

## 9. Corporate Governance

### 9.1 Good Corporate Governance

The Board of Directors has realized the importance of the Good Corporate Governance which is necessary to the business operation to achieve sustainable growth, and to increase transparency, competitiveness, and confidence among shareholders, investors, and all stakeholders. The Board of Directors, therefore, mutually agrees to stipulate the new Corporate Governance Policy to cover principle and guideline practices following the Principles of Good Corporate Governance for Listed Companies 2017 of the Securities and Exchange Commission which aims to establish sustainable value to the organization and to establish the confidence among all stakeholders by covering the principles as follows:

Principle 1	Establish Clear Leadership Role and Responsibilities of the Board
Principle 2	Define Objectives that Promote Sustainable Value Creation
Principle 3	Strengthen Board Effectiveness
Principle 4	Ensure Effective CEO and People Management
Principle 5	Nurture Innovation and Responsible Business
Principle 6	Strengthen Effective Risk Management and Internal Control
Principle 7	Ensure Disclosure and Financial Integrity
Principle 8	Ensure Engagement and Communication with Shareholders

#### Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Company has a policy to stipulate clear leadership role and responsibilities of the Board apart from roles and responsibilities stipulated by law, objectives, and regulations of the Company, and the resolution of the shareholders' meetings. The Board of Directors has a role and responsibilities to determine visions, missions, objectives, policies, direction of operation, strategic plan, plan, and the Company's annual budget, as well as to evaluate, monitor, and report on performance. This also includes determining the communication of role and responsibilities to the Board, the Sub-Committees, the management and the employees of the Company to ensure the understanding and the awareness of leadership role and responsibilities among the Board of Directors and all parties.

The Company appoints the Audit Committee to support, examine, and monitor the operation and management to be in accordance with legislation, policy, plan, and stipulated annual budget. In addition, the Company explicitly stipulates the scope of role and responsibilities of the Sub-Committees and Chief Executive Officer.

Moreover, the Company has established the Charter for the Board of Directors and the Sub-Committees and ensured the acknowledgement of the Charter among the Board and the Sub-Committees. The Charter is determined to be consistently revised for further amendment, following the Company's direction. Apart from this, the Company has established the Business Code of Conduct and policies relating with corporate governance as practice guidelines for corporate governance to ensure that the business operation is performed with morality, right respect, and responsibilities toward shareholders and stakeholders, as well as to ensure that the business operation is beneficial to the society and the environment, including adaptable under changing environments.

## Principle 2 Define Objectives that Promote Sustainable Value Creation

The Board of Directors should define clear corporate visions, missions, and values to be in accordance with the corporate direction, as well as goals of business operation which are communicated to all stakeholders for their understanding of corporate objectives and main goals and for all personnel levels of the organization to follow as practice principles to achieve the stipulated objectives and goals.

The Company places an importance upon strengthening foundations for the growth of the group of companies by focusing on corporate culture establishment as well as promoting the efficient utilization of innovation and technology to create the utmost customer satisfaction, including the monitoring of utilization of the Company's assets with maximum efficiency and effectiveness.

The Company has a policy to revise and consider the stipulation of strategic plan and the budget every year to ensure that the strategic plan and the budget are in accordance with the economic situation and corporate proficiency. Therefore, Chief Executive Officer is authorized to monitoring and following the operation to be in line with the stipulated strategy and the budget.

## Principle 3 Strengthen Board Effectiveness

The Company has a policy to stipulate the board structure to be in accordance with the business and the size of the Company, and with the stipulated law. The Board consists of no less than 5 Directors who are eminent persons whose qualification, skill, expertise, and experience are beneficial to the Company. The skills comprise business, education, accounting and finance, and investment which lead to the Board diversity. In addition, they should be person of morality with good attitude toward the organization. Moreover, the composition of the Board shall reflect appropriate balance of power between Executive Directors and Non-Executive Directors, and the numbers of the Independent Directors shall be more than half of the total numbers of Directors.

The qualification of the Independent Directors, the Company shall consider the qualification pursuant to Notifications of the Capital Market Supervisory Board. However, there are more stipulated qualification of the Independent Directors by the Company as follows:

- Holding shares not to exceed more than 0.5% of the total voting rights of the Company, parent company, subsidiary, associate company, major shareholders, or a controlling person of the Company, including shares held by related persons of such independent director;
- Neither being nor having been an Executive Director, employee, staff, or advisor who receives regular salary from the Company, or personal advisor of the controlling person of the group of companies, associate companies, or related companies with no benefits or conflict of interest as indicated above for no less than 3 years.
- Neither having any business relationship such as being customer, trading partner, creditors, loans payable, and loans receivable, etc., nor having any benefit or conflict of interest in terms or finance and management of the Company and the group of companies directly or indirectly;
- Being associate or related companies with no independency;
- Neither being closed cousin nor having other relationships which may cause the lack of independency to executives, major shareholders of the Company, the group of companies, associate companies, or related companies, as well as not having been appointed as a representative to maintain the benefit of the management or the major shareholders;
- Not being nor having been the auditor of the Company, subsidiary, associate company, or juristic persons which may cause conflict, as well as not being major shareholder, Director, executive, or

partner of the audit office which employs the auditor of the Company, subsidiary, associate company, or juristic persons with possible conflict of interest, unless the foregoing relationship ended not less than three years prior to the appointment as an Independent Director.

The Company has a policy to appoint 1 Independent Director to be Chairman of the Company who shall not be the same person as Chairman of the Executive Board or Chief Executive Officer as well as not being in any position in the Sub-Committees to ensure clear responsibilities between policy stipulation, corporate governance, and regular management.

The Company stipulates that the meeting of the Board of Directors shall not be held less than 6 meetings per year and the Directors shall attend every meeting unless there is a necessity of which is no less than 75% of the total numbers of the Board meeting held in certain year. To encourage dedication to the Company with sufficiency and efficiency, each Director can serve a position in other companies must follow the principles as follows:

- A Director can serve a position in SISB Public Company Limited, subsidiary, and associate company;
- Each Director can serve the Director position in other listed companies, not exceed 5 companies in total, and each Executive Director can serve positions in other listed companies not exceed 2 companies in total;
- A Director shall not own a business, be a partner, or serve as the Director of other companies which engage in the same nature and in competition with the business of the Company business as the Company and in the businesses which are the competitors of the Company, unless the matter is informed to the shareholders' meeting prior to the appointment. However, the exception is applied to the Director of the subsidiary.

The Company should explicitly disclose the information of Directors and executives such as age, education, experience, shareholding percentage, years of service as Director, numbers of meeting participation, Director position in other listed companies, role and responsibilities, performance report of the Sub-Committees in the company's **Annual Registration Statement** (Form 56-1) and Annual Report.

To ensure the explicit process of the Company's Director appointment, the Board of Directors is responsible for selecting persons with appropriate knowledge, skill, and experience who can perform the duties which are beneficial to the Company's business pursuant to stipulated regulations and process. The nomination will be further proposed to the meeting of the Board and/ or the shareholders for consideration of appointing the Company's Directors of the Company. In addition, the Company shall disclose the remuneration of the Board received in cash or non-cash in the **Annual Registration Statement** (Form 56-1) every year.

In addition, the Company appoints the company secretary to take care and provide suggestion to the Directors and executives upon the matter concerning practices pursuant to legislation, rules, and regulations of the Company as well as to monitor in order to ensure the accurate and consistent practice. The company secretary is also responsible for holding meetings of the Board and the shareholders, as well as overseeing the compliance to the resolution of the meeting, including other duties as stipulated by law.

#### **Principle 4      Ensure Effective CEO and People Management**

The Company explicitly stipulates the succession plan of the Company's Chief Executive Officer, the top executive position of the organization, to ensure the continuity of the business operation. In addition, the appropriate

remuneration policy is established to motivate Chief Executive Officer and important executives who have dedication to work for the utmost benefit of the Company and the shareholders of the Company.

The Company has a policy to provide knowledge development programs to important Directors and executives by participating trainings held by several organizations to promote knowledge and new ideas. The Company also organizes projects for executive development which benefit the consideration of the succession. In addition, the Director manual and orientation are established for the new Directors to learn about the Company's information and related information on business operation and other related rules and regulations.

The performance evaluation of Chief Executive Officer and important executives is performed at least once a year to consider the remuneration and to develop the work efficiency by using the SET's evaluation principle.

## Principle 5 Nurture Innovation and Responsible Business

Since the Company's business engages in education which mainly depends on quality education service significantly provided students, the Company has a policy to promote the application of innovation and technologies with development of quality education service to serve the demand and interest of students and parents.

The Board of Directors has realized the rights of all stakeholders, whether internal or external stakeholders, to establish good understanding and cooperation between the Company and the stakeholders, providing benefit to the Company and establishing confidence. This also increases the Company's long-term competitiveness. Therefore, the Company has stipulated the policy and practice guidelines as follows:

- 1. Shareholders** :
  - The Company determines to be a good representative of the shareholders to perform the business with caution, attentiveness, trustworthiness, and transparency with the realization of long-term growth of the Company's value;
  - The Company determines to ensure the compliance with the principles of the Good Corporate Governance;
  - The Company provides accurate and verifiable disclosure of information in its financial statements and other reports;
  - The Company provides appropriate internal control system and risk management system which cover all aspects.
- 2. Teacher Staff** :
  - The Company provides fair and appropriate remuneration in alignment with knowledge, proficiency, responsibilities, and performance of each staff;
  - The Company consistently encourages professional proficiency development of the staff;
  - The appointment and transfer are based on the knowledge, proficiency, and appropriateness, as well as behavior or performance of certain staff;
  - The Company is always committed to maintain good work environment with safety toward life, physical health, and assets of staff;
  - Opinions and suggestions of all levels of staff are treated with equality;
  - Staff are encouraged to understand the ethics and roles to promote ethical behaviors across the Company.

3. **Trading Partners** :
  - The Company shall comply with conditions agreed with trading partners and creditors. Upon any non-compliance with the conditions, the matter must be informed in advance to mutually seek for solution and to prevent any possible damage;
  - The Company will not ask for or receive or pay any fraud benefit when carrying out business with trading partners, debtors, or creditors;
  - The Company is committed to provide accurate, complete, verifiable financial reports.
4. **Creditors** :
  - The Company shall comply with conditions agreed with trading partners and creditors. Upon any non-compliance with the conditions, the matter must be informed in advance to mutually seek for solution and to prevent any possible damage;
  - The Company will not ask for or receive or pay any fraud benefit when carrying out business with trading partners, debtors, or creditors;
  - The Company is committed to provide accurate, complete, verifiable financial reports.
5. **Students** :
  - The Company is committed to nurture positive ethics and work efficiency among all students by cultivating the qualities of self-confidence, respecting others and oneself, responsibility toward one's own action, and self-learning;
  - The Company is committed to nurture acceptance and acknowledgement of responsibility toward one's own decision and actions, as well as consequences and disciplines for efficient learning, attitude development, and value toward life among students;
  - All students are expected to commit to integrity and to uphold culture, tradition, and belief of the school in order to promote good work environment;
  - Positive behaviors are encouraged and emphasized among our students and unfavorable behaviors are reduced. These can be achieved with the cooperation of all parents;
6. **Parents** :
  - All comments and suggestions from parents are welcomed through the encouragement of open-communication for the parents to receive complete information and news in a timely fashion;
  - All information of parents and practices are strictly followed pursuant to related regulations;
  - Knowledge and skill development of the parents are encouraged through activities of school and parent representative group;
  - The Company is committed to provide cooperation and to strictly follow the intention of the policy concerning the parents.
7. **Competitors** :
  - The Company determines to perform under good competition rules;
  - The Company refuses to destroy competitors' reputations with defamatory and untruthful statements.

- 8. Communities and Society** :
- The Company' business operation is committed to responsible business conduct toward community, society, and environment;
  - The Company provides supports to social activities such as English teaching project for the community;
  - The Company will not support any socially-jeopardized activities, morally-jeopardized activities, and vice promoting activities;
  - The Company is committed to provide cooperation and to strictly follow the intention of the laws and relating regulations.

#### **Principle 6      Strengthen Effective Risk Management and Internal Control**

The Company has a policy to establish the internal control system covering all aspects in terms of finance and operation in accordance with related laws, rules, and regulations, as well as to implement efficient and adequate examination and balance mechanisms to consistently protect the Company's assets. In addition, the authorization of approval process and responsibilities of the executives and the staff can be mutually examined and balanced. The regulations are in a written form.

For the independency of the internal control agency to completely perform the examination, the Company has outsourced an independent auditor to examine the operation of all units to ensure their compliance with the stipulated regulations, as well as to evaluate the efficiency and adequacy of the unit's internal control system. The auditor directly reports to the Audit Committee and will receive the evaluation from the Audit Committee.

The Company stipulates that the Board of Directors establish the risk management policy to thoroughly cover the whole organization, as well as to ensure the existence of the system or the process of the risk management with standard and the controlling method to reduce impacts on the Company's business with appropriateness.

In addition, the Company places an importance upon anti-corruption by establishing a clear anti-corruption policy and communicating to related persons for acknowledgement and practices. Furthermore, the handling complaints and whistleblowing are established as mechanisms to ensure the compliance with stipulated corporate governance policies of the related persons.

#### **Principle 7      Ensure Disclosure and Financial Integrity**

The Company is committed to ensure the compliance with law, rules, and regulations relating to the disclosure of information by placing an emphasis on the accurate, complete, and transparent disclosure of information in terms of the Company's information, financial information, and non-financial information for the related persons' fair acknowledgement of the information through the following implementations:

- 1      Disclose the shareholders' structure with transparency
- 2      The annual report must disclose, at least, the following information, as follows:
  - Financial statements and operating results
  - Business operation and competition
  - Risk of business operation
  - Profiles of the Board and the executives
  - Information of Independent Directors

- Principle of remuneration of Directors
- Policy and principle of remuneration of top executives
- Disclosure of individual Director's remuneration
- Disclosure of each Director's meeting attendance record

3 The disclosure of connected transaction must be disclosed or receive the approval from the shareholders pursuant to the notification of the Capital Market Supervisory Board regarding rules on Connected Transactions prior to entering the transaction. In addition, there should be at least the information, namely, of name of the person who enters the connected transaction, relationship, transaction characteristics, conditions, pricing policy, transaction value, and reasons for entering the transaction.

4 The Directors and executives shall report on their securities holding and/or changing to the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act B.E. 2535, and shall report to the meeting of the Board for acknowledgement every year.

5 Upon receiving news and information relating to the Company's business such as acquisitions or important incidents which should be known by the shareholders, although those are neither applicable to any regulation to ask for the approval from the shareholders' meeting nor comply with the law of information disclosure, the Company will disclose such information to shareholders or other investors on the websites of the Company or the Stock Exchange of Thailand.

The Board of Directors is responsible for preparation of Annual Report, the **Annual Registration Statement** (Form 56-1), the Company's Financial Reports, and financial information as appeared in the Annual Report. The financial report preparation is prepared in accordance with the general accepted accounting standard through the implementation of appropriate accounting policy which has been consistently practiced, the careful consideration of preparation with adequate disclosure of important information in the notes to the financial statements. The Board of Directors has assigned the Audit Committee to supervise the quality of the financial reports and to provide opinion to the Board. In addition, the Company's external auditor is independent and creditable and certified by the Securities and Exchange Commission as auditor or reviewer of the Company's financial statements.

The Company is committed to disseminate the information of the Company to the shareholders and the public through channels and information dissemination channels of the Stock Exchange of Thailand, and the Company's website. The Company's implementation of information dissemination has been an importance and strictly implemented as follows:

The Board of Directors has assigned Mr. Yew Hock Koh, Chief Executive Officer, to make contact and provide information to the shareholders, investors, securities analysts, or related organizations, including any person. The information must be accurate, complete, and verifiable.

## **Principle 8      Ensure Engagement and Communication with Shareholders**

The Company has a practice policy and protect the rights of all shareholders with equality and fairness, covering non-executive shareholders or executive shareholders, Thai shareholders or foreign shareholders, and major shareholders or individual shareholders. The Company has provided an option for the shareholders who are not able to attend the shareholders' meeting to appoint Independent Directors or other persons as their proxies in order to attend the meeting and cast the votes on behalf of the shareholders. In addition, the individual shareholders can nominate persons in the position of Directors in advance at appropriate time. The shareholders' meeting will be performed pursuant to the Company's articles of association, following the meeting's agendas. In each agenda, the details are completed proposed with clear information for consideration. There will be no agenda added without

informing the shareholders in advance, especially an agenda which is important to the shareholders and it requires adequate time to study the information for making any decision.

Furthermore, the Company has realized and placed an importance upon the fundamental rights of the shareholders such as the rights to trade or transfer securities, the rights to receive the profit sharing from the business, the rights to receive adequate information of the business, the rights to attend the meeting and exercise their voting rights at the shareholders' meeting to appoint or remove the Directors from the position, to appoint the auditor, and other matters which have impacts on the Company such as allocation of dividend, stipulation or amendment of articles of association and memorandum of association, capital decrease or increase, etc.

Apart from the aforementioned fundamental rights, the Company also encourages and facilitates the shareholders' rights exercising as follows:

1. Deliver meeting's notification letter to the shareholders at least 7 days prior to the meeting date. The date, time, venue, proposed meeting agenda, and other information concerning meeting decision are completely provided;
2. When a shareholder cannot attend the meeting, the Company provides an opportunity for the shareholders to appoint an Independent Directors or any person to act as a proxy to attend the meeting, using one of the proxy forms attached to the notice of the meeting;
3. Provide an opportunity for the shareholders to ask questions and provide opinion and suggestions with no obstruction;
4. After the completion of the meeting, the Company will prepare the minutes of the shareholders' meeting encompassing all information with accuracy and completeness and can be examined by the shareholders.

The Company indicates the opinions of the Board in the meeting's notification letter which will be delivered to the shareholders in advance within the period specified by the SEC or the SET to allow the shareholders to have adequate time to study the information before attending the shareholders' meeting. In addition, the shareholders will receive the information through the SET's electronic media, the Company's website, and disclosure of information to the media pursuant to the Public Limited Companies Act. However, the Company's Board of Directors shall mutually join the shareholders' meeting, especially Chairman of the Sub-Committees, for instance, Chairman of Audit Committee.

The Company's Board of Directors has stipulated the measures to prevent misuse of internal information, Insider Trading Policy, of related persons, including the directors, executives, staff, employees, those responsible for related functions, as well as their spouses, and minor children. The punishment relating to the disclosure of information or misuse of internal information for one's own benefit has been established. In addition, the Directors and executives of the Company have been provided with knowledge concerning their duties to report securities holding in the Company of themselves, spouses, and minor children, as well as to report changes in securities holding to the Securities and Exchange Commission and the Stock Exchange of Thailand pursuant to Section 59 and Penalty Clause pursuant to the Securities and Exchange Act B.E. 2535.

## 9.2 Sub-Committees

The management structure of the Company comprises the Board of Directors and the Audit Committee. Qualifications of the Audit Committee shall be in accordance with Section 68 of the Public Company



Limited, B.E. 2535 and relevant notifications of the Capital Market Supervisory Board. The scope of powers and duties of Board of Directors and the Audit Committee are as follows:

#### **9.2.1 Scope of Powers and Duties of the Board of Directors**

1. The Board of Directors shall have the power, duties and responsibilities of managing businesses of the Company to comply with the law, objectives and the Articles of Association of the Company including lawful resolutions of the general meeting of shareholders and shall have the fiduciary duty and duty of care for the interest of the Company.

2. The Board of Directors shall hold an Annual General Meeting of shareholders within four months after the end of the financial year of the Company.

3. There shall be at least one Board of Directors' meeting every three months.

4. The Board of Directors shall put in place an appropriate and effective accounting system and shall ensure that the financial reporting and auditing are reliable. Sufficient and appropriate internal control and an internal audit shall also be put in place.

5. Balance sheets and profit and loss statements of the Company shall be prepared at the end of each accounting period. Audited balance sheets and profit and loss statements shall be provided to the general meeting of shareholders for approval.

6. The Board of Directors shall set out business goals, directions, policies and plans including budgets for the Group and shall monitor and supervise the administration and management of the Group to comply with the policies, work plan and budgets including relevant laws, notifications, regulations and requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in such matters as connected transactions, the acquisition or disposal of material assets to the extent that it is not contradictory to or inconsistent with other laws.

7. The Board of Directors shall review, verify and approve business expansion plans, major investments and joint investments with other business operators as proposed by the executives.

8. The Board of Directors shall monitor operating results to comply with work plans and budgets.

9. The Board of Directors shall determine risk management policies to apply throughout the organisations and shall put in place a system or procedure to manage risks to mitigate appropriately mitigate impact on the business of the Company.

10. The Board of Directors shall determine management structure and shall have the power to establish sub-committees and appoint The Chairman of the Executive Committee and other sub-committees as may be appropriate and shall determine relevant scope of powers and duties.

The delegation of powers and duties shall not be such that the sub-committees, Chairman of the Executive Committee and other committees will be able to consider and approve transactions with the Company or its subsidiaries (if any) in which they have possible conflict of interests except for the approval of transactions which are in accordance with the policies and criteria considered and approved by the Board of Directors.

11. The Board of Directors shall prepare an annual report of the Board of Directors and shall be responsible for the preparation and disclosure of financial statements to show financial positions and operating results of the previous year and propose to the general meeting of shareholders for consideration and approval.

12. The Board of Directors may delegate its power to any one director or directors or such other persons to perform any tasks on its behalf and subject to its supervision and control. Such delegation of power and the period thereof shall be as the Board of Directors may consider appropriate and may be terminated or revoked, amended or varied as the Board of Directors may consider appropriate.

The delegation of powers shall not be such that the delegated person will be able to consider and approve transactions with the Company or its subsidiaries (if any) in which they have possible conflict of interests except for the approval of transactions which are in the normal course of business of the Company or are in accordance with the policy and criteria already considered and approved by the Board of Directors subject always to the requirements, conditions and methods in relation to connected transactions and acquisition or disposal of material assets of listed companies under the notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or such other notifications of relevant agencies.

#### 9.2.2 Scope of Powers and Duties of the Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;

3. To review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business;

4. To ensure that the Company puts in place the required risk management policy;

5. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;

6. To review the connected transactions, or the transactions that may lead to conflict of interests, to ensure that they comply with the laws and the regulations of the Stock Exchange of Thailand, are reasonable and are for the best interest of the Company;

7. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information:

(a) an opinion on the accuracy, completeness and creditability of the Company's financial report;

(b) an opinion on the adequacy of the Company's internal control system;

(c) an opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the Company's business;

(d) an opinion on the suitability of an auditor;

(e) an opinion on the transactions that may lead to conflict of interests;

(f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member;

(g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the Charter; and

(h) other transactions which, according to the Audit Committee's opinion, should be disclosed to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and

8. To have the power to seek, at the Company's expense, independent opinion from professional advisers as may be necessary; and

9. to perform any other act as the Company's Board of Directors may assign, with the approval of the Audit Committee.

### 9.2.3 Scope of Powers and Duties of Nomination and Remuneration Committee

1. Recommend the structure, size and composition of the Board of Directors and various sub-committees that are appropriate for the nature of the business of the Company.

2. Specify qualifications, criteria, and methods for nominating directors, sub-committee and the Chief Executive Officer of the Company. Consider and select suitable candidates for knowledge, experience, and expertise to nominate names to the Board of Directors and / or the shareholders' meeting for further appointment (depending on the case).

3. Consider the compensation structure, guidelines and criteria for compensation (whether in cash, securities or any other form) for the directors, sub-committee and the Chief Executive Officer of the Company to be appropriate, fair and aligned with the Company's strategic goals, accountability and responsibility. And in accordance with relevant laws, the determined remunerations should be in a comparable level with the industry practice including compensation scale, bonus and salaries increment for directors, sub-committee and the Chief Executive Officer of the Company in order to propose to the Board of Directors meeting and / or shareholders meeting for further consideration (depending on the case).

4. Propose the performance assessment criteria to the Board of Directors in order to evaluate work efficiency of directors and the sub-committees as a whole

5. Evaluate the Chief Executive Officer of the Company and present to the Board of Directors for consideration.

6. Review or comment on professional development of the Chief Executive Officer and executive management in order to prepare for succession plans in case of the Chief Executive Officer or executives management in that position are retired or unable to perform their duties to ensure the Company's management to continue operating

7. Review the charter of the Nomination and Remuneration Committee at least once a year to propose to the Board of Directors for approval.

8. Perform other duties as assigned by the Board of Directors.

### 9.2.4 Scope of Powers, Duties and Responsibilities of the Chief Executive Officer

1. To supervise and carry out and/or manage day-to-day business operations of the Company;

2. To prepare policies and business plans including business strategies and annual budgets of the Company for proposal to the Board of Directors of the Company for approval;

3. To supervise operations of the Company to ensure compliance with the policies, work plan and budgets approved by the Board of Directors and to audit, monitor and evaluate operating results of the Company to ensure compliance with the policies, and to report operating results and work progress to the Audit Committee and the Board of Directors;

4. To consider and approve transactions in the normal course of business of the Company which are carried out in accordance with the investment budget or budgets approved by the Board of Directors. The number of budgets for each transaction shall be as provided under the Authority Table that was approved by the Board of Directors which shall not exceed the annual budget approved by the Board of Directors and to consider and approve the entry into relevant contracts;

5. To have the power to consider and approve payments for the normal course of business of the Company that are within the budgets approved by the Board of Directors and in accordance with the Authority Table approved by the Board of Directors;

6. To have the power to approve matters relating to human resources, employment and placements of employees, determination of wages, salary and bonuses, promotion and relocation of employees and

to consider and determine the duties and responsibilities of each work unit and positions for employees at the directorial level and lower;

7. To have the power to issue orders, notices, regulations, announcements and memoranda to ensure that operations of the Company comply with the policies and for the interest of the Company and to ensure disciplines are observed within the organisation;

8. To coordinate with the internal audit and the Audit Committee to ensure that the business operations and risk management of the Company comply with the objectives and the Articles of Association of the Company including its policies and good corporate governance;

9. To have the power to establish committees or working groups for the effective and transparent management and to have the power to delegate power to any person(s) to carry out any tasks subject to the control of the Chief Executive Officer or to delegate such persons to have the power as the Chief Executive Officer may consider appropriate and within reasonable time. The Chief Executive Officer may terminate, revoke or amend such delegation as the Chief Executive Officer may consider appropriate.

10. To perform other duties as the Board of Directors may assign.

The Chief Executive Officer shall not approve any matters in which the Chief Executive Officer or the delegated persons of the Chief Executive Officers or persons with possible conflict of interests (pursuant to the definition under the notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any relevant agencies) may have conflict of interests with the Company and/or its subsidiaries and/or related companies. The matter shall be proposed to and approved by the Board of Directors meeting and/or the general meeting of shareholders (as the case may be) except for the approval for transactions that are in the normal course of business of the Company that have normal commercial terms that are in accordance with the notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or such other relevant agencies.

### 9.3 Recruitment and appointment of directors and top-level executives

Selection and appointment of directors will be approved by the general meeting of shareholders. The Board of Directors of the Company will consider the nominated candidates selected by the Nomination and Remuneration Committee based on their experience, knowledge, capabilities and qualifications that are required by the law. Selected candidates will be nominated to the general meeting of shareholders for election in accordance with the requirements and methods provided under the Articles of Association of the Company.

#### 9.3.1 Composition and appointment of the Board of Directors

The criteria for the composition of the Board of Directors, recruitment, appointment and removal of directors are provided under the Articles of Association of the Company which can be summarised as follows:

1. The Board of Directors shall comprise at least five directors and no less than half the total number of the Board of Directors shall have residence in the Kingdom of Thailand. All directors shall have the qualifications required by law.

2. The general meeting of shareholders shall elect directors in accordance with the following requirements and methods:

- (1) One shareholder shall have the number of voting rights that are equal to the number of shares that they hold;
- (2) Each shareholder shall exercise their voting rights to elect one or several persons as the director. However, they cannot split their votes to elect several persons as the director.

- (3) Persons who have received the highest votes in descending order according to the number of votes received will be elected director in the number required to be elected. If the number of persons who have received equal votes exceeds the required number of directors to be elected at such meeting, the chairman of the meeting shall cast one extra vote to reach a final decision.

3. One-third of the total number of directors on the Board of Directors shall retire by rotation at each annual general meeting of shareholders. If the number of directors who will retire by rotation cannot be divided into one-third, then the retiring directors shall be in the number that is the closest to one-third of the total number of directors. The directors to retire during the first and second year following the registration of the company shall be drawn by lots. In every subsequent year the directors who have been longest in office shall retire. A retiring director is eligible for re-election.

4. Directors may resign by submitting a notice of resignation to the Company. The resignation shall take effect from the date on which the notice has reached the Company.

5. If an office of the director becomes vacant for other reasons than retirement by rotation, the Board of Directors may at the next Board of Directors meeting elect any person who has the qualifications and does not have characteristics that are prohibited under the law on public company limited and/or the law on securities and exchange to fill the vacancy unless the remaining term of office of such vacating director is less than two months. The replacement director may only hold the office for the remaining term of the vacating director. Resolution of the Board of Directors meeting on the appointment of the replacement director shall consist of at least three-fourths of the total number of the directors who remain on the Board of Directors.

6. The general meeting of shareholders may resolve on the removal of any director from the office before the end of the term by a vote of no less than three-fourths of the total number of shareholders who are present at the meeting and are entitled to vote, and the aggregate number of votes shall not be less than one half of the total number of shares held by shareholders present at the meeting and entitled to vote.

### **9.3.2 Composition and appointment of independent directors**

The Board of Directors will have the preliminary review of the qualifications of persons who will be appointed independent directors of the Company. These shall include qualifications and prohibited characteristics of directors pursuant to the Public Company Limited Act, the law on securities and exchange, the notifications of the Capital Market Supervisory Board and notifications, regulations and/or rules that may be relevant. In addition, the Board of Directors will select independent directors based on their expertise, work experience and other attributes before proposing the nominated candidates to the general meeting of shareholders for consideration and appointment to the Board of Directors. The Company has the policy to appoint independent directors in the minimum ratio of one-third of the total number of directors in the Board of Directors and a minimum of three independent directors.

#### Qualifications of Independent Directors

1. holding no more than one percent of the total voting shares of the Company, parent company, subsidiary, associate company, or juristic persons with possible conflict of interests, including shares held by the connected persons of such independent director.
2. not being or having been an executive director, employee, staff, adviser earning regular monthly salary or the controlling person of the Company, its parent company, subsidiary, associate company, same-level subsidiary, or juristic persons with possible conflict of interests

unless any of these characteristics has ended for at least two years prior to the date of filing the application with the Office of the Securities and Exchange Commission.

3. not being a person who is related by blood or legal registration as father, mother, spouse, sibling and child, including spouse of child, other executives, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiary.
4. not having or having had a business relationship with the Company, its **parent company**, subsidiary, **associate company** or persons with possible conflict of interests in a manner that may interfere with independent discretion, which includes not being or having been a major shareholder, directors who are not independent or executives of persons having business relationship with the Company, its parent company, subsidiary, associate company or juristic person with possible conflict of interests unless any of these relationships has ended for at least two years prior to the date of filing the application with the Office of the Securities and Exchange Commission.
5. not being or having been an auditor of the Company, its parent company, subsidiary, associate company or juristic persons with possible conflict of interest and not being a major shareholder, directors who are not independent, executives or managing partners of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, juristic person with possible conflict of interests, unless any of these relationships has ended for not less than two years prior to the date of filing the application with the Office of the Securities and Exchange Commission.
6. not being or having been a provider of professional services, which includes serving as a legal adviser or financial adviser in consideration of a service fee of more than two million baht per year paid by the Company, its parent company, subsidiary, associate company, persons with possible conflict of interests, and not being a major shareholder, directors who are not independent, or managing partners of such provider of professional services, unless any of these relationships has ended for not less than two years prior to the date of filing the application with the Office of the Securities and Exchange Commission.
7. not being a director who is appointed as the representative of directors of the Company, major shareholder, or shareholder who is a connected person of a major shareholder.
8. not undertaking any business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a partner having a material interest in a partnership, or an executive director, employee, staff, adviser earning regular monthly salary, or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of the Company or its subsidiary.
9. not having any other characteristics that cause the inability to express independent opinions on the business operation of the Company.

### 9.3.3 Composition and appointment of the Audit Committee

The Board of Directors of the Company appoints the Audit Committee which comprises at least three independent directors who shall have the qualifications required under the law on securities and exchange

including notifications, regulations and/or rules of the Stock Exchange of Thailand. Independent directors who are members of the Audit Committee shall also have the following additional qualifications:

1. Not being the director assigned by the Board of Directors to make any decision regarding the business of the Company, its parent company, subsidiary, associate company or subsidiary in the same rank or juristic persons with possible conflict of interests;
2. Not being the director of the parent company, subsidiary or subsidiary in the same rank only with respect to listed companies;
3. Being knowledgeable and experienced to discharge the duties as the member of the Audit Committee. At least one member of the Audit Committee shall have knowledge of accounting and finance matters to review the reliability of financial statements;

Each member of the Audit Committee shall have a term of office of three years which is equivalent to the term of office of a director.

#### **9.3.4 Composition and appointment of the Nomination and Remuneration Committee**

The Board of Directors will appoint the Nomination and Remuneration Committee which comprises at least three directors and no less than half of the total number shall be independent directors. Independent directors who are members of the Nomination and Remuneration Committee shall also have the following additional qualifications:

1. Qualifications and prohibited characteristics of directors pursuant to the Public Company Limited Act, the law on securities and exchange, the notifications of the Capital Market Supervisory Board and notifications, regulations and/or rules that may be relevant.
2. Being knowledgeable and experienced to discharge the duties as the member of the Nomination and Remuneration Committee in the nomination and consideration of remuneration
3. Each member of the Nomination and Remuneration Committee shall have a term of office of three years which is equivalent to the term of office of a director.

#### **9.3.5 Recruitment of Chief Executive Officer**

The Board of Directors of the Company recruits and appoints a Chief Executive Officer nominated by the Nomination and Remuneration Committee in accordance with the following criteria:

1. General qualifications, expertise and experience of candidates in accordance with the criteria determined by the Board of Directors;
2. The Chief Executive Officer and the Chairman of the Board of Directors shall not be the same person;
3. There is a clear separation between roles, powers and duties of The Chief Executive Officer and those of the Chairman of the Board of Directors to create a check and balance between management and corporate governance;
4. The Board of Directors determines the scope of powers and duties including objectives of the Chief Executive Officer and shall conduct an annual evaluation of the performance of the Chief Executive Officer.

## 9.4 School Management Structure

The school management structure for schools whose licences are held by the Company is as follows:

### 9.4.1 Executive Committee

The School Charter of the schools whose licences are held by the Company provides that the Executive Committee of the school shall comprise: the licensee, the School Manager, the School Director, representatives of teachers and parents and at least two expert members to comply with Section 30 of Private Schools Act, B.E. 2550 (2007) as amended in 2011 (Private Schools Act No. 2). The School Charter of schools operated by the Group provides the following required qualifications of members of the School Executive Committee:

1. Having Thai nationality;
2. Being at least 25 years old;
3. Having knowledge and experience that is suitable for the business of the school;
4. Having allegiance to the constitutional monarchy of Thailand;
5. Displaying decent behaviour that is socially acceptable;
6. Not being bankrupt, incompetent or quasi-incompetent;
7. Not having been imprisoned by final judgement except for offences committed by negligence or petty offences;
8. Being determined to work for the business development of the school and devoting time to manage the school.

Members of the Executive Committee who are the licensee, School Manager and School Director shall have the qualifications under (1) to (8) while members who are representatives of teachers and parents and expert members of the committee shall have the qualifications under (2) to (8).

#### Recruitment and appointment of members of the School Executive Committee

Criteria and methods of recruiting members and election of the Chairman of the Executive Committee, term of office and vacation from the office shall be provided under the School Charter of each school.

- The Licensee, School Manager and School Director shall be ex officio members of the School Executive Committee which shall be appointed by the Board of Directors of the Company.
- The Representatives of teachers and parents and expert members shall be members by appointment. The licensee shall appoint a recruitment committee to be responsible for recruiting knowledgeable and experienced candidates to be appointed representatives of teachers and parents and expert members and propose the candidates for election by the licensee in the required number.
- The recruitment committee shall be appointed by the Board of Directors of the Company to have the duties to recruit knowledgeable and qualified candidates from representatives of teachers and parents and expert members to be appointed by the Board of Directors in accordance with the School Charter. Currently, the recruitment committee comprises three members as follows:

- |                             |                                       |
|-----------------------------|---------------------------------------|
| - Mr. Yew Hock Koh          | Chairman of the recruitment committee |
| - Mr. Chatrapee Tantixalerm | Member                                |
| - Ms. Trithip Sivakrskul    | Member                                |



#### Term of office of the School Executive Committee

Members of the School Executive Committee who are representatives of teachers, representatives of parents and expert members shall have the term of office of three years. Members who have retired from the office may be reappointed. Members of the School Executive Committee shall vacate the office upon:

1. Death;
2. Resignation;
3. Removal from office by a resolution of the School Executive Committee by a vote of more than half the total number of members of the Executive Committee present at the meeting by reason of a breach of duty, failure of good behaviour or having caused damage to the business of the school or failure to comply with the requirements of the Executive Committee meeting imposed by the Executive Committee under the notifications on requirements and methods of recruitment;
4. Lacking qualifications required for the members of the School Executive Committee;
5. Lacking qualifications required for the particular type of member of the committee

If the member of the Executive Committee who is a representative of teachers or a representative of parents and expert member vacates the office before the end of the term, the person appointed to fill the vacancy shall remain in office only for the term equivalent to the remaining term of the member who vacated the office. Upon expiry of the term, the replacement member shall remain in office as long as there is no appointment of a new member until a new member can be appointed.

#### Scope of powers, duties and responsibilities of the School Executive Committee

The School Executive Committee shall have the duty to supervise the operation of the school to comply with the law, rules, regulations, notifications, orders and policies of the Ministry of Education and be subject to the scope of powers, duties and responsibilities provided under the Authority Table of the school. Details of the scope of powers, duties and responsibilities of the School Executive Committee are as follows:

1. To issue rules and regulations of the school;
2. To approve policies and plans for the education development of the school;
3. To advise on the school management, human resources, work plans, budgets, academic matters and activities of students, buildings and relationship with the community;
4. To supervise and put in place a quality assurance system in the school;
5. To monitor, audit and evaluate performance of the School Director;
6. To express opinion on one or several financial borrowings with the aggregate value of more than 25 percent of the asset value of the formal education school at the time and propose a practical alternative to the formal education school if the School Executive Committee does not approve the borrowing except in case where it considers that the borrowing is not for the benefit of the school operations;
7. To approve the determination of tuition fee rates and such other fees of the school;
8. To approve the annual report, annual financial statements and appointment of auditor;
9. To consider complaints of teachers, parents and students;
10. To approve the proposed amendments to items under the School Charter;

11. To approve the proposed amendment to items relating to the school business;
12. To arrange to have school accounts audited and opinion expressed on the financial statements of the school within 120 days from the end of the financial year in accordance with the requirements and methods determined by the OPEC;
13. To approve distribution of benefits from the operations of the school to the licensee;
14. To appoint a sub-committee to perform any tasks required in the operations of the school as may be assigned by the School Executive Committee;
15. To approve Power of Attorney of the school;
16. To participate in the inspection of current conditions, problems and requirements of the school and to prioritise the problems that need solutions;
17. To approve and certify the annual working plan;
18. To participate in the evaluation of performance against the determined strategies;
19. To attend meetings on work progress and challenges and to approve work products of the school and give recommendations on the school missions.
20. To provide resources to support the operations of the school and to promote its reputation and prestige;
21. To review and have profound understanding of the Private Schools Act, B.E. 2550 (2007) and regulations of the Ministry of Education on the protection of school principals and teachers of private schools, B.E. 2542 (1999) including guidelines on education reform of the Ministry of Education and quality of education of the Office for National Education Standards and Quality Assessment (Public Organisation) in order to identify directions for provision of education for the nation and for the school.

The scope of powers, duties and responsibilities of the School Executive Committee under Clause 1 – 13 are provided under the Private Schools Act, B.E. 2550 (2007) as amended in 2011 (Private Schools Act No. 2).

#### **9.4.2 School Management**

##### Scope of powers, duties and responsibilities of the management

The school management has the powers, duties and responsibilities determined and assigned by the School Executive Committee and subject to the scope of powers, duties and responsibilities provided under the Authority Table of the school. Details of scope of powers, duties and responsibilities of the school management are as follows:

1. To be responsible for the management of matters that are the normal course of business of the school, determine policies, direction and strategies for the business operations of the school, determine the financial plan, budgets, management of human resources, investment in information technology and public relations of the school for proposal to the School Executive Committee for consideration and approval and/or consent and to audit and monitor the operations of the school to ensure compliance with the policies;
2. To conduct the business of the school in accordance with the objectives, regulations, rules, requirements, orders and resolutions of the School

Executive Committee and/or resolutions of the Board of Directors of the licensee;

3. To approve material investments that are specified in the annual budget under the Authority Table of the school;
4. To consider the profit and loss of the school and to provide this information to the School Executive Committee;
5. To determine salary structures and select employees at managerial level who do not hold any executive position, to provide staff training, promote, hire, relocation, determine wages, remunerations and bonuses for employees at managerial level who do not hold any executive position including termination of employment.

For employees of the school who do not hold an executive position, the School Management shall: determine salary structures, wage rates, remuneration rates and bonuses, hire, relocate, train and promote staff and have the right to terminate employment. The School Director may be the authorised representative of the school to execute the relevant employment agreements.

6. To consider other matters as may be assigned by the School Executive Committee. Such delegation of power shall not be such that the delegation of power or sub-delegation thereof will allow the school management or any person delegated by the school management to approve transactions in which they or any other person with possible conflict of interests will have an interest or a possible conflict of interests with the school.

#### **9.4.3 Representative of Licensee**

##### Qualifications of the Representative of Licensee

The Representative of Licensee shall have the duty to represent the school and shall be qualified and shall not have prohibited characteristics under Section 21 of the Private Schools Act, B.E. 2550 (2007) as amended in 2012 (Private Schools Act No. 2). Details are as follows:

1. Having Thai nationality;
2. Being at least 20 years old;
3. Having completed a minimum of a bachelor's degree;
4. Displaying decent behaviour and morals
5. Having allegiance to the constitutional monarchy of Thailand;
6. Not being bankrupt;
7. Never having been dismissed from government services because of an offence unless such dismissal was at least two years before the date on which the licence was applied for to established formal schools;
8. Never having had a school establishment licence revoked unless the revocation was at least two years before the date on which the licence was applied for to establish formal schools;
9. Not being incompetent or quasi-incompetent;

10. Never having been imprisoned by a final judgement and having been discharged from the imprisonment for less than five years before the date on which the licence was applied for to establish formal schools except in case of offences committed by negligence or petty offences.

#### Scope of powers, duties and responsibilities of the Representative of Licensee

The Representative of Licensee shall have the duty to represent the school in entering into transactions with third parties as the School Executive Committee and/or the Board of Directors may assign. Details of powers, duties and responsibilities of the Representative of Licensee are as follows:

1. To be a legal representative of the school in entering into transactions with third parties by signing and affixing the school's seal;
2. To be the authorised signatory of the school to sign and affix the school's seal to bind the school, and to appoint any other person to carry out business of the school under the powers and duties of the Representative of Licensee in entering into transactions with third parties or to sign any documents issued in the name of the school. Such delegation of powers may be done by issuing a Power of Attorney to delegate such powers for a certain period of time as it may consider appropriate. The Representative of Licensee may terminate, revoke, vary or amend the delegation of power under such Power of Attorney from time to time. The Power of Attorney shall be considered and approved by the school Executive Committee.
3. To assume the position of senior executive of the school in:
  - attending meetings and providing input to the school's team of senior executives;
  - participating in all business solutions and school activities;
  - preparing reports and assisting the school's team of senior executives
4. To assume the position of senior executive of the Company in:
  - being responsible for the school business as may be assigned by the Board of Directors

#### **9.4.4 School Manager**

##### Qualifications of School Manager

The School Manager shall have the qualifications that comply with the OPEC regulations on qualifications, requirements and methods of appointing school managers, B.E. 2551. Details of the required qualifications of the School Manager are as follows:

1. Having Thai nationality;
2. Being at least 20 years old;
3. Having completed a minimum of a bachelor's degree;
4. Displaying decent behaviour and morals
5. Having allegiance to the constitutional monarchy of Thailand;
6. Not being bankrupt;
7. Never having been dismissed from government services because of an offence unless such dismissal was at least two years before the date on which the School Manager is appointed;
8. Never having had the school establishment licence revoked unless the revocation was at least two years before the date on which the School Manager is appointed;

9. Never having been imprisoned by a final judgement except in case of offences committed by negligence or petty offences and having been discharged from the imprisonment for no less than five years before the date on which the School Manager is appointed;
10. Not having any diseases prescribed under the regulations of Office of the Teacher Civil Service and Educational Personnel Commission

#### Scope of powers, duties and responsibilities of the School Manager

The School Manager shall be responsible for and supervise activities that are within the scope of its duties which shall include: financial matters, student admission and reception of the school's customers, communication, customer service and management of the school shops subject to the scope of powers and duties provided under the school Authority Table and shall have other duties required under the Private Schools Act. Details of powers, duties and responsibilities of the School Manager are as follows:

##### 1. Financial Matters

- Being responsible for the school's budget<sup>1)</sup>
- Being responsible for financial matters, budgeting and general administration and being responsible for putting in place accounting systems and data preparing daily books and records, classified accounts, trial balance and financial reports (statements of financial position, statements of income and expense, cashflows and notes to financial statements) in accordance with the law on accounting<sup>1)</sup>
- Supervising the finance employees of the school;
- Following up on payments of tuition fees and extracurricular fees;
- Ensuring compliance with the budget set for roadshows and activities

##### 2. Admissions and Receptions

- Greeting visitors of the school and displaying a good image of the student admission department ;
- Responding to questions and providing information on curricula and extracurricular activities, distributing maps, brochures, newsletters and such other relevant information;
- Ensuring application forms are filled correctly and completely;
- Supervising interviews with students and the selection process and preparing appropriate records and facilitating appointments;
- Compiling name lists and information on student admissions for normal reporting and/or special reporting purposes;
- Updating the student database as may be necessary to ensure data is accurate and up-to-date.

##### 3. Communications

- Collaborating with the communication team of the school to promote confidence in the SISB brands;
- Providing support to the School Director in maintaining SISB logos;
- Participating in roadshows and promotional activities/ commercial activities to support the school;

- Participating in the preparation of school newsletters for students and parents and ensuring that all social networks of the school are always up-to-date;
  - Planning and carrying out extracurricular activities according to the calendar and community activities
4. Customer Services
- Supervising work to meet the demand of customers and providing excellent customer services to promote the good image of the school;
  - Responding to questions and providing information for customers and handling complaints of customers (if any);
  - Coordinating between parents and the school management and giving timely recommendations to senior executives on the overall improvement of quality of customer services;
  - Promoting professional development and training to enhance customer service quality
5. Management of School Shops
- Managing and supervising shop staff;
  - Supervising and managing school shops' inventory to ensure inventory is up-to-date and can meet the demand;
  - Checking stocks of goods and shop products
6. To assume the position of senior executive of the school in:
- attending meetings and providing input to the school's team of senior executives;
  - participating in all business solutions and school activities;
  - preparing reports and assisting the school's team of senior executives
7. To be responsible for general administration of the school including other duties relating to the management of the school in accordance with the School Charter, rules and regulations and to have other duties provided under the Private Schools Act.

Note: <sup>1)</sup> being duties provided under the Private Schools Act, B.E. 2550 (2007) as amended in 2011 (No. 2 of Private Schools Act)

#### 9.4.6 School Director

##### Qualifications of School Director

The School Director shall be a Thai national and shall have qualifications in accordance with, and does not have prohibited characteristics provided under the Act on Council of Teachers and Education Personnel, B.E. 2546 (2003) and School Director shall be able to work fulltime for the formal education school

1. Qualifications
- Being at least 20 years old;
  - Having completed an academic degree or equivalent or having such other academic qualifications certified by the Teachers Council of Thailand;

- Having completed teaching in educational institutions in accordance with academic curricula for at least one year and passed the assessments in accordance with the requirements, methods and conditions determined by the committee of the Teachers Council of Thailand

## 2. Prohibited Characteristics

- Displaying failure of good behaviour or good morals;
- Being incompetent or quasi-incompetent;
- Having been imprisoned for offences considered by the Teachers Council of Thailand as disgrace to the integrity of the profession

### Scope of powers, duties and responsibilities of the School Manager

The School Director shall be responsible for the academic work of the school including its activities and education systems required by the government and all relevant laws and regulations and shall have the duties to supervise and ensure that the school complies with its policies, philosophy and objectives. Details of powers, duties and responsibilities of the School Director are as follows:

#### 1. Academic work

- Ensuring the provision of education in the context of an international school which complies with the Private Schools Act;<sup>1)</sup>
- Being responsible for the academic work of the school;<sup>1)</sup>
- Ensuring that the school provides education on the Thai language and history to comply with the regulations of the Ministry of Education;
- Providing documentation to comply with the requirements of the government and SISB;
- Reviewing annual documents and reports;
- Attending meetings with the Ministry of Education as may be necessary;
- Representing the school in meetings with ONESQA

#### 2. Supervision of teachers and education personnel

- Appointing and terminating teacher and education personnel contracts including school staff in accordance with the regulations determined by the Executive Committee<sup>1)</sup>
- Supervising teachers, education personnel and students of the school;
- Preparing records of teachers, education personnel, staff, students and other such documents relating to the provision of education in accordance with the regulations of the committee;<sup>1)</sup>
- Preparing evidence of education assessment in accordance with the regulations of the committee;<sup>1)</sup>
- Inspecting and ensuring that all staff have the required qualifications for the purpose of applying for visas and work permits;

#### 3. Supervision of offsite education/ school trips

- Ensuring permits are obtained from the regulating authority for the purpose of school trips;
- Ensuring that education personnel of the school (teachers, nurses, drivers, etc.) are aware of matters relating to offsite education/ school trips;

- Providing regular reporting channels during offsite education/ school trips
- 4. Compliance with the law on construction of new buildings
  - Giving recommendations relating to new buildings and ensuring compliance with the law;
  - Ensuring compliance with the requirements of the number of classrooms and number of students;
- 5. Safety compliance
  - Ensuring consistent security and safety checks for the school;
  - Giving advice on the safety to teachers and students
- 6. To assume the position of senior executive of the school in:
  - attending meetings and providing input to the school's team of senior executives;
  - participating in all business solutions and school activities;
  - preparing reports and assisting the school's team of senior executives
- 7. To perform other duties relating to academic matters in accordance with the rules and regulations of the government including the School Charter, policies, rules and regulations and other duties provided under the Private Schools Act<sup>1)</sup>

Note: <sup>1)</sup> being duties provided under the Private Schools Act, B.E. 2550 (2007) as amended in 2011 (No. 2 of Private Schools Act)

#### **9.4.7 Scope of powers, duties and responsibilities of The Head of School Executives**

1. Prepare a short-term and long-term strategic plan for the education requirements of the school including an annual education budget to be proposed to the School Executive Committee;
2. Be responsible for the learning and well-being of students and personnel and the leadership of academic supporting staff including all aspects of day-to-day academic management and activities;
3. Be responsible for the day-to-day business operations of the school and develop a work system of the school, create an appropriate and safe learning environment that is multicultural to concretely correspond with the school's vision, missions and goals of providing education;
4. Be responsible for marketing, public relation efforts, promotion and development of the school in accordance with the strategic plans of the school and promote public relation efforts for the school both internally and to the public;
5. Supervise the student admission process and ensure that students are selected and admitted in accordance with the student admission policies and the school's intentions;
6. Ensure that students have access to advice and consultations on education, personal and vocational matters, matters relating to higher education, promote culture of co-accountability regarding the social and emotional well-being of all students;



7. Manage teaching human resources and supporting staff to ensure they are adequately and appropriately qualified to effectively and professionally meet the requirements of teaching in all fields of study;
8. Inspect work systems and school property to ensure they are sufficient and appropriate to effectively provide support to the learning of students and to be qualified under the requirements of relevant regulatory authorities and international safety standards;
9. Manage teaching and learning to properly comply with the curricula and to continuously develop curricula to create a diversity of learning experiences in line with the multicultural environment of the school and the Thai culture.

#### 9.5 Governance and management of schools whose licences are held by the Company

The Company determines policies for the governance and management of schools whose licences are held by the Company and/or its subsidiary. The objectives of these policies are to allow the Company to supervise the management of the schools to ensure that they have complied with the provided measures and mechanisms. The Company also requires that directors, executives and/or employees appointed by the Company and/or its subsidiary to hold the position of a member in the Executive Committee of the schools and/or the school executive shall sign an acknowledgement of the governance and management policy. Details of the school governance and management policy are in the following paragraphs.

Any transactions or actions that are material or have an impact on the financial position and operating results of the schools require approval from the Board of Directors or from the general meeting of shareholders of the Company (as the case may be). In order to proceed with the transaction or actions, the Board of Directors of the Company shall hold a meeting of the Board of Directors and/or the general meeting of shareholders to consider and approve to enter into such transactions or actions. In this regard, the Company shall make any relevant disclosure of information and shall comply, *mutatis mutandis*, with the rules, regulations, procedures and methods relevant to the matters to be approved as may be required by the Public Company Limited Act, the law on securities and exchange and other relevant laws, notifications, regulations and requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

- 1.1 The following transactions or actions of the school shall require approval from the Board of Directors of the Company:

- (1) Appointment or nomination of persons to the School Executive Committee for each school the majority membership of which shall comprise directors or executives of the Company. To the extent this policy or the Board of Directors of the Company shall determine otherwise, the directors or executives appointed or nominated by the Company shall have the discretion in making any decision at the meeting of the School Executive Committee on matters relating to the general management and the conduct of the business of the school for the best interest of the Company and the school;
- (2) Approval for payment of annual or interim dividends (if any) or the distribution of profits of the school;
- (3) Amendments to the regulations or the School Charter;
- (4) Consideration and approval for the annual budget of the school unless otherwise provided under the Delegation of Authority;

- (5) Appointment of auditor of the school only where such auditor does not report to the audit firm which is a full member in the same firm with the Company's auditor which is inconsistent with the auditor appointment policy of the Company (i.e. auditor of the school must report to the same audit firm used by the Company)

Items (6) to (9) below shall be considered material and would have a material impact on the financial position and operating results of the school if they are entered into. Therefore, prior to the meeting of the School Executive Committee and before any members of the Executive Committee appointed by the Company may vote on any of the above matters, the prior approval from the Board of Directors of the Company shall be obtained in accordance with the requirements about the calculation of the size of transaction in comparison with the characteristics and/or the size of the Company. For this purpose, the requirements about the calculation of transaction size under the regulations on the connected transactions or the notification on the acquisition or disposal of material assets (as the case may be) shall apply *mutatis mutandis*, to the extent that such matters require approval from the Board of Directors of the Company.

- (6) If the school agrees to enter into transactions with any connected person of the Company or of the school or transactions that relate to the acquisition or disposal of assets of the school which shall include, without limitations, the following:
- a) Transfer or relinquishment of rights including waiver of any claims against persons who cause damage to the school;
  - b) Sale or transfer of the entire business of the school or the material part thereof to a third person;
  - c) Purchase or acceptance of transfer of business of other schools to the school;
  - d) Entry into, amendment to or termination of agreements relating to the lease of the entire or material part of the school business, the delegation of other third parties to manage the school business or the merger of the school business with other parties with the aim of sharing profit and loss;
  - e) Lease or hire-purchase of the entire or material part of the school business or assets
- (7) Borrowing, lending, giving credits, suretyship or entering into transactions to cause the school to assume additional financial burden or to provide financial assistance in such other matters to other parties in material amount and which is not in the normal course of business of the school except for the loans between the Company and the school or loans among schools the licences of which are held by the Company or its subsidiaries;

- (8) Dissolution of school business;
    - (9) Such other transactions which are not the normal business of the school and have material impact on the school
- 1.2 Before the school can enter into any of the following transactions, approval from the general meeting of shareholders by resolution of at least three-fourths of the total voting rights of shareholders present at the meeting and entitled to vote shall be required:
  - (1) The school agrees to enter into a transaction with the connected party of the Company or of the School or transaction relating to the acquisition or disposal of assets of the school to the extent where the size of such transaction, when compared to the characteristics and/or size of the Company (by applying *mutatis mutandis* the requirements about the calculation of transaction size under the regulations on the connected transactions or the notification on the acquisition or disposal of material assets (as the case may be) to the extent that such matters require approval from the general meeting of shareholders);
  - (2) Dissolution of the school business to the extent that when the size of business is calculated for the dissolving of the school in comparison with that of the Company such dissolution would require approval from the general meeting of shareholders of the Company (by applying *mutatis mutandis* the requirements about the calculation of transaction size under the regulations on the acquisition or disposal of material assets (as the case may be) to the extent that such matters require approval from the general meeting of shareholders);
  - (3) Such other transactions which are not the normal business of the school and have material impact on the school (by applying *mutatis mutandis* the requirements about the calculation of transaction size under the regulations on the acquisition or disposal of material assets.
- 1.3 The Board of Directors of the Company shall monitor compliance of the School Executive Committee with duties and responsibilities, the law, Articles of Association and policies of the Company;
- 1.4 The Board of Directors of the Company shall ensure that the school puts in place an internal control system, risk management system and a system to prevent corruption and shall determine appropriate measures to effectively monitor operations of the school to ensure that they are truly and continuously in compliance with work plans, budgets and policies of the Company including relevant laws and notifications on good corporate governance of listed companies and notifications, regulations and requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Board of Directors shall also ensure that the school disclose to the Company the information on its financial position and operating results, connected transactions and transactions with possible conflict of interests, acquisition or disposal of material assets and other material transactions to comply with the requirements of the corporate governance of the school and with the relevant rules and notifications of the Capital Market Supervisory Board and the notifications of the

Board of Governors of the Stock Exchange of Thailand, as may be amended from time to time.

- 1.5 The Company shall ensure that the members of the School Executive Committee who are the representatives of the Company attend every meeting of the School Executive Committee and exercise their votes in accordance with the requirements of the Company for matters which are material for the business of the school.
- 1.6 The School Executive Committee or its related persons may only enter into transactions with the school when such transactions are approved by the School Executive Committee except for transactions on an arm's length basis and the terms and conditions of which have already been approved by the School Executive Committee or are in compliance with the principles approved by the School Executive Committee.
- 1.7 Directors and executives appointed to the School Executive Committee shall have the following duties:
  - (1) Prepare an internal control system and such other work systems as may be necessary and determine measures to be used in monitoring school operations and provide channels through which directors and executives of the Company can access information on the school for monitoring purposes such as information relating to the financial positions and operating results of the schools, connected transactions and transactions with possible conflict of interests and an acquisition or disposal of material assets to ensure that the Company has complete, accurate and timely access to information consistent with the monitoring measure by the Company under clause 1.4
  - (2) Disclose and submit to the School Executive Committee reports on any interests that the directors or executives including their related persons may have in connection with the relationship and transactions that are expected to create any conflict of interests with the school. Directors and executives appointed by the Company to be tasked with controlling the operations of the school shall report the matters to the Board of Directors within the timeframe required by the Company. This is to allow the Company to have supporting information for its consideration and approval process, taking into consideration the interests of the overall Group. Directors and executives shall not be involved in any matters in which they have a conflict of interests.

The following acts shall cause the directors and executives appointed by the Company to the School Executive Committee or their related persons to have other financial benefits than which they should normally be entitled to or may cause damage to the Group. Consequently, the following acts shall be presumed to be materially in conflict with the interests of the school

- (a) Transactions between the school and the directors and executives appointed to the School Executive Committee

- or their related persons that are inconsistent with the requirements about connected transactions;
- (b) The use of inside information of the school;
- (c) The use of assets or business opportunity of the school in manners that are in breach of the general requirements or practice provided by the Capital Market Supervisory Board
- (3) Regularly report to the Company on the business plans, business expansion plans, material investment projects or investments with other business operators in accordance with the requirements of the Board of Directors of the Company and provide clarifications and/or submit documents as may be requested by the Company;
- (4) Clarify and/or submit information or documents or evidence to the Company as may be requested.

#### 9.6 Corporate governance of subsidiaries and associate companies

The Company will invest in companies that have similar business objectives with the core business of the Company or in business that is similar to or may support the business of the Company which would result in increased operating results or profits. Alternatively, the Company may invest in any synergy which may support the core business of the Company and enhance its competitiveness. The Board of Directors may consider an investment in other business than the core business or other business of the Company if it considers that such business has the potential and would be beneficial for the Company and the shareholders in general.

Corporate governance of subsidiaries and associate companies involves sending directors or executives who are qualified and experienced which are appropriate for the business operation of the subsidiary and associate companies to represent the interest of the Company in managing the business of such subsidiary and associate company. The Company's representatives in subsidiaries and associate companies will also determine material policies and control business operations of subsidiaries and/or associate companies. They will determine corporate governance mechanisms by putting in place the requirements about the disclosure of financial information, acquisition and disposal of assets and connected transactions entered into with such subsidiaries by applying the relevant requirements about disclosure of information and required actions to be consistent with the requirements of relevant regulatory authorities. The Company's representative directors shall perform duties of supervising the management of subsidiaries and/or associate companies to comply with the policies determined by the Company through adequate and appropriate internal control. They are also required to use their discretion to comply with the resolutions of the Board of Directors Meeting and/or the general meeting of shareholders on material matters of subsidiaries and/or associate companies for the best interest and for the sustainable growth of the Company.

#### 9.7 Use of Inside Information

To achieve transparency and to prevent the abuse of inside information of the Company for personal benefits and to avoid any accusations against the Company regarding the securities trading by its insiders, the Company issues the following regulations to require its directors, executives and employees to comply with:

1. Directors, executives, staff and employees of the Company are prohibited from disclosing or using confidential information and/or inside information of the Company for their own personal benefits or for the benefits of any other persons, either directly or indirectly, and regardless of whether they would have received any considerations;

2. Directors, executives, staff and employees of the Company including their spouses and minor children are prohibited from using inside information of the Company which may be price sensitive in the purchasing, selling, offering to purchase or to sell or soliciting the purchase, sell or offer to purchase or to sell securities of the Company, either directly or indirectly prior to such inside information becoming public regardless of whether such act is for the personal benefits or for the benefits of any other persons. Any persons in breach of this regulation on the use of inside information shall be liable for punishment in accordance with the disciplinary measures of the Company.
3. The Company has informed its executives about their obligations to report their holding of securities in the Company, including securities holding of their spouse and minor children, and to report on any changes thereto to the Office of the Securities and Exchange Commission pursuant to Section 59 and relevant sanctions under the Securities and Exchange Act (No. 5), B.E. 2559.
4. The Company has imposed a silent period where directors and executives of the Company including their spouses and minor children are prohibited from trading securities of the Company during a period of one month before the financial statements of the Company are disclosed to the public.

The Company will inform its directors, executives, staff and employees of the above prohibition.

#### **9.8 Auditors' Fees**

As the financial year 2019 ended on 31 December 2019, the Company paid an audit fee of THB 3,200,000 to its auditor, EY Company Limited for the audit and review of interim financial statements on a standalone basis, including financial statements of its subsidiaries and schools whose licences are held by the Company including its Joint Venture and on a consolidated basis. There are no other fees paid to the auditor, audit firm and persons or business relating the auditor or audit firm other than such audit fee.

#### **9.9 Compliance with other good corporate governance principles**

N/A

### **10. Corporate Social Responsibility**

The Company conducts its business in accordance with the principles of good corporate governance having regards to the development of the quality of teaching, human resources development and environmental and social responsibility. The Company values balance between business profitability and giving back to society and therefore sets out the following concrete practices of corporate social responsibility:

#### **1. Fair Operating Practices**

The Company adheres to fair operating practices within the competition framework based on fairness and equality. The Company sets out these fair operating practices in its Code of Conduct which have due regards to the accountability of the Company to all relevant stakeholders including shareholders, employees, teachers, business partners, creditors, students and their parents, competitors, the community and society. The Code of Conduct requires the Company to adhere to the following principles:

1. Trust and reliability;
2. Respect for others;

3. Communication that is in good faith and open;
4. Example from leaders;
5. Compliance with laws;
6. Avoidance of conflict of interests;
7. Accurate reporting;
8. Honesty; and
9. Fair treatment for shareholders

## 2. Anti-Corruption

The Company adheres to the principle of integrity, transparency and anti-corruption policy in its business conduct. It has a fair and equality practice and recognises the importance of the prevention of corruption both within and outside the organisation. It requires all of its employees to comply with the law and adhere to ethical practice.

There are two key anti-corruption practices: transparency and participation.

### Transparency

1. The Company adopts an open and straightforward working procedure.
2. Members of the organisation are welcome to have access to information.
3. Members of the organisation are informed of every work and activity process.
4. Members of the organisation can participate in the audit of the organisation.

### Participation

1. Interested persons can participate in acknowledging and understanding problems, expressing views and proposing relevant key issues.
2. Interested persons can brainstorm to identify solutions and participate in the decision-making process.
3. Interested persons can participate in the development of the organisation as a partner of development. Relevant practices are as follows:
  - To promote awareness, values and attitudes of compliance with honesty;
  - To put in place an effective and efficient internal control system to create check and balance to prevent corruption by employees or involvement in any corruption;
  - To prohibit directors, executives and employees from doing anything to the effect of demanding or accepting properties or any other benefits for themselves or for others to incentivise the unlawful practices or undue omission of duties or practices which may cause damage to the interests of the Company;
  - To prohibit directors, executives and employees from giving or offer to give properties to any other persons to incentivise them to do or omit to do anything that is unlawful or that is an abuse of power.

The Company makes available channels for complaints, opinions and whistleblowing in case there is any unlawful act or corruption that relates to the Company both directly and indirectly, including practices that are inconsistent with the standards and practices of the Company or that may have

an impact on the internal control system of the Company such that it may be a possible act of corruption and may have a possible impact on the reputation of the Company.

In addition, the Company also provides a whistleblower protection measure where whistleblowers will be protected equally regardless of their positions as directors, executives, employees or stakeholders. Whistleblowers may choose not to have their name disclosed. The Company will treat whistleblowers with equity and will protect them including those accepting complaints, persons who have complaints against themselves and any persons involved in the fact-finding process. The Company shall treat all information with confidentiality and will only make disclosure when it is necessary having due regards to the safety and possible damage of whistleblowers, those accepting complaints, persons who have complaints against themselves and any persons involved in the fact-finding process.

### **3. Respect for Human Rights**

The Company recognises the importance of and respects human rights and will not do anything that will violate human rights of a person or any group of persons both directly or indirectly. In addition, the Company always values every employee as its key resource. Employees are treated with respect for their integrity and privacy. The Company always ensures a safe working environment for both the health and property of its employees.

### **4. Fair Treatment for Employees**

The Company has a policy to treat all employees with fairness. Compensations are paid appropriately, timely and fairly. The Company also provides training to develop professional skills. Training on other subjects than professional development are also provided to promote better understanding of each aspect of work and to allow the employees to be able to integrate their skills in enhancing efficiency.

### **5. Responsibility for Students**

- Students are in safe learning environments which promote multicultural and linguistic diversity developments.
- Students are encouraged to have academic excellence and an analytical mind. They should aspire to lifelong learning through teaching that is both intensive and creative and based on the good care of students.
- Students are supported and encouraged to achieve success in a trilingual environment. They will learn to develop a life skill that is necessary for their achievements and for their access to higher education in world-class universities of their preference.
- The Company promotes well-being of students through both curricular and extracurricular activities.
- The Company promotes professional development for all employees and encourage them to work with parents and their colleagues in developing a strong community.

### **6. Environment Preservation**

The Company understands the importance of the energy and the environment in which it operates. It adopts an environmentally friendly approach to reduce pollution and preserve energy in improving its



buildings and creating learning environments. These investments in environment preservation efforts are expensive but they prove to be worthwhile because they reduce the impact on the environment. The Company adopts energy saving schemes in the design and improvement of buildings to maximise efficiency. These include, for example, the design of buildings that allow good ventilation of air and the use of LED light bulbs for lighting systems in buildings to save energy costs. The Company also arranges green spaces around its buildings where students can enjoy their relaxation out of the classroom.

In addition, students are encouraged to have awareness for the environment and take part in preserving and improving it. Activities are organised to allow students to participate in caring for the environment of the school, to help with waste separation efforts and to use energy and resources with appreciation in order for them to apply this in their daily lives. This is also aimed at instilling a good sense of environmental preservation which will expand into to society and the community to create balance and sustainability.

## 7. Community and Social Development

The Company has always participated in community and social development activities. It organises activities to translate its corporate social responsibility to practice every year. It recognises the importance of the community around it, including those in remote areas. Activities done for the benefit of the community and the public are:

### SISB Corporate Social Responsibility – English Learning (CSR-EL)

2019 Singapore International School of Bangkok in collaboration with Pharam 9 Kanchanaphisek Temple and Praram 9 Kanchanaphisek School has continuously organised the SISB Corporate Social Responsibility – English Learning Project (CSR-EL) to teach English for Primary students of Pharam 9 Kanchanaphisek School on Saturday at our campus free of charge. It is our ambition to improve their communication skills and basic understanding of English.

Additionally, Singapore International School of Bangkok has stretched out the same project to Wat Samakee Tham School ,Wangthongland , Bangkok. All lessons are performed by SISB volunteer teachers and students. This also includes SISB Parent Support Team for snacks and milk sponsorship throughout the session.

There are all together 387 CSR students from both Praram 9 Kanchanaphisek School and Wat Samakee Tham School from the starting year until now.

### We Give We Share

The We Give We Share Project is a charity project initially initiated by the Nursery Kindergarten team, parents and students. Today it incorporates members from all departments and all SISB schools.

The objective of the project was to give back to under privileged children in rural areas that often are neglected. Teachers, students and parents work together in preparing and engaging in activities to raise funds in different ways.

The funds raised are then used to develop schools, provide financial assistance to build facilities that are necessary for the basic well being of the children in the area and in necessities that the children need to get the basic education in the area.

The team will travel to the area once a year, at the end of the year to facilitate and inspect the use of financial aid to ensure that it is properly allocated and used.

## 11. Internal Control and Risk Management

### 11.1 The Board of Directors' Opinion on the Sufficiency of Company's Internal Control System

At the Board of Directors meeting No.1/2020 on 25 February 2020 the Audit Committee consisting of all three members considered and assessed the sufficiency of the Company's internal control system. After consulting with Management they arrived at a conclusion on the five areas of the Company's internal control system which are:

1. Environment Control;
2. Risk Assessment;
3. Control Activities;
4. Information & Communication; and
5. Monitoring Activities

The Board of Directors was of the opinion that the internal control system of the Company is sufficient and appropriate. The Company provides sufficient human resources to effectively implement such internal control system to ensure that the business operations are transparent and comply with the principle of good corporate governance. In addition, the Company arranged for a monitoring system to prevent any unauthorised use of assets of the Company by the Company's directors or executives. It also put in place a sufficient internal control system in connection with transactions with persons with possible conflict of interests or connected persons.

### 11.2 Actions taken in connection with the internal control system

The Company has an Audit Committee to discharge the duties of auditing and ensuring that the Company, its subsidiary and schools whose licences are held by the Company and/or its subsidiary have a sufficient and effective internal control and internal audit system. The Audit Company also has the duty to review the operations of the Group to comply with the law on securities and exchange, the requirements of the Stock Exchange of Thailand and laws governing the business operations of the Group. The Audit Committee will meet at least every quarter to consider and ensure correct and sufficient financial reporting and disclosure of information. The Audit Committee will also consider related party transactions or transactions with possible conflicts of interest to comply with the law and the requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand. The Company's auditor also attended the Audit Committee meeting to give input and observations from the auditing of the Company's accounts.

To ensure that the internal control system of the Company, its subsidiary and schools whose licences are held by the Company and/or its subsidiary is efficient, the Company has engaged P & L Internal Audit Company Limited to audit the internal control system of the Company. The internal auditor prepared a report on the assessment and the audit of the internal control system of the Group and has reported the results consistently and directly to the Audit Committee every quarter. The Group has corrected each function within the Group to comply with the recommendations of the internal auditor.

### 11.3 Internal auditor's opinion on the internal control system

In 2019, the internal auditor inspected and monitored the main functions within the Group which comprise: management of Payroll Management, Purchasing Management, Business Continuity & Crisis management and Food Hygiene Practices and recommendations on improvements to enhance check and balance in all functions. This would result in continuous improvements to the quality of the Company's internal control system and lead to

good corporate governance. The Company had addressed each of the issues recommended by its internal auditor continuously.

#### 11.4 The auditor's observations on the internal control system

EY Company Limited (the "Auditor"), which is the auditor of the Group, has audited the financial statements for the year ended 31 December 2019, and did not have any observations related to the internal control system to report.

#### 11.5 The Company's Head of Internal Audit

The Company has engaged P & L Internal Audit Company Limited which is an outsource service provider to perform the duties of auditing the internal control system of the Company since 2015. P & L Internal Audit Company Limited assigned its Vice-President of Operations, Ms. Wanwimol Jongsuriyapas to perform the duties of the Company's Head of Internal Audit. Details of the qualifications of the Company's Head of Internal Audit are as follows:

<b>Internal Auditor</b>	P & L Internal Audit Company Limited
<b>Head of Internal Audit</b>	Ms. Wanwimon Jongsuriyapas
<b>Education</b>	<ul style="list-style-type: none"> <li>▪ Master Degree in Executive MBA 2020, NIDA University</li> <li>▪ Bachelor's Degree in accountancy 2006, Dhurakij Pundit University</li> <li>▪ Internal Auditing Certificate Program – IACP by the Federation of Accounting Professions</li> <li>▪ CPIAT by The Institute of Internal Auditors of Thailand (IIAT)</li> <li>▪ Prepared Course for Certified Internal Auditor: Pre – CIA) by Chulalongkorn University</li> </ul>
<b>Relevant Trainings</b>	<ul style="list-style-type: none"> <li>▪ Business Management for Internal Audit in Digital 4.0 by the Federation of Accounting Professions</li> <li>▪ Topic "Fraud Audit and Caution for Auditor by The Institute of Internal Auditors of Thailand</li> <li>▪ COSO 2014 by The Institute of Internal Auditors of Thailand</li> <li>▪ Integrated Audit 1/2561 by the Federation of Accounting Professions</li> <li>▪ Cost Management for value added and sustainability by the Federation of Accounting Professions</li> <li>▪ Data Analytics for Internal Auditor by the Federation of Accounting Professions</li> </ul>

The consideration of and approval for the appointment, removal from office and relocation of the Company's Head of Internal Auditor must be approved (or consented) by the Audit Committee. Details of the qualifications of the Company's Head of Internal Audit are in [Attachment 3].

## 12. Related Party Transactions

### 12.1 Nature of Relationship

The Company entered into related party transactions with persons with possible conflicts of interest which comprise shareholders and/or executives of the Company and its affiliated companies. Details of the nature of relationship can be summarised as follows:

Persons with Possible Conflict of Interests	Nature of Relationship
1. SISB-SIRI Company Limited (“ <b>SISB-SIRI</b> ”) <ul style="list-style-type: none"> <li>- Operates the business of being the holder of a licence to establish Singapore International School Chiangmai</li> </ul>	<ul style="list-style-type: none"> <li>- Being the Joint Venture in which each of the Company members and a group of businessmen in Chiangmai holds 50 percent of interests</li> <li>- Mr. Yew Hock Koh and Ms. Wilawan Kaewkanokvijit are the common directors.</li> </ul>
2. Singapore International School Chiangmai	<ul style="list-style-type: none"> <li>- International school whose licence is held by SISB-SIRI (Joint Venture)</li> </ul>
3. Am International Company Limited (“ <b>Am Inter</b> ”) <ul style="list-style-type: none"> <li>- Operates the business of importing and exporting and distributing electronic parts</li> </ul>	<ul style="list-style-type: none"> <li>- Mr. Yew Hock Koh and Ms. Nongnapha Thongmee are the common shareholders holding 49.00 percent and 39.00 percent of total issued shares respectively in AM Inter</li> </ul>
4. Private Fund of relatives of the Company's directors	<ul style="list-style-type: none"> <li>- Private Fund of relatives of Mr. Chatrapee Tantixalerm who holds the position of Company Director</li> </ul>
5. Mr. Yew Hock Koh	<ul style="list-style-type: none"> <li>- Being the director and the Chief Executive Officer of the Company</li> <li>- Holding 308,720,000 shares representing 32.84 percent of total issued shares of the Company as of 31 December 2019</li> </ul>
6. Ms. Wilawan Kaewkanokvijit	<ul style="list-style-type: none"> <li>- Being the director and the Corporate Director of Admissions;</li> <li>- Holding 273,000,000 shares representing 29.04 percent of total issued shares of the Company as of 31 December 2019</li> </ul>
7. Ms. Nongnapha Thongmee	<ul style="list-style-type: none"> <li>- Holding 96,901,300 shares representing 10.31 percent of total issued shares of the Company as of 31 December 2019</li> </ul>

## 12.2 Details of Related Party Transactions

The followings are details of related party transactions of the Company for 2018 and 2019:

### (1) Income from the sale of education materials

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2018	2019	
Singapore International School Chiangmai	Income from the sale of education materials	0.236	0.084	Singapore International School of Bangkok, Singapore International School Suvarnabhumi and Singapore International School Thonburi sold textbooks and school uniforms to SISB-SIRI for use at Singapore International School Chiangmai at cost plus margin which is the same price used in the sale of the products to other schools within the Group.
	Account Receivables	-	-	
				The Audit Committee considered and was of the opinion that the transaction would be beneficial for the schools within the Group and was reasonable.

### (2) Other income

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2018	2019	
SISB-SIRI	Income from admission management fees	0.83	1.91	The Company provided advisory services to SISB-SIRI on the management and operations of school business which included accounts preparation and recruitment of education personnel. Service fees were charged with reference to the revenue and operating results of the schools managed by the Company.
	Accounts Receivable	0.36	0.54	
				The Audit Committee considered and was of the opinion that the transaction would be beneficial for the schools within the Group and was reasonable.

## (3) Purchase of Equipment

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2018	2019	
AM Inter	Purchase of Equipment	0.08	-	Singapore International School of Bangkok and Singapore International School Suvarnabhumi purchased electronic appliances and cable cords from Am Inter for installation of CCTV, audio system, etc. for the Company and schools whose licences are held by the Company. The purchase was a transaction with normal general commercial terms with a price that was in line with the market price.  The Audit Committee considered and was of the opinion that the transaction would be beneficial for the schools within the Group and was reasonable.
	Accounts Payable	-	-	

## (4) Debtors and Creditors

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2018	2019	
Singapore International School Chiangmai	Other Accounts Receivable	0.06	0.08	Other accounts receivable represented the Group's advance payments.  The Audit Committee considered and was of the opinion that the transaction was reasonable.

## (5) Bills of Exchange

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
		2018	2019	
Private Fund of Relatives of the Company's Director	Beginning of the period	10.00	-	On 3 April 2018, the Company issued and offered Bills of Exchange Tranche No. 1/2018 for a term of six months offered to four investors, having the total value of THB 150 million. Such B/E carried an interest rate of 3.50 per year and the redemption date for this
	Increased during the period	10.00	-	
	Repaid during the period	(20.00)	-	
	End of the period	-	-	

Persons with possible conflict of interests	Nature of Transactions	Value of Transactions (THB in Million)		Transactions
	Interest payable	0.26	-	tranche was 3 October 2018. The Private Fund invested in the Bills of Exchange having the value of THB 10 million at a similar interest rate and under similar terms and conditions to those of the other private funds.
	Accrued interest payable	-	-	
				In 2018, the Group redeemed all the Bills of Exchange. As at the end of 2018, the Group did not have any Bills of Exchange left.
				The Audit Committee considered and was of the opinion that the transaction would be beneficial for the Company and that the interest rate and conditions on which the Private Fund invested in the Bills of Exchange were similar to those prescribed for other private funds.

### 12.3 Measures and procedures for approving related party transactions

The Company puts in place measures for related party transactions among the Company, its subsidiary and schools whose licences are directly held by the Company and/or its subsidiary. The Audit Committee will express its opinion on the necessity of the transactions, reasonableness and appropriateness of the price at which the transactions are entered into taking into consideration terms that are in line with the normal commercial market terms which are comparable to prices at which transactions would have been entered into with other third parties. For related party transactions in which the Audit Committee may not have expertise, the Company will obtain services from independent third party professional service providers such as auditors, asset appraisers or law firms to express independent opinion on such related party transactions to assist with the decision making of the Audit Committee who shall propose the matter to the Board of Directors meeting or general meeting of shareholders for further consideration.

In addition, the Company, its subsidiary and schools whose licences are held directly by the Company and/or its subsidiary put in place a measure to prohibit the executives or interested persons from being involved in the approval process for transactions in which they have either direct or indirect interest. The Board of Directors will also be required to ensure that the Company, its subsidiary and schools whose licences are held directly by the Company and/or its subsidiary to comply with the laws on securities and exchange including rules, regulations, notifications, orders or the regulations of the Capital Market Supervisory Board and the requirements to make public disclosures for connected transactions or for the acquisition or disposal of material assets of the Company, its subsidiary and schools whose licences are directly held by the Company and/or its subsidiary, and with accounting standards prescribed by the Thailand Federation of Accounting Professions and shall disclose information of related party transactions in the notes to financial statements audited or reviewed by the Company's auditor.

**12.4 Policies and tendency of related party transactions**

The Company, its subsidiary and schools whose licences are held directly by the Company and/or its subsidiary may regularly enter into related party transactions which shall be in the normal course of business. Clear policy for related party transactions will be determined and require the transactions to be entered into on commercial terms and conditions according to the normal course of business that are similar to those provided for other transactions with non-related parties and/or companies such as sale of goods, rentals, provision or receipt of services, guarantees provided by major shareholders and/or directors. Related party transactions will be entered into on the basis of necessity for the business operations of the Group and will be for the benefit of the Group. The Audit Committee will review and monitor compliance quarterly with the relevant rules and regulations and will express its opinion on the reasonableness of the transactions.

For future related party transactions that are not the normal course of business, the Company will ensure that the Audit Committee reviews the compliance with the relevant rules and regulations and ensure that justifications are provided on the transactions before the Company, its subsidiary and schools whose licences are held directly by the Company and/or its subsidiary could enter into such transactions. The measures and procedures for approving the related party transactions will be complied with. However, for related party transactions which may cause a conflict of interests in the future, the Board of Directors shall comply with the law on securities and exchange, rules and regulations including notifications, orders or the requirements of the Capital Market Supervisory Board, the Securities and Exchange Commission, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Company shall also comply with the disclosure requirements to provide information on related party transactions including the acquisition or disposal of assets of the Company, its subsidiary and schools whose licences are held directly by the Company and/or its subsidiary. Also, accounting standards prescribed by the Thailand Federation of Accounting Professions shall also be complied with.