

9. Corporate Governance

9.1 Corporate Governance Policies

The Company realizes the importance of corporate governance where management and operations are effective and transparent for securitizing, prompting all related parties to trust the Company. Hence, the Company's business can grow in a sustainable way under the good corporate governance principles where business is operated with ethics, in accordance with relevant laws. As such, the Company determined the good corporate governance policies in order to enhance its operation, ensuring that the business is clearly operated under the clear standard. Employees at all levels follow operation procedure under the set corporate governance policies, creating a real culture of good corporate governance. The Company applies the good corporate governance principle for the year 2012, set by the Stock Exchange of Thailand, which are classified into five categories as in the following details:

1. Rights of Shareholders

The Company emphasizes the importance of the rights of the shareholders, no limiting to only the rights stated by laws. The Company shall refrain from any actions that violate the rights of shareholders while supporting shareholders to exercise their rights. Basic rights of shareholders include selling and transferring shares, sharing profits with the Company, receiving adequate information about the Company, attending shareholders meetings to vote for appointing or removal of directors, appointing auditors, considering matters that may have an impact on the Company, e.g., dividend payment, revisions of the Company's rules and regulations and memorandum of association, capital increase or decrease, approval of special transactions, and etc.

In addition to the aforementioned basic rights, the Company has also set guidelines for other issues to support and facility the right exercise of shareholders, as the following details:

- (1) Disclose policies about supporting or encouraging all groups of shareholders to attending shareholder meetings.
- (2) Disclose information about date, time, venue, agendas of the meetings with reasons for each agendas in the invitation letters to ordinary and extraordinary meetings or the attached meeting agenda; not do anything to limit the opportunity for shareholders to learn about the Company's information.
- (3) Facilitate shareholders' exercising their rights to attend meetings and vote; not do anything to limit the opportunity for shareholders to attend the meetings (i.e., the attendance to the meetings should not be complicated or requires too high expenses; the meeting venue should be easily accessed).

- (4) The chairman in the meeting should allocate appropriate time and encourage the shareholders to express their opinions or ask questions about the Company. Shareholders should also be allowed to ask questions prior to the meeting date. Criteria for sending advance questions shall be clearly indicated and informed shareholders together with the invitation letter to the meeting. The criteria for asking questions in advance is also announced on the Company's website.
- (5) Encourage all directors to attend shareholders meetings and answer questions asked by shareholders.
- (6) Arrange the voting for each matter in case one agenda contains several matters, e.g., the agenda about appointment of directors.
- (7) Arrange technology devices to be used in the shareholder meetings, e.g., registration, voting, counting votes, showing results, in order to speed up the meeting resolutions with accurate results.
- (8) Have independent individuals count votes in the ordinary and extraordinary meetings and disclose the vote results to the meeting as well as including the meeting results in the minutes of meetings.
- (9) Ensure that the minutes of shareholders meetings include the explanation in regarding the procedure for registrations and the presentation of voting results prior to the meeting; allow shareholders to ask questions or raise issues; record questions, answers, voting results of each agenda (i.e., agree, disagree, and abstain), the list of present directors and absent directors.
- (10) Publicize the meeting results in each agenda of ordinary and extraordinary shareholder meetings on the Company's website after each meeting.

2. Equal Treat to Stakeholders

The Company equally and fairly treats all stakeholders, including management shareholder, non-management shareholders, and foreign shareholders; the details of which are follows:

- (1) The meeting invitation letters, accompanies with meeting agendas and explanation and reasons, are sent to shareholders not less than 14 days prior to the meeting, or other timeframe as specified by relevant laws and regulations. An English version of the invitation letters are sent to foreign shareholders as appropriate.
- (2) Shareholders are well informed of any criteria in the meeting including the voting procedure and the voting rights in accordance with types of shares.
- (3) Determine the criteria for minority shareholders to propose additional agenda prior to the meeting date in order to present the fairness and transparency in order to determine whether or not the agenda proposed by minority shareholders shall be included in the meeting agenda. In addition, management shareholders shall not add any agenda not informed in advance, if not necessary, especially for any important agenda that shareholders need time to study before making decision.
- (4) Determine the ways for minority shareholders to propose names of persons as the Company's directors. They can propose the names to the Nomination and Remuneration Committee prior to the

shareholder meeting date. Information about qualifications of such proposed persons and their permissions shall also be included.

- (5) Encourage shareholders to use the proxy letter in the form that enables the shareholders can determine the voting method; and propose at least one independent director as a proxy choice for shareholders
- (6) Encourage shareholders to cast the ballots in major agendas, e.g., connected transactions, disposal or acquisition of assets, and etc., for transiency and ability to be scrutinized.
- (7) Provide the opportunity for shareholders to exercise their rights to vote for appointing of directors.
- (8) Order all directors and management members to report their holding of assets, as required by law, and regularly submit the report to the Board of Director; the report shall also be disclosed in the Company's annual report.
- (9) Complete written guidelines for keeping and protecting the Company's internal information and disclose such guidelines so that all employees can follow; prohibit anyone involving in the Company's internal information from trading the Company's securities in one month before the disclosure of the quarterly financial statement and annual financial statement and 48 hours after such information is disclosed.
- (10) Order directors who involve in conflicts of interests in any agenda not to participate in considering that particular agenda.

3. Roles of stakeholders

The Company realizes the importance in taking care of all stakeholders, including internal ones, e.g., the shareholders, the management, the employees, or the external ones, e.g., customers, creditors, business partners, society, commodities, and etc. The Company is well aware that support and opinions from all groups of stakeholders are beneficial to the Company's business operation and development. Hence, the Company always follows the relevant laws and regulations to uphold the rights of such stakeholders. Meanwhile, the Company refrained from doing anything to violate the rights of stakeholders. Moreover, in operating business, Company takes into account of the rights of all stakeholders, based on the following guidelines:

Shareholders : The Company treats all shareholders with equality and tries to maintain the benefits for them. The Company always refrains from violating the rights of shareholders. Also, the Company is committed to ensuring the shareholders' greatest satisfaction, taking into consideration its long-term growth and continuing to bring additional values and appropriate returns to shareholders. The Company is also determined to operate business in accordance with good corporate governance policies.

- Customers: The Company is committed to maximizing satisfactory and boosting customers' confidence, taking good care of and be responsible for customers. The Company also ensures that all customers receive good and fair services with high quality under the set standard. The Company also seriously follows the terms and agreements made with customers in order to enhance the service quality and maintain good and sustainable relationship with customers. Moreover, the Company does not use the customers or related parties' information for personal benefits.
- Employees: The Company treats all employees with equality and fairness in all aspects including, remuneration, welfare, potential enhancement. Also, the Company is always ready to listen to opinions and suggestions from employees at all levels, believing that all employees are valuable resources and key success factors for the organization. The Company is committed to creation of favorable organizational culture and working environment, promoting team work, enhancing employees' capability and career advance. The Company also ensures that all employees have stable careers and live with high living standard; meanwhile, the Company also creates safe working environment. Finally, the Company also encourage all employees to comply with relevant laws and regulations.
- Trade partners: The Company takes into account the equality and fairness with trade partners and creditors, running business with honestly and maintaining benefits for trade partners and creditors. The Company seriously follows laws, rules and conditions agreed by both parties. Operating the business under the code of conducts, the Company does not unfaithfully gain or share profits with trade partners while seriously follows all agreed conditions. The Company also treats creditors with fairness and makes repayment within the set timeframe. The Company also takes care of collaterals and ensures that all conditions in the contracts and accurate and cover all aspects under the good corporate governance principle. In case the Company happens to be unable to follow the agreed conditions, it informs trade partners and creditors in advance so that all parties can help to solve the problem.
- Competitors : The Company treats competitors under the international rules about trade competition, taking into account fair and equal competition rules. The Company does not try to obstruct other new players; nor does it destroy other competitors' reputation. The Company does not attract competitions with any false statement; nor does it involve in any unfair competition.
- Community, Society and The Company has policies to run business with responsibility to society, communities and environment, in terms of safety, good living quality, and natural

Environment : resource preservation. The Company also promotes effective use of energy, taking into account the good living quality of communities and society. Finally, in operating business or making any business decisions, the Company also takes into account of possible impacts on the environment.

4: Information Disclosure and Transparency

The Company's Board of Directors emphasizes the importance of disclosure of both financial information and non-financial information that is accurate, adequate, prompt and transparent in accordance with regulations from the Office of Securities Exchange Commission and SET. The Company is also well aware that other information also has an impact on the Company's share price and thus affecting the decision making of investors and stakeholders. General practice in regard to information disclosure and transparency is discussed below:

- (1) Disclose general information through various channels specified by the Stock Exchange of Thailand, e.g., financial statement, 56-1 form, and annual report. In particular, the financial information in the financial statement must be prepared, up to general accounting standard in Thailand, audited or reviewed by an independent auditor and the Company's Board of Directors before disclose to public.
- (2) Disclose information both in Thai and English through other channels, e.g., the Company's website, and regularly update such information.
- (3) Disclose the summary of approved corporate governance policies as well as the results through various channels including the annual report and the Company's website.
- (4) Disclose the Board of Directors responsibility on the financial reports together with the auditor's report in the annual report.
- (5) Disclose the roles and responsibility of the committees and sub-committees, the number of meetings and the number of attendance in meetings of each director in the past year, comments about their performance, and the trainings for professional development for Boards of Directors in the financial report.

As for the investor relation affairs, the Board of Directors assigned the managing director to commutate with investor, shareholders, analysts and relevant government agencies.

5. Responsibility of Board of Directors

1. Structure of the Board of Directors

- (1) The Company's Board of Directors consists of 12 directors who serve a service term of three years. Five of them are from the management while seven are not members of the management. Out of the total directors, four of them are qualified as independent directors, according to the Securities Exchange Commission's requirement that a SET-listed company have independent directors at the number equivalent to or more than one-third of the total directors. The directors are experts from various sector including corporate sector, financial sector, and accountings sectors, all of which help to support the Company's operation.
- (2) The Company requires that in the ordinary shareholder meetings one-third of directors shall vacate. If the number of directors cannot be divided into three portions, the number of directors closest to one-third shall vacate. In the first and the second year after the company is registered, the decision for which directors should vacate shall be ended in a draw. In the following years, the directors who are to vacate shall be the persons who have been in the position for the longest duration. Note, however, that the directors who have completed their terms can be re-appointed.
- (3) Directors can be directors at other companies, but the number of SET-listed companies where they hold the director position should not exceed five companies, including the non-listed subsidiaries of those listed companies.
- (4) The roles and responsibility of the Company's directors and management are clearly divided: the directors are responsible for determining policies and control the performance of the management in the policy level; meanwhile, the management members oversee overall operation and ensure that the Company's operation is well in line with the set policies.
- (5) The chairman of Board of Directors is appointed by the Board of Directors. The chairman is not the same person as the chairman of the Executive Committee or the managing director. These separate positions have clearly separated roles and responsibility in order that their power can be balanced. No one has absolute management power. Meanwhile, the managing director is responsible for the Company's daily routine operation under the policies as assigned by the Board of Directors. The scopes of power, duties and responsibility of the directors and the managing director have clearly been identified.
- (6) The Board of Directors appoints a secretary to the Company to take responsibility in the company as stated by the Securities and Stock Market Act (the name and the responsibility of the Company's secretary is disclosed in Item 9.1.6 of this report).

2. Sub-committees

The Company's Board of Directors also sets up another four sub-committees to oversee the Company's business operation. The sub-committees are the Audit Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee.

- (1) The Audit Committee consists of three members, all of whom are independent directors. The Audit Committee has a duty to monitor the performance of the risk management, the internal financial and accounting control, the financial reports and other duties as specified by the Stock Exchange of Thailand.
- (2) The Company's Executive Management is comprised of four members, all of whom are those in the management team. The Executive Committee is responsible for assisting the management in managing daily routine work under the policies assigned by the Board of Directors.
- (3) The Risk Management Committee has six members, all of them are members of the Audit Committee, the independent directors and the members of Executive Committee. The Risk Management Committee takes care of drafting policies and plotting guidelines for the Company's overall risk management aspects. The Committee shall propose the drafted policies and guidelines for the Board of Directors to consider approval. The Committee also has a duty to determine strategies and guideline for the Company's risk management in accordance with the Company's overall risk management policies; the risk management strategies should be able to be evaluated, monitored and control the Company's risks at appropriate levels.
- (4) The Nomination and Remuneration Committee consists of three members, two of whom are independent directors. The Committee is responsible for considering policies and guidelines to determine payment and forms of remuneration for directors and the chief executive management, both in cash and non-cash forms. The remuneration should suit the Company's performance and can be comparable to the remunerations for offered by other companies in the same industry. The Nomination and Remuneration Committee shall propose the suggested figures of remuneration for directors and chief executive management to the shareholder meetings for approval.
- (5) The Credit Committee consists of five members, four of them are those in management team and one of whom is an experience director in lending analysis. The Credit Committee is responsible for consider, evaluate, analyze, and approve lending proposal which exceeding the authorized of the Executive Committee.

3. Roles and responsibility of directors

- (1) The Board of Directors has duties to determine policies and overview of the organization and ascertain that the Company's operation goes well in line with the plans. The Board of Directors also reviews and provides comment in regard to the important matters linked to the Company's operation, e.g., vision and mission, strategies, goals, risks, work plans, and budget. In addition, the Board of Directors also ensures that the management efficiently and effectively operates business according to the set policies and working plans.
- (2) The Board of Directors had the good corporate governance principles written. The Board of Directors meeting No. 6/2013 held on 14 June 2013 approved such principles. The Board of Directors also ensures that the good corporate governance policies are regularly reviewed and followed.
- (3) The Board of Directors also encourages all management members and employees to understand the ethical standard that the Company refers to doing business. The Company's code of conduct is completed in a written form approved by the Board of Directors meeting on 14 June 2014. The approved code of conduct has been announced so that all employees can follow accordingly.
- (4) The Company's Board of Directors set policies about conflicts of interests, based on the concepts that any business transactions must be made only to maximize the benefits for the Company and that any transactions that may cause conflicts of interests shall be avoided. A person involving in any transactions with conflicts of interests is not allowed to take part in the consideration or approval of such transactions. Moreover, the Company's Board of Directors also ensures that the information about transactions with possible conflicts of interests are sufficiently and accurately disclosed.
- (5) The Board of Directors places emphasis on the internal audit and control, both in the management and operation levels. The Company hires P&L Internal Audit Co., Ltd., an outsourcing internal auditor, to perform the duty as the Company's internal auditor who reports directly to the Audit Committee; this is to ensure that the Company's internal control affairs are appropriate and adequate. The Company regularly assesses its internal control, ensuring that the internal control is adequate, at least once a year and disclose the assess results in the Company's financial report.
- (6) The Board of Directors appoints members of Risk Management Committee to determine the overall risk management policies. The Company requires that the management analyze various risks that may arise and report them to the Risk Management Committee so that the risks can be controlled to an acceptable level. If there are any risks that hinder the Company's

operation or prevent the Company from reaching its goals, the Company shall find measures to manage such risks. The Risk Management Committee has a policy to review or evaluate the risk management affairs at least once a year and the review and evaluation results are disclosed in the Company's annual report.

4. The Board of Directors' Meetings

- (1) The Company schedules of the Board of Directors' Meeting and make meeting agendas in advance before informing the directors. The Board of Directors shall convene not less than six meetings per annum.
- (2) The chairman of the Board of Directors and the managing director work together to determine the meeting agendas and consider issues to be included in the agendas, allowing each director to propose any matters to be included in the agendas.
- (3) In each meeting, the agenda document is sent to the directors at least five working days prior to the scheduled meeting to ensure that the directors have adequate time to consider the information, except for some urgent cases.
- (4) The chairman of the Board of Directors encourages directors to attend not less than 75 percent of the total meetings for the whole year.
- (5) The chairman conducts the meetings in an appropriate manner that is favorable to discussions and consideration of various issues, with directors allowed to freely express their opinions. For some agendas, the top management members may participate to provide additional useful information and to directly learn about the policies so that they can effectively apply such policies to operation.
- (6) The directors have the right to obtain necessary additional information from the managing director or the Company's secretary or other assigned management members. In some necessary cases, the directors may seek independent opinions from external professional service providers in the expenses of the Company.
- (7) The Board of Directors has a policy to allow separate meetings among non-management directors, as necessary, so that they can discuss the problems related to the management that interest them, without the presence of the management-based directors. The results of such non-management directors' meetings shall also be reported to the Board of Directors.
- (8) The resolution of an issue in the Board of Directors' meetings is based on the majority votes. One director holds one vote. A director involving in conflicts of interests in an issue does not attend the meeting and has no voting right in that particular issue. If the votes are equal, the chairman shall have another vote, which is deemed final.

- (9) In each meeting, the secretary to the Board of Director shall attend and complete the meeting minute. The complied minute shall be verified and signed by the chairman and shall be the first agenda for the next meeting proposed for the approval. The secretary is responsible for keeping information and documents about the meetings for future references.

In 2014 and 2015, the Board of Directors convened a total of 14 meetings and 13 meetings, respectively; the details of which are as follows:

Name	Position	2014	2015
1. Dr. Thanong Bidaya ^{/1}	Chairman of Board of Directors/ Intendant director	12/14	4/13
2. Mr. Sukhont Kanchanahuttakij	Chairman of Board of Directors	13/14	12/13
2. Mr. Chatchai Kaewbootta	Director	13/14	11/13
3. Ms. DOUNGCHAI Kaewboota	Director	14/14	11/13
4. Ms. Thida Kaewbootta ^{/2}	Director	11/14	12/13
5. Pol. Lt. Gen. Pharnu Kerdlarpphon	Member of Audit Committee / Independent director	12/14	11/13
6. Mr. Weerachai Ngamdeevilaiak	Member of Audit Committee / Independent director	14/14	12/13
7. Mr. Somyot Ngerndamrong	Director	12/14	12/13
8. Mr. Auychai Somklin	Director	13/14	10/13
9. Mr. Vinai Vittavasarnvej ^{/3}	Vice Chairman of Board of Directors/ Independent director	5/4	12/13
10. Mr. Prayong Saennual ^{/4}	Director	4/14	1/13
11. Mr. Watchabooraya Surasingsarit ^{/4}	Director	3/14	-
12. Mr. Sumate Maneewattana ^{/5}	Director/ Independent director	-	10/13
13. Mr. Weidt Nuchjalearn ^{/6}	Director	-	9/13

Note ^{/1} Dr. Thanong Bidaya resigned as a director and chairman on 17 July 2015

^{/2} Ms. Thida Kaewbootta resigned as a director on 18 June 2014 and was re-appointed by the Extraordinary Meeting of Shareholders No. 3/2014, held on 9 September 2014

^{/3} Mr. Vinai Vittavasarnvej was appointed as a director/an independent director by the Board of Directors meeting No 8/2014, held on 19 June 2014.

^{/4} Mr. Prayong Sannual and Mr. Watchabooraya Surasingsarit were appointed as directors by the Extraordinary Meeting of Shareholders No. 3/2014, held on 9 September 2014. Mr.

Watcharabooraya Surasingsarit resigned as director on 29 January 2015. Mr. Prayong Saennual resigned as director on 26 February 2015

^{/5} Mr. Sumate Maneewattana was appointed as an independent director by the Board of Director meeting No. 1/2015, held on 29 January 2015 and resigned as a director on 31 May 2015. The Board of Directors meeting No. 6/2015, held on 21 July 2015, had resolution to re-appoint Mr. Sumate Maneewattana as an independent director.

^{/6} Mr. Weidt Nuchjalearn was appointed as a director by the Board of Directors meeting No. 2/2015, held on 26 February 2015.

The meetings of Executive Committee must be arranged at least six meetings per annum and the meetings can be called on anytime once urgent agendas need approval. The minutes of meetings are made in written and the minutes are systematically kept and able to be scrutinized.

The Board of Directors' Meeting No. 5.2013 on 15 May 2013 appointed the Audit Committee, affective from 15 May 2013. The Extraordinary Meeting of Shareholders No. 1/2013 on 31 May 2013 resolved that the Audit Committee should convene at least four meetings per annum and that the minutes of meetings should be made in written and systematically keep for future examination and self-evaluation of the Audit Committee.

The directors support the evaluation of overall directors' performance at least once a year so that all directors can work together to review performance and problems for future improvement.

5. Remuneration

- (1) The remuneration for directors is based on their roles and scopes of responsibility as well as the Company's earnings performance; the remuneration is comparable to what offered by peers in the industry.
- (2) The remuneration for the managing director and top management officers is based on the principles and policies determines by the Board of Directors and approved by the shareholders' meetings, maximizing benefits for the Company. The remuneration is offered in forms of salaries, bonuses and other benefits.
- (3) The Nomination and Remuneration Committee evaluates the performance and remuneration for directors, management-based directors and the managing director on an annual basis; the proposed amount of remuneration is subject to the approval of the Board of Directors' meeting and the shareholders' meeting.
- (4) The amounts of remuneration paid to directors are disclosed in the Company's annual report.

6. Development of directors and management

- (1) The Company's Board of Directors has a policy to support and encourage directors, management, and the Company's secretary to attend trainings or seminars to enhance knowledge and apply the knowledge to their work on a continuous basis.
- (2) In case of new directors, the management provides useful documents and information for the new directors to learn about the Company's business characteristics and business guidance.
- (3) Board of Directors provides programs aimed at developing the management; the managing director shall make a report on what have been done during the year on an annual basis.

9.2 Control of Internal Information Usage

The Company has a policy to prevent the Company's internal information usage, especially the information about the Company's financial status before disclosure to the public. The number of people being aware of the internal information is limited. The management is given the information about their duties and responsibility regarding the requirement that they report their shareholding as well as the shareholding of their spouses and minority children, including the requirement in the amended law (Securities Act). Any management members who are aware of the Company's internal information shall not violate Article 241 of the Securities Act. The Company's Board of Directors announced the follow rules for internal use of the Company's informational:

- 1) Directors, management, employees, and general workers of the Company shall strictly keep the internal information confidential
- 2) Directors, management, employees and general workers shall not disclose the Company's secrets/internal information or use such information for their own benefits or other people's benefits, either directly or indirectly, whether or not they receive compensation in return of such action.
- 3) Directors, management, employees and general workers shall not sell, buy or transfer shares by using the Company's secrets and/or internal information and/or perform any transactions by using the Company's secrets and/or internal information. They shall refrain from any actions that may damage the Company, either directly or indirectly. This rule also is applicable to spouses and minority children of directors, management, employees and general workers. Those violate the rule shall be regarded as serious violation.
- 4) The Company determined guideline for preventing of insider trading: directors, management, employees holding the positions of vice president upwards, and individuals involving in the Company's internal information are prohibited from trading the Company's shares within one month prior to the disclosure of the quarterly financial statement and annual financial statement and 24 hours after the disclosure of such information.