

Part 2: Management and Corporate Governance

7. Information on Securities and Shareholders

7.1 Number of Registered Capital and Paid-up Capital

- 7.1.1 The Company has the registered capital of Baht 15,285 Million, comprising 15,285 million ordinary shares at the par value of Baht 1 per share, Baht 15,285 Million of which has already been paid up, divided into 15,285 million ordinary shares at the par value of Baht 1 per share.
- 7.1.2 As of December 28, 2018, the Company's 1,053,769,250 ordinary shares were used as underlying securities for the issuance of Non-Voting Depository Receipt or NVDR, representing 6.89 percent of all shares in the Company. Such shares entitle their holders to receive dividends from investment in NVDR in the same amount as such dividend received by Thai NVDR Company Limited from the Company, provided that NVDR holders shall not be entitled to vote at any shareholders' meeting of the Company. Investors may check the number of NVDR from the Stock Exchange of Thailand's website at www.set.or.th/nvdr.

7.2 Shareholders

7.2.1 List of Major Shareholders

As of September 5, 2018, which is the closing date of the share register book, the major shareholders were as follows:

No.	Shareholders	Number of Shares (shares)	Shareholding Percentage (percent)
1	CH. Karnchang Public Company Limited ⁽¹⁾	4,712,121,829	30.83
2	Mass Rapid Transit Authority of Thailand	1,256,259,584	8.22
3	Krung Thai Bank Public Company Limited	1,047,025,175	6.85
4	Thai NVDR Company Limited	936,724,269	6.13
5	Mr. Wichai Wachiraphong	351,694,457	2.30
6	Bangkok Bank Public Company Limited	303,448,709	1.99
7	STATE STREET EUROPE LIMITED	288,654,719	1.89
8	Social Security Office	287,069,500	1.88
9	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	257,092,374	1.68
10	Bualuang Long - Term Equity Fund	200,619,700	1.31
11	Mr. Min Tieworn	200,000,000	1.31
12	Bualuang Top-Ten Fund	149,546,300	0.98
13	CH. Karnchang Tokyu-Construction Company Limited	136,659,952	0.89
14	UOB KAY HIAN PRIVATE LIMITED	121,250,000	0.79
15	GIC PRIVATE LIMITED	100,877,761	0.66
16	Bualuang Long-Term Equity Fund 75/25	94,408,500	0.62
Total		10,443,452,829	68.32
Others		4,841,547,171	31.68
Grand Total		15,285,000,000	100.00

Remarks: The Stock Exchange of Thailand's disclosure on www.set.or.th for shareholders with more than 0.5 percent shareholding.

- (1) CH. Karnchang Group's shareholding in the Company represented 31.72 percent of the paid-up capital, with the details as follows:

CH. Karnchang Group	Number of Shares	% of Paid-up Capital
1. CH. Karnchang Public Company Limited ⁽²⁾	4,712,121,829	30.83
2. CH. Karnchang-Tokyu Construction Company Limited ⁽³⁾	136,659,952	0.89

- (2) CH. Karnchang Public Company Limited ("CH. Karnchang Plc.") operates the general construction business, with Trivisvavet Group holding shares of 33.70 percent of the paid-up capital (information as of August 28, 2018), with the details as follows:

Trivisvavet Group	Number of Shares	% of Paid-up Capital
1. Mahasiri Siam Co., Ltd. ⁽⁴⁾	280,012,365	16.53
2. CH. Karnchang Holding Co., Ltd. ⁽⁵⁾	171,396,530	10.12
3. CK. Office Tower Co., Ltd. ⁽⁶⁾	86,048,212	5.08
4. Mr. Plew Trivisvavet	13,631,497	0.80
5. Mrs. Saikasem Trivisvavet	5,061,142	0.30
6. Mrs. Pranee Tongkittikul	4,464,342	0.26
7. Mr. Nattavut Trivisvavet	2,405,785	0.14
8. Miss Supamas Trivisvavet	1,700,000	0.10
9. Mr. Sittidej Trivisvavet	1,550,000	0.09
10. Mr. Puwanet Trivisvavet	1,109,255	0.07
11. Mrs. Korakot Trivisvavet	1,030,250	0.06
12. Miss Sawanya Trivisvavet	835,225	0.05
13. Mr. Prasert Trivisvavet	184,285	0.01

Shareholders may refer to additional information of CH. Karnchang Plc. in the Annual Registration Statement (Form 56-1) on the website of the SEC Office (www.sec.or.th) or the Stock Exchange of Thailand (www.set.or.th).

- (3) CH. Karnchang-Tokyu Construction Company Limited operates the business of construction of all types, having a total of 1,000,000 shares, with 549,999 shares representing 55 percent held by CH. Karnchang Plc.
- (4) Mahasiri Siam Co., Ltd. operates the investment business, having a total of 9,000,000 shares, with 8,378,787 shares representing 93.10 percent held by Trivisvavet Group.
- (5) CH. Karnchang Holding Co., Ltd. operates the investment and consultation business, having a total of 8,400,000 shares, with 2,100,000 shares representing 25 percent held by Mahasiri Siam Co., Ltd., and 5,250,000 shares representing 62.5 percent held by Trivisvavet Group.
- (6) CK. Office Tower Co., Ltd. operates the business of investment and consultancy, having a total of 3,000,000 shares, with 750,000 shares representing 25 percent held by Mahasiri Siam Co., Ltd., and 2,250,000 shares representing 75 percent held by Trivisvavet Group.

7.2.2 The Company's Free Float Percentage

According to the report on the shareholding distribution of strategic shareholders as of March 13, 2018, as submitted to the Stock Exchange by the Company, the percentage of the non-strategic shareholders was 53.75 percent of all issued and paid-up shares.

7.3 Issuance of Other Securities

7.3.1 Long-Term Loans

In 2018, the Company made repayment of the long-term loan in the amount of Baht 12,749 Million, and the Company executed the long-term loan agreement with financial institutions in the amount of Baht 14,000 Million, at the floating interest rate based on the 6MTHBFX interest rate, and made a loan drawdown during the year in the amount of Baht 4,200 Million, and as a result, as of December 31, 2018, the Company and its subsidiaries had long-term loans amounting to Baht 9,800 Million.

7.3.2 Debentures

In 2018, the Company issued debentures at the total value of Baht 10,000 Million, proceeds of which were used for prepayment of the long-term credit facilities of the Si Rat - Outer Ring Road Expressway Project. As of December 31, 2018, the Company's outstanding debentures were as per the following details:

Details of Debentures	Debentures No. 1/2016 Series 1	Debentures No. 1/2016 Series 2	Debentures No. 1/2016 Series 3
Debenture Symbol	BEM196A	BEM216A	BEM236A
Total Value of Debentures	Baht 5,000 Million	Baht 1,615 Million	Baht 2,000 Million
Type of Debentures	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative
Number of Debentures	5,000,000 units	1,615,000 units	2,000,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000
Interest Rate per annum	2.22%	2.52%	3.00%
Maturity	3 years	5 years	7 years
Issue Date of Debentures	June 24, 2016	June 24, 2016	June 24, 2016
Maturity Date	June 24, 2019	June 24, 2021	June 24, 2023
Registrar	SCB	SCB	SCB
Early Redemption Right	- None -		
Repayment of Principal	The issuer of debentures shall repay the principal in full on the maturity date.		
Rating	A	A	A

Debentures (continued)

Details of Debentures	Debentures No. 1/2016 Series 4	Debentures No. 1/2016 Series 5	Debentures No. 2/2016
Debenture Symbol	BEM266A	BEM286A	BEM286B
Total Value of Debentures	Baht 3,335 Million	Baht 2,750 Million	Baht 500 Million
Type of Debentures	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative
Number of Debentures	3,335,000 units	2,750,000 units	500,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000
Interest Rate per annum	3.30%	3.61%	3.61%
Maturity	10 years	12 years	11.9 years
Issue Date of Debentures	June 24, 2016	June 24, 2016	August 11, 2016
Maturity Date	June 24, 2026	June 24, 2028	June 24, 2028
Registrar	SCB	SCB	SCB
Early Redemption Right	- None -		
Repayment of Principal	The issuer of debentures shall repay the principal in full on the maturity date.		
Rating	A	A	A

Debtentures (continued)

Details of Debtentures	Debtentures No. 3/2016 Series 1	Debtentures No. 3/2016 Series 2	Debtentures No. 3/2016 Series 3
Debtenture Symbol	BEM200A	BEM250A	BEM270A
Total Value of Debtentures	Baht 2,500 Million	Baht 2,500 Million	Baht 3,000 Million
Type of Debtentures	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative
Number of Debtentures	2,500,000 units	2,500,000 units	3,000,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000
Interest Rate per annum	2.62%	3.78%	3.95%
Maturity	4 years	9 years	11 years
Issue Date of Debtentures	October 21, 2016	October 21, 2016	October 21, 2016
Maturity Date	October 21, 2020	October 21, 2025	October 21, 2027
Registrar	SCB	SCB	SCB
Early Redemption Right	- None -		
Repayment of Principal	The issuer of debtentures shall repay the principal in full on the maturity date.		
Rating	A	A	A

Debtentures (continued)

Details of Debtentures	Debtentures No. 1/2017 Series 1	Debtentures No. 1/2017 Series 2
Debtenture Symbol	BEM229A	BEM249A
Total Value of Debtentures	Baht 2,000 Million	Baht 3,000 Million
Type of Debtentures	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative
Number of Debtentures	2,000,000 units	3,000,000 units
Par Value per Unit	Baht 1,000	Baht 1,000
Interest Rate per annum	2.65%	3.10%
Maturity	5 years	7 years
Issue Date of Debtentures	September 7, 2017	September 7, 2017
Maturity Date	September 7, 2022	September 7, 2024
Registrar	KTB	KTB
Early Redemption Right	- None -	
Repayment of Principal	The issuer of debtentures shall repay the principal in full on the maturity date.	
Rating	A	A

Debtentures (continued)

Details of Debtentures	Debtentures No. 1/2018 Series 1	Debtentures No. 1/2018 Series 2	Debtentures No. 1/2018 Series 3
Debtenture Symbol	BEM214A	BEM234A	BEM254A
Total Value of Debtentures	Baht 3,000 Million	Baht 3,500 Million	Baht 3,500 Million
Type of Debtentures	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative
Number of Debtentures	3,000,000 units	3,500,000 units	3,500,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000
Interest Rate per annum	2.05%	2.46%	3.01%
Maturity	3 years	5 years	7 years
Issue Date of Debtentures	April 5, 2018	April 5, 2018	April 5, 2018
Maturity Date	April 5, 2021	April 5, 2023	April 5, 2025
Registrar	SCB	SCB	SCB
Early Redemption Right	- None -		
Repayment of Principal	The issuer of debtentures shall repay the principal in full on the maturity date.		
Rating	A	A	A

7.4 Policy on Dividend Payment

The Company has the policy to pay a dividend at not less than 40 percent of the net profit of each year, taking into account the operational results, financial structure and obligations, investment, as well as regular payment of dividend to shareholders.

In this regard, the Board of Directors may pay an interim dividend to shareholders when it is of the view that the Company has sufficient profit and cash flow to pay a dividend. Once the dividend payment has been made, such dividend payment shall be reported to the following shareholders' meeting.

The Company's dividend payment in the previous year was as follows:

Dividend from Operations	Dividend Declared (Million Baht)	Dividend per share (Baht)	Net Profit (Million Baht)		Percentage of Dividend to Net Profit	
			Separate Financial Statements	Consolidated Financial Statements	Separate Financial Statements	Consolidated Financial Statements
2016						
- First half	764	0.05	1,218	1,206	62.50%	63.29%
- Second half	917	0.06	1,345	1,400	68.18%	65.22%
Total in 2016	1,681	0.11	2,563	2,606	65.48%	64.71%
2017						
- First half	917	0.06	1,442	1,425	63.83%	64.52%
- Second half	1,070	0.07	1,533	1,698	70.00%	63.06%
Total in 2017	1,987	0.13	2,975	3,123	66.67%	63.73%
2018						
- First half	917	0.06	1,695	1,714	54.05%	53.57%
- Second half ⁽¹⁾	1,376	0.09	1,412	3,603	97.83%	38.14%
Total in 2018	2,293	0.15	3,107	5,317	73.89%	43.10%

Remark: ⁽¹⁾ This is put on the Agenda of the 2019 Annual Ordinary General Meeting of Shareholders to be held on April 26, 2019.

7.5 Policy on Dividend Payment of the Subsidiaries

NECL has the policy on dividend payment at the rate of approximately 40 percent of net profit after deducting statutory reserves, by taking into consideration the operational results in the fiscal year of the separate financial statements as at the end of the fiscal year and under the conditions of the credit facility agreement, subject to the investment plan, necessity and appropriateness in other aspects as the boards of directors of the subsidiaries deem appropriate.

BMN has the policy on dividend payment at the rate of not less than 40 percent of the each year net profit, taking into account the operational results, financial structure and obligations, investment, as well as regular payment of dividend to shareholders.

8. Management Structure

The Company has established and reviewed the Company's management structure by realizing the organizational leadership roles and responsibilities of the Board of Directors in achieving the sustainable value creation for the business. The Company has also assigned the Board of Directors to ensure that all directors and executives discharge their duties with duty of care and duty of loyalty and to ensure that the Company's operations have been carried out in compliance with applicable laws, articles of association and resolutions of the shareholders' meeting. Currently, the Company's management structure comprises the Board of Directors and another four subcommittees, namely, the Audit Committee, the Executive Board, the Nomination and Remuneration Committee, and the Corporate Governance and Risk Management Committee.

The structure of the Board of Directors has been reviewed as to scale, composition, proportion of independent directors, skill, experience, education, capability and character traits, together with gender and age as appropriate and necessary to lead the organization to meet the objectives and goals specified by the Company, consisting of 17 qualified persons, namely, five executive directors, six independent directors and six non-executive directors. This is to ensure that the entire Board of Directors has suitable qualifications, can understand and satisfy the needs of stakeholders, as well as enabling the Board of Directors to carry out operations conducive to exercise of their discretion to make decisions independently.

The lists of names of the Board of Directors, the four subcommittees and executives were described as follows:

8.1 Board of Directors

The Board of Directors comprised 17 directors who were knowledgeable, competent and experienced in varied fields of business; whose names, as of December 31, 2018, were listed below:

No.	Name-Surname	Position	Category	Attendances /Number of Board of Directors' Meetings
1	Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	Independent Director	5/5
2	Mr. Plew Trivisvavet	Deputy Chairman of the Board of Directors Chairman of the Executive Board Nomination and Remuneration Committee Member	Executive Director	5/5
3	Mr. Vitoon Tejatussanasoontorn	Chairman of the Audit Committee Nomination and Remuneration Committee Member	Independent Director	5/5
4	Gen. Chetta Thanajaro	Chairman of the Nomination and Remuneration Committee Audit Committee Member	Independent Director	5/5
5	Gen. Sampao Choosri	Chairman of the Corporate Governance and Risk Management Committee Audit Committee Member	Independent Director	4/5
6	Dr. Annop Tanlamai	Audit Committee Member	Independent Director	5/5
7	Mrs. Vallapa Assakul	Corporate Governance and Risk Management Committee Member	Independent Director	5/5
8	Mr. Supong Chayutsahakij	Executive Director Nomination and Remuneration Committee Member	Executive Director	5/5
9	M.L. Prasobchai Kasemsant	Director	Non-executive Director	5/5
10	Mr. Phongsarit Tantisuvanitchkul	Executive Director Corporate Governance and Risk Management Committee Member	Executive Director	5/5

No.	Name-Surname	Position	Category	Attendances /Number of Board of Directors' Meetings
11	Mr. Werapong Suppasedsak	Director	Non-executive Director	5/5
12	Mr. Panit Dunnvatanachit	Director	Non-executive Director	4/5
13	Mr. Yuttana Yimgarund	Director	Non-executive Director	5/5
14	Mrs. Natamon Bunnak ⁽¹⁾	Director	Non-executive Director	4/5
15	Mr. Wichan Ekarintrakul ⁽²⁾	Director	Non-executive Director	N/A
16	Dr. Sombat Kitjalaksana	Executive Director Corporate Governance and Risk Management Committee Member	Executive Director	5/5
17	Mrs. Payao Marittanaporn	Executive Director Corporate Governance and Risk Management Committee Member	Executive Director	5/5

Remarks: Directors' profiles appear in Attachment 1, pages A1-1 to A1-19.

- (1) Mrs. Natamon Bunnak was appointed as a director on April 20, 2018, to replace Mr. Theeraphan Tachasirinugune who resigned his office as a director on April 7, 2017.
- (2) Mr. Wichan Ekarintrakul was appointed as a director on December 27, 2018, to replace Mr. Prasit Dachsiri who resigned his office as a director on October 1, 2018.

Authorized Directors

The Company has determined five directors authorized to sign and bind the Company, comprising Mr. Plew Trivisvavet, Mr. Supong Chayutsahakij, Mr. Phongsarit Tantisuvanitchkul, Dr. Sombat Kitjalaksana, and Mrs. Payao Marittanaporn, whereby two of these five directors shall jointly sign and affix the Company's seal.

Independent Directors

The Board of Directors of the Company comprises six independent directors or representing more than one-third of the total number of directors of the Company. The Company specifies the qualifications of its independent directors in compliance with the notifications of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as follows:

Qualifications of Independent Directors

- Holding shares of not exceeding 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiaries, associated companies, major shareholders or controllers of the Company, including shares held by any related persons of each independent director;
- Not being or having been a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or a controller of the Company, its parent company, subsidiaries, associated companies, subsidiaries of the same tier, major shareholders or controllers of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the appointment date, provided that such prohibited characteristics shall not apply to an independent director who was a public servant or an advisor to a government authority which is the Company's major shareholder or controller;

3. Not being a person having a relationship by blood or by legal registration in the capacity as parent, spouse, sibling, and offspring, including spouse of the offspring of other directors, executive, major shareholder, controller or person to be nominated as a director, an executive or a controller of the Company or its subsidiaries;
4. Not having or having had any business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company in a manner which may prevent the exercise of his or her independent judgment; and not being or having been a substantial shareholder or controller of any person having a business relationship with the Company, its parent companies, subsidiaries, associated companies, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the appointment date;

The aforesaid business relationship shall include any transaction in the ordinary course of business for lease of immovable property, any transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending any loan, guarantee, providing assets as collateral, including any other similar action, which causes the Company or contractual party to be subject to indebtedness payable to the other party in the amount of three percent or more of the Company's net tangible assets or in the amount of Baht Twenty Million or more, whichever is lower. Such indebtedness shall be calculated according to the calculation method of connected transaction value under the Notification of the Capital Market Supervisory Board, Re: Rules on Connected Transactions, mutatis mutandis. However, the consideration of such indebtedness shall include the indebtedness incurred during the course of one year prior to the commencement of a business relationship with the same person;
5. Not being or having been an auditor of the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of an audit firm which employs the auditor of the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the appointment date;
6. Not being or having been a professional service provider, including legal advisor or financial advisor which receives an annual service fee exceeding Baht Two Million from the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of such professional service provider, unless such independent director has no longer been in such capacity for not less than two years prior to the appointment date;
7. Not being a director appointed as a representative of the Company's director, major shareholder or shareholder who is a related person of the major shareholder;
8. Not engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiaries; or not being a substantial partner in a partnership or a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or holding more than one percent of the total number of voting shares of another company engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiaries;
9. Not having any other characteristics preventing the provision of independent opinions on the Company's operations.

8.2 Management Team

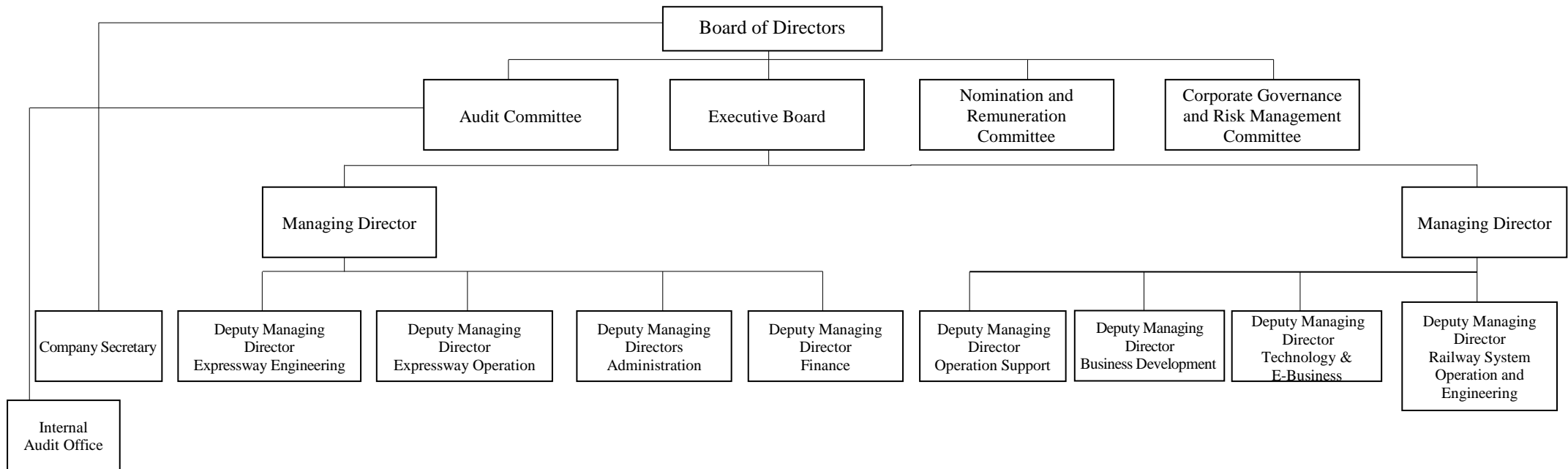
8.2.1 List of Names of Management Team

The Management Team under the structure as at December 31, 2018, comprised 10 persons as listed below: (information of executives appears in Attachment 1, pages A1-20 to A1-26.)

No.	Name	Position
1.	Dr. Sombat Kitjalaksana	Managing Director
2.	Mrs. Payao Marittanaporn	Managing Director
3.	Mr. Sanguan Kunatinun	Deputy Managing Director Expressway Engineering
4.	Mrs. Sudruthai Prommart	Deputy Managing Director Expressway Operation
5.	Mr. Phakpoom Thaweewittayarut	Deputy Managing Director Administration
6.	Miss Panan Tosuwanthaworn	Deputy Managing Director Finance
7.	Mr. Witoon Hatairatana	Deputy Managing Director Railway System Operation and Engineering
8.	Mr. Alvin Gee	Deputy Managing Director Operation Support
9.	Dr. Vites Techangam	Deputy Managing Director Technology and E-Business
10.	Mr. Anawash Suwanarit	Deputy Managing Director Business Development

8.2.2 Management Structure of the Company

Organizational Chart of Bangkok Expressway and Metro Public Company Limited



8.2.3 Structures of the Boards of Directors of Subsidiaries

1) Northern Bangkok Expressway Company Limited

As of December 31, 2018, the Board of Directors of Northern Bangkok Expressway Company Limited comprised six directors as follows:

- | | |
|-------------------------------------|------------------------------------|
| 1. Mr. Plew Trivisvavet | Chairman of the Board of Directors |
| 2. Mr. Supong Chayutsahakij | Director |
| 3. Mr. Phongsarit Tantisuvanitchkul | Director |
| 4. Dr. Sombat Kitjalaksana | Director |
| 5. Mr. Dumkerng Pankam * | Director |
| 6. Mrs. Payao Marittanaporn | Director |

Remark: * He was appointed to hold the office on March 21, 2018, to replace Mr. Prasit Dachsiri who resigned his office on March 19, 2018.

Authorized Directors

Northern Bangkok Expressway Company Limited has determined five directors authorized to sign and bind the subsidiary, comprising Mr. Plew Trivisvavet, Mr. Supong Chayutsahakij, Mr. Phongsarit Tantisuvanitchkul, Dr. Sombat Kitjalaksana, and Mrs. Payao Marittanaporn, whereby two of these five directors shall jointly sign and affix the subsidiary's seal.

2) Bangkok Metro Networks Limited

As of December 31, 2018, the Board of Directors of Bangkok Metro Networks Limited comprised six directors as follows:

- | | |
|-------------------------------------|------------------------------------|
| 1. Mr. Phongsarit Tantisuvanitchkul | Chairman of the Board of Directors |
| 2. Dr. Sombat Kitjalaksana | Director |
| 3. Mr. Witoon Hatairatana | Director |
| 4. Mrs. Thipsuda Yimwilai | Director |
| 5. Mr. Palin Lojanagosin* | Director |
| 6. Mr. Pinijsorn Luechaikajohnpan* | Director |
| 7. Miss Panan Tosuwanthaworn | Director |
| 8. Mr. Nattavut Trivisvavet | Director |

Remark: * was appointed as a director as of February 28, 2018

Authorized Directors

Bangkok Metro Networks Limited has determined eight directors

Mr. Phongsarit Tantisuvanitchkul, Dr. Sombat Kitjalaksana, Mr. Witoon Hatairatana, Miss Panan Tosuwanthaworn, and Mr. Nattavut Trivisvavet, totaling 2 persons out of 5 persons, shall jointly sign and affix the subsidiary's seal.

Either Mr. Phongsarit Tantisuvanitchkul, Dr. Sombat Kitjalaksana, Mr. Witoon Hatairatana, Miss Panan Tosuwanthaworn or Mr. Nattavut Trivisvavet and Mr. Palin Lojanagosin or Mrs. Thipsuda Yimwilai, totaling two persons, shall jointly sign and affix the subsidiary's seal.

8.3 Company Secretary, who bears the highest responsibility for accounting and financial work and monitors and supervises accounting preparation**1) Company Secretary**

The Board of Directors has considered appointing the qualified person as Company Secretary. On December 30, 2015, the Board of Directors appointed Mr. Phakpoom Thaweewittayarut, who was knowledgeable and capable in the fields of accounting, law, and audit, as well as fully understanding rules, regulations and criteria applicable to listed companies, to serve as the Company Secretary (details of his profile appear in Attachment 1, No. 20), with the duties and responsibilities as follows:

1. Providing suggestions to directors relating to provisions of laws, relevant rules and regulations.
2. Arranging for orientation and providing necessary information for the performance of duties to the current and new directors.
3. Monitoring the Company to ensure its compliance with laws, Articles of Association, relevant regulations and the good corporate governance principles.
4. Convening meetings as stipulated by laws and Articles of Association, preparing and keeping minutes of meetings, as well as coordinating to ensure efficient performance in compliance with resolutions passed by the Board of Directors or the shareholders' meetings.
5. Preparing and keeping the following documents:
 - a) Directors' register;
 - b) Notices, minutes of the Board of Directors' meetings and annual reports of the Company;
 - c) Notices and minutes of the shareholders' meetings.
6. Keeping reports on interest filed by directors or executives.
7. Monitoring to ensure disclosure of information and information memorandum to regulatory units in compliance with relevant laws, rules, and regulations.
8. Contacting and communicating with shareholders and relevant regulatory units, whereby shareholders may inquire or request any information as needed by contacting at Tel. 0 2641 4611 or sending questions via email to companysecretary@bemplc.co.th.
9. Promoting the provision of various training courses and providing useful information for the performance of duties of new directors.
10. Making other arrangements as announced by the Capital Market Supervisory Board.
11. Proceeding with other matters as assigned by the Board of Directors.

2) Deputy Managing Director: Finance

The Board of Directors appointed Miss Panan Tosuwanthaworn, who had knowledge and abilities in the fields of accounting and finance, to serve as the Deputy Managing Director: Finance, holding the position of top management in accounting and finance (details of her profile appear in Attachment 1, No. 21), with the duties and responsibilities as follows:

1. Planning financial strategies to encourage internal and external growth as well as financing to accommodate growth linking with the Company's growth strategies and business value.
2. Controlling and managing infrastructure in terms of financial information and financial management of the Company to ensure that the Company's work operations are driven to achieve tasks and goals as planned.
3. Developing and managing financial tools to contribute to the analysis of the efficiency of work operations and analysis of business value.
4. Communicating the organization's significant financial information to enhance the understanding and trust of investors relating to stability and opportunities of the Company.

3) General Manager of Accounting Division

Per the organizational chart of the Company, there was appointment of an officer in the management level in the position of General Manager of Accounting Division, i.e., Miss Saranya Lertjiraprasert, who had knowledge and understanding of the accounting system of the Company, to hold the position of General Manager of Accounting Division, as accounting management officer (details of her profile appear in Attachment 1, No. 26), with duties and responsibilities as follows:

1. Drawing up policies and plans on accounting and finance as well as determining the accounting and financial systems in line with the guidelines for the Company's work operations.
2. Overseeing preparation of accounts and inspecting close of accounts of the Company in each period to ensure that they are made properly and in accordance with the specified practices.
3. Overseeing and inspecting preparation of financial statements, balance sheet, income statement, and accounting reports.
4. Overseeing and inspecting income-expenditure of the Company.
5. Overseeing the Company's budgeting and inspecting to ensure that the budget is utilized properly and in accordance with the budget plan as specified.
6. Overseeing the preparation of relevant tax reports for submission to relevant government authorities.

8.4 Remuneration of Directors and Executives

The Company has the policy to pay remuneration for directors and executives, by taking into account appropriate remuneration in accordance with criteria on remuneration determination as follows:

Remuneration for Directors and Managing Directors

1. Remuneration shall be appropriate for and in line with the scope of duties and responsibilities of each director, e.g., as Chairman of the Board of Directors, chairman of each subcommittee and member of the Executive Board, the Audit Committee, the Nomination and Remuneration Committee and the Corporate Governance and Risk Management Committee, who shall receive additional remuneration for such position.
2. Remuneration for the directors and the Managing Directors is at the level which is appropriate and sufficient to attract as well as retaining knowledgeable and qualified directors to perform duties for the Company efficiently in order to lead the organization to accomplish the short-term and long-term goals.
3. The elements of remuneration are clear, transparent and easy to understand.
4. The remuneration shall be considered by the Nomination and Remuneration Committee to ensure that the remuneration is at the appropriate and competitive level and stays at the same level as that in the same sector which is adequate to retain the directors and the Managing Directors who possess the qualifications in line with the goals in the business operations of the Company.

Remuneration for Executives

Remuneration for executives, excluding the Managing Directors, shall be considered in accordance with the criteria and policy specified by the Executive Board, corresponding to the Company's operational results and each executive's performance evaluation results through the Performance Management System (PMS).

In 2018, the Company paid remuneration for directors and executives as follows:

(1) Monetary remuneration

- (1.1) Remuneration for directors of the Company comprised annual remuneration, meeting allowance, and bonus. In 2018, the total remuneration for directors of the Company amounted to Baht 35,414,826, in line with the resolution of its 2018 Annual Ordinary General Meeting of Shareholders which approved the remuneration for directors in the total amount not exceeding Baht 37,250,000, namely, bonus for directors for 2017 in an amount not exceeding Baht 19,250,000 and remuneration for directors for 2018 in an amount not exceeding Baht 18,000,000.

Unit: Baht

List of Directors	Remuneration for Directors 2018						Bonus 2017
	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee	Total	
1. Dr. Virabongsa Ramangkura Chairman of the Board of Director	2,100,000	-	-	-	-	2,100,000	2,200,000
2. Mr. Plew Trivisvavet Deputy Chairman of the Board of Directors Chairman of the Executive Board Nomination and Remuneration Committee Member	550,000	1,000,000	-	150,000	-	1,700,000	2,000,000
3. Mr. Vitoon Tejatussanasontom Director Chairman of the Audit Committee Nomination and Remuneration Committee Member	550,000	-	550,000	150,000	-	1,250,000	1,100,000
4. Gen. Chetta Thanajaro Director Chairman of Nomination and Remuneration Committee Audit Committee Member	550,000	-	350,000	250,000	-	1,150,000	1,100,000
5. Gen. Sampao Choosri Director Chairman of the Corporate Governance and Risk Management Committee Audit Committee Member	500,000	-	325,000	-	275,000	1,100,000	1,100,000
6. Dr. Annop Tanlamai Director Audit Committee Member	550,000	-	350,000	-	-	900,000	950,000
7. Mrs. Vallapa Assakul Director Corporate Governance and Risk Management Committee Member	550,000	-	-	-	200,000	750,000	950,000
8. Mr. Supong Chayutsahakij Director Executive Director Nomination and Remuneration Committee Member	550,000	500,000	-	150,000	-	1,200,000	1,150,000
9. M.L. Prasobchai Kasemsant Director	550,000	-	-	-	-	550,000	1,000,000
10. Mr. Phongsarit Tantisuwanitchkul Director Executive Director Corporate Governance and Risk Management Committee Member	550,000	500,000	-	-	200,000	1,250,000	1,150,000
11. Mr. Werapong Suppasedsak Director	550,000	-	-	-	-	550,000	850,000
12. Mr. Panit Dunnvatanachit Director	500,000	-	-	-	-	500,000	850,000
13. Mr. Yuttana Yimgarund Director	550,000	-	-	-	-	550,000	850,000
14. Mr. Theeraphan Tachasirinugune ⁽¹⁾ Director	-	-	-	-	-	-	223,562
15. Mrs. Natamon Bunnak ⁽²⁾ Director	409,341	-	-	-	-	409,341	-
16. Mr. Dumkerng Pankam ⁽³⁾ Director	-	-	-	-	-	-	699,315
17. Mr. Prasit Dachsi ⁽⁴⁾ Director	399,457	-	-	-	-	399,457	93,151
18. Mr. Wichan Ekarintrakul ⁽⁵⁾ Director	-	-	-	-	-	-	-
19. Dr. Sombat Kitjalaksana Director Executive Director Corporate Governance and Risk Management Committee Member Managing Director	550,000	500,000	-	-	200,000	1,250,000	1,150,000
20. Mrs. Payao Marittanaporn Director Executive Director Corporate Governance and Risk Management Committee Member Managing Director	550,000	500,000	-	-	200,000	1,250,000	1,150,000
Total	10,508,798	3,000,000	1,575,000	700,000	1,075,000	16,858,798	18,556,028
Amount Approved by Shareholders						18,000,000	19,250,000

Remarks : ⁽¹⁾ Mr. Theeraphan Tachasirinugune resigned his office as a director on April 7, 2017.

⁽²⁾ Mrs. Natamon Bunnak was appointed as a director on April 20, 2018.

⁽³⁾ Mr. Dumkerng Pankam resigned his office as a director on October 24, 2018.

⁽⁴⁾ Mr. Prasit Dachsi resigned his office as a director on October 1, 2018.

⁽⁵⁾ Mr. Wichan Ekarintrakul was appointed as a director on December 27, 2018, and notified his intention not to receive remuneration.

- (1.2) In 2018, the Company paid remuneration comprising salary and bonus for its executives at the levels of Managing Director downwards to Deputy Managing Director, totaling 10 persons, in the total amount of Baht 99,119,052.50.
- (1.3) In 2018, NECL paid remuneration for its directors, comprising annual remuneration, meeting allowance, and bonus, in the total amount of Baht 3,984,166, in line with the resolution of its 2018 annual ordinary general meeting of shareholders which approved the remuneration for directors in an amount not exceeding Baht 4,250,000, namely, bonus for its directors in 2017 in an amount not exceeding Baht 1,400,000 and remuneration for its directors for 2018 in an amount not exceeding Baht 2,850,000.
- (1.4) In 2018, BMN paid remuneration for its directors, comprising annual remuneration and meeting allowance, in the total amount of Baht 882,000, in line with the resolution of its 2018 annual ordinary general meeting of shareholders which approved the remuneration for directors for 2018 in an amount not exceeding Baht 1,120,000.
- (2) Other remuneration
- (2.1) Other remuneration for directors
- None -
- (2.2) Other remuneration for executives
- The Company establishes a provident fund, which provides long-term benefits upon termination of employment or retirement, whereby executives pay savings at the rate of 5-10 percent of his/her salary according to his/her service years and the Company pays contributions at the same rate to the fund. In 2018, the Company paid contributions to the provident fund for 10 executives in the amount of Baht 4,742,454.
- The contribution rate paid by the Company is in accordance with the resolution of the Board of Directors' Meeting, taking into consideration the Company's profitability and the Company's operational results.

8.5 Personnel

8.5.1 Number of Staff as at December 31, 2018

- **Expressway business:** there were a total of 1,037 staff, comprising personnel in two main functions, namely, Operation and Engineering, representing 79.2 percent of all staff, and personnel in supporting functions, namely, Administration, Finance and Corporate Governance, representing 20.8 percent of all staff.
- **Rail business:** there were a total of 2,610 staff, comprising personnel in main functions, namely, Project Management and Development Group, Engineering & Maintenance Group, Train Operation Group, Strategy Group, representing 87 percent of all staff, and personnel in supporting functions, namely, Technology & E-Business, Business Development Group, Human Resources Group, General Affairs Group, Safety and Quality Group, Law and Compliance Division, representing 13 percent of all staff.
- **As of December 31, 2018, the Company has staff in each work unit (excluding executives) as follows:**

Functions	Staff (persons)
1. Main functions	3,100
2. Supporting functions	547
Total	3,647

- **Subsidiaries**
 - NECL has no employment of executive and permanent staff but operates the Udon Rathaya Expressway by means of a service agreement with BEM.
 - BMN had a total of 139 staff in each work unit (excluding executives), comprising Sale and Marketing Department, Design and Production Department, Business Development Department, Finance Department, and Operation Department.

- **Significant Change in Number of Staff over the Past Three Years**
 - None -
- **Significant Labor Dispute over the Past Three Years**
 - None -

8.5.2 Personnel Development Policy

The Company is determined to be a leading, fully-integrated transportation service provider in Thailand and ASEAN, with its social mission to provide the transport service with convenience, rapidity, and safety by engaging in the business with its commitment to social and environmental responsibility, attainment of value added creation and optimum benefits for all stakeholders with fairness and sustainability.

Currently, the Company continues to undergo changes and business competition, and, to enable the Company to create the “**Path to Happiness for Better Travelling Mode**”, the Company then realizes the significance of personnel development to ensure that they have preparedness and capability to not only create value for the Company but also value for the society as a whole.

Personnel is regarded as a key feature in moving the business forward with sustainability, the Company has thus clearly incorporated the practices for staff’s compliance into the Company’s Codes of Conduct. In this regard, the Company is committed to development of efficiency of its staff to meet quality of work and quality of life of staff by fostering conceptions and values relating to quality policies, comprising personnel development, teamwork, creation of quality, working environment, and accountability of executives and staff, including formulation of clear policies on safety and hygiene along with ensuring environment and hygiene in the workplace with safety to life and property of personnel and the Company.

The Company firmly believes that qualified staff is a key factor in bringing the sustainable growth and success to the organization, it has thus clearly formulated the personnel development policy, as follows:

1. The Company establishes a policy on nomination, development, and retention of its personnel by means of provision of remuneration in the form of salary, welfare, and other remuneration which are competitive in the same industry.
2. The Company regards its staff as valuable resources, that is, human resources are one of the major factors to the Company’s development and competitiveness as well as the achievement of the Company’s objectives. The Company realizes the significance of internal personnel development and improvement by way of regular training and performance review, including local and overseas study visits and training, particularly the awareness and training in respect of service safety. The Company’s staff must strictly comply with the Company’s safety rules and international standards.
3. The Company arranges for the efficient personnel management system based on fairness, equality, and opportunity for staff development and exercise of competency at full capacity.
4. The Company gives priority to morale and a sense of pride in work performance of staff by determining remuneration and career advancement based on knowledge, competency, and fairness, as well as arranging for the reasonable welfare system, together with the development of staff lifestyle in order to retain the Company’s valuable human resources.
5. Retention of the Company’s competent personnel

The Company ensures that highly capable and competent staff advance in their career paths.

The Company is ready to create the path to happiness, by starting from the “Source of Happiness”, which signifies the Company’s personnel. To ensure that the Company’s personnel can provide the quality service, particularly in respect of safety, the Company has then encouraged the sphere of safety at work with a commitment to fostering and creating

awareness of occupational safety and health to its personnel at all levels and then to its business alliances, customers, together with nearby communities. In addition, the Company has integrated the social and environmental responsibility activities in processes related to safety, for that reason, the Company not only gives priority to the safety of the service users, but also to all persons throughout the value chain of the Company.

Personnel Development and Improvement Policies in 2018

1) Creation of Organizational Culture

The Company has aimed to provide the expressway service and train operation service with efficiency and continuous development, it has therefore fostered the conceptions and practices in various aspects, whether it be awareness of safety or awareness of accountability and responsibility, which are communicated via the operating process and with support of supervisors until attaining the organizational culture. This is to rest assured of the staff's practices and behavioral expressions in accordance with the Company's goals.

2) Management of Work Competency

Personnel is regarded as an invaluable resource which will support the Company to endlessly evolve and have business competitiveness, and as such, the Company has planned to develop competency of staff at all levels by establishing core competency, performance competency and managerial competency of each work position, performance evaluation process and training provision as suitable for staff according to his/her work position, duties and responsibilities, to ensure staff's in-depth and extensive expertise, resulting in the Company's competency in moving its business forward to be the fully-integrated transportation service provider in Thailand and ASEAN.

8.5.3 Benefits

1) Remuneration for Staff

In order to determine the appropriate and competitive remuneration to maintain the good and competent staff to work with the organization, the Company then participates in the survey of wages and remuneration to compare with labor market and other companies in the same sector as well as reviewing the starting salary for new graduates and base salary based on the value of work via the institute conducting wage survey on a regular basis. Therefore, it can be assured that the Company determines the fair and appropriate remuneration to the staff.

The Executive Board considers adjusting wages on a yearly basis by taking into account the Company's operational results through the Competency KPIs and its payment coverage ratio.

Furthermore, the Company establishes a provident fund for long-term care of staff in order to motivate staff to work with the Company and to encourage staff's saving habits to secure adequate retirement savings for a quality retirement life. Staff may apply for provident fund membership, whereby staff pay savings at the rate of 5 to 10 percent of his/her salary according to his/her ability to save and the Company pays contributions at the rate of 5 to 10 percent according to such staff's service years and requirements of the fund. Staff who are fund members shall gain benefits arising from management in proportion to each staff's savings in the fund. The Company also provides group life insurance benefits for staff so as to secure staff and staff family.

2) Staff Welfare

In addition to welfare required by law, the Company also provides staff with additional and appropriate welfare and encourages the roles of the Staff Welfare Committee, beginning with the arrangement for the legitimate election as required by law in order to jointly provide advice and suggestions to the Company on welfare benefits for its staff as a whole and monitor to ensure that the Company's welfare benefits are properly provided to its staff, which lead to adjustment and improvement of the Company's welfare in various aspects as appropriate according to the changing economic and social circumstances.

3) Labor Relations

The Company sets out a policy to take care of its staff via the line management through the human resources unit with the duties to provide advice to, support supervisors and provide them with regular training on personnel management and understanding of the work rules and regulations of the Company. The Company also sets out the investigation procedures with clarity in case of any disciplinary misconduct by staff to ensure fairness and solutions to prevent repeated misconduct, including clear and rapid grievance procedures. Furthermore, the Company yearly organizes the activities to strengthen relationships with and benefit its staff, comprising merit-making and food offering to monks activities on the occasion of New Year Day and merit-making to celebrate the Company's anniversary, New Year's Eve activity, Blood Donation to Thai Red Cross Society activity, Songkran Day activity, workout activity, mindfulness meditation activity, health and nutrition activity. In addition to the Company's internal activities as mentioned above, the Company also encourages and supports budget for off-work activities by allowing staff who are interested in useful activities to form activity group in the form of various clubs, such as, sports club, photo club and music club. The sports club arranges for activities all year round, i.e., football match, walking-jogging for good health, as well as participation in walking-running for charity in association with the government sector on various occasions; internal sports activity so as to encourage staff to work out and then select the Company's athletes to participate in sports competition with external organizations to gain more experience and strengthen good intercompany relationships. The music club regularly arranges for recreational activities every year to promote staff to show their artistic and performance talents, to perform their shows in various events of the Company, and to spread happiness to the society, particularly to the underprivileged communities.

4) Occupational Safety and Health

The Company gives priority to the occupational safety and health by setting out a policy to require each work unit to set out measures and practices relating to proper use of safety equipment as appropriate for each task, as well as providing budget support in improvement of the efficiency of such equipment to be ready for effective and sufficient use, including review of use of such equipment on a regular basis throughout the year and emergency simulation drill. Moreover, the Company also provides training to its staff on the awareness of safety at work, life, and assets of its customers.

5) Quality of Staff's Life

The Company realizes the significance of life quality of staff, including staff of construction and management of the expressways and the metro projects, together with motorists and the society along the expressway routes, and then sets out a policy on hygienic workplaces and routes:

- By adopting the ISO 14001 Environmental Management System. The Company was certified by SGS (Thailand) Limited in accordance with UKAS Standard of England and NAC Standard of Thailand and through the commitments of the management and contribution of staff in realizing the significance and necessity as members of the world community with duty to preserve the environment, and as such, the Company continues to undergo a recertification audit of ISO 14001 Environmental Management System.
- By adopting the international standard safety management system as a guideline for operations, namely, OHSAS/TIS 18001, as well as engaging Ricardo Rail as a safety consultant to provide suggestions on risk management and to devise new safety management techniques for improvement of the Company's work processes to ensure more safety.

6) Anti-Drug in Office Campaign

The Company realizes the country's drug problems which give rise to major impact on the economic and social stability, public order and morality, and then, in association with the Company's Welfare Committee, participated in the White Factory project (Drug Free Workplace Project) of the Department of Labor Protection and Welfare, by participating in activities in collaboration with external agencies, and cooperation for drug test of all the Company's staff. In such arrangements, the Company sets out a policy to confirm its commitment and practice, namely:

1. Giving priority to drug prevention and solution by educating its staff on the damage of drugs and organizing staff health check-up every year or on a specific occasion.
2. Supporting and promoting all staff to take a role and participate in the campaign for drug prevention and solution, and jointly monitor both inside and outside the Company for drug prevention in the Company.
3. Providing cooperation with the government agencies in respect of various measures for drug prevention and solution campaign.
4. Appointing the Welfare Committee to take responsibility for implementing the White Factory project (Drug Free Workplace Project) to meet the project's objectives in line with the drug prevention and solution policy in business premises.

In this regard, the Company authorized the Company's Welfare Committee to act as the ex officio "White Factory" Project (Drug Free Workplace Project) Committee to ensure the continued implementation, whereby the "White Factory" Project (Drug Free Workplace Project) Committee shall have duties and responsibilities as follows:

1. Providing suggestions and guidelines for drug prevention and solution;
2. Complying with policies and action plans for drug prevention and solution;
3. Promoting and supporting activities for raising the awareness and campaign on anti-drug in the Company;
4. Disseminating knowledge and understanding relating to drugs and drug prevention to its staff;
5. Following up and evaluating the implementation and report to the Company.

The Company as 1 of 150 business premises which were granted a Drug Free Workplace Certificate by the Department of Labor Protection and Welfare due to the Company's "Drug Management System in the Business Premises Ranking No. 1", from the total of 258 nominees, as a role model for other business premises in that the Company could encourage its staff to participate in anti-drug campaign in the business premises until they produced concrete results.

7) Anti-Corruption in All Operating Procedures

The Company designs its operating procedures on the basis of independent check and balance and adopts the SAP system to inspect every step of the operating procedures, including prevention of any potential unusual practices in the procedures.

The SAP system comprises sourcing and procurement, maintenance, inventory, accounting and finance modules, all of which are integrated into one system, to inspect every step of the operating procedures and cross-platform processing, including financial data tracking, which helps prevent corruption efficiently.

9. Corporate Governance

9.1 Corporate Governance Policy

The Board of Directors and management put their trust in and realize the significance of the Corporate Governance Code, comprising establishing organizational leadership role and responsibilities of the Board for creating value for the business to attain the sustainable business operations, strengthening effective management and internal control, implementing mechanisms for control and checks and balances intended to ensure the transparent and auditable management, respect for rights and equality of shareholders by encouraging and supporting participation and communication with shareholders, ensuring disclosure and maintaining financial integrity; and ensuring all groups of stakeholders-oriented management, as crucial factors in adding value and bringing the highest returns to the Company's shareholders with the long-term sustainability.

To boost confidence of all shareholders, investors and stakeholders and development resulting in the good corporate governance of the Company and its subsidiaries on a continuous basis, including understanding of the Board of Directors in the Company's business operations, expectations of stakeholders, opportunities and risks affecting the business operations, the Board of Directors shall regularly review the corporate governance policy on a yearly basis. In this connection, the Company has publicized the corporate governance policy on its website at <http://www.bemplc.co.th> to allow all shareholders, investors, and stakeholders to acknowledge the practical guidelines and business operations of the Company based on the Corporate Governance Code. Moreover, the Company has informed and communicated to the Company's staff to acknowledge and adhere to such policy.

- **Corporate Governance Policy**

1. **Rights of Shareholders**

Encouraging the shareholders to exercise their basic rights and taking care of the shareholders to the greater degree than their legal rights without taking any action which violates their rights or deprives them of their rights.

2. **Equitable Treatment towards Shareholders**

Ensuring that all shareholders are equally treated and protected in respect of their basic rights; implementing measures to prevent the inside information usage for personal gain or benefit others in an abusive manner, which would cause damage to the shareholders as a whole.

3. **Roles of Stakeholders**

Taking care of stakeholders of all groups based on their relevant legal rights without taking any action in violation of the stakeholders' rights, as well as establishing measures to redress the situation which the stakeholders have suffered damage arising from violation of their rights; providing a mechanism to promote cooperation between the Company and the stakeholders in the pursuit of the Company's prosperity, financial stability, and sustainability.

4. **Disclosure and Transparency**

Engaging in all activities transparently and auditably; disclosing sufficient information to all relevant parties, as well as ensuring disclosure of material information relating to the Company, both financial and non-financial information, to be made accurately, completely, timely, transparently through easy-to-access channels which are fair and reliable.

5. **Responsibilities of the Board**

Ensuring that the Board performs their duties in good faith, with diligence and due care, in the best interest of the Company and in fairness to all shareholders under the good internal control system and appropriate risk management, as well as complying with the Company's code of ethics.

To boost the confidence of the shareholders, investors and all relevant parties, the Board regularly reviews the corporate governance policy on a yearly basis. The Company's corporate governance policy has been disclosed on its website for internal and external communication, and also, has been disseminated via an e-mail in communication with the Company's staff. The Company actively encourages its staff to participate in compliance with such policy. The Board considers reviewing

the practices in accordance with the Company's good corporate governance principles and provides the practices in accordance with the good corporate governance principles for adherence. In addition, the Company has properly applied the Principles of Good Corporate Governance for Listed Companies 2017 to the Company's business context.

As a result of the operational results from the adherence to and compliance with the aforesaid good corporate governance principles, the Company then received assessments and awards for the corporate governance in 2018, as follows:

- The Company received an "Excellent" rating in the assessment of the quality of the 2018 Annual Ordinary General Meeting of Shareholders (AGM Checklist 2018), from the Thai Investors Association.
- The Company received the Drive Award 2018 for Finance Excellence from the excellent financial management, together with management based on corporate governance, by considering corporate social and environmental responsibility projects along with innovations ready to drive the organization into the macro-economy, from MBA Chula Alumni, the Faculty of Commerce and Accountancy, Chulalongkorn University.
- The Company was selected for the list of Thailand Sustainability Investment (THSI) 2018 and presented with SET Sustainability Awards 2018 in its capacity as listed company engaging in the sustainable business and serving as role model for other listed companies.
- The Company received a "Very Good" rating from the results of corporate governance survey of listed companies, from the Thai Institute of Directors Association (IOD).

In 2018, the Board of Directors supervised and monitored to ensure the development of the Company's corporate governance as well as summarizing the corporate governance activities held throughout the year 2018 covering and in compliance with the Corporate Governance Code for Listed Companies 2017, as follows:

9.1.1 Shareholders' Rights and Encouragement of Participation by Shareholders

The Board of Directors acknowledges and realizes the significance of shareholders' fundamental rights as well as encouraging participation by shareholders and communication with shareholders, namely, share purchase, sale and transfer, entitlement to the Company's profit sharing, meeting attendance for exercising their rights to vote in the shareholders' meetings independently and equitably, participation in decision-making in the Company's important matters, appointment or removal of directors, determination of remuneration for directors, appointment of auditors, determination of remuneration for auditors, and rapid receipt of the Company's complete and sufficient information and news via easily accessible channels, whereby the Company encourages its shareholders to fully exercise their rights through the shareholders' meetings and refrains from taking any actions in violation of shareholders' rights or which deprive shareholders of their rights, as follows:

1. Shareholders' Meetings

1.1 Shareholders' participation in shareholders' meetings

The Company realizes and gives priority to shareholders' rights and encourages their participation, whereby the Board of Directors clearly sets out in the corporate governance policy that the Company must support all groups of shareholders, particularly minority shareholders, foreign shareholders, and institutional shareholders, to exercise their rights without limitation to only such rights provided by laws. In this regard, the Company must not take any actions in violation of shareholders' rights or which deprive shareholders of their rights and also promote shareholders' right to decide on significant changes, by ensuring that the shareholders have been provided with the Company's sufficient information. Furthermore, the Company prepares documents in both Thai and English versions for clear acknowledgment and understanding of all shareholders.

In case it is inconvenient for any shareholder to attend meetings in person, the Company prepares proxy forms for enabling shareholders to decide among themselves how they wish their votes to be cast, and nominates one independent director and/or audit committee member if there is execution of any transaction which may give rise to a conflict of interests, who may be appointed as proxy of shareholders for exercising the right

to attend meetings and vote on each agenda item. Three available proxy forms under the law are prepared, as follows:

- Proxy Form A is a general simple proxy form (for shareholders in all cases);
- Proxy Form B is a proxy form with specific details;
- Proxy Form C is used only by foreign shareholders who appoint a custodian in Thailand.

The Company makes these three proxy forms available on its website for shareholders to choose and use them as appropriate. Furthermore, the Company prepares duty stamps available for free for shareholders who appoint their proxies to attend meetings.

1.2 Shareholders' access to the Company's information

Notices of meetings which contain detailed explanations of and reasons in support of each agenda item, date, time, place, including details relating to the documents or evidence in support of participation in meetings, are prepared by the Company in both Thai and English versions to ensure all shareholders' acknowledgement and clear understanding. The Company posts notices of meetings on the Company's website 30 days in advance. As for the 2018 Annual Ordinary General Meeting of Shareholders on April 20, 2018, the Company disseminated the notice of the meeting on its website since March 20, 2018 and also sent the notice of the meeting to Thailand Securities Depository Company Limited, as the Company's share registrar, for delivery to shareholders 21 days prior to the meeting, namely, March 30, 2018, so as to allow shareholders to have time to consider the details of each agenda item. Furthermore, the shareholders' meeting has been proceeded in accordance with the order of agenda as specified in the notice of the meeting without adding any agenda to the meeting without prior notice to shareholders in the meeting, so that shareholders have access to information in support of their consideration of each agenda item.

1.3 Facilitation to shareholders' exercise of their rights to attend meetings and vote

The Company facilitates shareholders' exercise of their rights to attend meetings and vote without any special conditions which may restrict shareholders' opportunity to attend meetings. The Company sets shareholders' meeting dates which do not fall on any long holidays or public holidays; and an appropriate meeting time which is not too early in the morning or too late in the evening. Meetings are held at venues which are convenient for commuting, such as, close to a metro station or expressway on-off ramp, and with sufficient parking area, together with meeting venue and travelling map. In 2018, the Company convened one shareholders' meeting, namely, the 2018 Annual Ordinary General Meeting of Shareholders on April 20, 2018 at 14.00 hrs., at Vibhavadi Ballroom, Centara Grand at Central Plaza Ladprao Bangkok, No. 1695, Phaholyothin Road, Chatuchak Subdistrict, Chatuchak District, Bangkok, where shareholders could conveniently travel to by metro and by car.

1.4 Shareholders' opportunity to ask questions in advance

To ensure communication with shareholders and build participation with shareholders, the Company provides an opportunity for its shareholders to propose agenda items or send questions or comments in advance, under the criteria and process which are publicly disclosed on the Company's website at www.bemplc.co.th, or via E-mail address: companysecretary@bemplc.co.th, Tel.: 0 2641 4611, Fax: 0 2641 4610, or by post, to the Managing Director Office, Bangkok Expressway and Metro Public Company Limited (Branch Office 1) No. 238/7 Asoke-Dindaeng Road, Bangkok Subdistrict, Huai Khwang District, Bangkok 10310. In this regard, the Company will consider answering the questions via appropriate channels or further clarify in the ordinary general shareholders' meeting.

As for the 2019 Annual Ordinary General Meeting of Shareholders, the Company had provided an opportunity for shareholders to propose agenda items or send questions in advance via the website from October 1, 2018, to December 31, 2018, of which shareholders had been widely notified via the Stock Exchange's website.

2) Conduct of Shareholders' Meetings

The Company's reception staff facilitates shareholders' participation in meetings and provides information to shareholders both before and after meetings as well as serves refreshments to shareholders. In addition, the Company uses the following facilities and methods to conduct meetings:

2.1 Use of technology in meetings

The Company uses barcodes and computer systems for meeting registration and voting for the purpose of accuracy, convenience, and rapidity, and as such, voting results can be displayed online immediately.

2.2 Directors' participation in shareholders' meetings

The Board of Directors gives priority to their participation in shareholders' meetings to answer questions and take suggestions of shareholders into consideration. In 2018, the Company convened one shareholders' meeting, i.e., the 2018 Annual Ordinary General Meeting of Shareholders on April 20, 2018. There were 14 directors from a total of 16 directors attending the meeting (representing 87.50 percent of attending directors). The Chairman of the Board of Directors, the Audit Committee Chairman, chairs of various subcommittees, the Managing Directors, and the Management Team of the Company attended such shareholders' meeting to answer shareholders' questions.

2.3 Rules on voting

The Company specifies that shareholders have one vote for each share held by them. Normally, a majority of votes of shareholders who attend the meeting and cast votes is applicable. Agenda items on the determination of remuneration for directors must be passed by not less than two-thirds of all votes of the shareholders who attend the meeting. As for other issues, votes are in accordance with the Articles of Association, laws and relevant regulations. Agenda items for acknowledgement require no resolution.

2.4 Vote counting or examination in shareholders' meeting

To ensure transparency, compliance with the laws and the Articles of Association, the Company provides for a legal advisor and at least two independent persons as shareholders' representatives to count or inspect the counting of votes to ensure transparency and compliance with the laws and the Articles of Association. The Chairman of the Board of Directors who presides over shareholders' meetings introduces the examiners of vote counting to the meetings and has them recorded in the minutes of the shareholders' meeting. In casting votes on each agenda item, the Company uses the barcode system to record such votes to ensure that the voting results are expeditiously displayed to the meeting. Voting results of the meetings, favorable, unfavorable, abstaining votes, and voided voting cards, would be also displayed. The Company discloses resolutions, together with voting results on each item to the meetings and disseminates such resolutions via the Stock Exchange's system as well as makes such resolutions and minutes of meetings available on the Company's website for the shareholders' information and examination of voting results.

2.5 Use of voting cards

1. Voting cards are provided for every agenda for those who attend the meetings in person or by proxy and have power to vote on each agenda item. The Company's officers facilitate the collection of voting cards in the meeting room. To ensure transparency, the Company has its legal advisor and the shareholders' representatives serve as examiners and witnesses in the counting of votes.
2. In case shareholders appointing their proxies have clearly voted for, against or abstained from voting on the respective agenda items, the Company collects and records such votes for computer processing in advance. The legal advisor and the shareholders' representatives examine the counting of votes by proxy.
3. To ensure that the conduct of the meeting in each agenda item is efficient and beneficial to shareholders as a whole and that the Board of Directors has sufficient time to clarify or answer shareholders' questions, the Company collects only the voting cards of the shareholders attending the meeting in person and intending to vote against or abstain from voting.
4. For the agenda item on the appointment of directors in respect of which shareholders may vote on an individual basis, the Company collects the voting cards from all shareholders attending the meeting in person to ensure transparency in the counting of votes which can be requested for review at a later date. In case of by proxy, the Company will check votes cast in the provided proxy form.

2.6 Shareholders' opportunity to share opinions or ask questions in the meeting

The Chairman of the Board of Directors who presides over shareholders' meetings allows and encourages shareholders to share opinions and ask questions concerning related matters to the meetings, based on the following practices:

1. To further share opinions or ask questions relating to agenda items during the meetings, after the end of the report or presentation of each agenda item;
2. To further share opinions or ask questions relating to matters other than the agenda items after the meetings have proceeded in accordance with all agenda items.

In addition, the Company's staff facilitate shareholders' submission of questions to directors or posting of direct questions to directors during the meetings.

3) Preparation of Minutes of Shareholders' Meetings and Disclosure of Meetings' Resolutions

1. The Company discloses resolutions of shareholders' meetings on its website in addition to the disclosure to the Stock Exchange via SET Community Portal (SCP), within the shareholders' meeting day for information and review of voting results.
2. The Company prepares minutes of every shareholders' meeting with accuracy and completeness, comprising the following information:
 - The list of directors attending the meeting;
 - The number of shareholders/shares present at the meeting (in person/by proxy);
 - Brief explanation on material issues, such as voting procedures and display of voting results, to the meeting prior to conducting the meeting;

- Names of persons who ask/answer questions or share opinions in brief;
- Resolutions of the meeting, with details of votes for, against, abstentions, and voided cards.

3. After the end of the shareholders' meeting, minutes of the shareholders' meeting is required to be completed within 14 days, provided that such minutes shall contain sufficient details for the shareholders absent from the meeting to review on the Company's website. Moreover, video presentation of the atmosphere of the shareholders' meeting is made available on the website until the next shareholders' meeting, so that shareholders who are not attending the meeting or those who are interested in the Company's information can have access to the meeting's details other than that recorded in the minutes of the meeting.

9.1.2 Equitable Treatment towards Shareholders

The Board of Directors realizes the significance of supervision and monitoring to ensure the Company's equal and fair treatment towards all shareholders, both major shareholders and minority shareholders, including foreign shareholders, and ensure the Company's prevention of usage or receipt of inside information which has not yet been disclosed to the public in a manner which such is done for personal interests or others' interests; which may take advantage of and cause damage to shareholders as a whole, all of which are considered unfair treatment in capital market. As a result, the Board of Directors formulates measures to prevent inside information usage and disclose information, as well as setting out fair criteria and methods for execution of transactions which may give rise to a conflict of interests, as follows:

1) Provision of Information prior to Shareholders' Meetings

The Board of Directors ensures that the Company gives notice of the meeting, together with agenda items and opinions of the Board on each agenda item, to the Stock Exchange in accordance with the rules on disclosure, and such notice is posted on the Company's website on the following business day; ensures that the Company prepares the notice of the meeting, together with details of each agenda item, both in Thai and English, for the convenience of foreign shareholders; and disseminates such notice of the meeting, together with details of each agenda item, on its website 30 days prior to the meeting date. The Board of Directors also ensures that the Company gives prior notice to shareholders on rules and regulations in the conduct of the meeting, voting procedures, including their voting rights.

2) Protection of Minority Shareholders' Rights

To enable shareholders to exercise their rights to propose any matters relating to the Company's significant changes, the Company, therefore, adopts a policy to fairly and equally allow all shareholders to exercise their rights to propose agenda items to the shareholders' meeting and to nominate qualified persons for appointment as directors via the Company's website. Shareholders may exercise such rights three months prior to the end of the accounting period. In this regard, the Board of Directors considers incorporating agenda items proposed by shareholders as appropriate. As for the persons nominated for appointment as directors, the management proposes such names to the Nomination and Remuneration Committee for further submission to the Board of Directors and the shareholders' meeting. In addition, shareholders are allowed to exercise their rights to appoint directors on an individual basis in the agenda item of appointment of directors, in respect of which shareholders may vote on an individual basis.

3) Prevention of Trading of Securities from Inside Information Usage

The Board of Directors has set out written guidelines for protection and prevention of inside information usage, and informed all directors, executives, and staff of such guidelines for compliance. In this regard, directors and executives are required to report their own securities holdings, and those of their respective spouses and minor children who hold securities of the Company; and to report on every change in such securities holdings from purchase, sale, transfer or acceptance of transfer of securities, to the Office of the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within three business days from the date of purchase, sale, transfer or acceptance of transfer of

securities, and the Company regularly reminds the Board of Directors thereof. Directors and executives are also required to report on their securities trading or holdings to the Board of Directors' Meeting on a quarterly basis. Moreover, directors and executives have also been informed of their duties and responsibilities as specified, including punishments under the laws. In addition, the Company prohibits its executives who have access to inside information from taking any actions contrary to the relevant laws, rules, and regulations.

4) Interests of Directors and Executives

4.1 Report on interests of directors and executives

The Board of Directors imposes a duty on its directors and executives to report on their personal interests and disclose their holdings of directorships or executive positions in other legal entities, and their shareholdings in other legal entities in excess of 25 percent of total voting shares and this obligation applies to both reporters and their related persons. This is to ensure that the Board of Directors has information in support of its consideration and approval of execution of transactions of the Company and its subsidiaries with accuracy and transparency in compliance with the relevant rules and regulations.

The Company Secretary keeps such reports on interests of directors and executives, and provides copies of such reports to the Chairman of the Board of Directors and the Audit Committee Chairman within seven business days from the date of receipt thereof.

Report on securities holdings by directors and executives for 2018

Names of Directors/Executives	Amount of Ordinary Shares			
	As of December 31, 2017	Change in 2018	As of December 31, 2018	
			Amount	Percent (%)
Directors				
1. Dr. Virabongsa Ramangkura	-	-	-	-
2. Mr. Plew Trivisvavet	21,706,878	-	21,706,878	0.1420
The spouse	2,402,527	-	2,402,527	0.0157
3. Mr. Vitoon Tejatussanasoontorn	803,893	-	803,893	0.0053
4. Gen. Chetta Thanajaro	2,102,527	(2,102,527)	-	-
5. Gen. Sampao Choosri	-	-	-	-
6. Dr. Annop Tanlamai	-	-	-	-
7. Mrs. Vallapa Assakul	-	-	-	-
8. Mr. Supong Chayutsahakij	-	-	-	-
9. M.L. Prasobchai Kasemsant	-	-	-	-
10. Mr. Phongsarit Tantisuvanitchkul	-	-	-	-
11. Mr. Werapong Suppasedsak	-	-	-	-
12. Mr. Panit Dunnvatanachit	-	-	-	-
13. Mr. Yuttana Yimgarund	-	-	-	-
14. Mrs. Natamon Bunnak ⁽¹⁾	N/A	-	-	-
15. Mr. Wichan Ekarintrakul ⁽²⁾	N/A	-	-	-
16. Dr. Sombat Kitjalaksana	3,599,141	(2,000,000)	1,599,141	0.0104
17. Mrs. Payao Marittanaporn	-	-	-	-
Executives				
18. Mr. Sanguan Kunatinun	-	-	-	-
19. Mrs. Sudruthai Prommart	-	-	-	-
20. Mr. Phakpoom Thaweewittayarut	-	-	-	-
21. Miss Panan Tosuwanthaworn	-	-	-	-
22. Mr. Witoon Hatairatana	-	-	-	-
23. Mr. Alvin Gee	-	-	-	-
The spouse	144,272	-	144,272	0.0009
24. Dr. Vites Techangam	-	-	-	-
25. Mr. Anawash Suwanarit	N/A	-	-	-

Remarks : ⁽¹⁾ Mrs. Natamon Bunnak was appointed as a director on April 20, 2018, to replace Mr. Theeraphan Tachasirinugune who resigned his office on April 7, 2017.

⁽²⁾ Mr. Wichan Ekarintrakul was appointed as a director on December 27, 2018, to replace Mr. Prasit Dachsiri who resigned the office on October 1, 2018.

4.2 Interested directors' participation in shareholders' meetings

The Board of Directors sets out a policy to prohibit its directors and executives who are connected persons or interested persons in relation to any agenda items to be considered from participating in the meeting and voting on such items. The Company Secretary gives prior notice to such directors and executives who are not allowed to participate in the meeting or vote on such item. In considering a connected person and interested person, the Board of Directors takes into account such reports on interests which all directors and executives have a duty to prepare and submit to the Chairman of the Board of Directors and the Audit Committee Chairman.

5) Related Party Transactions / Connected Transactions**5.1 Policy on related party transactions / connected transactions**

In case the Company executes a connected transaction under the definition of the Stock Exchange, the Company must comply with the rules and regulations of the Stock Exchange, as follows:

1. The Company shall comply with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange, including the requirements on the disclosure of connected transactions as well as acquisition and disposition of significant assets of the Company or its subsidiaries and the accounting standards as prescribed by the Federation of the Accounting Professions. If there are transactions which may give rise to a conflict of interests in the future, such as, hiring a group of persons who may have a conflict of interests to carry out construction, project management, project maintenance, the Audit Committee shall jointly consider the necessity and justification of such transactions, including pricing and terms of the transactions, which must be based on the ordinary course of business. Pricing must also be compared with third party prices or market price. Interested persons will not be allowed to participate in the consideration and approval of the transactions.
2. The Company has no policy to extend or guarantee a loan for a person who may have a conflict of interests under the definition of the SEC Office.
3. Should the Board of Directors and/or the Audit Committee have no expertise in considering any particular related party transaction which may take place, the Company will arrange for an independent expert or the Company's auditor to give any opinion on such related party transaction to support the decision-making of the Board of Directors and/or the Audit Committee or the shareholders, as the case may be.
4. The Company will disclose the related party transactions in the notes to the financial statements that have been reviewed or audited by the Company's auditor.

5.2 Criteria on execution of connected transactions on arm's length basis

The Board of Directors approves in principle the Company's execution of connected transactions on arm's length basis, namely, transactions which involve commercial terms in a manner persons of ordinary prudence may enter into with general parties under the same circumstances, through commercial negotiation without any influence in the capacity as director, executive or related person, as to execution of such transactions between the Company and its subsidiaries with directors, executives or their related persons, as follows:

1. Engagement of any company or legal entity which is the connected person for repair, improvement or additional construction of expressways and related equipment should such company or legal entity propose fair price and conditions to the utmost benefit of the Company.
2. Engagement of any company or legal entity which is a connected person for repair or purchase of materials or equipment, inclusive of labor, for maintenance of administration buildings and depots in the future, subject to the commercial conditions and other agreements which are not different from others.
3. Transactions between the Company and its subsidiaries with MRTA, as follows:
 - (1) Support of public relations and advertising activities to facilitate the metro service, in an amount not exceeding Baht One Million per year.
 - (2) Support of government policies to facilitate people's commute by the metro during the specified period from time to time by means of discounts or free rides, provided that MRTA will compensate for revenue during such period in accordance with appropriate and fair criteria.
4. Transactions in the manner of management or advisory service to any legal entity which is a connected person.
5. Leases of office building spaces for the Company and its subsidiaries from CH. Karnchang Public Company Limited.
6. Other transactions which are connected transactions on arm's length basis under the definition of the SEC Office or the Stock Exchange.

5.3 Prevention of a conflict of interests

1. Directors and executives must inform the Company of relationships or connected transactions in any business which may give rise to a conflict of interests;
2. Any connected transaction with directors which may give rise to a conflict of interests with the Company must be avoided. Any connected transaction which is necessary to be executed must be proposed to the Audit Committee to consider providing an opinion prior to proposing the same to seek approval from the Executive Board or the Board of Directors (as the case may be) in accordance with the Corporate Governance Code, and in compliance with the rules of the Stock Exchange and the SEC Office;
3. Executives and staff must strictly comply with the Articles of Association and the code of business ethics of the Company, in order to ensure the Company's reliability and trust for all stakeholders, and all staff's understanding and adherence to the same.

9.1.3 Role of Stakeholders and Responsible Business Operations

The Company has a clear policy which focuses on and realizes rights of every group of all stakeholders, whether inside, such as, staff and executives of the Company and its subsidiaries, or outside, such as, customers, business related persons, lenders, traders, society and communities where the Company is located, nearby schools, government sector, including competitors, and other relevant authorities. Any stakeholder wishing to contact or have any comments may directly contact directors or the Company Secretary. In addition, the Board of Directors has laid down the corporate governance policy that requires the Company to treat stakeholders based on their rights as specified by applicable laws without any actions in violation of stakeholders' right; and compensation measures in case any stakeholder sustains any damage arising from violation of the rights; as well as focuses on its

operations with respect to human rights. The Company has continued to take care of stakeholders in accordance with the policies, as follows:

1) Policy on Treatment towards Each Group of Stakeholders

1.1 Customers: The Company has a commitment to provision of quality, standard and reliable services as well as taking into account health, safety and fairness, keeping customers' information confidential, following up and evaluating customers' satisfaction for the purpose of development and improvement of services, together with advertisement, public relations and sales promotion, in response to customers' needs to have access to the mass transit system and routes which save their travelling time in Bangkok and its surrounding provinces. Work plans/programs are also continuously set out for improvement of the expressway and metro services for users to ensure a more rapid and convenient service with a standard safety. Rules and regulations of service provision to which the Company has adhered are as follows:

1. Providing quality, safe and standard services to satisfy service users' expectations.
2. Ensuring prompt responses to service users' needs, without discrimination, and allowing and facilitating submission of any comments or suggestions for service improvement.
3. Providing accurate and timely information on services.
4. Organizing special activities to allow the service users to visit the operation and management of the expressways and metro under the Company's concessions, including regular promotion of the service usage by and marketing activities with customers.

1.2 Business counterparts: The Company strictly discharges its obligations under the Agreements with EXAT and MRTA in its capacity as a contractual party, and fairly treats its business counterparts on the basis of equitable and impartial treatment, without discrimination. The Company also complies with conditions, rules, regulations, mutual practices, and promotes good relationships, which are clearly written in the Company's code of business ethics, along with the work procedures in accordance with ISO 9001 Quality Management System. This is to ensure its collaboration with EXAT and MRTA to provide efficient and regular services. In this regard, the Company arranges for monthly performance satisfaction assessment in order to develop and improve the efficiency of the operations. According to the assessment results, both EXAT and MRTA are completely satisfied with the Company's collaboration.

Moreover, the Company organizes quarterly meetings between its operating staff and EXAT's personnel and monthly meetings with MRTA, which not only enhance the efficiency and results in the service users' satisfaction but also minimizes conflicts or impacts which may give rise to disputes over joint operations between both parties.

1.3 Traders / Contractors: The Company has a commitment to the procurement of standard goods and service, for the purpose of development and maintenance of sustainable relationships with traders, with the clear objectives in terms of quality of goods and service worth its value, technical standard, and creditability. The Company, therefore, provides fair and equal procurement procedures for all traders and follows the procedures in a systematic way in compliance with the work procedures regarding procurement and conditions of contracts or agreements with fairness in accordance with the requirements of ISO 9001 Quality Management System, based on the practices, as follows:

1. Determining the criteria for selection of trade counterparts through a strict screening process to ensure fair business operations without violation of human rights.

2. Ensuring equal and fair competition on a database, without discrimination or preventing any trader from participating in business competition.
3. Preparing contracts or agreements in appropriate, fair and standard forms.
4. Arranging for management, monitoring, surveillance, including rechecking systems to ensure the full compliance with contracts or agreements and internal control system to prevent fraud and misconduct in all steps of the procurement procedures.
5. Paying consideration to traders on time in accordance with terms of payment as mutually agreed.
6. Not allowing directors and/or staff to accept any benefit from traders privately or by reason of personal relationship.
7. Evaluating traders on a yearly basis and informing them of the results of the evaluation with suggestions for traders to continuously improve the quality of goods and services, and also allowing traders to contact the management to make any complaints if they are unfairly treated.
8. Refraining from seeking any trader's confidential information dishonestly or improperly, such as bribing directors and staff of its competitors.
9. Refraining from making a serious accusation against traders without reasonable grounds.

1.4 Lenders / Debenture holders: The Company strictly complies with the conditions of credit facilities agreements, suretyship agreements, capital management to build up the confidence of the financial institution lenders who provide financial support to the Company's projects, and refrains from breaching any conditions thereof as mutually agreed. The Company complies with and adheres to the following practices:

1. Strictly complying with the conditions of the credit facilities agreements as mutually agreed. Failure to comply with any condition must be informed to the lenders in advance for jointly seeking a solution.
2. Ensuring equitable and fair treatment towards all lenders, based on fair returns for both parties.
3. Reporting correct and reliable financial information to the lenders accurately, completely, timely and regularly.
4. Refraining from giving, soliciting, receiving, agreeing to receive or accepting an engagement for any benefits fraudulently in commercial terms.
5. Disclosing information (if any) on giving, soliciting, receiving, agreeing to receive or accepting engagement fraudulently, to the lenders, and jointly resolving such problems with fairness and rapidity.

Debenture holders: The Company issues debentures in accordance with applicable requirements, laws and notifications of the SEC and strictly complies with policies, objectives and resolutions of the shareholders' meetings, and also realizes the significance of its responsibility to fulfill commitments in accordance with the requirements regarding the debenture issuer's rights and duties, including relevant contractual conditions.

1.5 Staff: The Company considers staff as a key resource behind its business movements and as a crucial factor to the Company's sustainable success and growth, and then clearly sets out the staff practices, as suitable for each work position, and has respect for human rights, for instance, determination of remuneration and other benefits with fairness, provision of welfare benefits not less than that provided by law or higher as appropriate, taking into account staff's hygiene and safety at work, provision of training, development of competency and support of career advancement, as well as providing staff opportunity to improve their important and essential skills in connection with working or in any other fields, etc. In this regard, the Board of Directors has authorized the management to follow up, evaluate and review work performance on a yearly basis.

1. Treatment of staff

- 1) Establishing structures and providing fair and appropriate benefits to staff according to work competency, to which staff performance evaluation system (people assessment) has been applied, focusing on work competency assessment and capability measurement as principle for development of staff's skills and competency to suit work position and ensure the Company's growth, as well as clearly measuring their performance based on KPIs in all key activities for supporting consideration and assessment of staff's performance.
- 2) Creating a participatory and teamwork environment by allowing staff to express their opinions on work performance.
- 3) Ensuring that staff take pride in and engage with the organization by encouraging their career advancement.
- 4) Ensuring equitable treatment, integrity, and fairness in punishment, appointment, and transfer, including rewards, on the basis of staff's knowledge, capacities, and qualifications.
- 5) Giving priority to and promoting the development of knowledge and capacities of staff at all levels, whereby the Company allows and encourages staff to attend training courses or further study in order to enhance their skills, knowledge, and expertise, as well as fostering positive attitudes toward them. Such training would emphasize the development of skills, knowledge, and competency of staff, whether it be functional skills, core skills or leadership skills. In 2018, the Company arranged for staff training, averaging 96.75 training hours/person.
- 6) Respecting human rights in respect of nondiscrimination, provision of equitable opportunity for employment of female labor, disabled persons, underprivileged persons, youths, and the elderly.
- 7) Supervising and monitoring to ensure that staff strictly comply with laws and regulations relating to staff, including provision of suggestions and close monitoring in order to prevent any illegal action, whereby the Company supervises and encourages staff to ensure that they use lawful products without infringement of copyrights or intellectual property, along with support of their compliance with the operational guidelines and performance of duties with integrity, without involvement with corruption in any form, for the benefits and success of the Company.

2. Policy on safety and hygiene

The Company realizes and gives priority to the safety and hygiene of the business premises to ensure staff's quality performance and quality of life with safety and hygiene at work, by setting out the policy on safety and hygiene, as follows:

- 1) The Company formulates measures to prevent any work-related accident, injury and illness through sincere cooperation among all staff as well as restrict and cope with safety risks arising from undertaking work under the normal operating process.
- 2) The Company formulates measures to design tools and equipment, set out practices, provide for training and supervise operations by taking into account safety for life, hygiene and property of staff and that of the Company as a whole.

The Company not only provides the hygienic work environment at the workplace for the sake of safety for life, hygiene together with property of staff and the Company, the Company also takes into account safety and hygiene of the service users, through provision of regular training to technical and engineering teams, including rescue and traffic management staff on the expressways, so as to ensure their efficient and safe performance; and in regard to the metro business, the Company also holds training to all staff on work safety and implements safety operations in accordance with the laws as well as local and international safety standards, i.e., TIS 18001 : 2001 and OHSAS 18001 : 2007, with the main aim of taking care of welfare in terms of safety, occupational health and work environment for staff related to the metro operations.

In 2018, the Company had two work-related accidents on the expressways, without causing any loss of staff, and had no work-related accident in metro operations.

1.6 Supply chain: The Company deals with the supply chain in strict compliance with international standards, ISO 9001 Quality Management System, and ISO 14001 Environment Management System, by way of providing education and close monitoring and audits to ensure that the supply chain of traders in business association with the Company takes account of environmental impact, in the interests of the sustainability of their mutual business alliance.

1.7 Communities: The social and environmental impacts of its business operations, particularly impacts on the communities adjacent to the expressways, metro routes, or near the office where the Company is located are of concern to the Company, and therefore, the Company continues to organize special activities for providing benefits and building a learning center for business and communities in the long run.

2) Anti-Corruption Policy

The Company realizes and gives priority to anti-corruption and fraud prevention and also adopts measures to prevent corruption, both inside and outside. The Company sets out guidelines and procedures for regular practices, monitoring, surveillance, review, risk assessment, and training as suitable and up-to-date, to ensure that all directors, executives, and staff of the Company have strictly adhered to and complied with such guidelines. In this regard, the Company formulates anti-corruption policy containing the key practical guidelines, as follows:

1. The Company's directors, executives, and staff at all levels should carry out activities with fairness, integrity, and transparency in business dealings with various agencies, provided that such activities must be proper in compliance with applicable laws, policies, Articles of Association, regulations, notifications or practical procedures.

2. The Company encourages and promotes fair treatment with integrity towards all its traders and compliance with any contractual commitments made with the Company's stakeholders.
3. The Company encourages and promotes directors', executives' and staff's awareness to ensure that they refrain from committing any fraud and realize the negative impacts of corruption.
4. The Company encourages and promotes directors, executives and staff to refrain from receiving, agreeing to receive or offering any hospitality, gifts, and any other payments which are extravagant and inappropriate to those in business dealings with the Company.
5. The Company arranges for staff training to educate them regarding the anti-corruption policy, practices, and guidelines.

In this regard, the Company has imposed the duty on the Internal Audit Unit to follow up, conduct surveillance, review, risk assessment and training for preventing / suppressing corruption.

3) Policy and Practices on Non-infringement of Intellectual Property

The Company respects and upholds the proprietary rights in others' intellectual property, whereby use of the intellectual property shall be subject to the prior consent of the intellectual property owner, and then, the Company formulates a policy to forbid any arrangements which infringe intellectual property of any kind, based on the following guidelines:

1. All staff have duty to protect and keep the Company's intellectual property confidential to ensure that such information must not be leaked out and exploited for personal gain or any other person's gain without permission.
2. All staff must respect and honor others' intellectual property and refrain from exploiting any work piece as others' intellectual property, whether in whole or in part, without the owner's permission.

4) Policy on Respect of Laws and Human Rights Principles

The Company makes it mandatory for directors, executives and staff to comply with the laws and human rights principles or human dignity, regardless of race, color, sex, language, religion, social origin, property, birth, political opinion, or other status, as well as realizing their own rights, duties, and responsibilities towards society and others, based on the guidelines, as follows:

1. The Company strictly complies with the laws and human rights principles and does not support any business which violates human rights.
2. The Company treats all staff equally, without discrimination in terms of employment, remuneration, training, promotion, termination or dismissal due to sex, race, color, religion, age, marital status, pregnancy, political opinion, or disability, etc.
3. The Company allows all staff to enjoy equal rights for work pursuant to rules, regulations, notifications, and orders of the Company.

5) Policy on Corporate Social Responsibility and Sustainable Development

The Company is committed to its business operations with social and environmental responsibility; as well as mainly focusing on coordination for mutual benefit with all groups of stakeholders in every dimension as appropriate in the pursuit of the Company's sustainable business growth, along with its determined efforts to benefit and grow all groups of stakeholders together, as follows:

1. To lead the organization with the concept of sustainable development, through communication and exchange of best practices with all of the Company's stakeholders;
2. To incorporate the sustainable development concept into every aspect of the work and decision processes of the Company;

3. To promote training, learning, and counseling, focusing on practices according to the sustainable development guidelines;

4. To support regional operation and cooperation to achieve sustainable development.

It is the responsibility of every employee to seriously implement this policy as part of his or her own work processes for the sustainable growth of the Company and all groups of stakeholders.

Details of activities relating to the corporate social responsibility and sustainable development of the Company in 2018 appear in Part 2, Item 10: Corporate Social Responsibility.

6) **Environmental Policy**

The Company is environmentally responsible for its service business. Therefore, the Company is committed to environmental management based on the following practices:

1. Giving priority to pollution prevention and control in compliance with international standards, taking into account the environmental impacts of all groups of stakeholders;
2. Raising staff awareness and promoting the efficient use of energy and natural resources as well as providing staff with environmental knowledge and training;
3. Performing duties in compliance with environment-related laws and other environmental regulations as applicable;
4. Reviewing objectives and goals for improvement of the environment management system on a continuous basis;
5. Communicating the environmental policy to the public and parties concerned, as well as adopting a policy to select and encourage use of eco-friendly products.

It is the responsibility of all the Company's staff and contractors to seriously and regularly implement this policy to ensure the environmental quality for the service users, staff, contractors, and communities nearby.

7) **Information System Security Policy**

The information security plays an important part in contributing to the efficient and trustworthy business operations of the Company, the Company then is determined to develop the information security system and put it into practice, to rest assured that:

1. Access to the information system shall be stricted to only authorized users;
2. The information system provides accuracy, reliability, and confidentiality;
3. The information system is always readily available to the users;
4. The information security is regularly reviewed;
5. Staff are encouraged to have information security knowledge, ability, and awareness.

In this regard, it is the responsibility of everyone for the information security. Thus, the staff and external parties authorized to have access to the Company's information system have the duty to make every effort to ensure the information security of the Company.

The Company becomes aware of and considers information technology security and threats caused by the use of information technology. Currently, technology has been not only progressing rapidly, but also posing a threat, which as days go by, continues to become significant and acute. On July 5, 2018, the Company completed ISO/IEC 27001 : 2013 certification from Bureau Veritas Certification (Thailand) Limited which shall be valid until July 4, 2021. The Company then put the same into practice and set out regulations governing information system security, provided that such regulations shall be yearly reviewed as appropriate. The practices/prohibitions for staff's access to computers; the practices for computer system administrators; and the practices for external service providers are also set out.

Furthermore, the Company properly and sufficiently allocates and manages technology resources, and supports the state-of-the-art and efficient technology to be employed in work operations. There are the work system development department and the information technology department which shall be responsible for the computer system (software and hardware) and have access to the computer program to manage database of the Company's computer system. The Company has provided for job descriptions to clearly identify duties and responsibilities of each position. For the important work systems, the Company has prepared and transferred the body of knowledge to relevant personnel in the work fields to ensure that they can perform duties in place of others. On the other hand, the Company will choose to outsource the services for the work systems which need special skills or high operational safety.

8) Innovation Promotion Policy

The Company realizes and strives for promotion and development of creating of innovative culture in the organization to add value to the businesses according to the ongoing changing circumstances by paying regard to internal and external stakeholders under the policy, as follows:

1. To encourage staff to participate in improvement of the work process to ensure the highest efficiency in line with the corporate mission, by using innovations as suitable with current circumstances;
2. To promote use of equipment, tools, devices, and technology in work operations, as well as using financial tools as appropriate;
3. To support and promote innovative culture in the organization for taking care of the stakeholders in a continuous manner.

The Company has appointed a work group to formulate strategies and innovations to ensure the greater efficiency in management of various aspects, for instance, project analysis, engineering technique, finance, marketing, and in the context of contract, with the duty to brainstorm ideas and propose strategic and innovative guidelines for developing efficiency and generating more income for the Company, as well as conducting feasibility studies under the proposed guidelines, together with alternatives as it deems appropriate for the sake of economic benefits and improving a good image of the Company; to propose work plans to the Managing Directors for assigning agencies in charge to carry out such plans, follow up and conclude, assess, report the results to the Managing Directors.

In 2018, the Company developed innovations by using Digital Technology and LEAN process to support its business-related activities, as follows:

1. Traffic volume and toll revenue data system: the Company developed this system to initially help analyze data on traffic volume and toll revenue, which would be presented to the management through Web Application which makes it accessible from anywhere, anytime, on any devices, as well as increasing traffic volume data collection system on other routes and reporting the output data in the form of Executive Summary.
2. Knowledge work system: It is the centralized system in collecting bodies of knowledge of the Company on Web Application which makes it accessible from anywhere, anytime, on any devices, to ensure that the Company has knowledge management with efficiency and effectiveness, continuation, in the same direction throughout the organization, starting from identifying key bodies of knowledge, creating and storing bodies of knowledge in the knowledge base of the organization. The Company has introduced the system for knowledge storage as an essential process in efficiently applying the knowledge management system of the organization so that the knowledge management of the organization is made in a holistic manner and is a part in personnel development, along with operational development of the organization to meet the target efficiently and effectively. As a result, the organization would be driven by the knowledge and developed to become the learning organization.

Moreover, the Company held the “Half Day Talk” program with an aim of ensuring that the Company’s personnel were provided an opportunity to learn skills useful for creative works from famous experts in different fields as such in information technology and new innovation, by focusing on learning subjects which could be transferred within precise timing, conveying content in line with the requirements of personnel as a whole, and could be applied helpfully. Such subjects included, for instance, government policy tendency and technology sector, innovative renovation, preparation for coping with digital volatility.

9) Procedures and Channels of Complaints

• Submission of complaints

The Company has arranged for channels for all groups of stakeholders to make complaints relating to matters which may cause damage to the Company or if they may find any behavior or event which may violate or be contrary to the code of ethics or policies, they may report or submit complaints directly to the Audit Committee Chairman or independent directors or contact the Company Secretary.

Audit Committee Chairman	:	Bangkok Expressway and Metro Public Company Limited
Independent Directors		No. 238/7 Asoke-Dindaeng Road, Bangkok Subdistrict, Huai Khwang District, Bangkok 10310
Company Secretary		
Telephone	:	0 2641 4611
E-mail	:	companysecretary@bemplc.co.th

• Procedures upon receipt of complaints

1. Fact-finding

The independent directors will appoint and authorize a working group to make fact-finding and compile complaints.

2. Fact processing and screening

The authorized working group processes and screens such facts and then considers proposing appropriate steps and actions for handling such complaints.

3. Measures

The authorized working group proposes measures to deal with the violation or non-compliance with the code of ethics or policies to the Board of Directors’ consideration so as to alleviate damage for those affected by such occurrence, taking the overall damage into account.

4. Report on results

The Audit Committee Chairman or independent directors or the Company Secretary reports to the Board of Directors for acknowledgment and reports on the results to the stakeholders who submitted such complaints, if the complainants can be identified.

• Measures to protect the complainants or those who provide cooperation in the investigation

The complainants or those who provide cooperation in the investigation are protected in accordance with the following criteria:

1. The complainants or those who provide cooperation in the investigation of facts may choose to keep their identities undisclosed, in case such disclosure may jeopardize their safety or cause any damage.

2. In case their identities are disclosed, the Company will report on developments of the fact finding.
3. The Company may not disclose name-surname, address, photograph, or any other information which may identify the complainants or those who provide cooperation in the investigation of facts.
4. The person who accepts complaints must keep related information confidential and may disclose the same only to the extent necessary by taking into account safety and damage in respect of the complainants or those who provide cooperation in the investigation of facts, sources of information or related persons. If it is likely to cause damage or jeopardize safety, appropriate protection measures must be implemented.
5. Those who sustain damage will be compensated by way of appropriate and fair procedures.

9.1.4 Ensuring Disclosure and Maintaining Financial Integrity

- 1) The Board of Directors sets out a policy to disclose information and maintain financial integrity by formulating practical guidelines, including systems for financial reporting and disclosure of significant information to ensure correctness, adequacy, equality, punctuality via appropriate channels, protecting confidential information and information which may affect securities price, as well as having the company-wide communication to make all staff have a common understanding that compliance with such policy is required in accordance with applicable requirements, standards and practices, in a transparent and auditable manner. This is to ensure that disclosed information is a matter of importance and is able to reflect practices and operations of the Company contributing to the sustainable value creation to the business.

Moreover, personnel related to preparation of the report and information disclosure are promoted and managed to ensure they have knowledge, skills and experience as suitable for their duties, responsibilities, and in an adequate amount for the Company's needs. Such personnel shall include the highest level executive in accounting and finance, accountant, internal auditor, Company Secretary, and investor relations. The Managing Directors have the power to approve information disclosure and ensure the accurate, complete, timely and transparent disclosure of both financial and non-financial, material information relating to the Company as required by the SEC Office and the Stock Exchange, via the equitably accessible channels.

- 2) The Company has established the Investor Relations Unit to represent the Company, with the duty in appropriately, equitably and timely communicating information useful to shareholders and other stakeholders, such as debenture holders, investors, securities analysts, mass media, and relevant parties. The Company has also been a member of Thai IR Club, Thai Listed Companies Association. Interested investors may contact the Investor Relations Department at 0 2641 4611. Investors who find it inconvenient to visit the Company's Office No. 238/7 Asoke-Dindaeng Road, Bangkok Subdistrict, Huai Khwang District, Bangkok 10310, may contact to make a conference call or sign up for the news mailing list via the website or submit questions or e-mail to ir@bemplc.co.th.

Other than the mandatory disclosure pursuant to the practices and legal requirements, the Company also has a policy to rotate high level executives to participate in providing information and answers to investors' questions and to learn opinions and realize requirements of Thai and foreign investors in person, that is, the Managing Directors, the Deputy Managing Directors, the Assistant Managing Directors, and the Company Secretary, all of which regularly participate in the Company's Investor Relations activities.

- 3) The Company clearly sets out the authorization levels for information available to executives at each level, and their authorized access to such information for public disclosure, by means of communicating and ensuring proper understanding of information for investors, internal and external agencies of the Company, as well as contacting and coordinating with investors, collecting investors' opinions, and communicating with high level executives to staff at all levels, as follows:

3.1 Internal communications

Although the Board of Directors and high level executives may have full access to all information of the Company, the Managing Directors are appointed as the authorized persons to disclose such information to the Stock Exchange and answer questions from the public and the press, in accordance with the Company's disclosure policy.

The Board of Directors, executives, advisors, and staff of the Company, who perceive information, are obliged to keep any undisclosed information strictly confidential. The Company formulates work rules and regulations to prohibit staff from disclosing the Company's confidential information to any third party or abusing their positions for personal gains or for the gains of others. Any violation is deemed a disciplinary misconduct liable to termination of employment. In the past, there has never been any occurrence of misuse of inside information for personal interests or for the gains of others.

Moreover, the Company has also developed a control system on use of the Company's information by adopting such information security systems as the restriction of access to the Company's information by authorization level of staff's access to the Company's information based on their responsibilities. To prevent executives' misuse of the Company's inside information for securities trading, the Company has policies and procedures for controlling the use of inside information by directors, executives and staff to prevent any occurrence of the use of inside information for personal interests or for the interests of others.

The Company's disclosure of information to staff must be the same as the public disclosure in terms of accuracy, frequency, and timeframe. The Investor Relations Department prepares and submits to management monthly IR Reports, which collect and summarize investors' questions and opinions on the Company's business operations, in order to present useful suggestions or feedback of investors to management for further improvement of the Company's operations.

3.2 External communications

The Board of Directors adopts a policy that the Company's disclosure of material information follows the specified policy and requirements. The disclosure is prepared both Thai and in English and is made available via the Stock Exchange's channel and on the Company's website at www.bemplc.co.th. The Company regularly updates such information as annual report, annual registration statement (Form 56-1), practical guidelines for good corporate governance, the Company's profile and various policies, loan status, operational results, financial ratios, securities price, dividend history, together with other information, e.g., corporate social responsibility activities and public relations news. Such information and news are made available in support of investment decision-making by investors and relevant parties, together with monthly corporate presentations to investors, which are regularly updated, so as to be regularly and timely available to all investors and those who may interest in investment, on the website. Moreover, opinions and investment analysis of the Company by securities analysts from securities companies from www.settrade.com, which are compiled in the form of Analyst Consensus, are shared on the Company's website in order to assist investors in making their decisions to invest.

In the disclosure of financial reports, the Board of Directors prepares the Report on Responsibilities of the Board of Directors towards the Financial Report to be presented along with the Report of the Auditor, as detailed on page 13-11.

The provision of the Company's related information to securities analysts is also another main duty of the Investor Relations Department since the Company's information is made available in the Analyst Consensus to assist investors in making their decisions to invest. The Investor Relations staff are then assigned to provide such information to ensure correct understanding

and maintain good relationships with securities analysts. Staff may review and clarify for the purpose of accuracy of the Analyst Consensus, as opposed to guiding or distorting the Analyst Consensus by securities analysts, or may revise only such facts which have been outdated or disclosed to the public, in which case, such revision is not treated as guiding investment.

Other than public disclosure, the Company also participates in various activities to serve as a disclosure channel to directly meet with investors and hear their opinions as well as create good relationships with investors via activities, such as, Roadshow, Opportunity Day, Company Visit, Analyst meeting, exhibition booths, etc. The Company's management staff are rotated to accompany the Investor Relations staff to communicate and provide better explanations in support of their decisions to invest.

In 2018, the Company organized Company Visits and Conference Calls, and Press Interviews, as well as participated in local and international Roadshows organized by various institutions for foreign investors, totaling 12 times.

The foregoing events were opportunities for the Company to provide appropriate clarification on the operational results and progress of the investment projects and for management to answer questions to investors and the press equally and fairly to provide material, necessary and accurate information for investment decisions to the general public, including investors and institutional analysts.

The Company organizes the Company Visit program to allow shareholders to visit and meet its management. The Company also publishes BEM Magazine for disseminating business information and other useful information, which has been regularly delivered to all shareholders and debenture holders of the Company. In addition, the Company surveyed opinions and requirements of analysts and investors in relation to quality of the communication and Investor Relations activities in 2018 (BEM IR SURVEY) for further improvement. The survey revealed that the percentage of satisfaction with the service provision in such Investor Relations activities was 93.21 percent.

4) Rules on securities trading by inside information users

Other than the report on securities trading of directors and executives in accordance with the requirements of the SEC Office, other executives, along with staff, who are authorized to have access to or perceive the Company's undisclosed material information which may influence securities price movements, are also emphasized and prevented from using such information in securities trading for personal interests and interests of others, or taking advantage of general investors, such as, information on capital increase or decrease, dividend payment, the Company's operational results, joint investments, etc. In this respect, the Company requires its executives to report on their securities trading in accordance with the rules as required by the Stock Exchange, and all persons who perceive inside information should refrain from trading securities or should wait until the public has been informed of and have an adequate time to study such information.

9.1.5 The Board of Directors' Responsibilities and Strengthening Board Effectiveness

The Board of Directors realizes its roles and responsibilities in setting out policies and monitoring to ensure the Company's good management, covering its business objectives, goals, strategies, policies, important and adequate resource allocation to achieve the business objectives and goals, as well as monitoring, evaluating and ensuring the reporting on operational results in line with laws, the Articles of Association, together with resolutions of the shareholders' meetings, to ensure the operations which pursue the sustainable value creation for the business.

The Board of Directors complies with the practical principles of the Corporate Governance Code for Listed Companies in various aspects, as follows:

1. The Board of Directors' Structure

- 1.1 The structure of the Board of Directors is considered by the Company in terms of size, composition, proportion of the independent directors, skill, experience, education, capability and expertise, together with gender and age as suitable and necessary for leading the organization to achieve the Company's specified objectives and goals, consisting of 17 qualified members, namely, five executive directors, six independent directors and six non-executive directors. This is to rest assured that the Board of Directors as a whole is qualified and is able to understand and respond to the stakeholders' needs, as well as enabling the Board of Directors to carry out operations conducive to exercising its discretion independently. In addition, three of six non-executive directors are directors as EXAT's and MRTA's representatives who have experiences in the Company's core businesses.
- 1.2 The Board of Directors includes six independent directors, in line with the number as required by the SEC Office, who are independently provide opinions on the Management Team's performance. The Company also determines qualifications of "independent directors" stricter than the minimum requirements of the SEC Office and the Stock Exchange.
- 1.3 Directors have a term of office of three years, and the retiring directors may be re-elected. At every annual ordinary general meeting of shareholders, one-third of the number of directors vacates their office and if the number of directors is not a multiple of three, then the number nearest to one-third must retire from office.
- 1.4 The Board of Directors has no policy to limit the number of companies in which each director may hold directorship since, after considering the matter; it is of the view that all directors devote their time to regularly attend meetings.

2. Performance of Duty of the Chairman of the Board of Directors and Managing Directors

The Chairman of the Board of Directors and the Managing Directors may not be the same person so as to separate between the policy making and supervisory duty and the regular managerial duty. The Board of Directors clearly determines powers and duties of the Chairman of the Board of Directors and the Managing Directors. The Chairman of the Board of Directors is an independent director by the definition of the Stock Exchange and has no relationship with management.

3. Subcommittees

The Company has established four subcommittees to closely monitor and supervise operations and regularly report to the Board of Directors, namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Executive Board. The Board of Directors has determined duties and responsibilities of each subcommittee as detailed on pages 9-32 to 9-36.

4. Role, Duties, and Responsibilities of the Board of Directors

- 1) The Board of Directors has its role and duty in supervising to ensure the Company's good management, covering the vision, missions, strategies, targets, business plan, budget of the Company, important and adequate resource allocation, as well as supervising and monitoring to ensure the management's operations in compliance with the specified plans, for the sustainable value creation for the Company's business, conducive to the ethical business operations, with respect for rights and responsibility towards shareholders and stakeholders, provision of social benefits, environmental development or reduction of environmental impacts.
- 2) The Board of Directors has established the corporate governance policy, subject to review at least once a year, for directors, executives and staff of the Company to comply with, and also provides for mechanisms conducive to their real compliance therewith, as well as following up the results.

- 3) The Board of Directors approves preparation of the Company's code of ethics, subject to review at least once a year, prescribing the best practices of directors, executives, and staff for treatment towards the Company, colleagues, third parties and society, to allow the Company to create and push ahead the ethical organizational culture.
- 4) The Board of Directors has its duty to ensure that the Company has adequate systems and mechanisms so that the Company's operations comply with applicable laws, Articles of Association, resolutions of the shareholders' meetings, together with policies or guidelines as specified, and also has approval process for significant matters, such as, any investment, transactions which materially affect the Company or any transactions which may involve a conflict of interests, in which case, interested directors may not attend nor vote on such matter at the meeting, etc., as required by law.
- 5) In respect of risk management, the Board of Directors follows up and acknowledges risk management plan of the Company from management's report on operational results in each Board of Directors' Meeting and from the Report of the Corporate Governance and Risk Management Committee.
- 6) The Board of Directors shall supervise and monitor to ensure that the management conveys and transforms a strategic plan into operational plan, including performance assessment, and supervise and monitor the group companies. In this connection, the management is required to report on performance, together with any significant matters, to the Board of Directors for acknowledgment in the Board of Directors' Meeting.

In addition, the Company provides for the annual survey on compliance with the Company's code of ethics for directors, executives and staff, in which they must sign to signify their responsibility for compliance with the Company's code of ethics. Moreover, the Company not only arranges for the annual training and test on the code of ethics by means of e-learning for the Company's executives and staff, the Company also continues to encourage high and middle executives to undergo corporate governance training on a yearly basis.

5. The Board of Directors' Meetings

The Company's Board of Directors' Meetings

Names of Directors	Attendances / Total Number of Meetings for 2018				
	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee
1. Dr. Virabongsa Ramangkura	5/5				
2. Mr. Plew Trivisvavet	5/5	12/12		2/2	
3. Mr. Vitoon Tejatussanasoontorn	5/5		6/6	2/2	
4. Gen. Chetta Thanajaro	5/5		6/6	2/2	
5. Gen. Sampao Choosri	4/5		5/6		3/4
6. Dr. Annop Tanlamai	5/5		6/6		
7. Mrs. Vallapa Assakul	5/5				4/4
8. Mr. Supong Chayutsahakij	5/5	12/12		2/2	
9. M.L. Prasobchai Kasemsant	5/5				
10. Mr. Phongsarit Tantisuvanitchkul	5/5	12/12			4/4
11. Mr. Werapong Suppasedsak	5/5				
12. Mr. Panit Dunnvatanachit	4/5				
13. Mr. Yuttana Yimgarund	5/5				

Names of Directors	Attendances / Total Number of Meetings for 2018				
	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee
14. Mrs. Natamon Bunnak ⁽¹⁾	4/5				
15. Mr. Wichan Ekarintrakul ⁽²⁾	N/A				
16. Dr. Sombat Kitjalaksana	5/5	12/12			4/4
17. Mrs. Payao Marittanaporn	5/5	12/12			4/4

Remarks: ⁽¹⁾ Mrs. Natamon Bunnak was appointed as a director on April 20, 2018, to replace Mr. Theeraphan Tachasirinugune who resigned his office on April 7, 2017.

⁽²⁾ Mr. Wichan Ekarintrakul was appointed as a director on December 27, 2018, to replace Mr. Prasit Dachsiri who resigned his office on October 1, 2018.

1) The Board of Directors' Meetings

The Company gives prior notice of the annual schedule of the Board of Directors' meetings, together with the main agenda, to directors so as to allow directors to be able to manage their time to attend the meetings. Pursuant to the Articles of Association, the Board of Directors must meet at least every three months; and a quorum consists of not less than half of the total number of directors. In 2018, the Board of Directors held its five meetings.

The Managing Director Office will deliver the notice of each meeting and agenda as clearly pre-determined 7 days prior to the meeting date and deliver the supporting documents at least five business days prior to the meeting date, so as to allow the Board to review the same prior to the meeting.

The agenda is determined by mutual discussion between the Chairman of the Board of Directors and the Managing Directors. In addition, one meeting among non-executive directors and without management will be held in order for the directors to independently discuss and exchange their opinions and to efficiently follow up the performance of management. At every meeting, the Chairman of the Board of Directors presides over the meeting to ensure that each item is carefully considered and all directors are allowed to express their opinions and take part in discussions. In addition, the high level executives will attend the meeting to clarify the information in the capacity as persons directly relevant to the problems to the satisfaction of the meeting prior to passing resolution on each item.

Moreover, the Board of Directors sets out a policy to prohibit directors and executives who are connected persons or interested persons in relation to any items to be considered from attending the meeting or voting on such item, and management gives prior notice to such directors and executives who are not allowed to attend the meeting or vote on such item. In considering who is a connected person and interested person, the Board of Directors takes into account the report on interests which all directors and executives have a duty to submit in accordance with the Board of Directors' policy requiring directors and executives to report their personal interests in order to disclose such information to the Chairman of the Board of Directors and the Audit Committee Chairman.

2) Subcommittee meetings

The Board of Directors will monitor the implementation of the Company's policies and strategies by convening subcommittee meetings to consider various significant matters and preparing reports on work performance of every subcommittee for submission to each Board of Directors' meeting, as follows:

2.1 Audit Committee

The Audit Committee regularly meets at least every quarter with the internal auditor and management and executives responsible for accounting and finance, for review of financial statements on a quarterly basis, and meets with the auditor for review of the annual financial statements, and makes a report to the Board of Directors, or in case management executes any connected transaction or transaction relating to asset acquisition or disposal which must take into account appropriateness, justification and the utmost benefit of the Company, the Audit Committee Chairman may convene additional meetings.

In 2018, the Audit Committee held its six meetings and one meeting with the auditor without management. The Audit Committee reports quarterly to the Board of Directors on its performance and will yearly summarize its performance during the previous year via the Audit Committee's report. Moreover, in 2018, the Audit Committee considered executing five connected transactions.

2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee will meet to nominate qualified persons for appointment as directors of the Company to replace the directors who are due to retire by rotation and directors who resign prior to the end of term; review remuneration of directors and annual bonus for submission to the annual ordinary general meeting of shareholders for approval; and consider remuneration for the Managing Directors in accordance with the results of performance evaluation for submission to the Board of Directors for approval. In this regard, the Nomination and Remuneration Committee will review the criteria for nomination and consideration of remuneration for directors every year to keep it aligned with the Company's business strategies, and ensure that the criteria for consideration of remuneration stay at the same standard as those of other companies in the same industry so as to appreciate and retain the qualified directors.

The Company schedules the Nomination and Remuneration Committee's meetings to be held at least twice a year.

In 2018, the Nomination and Remuneration Committee held its two meetings to nominate qualified persons for appointment as the Company's directors to replace those directors who vacated office; and consider scrutinizing remuneration for directors for proposal to the 2018 Ordinary General Meeting of Shareholders for consideration and approval; and consider reviewing the criteria for nomination and consideration of remuneration for directors.

2.3 Corporate Governance and Risk Management Committee

The Corporate Governance and Risk Management Committee will meet to follow up and evaluate the results of performance in compliance with the Corporate Governance Code; improve the guiding practices in line with the corporate governance policy for listed companies under the guidelines of the Stock Exchange; consider risk management plan, risk management process; as well as monitor, inspect and review the Company's overall risks to stay at an appropriate level.

Furthermore, the Board of Directors has reviewed the Company's operations in compliance with the Corporate Governance Code for Listed Companies in 2018.

In 2018, the Corporate Governance and Risk Management Committee held its four meetings to monitor and review the good corporate governance practices in respect of shareholders' rights;

treatment towards shareholders and stakeholders; information disclosure; and the Board's responsibilities in risk management. The Board of Directors has considered compliance with the annual risk management plan, reviewed and followed up the risk management plan on a regular basis. It was found that the Company was able to conduct risk management to meet the targeted plan, without any material impact on the Company's business operations. Furthermore, the 2019 annual risk management plan is sufficient and in line with the current business circumstances, together with proper action plan and risk management method.

2.4 Executive Board

The Executive Board of the Company meets to help provide suggestions and advice to the management, and review the operations in compliance with the Company's policies and work plans as well as to consider various matters within the scope of its authority and duties as assigned by the Board of Directors and to consider screening such matters to be proposed to the Board of Directors for consideration and approval.

In 2018, the Executive Board held its 12 meetings to consider scrutinizing the agenda items as proposed to the Board of Directors; consider approving transactions with a value not exceeding Baht 200 Million, and consider salaries and bonus for staff.

6. Board Self-Assessment

The Board of Directors has a policy to ensure the self-assessment of the Board of Directors and subcommittees at least once a year, including assessment of the performance in accordance with the Company's code of business ethics. In addition, the Managing Directors' performance must be assessed by the Board of Directors every year in accordance with the rules as specified by the Nomination and Remuneration Committee. Furthermore, the Board of Directors determines to review topics of assessment to ensure appropriateness and conformity to roles, duties, responsibilities, and its practices in accordance with the Corporate Governance Code.

Results of Board / Subcommittee Self-Assessment

In 2018, the Company delivered board and subcommittee self-assessment forms to each group of directors/subcommittee members to evaluate the overall performance of the Board of Directors and subcommittees, the results of which were proposed to the Board of Directors for consideration and improvement of performance. In this regard, most of the opinions provided by directors/subcommittee members can be summarized as follows:

- 1) Structure and Qualifications of the Board of Directors / Subcommittees: The structure and qualifications of the Board of Directors and subcommittees are proper and suitable to the nature of business operations of the Company. The Board of Directors comprises personnel with sufficient knowledge and experiences in a variety of fields and performed their overall duties efficiently.

Moreover, the Board of Directors appoints four subcommittees, namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee and the Executive Board to perform the duties to help supervise, monitor the businesses, nominate qualified personnel as director with transparency, fairness, independence from any person's influence, including determination of reasonable and competitive remuneration to retain quality and competent directors, draw up operational policies and direction in respect of good corporate governance of the Company, code of business ethics, together with risk management, as well as taking care of and providing suggestions to the management, for the benefit of the Company's business operations based on good corporate governance.

2) Role, Duties, and Responsibilities of the Board of Directors / Subcommittees:

- The Board of Directors gives priority and contributes sufficient time to consider significant matters relating to the direction of the Company's business operations, reviews the good corporate governance policy of the Company, as well as ensures compliance with various policies, reviews the code of business ethics, and monitors to ensure that no conflict of interests arises from any connected transactions and transactions. The Board of Directors also follows the procedures as specified by taking into account the optimum benefit of the Company. Furthermore, the Board of Directors regularly reviews the internal control system to ensure good and sufficient internal control system and appropriate risk management, as well as follow up and monitor to ensure the performance of duties of management in accordance with the policies as assigned by the Board of Directors.
- The Audit Committee has ensured that the financial statements have been prepared in accordance with the generally accepted accounting standards; the internal audit tasks have been supervised and monitored for ensuring the appropriate and effective internal audit system; the execution of transactions which may have a conflict of interest has been considered under the specified procedures and for the utmost benefit to the Company; the Company has complied with the securities and exchange law and other applicable laws; and nomination of persons for appointment, determination of remuneration, and assessment of the auditor's performance are appropriate.
- The Nomination and Remuneration Committee has ensured that the appropriate criteria for nomination of directors have been determined; the qualified persons have been considered and nominated for appointment as the Company's directors; the appropriate and transparent criteria for consideration of remuneration for directors have been determined; remuneration for directors has been considered under the specified criteria for submission to shareholders; the results of the Managing Directors' performance have been assessed under the specified criteria; and remuneration for the Managing Directors has been considered in line with the results of assessment.
- The Corporate Governance and Risk Management Committee has conducted studies and followed up movement, tendency, and practice in respect of the good corporate governance; has improved and made suggestions on the good corporate governance policy of the Company, including the code of business ethics; has followed up and evaluated the results under the good corporate governance principles of the Company; has considered policies and work plans relating to risk management; has monitored and reviewed overall risk management of the Company, strategies for risk management and risk prevention system of all kinds; has reported on risks and actions taken to minimize risks to the Board of Directors.
- The Executive Board has provided guiding policies, supervised, made suggestions and advice for the Managing Directors and management; has set up business plan, budget and managerial power of the Company as assigned by the Board of Directors; has inspected and followed up the compliance with the Company's policies and plans with efficiency; has conducted feasibility studies on new projects; has approved justifiable juristic acts; has approved the appropriate appointment, and determination of remuneration for executives.

- 3) The Board of Directors' / Subcommittees' Meetings: The results of assessment are satisfactory, namely that directors/subcommittee members are given prior notice of the annual schedule' meetings so as to enable them to manage time to attend every meeting; the number of the meetings and agenda are suitable to support the performance of its duties efficiently and to supervise and monitor the Company's business operations successfully; directors/subcommittee members are also given supporting documents prior to each meeting and sufficient time to read such information in preparation for each meeting; the supporting documents contain sufficient information for their decision making; the Board of Directors/subcommittees can request any other necessary information in support of their decisions for the benefit to the Company; the atmosphere at each meeting allows all directors/subcommittee members to express constructive opinions without undue influence of any person; and directors/subcommittee members can fully discuss significant issues at each meeting.
- 4) Directors' / Subcommittee Members' Performance of Duties: The results of assessment are satisfactory, namely that directors/subcommittee members are well prepared and sufficiently study information prior to each meeting; have regularly attended the meetings; independently provide their opinions and impartially consider various matters and are independent in making decisions and passing resolutions; provide useful suggestions for the Company's operations, and understand the significance of each matter and properly contribute their time to consider such matters without wasting time on minor issues; and accept different opinions among them without conflict.
- 5) Relationship with Management: The results of assessment are satisfactory, namely that directors/subcommittee members may straightforwardly discuss with the Managing Directors; maintain a good relationship with management; the Managing Directors can request directors'/subcommittee members' advice as necessary; the Board/subcommittees do not intervene with management's performance of duties; and the Board/subcommittees participate in solving problems as appropriate in case management's performance does not meet the specified plans and budget.
- 6) Self-Development of Directors/Subcommittee Members and Executives: The results of assessment are satisfactory, namely that directors/subcommittee members understand their roles, duties, and responsibilities; directors/subcommittee members have sufficient knowledge and understanding relating to the Company's businesses; have paid attention to significant information or news relating to economic and industrial conditions, changes in rules and regulations and the status of competition, which allows them to efficiently perform their duties; all directors/subcommittee members undergo training to ensure their understanding of the performance of duties in their capacity as directors/subcommittee members; and in case of newly-appointed directors/subcommittee members, the Board monitors to ensure management provides documents or briefings for the new directors/subcommittee members to understand the businesses and ensure performance of duties as directors/subcommittee members; and a succession plan has been set out to ensure continued performance of duties as high level management of the Company.

7. **Assessment of Performance in Compliance with the Company's Code of Business Ethics**

The Board of Directors sets out the Company's code of business ethics as principles and goals of the Company's business operations, and guidelines for performance of all directors, executives, and staff. Directors, executives, and staff will assess their performance in compliance with the Company's code of business ethics every year. In this regard, the results of the assessment can be summarized as a whole that directors and executives have complied with the Company's code of business ethics, as follows:

1. Compliance with the code of business ethics: Understanding and adhering to the guidelines as specified in the Company's code of business ethics.
2. Guidelines for business operations: Strictly complying with the laws applicable to the Company and the trading business under the desirable morality, including the Company's policies.
3. Conflict of interests: Not disclosing any confidential information of the Company to any third party; refraining from any act which will give rise to a conflict of interests between their own interest and the Company's interest; not involving in nor holding any share in any business which may have a conflict of interests with the Company.
4. Insider trading: Not disclosing any insider information which has not yet been disclosed to the public, which may affect the prices or trading of securities of the Company and its related companies.
5. Commitments to shareholders: Making an effort in best to create value added to the organization to ensure its capability to accommodate the business growth and expand its businesses with continuity and create value added to the shareholders in the long run.
6. Treatment towards counterparts and business contractual parties: Keeping counterparty's and contractual parties' information confidential for the purpose of fair and independent business operation; refraining from wrongful business operation between counterparts and contractual parties; refraining from offering any bribe to others or supplying them items in exchange for business benefits.
7. Responsibilities for executives and staff: Setting out guidelines and practices for taking care of the working environment to ensure safety for their life and properties at all times.
8. Treatment towards business competitors: Complying with the business policies in a fair manner by the rules and laws relating to trading competition.
9. Commitments to communities, society, environment, and government sector: Providing cooperation in making benefits for the communities, society, environment and government sector on an occasional and ready basis.
10. Gambling, drinking alcohol and drugs: Not possessing, purchasing-selling or drinking alcoholic beverages, drugs while being in the workplace or during doing businesses of the Company, except parties or other social gatherings held by the Company; and not playing or supporting all kinds of gambling activities during working times or in the area of the Company.
11. Disclosure of information and confidentiality: Complying with the policy to efficiently manage the Company's information; and disseminating necessary, correct and proper information to the public on an occasional basis; and not disclosing the Company's information which has not yet been disclosed to the public, including any personal information, nor using any information as known from performance of duties for their own interest.
12. The Company's assets: Setting out practices in taking care of the Company's assets to prevent them from loss, damage or misuse.

13. Gifts and parties: Setting out practices regarding giving of gifts and holding of parties by refraining from receiving any item or benefit from counterparts, contractual parties or persons who have connection with the Company's businesses, except during festival or according to custom, in which case, at the reasonable value as shall be considered by recipient;
14. Safety and hygiene: Strictly complying with the laws and regulations relating to safety and hygiene; and earnestly providing cooperation in preventing any accident, injury, and illness.
15. Non-compliance with the code of ethics: Realizing and complying with the code of ethics of the Company by not committing any violence which may cause the violator to be held liable for punishments under applicable laws and disciplinary actions.

8. Assessment of Performance of the Managing Directors

All directors of the Company, except the Managing Directors, will constantly assess the performance of the Managing Directors on a yearly basis in accordance with the criteria specified by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee is assigned by the Board of Directors to propose remuneration and other benefits as appropriate for the Managing Directors, taking into consideration the Corporate KPIs used in the annual assessment of performance in order to obtain the Board of Directors' approval.

9. Remuneration of Directors and Executives

- | | |
|-------------------------------------|--|
| Remuneration for directors | : The Company establishes a clear and transparent policy on remuneration for directors and the Managing Directors in line with the scope of duties and responsibilities of each director serving as chairman or subcommittee member, subject to review by the Nomination and Remuneration Committee. The remuneration is at the same level as that in the same industry and sufficiently high to retain the qualified directors. |
| Remuneration for Managing Directors | : The Nomination and Remuneration Committee considers remuneration for the Managing Directors in accordance with the Company's operational results under the Corporate KPIs and the Managing Directors' performance and propose the same to the Board of Directors for consideration each year. |
| Remuneration for executives | : Remuneration for executives, excluding the Managing Directors, is in accordance with the principles and policies determined by the Executive Board corresponding to the Company's operational results and performance of each executive. |

Remuneration in 2018 is shown in the caption of Remuneration of Directors and Executives on pages 8-8 to 8-10.

10. Development of Directors and Executives

1) Directors and Executives Training

The Board of Directors has a policy to support and facilitate training and learning for its directors and executives to ensure their continued improvement and performance, involving both internal and external training courses. All directors must attend training for an understanding of the performance of their duties in their capacity as directors.

The Company's Board of Directors and high level executives realize the significance of their participation in training or seminars in various courses or development of their knowledge and skills. The Board of Directors attends training courses organized by the Thai Institute of Directors Association (IOD), namely, Director Certification Program (DCP), Director Accreditation Program (DAP), Board Performance Evaluation, The Role of Chairman (RCP), Audit Committee Program, Role of Compensation Committee (RCC).

In 2018, one of the Company's directors, namely, Khun Natamon Bunnak, who was a representative from the Mass Rapid Transit Authority of Thailand, received training on Director Accreditation Program (DAP 152/2018).

2) **Orientation for New Directors**

The Board of Directors determines the operational practices for the Company to arrange for orientation for newly-appointed directors and to provide documents or briefings for the new directors to understand the business and performance of duties as directors. The Board of Directors assigns the Managing Directors, the Company Secretary, and the Managing Director Office to arrange for orientation for newly-appointed directors by convening a meeting with the relevant directors and/or executives and/or officers for clarification and answering questions. In 2018, there were two new directors, whereby the Company has complied with such operational practices, by briefing the new directors about the Company's information as well as preparing documents and summary information for the new directors, such as, information relating to the Company, listed company director's handbook, the Corporate Governance Code, the Company's code of ethics, power and duties of the Board of Directors, and the annual schedule of the Board of Directors' meetings. Furthermore, the Company also has its directors attend training courses, as suggested by the SEC Office, conducted by the Thai Institute of Directors Association (IOD).

11. **Succession Plan**

The Board of Directors prepares and reports on a succession plan for the positions of Managing Directors and the high level executives and in the primary line, taking into account the performance, potentials, and readiness of each person. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency, and skills as required for their work positions for succession in the event that the Managing Directors or executives in the key positions are not able to perform duties.

The Company sets out a succession plan for the high level executives of the Company, particularly executives and work positions in the primary line, by emphasizing nomination from internal personnel, and the Company requires promotion to be considered every year under the specified criteria for development of personnel who have good performance and competency for their advancement to a higher position in accordance with the staff's line of command, both the middle level executives and staff. The consideration committee, comprising the Managing Directors and executives at the General Manager level or higher or the middle level executives, shall consider this matter in accordance with the clearly specified criteria. With regard to the implementation of strategy and succession plan of the high level executives, who may be changed or vacate office by rotation or retirement, the Nomination and Remuneration Committee's meeting shall review the criteria and select knowledgeable, competent and qualified persons, whereby the Board of Directors shall consider appointing candidates to hold the office of Managing Director, and the Executive Board shall consider appointing executives at the General Manager level or higher.

An executive who has been assigned to succeed to an office must not only be suitably qualified and experienced in such field, but must also have accepted transfer of knowledge and experience by rotation to other related work units, and have attended additional necessary training courses to be well prepared for performance of duties in a higher position in the future, and to ensure smooth succession and continued management. The Company sets up the human resource management system through adequate allocation, controlling, following up, performance assessment, that is, nomination process for qualified and knowledgeable persons as required, appropriate and fair remuneration, determination of duties and responsibilities, performance of personnel, performance standard, personnel development, and efficient communication, to ensure that staff have knowledge and skills; and the Company's human resource management is efficient and suitable, emphasizing development of staff competency and ensuring clarity of the performance assessment in support of consideration of remuneration appropriate for their capabilities and performance.

9.2 Board Structure

The Board structure comprises the Board of Directors and four subcommittees, namely, the Audit Committee, the Corporate Governance and Risk Management Committee, the Nomination and Remuneration Committee, and the Executive Board.

Details of such four subcommittees, their powers, and duties as well as the nomination procedures in accordance with their respective charters, are as follows:

9.2.1 Board of Directors as of December 31, 2018, comprising

1.	Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	(Independent Director)
2.	Mr. Plew Trivisvavet	Vice Chairman of the Board of Directors	
3.	Mr. Vitoon Tejatussanasoontorn	Director	(Independent Director)
4.	Gen. Chetta Thanajaro	Director	(Independent Director)
5.	Gen. Sampao Choosri	Director	(Independent Director)
6.	Dr. Annop Tanlamai	Director	(Independent Director)
7.	Mrs. Vallapa Assakul	Director	(Independent Director)
8.	Mr. Supong Chayutsahakij	Director	
9.	M.L. Prasobchai Kasemsant	Director	
10.	Mr. Phongsarit Tantisuvanitchkul	Director	
11.	Mr. Werapong Suppasedsak	Director	
12.	Mr. Panit Dunnvatanachit	Director	
13.	Mr. Yuttana Yimgarund	Director	
14.	Mrs. Natamon Bunnak	Director	
15.	Mr. Wichan Ekarintrakul	Director	
16.	Dr. Sombat Kitjalaksana	Director	
17.	Mrs. Payao Marittanaporn	Director	

The Board of Directors' Authority and Duties

- Monitoring and supervising the Company's operations to ensure compliance with laws, objectives and the Articles of Association, as well as resolutions of shareholders' meetings, and protecting the Company's interests based on the Corporate Governance Code, as well as complying with the rules and requirements stipulated by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- Establishing operational policies and directions of the Company, as well as supervising to ensure that management takes actions in compliance with the established policies with efficiency and effectiveness to contribute to economic value maximization for the business and the wealth maximization for shareholders.
- Convening the annual ordinary general meeting of shareholders by no later than four months from the Company's year-end account closing date and convening extraordinary general meetings of shareholders as required.
- Convening the Board of Directors' meetings on a quarterly basis; each meeting requires at least 50 percent of all directors. Decisions of each meeting are made by a majority of votes. In the case of an equality of votes, the chairman of the meeting has an additional casting vote.
- Considering approval for the budget for investment and the Company's annual business operations, including monitoring use of the Company's resources.

6. Providing complete, correct and sufficient reports on financial information, the Company's information and general information which are important for shareholders, and verifying information in the reports.
7. Introducing to the Company an internal control system, internal audit and efficient measures to manage risks, as well as following up on such matters on a regular basis.
8. Establishing subcommittees to ensure the good corporate governance.
9. Considering clearly determining and separating roles, duties, and responsibilities among the Board of Directors, subcommittees and management, with regular communication regarding such roles, duties and responsibilities to the Board of Directors, subcommittees, management and staff of the Company.
10. Supervising the Executive Board to comply with the specified policies, whereby the Executive Board is authorized to approve any transaction binding upon the Company in an amount not exceeding Baht 200 Million per transaction, excluding those transactions giving rise to conflict or interest, including such transactions requiring approval from shareholders as per the regulations of the SEC Office and the Stock Exchange.
11. Appointing any persons to engage in the Company's business under the supervision of the Board of Directors, or, if applicable, authorizing such persons to have power for a period of time as the Board of Directors deems appropriate, provided that the Board of Directors may revoke, repeal, amend or change such authorization as appropriate.
12. Appointing the Company's authorized signatory directors.

The Chairman of the Board of Directors' Authority and Duties

1. Considering and setting out the business goals in conjunction with management.
2. Monitoring the administration by management.
3. Providing suggestions for the business operations through the Executive Board and the Managing Directors on a regular basis without interfering in the routine works under the responsibility of management. The Chairman of the Board of Directors also plays an important role in making decisions on the Company's policies.
4. Having a duty to preside over both the Board of Directors' meetings and the shareholders' meetings to ensure the efficiency and effectiveness in such meetings, by encouraging all directors to participate in each meeting and independently provide opinions.
5. Ensuring their strict compliance with the Corporate Governance Code and taking into account the shareholders' rights.

9.2.2 Audit Committee

The Board of Directors appoints the Audit Committee to assist in supervising the Company's businesses. Mr. Vitoon Tejatussanasoontorn, an independent director who has knowledge in the field of accounting and finance, was appointed to hold office as Audit Committee Chairman, and the General Manager of the Internal Audit Office serves as secretary to the Audit Committee. As of December 31, 2018, the Audit Committee comprises four independent directors as listed below:

- | | | |
|-------------------------------------|--------------------------|------------------------|
| 1. Mr. Vitoon Tejatussanasoontorn * | Audit Committee Chairman | (Independent Director) |
| 2. Gen. Chetta Thanajaro | Audit Committee Member | (Independent Director) |
| 3. Gen. Sampao Choosri | Audit Committee Member | (Independent Director) |
| 4. Dr. Annop Tanlamai * | Audit Committee Member | (Independent Director) |

Remark: * served as audit committee members with knowledge in the field of accounting and finance.

The Audit Committee's Authority and Duties

1. Reviewing to ensure that the Company's financial reports are accurate and adequate.
2. Reviewing to ensure that the Company's internal control system and internal audit system are suitable and effective, considering the independence of the internal audit unit as well as granting approval on consideration for appointment, transfer, termination of employment of head of the internal audit unit or any other unit responsible for the internal audit.
3. Reviewing to ensure the Company's performance in compliance with the securities and exchange law, requirements of the Stock Exchange and the laws relating to the Company's business.
4. Considering, selecting, submitting for appointment of a person who is independent to serve as the Company's auditor, and proposing remuneration and termination of employment of such person as well as meeting with the auditor without management at least once a year.
5. Considering connected transactions or transactions which may involve a conflict of interests in compliance with the laws and requirements of the Stock Exchange in order to ensure that such transactions are justified and of the utmost benefit to the Company.
6. Preparing a report of the Audit Committee to be disclosed in the Company's Annual Report. Such report must be signed by the Audit Committee Chairman and comprise at least the following information:
 - (a) Opinions on correctness, completeness, and reliability of the Company's financial reports;
 - (b) Opinions on the adequacy of the Company's internal control system;
 - (c) Opinions on compliance with the securities and exchange law, requirements of the Stock Exchange or laws relating to the Company's business;
 - (d) Opinions on the appropriateness of the auditor;
 - (e) Opinions on transactions which may involve a conflict of interests;
 - (f) Number of meetings of the Audit Committee and attendance of each Audit Committee member;
 - (g) Overall opinions or observations by the Audit Committee from the performance of duties in accordance with the Charter;
 - (h) Other matters that should be informed to shareholders and general investors within the scope of the duties and responsibilities assigned by the Board of Directors.
7. Supervising and monitoring the internal audit tasks by reviewing missions, scope of works, independence and development plan and providing internal audit personnel training to catch up with the business changes and develop themselves on a continual basis, in order to accommodate the direction of the Company's operations and international standards, including consideration and approval of annual internal audit plans.
8. Performing any other activities as assigned by the Board of Directors to independently provide opinions and suggestions in line with the requirements and the best practice guidelines for the audit committee of the Stock Exchange.
9. In performing its duties, should the Audit Committee find or should there be any doubt as to whether or not the following transactions or actions may have a material impact on the Company's financial position and operational results, the Audit Committee will report on its findings to the Board of Directors in order to improve and rectify the same within the time as the Audit Committee deems appropriate:
 - (a) Any transactions giving rise to a conflict of interests;
 - (b) Corruption or unusual occurrence or material fault in the internal audit system;
 - (c) Violation of the securities and exchange law, requirements of the Stock Exchange or laws related to the Company's business.

9.2.3 Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee to perform the duty to nominate and consider remuneration for directors and the Managing Directors to ensure transparency and fairness, and General Chetta Thanajaro, an independent director, was appointed as Chairman of the Nomination and Remuneration Committee in accordance with the Corporate Governance Code which states that the chairman of each subcommittee should be an independent director. As of December 31, 2018, the Nomination and Remuneration Committee comprises four members as follows:

- | | | | |
|----|----------------|---------------------|---|
| 1. | General Chetta | Thanajaro | Nomination and Remuneration
Committee Chairman
(Independent Director) |
| 2. | Mr. Vitoon | Tejatussanasoontorn | Nomination and Remuneration
Committee Member
(Independent Director) |
| 3. | Mr. Plew | Trivisvavet | Nomination and Remuneration
Committee Member |
| 4. | Mr. Supong | Chayutsahakij | Nomination and Remuneration
Committee Member |

The Nomination and Remuneration Committee's Authority and Duties

1. Considering criteria and procedures of nomination as well as selecting and proposing qualified persons to hold the position of the Company's directors to the Board of Directors so as to nominate them to the shareholders' meeting, or proposing the nomination to the Board of Directors for consideration and appointment.
2. Considering selecting and proposing qualified persons to hold the positions of the Managing Directors to the Board of Directors for consideration and appointment.
3. Considering and determining criteria for consideration of remuneration of directors and the Managing Directors.
4. Considering and determining remuneration of directors and proposing the same to the shareholders' meeting for consideration and approval.
5. Considering and reviewing salary rates and other remuneration for the Managing Directors and proposing the same to the Board of Directors for consideration and approval.
6. Proceeding with other matters as assigned by the Board of Directors.

9.2.4 Corporate Governance and Risk Management Committee

The Board of Directors appoints the Corporate Governance and Risk Management Committee to perform the duty to formulate policies and directions of operations in respect of the good corporate governance of the Company, including business ethics, and to ensure performance of duties with transparency and independence in compliance with the guidelines of the good corporate governance, consider risk management plan, risk management process, as well as monitor, inspect and review the Company's overall risks to stay at an appropriate level. To this effect, General Sampao Choosri, as an independent director, was appointed as Chairman of the Corporate Governance and Risk Management Committee. As of December 31, 2018, the Corporate Governance and Risk Management Committee comprises five members as follows:

- | | | | |
|----|----------------|-------------------|---|
| 1. | General Sampao | Choosri | Corporate Governance and
Risk Management Committee
Chairman
(Independent Director) |
| 2. | Mrs. Vallapa | Assakul | Corporate Governance and
Risk Management Committee
Member
(Independent Director) |
| 3. | Mr. Phongsarit | Tantisuvanitchkul | Corporate Governance and
Risk Management Committee
Member |

- | | | | |
|----|------------|---------------|---|
| 4. | Dr. Sombat | Kitjalaksana | Corporate Governance and Risk Management Committee Member |
| 5. | Mrs. Payao | Marittanaporn | Corporate Governance and Risk Management Committee Member |

The Corporate Governance and Risk Management Committee's Authority and Duties

1. Studying and following up movement, tendency and performance in respect of the good corporate governance for submission to the Board of Directors for consideration as to appropriateness for adoption as guidelines for the Company's operations.
2. Improving and proposing the good corporate governance policy of the Company, including business ethics, to the Board of Directors.
3. Following up and evaluating the results under the good corporate governance principles of the Company as well as reporting the same to the Board of Directors.
4. Considering policies and work plans relating to risk management for submission to the Board of Directors for consideration.
5. Monitoring and reviewing overall risk management of the Company, strategies for risk management and alert system of all kinds of risks in order to deal with risks to stay at an acceptable level to ensure compliance with the risk management policy of the Company.
6. Reporting on risks and operations for minimizing risks to the Board of Directors.
7. Proceeding with other matters as assigned by the Board of Directors.

9.2.5 Executive Board

The Board of Directors appoints the Executive Board to assist in providing advice and suggestions to management and make other arrangements as assigned by the Board of Directors. As of December 31, 2018, the Executive Board comprises five directors as listed below:

- | | | | |
|----|----------------|-------------------|---------------------------------|
| 1. | Mr. Plew | Trivisvavet | Chairman of the Executive Board |
| 2. | Mr. Supong | Chayutsahakij | Executive Director |
| 3. | Mr. Phongsarit | Tantisuvanitchkul | Executive Director |
| 4. | Dr. Sombat | Kitjalaksana | Executive Director |
| 5. | Mrs. Payao | Marittanaporn | Executive Director |

The Executive Board's Authority and Duties

1. Delivering guidelines for policy, supervising, providing suggestions and advice for the Managing Directors and management.
2. Setting up a business plan, budget and managerial authority of the Company as assigned by the Board of Directors.
3. Inspecting, following up to ensure compliance with the Company's policies and plans with efficiency.
4. Conducting feasibility studies on investment in new projects for business expansion and prospects.
5. Having power to approve any juristic act binding upon the Company in an amount not exceeding Baht 200 Million per transaction, excluding those transactions giving rise to a conflict or interests with the Company or its subsidiaries under the notifications of the Securities and Exchange Commission, including such transactions requiring approval from shareholders under the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
6. Having power to approve, appoint, remove, and determine salary and other remunerations, including expenses and facilities of the Company's officers or staff in the position of General Manager or higher, but not including the Managing Directors.

7. The Executive Board or the Chairman of the Executive Board has the power to convene the Executive Board's meetings and/or determine rules and regulations of the meetings as it deems appropriate.
8. Reporting on the Company's operational results to the Board of Directors.
9. Proceeding with other matters as assigned by the Board of Directors.

The Managing Directors' Authority and Duties

The Board of Directors determines the Managing Directors' authority and duties as follows:

1. Controlling and managing main business of the Company.
2. Monitoring all activities of the Company to ensure compliance with resolutions and policies as assigned and suggested by the Board of Directors.
3. Conducting feasibility studies on new projects and having power to consider approving various projects as authorized by the Executive Board.
4. Having power to approve, appoint, remove, and determine salary and other remunerations, including expenses and facilities of the Company's officers or staff in the position of General Manager or lower (but not including Deputy Managing Director, Assistant Managing Director, and General Manager).
5. Having power to approve any juristic act binding upon the Company in an amount not exceeding Baht 5,000,000 (Five Million Baht Only) per transaction.
6. Having power to sign and affix the Company's seal on cheques and withdraw money from all accounts of the Company and utilize credit facilities available to the Company by all banks or financial institutions in the amount not exceeding Baht 5,000,000 (Five Million Baht Only) per transaction.
7. Having power to make a payment order by various electronic methods in the amount not exceeding Baht 5,000,000 (Five Million Baht Only) per transaction and have power to appoint the sub-attorney acting on behalf of the Managing Directors.
8. Authorizing the Company's staff in the executive positions, namely, Deputy Managing Director, Assistant Managing Director, General Manager or equivalent to perform duties on behalf of the Managing Directors in certain matters (such as purchase order, procurement, payment order) as appropriate.
9. Appointing any Deputy Managing Directors or any other persons acting in place of the Managing Directors from time to time in the event that the Managing Directors are unable to perform their duties, whereby such acting persons shall have the same authority as the Managing Directors.
10. Having power to appoint any persons or groups of persons to engage in the Company's business under the supervision of the Managing Directors, or, if applicable, authorizing such persons to make arrangements as the Managing Directors deem appropriate and having power to change, amend, revoke and repeal such authorization.
11. Proceeding with other matters as assigned by the Board of Directors or the Executive Board from time to time.

In this regard, the Board of Directors regularly evaluates performance of duties of the Managing Directors for comparison with the target as determined on a yearly basis, and the Nomination and Remuneration Committee considers remuneration of the Managing Directors by assessing their performance in the previous year and proposing the same to the Board of Directors for approval under the criteria.

9.3 Nomination of Directors and Top Executives

(1) Nomination of Independent Directors

The Company establishes the structure of the Board of Directors which shall be composed of independent directors of at least one-third of all directors, but no fewer than three persons, whereby such independent directors can provide their opinions independently and perform the duty to safeguard benefits of the Company and shareholders at their best.

The Nomination and Remuneration Committee nominates directors who are qualified in terms of useful skills and experience for the Company and meet the qualifications of independent directors by the definition of the Company's independent directors, as follows:

1. Holding shares of not exceeding 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company, including shares held by any related persons of each independent director;
2. Not being or having been a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or a controller of the Company, its parent company, subsidiaries, associated companies, subsidiaries of the same tier, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the appointment date, provided that such prohibited characteristics shall not apply to an independent director who was a public servant or an advisor to a government authority which is the Company's major shareholder or controller;
3. Not being a person having a relationship by blood or by legal registration in the capacity as parent, spouse, sibling and offspring, including spouse of the offspring of other director, executive, major shareholder, controller or person to be nominated as director, executive or controller of the Company or its subsidiaries;
4. Not having or having had any business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company in a manner which may prevent the exercise of his/her independent judgment; and not being or having been a substantial shareholder or controller of any person having a business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the appointment date;
The aforesaid business relationship shall include any transaction in the ordinary course of business for lease of immovable property, any transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending any loan, guarantee, providing assets as collateral, including any other similar action, which causes the Company or contractual party to be subject to indebtedness payable to the other party in the amount of three percent or more of the Company's net tangible assets or in the amount of Baht Twenty Million or more, whichever is lower. Such indebtedness shall be calculated according to the calculation method of connected transaction value under the Notification of the Capital Market Supervisory Board, Re: Rules on Connected Transactions, mutatis mutandis. However, the consideration of such indebtedness shall include the indebtedness incurred during the course of one year prior to the commencement of a business relationship with the same person;
5. Not being or having been an auditor of the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of an audit firm which employs the auditor of the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the appointment date;
6. Not being or having been a professional service provider, including legal advisor or financial advisor which receives an annual service fee exceeding Baht Two Million from the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of such professional service provider, unless such independent director has no longer been in such capacity for not less than two years prior to the appointment date;
7. Not being a director appointed as a representative of the Company's director, major shareholder or shareholder who is a related person of the major shareholder;
8. Not engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiaries; or not being a substantial partner in a partnership or a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or holding more than one percent of the total number of voting shares of another company engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiaries;

9. Not having any other characteristics preventing the provision of independent opinions on the Company's operations.

(2) Nomination of Directors and Top Executives

(2.1) Nomination of Directors

(2.1.1) Criteria

The Nomination and Remuneration Committee considers nominating persons to be appointed as directors to replace those directors who vacate office, both resignations prior to the end of term and retirement by rotation, in accordance with the following criteria:

1. Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, rules of the SEC Office and rules of the Stock Exchange.
2. Having knowledge, ability, and experience in a variety of fields which will be beneficial and add value to the Company.
3. Having characteristics supporting and promoting the corporate governance to create value to the Company, such as independence, willingness to share opinions, initiative, and performance of duties with responsibility, due care, integrity, and full-time contribution, etc.
4. In case of a director who retires by rotation, the Nomination and Remuneration Committee considers from his past records whether he performed duties as a director with due care, integrity, and full-time contribution.
5. In the nomination of directors, there should be consideration of the required qualifications taking into account the necessary skills for the Board and qualifications in line with the Company's business strategies.
6. In case such vacancy is a director representing the Expressway Authority of Thailand or the Mass Rapid Transit Authority of Thailand under the conditions of the relevant Concession Agreements, the replacement director must be nominated by the said authority to fill the vacancy.

The Nomination and Remuneration Committee shall nominate such qualified persons to the Board of Directors for consideration for submission to the shareholders' meeting for appointment as directors.

(2.1.2) Nomination Procedures

The Board of Directors sets out the procedures for nomination of directors, and the Nomination and Remuneration Committee proceeds in accordance with the following procedures:

1. Nominating qualified persons to fill the vacancy.
2. Considering the qualifications of the directors who represent EXAT and MRTA in accordance with the conditions as specified in the Concession Agreements.
3. Considering the qualifications of persons nominated by minor shareholders according to the Company's policy to allow shareholders to propose their nominations in advance (if any).
4. Proposing the nominations to the Board of Directors for consideration and appointment (in case of interim vacancy).
5. Considering proposing the nominations to the Board of Directors for consideration and approval for submission to the annual ordinary general meeting of shareholders for an appointment.

Pursuant to the Articles of Association, at every annual general meeting, one-third of the number of directors must vacate their offices. If the number of directors is not a multiple of three, then the number nearest to one-third must retire from office. Therefore, the directors have a term of three years, and a retiring director may be re-elected. In this regard, the Company does not fix the number of terms of holding office as a director or the number of other listed companies in which the directors will hold office as directors but considers the suitability of appointment of directors who are due to retire by rotation to resume office.

Pursuant to the Articles of Association, the criteria and procedures for appointment of directors by shareholders are as follows:

1. One shareholder has one vote for every one share held by that shareholder;
2. When electing directors, each shareholder shall exercise all of his or her votes to elect all directors to be elected on such occasion, or in case the shareholders' meeting deems it appropriate, the casting of votes is made to elect directors on an individual basis. In this regard, in casting votes, whether in the election of directors on an individual basis or the election of all directors, each such person elected by the shareholders must receive votes from shareholders according to the total number of shares held by each shareholder under clause 1., and no shareholder can allot his or her votes to any person in any number.
3. In case of the election of directors on an individual basis, persons receiving the most votes are those who are elected to be directors, in descending order, for the number of directors who are to be elected. If there is a tie for the last to be elected and this exceeds the said number of directors, the election shall be drawn by lots.

(2.2) Nomination of Managing Directors and Executives

1. The executives in the position of Managing Directors must be nominated by the Nomination and Remuneration Committee, which considers nominating qualified persons, namely, those who have knowledge and capacities and experience which are useful for management and operations to achieve objectives or targets as determined by the Board of Directors and have a good understanding of the Company's business, whereby the Nomination and Remuneration Committee shall propose the nominations to the Board of Directors for consideration and appointment.
2. For any executives at the level of General Manager or higher, the Managing Directors proposes the nominations to the Executive Board for consideration and appointment.

9.4 Supervision of Operations of Subsidiaries

To ensure that supervision of operations of the Company's subsidiaries is conducted in compliance with the business policy specified by the Board of Directors of the Company and in line with the Corporate Governance Code, and to safeguard investment benefits of the Company and its shareholders, the Board of Directors of the Company thus sets out criteria and guidelines for supervision and control of management of the subsidiaries, as follows:

- 1) The subsidiaries are encouraged to put the Corporate Governance Code into practice.
- 2) The selection of any persons as representatives of the subsidiaries is subject to the approval of the Board of Directors of the Company, according to their respective shareholding percentage.
- 3) The subsidiaries shall be supervised through representative directors and executives and in compliance with the policies specified by the parent company.
- 4) Any significant matters, such as strategies, action plan, capital increase or reduction, company dissolution, including various important policies shall be considered. The guidelines for exercising the right to cast votes in the extraordinary general meeting of shareholders are also formulated.

- 5) The operational results shall be followed up through the management, executive board, for reporting to the Board of Directors of the Company.
- 6) The subsidiaries shall be monitored to ensure their compliance with laws, relevant regulations stipulated by the supervisory units, including generally acceptable accounting standards.

The Company requires its subsidiaries to yearly review the respective internal control systems to ensure adequacy and appropriateness, whereby the Internal Audit Office of the Company shall regularly review, follow up and evaluate compliance with the good internal control principles, which is specified in the annual audit plan.

In this regard, the Company has assigned the Managing Directors or his/her delegate(s) to monitor each of such companies, as a shareholder. Currently, the Company appoints directors who are its representatives to supervise and monitor operations of the subsidiaries, as follows:

Northern Bangkok Expressway Company Limited (NECL), comprising seven directors:

- Five directors who are members of the Executive Board of the Company;
- One director who is a representative from EXAT;
- One managing director of NECL.

Bangkok Metro Networks Limited (BMN), comprising eight directors:

- Four directors who are representatives from the Company;
- Three director who is a representative from other shareholder;
- One managing director of BMN.

9.5 Control of Inside Information Usage

The Company determines its written control of inside information usage in accordance with the Corporate Governance Code, as follows:

Inside Information Usage Policy

- (1) Due to the fact that the Company is listed on the Stock Exchange of Thailand, any sale or purchase of the Company's securities by any of its directors, executives or staff in a manner which may take advantage of a third party by using information material to changes in the prices of the securities which have not yet been disclosed to the public and to which he/she has access in the exercise of his/her duty or position in the Company, is then considered as unfair securities trading practices, subject to a criminal penalty under the law.

Therefore, the Company has set guidelines to prevent the use of insider information. Such guidelines will be revised from time to time as appropriate, and all directors, management, and staff of the Company will strictly adhere to these guidelines with accountability as well as causes and effects on a case by case basis. These guidelines or policies will be stricter than the provisions of applicable laws and will apply to directors, management and staff, including related persons.

- (2) Securities Sale and Purchase Using Insider Information

Persons who should not sell or purchase securities pursuant to the guidelines to prevent the use of insider information are as follows:

1. Directors and management of the Company;
2. Directors and management of the subsidiaries, including its affiliates;
3. All staff of the Company and of the Company's subsidiaries, who have perceived insider information of the Company;
4. Spouses and minor children of the directors, executives and staff, who have perceived insider information of the Company; and
5. Relatives who live with the directors, executives, and staff who have perceived insider information of the Company.

Securities refer to shares, share warrants, convertible debentures and transferable subscription rights issued by the Company.

General Practice

1. Any person who has perceived insider information of the Company should not sell or purchase the securities under any circumstances if such person knows or should have known the publicly undisclosed material information that may affect change in the market price of the Company's securities.

2. Any person who has perceived material insider information of the Company from their duties and positions as the Company's staff shall not disclose such information to any other person while such information has not yet been disclosed to the public unless it is done in the performance of their duties to the Company.

Specific Guidelines

In addition to the general guidelines to prevent the use of insider information, persons who have perceived insider information of the Company shall also comply with the following guidelines:

1. Any person who has perceived insider information of the Company and is directly involved in the preparation of the Company's financial statements and the balance sheet is prohibited from any purchase or sale from the commencement of such preparation until the end of the day immediately following the disclosure date of such financial statements.
 2. Any director, management or staff who has received the draft financial statements as referred to above, is prohibited from selling or purchasing the Company's securities from the day that he or she receives the draft financial statements until the end of the dissemination date of the financial statements.
 3. Any person who has perceived insider information of the Company and knows or should have known that the Company will disclose material information that may affect change in the market price of the Company's securities, is prohibited from selling or purchasing the Company's securities from the day that he/she knows or should have known such information until the end of the day immediately following the disclosure and dissemination date of such information.
- (3) Report of Persons who have Perceived Insider Information of the Company
- A. Duty to Prepare Reports
Directors, Managing Directors or persons who hold management positions as specified in the Securities and Exchange Act shall be required to prepare disclosure reports of their initial securities holdings, and changes in such holdings, pursuant to the relevant laws and regulations, together with such reports to the Company.
 - B. Reporting Procedures
Directors, Managing Directors or persons as specified in paragraph A. above who have the duty under law to disclose their securities holdings, their spouses' securities holdings, and their minor children's securities holdings to government agencies or regulators shall submit copies of such reports to the Company on the same day.

Protection and prevention of inside information usage

- (1) The Company has policies and procedures for controlling the use of inside information by directors, executives and staff to prevent any occurrence of the use of inside information for personal interests or the interests of others. The work rules and regulations of the Company prohibit staff from disclosing the Company's confidential information to any third parties or abusing their positions for personal gains or others. Any violation is deemed a disciplinary misconduct. In addition, this obligation has been specified as an important condition in new employment agreements, whereby staff must keep confidential information relating to the Company's business to which they have access, whether directly or indirectly, and must refrain from disclosing it to any third parties or other unauthorized persons. In this regard, the confidential information relating to the Company's business refers to financial information, marketing plan or business plan, wages, etc.
- (2) The Company has a control system for use of the Company's information by adopting such information security systems as the restriction of access to the Company's information by setting authorization level of staff's access to the Company's information to correspond to their responsibilities and setting user password for common use of data files with other persons via the computer system, provided that the password must be changed every three months.

The Company has applied the ISO/IEC 27001:2013, which is the international standard that describes the best practices relating to information security system, to improvement of the toll collection system at the control center to ensure compliance with the standard, and the Company also lays down standard for management of significant information to ensure continued operations of the business, with an aim of enhancing the organization's worldwide reputation for reliability.

- (3) The Company prohibits executives who know insider information from taking any actions contrary to Section 242, which does not allow securities trading by using insider information for his own or another person's benefit, under the Securities and Exchange Act, including relevant rules and regulations.

9.6 Remuneration for Auditor

The Audit Committee and management jointly consider the qualifications of the auditor in respect of the reliability, independence, knowledge and experience in audit services, advice on accounting standards, certification of the financial statements in a timely manner, and appropriate remuneration, and then propose this matter to the Board of Directors for submission to the annual ordinary general meeting of shareholders to consider approving the appointment of the auditor.

The proposed auditor shall have neither relationship with nor interest in the Company or its subsidiaries, executives, major shareholders or their related persons.

Remuneration for auditor is divided into two categories, namely:

- (1) Audit fee

The Company paid the audit fees for 2018 in the amount of Baht 3,830,000 to EY Office Limited. When compared to the average audit fees of other listed companies in the same sector, the Company's audit fee was reasonable.

The Company's subsidiaries, namely, Northern Bangkok Expressway Company Limited and Bangkok Metro Networks Limited, paid the audit fees for 2018 amounting to Baht 542,000 and Baht 1,170,000, respectively.

- (2) Non-audit fee

In 2018, the Company used any other services from EY Office Limited in the amount of Baht 250,000 as a fee for auditing the concession during construction of the MRT Blue Line Extension Project.

9.7 Compliance with the Corporate Governance Code for Listed Companies 2017

The Board of Directors has understood the roles, duties, benefits, and principles of the Corporate Governance Code for Listed Companies 2017, whereby the Board of Directors has suitably applied the Corporate Governance Code to the contexts of the Company. The Corporate Governance and Risk Management Committee, which is deemed a subcommittee with the duty to supervise and monitor to ensure the Company's compliance with the Corporate Governance Code to promote and support the Company's business operations conducive to the sustainable value creation, requires that the appropriateness of compliance with the Corporate Governance Code shall be reviewed at least once a year. The Board of Directors has then authorized the Corporate Governance and Risk Management Committee to consider and evaluate the application of the same for proposal to the Board of Directors for further consideration.

9.8 Compliance with the Corporate Governance Code in other Matters

The Company has complied with the Corporate Governance Code for Listed Companies in order to achieve assessment in various aspects. The Company then received the "Very Good" rating as a whole from corporate governance assessment in the Corporate Governance Report of Thai Listed Companies from the Thai Institute of Directors Association (IOD). The Company has conformed to all principles of the Corporate Governance Code for Listed Companies 2017, except for the following:

1. The Board of Directors consisting of 5-12 directors: the Company gives priority to the good corporate governance together with the nomination of personnel who have knowledge and capability to conduct management. At this point, the Company realizes necessities and potential benefits from the nomination of personnel who have appropriate qualifications, knowledge, and capability to be appointed as additional directors. Currently, some directors serving on the Board of Directors are from the amalgamation between Bangkok Expressway Public Company Limited and Bangkok Metro Public Company Limited and from directors who are representatives from the Expressway Authority of Thailand and the Mass Rapid Transit Authority of Thailand in accordance with the conditions of the Concession Agreement, and as such, the Company has 17 directors.

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2. Determination of the number of terms of holding of office as director and independent director: The Board of Directors does not clearly determine any number of terms of holding of office as director. In regard to determination of a term of consecutive holding of office as independent director of not exceeding nine years, the Board of Directors considers and deems that the appointment of independent directors to resume office as directors will be useful for the Company and shareholders since the directors consecutively holding such office will have better knowledge and experience in the Company's business operations and create more value for shareholders. In this regard, no director serves on the Board of Directors for more than nine years.
 3. Determination of the number of other companies in which each director will hold directorships: The Board of Directors has no policy to limit the number of other companies in which each director may hold directorships since, after considering the matter; it is of the view that all directors devote their time to regularly attend meetings.

However, in 2018, none of the Company's directors held office as directors in more than five listed companies.
 4. Determination of the number of other companies in which the Managing Directors will hold directorships: The Board of Directors has no policy to limit the number of other companies in which the Managing Directors may hold directorships since, after considering the matter; it is of the view that the Managing Directors devote their time to conduct management and regularly attend meetings.

However, in 2018, the two Managing Directors represented the Company to hold directorships in one listed company invested by the Company.

10. Corporate Social Responsibility

Nowadays, the transportation systems is essential for an urban lifestyle, whether it be road or rail systems, all of which play a key role in integrating livelihoods of the people in the society from one side of the city to the other side. For that reason, Bangkok Expressway and Metro Public Company Limited (the “Company”), as the expressway and metro service provider, with its commitment to being one vital component in development of the related transportation systems, is thus determined to establish a connection of the fully-integrated transportation system to facilitate the people’s travelling and help mitigate traffic problems in Bangkok and its surrounding provinces. This is to upgrade the quality of life of the service users, whereby provision of safe, rapid and efficient services is always given priority to ensure delivery of services with modern transportation network and improved life quality to the people, through the business operations continuously based on the social and environmental responsibility, the guidelines to which the Company has always adhered for the sustainable business operations.

10.1 Policy Overview

The Company is committed to operating its businesses with particular emphasis on society and the environment in pursuit of the Company’s sustainable business growth. As such, the Company focuses on transparency and fairness in its operations with the aim of coordinating benefits and growing together with all groups of stakeholders. Therefore, the Company adopts and communicates its operating policy for sustainable development to all staff to ensure that they seriously implement and harmoniously incorporate it into their own work processes for sustainable growth of the Company and all its groups of stakeholders, as follows:

1. To be a leading organization for sustainable development through communication and exchange of best practices with all groups of the Company’s stakeholders;
2. To build up the culture and concept of the sustainable development for incorporation into every work process and decision-making process of the Company;
3. To promote training, learning, and counseling, focusing on practices according to sustainable development guidelines;
4. To support the operations, disseminate the guidelines, and ensure collaboration at the regional level as well as transferring the body of knowledge to achieve sustainable development on a continuous basis.

10.2 Corporate Social Responsibility and Sustainable Development

The Company, as the **expressway operator**, is committed to fulfilling the people’s requirements for their travelling via the expressway network which has been connected and stretched to the central business districts of Bangkok. The expressway service is considered the transportation service provided to the expressway users who need convenience, rapidity, and safety in their travelling. For that reason, the Company has continued to conduct the study and improvement of the expressways to ensure engineering safety in accordance with international standards; enhance efficiency in the service provision to the expressway users by way of addition of Easy Pass lanes, including relocation of the positions of the lane entrance gates to minimize traffic conflict points with the cash lanes, which will mitigate the traffic congestions in front of the toll plazas. Furthermore, the Company has conducted a study on new routes in response to the urbanization in the future.

With regard to the **metro system**, the Company has emphasized creativity and development of the modes of services to facilitate the passengers’ travelling both peak and off-peak hours based on the Company’s professional operations on the motto “Service above all else”. The Company then sets out the aims for quality services, namely, convenience, fast, reliability, punctuality, and above all, safety which is the first priority of which all staff have to be aware. Moreover, to create an atmosphere of safety throughout the service users’ travelling, staff shall strictly comply with the safety requirements of the Company, including public relations regarding safety via media and activities to ensure knowledge and understanding of the general people.

As for the commercial development business, it is considered as the Company’s non-core business to which the Company also gives importance other than its core businesses, thereby diversifying the Company’s services which can fully satisfy the needs of the service users and those who live along the stations. In this regard, the Company has developed spaces for retail shops and sale promotions covering the total of 19,490 square meters. In the previous year, the Company did develop the spaces in the basement level of the Park & Ride Building at Lat Phrao Station, in association with the Mall Group, to made available to the supermarket of premium quality under the “Gourmet Market” brand name in order to fill a demand of the urban life, resulting in an opportunity for those who wish to start a business, as well as expansion of spaces to accommodate a growing volume of metro use in the future.

With the Company's competency of and commitment to provision of the expressway and metro services, the Company always gives priority to provision of convenient, rapid and safe services which meet standards to the service users, in which the Company believe that it will be able to play a part in completing daily life for all persons for good.

Summary of Social Performance

Human Capital Development

The Company is determined to be a leading, fully-integrated transportation service provider in Thailand and ASEAN, with its social mission to provide the transport service with convenience, rapidity, and safety by engaging in the business with its commitment to social and environmental responsibility, attainment of value added creation and optimum benefits for all stakeholders with fairness and sustainability. Therefore, it is a clear policy of the Company to be responsible for the rights of all groups of stakeholders, as follows:

1. Internal stakeholders, i.e., staff, executives, and shareholders of the Company and its subsidiaries;
2. External stakeholders, i.e., customers, business partners, lenders, counterparts, competitors, society, communities, schools located near the rights of way and the electric train routes, including government sector and relevant authorities.

BEM's Human Resource Development

At present, the Company has to continue facing the ongoing changes and business competitions. To enable the Company to create the **"Path to Happiness for Better Travelling Mode"**, the Company emphasizes the development of its personnel to ensure their readiness and capabilities which will not only create value for the Company, but also for the society as a whole.

1. The Source of Happiness

The Company appreciates the value and importance of its staff, rest assured that the qualified staff is an essential factor in contributing to the organization's sustainable growth and success, as well as being competitiveness indicating factor. Therefore, the Company is determined to look for talent and good persons and regularly and continuously support the development and training of staff at all levels. The Company is also committed to fair treatment towards its staff under the nondiscrimination policy and provision of equitable opportunity for employment pursuant to the work rules and regulations and laws. The Company treats all staff equally regardless of gender, age, race, religion, work position or physical abilities.

The Company has always treated and cared for its staff at all levels in all respects, for example, job description, safety, occupational health and work environment, including training and development of skills in various aspects, together with career opportunity and advancement, fair consideration and welfare through the clearly specified criteria for career path, and fair and appropriate remuneration based on benchmarking with the same industry. Furthermore, the Company has promoted a participatory work environment and teamwork as well as organizing the workplace on the occupational safety and health basis, not to mention the fact that staff are also allowed to show off their abilities.

Realizing the significance and development of personnel as mentioned above satisfy staff to work for the Company to achieve the Company's goals, and with the Company's notion that staff are regarded as valuable resources and its strong belief in their inner potential in order to make staff proud and determined to perform works as well as improving their own performance on a continual basis.

"Source of Happiness", the Company has regularly arranged for development of personnel in both main and supporting lines of work on a systematic basis. **"Career Opportunity and Advancement"**, the Company is determined to restructure its organization and the work positions, and career paths, and salary of staff to be more appropriate and fair to ensure staff career paths. Therefore, the human resources management has become absolutely essential and necessary, and the Company must establish more clear and concrete, appropriate and fair direction for the retention of existing personnel, and recruitment of new staff for business expansion, as well as development of knowledge and skills for both existing and new staff, and update of job descriptions, including transfer of staff according to their knowledge and abilities, and promotion for career advancement.

Particularly staff in main line of work directly related to services on the expressway and rail systems, where quality and safety are compulsory, in order to achieve its goal of providing excellent service to the utmost satisfaction and impression of the service users of the expressways and MRT system. The Company formulates training courses so that staff will have skills and ability to use equipment and devices for specific tasks, i.e., rescue operation, traffic management, toll collection and maintenance of the system and carriageway, including training courses relating to the metro system, various relevant rules and regulations, especially knowledge regarding work safety.

Moreover, the Company has nurtured innovative development by allowing staff to provide suggestions and opinions which are useful for the development of competency in work process as well as supporting varied studies and researches which are striving for benefits and value creation for the business, on a community, social and eco-friendly basis.

“Staff Capacity Building”, the Company focused on personnel training and development, both inside and outside the organization, to maintain core knowledge within the organization, and to prepare our personnel to become the international standard service operator, as well as conveying important knowledge in other aspects to enable them to further knowledge in the future. Training courses provided for staff are described below.

1) Knowledge Management: KM

The Company implemented the knowledge management project as intermediate KM Roadmap, with the objectives to identify the body of core knowledge which was necessary and important for the organization, to ensure a systematic collection of knowledge for all staff to have wide access to the source of such knowledge, knowledge sharing for ensuring the optimum benefits, and furthering the Company’s corporate transition into a learning organization. Other than the management of core knowledge for the Company’s businesses, the Company also promoted a community of practices (CoPs) to ensure learning and sharing of work experiences, problem-solving, including solutions and improvement to work processes, in order to come up with the best practices.

2) Codes of Conduct and Business Ethics Training

This training course was intended to serve as guidance for all staff regarding their work responsibilities and duties and to ensure that they understand and follow the preliminary guidance described in the Company’s Codes of Conduct and Business Ethics handbook, which is in line with the Company’s vision, mission, and corporate culture, in order to achieve goals for improved quality of work and life for staff. The Company also provides for refresher training to update staff’s knowledge by way of E-Learning & E-Exam, which all new staff are required to attend, including regular exams for the existing staff on a yearly basis.

3) Annual Training & Development

The Company put into practice the idea of developing staff competency by improving the Training Roadmap for all levels of staff, namely, executives, supervisors, and operating staff. The roadmap is intended to make sure that staff gain basic knowledge and skills required for their work performance, both technical and soft skills. These two types of skills are fostered in mandatory programs for new staff, e.g., an orientation program for new staff about the Company and about the “**Path to Happiness for Better Travelling Mode**” including rules, regulations, and requirements; a work safety program; and a quality management system program.

The existing permanent staff are given refresher training on knowledge every year. All of these training programs should enable staff to apply such knowledge to their work performance and adapt themselves to the corporate culture, so as to have a sense of pride and to conduct themselves properly and in line with the goals. In such training programs, staff are also encouraged to employ their own expertise.

Rescue Operation and Traffic Management

The Company, in association with the Expressway Authority of Thailand (EXAT), has conducted rescue operation drills and assistance in case of serious accidents on the expressways, with safety training every year, including training on use of the rescue operation vehicles on the expressways, safe driving training, traffic volunteer training and on the job training; and the Company has arranged for three-month new staff orientation prior to actual operation on the expressways, as well as service mind training.

The existing permanent staff are given refresher training on knowledge every year. All of these training programs should enable staff to apply such knowledge to their work performance and adapt themselves to the corporate culture, so as to have a sense of pride and to conduct themselves properly and in line with the goals. In such training programs, staff are also encouraged to employ their own expertise.

Toll Collection Operation

The Company's personnel in charge of this field comprise personnel with the duty to collect tolls of the Si Rat - Outer Ring Road Expressway, whereby the Company provides the personnel training in toll collection to ensure that tolls are correctly and completely collected for facilitating the expressway users' toll payment to be made rapidly. The Company's personnel in charge of toll revenue operation are responsible to ensure that tolls are correctly, transparently and timely collected, in collaboration with the government sector, namely, EXAT. The Company provides internal on the job training regarding the role and responsibilities of toll collection controllers, emphasizing that tolls must be collected timely, and the counting of vehicles and collection records must be verified for accuracy.

In addition, the condition of toll collection equipment must be checked to be ready for full-time service and to ensure the accuracy of toll collection, which will help assure the Company's complete revenue streams and equally protect the interests of shareholders and stakeholders. The Company also arranged overseas study visits on toll collection systems.

Structure Maintenance Operation

This is to ensure that the expressways will be ready and safe for service. The Company is internationally recognized as a company specializing in the inspection and maintenance of the Segmental Box Girder structures, with regular inspection, monitoring, and surveillance all year round.

Train Control Officer and Train Operation Control Officer Training

The train control officer training takes at least 600 hours of training and the train operation control officer training takes at least 1,100 hours of training, which are provided in theory and in practice by way of actual train driving and train-driving simulator, training to use equipment in train operation control room, emergency response drills and exercises, including on the job training, where safety is given the top priority, whereby professional trainers are provided to closely monitor staff's training. Moreover, the Company's staff are given refresher training on a yearly basis to ensure that all trained staff will be able to discharge their duties in the metro service provision with safety, convenience, rapidity, reliability, punctuality, and efficiency in order to improve the quality of life of residents.

Enhancing Quality of Life

2. On the Path to Happiness

The expressway users and MRT users are the heart of the Company. The Company is then ready to deliver and improve the expressway services to ensure the most efficiency as the **"Path to Happiness for Better Travelling Mode"** of rapid and safe transportation, uplift the quality of life, and play a role in developing Thai society. The Company appreciates innovations which will help minimize the impact of the operations on society, environment and stakeholders from construction to repair and maintenance of the expressways to stand ready for service to users to ensure their convenience and safety both under normal and emergency situations.

To maintain the Path to Happiness, the Company emphasizes taking care of the delivery process and improvement of services in detail on a regular basis, as follows:

The delivery process and improvement of services in detail of **the expressway service**

- 2.1 Expressway Construction: The Company adopted the internationally recognized Segmental Box Girder technology, which meets the AASHTO (American Association of State Highway Transportation Officials) standards, and which was considered a sophisticated technology at the time it was adopted. As a result, the Company was able to minimize the impact on at-grade traffic and dust and noise pollution during the construction. The construction was completed according to plan without any protests from society and nearby communities. The expressways are safe, meet standards and effectively respond to users' transportation needs.

- 2.2 Expressway Maintenance: The Company carries out regular inspection and maintenance of the main structures of the expressways, under the independent consulting engineer's supervision and quality assessment of the expressways. The expressways are in a stable condition, meet standards and safety requirements, and the expressway users are able to enjoy convenient, rapid and safe transportation to their destinations.
- 2.3 Expressway Services: The expressways, by physical characteristics, mostly are elevated and linked as a network with a total length of approximately 256 kilometers. The expressways have become effective strategic routes for sending aid to disaster victims, transporting equipment and supplies, and travelling by both public and private sectors, during the occurrence of any event or disaster which may impede the at-grade roads. Those events in the past have perfectly confirmed the strategic route status. Therefore, the Company, in its capacity as the operator of the Si Rat Expressway, the Si Rat - Outer Ring Road Expressway and the Udon Rathaya Expressway, sets out practical guidelines for dealing with unusual occurrences, so as to make the expressways available for service under emergency situations and return to normal as soon as possible. In this regard, the Company is ready to take various actions as follows:
- (1) **Expressway Control Center:** The Company's communications staff in the Control Center monitor traffic condition on the expressways and provide travelling information to the expressway users. CCTV surveillance systems are installed on the expressways, along with radio-communications systems through the Control Center working 24 hours in close collaboration with other relevant authorities. The Company's rescue operation teams are patrolling the expressways at all times, and therefore, they are ready to instantly assist service users in any incident on the expressways. In addition, the teams also coordinate with police officers on duty on the expressways and at-grade roads in order to facilitate traffic management 24 hours a day. The traffic condition on the expressways is viewable by at-grade police officers from the video signals connected with the Company's CCTVs.
 - (2) **The automatic toll collection system or Easy Pass** was implemented by the Company's collaboration with the government sector beyond the terms of the relevant Concession Agreements, with the intention to improve services and minimize environmental impact from traffic congestion. This system has helped save travelling time and fuel for the expressway users, protect the environment, minimize pollution at the toll plazas, reduce fuel consumption, and improve the quality of life.
 - (3) **With respect to safety innovations,** the Company sets up a dedicated unit responsible for research and development (R&D) to regularly improve the safety of the expressways by means of road safety audits. The audit results are used for the expressway improvements for greater safety.

The delivery process and improvement of services in detail of the MRT service

- 2.4 Value added to safety: The Company's business operations give priority to the safety of passengers, staff, contractors, including everyone in the MRT system, as evidenced by the adoption of the international standard safety management system as a guideline for operations, namely, OHSAS/TIS 18001. Moreover, Ricardo (Thailand) Company Limited is engaged as a safety consultant to provide suggestions on risk management and to devise new safety management techniques for improvement of the Company's work processes to ensure more safety. As a result, the statistics of work-related accidents, including the statistics of passengers' injuries while using the MRT service, are likely to reduce. It is for this reason that the Company did receive the National Outstanding Awards 2013-2014 for Occupational Safety, Health, and Environment.
- 2.5 Value added to convenience: As the metro is a mass rapid transit system with rapidity and definite service schedule for the service users' commute convenience as they can somewhat precisely anticipate the service schedules and sets out their commute plans, the Company thus gives priority to value added in convenience in its services from making an entrance to the stations, utilization of services until leaving the stations. To this effect, the Company has made various preparations to suit the convenience of the passengers and the service users in all respects such as information services, common ticketing system, and facilities within the stations.

2.6 Value added to rapidity: As the metro is a mass rapid transit system which offers the rapid services, a main reason that people select to commute by the metro, therefore, the Company supports other services from the passengers' entering into the stations until leaving the services with rapidity by means of development of the efficiency in service provision from where the passengers make an entrance to the stations and during the services, deletion of certain repeated steps which cause any unnecessary delay or increase in certain steps which more impress the passengers such as the passenger volume management system during rush hours on platforms, rapid services in the time when the passengers are so crowded or during the exhibitions, ticket issue or stored value card services are provided by staff who are active in providing clear suggestions, etc.

- 1) Value added to reliability: The Company is committed to the regular services of the required standard to build the reliability in the metro system in respect of safety, convenience, and rapidity, whereby the Company continues to improve the quality of the services, for instance, maintenance and test of equipment are planned in a preventive and corrective manner, annual rehearsals for handling various emergency stimulations together with internal and external rescue agencies, improvement of safety system, ethical and equitable treatment towards passengers. Moreover, the Company accepts any comments or complaints from customers for further taking remedial actions to ensure improved services. The MRT service capability was assessed by Train Service Delivery, namely, the Company's MRT service capability was always more than 99 percent. In 2018, the Company's Train Service Delivery, the Chalome Ratchamongkhon Line (Blue line), represented 99.98 percent from the target of 99.70 percent.
- 2) Value added to punctuality: The clear and punctual schedule of the MRT service enables passengers to manage their travelling time and do various activities more easily, not to mention that it results in their quality of life and mind health. The punctuality of the MRT service can be assessed by examining train punctuality with delays of not more than 5 minutes (Train Punctuality (Delay within 5 Min.)) in all MRT stations, which in 2018, the Company's Train Punctuality (Delay within 5 Min.), the Chalome Ratchamongkhon Line (Blue line), represented 99.88 percent from the target of 99.75 percent.

As for the Chalong Ratchatham Line (Purple Line), the train service availability is with delays of not more than 3 minutes during peak hours and not more than 6 minutes during off-peak hours. In 2018, represented 99.93 percent from the target of 99.25 percent. Plus, the train service punctuality is with delays of not more than 3 minutes, in 2018, represented 99.97 percent from the target of 99.25 percent.

Moreover, the Company's membership in NOVA Group of Metros, a consortium of international metro service operators in a program of railway benchmarking, has inspired the development and improvement of service operations to achieve a higher level of success. Other than the standard set of service performance indicators, the Company has set out benchmarking indicators that are comparable to those of other members of the NOVA Group of Metros in various aspects in order to share knowledge and experience which will result in improvement and development of the services. Furthermore, in comparison with information in the NOVA Group, the Company's operational results are excellent in various respects, such as train punctuality as compared with the train schedule, repair and maintenance to ensure the availability of trains for service, and work safety of staff, etc.

Other than the safety, efficiency in the services and new technology as employed to satisfy the service users' needs, the Company has also realized the significance of its traders which are considered as a business supply chain as comparable to the service users.

The Company formulates a policy to fairly treat its business partners and promotes the knowledge, understanding, practice, development in accordance with the framework for sustainable development in the Company's business sector, building reliability through the fair business operations with its traders and financial supporters, regarded as key success factor which enables the Company to deliver the quality services to the expressway users even

during a crisis. The Company then set out the practices towards traders in a way of the business operations with fairness to ensure that acquisition of goods and services meet standards, with the commitment to developing and maintaining sustainable relationships with traders, and having the clear objective regarding quality of goods and services as suitable for monetary value, technical quality and trust in each other.

The Company has arranged for the procurement process with equality and fairness for its traders in all systems, which is in accordance with the operating process governing procurement under the requirements of the ISO 9001 quality management system, by methods and measures adopted in against unfair competitions, determined the guidelines to promote respect for intellectual property rights of traders and safeguard the rights in assets, as well as the business operations with the supply chain in strict compliance with the international standards of the ISO 90001 quality management system and the ISO 14001 environmental management system through provision of knowledge, understanding and close monitoring system, to rest assured that the Company's supply chain transacting a business with the Company has carried out its operations with environmental care to ensure sustainability in mutual business operations. As for the group of financial supporters, it included lenders, debenture holders, creditors, the Company is determined to comply with agreements and commitments and maintain the financial discipline on a strict basis.

Regarding safety for staff and contractors, the Company has conducted its work safety in accordance with Thai laws and local and international safety standards, i.e., TIS 18001:2011 and OHSAS 18001:2007, as assessed by TUV NORD (Thailand) Limited. The main objective is to supervise welfare for work performance in respect of occupational safety, health, and environment of staff and persons in connection with operations in the metro system. The Company also prepared Plod Online E-magazine for communication with its staff to ensure their awareness of safety, quality, and environment.

3. Happy Society

Throughout the period of the business operations, the Company is committed to being the **"Path to Happiness for Better Travelling Mode"** and the pursuit of happiness of travelers, the following matters are then given priority:

1. **Family:** Spending quality family time can be made in various manners, one of which is travelling together as a family on expressway route or metro route, to see and experience new stories of community lifestyles and to ensure income distribution to their destinations;
2. **Education of children and youth:** The Company aims to promote experience in organizing activities and outdoor learning which can allow children to gain important first-hand experience and apply such gained experience to their lives in the future, and meanwhile, the Company has provided educational opportunities for underprivileged children and youth with good academic records, by way of distribution of scholarships to them as a cost for sustainable career.
3. **Public interest assistance** and alleviation of hardships from various disasters: The Company has always provided assistance to recovery the suffered society from such disasters.

4. Summary of Environmental Performance

Environmental Quality Promotion and Environmental Impact Reduction (More Quality and Less Impact)

The Company, in its capacity as the expressway and metro service provider, has realized the business operations based on sustainable development in three aspects, namely, economy, continuously developing quality of services; society, taking care of the Source of Happiness to ensure that they have the improved quality of life, with the readiness to transfer value to the society nearby and as a whole; environment, emphasizing prevention and control of pollution.

The Company is determined to develop the quality of the services, with the commitment to environmental responsibility; therefore, the environmental management policy has been formulated, with the guidelines as follows:

Environmental Policy

1. Giving the priority to prevention and control of pollution to ensure compliance with the international standards and taking into account the environmental impacts of the service users, staff and communities;
2. Instilling awareness on the utilization of natural resource energy in an efficient manner into staff and promoting them to do so;
3. Performing duties in compliance with laws and other requirements in relation to the environment;
4. Reviewing the objectives and goals for improving the environmental management system on a regular basis;
5. Disseminating the environmental policy to the public and other concerned parties.

It is deemed to be all staff's and traders' responsibility to strictly and regularly adhere to this policy for ensuring a good environment for the service users, staff, traders, and nearby communities.

The Company has a policy and is determined to continuously take care of every sector of society in respect of the management of improved operational results, and creation of value added to shareholders, and giving priority to nearby communities as well as taking care of both nearby and remote communities. In 2018, the Company organized the corporate social and environmental contribution activities as follows:

1) Activities for Development of Quality of Life on Safe Travelling

The Company aims to serve safety and reduce the road accident by held the safety driving training to develop driving skill, coping with unexpected emergency skill, and basic car care tips with free access to the activity.

“Lady Safety Driving”

The Company organized the Lady Safety Driving activity to promote safe driving, provide driving techniques for handling emergencies to reduce possible accidents, together with basic car care tips for women, as well as taking them to visit the Si Rat - Outer Ring Road Expressway Control Center.

2) Good Family Relationships**“Moms & Kids Strengthen Relationships with BEM by Visiting Lawo Kingdom”**

The activity was held on the occasion of the National Mother's Day, as a special opportunity for family members to express their love and affection for each other, and to play a part in strengthening family relationships, the Company then invited the expressway users to travel on the Si Rat Outer - Ring Road Expressway to trace the history of the golden age during the early Ayutthaya period by visiting, for example, Somdet Phra Narai National Museum, The Twelve Royal Store Buildings, and Official Residence for Ambassadors (Wichayen House) as formerly reserved for welcoming the French ambassadors, etc., as well as doing activities to strengthen family relationships by cooking the original Thai dessert and making flower garlands for moms to express kids' gratitude towards their moms while telling moms that I love mom in the midst of a heartwarming atmosphere.

“Dads & Kids to Strengthen Relationships with BEM by Following the Trace of the King's Trip to Bang Pa-In Royal Palace”

The activity was held to strengthen family relationships on the occasion of the National Father's Day, the Company then organized the “BEM Invites Dads & Kids to Follow the Trace of the King's Trip to Bang Pa-In Royal Palace in Ayutthaya Province” activity by inviting the expressway users to travel on the Si Rat - Outer Ring Road Expressway connecting to the Si Rat Expressway heading to Chaeng Watthana continuing on the Udon Raththaya Expressway to the Bang Pa-In Royal Palace in Ayutthaya Province to make a visit to the exquisite architecture as perfectly mixed between Thai and western arts as well as learning the history and pay homage to the Buddha image at Wat Niwet Dhamma Prawat, together with participation in an activity to strengthen family relationships by planting Hoya in glass terrariums for giving it to dads while saying that I love dad in a heartwarming atmosphere.

“Charitable Rally”

The Company organized the BEM Rally activity, by taking participants to travel on the Si Rat - Outer Ring Road Expressway to do activities and play games about Thai way of life in Nakhon Pathom Province and granted income of Baht 200,000 without deduction of expenses to Thai Heart Foundation in the program “treating congenital heart disease in child by surgery and cardiac catheterization after office hours”.

3) Awareness of Environmental Preservation**“Let’s Love Environment with BEM”**

To sustainably maintain the balance of nature, and the environmental preservation is of great importance to everyone and requires active participation, the Company then organized the program titled Let’s Love Environment with BEM to instill awareness of environmental preservation by taking a group of management and staff to jointly grow coral and take away trash to clean up the Toei Ngam Beach in Chonburi Province to raise awareness of environmental preservation and jointly restore the marine ecosystem.

4) Moral and Ethical Awareness for Corporate Social Responsibility**“Blood Donating”**

It is to give blood to give life as a part of the greatest giving. The Company, in association with The Thai Red Cross Society and Faculty of Medicine Vajira Hospital, Navamindradhiraj University, then organized three blood donation activities at the Si Rat - Outer Ring Road Expressway Control Center, with active participation of management, staff and residents living nearby.

5) Good Relationships with Related Authorities

The cooperation for the provision of good services to meet the utmost satisfaction of the expressway users is regarded as a key goal of the three collaborating authorities, namely, staff of the Company, staff of EXAT, and police officers of the Expressway Police Station 2. To strengthen relationships among them in order to ensure unity and maximum efficiency of the services, the Company organized activities, as follows:

“Let’s Watch Movie with Expressway”

The Company invited families of staff of EXAT and police officers of the Expressway Police Station 2 as well as families of the Company’s staff to meet, enjoy games, and watch an inspiring movie titled “A Wrinkle in Time”, the classic fantasy adventure movie, at Esplanade Cineplex.

“Lawo Kingdom Tour with BEM”

The Company brought the management and staff of toll collection division of EXAT and toll revenue division, toll collection division of the Company, to tour the city of history in the early Ayutthaya period by visiting Somdet Phra Narai National Museum, The Twelve Royal Store Buildings, to strengthen relationships among agencies.

“Donation of Cars and Motorcycles to EXAT and the Expressway Police Station 2”

The Company granted cars and motorcycles to EXAT and the Expressway Police Station 2 for use on the Si Rat Expressway, including the Si Rat - Outer Ring Road Expressway to ensure smooth operations of the relevant authorities and take care of the expressway users and provide the rapid and efficient services for the expressway users.

6) Promotion of Youth Learning

Education represents a key foundation for youths’ sustainable development of knowledge, abilities, thoughts, and values in order to become decent and quality citizens of society. The Company continues to encourage and support youth education every year through various activities as follows:

“Scholarships to Adjacent Schools”

The Company organized the BEM Grants Scholarships to Underprivileged Students with Good Academic Records and Funds for Development of 9 Schools adjacent to the Si Rat Expressway, the Udon Rattaya Expressway and the Si Rat - Outer Ring Road Expressway activity, to raise morale of the youth in studying hard and grow up as a quality adult in the country's development in the future.

“Scholarships to Children of EXAT's Staff”

The Company, in association with EXAT and the EXAT Club, granted scholarships to children of EXAT's staff who are working on the Si Rat Expressway and the Udon Rattaya Expressway. The executives from both authorities jointly granted such scholarships.

“Scholarships for Children of the Expressway Police Station 2's Police Officers”

The Company granted scholarships to children of the Expressway Police Station 2's police officers, who collaborated with the Company in ensuring convenience and safety of the expressway users.

7) Support for Outdoor Learning Experience

Outdoor experience is an opportunity for children to fully gain experiences, which will help them to understand various things clearly and comprehensively, and be able to apply the gained knowledge to their life in the future. The Company thus organized outdoor learning experience activities as follows:

“Hero in my mind”

The Company organized the Hero in my mind activity on the occasion of the National Children's Day to broaden experience of children to use their imagination to create books and pencils, and to have a great enjoyment with super heroes as well as meeting the real “rescue heroes” who kept taking care of them and shared their experience, knowledge, along with seeing the expressway operating cars closely, in which a lot of staff's children, students from nearby schools and neighboring residents participated.

“Happy Children's Day with MRT Activity”

The Company organized the National Children's Day activity for 2018 by presenting gifts to children to bring them happiness at both MRT lines, i.e., the M.R.T. Chaloem Ratchamongkhon Line (MRT Blue Line), at Hua Lamphong Station, and the M.R.T. Chalong Ratchadham Line (MRT Purple Line), at Nonthaburi Civic Center Station, in order to enhance their outdoor learning. Such activity was very enjoyable and attractive to both children and their parents.

“Let's Learn The Golden Jubilee Museum of Agriculture”

The Company brought a group of teachers and students, totaling 50 persons, from Wuttayaram School, adjacent to the Si Rat - Outer Ring Road Expressway to visit the Golden Jubilee Museum of Agriculture to widen their experience in agriculture by cultivating paddy straw mushrooms in baskets, seeing a 3-dimension movie titled Phai Ruak Kap Tantawan Phu Yaso (The Ruak Bamboo and the Arrogant Sunflower), as well as touring the Forest Museum and experiencing agricultural livelihood to support children's outdoor learning.

“Let's See the Inspiring Movie with BEM”

The Company brought a group of teachers and students, totaling 190 persons, from Wat Pracha Sathatham School and Watuthaitharam School, adjacent to the expressways, to see a movie titled 2,215 Believe Crazy Dare to Walk, the inspiring documentary film from behind the scenes of the historic charitable marathon under the Kao Kon La Kao project by Toon Bodyslam, with the marathon distance from Amphoe Betong to Amphoe Mae Sai, at Esplanade Cineplex.

“MRT Happy Blue Line Spread the Happiness Everyday”

The Company held the MRT painting competition titled “MRT Happy Blue Line Spread the Happiness Everyday” in which the primary students of the primary school nearby the MRT system participated the art skills activity and also learned the MRT safety system. On this occasion, General Prayut Chan-o-cha, the Prime Minister, accompanied by the Council of Ministers, as welcomed by the Governor of the Mass

Rapid Transit Authority of Thailand (MRTA) and the Chairman of the Executive Board of Bangkok Expressway and Metro Public Company Limited, attended the competition and gave the reward to the winner. His group also made a visit to the M.R.T. Chaloem Ratchamongkhon Line and the Seats or the Thrones taken by His Majesty the late King Bhumibol Adulyadej and Her Majesty Queen Sirikit when they graciously presided over the official opening ceremony of the M.R.T. Chaloem Ratchamongkhon Line Project (Hua Lamphong - Bang Sue) on July 3, 2004, as well as ending up with the Give Book Get Back with MRT activity and visiting the foundation stone for the M.R.T. Chaloem Ratchamongkhon Line within MRT Hua Lamphong Station.

“Share2Child Activity”

The Company organized the “Share2Child activity” to widen youth’s experience in outdoor learning by inviting a group of teachers and students from Wat Paknam School (Phibunsongkhram) in Nonthaburi Province, to go on a school trip to Wat Phra Chetuphon Vimolmangklararm Rajwaramahaviharn by paying homage to the Reclining Buddha as well as travelling to learn the history at the Museum Siam, together with participation in the lecture and learning about the safety in use of the MRT system, and appreciating the Happy Blue Line exhibition, as well as making a trial running from the M.R.T. Chaloem Ratchamongkhon Line (MRT Blue Line) connecting to the M.R.T. Chalong Ratchadham Line (MRT Purple Line). This school trip activity significantly created an impression and increased knowledge of the children.

“Give Books Get Back with MRT”

The Company invited the MRT passengers to jointly donate books for children and youth, both new and second-hand books, to be gathered up and contributed to educational institutions under the Dream Learning Center for Kids by MRT program, under which the passengers jointly donated a lot of books at Lat Phrao Station and Queen Sirikit National Convention Center where received the donation. For sharing the books, the Company further delivered them to other projects, such as Mobile Library for Market People Project as initiated by Her Royal Highness Princess Maha Chakri Sirindhorn, Books For Children Foundation, Baannokkamin Foundation, the northern and southern border schools, Chiangrai Central Prison, community libraries in Nonthaburi Province. More than 22,500 books were selected and contributed to various agencies.

“Making Dream Come True with Learning Center for Kids by BEM”

The Company jointly presented learning and teaching equipment and the books donated by the MRT passengers under the Give Books Get Back with MRT program to three institutions, i.e., 1. Nursery Child Center, Suan Phak Community, Bangkok; 2. Child Development Center, Soi Suanruen Community, Wongsawang, Bang Sue, Bangkok; 3. Preschool Center in Wat Wimut Yaram, Bang Phlat District, Bangkok, to develop the education quality of kids and youth, nearby the MRT routes and the Si Rat - Outer Ring Road Expressway. The Company also continued to hold educational center development activities and recreational activities for kids and youth.

8) Activities for Development of Quality of Life on Public Health

“M Care Activity”

The Company, in association with hospitals and its partners, organized exhibition booths to provide information on health, safety, and free health checkups for MRT passengers and residents surrounding the MRT routes and nearby communities at Phahon Yothin Station and Lat Phrao Station comprising;

Health checkup service by conventional medicine namely, monitoring blood pressure, blood glucose test, pulmonary function test, exercise stress test, screening for hepatitis B / C, oral and dental checkup, initial visual test including demonstrating properly exercise, MOVE Hobbit exercise, basic life support and choking first aid, AED using, first aid plus providing knowledge and suggestion about breast cancer.

Health checkup service by alternative medicine, integrative medicine, and traditional Chinese medicine namely, providing initial health checkup together with health care suggestion plus providing service of basic body massage and body massage therapy under the physiological basis.

9) Support for Other Social Activities

“Lankilaphat 2”

The Company played a part in humbly fulfilling the royal wishes of His Majesty the late King Bhumibol Adulyadej and Her Majesty Queen Sirikit to improve the quality of life of the people which not only contributed to healthy body, but also healthy mind, by endowing a fund and joining the board of committee and the subcommittee of the Lankilaphat Project. There were pilot projects, i.e., Lankilaphat 1, located in Khlong Chan Housing Community, Bang Kapi District; and Lankilaphat 2, located under the expressway (Urupon section), Ratchathewi District.

“Joint Development of Sport Field with BEM”

The Company organized an activity for improving the quality of social life and enhancing sport skills of kids and youth residing nearby the MRT routes and the Si Rat - Outer Ring Road Expressway, titled **“Joint Development of Sport Fields with BEM”**. The Company, in association with Soi Suk San 1 Community, Bang Sue District, Bangkok, improved and developed the sport field in the community as well as providing it with sport equipment and also held a friendly futsal match between the Company’s staff and youth in Suk San 1 Community. This sport field would be available as public space for allowing youth in the community and youth nearby to play sports and exercise to improve mental and physical health of the people as a whole.

“Happy Smile Happy the Elderly”

The Company, in collaboration with Duang Prateep Foundation, organized the activity “Happy Smile Happy the Elderly” by bathing rite for Buddha images and pouring water on the hands of the revered elderly and asking for blessing, as well as delivering a lecture on safety of use the MRT system for the elderly, as well as sponsoring the luncheon, and ending with the recreational activities to bring the elderly happiness, for promoting the family institution. There were executives and staff actively participating in this activity.

“Thot Pha-pa Samakki Ceremony for 2018”

Bangkok Expressway and Metro Public Company Limited and CH. Karnchang Public Company Limited jointly hosted Thot Pha-pa Samakki Ceremony for 2018 at Wat Kalayanamitr Varamahavihara, , Bangkok, and at Wat Hongratanaram Rajawaravihara, , Bangkok Yai District, Bangkok, to participate in donation for development of educational quality and as a scholarship to Phrapariyattidhamma School, and also, to renovate the temples, preserve and nurture the Buddhism.

“Thot Kathin Samakki Ceremony for 2018”

The Company, in association with communities surrounding the expressway project route, the MRT route and the MRT passengers, together with a group of management and staff, hosted Thot Kathin Samakki Ceremony for 2018 at Wat Paknam, Nonthaburi, to participate in donation for renovation of the hall of the Buddhist temple, as well as maintaining and following the Buddhism.

10.3 **Anti-Corruption Policy**

10.3.1 **The Company’s Anti-Corruption Policy**

The Company realizes and gives priority to anti-corruption and fraud prevention, both inside and outside its organization. The Company thus formulates guidelines for the proper conduct of directors, management and staff via the code of business ethics of the Company. Furthermore, with the potential damage from corruption in mind, the Company then formulates anti-corruption policy containing the key practical guidelines as follows:

1. The Company’s staff at all levels should carry out activities with fairness, integrity, and transparency in business dealings with various agencies, provided that such activities must be lawful, and they have the duty to comply with the anti-corruption policy in the code of business ethics of the Company.
2. The Company promotes fair treatment with integrity towards its traders and compliance with any contractual commitments made with the Company’s stakeholders.
3. Executives’ and staff’s awareness must be promoted to ensure that they refrain from committing any fraud and realize the consequences of corruption.

4. Directors, executives, and staff must refrain from accepting or offering any reception, gifts, and any other payments which are extravagant and unusual to those in business dealings with the Company.
5. The Company arranges for staff training to educate them regarding the anti-corruption policy, practices, and guidelines.

The Company which operates the expressway business and the metro business did formulate and implement their respective anti-corruption policies, which can be summarized as follows:

10.3.2 Anti – Corruption Guidelines

The Company sets out measures, based on both disciplinary and legal actions, against corruption. The fact-finding must be conducted by a committee comprising representatives from the human resources department, from the department of the offender and from other units. The Managing Director is authorized to consider imposing disciplinary actions in case of written warning and termination of employment. Should the misconduct constitute embezzlement, legal action will be undertaken to protect the Company's interests. Guidelines under this policy are as follows:

1. No business dealings may be entered into with any organization or unit which is involved in corruption.
2. Disciplinary and legal actions will be imposed and instituted against such staff who are involved in corruption.

Additional Anti-Corruption Practices

The Company intends to operate its business with transparency without involvement with any corruption, in accordance with the corporate governance policy. All directors, executives and staff must perform their duties with integrity, due care, prudence and in the best interests of the Company and fairness to stakeholders, as well as free from corruption, both internal and external.

1. The Company and its subsidiaries set out policy and measures for anti-corruption and prevention of payments or acceptance of bribery, including any actions contrary to morality and customary practices, which are written in the corporate governance policy, the Company's code of business ethics, and the work rules and regulations, for compliance by all directors, executives and staff.
2. The Company is aware of business risks from both internal and external factors which may affect its operations. The Company therefore sets out a systematic risk management, monitoring and measures to continuously minimize risks. The Corporate Governance and Risk Management Committee was thus appointed to consider the policy level while the Management has the duty to supervise the overall risk management process and perform the day-to-day operation on behalf of the Corporate Governance and Risk Management Committee. Such duties include monitoring, evaluation and preparation of a risk management report at the department level for submission to the Board of Directors for information. Moreover, the risk management manual and plan are prepared as operational guidelines, including risk monitoring, evaluation and review in line with the internal and external circumstances. All work units must also prepare emergency plans for any emergency situation so as to be ready to resolve problems forthwith.
3. In order to comply with the written anti-corruption policy, the Company also builds up recognition of anti-corruption practices in the organization by way of training, using both physical and psychological approaches, to develop a positive attitude because the Company believes that decency emanates from inside out. In preparation for the application for certification of membership in Thailand's Private Sector Collective Action Coalition Against Corruption, the Company had various departments conduct a self-assessment to identify potential improvements in compliance with the anti-corruption measures in Thailand's Private Sector Collective Action Coalition Against Corruption. Moreover, the Company assigned two representatives, who are responsible for the corporate governance and the internal audit, to attend the Anti-Corruption: The Practical Guide (ACPG 15) course, organized by the Institute of Directors Association (IOD).

4. The Company surveys the compliance with the code of business ethics yearly for the management to review their conduct in accordance with the code of business ethics.
5. The Company treats misconduct relating to fraud and corruption as serious disciplinary misconduct, and any violation is subject to severe disciplinary action up to termination of employment without prior warning. The details of such misconduct are described as follows:
 - (1) Disclosure of the Company's confidential information to any third parties;
 - (2) Breach of duty and/or fraudulent acts towards the Company, including a conspiracy with others to do so;
 - (3) Abuse of position for personal interest or for the interest of others;
 - (4) Acceptance of undue consideration in relation to assigned tasks;
 - (5) Showing impolite manners or use of aggressive, threatening, insulting words or causing bodily injury to supervisors, including visitors.

11. Internal Control and Risk Management

11.1 Internal Control

The Board of Directors continues to realize the significance of its good and effective internal control system, including its good corporate governance guidelines. It believes that a good internal control system is founded on a good performance process, organization chart and work system, which could help the Company achieve goal or mission with efficiency and effectiveness, as well as minimize risk and prevent possible damage in the Company's business operations. The Board of Directors has thus authorized the Audit Committee comprising independent directors to audit the evaluation of the effectiveness of the internal control system. The Internal Audit Office, which independently performs its duty and directly reports to the Audit Committee, audits the work operation system in various departments of the Company as per the annual audit plan approved by the Audit Committee to ensure each department's efficient and effective performance of work and optimized use of its resources, as well as ensuring corruption control and prevention. This also includes the control of the work performance, the timely, accurate and reliable financial reports, as well as the compliance with the policies as well as laws and regulations of the government agencies and relevant authorities. Furthermore, the effectiveness of the internal control system is regularly reviewed to ensure the optimum benefit to the shareholders from the business operation based on fairness in terms of benefits to all stakeholders. In addition, the Audit Committee shall have the duties to consider, select and submit for the appointment of the auditor, including remuneration of the auditor, consider accurate and complete disclosure of the Company's connected transactions or any transactions which may give rise to any conflicts of interest.

11.2 Risk Management

The Board of Directors has realized the significance of using the risk management system in the administration by assigning the Corporate Governance and Risk Management Committee to supervise and review the Company's overall risks, risk management strategy, and risk alert system. This is to ensure proper and timely response to various challenges, as well as to provide training for executives and staff about the risk management guidelines for their understanding and engagement in the firmwide risk management, covering both corporate level and operational level. The Company's management takes into account various risk factors currently sustained or threatened to be sustained in the future by the Company to analyze impact and possibility of such risks and to determine measures to prevent and deal with such risks to stay at an acceptable level in line with the Company's policy, and to report to the Corporate Governance and Risk Management Committee to consider the adequacy and appropriateness. The risk management plan shall be reviewed every year, and the effectiveness of the risk management system shall be evaluated every quarter, and at any time when the risk level has changed, whereby the results are regularly monitored on a quarterly basis by the secretary to the Corporate Governance and Risk Management Committee and reported to the management and the Corporate Governance and Risk Management Committee for acknowledgment and further report to the Board of Directors. The significant risk factors and management are described in Risk Factors on pages 3-1 to 3-6.

- 11.3 The Board of Directors has evaluated the adequacy of the internal control system based on the Internal Control Adequacy Evaluation Form, taking into consideration five components, i.e., corporate internal control, risk assessment, control measures, information and communication system, and follow-up system. It was concluded that the Company's internal control system was considered adequate and appropriate to the business operation without material defect in the internal control system, and it could control and prevent corruption and improper or unauthorized use by executives or employees of the property of the Company and the subsidiaries. The financial report of the Company was accurate and reliable in accordance with the generally accepted accounting standards and the financial reporting standards. The Company's business operation was in accordance with the law on securities and exchange and other applicable laws.

The Board of Directors, the Audit Committee and the auditor were of the opinion that the Company's business operation was transparent and in accordance with the good corporate governance principles, its internal control system was suitable, effective and capable of preventing improper or unauthorized use by executives or employees of the property of the Company.

The Head of the Internal Audit Unit is Miss Vasana Wattananukulchai, General Manager of the Internal Audit Office. The Audit Committee is of the view that she has knowledge, abilities and work experience and is qualified to efficiently and adequately perform duties as the Head of the Internal Audit Unit. The appointment, removal, and transfer of a person holding an office as Head of the Internal Audit Unit shall be subject to the Audit Committee's approval. (The details are described in Attachment 3 on pages A3-1 to A3-2.)

The Head of the Compliance Unit is Mr. Phakpoom Thaweewittayarut, Deputy Managing Director - Administration and Company Secretary, having knowledge on laws and accounting, abilities and work experience in the position of Company Secretary for a long time, who shall be responsible for compliance matters. (The details are described in Attachment 3 on page A3-3.)

12. Connected Transactions

12.1 Criteria and Procedures for Approval of Execution of Connected Transactions

Transactions with persons who may have a conflict of interests are subject to the conditions and criteria in the ordinary course of business. The execution of connected transactions and transactions with a conflict of interests are in accordance with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

In the consideration and approval of any connected transaction, the Company shall propose such matter to the Board of Directors' Meeting, in which the directors having any involvement which may give rise to a conflict of interests shall not be entitled to attend and vote on such matter. Furthermore, the Audit Committee, as assigned by the Board of Directors, shall consider the disclosure of the Company's information in respect of the connected transaction or the transaction which may have a conflict of interests, to ensure accuracy and completeness.

In respect of connected transactions with general commercial terms which the Company and its subsidiaries have or may have in the future, the Company already requested approval in principle from the Board of Directors' Meeting.

12.2 Policy or Trend of Future Connected Transactions

The Company shall comply with the requirements and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the rules on disclosure of information on connected transactions and acquisition and disposition of material assets of the Company and its subsidiaries, including the accounting standards as prescribed by the Federation of Accounting Professions. In case there is any transaction which may have a conflict of interests in the future, for example, hire of a group of persons who may have a conflict of interests for construction, project management, maintenance, the Board of Directors, together with the Audit Committee, will consider the necessity and justification for execution of such transaction, as well as pricing and conditions on the execution of such transaction whether they are in the ordinary course of business, and in comparison with third party prices or market price, provided that the interested parties shall not take part in the consideration and approval for execution of the transaction. The Company has no policy for lending loans or providing guarantee to any person who may have a conflict of interests in accordance with the definition of the SEC Office.

In case that the Audit Committee has no expertise to consider any potential connected transaction, the Company will arrange for an independent expert or the Company's auditor to provide an opinion on such connected transaction in support of the decision-making by the Board of Directors and/or the Audit Committee or shareholders, as the case may be. In this regard, the Company discloses its connected transactions in the Company's notes to the financial statements as audited or reviewed by the Company's auditor.

12.3 Connected Transactions of the Company and the Subsidiaries with Persons who May Have a Conflict of Interests for 2018 and 2017

1. Transactions of the Company and its Subsidiary with CH. Karnchang Public Company Limited (“CK”)

CK engages in the construction business and a full range of development, investment, and management of large-scale infrastructure concession projects within the country and the region. CK is also the Company’s related company since CK is the Company’s major shareholder, holding shares in the Company representing 30.83 ¹ percent of the Company’s registered and paid-up capital. CK and the Company also have common directors and executives, namely, (1) Mr. Plew Trivisvavet (2) Mr. Phongsarit Tantisuvanitchkul and (3) Mrs. Payao Marittanaporn who is the spouse of Mr. Prasert Marittanaporn.

Transaction	Transaction Volume (Million Baht)		Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Design and Construction of the Connection between the Si Rat – Outer Ring Road Expressway and the northern part of the Si Rat Expressway (Heading to Chaeng Watthana) - Construction cost - Trade payable	217.25 2.71	57.75 34.43	The Company engaged CK for design and construction of the connection between the Si Rat - Outer Ring Road Expressway and the northern part of the Si Rat Expressway (heading to Chaeng Watthana), with the total value of Baht 275 Million, for a construction period not exceeding 18 months. The work price was already considered by the independent engineer and deemed reasonable.

¹ Information as at the latest closing date of the share register for suspension of the share transfer of the Company on September 5, 2018

Transaction	Transaction Volume (Million Baht)		Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Inspection and Repair of the Structures of the Si Rat Expressway			
- Costs of inspection and repair of the structure of the Si Rat Expressway	28.91	30.17	The Company engaged CK for inspection and repair of the structures of the Si Rat Expressway as follows:
- Trade payable	1.83	0.90	<p>1) No. 3, Phase 5: The Company executed an engagement contract on September 26, 2016, in the amount of Baht 32,341,810, with a term of 10 months from the date of the contract signing.</p> <p>2) No. 4, Phase1: The Company executed an engagement contract on September 1, 2017, in the amount of Baht 24,884,140 with a term of 12 months from the date of the contract signing. The Company also executed the Variation Order for additional works in the amount of Baht 985,706.</p> <p>3) No. 4, Phase 2: The Company executed an engagement contract on August 27, 2018, in the amount of Baht 31,920,642, with a term of 12 months from the date of the contract signing.</p> <p>The work prices were reasonable and lower than the prices as assessed by the Company and the independent certified engineer.</p>

Transaction	Transaction Volume (Million Baht)		Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Interest Income from Ordinary Share Subscriptions Receivable Bangkok Metro Public Company Limited - Interest income	-	12.91	<p>On July 2, 2015, the Company sold its 2,050,134,895 shares in Bangkok Metro Public Company Limited to CK, at the price of Baht 1.79 per share. The Company received the share payment on the transaction date in the amount of Baht 2,000 Million. The remaining payment was gradually made until made in full by August 2017. The interest income for such share payment in 2017 amounted to Baht 12.91 Million.</p> <p>The selling price of shares was reasonable and comparative to the market price. Such price was concluded after negotiation and agreement based on the weighted average price of shares in Bangkok Metro Public Company Limited for the past 60 days, less discount of approximately 5 percent due to big lot trading. The conditions on payment were set to enable the Company to sell all such shares on a single occasion at the agreed price.</p>

Transaction	Transaction Volume (Million Baht)		Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the M.R.T. Chaloem Ratchamongkhon Line Project (MRT Blue Line)			
- Cost of maintenance of civil infrastructure and electrical and mechanical systems	144.45	90.95	<p>On November 17, 2015, the Company executed the Project Management Agreement engaging CK for Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the M.R.T. Chaloem Ratchamongkhon Line Project (MRT Blue Line) for a period of 8 years, with the total contract value of Baht 1,270 Million.</p> <p>Subsequently, on August 29, 2018, the Company executed the Amendment Agreement with CK for Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Blue Line Extension Project, for a period of 8 years and 6 months, together with the extension of the contract term of the M.R.T. Chaloem Ratchamongkhon Line Project for another 3 years and 5 months to end at the same time as the Agreement for the MRT Blue Line Extension Project, as well as adjustment and replacement of the expired M&E Systems of the M.R.T. Chaloem Ratchamongkhon Line Project, with the total contract value of Baht 2,778 Million, which was considered an integral part of the aforesaid Project Management Agreement.</p> <p>Such work value was reasonable and lower than that as appraised by the independent certified engineer.</p>
- Replacement of M&E Systems	70.47	-	
- Trade payable	118.62	22.74	

Transaction	Transaction Volume (Million Baht)		Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Civil Infrastructure and Electrical and Mechanical Systems Maintenance, including Maintenance of Elevators and Escalators inside the Metro Stations, Elevated Structures and Depot, as well as Supply of Equipment, Tools, Spare Parts and Personnel for Maintenance Services for the MRT Purple Line Project			
- Cost of maintenance of civil infrastructure and electrical and mechanical systems	209.97	211.70	<p>On November 17, 2015, the Company executed the Project Management Agreement with CK for Civil Infrastructure and Electrical and Mechanical Systems Maintenance, including maintenance of elevators and escalators inside the metro stations, elevated structures and depot, as well as supply of equipment, tools, spare parts and personnel for maintenance services for the MRT Purple Line, for a period of 8 years from November 17, 2015 to November 16, 2023, with the contract value of Baht 1,520 Million.</p> <p>Subsequently, on December 14, 2016, the Company additionally executed the Project Management Agreement with CK for Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Purple Line, with the contract value of Baht 155 Million, for a period of 7 years from January 1, 2017 to December 31, 2023.</p> <p>Such work value was reasonable and lower than that as appraised by the independent certified engineer.</p>
- Improvement of civil infrastructure in stations and depot, as well as the supply of related spare parts and equipment.	-	65.00	
- Trade payable	80.60	61.17	

Transaction	Transaction Volume (Million Baht)		Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Project Management, as well as Supply, Installation, and Test Run and Commissioning of M&E Equipment for the MRT Blue Line Project - Project management cost - Trade payable	8,116.55 521.21	8,789.07 1,170.14	<p>On June 20, 2017, the Company executed Project Management Agreement with CK for Project Management, as well as Supply, Installation, and Test Run and Commissioning of M&E Equipment for the MRT Blue Line Project, in the total amount of Baht 19,643 Million.</p> <p>Subsequently, on February 9, 2018, the Company executed the Variation Order engaging CK for management of construction and improvement of the administrative building in the area of Huai Khwang Depot, as well as supply and installation of the (additional) M&E Equipment for the MRT Blue Line Project, for a total value of Baht 558 Million, whereby it shall be deemed as an integral part of the aforesaid Project Management Agreement.</p> <p>Later, on July 12, 2018, the Company executed the Variation Order for expediting the opening of the train operation ahead of schedule and installation of the telecommunication network system inside metro stations of the MRT Blue Line Extension Project, in the total amount of Baht 898 Million, and the scope of works under the existing Agreement remained unchanged.</p> <p>The work value was reasonable and lower than that as appraised by the independent certified engineer.</p>

Transaction	Transaction Volume (Million Baht)		Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Office Space Lease in Viriyathavorn 2 Building - Office space rental and service charge - Trade payable	7.88 0.08	7.89 0.07	<p>The subsidiary: Bangkok Metro Networks Limited (“BMN”) entered into the office space lease agreement in Viriyathavorn 2 Building with CK, for the term of 3 years, ending on July 9, 2019.</p> <p>The office rental rate was comparable to the rental rates charged by the lessor to third party lessees.</p>

2. Transactions of the Company and its Subsidiary with Mass Rapid Transit Authority of Thailand (“MRTA”)

MRTA engages in mass rapid transit business and other business for the benefit of Mass Rapid Transit Authority of Thailand and the people in using the mass rapid transit service. MRTA is connected with the Company since MRTA holds shares in the Company representing 8.22² percent of the Company’s registered and paid-up capital. In this regard, MRTA and the Company have a common director, namely, Mr. Yuttana Yimgarund, and MRTA’s executive, namely, Mrs. Natamon Bunnak, is a director of the Company.

Transaction	Transaction Volume (Million Baht)		Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Remuneration from Farebox Revenue and Commercial Development Revenue			
- Remuneration from farebox revenue and commercial development revenue	355.66	384.81	The transaction was in accordance with the conditions of the Concession Agreement with which the Company is required to comply.
- Prepaid project remuneration	3,495.20	2,487.43	
- Building and land taxes	1.59	3.56	
- Trade and other payables	125.15	111.93	

² Information as at the latest closing date of the share register for suspension of the share transfer of the Company on September 5, 2018

Transaction	Transaction Volume (Million Baht)		Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Space Lease for Advertising Board Installation - Remuneration for use of space - Building and land taxes	0.99 10.23	0.12 6.78	BMN took on space lease for advertising board installation, as follows: 1) in the vicinity of Park & Ride Building at the MRT Lat Phrao Station. 2) in the vicinity of the connection to Central Plaza Grand Rama 9 at Phra Ram 9 Station. 3) in the vicinity of the connection building to the feeder system at Sukhumvit Station, for 11 spots. The rental rate was reasonable.

3. Transaction of the Company with CK Power Public Company Limited (“CKP”)

CKP operates its core business as a holding company by holding shares in other companies engaging in the business of production and sale of electricity generated from various kinds of energy and provision of consulting service and other services related to electricity production projects. CKP is connected with the Company since the Company holds shares in CKP as of December 31, 2018, representing 17.83 percent of its registered and paid-up capital. CK is a major shareholder of the Company and CKP, namely, as at September 5, 2018, CK holds shares in the Company representing 30.83 percent of its registered and paid-up capital, and as at April 20, 2018, CK holds shares in CKP representing 27.41 percent of its registered and paid-up capital. In this regard, CKP and the Company have a common director, namely, Mr. Plew Trivisvavet, and CKP’s director, namely, Mr. Prasert Marittanaporn, is the spouse of Mrs. Payao Marittanaporn, the Managing Director of the Company and acting Managing Director of NECL.

Transaction	Transaction Volume (Million Baht)		Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Capital Gains from Disposal of Shares in Xayaburi Power Company Limited	244.16	-	On June 28, 2018, the Company disposed of all of its shares in Xayaburi Power Company Limited to CKP, with the capital gains from such disposal of shares in the Consolidated Income Statements in the amount of Baht 244 Million. Such connected transaction was executed in accordance with the ordinary course of business and had the general trading conditions as approved in principle by the Audit Committee and the Board of Directors.