process both internal and external data by considering quality, relevance of information in analyzing and deciding on operations such as requesting a new customer registration, considering the credit of the debtor, salesman must request documents as specified to be submitted to accounting department responsible for considering credit, analyzing the financial status of customers.</p>	✓	
<p>13.2. The Company considers both cost and benefits received, including volume and accuracy of information.</p> <p><u>Additional comments from Internal auditors</u></p> <p>Company has established measures to manage risks to avoid, transfer or control risks that decided upon risk management strategy. Company will consider cause, cost or resource required to compare the results or benefits. For process of purchasing, company considers value and benefits in procurement with an appropriate price comparison and in terms of investment. Company has also engaged third party to prepare a financial opinion report to evaluate value invested by analyzing data to invest Industrial conditions, financial statements and various risk issues such as conditions and legal agreements which Chairman of Board will have meeting to consider suitability of investment.</p>	✓	
<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,</p>	✓	



Questions	Yes	No
<p>including the rationales, impact, and other alternatives.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has prepared the invitation letter for meeting specify meeting agenda along with supporting documents in order to provide sufficient opinions in meeting.</p>		
<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><b><u>Additional comments from Internal auditors</u></b></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>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>At each board meeting, secretary is assigned to prepare meeting report which will note details of consideration, questions and opinions of Board of Directors, and results of meeting for future reference.</p>	✓	
<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> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has stored important documents into the system such as storing accounting documents to separate files according to the types of vouchers, sorted by number. In the event that the results of internal control system audit reports are reported from the internal auditor The company will make improvements in accordance with the guidelines and the time specified. In this regard, the internal auditor will be a follow-up audit to ensure that The company has completely resolved that defect. And present to the audit committee and relevant executives.</p>	<p>✓</p> <p>✓</p>	





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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has established communication channels for employees in various channels such as posting announcements, email, centralized database system (share drive), telephone within the intranet, etc. and organized meetings to support appropriate internal controls such as internal meetings Board of Directors Meeting Audit Committee meetings etc.</p>	✓	
<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> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company assigned secretary as coordinator between Board of auditor and internal auditor.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Board of Directors provide opportunities for both internal stakeholders and outside organization to report clues, complaints or suggestions (whistle blower) in actions that are suspected of not complying with laws, regulations or good corporate governance policies through independent directors or the audit committee via both email audit_com@cssthailand.com and by mail sent to the Audit Committee directly. At the address as follows;</p> <p><b>Audit Committee</b></p> <p>Communication and Systems Solution Public Company Limited</p> <p>329 Moo.3 Banmai, Pakkred, Nonthaburi 11120</p>	✓	



Question	Yes	No
Company has set up guidelines for action when receiving a complaint ,measures to protect complainant or those who report clues to wrongdoing which company will conceal any information and keeping the information by limiting only those responsible for conducting a complaint investigation to access such information. However, company is in process establish complaint channels, report information or clues about fraud or corruption within the company through the intranet system.		

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 Internal auditors</u></p> <p>Company has created a website to communicate with stakeholders which contains important information such as company information, financial information, annual report Stock price, news, contact and channels for receiving complaints.</p>	✓	
<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 Internal auditors</u></p> <p>Company has set up channels for reporting clues and receiving complaints through company website by notifying Audit Committee Board of Directors. Company has set up measures to protect who report clues to wrongdoing by limiting only those responsible for conducting a complaint investigation to access such information.</p>	✓	

#### 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
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	✓	



Questions	Yes	No
<p>to the supervisors, or assigning the internal audit unit to monitor the operations and report to the Audit Committees, etc.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has a process to monitor performance of employees that do not comply with business ethics and prohibition imposed by their supervisor's monitoring.</p>		
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has hired external auditors namely Risklessolutions Company Limited, to assess adequacy of internal control system in each activity according to audit plan approved by Audit Committee. Auditor will present results to the Audit Committee for acknowledgment every time through Audit Committee meeting quarterly,</p>	✓	
<p>16.3. The frequency of the monitoring and assessment process are performed appropriately for the company transformation.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has an annual internal audit plan which is determined by risks and nature of business operations internal auditors from outside will review internal audit plan to ensure consistency and appropriateness that may change when needed. Audit Committee has duties and responsibilities to consider and give opinions which are in accordance with the duties and responsibilities set in Audit Committee Charter. Thus, results will be presented to Audit Committee for acknowledgment every time through the Audit Committee meeting every quarter. And the audit committee will report the results of the audit at the board of directors' meeting.</p>	✓	
<p>16.4. The monitoring and assessment processes for the internal control system are performed by knowledgeable and capable personnel.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Internal control system has been monitored and evaluated by experienced internal auditors, Risklessolutions Company Limited to follow up on the progress of corrections and improvements along with presenting to Audit Committee for acknowledgment through Audit Committee meeting every quarter.</p>	✓	
<p>16.5. The company imposes that the report of the internal audit shall be directed to the Audit Committee.</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Internal Audit Department reported directly to Audit Committee.</p>	✓	



Questions	Yes	No
<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, (IA).</p> <p><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has hired internal auditors from outside to inspect entire work system and follow up performance as planned according to international standards, professional practice, internal audit.</p>	✓	

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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company has evaluated and reported internal control system audit results to Audit Committee in order to follow up and correct.</p>	✓	
<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><b><u>Additional comments from Internal auditors</u></b></p> <p>Company requires Executive Committee to report results to Board of Directors, which is defined in the Executive Committee Charter by reporting to Board of Directors for acknowledgment in the event of an incident or suspected of serious corruption or other unusual actions which may affect reputation and financial status significantly. Internal Audit Department will follow up on progress quarterly improvement, and report to the Audit Committee.</p>	✓	



## Related Party Transaction

In 2019, 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.-19	31-Dec.-18	
CSS Energy Co.,Ltd subsidiary	Buy-Sell electric wire	2,572	1,613	Based on general trade and support the company's operations to maximize benefit.
Phu Khanh Solar Power Joint Stock Company Limited	Short-term loans	297.65	-	Is a transaction that provides loans for Additional liquidity with an interest rate of 7% per annum

The Audit Committee Meeting No. 1/2020 held on February 28, 2020 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)