

# CORPORATE GOVERNANCE

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## **The Company's Corporate Governance Policy**

The Board of Directors stresses the importance of compliance with the principles of good corporate governance with an emphasis on the roles and duties of directors, executives and employees to promote good corporate governance environment and enhance competitiveness of the business and trustworthiness to shareholders, investors and related parties through efficient and transparent management. For this reason, the Board of Directors considers and reviews the implementation of the principles of good corporate governance under CG Code based upon the business contexts of the Company once a year. In addition, the Company complies with the following 5 principles of good corporate governance for listed companies as determined by the Stock Exchange of Thailand:

1. Rights of shareholders
2. Equitable treatment of shareholders
3. Consideration of the roles of stakeholders
4. Disclosure and transparency
5. Responsibilities of the Board

## **Principle 1: Rights of shareholders**

The Company shall put importance on the rights of shareholders on significant changes of the Company and receipt of accurate, complete, sufficient, timely, and equitable information about the Company to support their decisions on any matters. Shareholders shall be able to get hold of the Company's operating results, administrative policies or related transaction making correctly and completely on the Company's website [www.chewathai.com](http://www.chewathai.com), which is available in both Thai and English versions or SET's website [www.set.or.th](http://www.set.or.th). For shareholder to rest assured that their rights shall be protected and they are always treated appropriately, the Company hereby issue the following policies:

1. Thailand Securities Depository Company Limited was appointed by the Company to be its securities registrar to facilitate shareholder in securities registration process.

2. To determine the date of shareholders' meeting, the Company shall not select a public holiday or commercial bank holiday. Appropriate meeting time shall be between 8.30 a.m. to 5.00 p.m., and the meeting venue shall be in Bangkok.

3. The ordinary general shareholders' meeting shall be held once a year on the appropriate date and at the venue within 4 months from the end date of the Company's accounting cycle.

4. The Company shall send shareholders the meeting invitation and information about the agendas in which clear objectives and rationales, as well as the Board's opinions on each agenda is stated for shareholders to study and be prepared at least 21 days prior to the meeting date. In the event that shareholders cannot attend the meeting in person, they can authorize any independent director or person to attend on their behalf by using a proxy form enclosed with the invitation.

5. The Company shall facilitate shareholders by holding the meeting at the venue which is easy to reach and the map thereof shall be enclosed with the invitation. The date and time shall be appropriate and the meeting period shall be sufficient.

6. Prior to the shareholders' meeting, the Company shall inform shareholders of the voting method and the rights to express their opinions and ask any questions under each agenda. During the meeting, shareholders shall have the equal rights to express their thoughts and ask questions. Chairman shall appropriately allocate the time, and related directors and executives shall attend the meeting to answer the questions.

7. There should be more channels for shareholders to get hold of any news and information on the Company's website. Specifically, the meeting invitation shall be disclosed prior to the meeting date on the Company's website for shareholders to download the relevant agendas conveniently and completely and have sufficient time to study the meeting-related information prior to receipt of the hard copies of information from the company.

8. The minutes of meeting shall be recorded accurately, correctly, quickly, and transparently. Questions and important opinions shall be stated in the minutes of meeting for shareholders' review. In addition, the company shall publish the minutes of meeting on its website for shareholders' consideration and submit it to the Stock Exchange of Thailand within 14 days from the shareholders' meeting date.

9. Facilitate shareholders' receipt of dividends by bank transfer (if any) to ensure timely payment of dividend and prevent damaged, lost or delayed cheques.

10. The Company shall take care of shareholders by ensuring that they shall receive information, news, operating results, and management policies on regular basis and in timely manner. In addition to disclosure of information through news system of the Stock Exchange of Thailand, important news and updates shall also be published on the Company's website [www.chewathai.com](http://www.chewathai.com).

11. The Company shall invite minority shareholders to propose appropriate agendas to be considered by the shareholders' meeting in advance between 10 November 2018 and 10 January 2019 through information system of the Stock Exchange of Thailand and the Company's website [www.chewathai.com](http://www.chewathai.com) in customer relations section for the annual general shareholders' meeting 2019.

## **Principle 2: Equitable treatment of shareholders**

The Company determines that all shareholders shall be treated fairly and equitably by putting importance on and respect the ownership of shareholders without specifically favoring any stakeholders. Thus, shareholders can be certain that their rights shall be protected and treated appropriately. The Board indicate the procedure for maintaining such rights as follows:

1. The Company shall disclose sufficient, timely and comprehensive information about its management policies, related transactions and any information beneficial for shareholders' decision making to shareholders through SET's website [www.set.or.th](http://www.set.or.th) and the Company's website [www.chewathai.com](http://www.chewathai.com) in both Thai and English version.

2. Facilitate minority shareholders to nominate directors or additional agendas prior to the shareholders' meeting.

3. Criteria for consideration of additional agendas proposed by minority shareholders shall be clearly indicated beforehand as well as procedure for minority shareholders' proposal of director nomination.

4. In shareholders' meeting, consideration and voting shall be made as planned without changing any

significant information or adding any agendas unless necessary, especially the agendas which require shareholders to take some time to study prior to making decisions.

5. Any shareholders who cannot attend the meeting in person shall be able to authorize any person or at least one independent director to attend the meeting and cast votes on their behalf. The name of the said independent director shall be listed in the shareholders' meeting invitation.

6. Both majority and minority shareholders whether Thai or foreign shall be treated equitably.

7. Ballots shall be used for voting of all agendas to ensure transparency and accountability in case of any objection after voting, and in director election agenda, shareholders shall be entitled to nominate directors individually.

8. Procedure for retention and prevention of internal data shall be indicate in writing and communicated to all staff at the Company for acknowledgement and compliance. The executives who are required by the law to report securities possession shall submit the relevant reports to the Board.

9. Any directors and executives trading, transfer or accept the transfer of the Company's securities shall notify the Securities and Exchange Commission of the transactions within 3 working days from the date of such change.

10. The Company shall clearly indicate procedure for maintenance and disposal of conflict of interest by having the audit committee who are obligated under the audit committee charter to audit compliance with the rules and regulations to ensure that the Company complies with the rules of the Stock Exchange of Thailand and the Securities and Exchange Commission. In the event that the meeting resolves on any transactions which may incur conflict of interest or enter any related transactions, the Company shall disclose the value of such transactions, names of the contractual parties and related parties, necessary reasons, and other details related to entering such transactions completely in both Thai and English language through SET's website [www.set.or.th](http://www.set.or.th) and the Company website [www.chewathai.com](http://www.chewathai.com).

### **Principle 3: Consideration of the roles of stakeholders**

The Company realizes and acknowledges all groups of stakeholders' rights including internal stakeholders as shareholders, employees and external stakeholders as customers, partners, creditors, competitors, public sector, and other agencies, as well as nearby communities since the Company is supported by stakeholders resulting in compatibility and profits, which contributes to long-term value of the Company. Therefore, the Board issue the following policies:

#### **1) Treatment and responsibilities for shareholders**

The Company realizes that shareholders are business owners and the Company's duty is to create additional long-term value to them. Thus, the employees shall be determined to perform as follows:

- Perform their roles with integrity and carefully make decisions by taking account of fairness to all shareholders for their benefits as a whole
- Govern the business to ensure stable financial status and satisfactory operating results. The Company's status, performance, financial statements, accounting and other reports shall be reported regularly and completely on actual basis
- Shareholders shall fairly receive reports on the Company's future both in positive and negative aspects on the basis of possibility backed up with reliable and reasonable information
- Do not seek interest for themselves and the third party by exploiting the Company's data which are not publicly disclosed or perform any act which may cause conflict of interest with the organization.
- The Company shall treat all shareholders fairly and equitably in the shareholders' meeting.

## **2) Treatment and responsibilities for the public sector**

In business operation, the Company put importance on compliance with the law, rules and regulations both in public sector, especially transaction making, by avoiding any actions which solicit the government or public officials to perform misconduct. However, good relationship may be created to an appropriate and possible extent such as public talks, expression of gratitude in special occasions or traditions. The following practices shall be observed:

- Perform appropriately when contacting public officials or agencies
- Always bear in mind that the law, rules or regulations of any public agencies may contain different conditions, procedures or practices which the Company shall be aware of and strictly follow.

## **3) Treatment and responsibilities for employees**

The Company always realizes that all employees are valuable resources and important factors of the Company achievements. For this reason, policies were determined to ensure fair treatment in terms of opportunities, remunerations, appointments, transfers, and ability development by taking account of the following:

- Employees shall be treated with respect for honor, dignity and privacy
- Work environment shall be maintained to ensure safety for employees' life and property.
- Appointment and transfer, as well as rewarding and disciplinary actions, shall be made in good faith on the basis of employees' ability and appropriateness.
- Employees' knowledge and ability shall be taken into consideration by giving all employees chances to improve themselves through training, seminar and fair opportunity.
- Fair remuneration shall be determined for all employees in accordance with industrial situation, business competition, work nature, operating results, and ability of the Company to pay remunerations.
- Any unfair treatment which may affect employees' work stability shall be avoided.
- Employees shall be given chances to propose or complain about their work, and proper solutions shall be sought for the benefit of all related parties and good relationship at work.

## **4) Treatment and responsibilities for customers**

The Company operates real estate business with the aim to create, present and manage its products and services for customers while maintaining quality and ethics under the following practices:

- Striving for provision and development of products and services to meet customer needs
- Delivering quality products and services under fair conditions
- Providing correct and sufficient information about products and services to facilitate customers' decision making without giving misleading details of quality, quantity or other conditions of the products or services in advertising or communication through other channels
- Providing procedure with which customers can inform problems or inappropriate service provision so that the Company can prevent or provide customers with solutions in timely manner or use the information to improve or develop products and services
- Maintain customers' data and confidential information by not disclosing or utilizing it illegally.

### **5) Treatment and responsibilities for partners and contractual parties**

The Company shall treat partners and contractual parties who are considered as partners and one of the factors influencing business success on equitable and fair basis and mutual benefit as follows:

- The Company shall ensure that the product and service provision shall be done effectively under the following principles:
  - Competing based on equal information
  - Having appropriate criteria for assessment and selection of partners by considering partners who have reliable financial records, potential, and be able to make products or services with the required and verifiable quality
  - Making appropriate and fair contract for both parties
  - Having management and monitoring system to ensure that the contract terms are completely followed and misconduct is prevented at all stages of supply procedure
  - Making payments to partners and contractual parties in timely manner under the agreed payment terms.
- The Company aims to develop and maintain sustainable relationship with partners and contractual parties who have clear objectives of product and service quality which is worth monetary value and reliable.
- Executives and employees shall be prohibited from receiving any personal interest from partners and contractual parties whether directly or indirectly.
- Any information obtained from procurement for the benefit of self and others.

### **6) Treatment and responsibilities for creditors**

The Company relies on principles and disciplines in business operation to create reliability to creditors. The following practices are observed:

- Treat creditors honestly and repay all debts and interests within the scheduled period as well as strictly complying with conditions stated in loan contracts and other agreements.
- In case of any incidents which may affect the banks, financial institutions and creditors of the Company or failure to perform in accordance with the conditions of loan contracts, the Company shall send notices to the banks, financial institutions, debenture holders, and creditors in advance and discuss effective solutions.

### **7) Treatment and responsibilities for business competitors**

The Company aims at sustainable success and leadership in business under fair and ethical competition in the industry by treating competitors as follows:

- Competing within good competition rules
- Not trying to obtain confidential information of competitors by illegal or inappropriate means for the benefit of the Company's business.
- Avoid slandering or ruining competitors' reputation
- Refraining from any actions which may violate intellectual property rights of others or business competitors

### **8) Treatment and responsibilities for the society**

The Company puts importance on the surrounding communities and society as the Company realizes

that it is part of the society moving forward for sustainable social and environmental development. Therefore, the Company conducts various activities for communities and society along with business operation with responsibility for overall communities and society as follows:

- Having policies on business operation by taking account of environment and strictly complying with applicable law and regulations related to environment
- The Company has clear activities related to Corporate Social Responsibility which are regularly performed by employees.
- Employees shall be encouraged to be aware of and responsible for environment and society.
- Local traditions, customs and cultures of the countries in which the Company conducts its business are observed.
- The Company conducts activities to support society, communities and environment on regular basis to improve the quality of life of the residents in communities where the Company is located. Also, collaboration is provided to public and private sector as well as communities.
- The Company participates in holding activities with the communities where it conducts business as appropriate.
- The Company quickly and effectively responds to any incidents affecting environment, communities, life and property as a result of its operations by providing full cooperation to public officials and relevant agencies.

In addition, stakeholder can obtain more information, file complaints or report any illegal acts, correctness of financial statements, faulty internal control system, or violation of the Company's business ethics through Independent Committee or Audit Committee of the Company. The complaints or information filed shall be protected and treated as confidential by the Independent Committee or Audit Committee and shall be investigated for seeking appropriate solutions (if any) prior to reporting to the Board.

**The Company's contact channels for stakeholders**

The Board puts its importance on participation of stakeholders in enhancement of the Company's performance to create sustainable stability of the Company by disclosing significant information about business operation to stakeholders sufficiently and transparently. Also, the Company arranges channels for stakeholders, shareholders and investors to send inquiries, file complaints, inform violation of rights, report illegal offences, correctness of financial statements, faulty internal control system or violation of the Company's business ethics through Independent Committee or Audit Committee of the Company. External stakeholders may contact the Board or Senior Executives through the following channels:

- 1. Telephone: Call Center 1260  
Press 3 to contact Investor Relations Division or press 4 for complaint filing
- 2. Letter: Send letters by mail or in person to  
Chewathai Public Company Limited  
1168/80 Lumpini Tower, 27th floor, Unit D  
Rama 4 Road, Thung Mahamek Sub-district, Sathorn District  
Bangkok Metropolis 10120
- 3. Email: [auditcommittee@chewathai.com](mailto:auditcommittee@chewathai.com)
- 4. Website: [www.chewathai.com](http://www.chewathai.com)

Complaints and information submitted shall be protected and treated as confidential by the Independent Committee or Audit Committee and shall be investigated for seeking appropriate solutions (if any) prior to reporting to the Board.

Employees may express their opinions, file complaints or report inappropriate acts through the Company's whistleblower system.

The Company shall be responsible for environment and society as well as all groups of stakeholder by taking account of possible effects on society, environment, customers partners, competitors, creditors as a result of its business operation. In 2018, there was no case of violation of the law on violation of labor, employment, business competition, and there was no legal action taken against the Company by any government agencies or statutory authorities due to the Company's failure to announce significant events within the specified period.

#### **Principle 4: Disclosure and transparency**

The Company has the policy to transparently disclose information to related parties including shareholders, customers and employees as follows:

##### **1. Shareholders**

The Company shall disclose information such as financial information, general important information and operating results of the Company in true, sufficient, regular, timely, comprehensive, and fair manner. Information shall be communicated to shareholders, investors, analysts, and other stakeholders through various channels. Investor Relations Division shall be available for providing information and news regarding the Company's activities to investors, shareholders, analysts, and related parties, including

- Report through news system of the Stock Exchange of Thailand
- Annual report form (Form 56-1)
- Company's website [www.chewathai.com](http://www.chewathai.com)
- Mass media such as newspapers, business journals and television

Minority shareholders, general investors and analysts who wish to obtain the Company's information may directly contact the Company's Investor Relations to maintain good relationship on the basis of fair disclosure of information. The Company realizes and assumes responsibility for reliability of financial statements, so the Board shall make correct and complete financial information in accordance with generally accepted accounting standards and principles. Also, information which affects or may affect the change in the Company's securities prices and investment decision shall be disclosed pursuant to the law, rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and other relevant public agencies as well as monitoring and change regularly to ensure that the law, rules and regulations are updated and for shareholders to rest assured that the business shall be operated fairly and squarely.

In 2018, information and news of the Company through various channels and mass media on regular basis for acknowledgement of shareholders, investors, analysts, other stakeholders, and general public as follows:

1) The Company's executives shall provide overall information about the Company's performance and answer questions from analysts and investors during the company visit, conference call, analyst meeting, opportunity day, and site visit.

2) Public relations news shall be distributed to newspapers, magazines and journals related to the Company's business, operating results, and executive interviews from the Board and Managing Director of the Company.



3) The Company attends MAI Forum 2018 to disseminate its information to investors, securities analysts, mass media, and interested persons.

4) Information is also available on channels of the Stock Exchange of Thailand and the Securities and Exchange Commission including Form 56-1, the Company's financial statements, quarterly financial statement analysis, and other. For more information or enquires, shareholders, investors and general public may also contact

Investor Relations Divisions: Miss Chanisara Yingnok

E-mail address: ir@chewathai.com; Telephone No. (02) 679 8870-4 or Call Center: 1260.



## 2. Customers

The Company disseminates information about its projects through online channels including [www.chewathai.com](http://www.chewathai.com) and [www.facebook.com/CHEWATHAI](http://www.facebook.com/CHEWATHAI) and Call Center 1260.

## 3. Employees

The Company's employees either working at the head office or at any project shall be taken care of equally and receive the same information in various forms such as posts on the bulletin board at the Company and at the project site, communication made by divisions in the form of Chewathai Club Intranet and LINE in which senior executives are present to ensure that employees shall obtain the following information:

- Policies, rules and regulations of the Company
- News on the Company's activities
- News or information about the Company's benefits
- News about employees e.g. promotion, position adjustment, new recruits, or resignation, etc.
- Knowledge for employees e.g. tax news, social security news, etc.



## **Principle 5: Responsibilities of the Board**

The Board shall be responsible for shareholders in terms of the Company's management and corporate governance to ensure that the Company is managed in compliance with the law, objectives, rules of the Company and shareholders' meeting resolution.

### **1. Structure of the Committees**

The Committees consist of knowledgeable and experienced persons in various fields such as engineering, business administration, law, accounting, finance and so on who have passed the training provided by Thai Institute of Directors Association (IOD). These people have important roles in determining the Company's policies together with senior executives on short-term and long-term planning as well as financial policies, risk management and overall direction of the Company. The Committees shall independently supervise, audit and assess the Company's operating results and performance of senior executives to ensure conformity with the indicated plans.

The Committees 2018 are comprised of 6 groups as follows:

1. The Board of Directors
2. Audit Committee
3. Executive Committee
4. Nomination and Remuneration Committee
5. Corporate Governance Committee
6. Risk Management Committee

Power of each committee shall be separated clearly. Decision made on important matters shall be accepted by each committee who is responsible for specific matter and propose it to the Board of Directors for consideration or acknowledgement to ensure balance and transparency as well as fair treatment on any related parties.

The present Board of Directors consists of 7 members who are 3 executive directors and 4 non-executive directors. 4 members are qualified as independent directors, which accounts for more than 50 percent of the total members of the Board of Directors, resulting in balance in consideration and approval. The term of the Board of Director shall not be over 3 years as specified by the applicable law. Independent directors shall be allowed to hold office for not over 9 consecutive years unless the Board of Directors consider that such persons should continue taking the post of independent directors for the utmost benefit of the Company. Furthermore, the Company's directors and executives may assume the position of directors or executives of any affiliated companies or companies provided, however, that the requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand as well as other related agencies, which shall be informed to the Board of Directors' Meeting.

### **2. Nomination and term of office of the Board of Directors**

#### **2.1) Rules for election and nomination of the Board of Directors**

The Board of Directors shall have qualifications and experiences as required by the Company and not possess any prohibited characteristics listed in Public Company Act, B.E. 2535, Securities and Exchange Act, B.E.2535 and other relevant laws. The Board of Directors shall have sufficient time and dedicate their knowledge and abilities to perform their duties for the Company. The criteria for selection of members of the Board of Directors under the Company's regulations are as follows:

- 1) Members of the Board of Directors shall have qualifications specified in relevant rules and the Company's articles of associations.

2) They shall obtain at least a bachelor's degree in any field.

3) They shall have knowledge of the Company's business and be able to dedicate sufficient time and knowledge for the Company.

4) They shall be honest and highly ethical.

5) Members of the Board of Directors shall not take any positions at more than five (5) other listed companies. In the case that any members of the Board of Director have taken the positions at more than five (5) other listed companies, the Board of Director shall consider efficiency of performance of such members and report the reason for nomination in the annual information form (Form 56-1) and annual report (Form 56-2).

6) The Board of Directors shall be appointed, elected and dismissed by the shareholders' meeting and the term of office shall be as determined in the Company's article of association with possibility of re-election, except for the case that the vacant position is not due to expiration of term, the Nomination and Remuneration Committee shall nominate a qualified person to be proposed to the Board of Directors for fulfillment of the vacant position in accordance with the Company's article of association.

7) In each annual general shareholders' meeting, one-thirds of total directors shall be dismissed from their position. If it is not possible to divide the total number of directors into three equal groups, the dismissed directors whose number is the most similar to one-thirds of the total number. The dismissed directors may be re-appointed to hold their office.

In addition to the expiration of term, directors shall be dismissed upon the following events:

1) Death

2) Resignation (effective as of the date of resignation letter receipt)

3) Lack of qualifications or having prohibited characteristics as specified by the regulations and notifications issued under the law or the Company's article of association

4) The shareholders' meeting passed the resolution on dismissal.

5) The Court orders dismissal.

8) For nomination of the persons to be appointed by the shareholders' meeting to hold the office in place of the retired directors, the Nomination and Remuneration Committee shall nominate the qualified persons to be considered by the Board of Directors prior to proposal to the shareholders' meeting and selection.

9) For election of the committee, individual votes shall be made, and shareholders shall be entitled to elect the nominated persons for the relevant election without separation of votes.

10) The persons who obtain the majority votes shall be selected to fulfill the vacant positions for which such election is intended. Directors who are dismissed as a result of the end of term may be re-elected.

11) Holders of one share shall have one vote.

## **2.2) Term of office of the Board of Directors**

The term of office of the Board of Directors shall be 3 years. However, the Company believes that age or years of office is not a problem if taking account of valuable knowledge and experience each director has for the benefit of the Company.

### 2.3) Number of companies in which directors hold office

The Company determines that any the Board of Directors shall be allowed to take the post of directors of up to 5 listed companies. However, there is no policy on limitation of being member of the board of directors in subsidiaries of other listed companies.

### 2.4) Managing Director's holding of office at other companies

The Board of Directors consider that, for the Managing Director to be able to dedicate his time for effective performance of his duties as Managing Director, it is determined that the Managing Director shall not take the post of Managing Director at any other listed companies.

### Summary of positions of other listed companies held by the Company's directors

No.	Name – Last name	Other listed companies
1.	Mr. Chatchai Panichewa	1. President of Thaisri Insurance Public Company Limited 2. Managing Director of TTL Industry Public Company Limited 3. Director / President of ATP 30 Public Company Limited
2.	Mrs. Somhathai Panichewa	1. Director of ATP 30 Public Company Limited 2. Director / CEO of Amata VN Public Company Limited 3. President of Investment Board of Amata Corporation Public Company Limited
3.	Mr. Boon Choon Kiat	None
4.	Mrs. Supaporn Burapakusolsri	Independent Director of Thaivivat Insurance Public Company Limited
5.	Mr. Chaiyut Techatassanasoontorn	Director / Independent Director of TTL Industry Public Company Limited
6.	Pol. Lt. Gen. Visanu Prasattong-Osoth	1. Independent Director / Audit Committee President of Finansia Syrus Securities Public Company Limited 2. Director of Bangkok Air Public Company Limited
7.	Mr. Phinij Hanpanich	Director of Bangkok Chain Hospital Public Company Limited

The Company has disclosed the detailed information about the positions of other listed companies held by each director in Form 56-1 and the annual report (56-2), which the Company is certain that it does not cause any conflict of interest or affect their performance of duties of the Board of Directors.

In the past years, the Board of Directors have shown that they can dedicate their time to perform their duties effectively. The Company has continuously and regularly received useful consultations, suggestions and recommendations regarding the business.

### **3. Roles, duties and responsibilities Directors**

#### Roles, duties and responsibilities of the Board of Directors

1. Perform their duties in accordance with the law, objectives, regulations of the Company, and resolutions of the shareholders' meeting with responsibility, diligence and integrity.
2. Determine the details, approve and review visions, strategies, business direction, policies, goals, operation plans, and budgets of the Company and its subsidiaries as prepared by the Administrative Division and supervise operations and performance of the management or any persons assigned to perform such work to ensure compliance with the policies specified by the Board of Directors.
3. Continuously monitor performances to ensure conformity to the operation plans and budget.
4. Ensure that the Company and its subsidiaries implement appropriate and efficient accounting system and establish internal control and internal audit system.
5. Verify procedures and policies on risk management and follow up the results.
6. Issue policies on corporate governance in accordance with the principles of good governance and effectively adapt the policies.
7. Establish sub-committees such as Audit Committee, Nomination and Remuneration Committee, Executive Committee, or other sub-committees to assist and support performance of the Board of Directors.
8. Appoint senior executives of the Company such as Managing Director, Executive Vice President, Executive Vice President – Accounting & Corporate Finance, and other senior executives in each field as deemed appropriate and necessary by the Board of Directors.
9. Appoint the Company's secretary to assist the Board of Directors in performing tasks to ensure compliance with the applicable law and regulations.
10. Seek for professional opinions from external organizations to support decision making.
11. Encourage the Company's directors and executives to attend seminars of Thai Institute of Directors Association related to their roles and responsibilities.
12. Examine their own performance results on annual basis.
13. Examine and assess appropriateness of Executive Committee Charter and propose any amendment thereto to the Board of Directors.
14. Perform other tasks as assigned by the Board of Directors.

#### **Sub-committees**

The Board of Directors of Chewathai Public Company Limited as of 31 December 2018 consist of the following 5 sub-committees:

1. Audit Committee
2. Executive Committee
3. Nomination and Remuneration Committee
4. Corporate Governance Committee
5. Risk Management Committee

#### **Audit Committee**

The Audit Committee shall be comprised of the Company's directors who are qualified as determined in the notification of the Stock Exchange of Thailand. The Audit Committee shall be independent and completely qualified as determined by the Office of the Securities and Exchange Commission and the Stock Exchange of

Thailand. Their roles and responsibilities include operations as an independent organization to support the Board of Directors in supervising the business under the principles of good corporate governance, disposing of conflict of interest, verifying financial information presented to the public and shareholders, verifying internal control system and internal audit system, and communicating with the Company's auditor.

As of 31 December 2018, the Audit Committee consists of 3 members as follows:

- |                                     |                             |
|-------------------------------------|-----------------------------|
| 1. Mrs. Supaporn Burapakusolsri     | Chairman of Audit Committee |
| 2. Mr. Chaiyut Techatassanasoontorn | Audit Committee             |
| 3. Mr. Phinij Hanpanich             | Audit Committee             |

#### Roles and responsibilities of the Audit Committee

1. Verify the Company's financial reports to ensure accuracy and sufficiency

2. Verify the Company's internal control and internal audit system to ensure appropriateness and efficiency and considering independency of the internal audit unit as well as approval of appointment, transfer and dismissal of the chief of internal audit unit or other units related to internal audit.

3. Ensure the Company's compliance with the law on Securities and the Stock Exchange of Thailand, requirements of the Stock Exchange of Thailand, and other laws and regulations related to the Company's business.

4. Consider, select, nominate, and dismiss any independent person to be the Company's auditor and offer remuneration to such person, attend the meetings with the auditor without the management at least once a year.

5. Consider related transactions or any transactions which may cause conflict of interest pursuant to the law and provisions of the Stock Exchange of Thailand to ensure that the reports shall be reasonable and beneficial for the Company.

6. Prepare reports of the Audit Committee which shall be disclosed in the Company's annual report. The reports shall be signed by the Chairman of the Audit Committee and at least consist of the following items:

- Opinions on accuracy, completeness and reliability of the Company's financial reports
- Opinions on sufficiency of the Company's internal control system
- Opinions on compliance with the law on Securities and the Stock Exchange of Thailand or other laws related to the Company's business.

- Opinions on appropriateness of the auditor
- Opinions on any transactions which may cause conflict of interest
- Number of the Audit Committee's meetings and attendance of each member of the Audit Committee
- Opinions or overall comments obtained by the Audit Committee after performance in accordance with the Charter

• Other transactions which should be acknowledged by shareholders or general investors within the scope of roles and responsibilities assigned by the Board of Directors

7. Perform other tasks as assigned by the Board of Directors upon agreement of the Audit Committee

However, the Audit Committee shall assume responsibilities as assigned by the Board of Directors while overall responsibilities regarding the Company's business for the third parties shall belong to the Board of Directors as a whole.

## **Executive Committee**

Executive Committee shall be appointed by the Board of Directors and consist of two executive directors and one non-executive director who have knowledge and understanding of the roles and responsibilities in connection to the Company's business nature. The Executive Committee shall manage the Company's business in line with the Board of Directors' policies by always taking account of the utmost benefit of the Company. As of 31 December 2018, the Executive Committee are comprised of 3 members as follows:

- |                             |                                 |
|-----------------------------|---------------------------------|
| 1. Mr. Chatchai Panichewa   | Chairman of Executive Committee |
| 2. Mrs. Somhathai Panichewa | Executive Committee             |
| 3. Mr. Boon Choon Kiat      | Executive Committee             |

### Roles and responsibilities of the Executive Committee

1. Provide suggestions on strategic directions, management structure, and annual operation plans and budget of the Company
2. Ensure that the Company's business is operated in accordance with the designated plans, objectives, and goals.
3. Examine operating results and performance of the Company and the Group of Companies and report the results to the Board of Directors on monthly basis.
4. Seek and assess new opportunities for the Company's business
5. Examine and provide suggestions on the Company's dividend payment to the Board of Directors.
6. Examine and approve transactions related to investment or sale of the Company's assets, human resources management, finance and treasury, general administration, and any transactions related to the Company's business within the scope of approval determined by the Board of Directors.
7. Consider and examine risk management and risk control system of the Company.
8. The Executive Committee may sub-authorize any executive or employee to perform specific task on their behalf provided that the Executive Committee or its authorized person shall not make or approve any transactions which may cause their conflict of interest or from which they may obtain benefit or interest in whatever form or against any of the Company's benefit (as defined in the Notification of the Securities and Exchange Commission). However, approval of such transactions shall conform to the policies and principles determined by the Board of Directors and the applicable law.
9. Seek for consultants or persons having independent opinions to provide opinions or suggestions as deemed necessary.
10. Request the executives or employees to attend the Executive Committee or provide information about any matters discussed in the Executive Committee's meetings.
11. Report any activities performed by the Executive Committee within their roles and responsibilities to the Board of Directors on regular basis, including any matters which are deemed necessary to be presented to the Board of Directors.
12. Examine their operating results on annual basis.
13. Examine and assess sufficiency of the Executive Committee Charter and propose the Board of Director to amend the Charter.
14. Perform other tasks as assigned by the Board of Directors upon agreement of the Audit Committee



## **Nomination and Remuneration Committee**

Nomination and Remuneration Committee shall be appointed by the Board of Directors and consist of 3 members. As of 31 December 2018, the Nomination and Remuneration Committee consist of 3 independent directors for checks and balances and their important role is to support the Board of Directors and shareholders. Members of the Nomination and Remuneration Committee are as follows:

- |  |   |
|--|---|
| 1. Pol.Lt.Gen. Visanu Prasattong-Osoth | Chairman of Nomination and Remuneration Committee |
| 2. Mrs. Supaporn Burapakusolsri        | Nomination and Remuneration Committee             |
| 3. Mr. Chaiyut Techatassanasoontorn    | Nomination and Remuneration Committee             |

### Roles and responsibilities of the Nomination and Remuneration Committee

1. Consider policies and criteria for nomination of qualified person to be the Board of Directors, Managing Directors and top management of the Company, select and nominate qualified persons to be proposed to the Board of Directors' meeting and/or shareholders' meeting for appointment as members of the Board of Directors, Managing Director and top management of the Company.

2. Review policies and criteria related to determination of remuneration and benefits for the Board of Directors, Managing Directors and executive directors of the Company.

3. Provide suggestions on remuneration of the Board of Directors, Managing Director and top management of the Company to the Board of Directors' Meeting and/or shareholders' meeting for approval. The Board of Directors shall approve the remuneration and benefits of the Managing Director and top management while the Board of Directors' remuneration shall be approved by the shareholders' meeting.

## **Corporate Governance Committee**

Corporate Governance Committee shall be appointed by the Board of Directors and consist of 3 members. As of 31 December 2018, the Corporate Governance Committee are comprised of two independent directors and one executive director as listed below.

- |                                     |  |
|-------------------------------------|--|
| 1. Mr. Chaiyut Techatassanasoontorn | Chairman of Corporate Governance Committee |
| 2. Mrs. Supaporn Burapakusolsri     | Corporate Governance Committee             |
| 3. Mr. Boon Choon Kiat              | Corporate Governance Committee             |

### Roles and responsibilities of the Corporate Governance Committee

1. The Corporate Governance Committee shall perform their roles and responsibilities as assigned by the Board of Directors, and the Board of Directors shall assume responsibilities for the overall operations of the Company to the third parties.

2. Determines procedures, suggest policies/practices related to business ethics and conduct in accordance with the principles of good corporate governance to the Board of Directors and the management to be determined as standard corporate rules.

3. Supervise the Company's operations under the anti-corruption policies and measures.

4. Supervise and provide consultations, assess, and review the policies and performance under the principles of good corporate governance and business conducts to develop and upgrade the Company's corporate governance to international level.

5. Perform other tasks as assigned by the Board of Directors upon agreement of the Audit Committee

## **Risk Management Committee**

Risk Management Committee shall be appointed by the Board of Directors and consist of 3 members. As of 31 December 2018, the Risk Management Committee is comprised of two independent directors and one executive director as listed below.

- |                                     |                                       |
|-------------------------------------|---------------------------------------|
| 1. Mrs. Supaporn Burapakusolsri     | Chairman of Risk Management Committee |
| 2. Mr. Chaiyut Techatassanasoontorn | Risk Management Committee             |
| 3. Mr. Boon Choon Kiat              | Risk Management Committee             |

### Roles and responsibilities of the Risk Management Committee

1. Determine the risk management policies, plans and supervision of the Company.
2. Review the procedures and risk management tools to ensure efficiency and appropriateness of risks of the transactions operated by the Company.
3. Follow up and be aware of advance alarm signals and abnormal transactions which may incur and report the result of risk management to the Board of Directors.
4. Provide suggestions on any matters in need of improvement to the Board of Directors in line with the Company's rules and strategies.

## **4. Committees' Meeting**

1. The Board of Directors shall schedule the meeting in advance at least once every quarter a year and may intervene any extraordinary meetings as deemed appropriate. The meeting shall be notified at least 7 days in advance and each meeting shall be attended by at least half of the total directors to make a quorum or otherwise indicated in the notification or charter of each committee. In case of the Board of Directors' meeting, to pass any resolution, at least two-thirds of the total members shall be present.

2. Clarification shall be made in advance by the Managing Director upon discussion with the President shall consider determining the agendas in advance. The Company secretary shall ensure that all directors receive the meeting documents prior to the meeting in appropriate time for their study and consideration in giving opinions and casting vote.

3. The Board of Directors shall receive sufficient, complete, continuous, and timely prior to each meeting. The Board of Directors may contact the Company Secretary directly and independently, and the Company Secretary shall provide consultations to the Board of Directors regarding compliance with the law and regulations.

4. The Managing Directors shall appropriately allocate time so that the management can propose the documents for discussion and for the Board of Directors to discuss important matters. Each director shall be given an opportunity to express their opinions prior to conclusion of the meeting's opinions.

5. The Board of Directors shall give an opportunity to non-executive directors to have their own meetings as necessary for discussion of issues of interest without the presence of the management. The meeting results shall be informed to the Managing Director.

6. The Board of Directors shall encourage the Managing Director to invite the top management to attend the Board of Directors' meeting for consideration of work succession.

7. In consideration any agendas, the directors who have interest in the matters being discussed shall not be entitled to vote and shall not be present at the meeting during discussion of such agendas.

8. In each meeting, written minutes of meetings shall be recorded and the certified by the Board of Directors shall be retained for examination of the Board of Directors and other related parties.

## Report on attendance of each committee

Details of each committee's meetings are as follows:

Names	Board of Directors		Audit Committee		Executive Committee		Nomination and Remuneration Committee		Corporate Governance Committee		Risk Management Committee	
	Number of meetings	Attendance rate (%)	Number of meetings	Attendance rate (%)	Number of meetings	Attendance rate (%)	Number of meetings	Attendance rate (%)	Number of meetings	Attendance rate (%)	Number of meetings	Attendance rate (%)
1.Mr. Chatchai Panichewa	11/11	100%	-	-	11/11	100%	-	-	-	-	-	-
2.Mrs. Somhathai Panichewa	11/11	100%	-	-	11/11	100%	-	-	-	-	-	-
3.Mr. Boon Choon Kiat	11/11	100%	-	-	11/11	100%	-	-	3/3	100%	4/4	100%
4.Mrs. Supaporn Burapakusolsri	11/11	100%	6/6	100%	-	100%	3/3	100%	3/3	100%	4/4	100%
5.Mr. Chaiyut Techatassanasoontorn	11/11	100%	6/6	100%	-	-	3/3	100%	3/3	100%	4/4	100%
6.Pol.Lt.Gen. Visanu Prasattong-Osoth <sup>(1)</sup>	1/2	50%	-	-	-	-	1/1	100%	-	-	-	-
7.Mr. Phinij Hanpanich <sup>(2)</sup>	1/2	50%	1/1	100%	-	-	-	-	-	-	-	-
8.Mr. Phua Cher Chew <sup>(3)</sup>	3/7	43%	-	-	-	-	-	-	-	-	-	-
9.Mr. Chung Tung Fong <sup>(4)</sup>	4/7	57%	2/4	50%	-	-	1/1	100%	-	-	-	-

Remarks: <sup>(1)</sup> Pol.Lt.Gen. Visanu Prasattong-Osoth was approved and appointed as a director in accordance with the Board of Directors' Meeting No. 9/2561 dated 12 September 2018.

<sup>(2)</sup> Mr. Phinij Hanpanich was approved and appointed as a director in accordance with the Board of Directors' Meeting No. 9/2561 dated 12 September 2018.

<sup>(3)</sup> Mr. Phua Cher Chew resigned from the director position effective as of 13 July 2018.

<sup>(4)</sup> Mr. Chung Tung Fong resigned from the director position effective as of 13 July 2018.

## Meetings of non-executive directors

The Board of Directors determine that non-executive directors may have their own meetings as deemed appropriate on annual basis without the presence of executive directors to provide them with an opportunity to discuss issues and problems related to the Company's business, management strategies, the Company's growth, and other matters of interest.

In 2018, one non-executive directors' meeting was held on 13 November 2018.

## The Company's strategic planning and implementation

In each Board of Directors' meeting, the Board of Directors shall review the visions, missions and strategies as well as determining strategic plans in advance. After that, the Board of Directors shall follow up whether the management implements the plans. In this case, the management shall report the plans to the Board of Directors' Meeting in quarterly basis in the agenda related to acknowledgement of the operating results and report of business operation progress. Also, strategic plan review shall also be determined as another agenda for the Board of Directors to acknowledge the facts and provide suggestions on any matters to be improved by the management.

## 5. Nomination and appointment of directors and top management

### Nomination of independent directors

The Company defines the person who shall hold the office of independent director based upon the qualifications determined by the law on Securities and the Stock Exchange of Thailand, Notification of the Securities

and Exchange Commission, and other relevant rules and regulations. The number of independent directors shall be at least one-third of the total directors and no less than 3 persons. Qualifications of the independent directors are as follows:

1. Holding not over one percent of the all shares entitled to vote of the Company, subsidiaries, affiliates, or controlling persons of the Company. Shareholding of the persons related to the independent directors shall also be counted.

2. Not being or having never been the directors taking part in management, workers, employees, consultants receiving salaries or controlling persons of the Company, parent company, affiliates or subsidiaries of the same level, majority shareholder or controlling person of the Company unless such person is released from the said characteristics for at least 2 years prior to the date of appointment as an independent director. However, the above prohibited characteristics exclude the case that the independent director was a government official or consultant of any government agencies which are majority shareholders or controlling persons of the Company.

3. Not having blood relationship or relationship by legal registration in the form of father, mother, spouse, sibling, and child of other directors, executives, majority shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the Company or its subsidiaries.

4. Not having or having never had any relationship with the Company, parent company, affiliates, majority shareholder, or controlling persons of the Company in the form that may obstruct their independent consideration or decision making and not being or having never been significant shareholder or controlling person of any persons having business relationship with Company, parent company, affiliates, majority shareholder, or controlling persons of the Company unless such person is released from the said characteristics for at least 2 years prior to the date of appointment as an independent director.

5. Business relationship includes making of commercial transactions in normal course for business operation, rent or lease of real estates or services or extension of receipt of financial assistance by receipt or provision of loan, guarantee, provision of assets as debt collateral, and other circumstances of similar kind, causing the Company or its contractual parties to bear debts payable to the other party amounting to 3 percent of the net tangible assets of the Company or 20 million Baht or more, depending on whichever is lower. However, the said obligations shall be calculated on the basis of value of related transactions as announced by the Securities and Exchange Commission *mutatis mutandis*, but in consideration of the obligations, any debts incurred during one year prior to the date of business relationship with the same persons shall be included.

6. Not being or having never been the auditor of the Company, parent company, affiliates, majority shareholder, or controlling persons of the Company and not being significant shareholder, controlling persons or partner of the audit company to which the auditor of the Company, parent company, affiliates, majority shareholder, or controlling persons of the Company belong unless such person is released from the said characteristics for at least 2 years prior to the date of appointment as an independent director.

7. Not being or having never been the person providing professional services including legal or financial consultant receiving more than 2 million Baht of the service fee from the Company, parent company, affiliates, majority shareholder, or controlling persons of the Company and not being significant shareholder, controlling persons or partner of the professional service providers unless such person is released from the said characteristics for at least 2 years prior to the date of appointment as an independent director.

8. Not being or having never been the persons nominated as representatives of the committee of the Company, parent company, affiliates, majority shareholder, or controlling persons of the Company or shareholder related to the majority shareholders.

9. Not operating any business having the same condition and significantly competitive with the business of Company or its subsidiaries or not being significant shareholder in any partnership or director taking part in management, worker, employee, or consultant receiving salaries or holding more than one percent of all shares entitled to vote of other companies having the same condition and significantly competitive with the business of Company or its subsidiaries.

10. Not having other characteristics which may hinder expression of independent opinions on the Company's operations.

### **Nomination of the Audit Committee**

The Audit Committee shall be nominated by the Nomination and Remuneration Committee and proposed to the Board of Directors for approval. Components of nomination and appointment of the Audit Committee are as follows:

1. The Audit Committee shall consist of at least three independent directors.
2. At least one member of the Audit Committee shall have sufficient knowledge and experience to verify reliability of the financial statements.

### Qualifications of the members of the Audit Committee

1. Being independent directors having complete qualifications in accordance with the definitions of independent directors announced by the Notification of the Securities and Exchange Commission.
2. Not being the directors assigned by the Board of Directors to make decisions related to operations of the Company, parent company, affiliates, subsidiaries of the same level, or controlling persons of the Company.
3. Not being the director of the parent company, subsidiaries or subsidiaries of the same level which are listed companies.
4. Having sufficient knowledge and experience to perform the duties of Audit Committee.

The term of the Audit Committee shall be 3 years from the date of appointment. Upon expiration of term, members of the Audit Committee may be re-appointed as deemed appropriate by the Board of Directors. However, the term of the Audit Committee shall not exceed 9 consecutive years from the date of first appointment of independent directors.

### **Nomination of the Board of Directors**

The Board of Directors shall be nominated by the Nomination and Remuneration Committee and proposed to the Board of Directors and/or the shareholders' meeting for approval. Components of nomination and appointment of the Board of Directors are as follows:

1. The Board of Directors shall consist of at least 7 directors and at least half of all directors shall reside in the Kingdom.
2. The Board of Directors shall consist of at least 3 independent directors and at least one-thirds of all directors shall be independent directors.

### Qualifications of the members of the Board of Directors

1. All directors shall have qualifications as determined in relevant rules and regulations and in the Company's articles of association.
2. Obtaining at least a Bachelor's degree in any field.

3. Having knowledge of the Company's business and be able to dedicate appropriate time and implement their knowledge and ability for the Company's benefit.

4. Being honest and highly ethical

5. Members of the Board of Directors shall not take any positions at more than five (5) other listed companies. In the case that any members of the Board of Director have taken the positions at more than five (5) other listed companies, the Board of Director shall consider efficiency of performance of such members and report the reason for nomination in the annual information form (Form 56-1) and annual report (Form 56-2).

In each annual general shareholders' meeting, one-thirds of total directors shall be dismissed from their position. If it is not possible to divide the total number of directors into three equal groups, the dismissed directors whose number is the most similar to one-thirds of the total number. The dismissed directors may be re-appointed to hold their office.

In addition to the expiration of term, directors shall be dismissed upon the following events:

- Death
- Resignation (effective as of the date of resignation letter receipt)
- Lack of qualifications or having prohibited characteristics as specified by the regulations and notifications issued under the law or the Company's article of association
- The shareholders' meeting passed the resolution on dismissal.
- The Court orders dismissal.

#### **Nomination of the Executive Committee**

The Executive Committee shall be nominated by the Nomination and Remuneration Committee and proposed to the Board of Directors for approval. The Executive Committee shall manage the Company's business in accordance with the relevant policies, regulations, rules, and laws and consider and screen any matters prior to proposing them to the Board of Directors. The Executive Committee shall also implement the Company's policies and management procedures to ensure efficiency.

#### **Nomination of the Top Management**

Top management include Managing Director and top management which shall be nominated by the Nomination and Remuneration Committee by taking account of qualifications, appropriateness, knowledge and ability, skills, and experience beneficial for the Company's business operations and propose to the Board of Directors for further approval.

#### **Nomination of sub-committees**

Sub-committees shall be appointed by the Board of Directors, which include the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, and Risk Management Committee to perform specific duties and present the relevant results to the Board of Directors for consideration and acknowledgement. The sub-committees shall have the roles and responsibilities as determined.

#### **Leadership and Vision**

The Board of Directors shall determine the vision, mission and policies as well as supervising the Company's business in conformity to the indicated objectives and goals, which shall generate the utmost benefit to the Company and shareholder upon consideration of the interest of all stakeholders. The Board of Directors



shall be able to express their opinions and make decisions independently and the decision made shall not for the purpose for the benefit of self or other which may cause conflict or competition with the interest of the Company or its subsidiaries. The Board of Directors shall determine roles, duties and responsibilities of the Board of Directors, Audit Committee, Nomination and Remuneration Committee clearly in writing. In addition, mechanisms for governance and monitoring performance and control of the management at appropriate time. The Board of Directors shall put importance on the financial reports which shall reflect actual operating results. There shall be assessment, determination and systemization of administration, prevention and management of risks appropriately and effectively under the principle of checks and balances and accountability. The Board of Directors shall strive for development for sustainable advancement of the Company and generation of yields to shareholders.

## **6. Division of roles of the committees**

Power of the Board of Directors and the management at different levels shall be clearly divided. Consideration and decision making on significant matters shall be approved by the Board of Directors and sub-committees for checks and balances and audited to ensure transparency and fairness for all related parties.

## **7. Inclusion or division of positions**

The Company shall divide roles and responsibilities of the President and Managing Directors. They shall have suitable knowledge, experience and qualifications and shall be different persons for checks and balances. Supervision and administration roles shall be separated.

### **President**

The President shall not be an executive or the same person as the Managing Director and be independent from the management. The roles of determination of governance policies and administration shall be completely separated. The president shall preside over the Board of Directors' meetings which indicate vision, mission and important policies for implementation of the management. All members of the Board of Directors shall be able to propose the meetings agendas and express their opinions on the Company's operations independently as well as carefully consider any matters which may cause conflict of interest to ensure correctness, transparency and accountability. Roles, duties and responsibilities of the President

#### Roles, duties and responsibilities of the President

1. Take care of the overall strategies and policies of the Company for implementation as guidelines of business operations.
2. Preside over and attend all meetings to ensure efficiency of the Board of Directors' meetings and encourage all directors to express their opinions. Ensure that all directors receive accurate, timely and clear information about the Company to support their consideration and/or approval of any agendas of the meeting.
3. Oversee communications between the Company and shareholders to ensure effectiveness and provide shareholders with opportunities to communicate with the Board of Directors for the propose of exchanging opinions.
4. Preside over all shareholders' meetings and assign the persons to take care of the shareholders' meetings in accordance with the law and regulations, ensure that all directors attend e shareholders' meetings and provide opportunities to shareholders to exercise their rights to attend the meetings and vote, ask questions or request for additional explanations.

5. Perform their duties with integrity, ensure appropriateness of the committee structures, ensure implementation of policies and effectiveness of the committee's decision.

6. Support cooperate governance activities and CSR policies to happen at all levels from directors, top management to employees.

7. Encourage all directors to work in team to enhance efficiency and effectiveness of work, take care of performance assessment of the committees both in the form of cross-evaluation of self and group evaluation, use the evaluation results for improvement and development of the committees' work.

8. Encourage all directors to attend skill and knowledge development training which shall be useful for their performances at well-known and acceptable institutions such as Thai Institute of Directors and the Stock Exchange of Thailand.

### **Managing Director**

Managing Director shall not be the same person as the President but shall be top management for administration. His role is to manage the business and/or daily administration of the Company following the guidelines of the Board of Directors and the Executive Directors, consider or determine transactions as part of the Company's normal course of business.

#### Roles, duties and responsibilities of the Managing Director

1. Determine missions, objectives, procedures, and goals of the Company's business operations to propose to the Board of Directors' meeting and fulfill the said missions, objectives, procedures, and goals of the Company's business operation, as well as giving orders and supervise the operations as a whole.

2. Approve employment and appointment of employees, as well as transfer the departments/divisions, or dismissal of any employees, determine wage, compensation, bonus, and benefits related to all employees of the Company.

3. Consider and ensure compliance with the orders, rules, notifications, records so that the operations are in line with the missions, objectives, procedures, and goals of the Company's business operations and to maintain disciplines of the organization.

4. Perform any tasks related to general administration of the Company.

5. Have power to sub-authorize and/or assign another person to perform specific task on his behalf provided that sub-authorization and/or assignment shall be within the scope of authorization in the power of attorney and/or in accordance with the rules, regulations or orders of the Board of Directors and/or the Company.

In this case, authorization to another person shall not include power and/or authorization to approve any transactions which may cause conflict of interest of self and other, or transactions which may have any conflict of interest in other form with the Company or its subsidiaries in accordance with the rules of the Stock Exchange of Thailand. Approval of the said transactions shall be proposed to the Board of Directors' meeting and/or shareholders' meeting for consideration and approval as defined by the Company's regulations or applicable laws.

### **8. Top Management succession plan**

The Board of Directors shall put importance on succession of all top management positions, especially organizational leaders such as Managing Director to create trustworthiness to investors, organization and employees that the Company's business operations shall be continued without any interruption.

For this reason, the Board of Directors shall indicate succession plan and rules by nominating highly

potential internal personnel who have qualifications, knowledge and experience to create excellent work for the Company, have suitable attitude and behavior for the Company's culture and have appropriate age for holding the vacant positions. Individual development plan shall be made to prepare the personnel for holding top management position.

## 9. Self-evaluation of the Board of Directors and sub-committees

Chewathai Public Company Limited shall indicate criteria for the sub-committee to perform self evaluation in annual basis so that the committees shall be able to consider their performances and identify issues for seeking effective solutions and continuous development. Evaluation criteria shall be determined in comparison to standard performance results and in line with the principles of good corporate governance.

For group and individual evaluation by self-evaluation, the Company Secretary shall send the evaluation form to the Board of Directors and the sub-committees for evaluation of self, identify points that needs improvement and solution. Then, the form shall be returned to the Company's Secretary for compilation and conclusion of annual evaluation to be reported to the Board of Directors and disclosed in accordance with the principles of good corporate government.

Criteria for performance evaluation in percentage from the total scores in each category shall be as follows:

More than 80 percent	Excellent performance
Between 71-80 percent	Good performance
Between 61-70 percent	Fair performance
Lower than 60	Sub-standard performance

In 2018, the results of evaluation of the Board of Directors and the sub-committees are as follows:

### 9.1) Self-evaluation of the Board of Directors can be divided into 3 types

**Type 1:** Self-evaluation of the Board of Directors can be divided into 4 categories. The results in 2018 are as follows:

- 1) Structures and qualifications of the Board of Directors in the following matters were appropriate, making the Board of Directors' performance effective.
- 2) The Board of Directors' meetings performed the following matters to ensure efficient performance of the Board of Directors.
- 3) Roles, duties and responsibilities of the Board of Directors focused on taking sufficient time to consider, review and perform the following matters.
- 4) Other matters such as relationships between the Board of Directors and the management and self-improvement of the directors and executives.

**The result is 94.21 percent which reflects the excellent level of performance.**

**Type 2:** Self-evaluation of the sub-committees can be divided into 3 categories. The results in 2018 are as follows:

- 1) Structures and qualifications of the sub-committees in the following matters were appropriate, making the Board of Directors' performance effective.
- 2) The sub-committees' meetings performed the following matters to ensure efficient performance of the sub-committees.
- 3) Roles, duties and responsibilities of the sub-committees focused on taking sufficient time to consider, review and perform the following matters.

The evaluation results of the sub-committees in 2018 can be summarized as follows :

1) Audit Committee

**The result is 95.92 percent which reflects the excellent level of performance.**

2) Executive Committee

**The result is 89.92 percent which reflects the excellent level of performance.**

3) Nomination and Remuneration Committee

**The result is 89.88 percent which reflects the excellent level of performance.**

4) Risk Management Committee

**The result is 92.86 percent which reflects the excellent level of performance.**

5) Corporate Management Committee

**The result is 91.43 percent which reflects the excellent level of performance.**

**Type 3:** Self-evaluation of the Board of Directors and the sub-committees can be divided into 3 categories. The results in 2018 are as follows:

1) Structures and qualifications of the committees

2) Committees' meetings

3) Roles, duties and responsibilities of the committees

**The result is 94.25 percent which reflects the excellent level of performance.**

The evaluation process started in December. The Company Secretary sent the evaluation form to each director for independent self-evaluation. After that, the Company Secretary compiled the form, made summaries, processed the results, and proposed them to the next Board of Directors' meeting.

The results of performance evaluation of the Board of Directors in 2018 was already presented to the Board of Directors' Meeting No. 1/2562.

## **9.2) Evaluation of Managing Director**

The Nomination and Remuneration Committee requested the Board of Directors to evaluate the Managing Director in various aspects including leadership, strategic determination, performance of strategies, planning, and financial operating results, relationship with the committees, relationship with the external organizations or persons, administration and relationship with succession personnel, knowledge of products and services, personal attributes, which was adapted from the CEP evaluation of the Stock Exchange of Thailand.

The results of evaluation of the Managing Director shall be part of remuneration determination of the Managing Director in each year.

## **10. Remuneration**

The Nomination and Remuneration Committee shall propose the methods of determination of director remuneration which shall be approved by the shareholders' meeting. The policy consists of the following criteria:

1. Operating results and business size of the Company in comparison to the remuneration of other listed companies having similar type and size of business

2. Experience, roles, obligations, and scope of responsibilities of each director

3. Benefit that the Company is supposed to gain from each director

4. The remuneration determined shall be able to solicit the qualified directors to be the Company's directors or executives.

## 11. Development of directors and executives

The Board of Directors shall put importance on development of directors by encouraging them to attend the training or seminars which should be useful for their work and realize the importance of education/training that it shall help improve directors' knowledge of business situation and competition. Also, executives shall be developed in terms of potentials by arranging both internal and external training to move forward to being a learning organization. In the past year, the Board of Directors attended the training held by Thai Institute of Directors (IOD) as determined by the Securities and Exchange Commission (SEC) that the Board of Directors of all listed companies shall pass at least one training such as Director Accreditation Program (DAP) and Director Certification Program (DCP). In addition to the determined programs, the Board of Directors took part in other training of IOD such as Company Secretary Program of Thai Listed Companies Association for enhancement of professional leadership, knowledge and understanding of leader roles and duties and becoming the role model of the organization on the basis of good corporate governance. Details are as follows

No.	Name	Training Programs
1.	Mr. Chatchai Panichewa	Director Accreditation Program (DAP) 9/2004
2.	Mrs. Somhathai Panichewa	Director Accreditation Program (DAP) 104/2008
3.	Mr. Boon Choon Kiat	Director Certification Program (DCP) 155/2012
4.	Mrs. Supaporn Burapakusolsri	- Director Certification Program (DCP) 127/2013 - Director Accreditation Program (DAP) 87/2011 - Role of the Compensation Committee Program (RCC) 13/2011 - Advance Audit Committee Program (AACCP) 23/2016
5.	Mr. Chaiyut Techatassanasoontorn	Director Accreditation Program (DAP) 119/2015
6.	Pol.Lt.Gen. Visanu Prasattong-Osoth	- Director Accreditation Program (DAP) / 2004 - Audit Committee and Continuing Development Program / 2005 - Top Management Program, Capital Market Academy (CMA), Batch 2
7.	Mr. Phinij Hanpanich	Director Accreditation Program (DAP)
8.	Ms. Chanisara Yingnok	- Effective Minute Taking (EMT) class 37/2017 - Anti-Corruption the Practical Guide (ACPG) class 35/2017 - Company Reporting Program (CRP) class 16/2016 - Company Secretary Program (CSP) class 75/2016 - Advances for Corporate Secretaries class 2/2016 - Fundamentals for Corporate Secretaries class 2/2016

In 2018, directors attended the following training and seminars:

No.	Name	Training Programs
1.	Mrs. Somhathai Panichewa	- Thai-Chinese Leadership Program, Batch 1
2.	Mrs. Supaporn Burapakusolsri	- Amended Financial Report Standards and Tax Effects (EY) - The Audit Committee's Role in Compliance and Ethical Culture Oversight (IOD) - Business in the Age of Disruption (EY) - Audit Committee Forum 2018 (IOD)

For development of executives who are the Company's employees, details shall appear in "Personnel Development Policy" Section.

## 12. New director orientation

In case of new directors, the Company determines the procedures for directorship preparation so that the newly appointed directors can start working immediately upon coordination by the Company Secretary as follows:

1. Provide information about the law and regulations such as the Company's regulations, directors' manual, committee charters, business ethics, and significant policies of the Company, etc.
2. Arrange meetings with the President, the Board of Directors, the sub-committees, and the executives for acknowledgement of the Company's business operations.

In 2018, orientations were arranged for two new directors:

- |  |  |
|--|--|
| 1) Pol.Lt.Gen. Visanu Prasattong-Osoth | Independent Director /<br>Chairman of Nomination and<br>Remuneration Committee |
| 2) Mr. Phinij Hanpanich                | Independent Director / Audit Committee   |

## 13. Records of Offences of the Company, the Board of Director and Executives

In the past years including 2018, the Company had no record of any acts which were against the rules, regulations and law, including Securities and Exchange Act, Public Company Act, or other relevant law due to failure to submit the financial statements within the specified period, no records of provision of financial assistance to other companies which are not its subsidiaries, the Company had not negative reputation due to failure to perform the duties of the Board of Directors and the sub-committees. There was no case of executives' resignation due to the Company's corporate governance. Also, there is no case of violation of the labor law, employment law, commercial competition law, and has not been sued for the fact that significant events have not been announced within the period specified by the government agencies.



The Board of Directors and the executives have not performed any acts which were against the rules, regulations, and law, including Securities and Stock Exchange Act, Public Company Act, or other relevant civil or criminal law and have not performed any acts causing conflict of interest. The Board of Directors and the executives have not performed as follows:

1. They have not performed insider trading.
2. They have not committed corruption or ethical omission.

#### **14. Report of shareholding of the directors and the executives**

The Company determines that the directors and the executives who are required to report their shareholding and change in shareholding pursuant to Section 59 of Securities and Stock Exchange Act, B.E. 2535 shall submit the report within 3 working days from the date of trading, transfer or acceptance of transfer to the Securities and Exchange Commission and trading of the Company's securities shall be prohibited for one month prior to disclosure of the financial statements to the public. The Company determines that, in the Board of Directors' Meeting, shareholding of the directors and their spouses and the first 2 executives from the Managing Director including Accounting Manager and Finance Manager shall be reported.

#### **15. Report on interest of the directors and executives**

Subject to Section 89/14 of Securities and Stock Exchange Act (No. 4), B.E. 2551, and Notification of the Securities and Exchange Commission No. Thor Jor. 2/2552 Re: Report on interest of the directors, the executives and related persons, indicating that the directors and the executives shall report their interest or the interest of related persons, the Company complies with the said policy as follows:

##### **1. Reporting**

It is determined that the directors and the executives including Managing Director, Vice Managing Director, Deputy Managing Director, and the first 4 executives from the Managing Director, any persons holding the positions equivalent to the first 4 executives from the Managing Director, and the persons holding the top position of accounting and financial division shall report their interest and the interest of their related persons to the Company.

##### **2. Reporting methods**

The report shall be made and sent to the Company Secretary. In case of any change of information, the report shall also be made and sent to the Company Secretary within 7 days from the date of such change.

##### **3. The Board of Directors' report**

The Company Secretary shall report the interest of the Board of Directors in the quarterly Board of Directors' meeting.

#### **16. Compliance with the other matters of good corporate governance**

The Company realizes importance of the good corporate governance as it is useful for organizational development. Therefore, the principles of good corporate governance announced by the Stock Exchange of Thailand for listed companies shall be implemented by the Company.

#### **Intellectual property policy**

The Company has clear policy that no actions violating the intellectual property shall be performed, including copyrights, patent or trademarks. The Company indicates clear measures on this matter. For example, in terms of copyright, the Company's information technology system shall be inspected for software program used for performance of the employees to prevent unauthorized or unrelated software.

## **Human right policy**

The Company realizes and respects the human dignity and equality. The Company shall not discriminate employees of its subsidiaries and partners based on similarities or differences of races, religions, nationalities, genders, ages, educational backgrounds, or mental or physical conditions and shall not violate the personal rights or freedom directly or indirectly. Also, employees shall treat their colleagues with respect and honor and they shall act appropriately at work by observing the Company's rules and regulations as well as traditions, which may affect the Company's image.

## **Conflict of interest**

The Board of Directors indicate the procedure related to the conflict of interest by complying with the guidelines of the Stock Exchange of Thailand and the Securities and Stock Exchange Act for the utmost benefit of the Company and it shall be considered as an important duty for all personnel to solve conflict of interest issue on the basis of integrity, honest, sensibility, and independency within the code of ethics and disclose necessary information for the overall benefit of the Company.

### **Maintenance of the internal information usage**

The Company indicates the policy and methods to ensure that the directors and executives of the Company shall not use the internal information which has not been disclosed to the public for personal benefit, including for stock trading as follows:

1. The Company shall provide knowledge to the directors and executives as well as any persons holding the top positions in accounting or financial division at the level of Assistant Deputy Managing Director or equivalent in related to the duties of making and submission of the report on their shareholding, their spouses' and minor children's shareholding to the Securities and Exchange Commission pursuant to Section 59 and punishment under Section 275 of Securities and Stock Exchange Act, B.E. 2535 (and its amendments).
2. The Company indicates that the directors and executives as well as any persons holding the top positions in accounting or financial division at the level of Assistant Deputy Managing Director or equivalent shall have the duties of making and submission of the report on their shareholding, their spouses' and minor children's shareholding to the Company Secretary prior to submission to the Securities and Exchange Commission. The report shall be made and submitted within 30 days from the date of appointment of directors and/or executives or the report on the change of shareholding shall be made and submitted within 3 business days from the date of trading, transfer or acceptance of transfer of shares. Also, the change shall be recorded and summarized for each director for submission to the Board of Directors in the Board of Directors' Meeting. In the case that the top management or directors wish to trade, transfer or accept the transfer of shares, they shall notify it to the Company Secretary at least one day prior to execution.
3. The Company indicates that the directors and executives as well as any persons holding the top positions in accounting or financial division at the level of Assistant Deputy Managing Director or equivalent receiving material internal information which may affect the price of shares shall refrain from the Company's stock trading for the period prior to the disclosure of the Company's financial information and status until the Company discloses such information to the public. the Company shall inform the directors, the executives and any persons holding the top positions in accounting or financial division at the level of Assistant Deputy Managing Director or equivalent to refrain from the Company's stock trading for at

least 30 days prior to the date of such disclosure and avoid trading the Company's stock within 24 hours after the disclosure to the public. also, such information shall not be disclosed to the third parties.

- 4.The Company determines disciplinary actions in case of using internal information for personal benefit which may be a written warning, wage cut, temporary work suspension without pay, or dismissal. Punishment shall be taken on the basis of intention and severity of the offences.

In 2018, there was no case of insider trading by the directors or top management of the Company.

#### **Remuneration of the auditor**

The Company shall pay the audit fee for the accounting period of 2018 to EY Company Limited as follows:

<b>Audit Fee</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Fee (Baht)	1,360,000	1,500,000	1,550,000

There was no non-audit fee paid to the auditor in 2018.

EY Company Limited and the auditor are not the Company's directors, employees, workers, or holding any positions of the Company pursuant to Section 121 of Public Company Limited. B.E. 2535 and have no relationship and interest with the Company, its subsidiaries, executives, majority shareholders, or related persons thereto. The auditor is independent and certified by the Securities and Exchange Commission, and the Company does not use any other professional services from EY Company Limited.

Similarly, the Company's directors and executives have never been employees or partners or had any other relationship with EY Company Limited in the past 2 years.

#### **Non-audit fee:**

-None-