

Corporate Governance Policy

Communication & System Solution Public Limited Company

Corporate Governance Policy

Communication & System Solution Public Limited Company is committed to conducting business to grow steadily and sustainably. The Company has a goal of success in business of engineering communications and distributing engineering system products to widely recognized and trusted by management system with international standard.

1. The Board of Directors, executives and employees adhere to performing in compliance with corporate governance principles to be guidelines of conduct and duties and adhere in work.
2. The Board of Director with the Executives take main role with the consideration of the efficiency and effectiveness, transparency, in adherence to the responsibility with all stakeholders
3. The Board and the management will be required to be the ethical leaders and the role model in performing their duties with honesty in accordance with the Company's ethical practices.

It is Company policy to follow the Code of Best Practice in order to ensure transparency and for the benefit of the company's business operations as it creates confidence in shareholders, investors and all related parties. The Board of Directors has therefore set out principles of corporate governance which follow the best practice specified by the Stock Exchange of Thailand. The Company's principles of corporate governance fall into 5 categories:-

- 1 The Rights of Shareholders
- 2 The Equitable Treatment of Shareholders
- 3 The Role of Stakeholders
- 4 Disclosure and Transparency
- 5 Responsibilities of the Board of Directors

Category 1 The Rights of Shareholders

The Company places importance on the basic rights of shareholders both as owners of the Company and as investors in stocks such as the right to trade or transfer stocks, the right to receive adequate information about the Company, the right to receive a share of the profits from the Company, rights in shareholder's meetings, the right to express an opinion, the right to take part in making decisions on important Company issues such as issuing dividends, appointing or removing directors, appointing auditors, and approving important business transactions that affect the running of the business.

Apart from the various basic rights mentioned above, the Company also acts for the convenience of shareholders exercising their rights in various matters as follows:

1. The Company organizes an Annual General Meeting within 4 months of the end of the fiscal year, sending out a notice of the meeting and relevant information to inform shareholders 7 days in advance, and placing notices in newspapers announcing the date for 3 consecutive days ahead of the meeting. With each meeting agenda, the views of the Board of Director are also included.

2. The Company puts information relevant to the agenda of shareholder's meetings on the Company website, and explains the rights of shareholders to participate and vote in the meeting.

3. If the shareholder is unable to attend the meeting in person, the Company allows them to authorize an independent director or another individual to act as a proxy by using one of the power of attorney forms sent out with the notice of the meeting.

4. The Company will provide an opportunity for shareholders to submit opinions, suggestions and questions to the email address of the secretary to the Board of Directors before the meeting takes place.

5. During the meeting, the Company will open opportunities for shareholders to ask questions, make suggestions or voice opinions freely and equally. Directors and executives will be present at the meeting to answer questions and provide information.

The Board of Directors support shareholder meeting regarding on shareholder's rights and equitable treatment in compliance with law and corporate governance principles as follows:

1. The company gives all shareholders an opportunity to submit an agenda and candidates for becoming a committee together with advance question prior to annual general meeting of shareholders for year 2016. The company has set up time frame for any shareholder to submit agenda and candidate during October till January next year via Stock Exchange of Thailand news announcement together with a guideline and procedure at website, www.cssthai.com in "investor relation" menu, then meeting of shareholder sub-menu.
2. Presentation and information delivery to shareholders, the Company has appointed Thailand Securities Depository Co., Ltd. (TSD) as its securities registrar to send the meeting invitation notice, documents and other information which is important and necessary for decision-making to shareholders (in English in case of foreign shareholders) in advance before the meeting date and in accordance with laws or/and regulatory concerned. Besides, company has put in place a communication and data distribution channel that is updated through the Company's website 30 days before meeting in order for shareholder to adequate consideration. In addition, company also published in a newspaper stating date, time, place and agenda of meeting consecutively three days before the meeting.

3. The company has delivered proxy legally with instruction and stamp duty to facilitate proxies free of charge. Shareholder could send back an original proxy by post with essential document in advance, attention to Office of Corporate Secretary before the meeting.
4. Notification upon voting procedures and vote counting prior to the shareholders' meeting was provided. A use of voting card was also applied in a meeting.
5. The company did not add or change any important information regarding the Annual General Meeting of Shareholders for 2016 without prior notification to the shareholders. Shareholders were also encouraged to give out comments and questions; the details of which had been fully recorded in minutes of the shareholders' meeting.
6. The company had ensured that every shareholder was encouraged and well facilitated to attend the meeting through arrangement of an easy-to-access meeting place. A free transportation to and from the venue, with pick-up and drop-off points as specified clearly in the invitation letter, was also provided for every shareholder.
7. Along with the letter of invitation, the company had attached a question form for any shareholder who would not be able to attend the meeting to complete and return the form to the company prior to the shareholders' meeting. This had allowed such shareholders to be able to participate through the help of a secretary who would gather all questions and ask the board of directors in a meeting.
8. Allow shareholders to provide their opinions, suggestions or submit questions in the agenda independently before voting and shall record the question and answer evidently. In this regard, the Company shall provide sufficient information to shareholders in such matter. In addition, the Company shall appoint the Directors or related persons to answer shareholders under the Board of Directors' responsibility.
9. After the Shareholders' Meeting has finished, the Company shall make the Minutes of the Shareholders' Meeting with complete details together with voting results consisting of vote for approved, disapproved and abstained in each voting agenda and send to the Stock Exchange of Thailand (SET) within 14 days after the meeting and publicize it on the Company's website at www.dusit.com in order that the Minutes of the Shareholders' Meeting can be verified by shareholders.
10. The Directors and the Executives are responsible for shareholders; therefore, it is their responsibility to attend the Shareholders' Meeting in order that shareholders can inquire information about the Company.

Category 2 The Equitable Treatment of Shareholders

The Company will give equal opportunity to every shareholder and allocate voting rights at the meeting according to the number of shares held, one share equivalent to one vote, and will do nothing that restricts, violates or dispossess shareholders of their rights, whether major shareholders, minor shareholders, investors or foreign shareholders.

1. The Company assigns an independent director to assist minor shareholders, allowing them to make proposals, express opinions or raise complaints with the independent director who will decide on the appropriate way to proceed in each case. For example, in the case of a complaint, the independent director will investigate the facts and find an appropriate solution. In the case of a proposal on an important issue that affects the stakeholders or the Company's business, the independent director will put the matter to a shareholder's meeting to consider putting it on the meeting agenda.
2. The meeting proceeds according to Company regulations, following the meeting agenda. Detailed information is presented for each item and relevant information is clearly presented for consideration. Additional items will not be added to the agenda without notifying shareholders in advance, unless there is good reason.
3. If the shareholder is unable to attend the meeting in person, the shareholder may authorize the independent director or another individual to attend as a proxy, by using the power of attorney form sent out with the notice of the meeting. Voting is transparent and follows the meeting agenda. The election of directors gives shareholders the opportunity to exercise their right to appoint directors, with votes being cast for individuals.
4. The Company has also taken measures to prevent insider trading by related persons, which means directors, executives or any staff that work in units dealing with internal information (including spouses and children of minor age). Related persons are not permitted to trade in Company stock for a period of at least 1 month before the quarterly and annual financial statements are released and should wait for at least 24 hours after this information is made public. It is also forbidden to pass that information on to others individuals.
5. The Company informs directors and executives of their duty to report their stock holding in the Company and the penalties specified in the Securities and Exchange Act 1992 and the regulations of the Stock Exchange of Thailand. In instances where directors or executives trade Company stock, they must report the stock held by themselves, spouse and children who are still minors in compliance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 working days to the Office of the Securities and Exchange Commission for the information to be put into the public domain.
6. The Board of Directors has stipulated that the directors, management and their related persons (as defined by SEC and SET) must prepare and submit a report on interests annually.
7. During the shareholder meeting, the company provides ballot in a presence of voting in order for adherence to integrity and transparency, together with counting and disclosing result of voting and recording explicitly into report.
8. The number of votes a shareholder has corresponds to the number of shares he owns.

Category 3 The Role of Stakeholders

The Company places importance in all groups of stakeholders, whether they are internal stakeholders, i.e. the Company staff and management, or external stakeholders such as competitors, partners and customers. The Company is aware that support and input from all groups of stakeholders is valuable to the Company's business and development. Accordingly, the Company acts in compliance with the relevant laws and regulations to ensure that the rights of the stakeholders are properly respected. To create a stable business environment, the Company works together with each group of stakeholders in the following ways:

(a) Shareholders

The Company is focused on development and continuous growth which will lead to an increase in Company earnings and profits. This will increase the value of the Company and mean that shareholders will receive the best returns.

(b) Customers

The Company considers the quality and standards of its products, while customer care and other responsibilities are carried out with honesty and fairness. Also maintain customers' relationship as well as sustainable improvement of customers' relationship and accept customers' suggestions and complains to improve customers' satisfaction.

(c) Partners

Company policy is to deal fairly with trading partners according to the trading terms and/or contractual agreements in order to establish good business relationships that benefit all parties.

(d) Competitors

The Company supports free and fair competition and conducts its business according to the regulatory framework on proper competition.

(e) Creditors

Company Policy is conduct in compliance with contract and conditions both in terms of repayment of loan, interest to maintain and other conditions. Also reports financial status to the creditors of requirements in the loan contract properly. The company will report its creditors in advance if cannot fulfill the obligations in the agreement and jointly find solutions to fix problems.

(f) Employees

Company policy is to treat employees equitably and fairly, providing appropriate remuneration and welfare as well as supporting development of their knowledge and ability.

(g) Community and society

The Company recognizes its responsibilities towards the community and society, conducting an ethical business and supporting creative social projects as appropriate.

(h) The Environment

The Company strictly follows laws and regulations relating to the environment and constantly sets measures to control environmental impact. Also support employees to participate in the training related to environment and keep materials and equipment up to standards level to reduce the use of natural resources

The Company operates in compliance with the relevant laws and regulations to ensure that the rights of stakeholders are well protected.

Category 4 Disclosure and Transparency

The Company is aware of the importance of the complete and accurate disclosure and transparency of financial and general information in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other important information affecting the Company's stock price, as this influences decision making by investors and stakeholders.

1. The Company makes information available to shareholders, investors and the general public through the channels provided by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as on the Company website: www.cssthai.com
2. To manage investor relations, the company secretary has been assigned the duty of communicating with investors, shareholders, analysts and relevant state agencies.
3. The Board of Directors is responsible for the financial statement and information that appears in the annual report. The financial statement is compiled in accordance with Thai accounting standards, with a selected accounting policy that has been consistently followed and presents adequate financial information. The Audit Committee reviews the quality of the financial report and the internal audit process, as well as the adequate nature of information in the financial statement's remarks.
4. The Board of Directors clear disclosure of information concerning shareholdings of the Board of Directors and other executives in the annual report.
5. The Board of Directors assigned the company's secretary is responsible for providing a shareholding report of the participants including Board of Directors, executives, as well as their spouses and dependent children in order to acknowledge the meeting party prior to each quarterly Board of Directors' meeting.
6. The Company has disclosed the complete information of the connected transaction which specifies the name of connected persons, relationship, details of transaction, conditions, pricing policy and transaction size. In addition, in case that such transaction is a connected transaction which the Company shall disclose information or requires shareholders' approval under the SET regulations, the Company shall disclose the details and causes of the connected transaction to inform shareholders before proceeding such transaction.

Category 5 Responsibilities of the Board of Directors

The Board of Directors consists of the persons possessing a variety of knowledge and skills. They have important role in determining the Company's policy with top Executives, including business operation planning, risk management and overall image of the Company. Thus, the Company has determined the policies and responsibilities of the Board of Directors as follows:

1. Structure of the Board of Directors

- 1) The Company's Board of Directors consists of individuals who must have skills, professions, specialize, gender etc. The Board of Directors will be act an important role in setting policies and the overall direction of the Company. They are also responsible for governance, checking and evaluating the performance of the Company against the plans that were set.

- 2) The Board of Directors determines the board composition that fits with the Company's business size, whereby it is set to be composed of at least 5 members, not less than 1/2 of the directors must reside in Thailand.
- 3) The Board of Directors must be partially composed of non-executive directors and a minimum of 1/3 of the total board members.
- 4) Of the total number of board members, at least 1/3 and no fewer than 3 persons must be independent directors.
- 5) Audit Committee must be Independent Director who has the qualifications which are stringent of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET) and Composition of the Audit Committee. One of the Audit Committee is specialist in accounting and finance to verify the accuracy and adequacy of the Company's financial statement. Representatives of shareholders to acting in charge of regulating the operations of the Company are accurate and transparent.
- 6) Appointment of the Board must transparently and clearly follow the agenda and deliberation procedure. Adequate profiles of nominees must be presented to the shareholders for full review and approval. Directors' profiles must also be published in the annual report.
- 7) The Board of Directors clear segregation of roles is in place for the Board Chairman, directors, Board committees, and the CEO / President.
- 8) The Board of Directors appointed Company Secretary provides legal advice on assorted regulations to the Board, looks after their activities, and coordinates their compliance with Board resolutions. The Company Secretary should constantly undergo training and knowledge development in law, accounting, or Company Secretary's job performance.
- 9) The Board of Directors has stipulated that members should not have a term of office exceed 3 consecutive terms. Unless any director who is qualified to hold the position longer, the Board shall consider the independence and efficiency of the duties of the Director and report a reason to shareholders.

2. Role, Duties and Responsibilities of the Directors

The Board of Directors is composed of individuals with a great depth of knowledge, skills and expertise, which are recognized for their leadership. The board of directors has an integral role in setting the vision, mission, strategy, policy, business approach and compliance with the law, objectives, regulations and the resolutions of shareholders meetings in order for the benefit and oversight of the Company's operations. The Board of Directors has therefore set up various committees to oversee the operations of the Company.

- 1) The Board of Directors has disseminated the good corporate governance policy and Code of Business Ethics to Directors, Management, and every level of employees so as to ensure understanding and observance. Then communicate on the company website and intranet also in the Annual Report 2016
- 2) The Board of Directors had outsourced an expert to help auditing and evaluating the company's internal control system, as well as monitoring on the significant matter in correlation with the business operation.
- 3) The Board of Directors has reconsidered on the Company's vision, mission and strategies so that the executives and employees have the same objectives.

- 4) The Board of Directors has monitored the management of executives committee by define reporting on the progress of the operation and performance every time in the Board of Directors Meeting
- 5) The Board of Directors determines the separation of roles and responsibilities between the Board of Directors with executives clearly. The Board of Directors is responsible for formulating policies and overseeing the operation of the management in the policy level. The executives acting administration of companies in various fields in accordance with the defined.
- 6) The Board of Directors is overseeing the Managing Director of implementing the policies and regulations that set.
- 7) The Board of Directors has determined the policy to each Director to be appointed as a Director, not exceeding than 5 listed Companies.
- 8) The Board takes into account importance on the performance of duties as President to ensure the sufficient time to perform his duties. The Board of Directors has determined the policy for the Managing Director shall not be appointed as a Director in more than 2 other listed companies and must be agreed by the Board of Directors. In addition, the Managing Director/Chief Executive Officer shall not hold Director Position in other company which has the same nature as and is in competition with the business of the Company unless the Board of Director has agreed. The above regulations are except being Director in subsidiary company.
- 9) The Board of Directors act determine oversee the company's operation under criteria of regulations of the Securities and Exchange Commission Thailand and the Stock Exchange of Thailand.
- 10) The Board of Directors is responsible for the financial reports preparation including the Company's financial statements, the consolidated financial statements of the Company and subsidiaries and financial information memorandum as shown in annual report. The financial statements are prepared based on generally accepted accounting standard. The Company applies proper and acceptable accounting standard and complies with such standard regularly. The Company is very careful to prepare and manage sufficient information to disclose in the notes of financial statements.
- 11) The Board of Directors assigned the internal audit reports directly to the Audit Committee and will be evaluated by the Audit Committee for making the internal audit independence to check and balances fully.
- 12) The Board of Directors sets up the orientation for all new members for them to understand the roles, the duties of the Board, and the protocols in operating the business.
- 13) The Boards encourages the directors to attend the training program or seminar to increase knowledge in action and The Board of Directors has to attend in various courses related to the roles and responsibilities of the directors.
- 14) The Board of Directors announced the Board Meetings schedule in advance for a year that arranged in every 3 months and a special session meeting to be convened as deemed necessary. To send an invitation letter complete to all board members at least 7 days ahead of the meeting date to allow the board members sufficient time to consider the issues whereas. The Chairman and Company directors jointly set the agenda and decide the subjects to be discussed at the meeting, with every director having the chance to propose topics for inclusion.

- 15) The Directors has to attend the Board of Directors meeting consistently to acknowledge and consider the subjects that propose by the Management by having a clearly organized agenda. If there is any special agenda, the corporate Secretary will send an invitation letter before the meeting date at least 7 days. Directors may discuss and give their opinions openly and the Chairman summarizes and concludes the views expressed. Votes are passed by a majority with each director having one vote. Directors with an interest will not attend the meeting and/or vote on that matter. If votes are equal, the Chairman will have a deciding vote. The minutes of the meeting will be will be written after the meeting has finished and the approved minutes will be kept for inspection by the directors and others.
- 16) After the meeting has finished, the Company Secretary has the duty to prepare the minutes of the meeting to propose to the next Board of Directors' Meeting for certification in the first agenda and have Chairman of the Board of Directors to sign to certify. However, the Directors can provide their opinions or amend the minutes of the meeting to the utmost accuracy.
- 17) At least 2/3 of the total number of directors shall be presented to form a quorum and the resolution must be not less than 2/3 of the number of directors attending the meeting.
- 18) The Board of Directors should attend the board meeting consistently, with an average participation of at least 75% of total number of board meetings held in each year.
- 19) The certified Minutes of the meeting shall be kept as confidential document at the Corporate Secretary Office.
- 20) The Board of Directors has determined the risk management policy to apply to the overall Company's organization and provided the risk management manual as a guideline to manage risks in every functions of the Company.
- 21) The Board of Directors has carefully overseen the transaction which might have the conflict of interest or be connected transaction by carefully considering in every transaction. In case that the voting is required, the Interested Director shall not have the right to vote in such agenda, and the SET regulations shall be followed by disclosing the details, transaction size, contract party, cause and necessity of the transaction in the Annual Report and Forms 56-1.
- 22) The Board of Directors has determined the Directors and the Executives to report on the Conflict of Interest Report under Section 89/14 of the Securities and Exchange Act B.E. 2535 (Amended B.E. 2551) annually and/or when information is changed.
- 23) The Board of Directors has evaluated self-performance annually in accordance with the SET guideline for collaborative consideration and adjustment of the performance and problems.
- 24) The Board of Directors has evaluated the performance of the Group Chief Executive Officer who is the highest executive of the Company in accordance with performance evaluation criteria approved by the Board of Directors.
- 25) The Governance and Nomination Committee has responsibilities to consider organizational structure and component of the Board of Directors of the Company and its subsidiaries, considered the lists of qualified persons to be appointed as Director of the Company and its subsidiaries. In this regard, the structure of the Board of Directors must have diversity of skills, professions, specialize, gender etc., including consideration and nomination of qualified person to be appointed as the Company's top Executive to the Board of Directors for ensuring that the Company has the Executives possessing knowledge, skills, and capabilities which can be the successor of important position in the future.

- 26) The Chairman of the Board of Director is an Independent Director and not the same person with the Managing Director who has clear separated roles, authorities and responsibilities in order to create the check & balance between the Management and Corporate Governance.
- 27) The Board of Directors has determined the definition of independence for the Directors in accordance with the SEC criteria and disclosed it in the Annual Report.
- 28) The Board of Directors have a power of appointment the sub-committees are Audit Committee, Executives Committee, Nomination, Remuneration and Corporate Governance Committee and Risk Management Committee to consider or execute in a particular matter as considered appropriated by the Board of Directors.

The Audit Committee

The present Audit Committee consists of three Directors and they are specialist in accounting and finance or audit. Their meetings are to be convened at least once per quarter.

Scope of Authority and Responsibilities of the Audit Committee

1. To verify the accuracy and adequacy of the Company's financial statement.
2. To verify the Company's Internal Control and Internal Audit systems are appropriate and effective, evaluate the independence of the Company's Internal Audit Unit, and approve the appointment, transfer and dismissal of the head of the Internal Audit Unit or any other unit that has responsibilities related to the internal audit.
3. To verify that the Company acts in compliance with the Securities and Exchange Act, regulations of the Stock Exchange and laws related to the Company's business.
4. To consider, select and propose the appointment of independent persons to act as auditors of the Company and their appropriate remuneration. They must also attend meetings with the auditors, without anyone from the management present, not less than 1 time per year.
5. To consider matters that is connected or may involve conflicts of interest, to ensure compliance with the law and regulations of the Stock Exchange and to have confidence that those matters are handled discreetly and in the best interests of the Company.
6. To produce the Audit Committee report for publication in the Company's annual report, to be signed by the Chairman of the Audit Committee and containing at least the following information:
 - a. Comments on the accuracy, completeness and reliability of the Company's financial report.
 - b. Comments on the adequacy of the Company's internal control system
 - c. Comments regarding the legality of practices in regard to the Securities and Exchange Act, regulations of the Stock Exchange or other laws relating to the Company's business.
 - d. Comments regarding the suitability of the internal auditor.
 - e. Comments matters where there is a possible conflict of interest.
 - f. The number of Audit Committee meetings and attendance of each committee member.
 - g. Comments or overall observations that the Audit Committee have received while carrying out duties in accordance with their charter
 - h. Other matters that should be reported to the shareholders or investors, within the scope of the duties and accountability received from the Board of Directors.
7. Other responsibilities assigned by the Board of Directors and accepted by the Audit Committee.

8. If, during the course of the aforementioned duties, the audit committee find or suspect any of the following matters or actions, which may have significant effects on the Company's financial stability or business operations, they should report to the Board of Directors so that the matter may be rectified within a time period that the audit committee sees fit.
 - a. Conflicts of interest.
 - b. Dishonesty, irregularities or flaws in the internal control system.
 - c. Violations of the Securities and Exchange Act, the regulations of the Stock Exchange or other laws relating to the Company's business. Should the Board of Directors or Company executives not rectify problems within the specified time period, one of the Audit Committee may report the matter to the Office of the Securities and Exchange Commission or the Stock Exchange.

Nomination, Remuneration and Corporate Governance Committee

The Board of Directors appoints the Nomination and Remuneration Committee to nominate and define criteria for transparent and fair remuneration to Directors and the senior executives in compliance. The Nomination, Remuneration and Corporate Governance Committee hold at least one meeting a year.

Scope of Authority and Responsibilities of the Nomination, Remuneration Committee

1. Nominate appropriately qualified persons to serve on the Company's Board of Directors and committees (if any), including the achievements, qualifications of outgoing directors and their suitability for re-election, for the consideration of the Board of Directors and the AGM for approval of the appointment as a Director and/or committee member (if necessary).
2. To advise the Board of Directors on approving the structure of compensation for the Board and committees (if any), including monthly remuneration, incentives, bonuses, welfare, meeting allowances and other benefits, financial and otherwise, for approval of the Directors annual compensation by the AGM.
3. To consider, search for and specify appropriate qualifications and also set the compensation structure and terms of the employment agreement for the Company's Chief Executive Officer.
4. To advise the Board of Directors and oversee matters regarding the Company's vision and human resources strategy, including an executive development plan.
5. To undertake other duties related to the nomination and remuneration of directors, committee members (if any) and the Chief Executive Officer as assigned by the Board of Directors.

Scope of Authority and Responsibilities of the Corporate Governance Committee

1. To consider, review, and present the following policies for the Board of Directors' approval. Such policies are Corporate Governance Policy, Code of Conduct, Corporate Social and Environmental Responsibility Policy, Sustainable Development Policy, and any practice for supporting the Company' operation in compliance with corporate governance, transparency, fairness, and sustainable growth.
2. To monitor, review and ensure that systems in the organization comply with code of conduct and best practices as defined.
3. To oversee and operate with the good corporate governance of law and regulations of the Securities and Stock Exchange Commission and the Stock Exchange of Thailand.

4. To monitor and report the organization's performance as said in Corporate Governance Policy and relevant policies to the Board of Directors and external organizations as appropriate.

Policy on Director Nomination

In its nomination of directors, the Company considered the lists of qualified persons to be appointed as Director of the Company and its subsidiaries. In this regard, the structure of the Board of Directors must have diversity of skills, professions, specialize, gender etc. They must be able to devote adequate time to their duties to benefit the Company's business. The Company provided the opportunity for shareholders to propose meeting agenda items and appointment of new director according to the good corporate governance criteria through the Company's website (www.cssthai.com) from October 2016 to January 2017. The Nomination, Remuneration and Corporate Governance Committee will propose to Board of Directors Meeting before propose to the Annual General Meeting to shareholders onward.

Policy on Director Remuneration

To provide remuneration for Directors, the Company will take into consideration the appropriateness of duties and responsibilities as assigned and compared with listed companies on SET with a similar industry. The Nomination, Remuneration and Corporate Governance Committee will propose to the Board of directors Meeting to approve the Directors' Remuneration.

Risk Management Committee

The Risk Management Committee is responsible for the appropriate management of the Company as assigned by the Board of Directors in written form. The Committee has 5 members, at least one of whom must be an independent director.

Scope of Authority and Responsibilities of the Risk Management Committee

1. To set and present risk management policies for approval by the Board of Directors in areas such as liquidity risk, operational risk, marketing risk and other areas of significance for the Company.
2. To set strategies, plans and framework for risk management consistent with the policies, and analyzing, evaluating, testing and effective oversight of risk management procedures.
3. To study and revise the Company's working procedures in areas related to risk management to ensure that organizational risk management is adequate and appropriate.
4. To appoint persons and/or units and/or working groups and that are involve with risk management as appropriate and specifying their duties in accordance with the objectives.
5. To oversee, monitor and evaluate the work to ensure the appropriate use of risk management strategies in practice and for the revision and development of an efficient risk management system consistent with the Company's business operations, including assessment of potential risks that will affect operations from both external and internal factors.
6. To undertake any other duties related to risk management as assigned by the Board of Directors.

Independent Directors

The present Board of Directors consists of 4 Independent Directors, which is more than one third of all Directors. The Company realizes the importance of good corporate governance which defined the Chairman of the Board must not be the same person as the President in view of clear-cut responsibilities and duties. The Board of Directors gives consent of the definition and qualifications of Independent Directors, the regulations of which are more stringent than those of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), as follows:

1. Hold no more than 1% of the overall shares in the Company, subsidiaries, associated companies, or person(s) with potential conflicting interests.
2. Take no part in the Director administration, including not being an employee, personnel, permanent advisor, professional advisor to the Company such as an auditor, lawyer or authorized person of the Company or subsidiaries, or Associated companies, or person(s) with potential conflicting interests and with no invested interest for no less than two years and can attend the Directors' meetings with independent opinions.
3. Have no business connection, no vested interest, whether directly or indirectly, financially or administratively, including not being a client, partner, supplier, trade or creditor/debtor of the Company, subsidiaries, associated companies, or person(s) with potential conflicts of interest and thus lacking independence.
4. Have no or never had business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to SEC.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which causes liability or obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3% of the net tangible assets of the applicant or equal or above 20 million baht, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction *mutatis mutandis*. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.

5. Is not or has never been the auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of applicant, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder,

controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.

7. Is not the director who is nominated to be the representative of directors of the applicant, major shareholders, or any other shareholder related to the major shareholders.
8. Do not operate the same and competitive business with the business of the applicant, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the applicant, or its subsidiaries.
9. Is not any otherwise which is unable to have the independent opinion regarding the business operation of the applicant.

Scope of duties and responsibilities of the Board of Directors and Chairman

Scope of duties and responsibilities of the Board of Directors

1. To hold annual general meeting of shareholders within 4 months from the end of fiscal year.
2. To hold the Board of Directors' meeting at least every 3 month, with attendance of all directors. Extra meeting may be held in case of necessity.
3. To provide annual report, to be responsible for execution and disclosure of financial statement audited by the auditors in order to reveal the financial status and operation result of the previous year, as well as to propose to the shareholders' meeting for consideration and approval.
4. To authorize and be responsible for compliance with laws, objectives and the Company's regulations, including resolution of the shareholders' meeting with honesty, while maintaining the benefit of the Company and the shareholders on regular basis.
5. To determine target, approach, policy, operation and budget plan of the Company, to efficiently and effectively control and manage the operation of the Executive Committee to be in compliance with the assigned policy in order to add maximum economic value to the Company as well as highest benefit to the shareholders.
6. To have a power of appointment or supervise the committee or operative group to consider or execute in a particular matter as considered appropriated by the Board of Directors.
7. To have the power to audit and approve on policy, approach and operation plan for large investment project as proposed by the Committee and/or the management
8. To control and oversee the compliance to securities and stock exchange law, including regulations of the Stock Exchange such as execution of connected transaction and acquisition or disposal of significant assets under criteria of the Securities and Stock Exchange Commission or the Stock Exchange of Thailand or applicable laws related to the business of the Company.
9. To be responsible for shareholders and to operate business based on the highest benefit of the shareholders, including disclosure information to the investors with accuracy, adequacy, standards and transparency.
10. To consider the management structure, pursue work procedures to be consistent with operation and budget plan on regular basis, monitor business operation and work performance of the committee and/or the management on regular basis to ensure the effective business operation of the Company.

11. Must not operate any business or become a partner in ordinary partnerships or become a partner with unlimited liability in limited partnerships or become a director of other private company which have the same nature as and are in competition with the business of the Company regardless of for their own benefit or the others' unless the notification is made to shareholders meeting prior to the resolution for such appointment.
12. A director shall notify the Company without delay of direct or indirect interest in a contract entered into with the Company or holds shares or debentures in an increased or decreased amount of the Company or an affiliate company.
13. Responsible for shareholders and to operate business with focus on the highest benefit of the shareholders, including disclosing the information to the investors with accuracy, adequacy, standards and transparency.
14. To supervise and set up an internal audit system to enable effective internal control system, reliable risk management and reliable financial report. The Internal Audit Unit is assigned to monitor and jointly work and liaise with the Audit Committee as well as external auditor in reviewing the internal control system.
15. To have power to consider and approve any matters necessary and related to the Company or considered as appropriate and beneficial to the Company.
16. The following matters can be executed by the Board of Directors only upon approval from the shareholders' meeting:
 - a) Any matters as stipulated by law that requires resolutions from the shareholders' meeting and
 - b) Any matters where the directors' interest involved and under the law or notifications from the Securities and Stock Exchange Commission and the Stock Exchange of Thailand which stipulated to require approval from the shareholders' meeting.
17. The decision of the Board of Directors must receive approval from the shareholders' meeting with the votes of not less than three-fourths (3/4) of the shareholders attending the meeting and having the right to vote.
 - a) Disposal or transfer as a whole or important part to other person
 - b) Acquisition or receive business of other companies under ownership of the Company
 - c) Conveyance, amendment or termination of agreements concerning all leasing business of the Company, as a whole or important parts, delegation other person to operate the Company's business, or merging with other juristic person with intention to share the profit margin
 - d) Amend the memorandum of association or articles of association of the Company
 - e) Increase, reduction or issuance of debenture stock of the Company
 - f) Amalgamation or dissolution
 - g) Any other matters set forth under the securities and stock exchange law and/or notification from the Stock Exchange of Thailand that requires approval from the Board of Directors' meeting and the shareholders' meeting with the vote aforesaid.
18. Report on one's own portfolio of securities, as well as those of their spouses and children not yet of legal age in the Company and subsidiaries to the monthly Board of Directors meeting and must report to the Company without delay
19. Each Director cannot hold a Director position in a listed company in SET and subsidiary company more than five companies.

However, any matters where the directors and/or related person have interest or conflict of interest with the Company and/or its subsidiaries (if any), the said directors has not right to vote on such matter.

Scope of duties and responsibilities of the Chairman of the Board of Directors

1. To be responsible as the leader of the Board of Directors to oversee the operations of the Company to achieve the objectives pursuant to the specified plan;
2. To act as the Chairman of the Board of Directors Meeting and the Shareholders' Meeting and ensure that the said meetings run in good order in accordance with the Public Limited Company Act and the Securities and Exchange Act;
3. To have a casting vote in case the Board of Directors Meeting and Shareholders' Meeting has a tie vote.

The appointment and retirement of the Board of Directors

1. At each annual general meeting of shareholders, 1/3 of the directors, or if the number is not a multiple of 3, then the number nearest to 1/3, must retire from office. The directors who have been the longest in office shall retire first. The retiring directors may be re-elected.
2. Prior to annual general meeting of shareholder, the company will give an opportunity to any stakeholders to submit candidates, then the Nomination and Remuneration Committee will select and nominate qualified persons to be directors to the Board of Directors before seeking approval from the shareholders' meeting.
3. The shareholders' meeting shall appoint the Directors upon the rules and procedures below
 - 3.1 Each shareholder shall have one vote per share.
 - 3.2 Each shareholder may cast all his/her vote(s) according to electing one or several candidates as directors, and can allot the votes to any person at any number.
 - 3.3 The candidates receiving the highest number of votes in the respective order of the votes shall be elected as directors at such time. In the event that a number of candidates receiving an equal number of votes for the last directorship exceed the number of directors required, Chairman of the meeting shall have a casting vote.
4. Apart from retirement by rotation, the Directors shall vacate the office upon:
 - Death;
 - Resignation;
 - Lack of qualification or possession of prohibited characteristics as written in section 68 Public Limited Companies Act B.E. 2535;
 - Removal by resolutions of the Shareholders' meeting as written in section 76 Public Limited Companies Act B.E. 2535;
 - Dismissal by a court order.
5. In the case of any vacancy on the Board of Directors not by purpose of retirement by rotation, the Nomination and Remuneration Committee shall elect a person who is qualified and does not possess any prohibited characterize as provided by the Public Limited Companies Act and the Securities and Exchange Act, to become member of the subsequent Board of Directors' meeting. Unless the remaining term of the directorship is less than 2 months, the replacement shall retain his/her office as same as the period for which the former director was entitled to retain. The resolution of the Board of Directors in respect of the first paragraph shall consist of not less than three-fourth votes of the remaining directors.

The Term of Office of Directors

The Board of Directors has stipulated that members should not have a term of office exceed 3 consecutive terms. Unless any director who is qualified to hold the position longer, the Board shall consider the independence and efficiency of the duties of the Director and report a reason to shareholders.

Evaluation of the Board of Directors

1. The Company has the principles of good corporate governance for listed companies to evaluate its performances at least once a year with principles and threads in the assessment with the Stock Exchange of Thailand to consider and review their performances and issues and obstacles over the year and to increase the effectiveness of the Board of Directors. The Company secretary gives the Board of Directors evaluation forms to all members so they can evaluate the performances during the year both collectively and individually after day complete the forms they send them to the company secretary who collects the results of each member summarizes and analyzes the performances of the Board of Directors during the year. The company secretary later submits the results to the Board of Directors for consideration in line with the aforementioned objectives.
2. In the Board of Directors Meeting No.1/2017 held on 23 February 2017 approved the Performance evaluation system of committees and individual director evaluations once a year by principle and the topic in the evaluation in accordance with the stock exchange of Thailand.

Compensation for the Board of Directors

The company has determined the remuneration of directors at the level that provides incentives and uses the same rate as the industry. The criteria in determining the remuneration of directors is considered from the appropriateness with the responsibilities of each director, also the operation of the Company. The Nomination, Remuneration and Corporate Governance Committee will present suggested remuneration for these directors for approval at the Annual General Meeting.

The Company discloses the remuneration paid to Directors and Executives in the format specified by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

Development of Directors and Executives

1. The Company has a policy to provide training for the relevant Directors in the corporate governance system of the Company, which includes Directors, the Audit Committee, the Executive Committee, the Risk Management Committee, the Nomination and Remuneration Committee and Company executives, so that there is continuous development.
2. The Company will provide advice to new Directors on the Company's business approach and useful information on carrying out their duties in order to support continued efficiency under the corporate governance framework.
3. The Company encourages the directors to attend the training program to increase their understanding on the roles and responsibilities under the good corporate governance campaign by internal training Program and other institute

Internal training The importance of new director orientation by assigning all incoming directors to attend and Executive team will provide themselves with information relevant to the directors' duties

External training Company provides education training for new directors in various courses related to the roles and responsibilities of the directors under the good corporate governance framework such as roles and duties of directors in accordance with the rules and regulations of the directors, the Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), Public Company Limited Act and Thai Institute of Directors (IOD) etc. also encourage specialized knowledge for directors to promote effective performance such as financial reporting knowledge.

Authorities and Duties of Chief Executives Officer

1. Govern and monitor the performance of Executive Committee
2. Advise the management on business procedure
3. Govern and monitor Management to perform according to the resolution of the Board of Directors
4. Perform other duties as assigned by the Board of Directors

Scope of Authority and Responsibilities of the Executive Committee

1. The Executive Committee has authority over management and corporate operations as specified by the Board of Directors or by approval of the Board in particular instances.
2. The Executive Committee has authority over the administration of the Company in accordance with the policies and plans that have been set.
3. The Executive Committee has authority as granted by the Board of Directors.
4. The following business must first be submitted for approval by the Executive Committee:
 - 4.1 matters related to Company policy;
 - 4.2 matters that if implemented would cause significant changes to the Company's activities;
 - 4.3 matters that by law have to be performed by the Board of Directors;
 - 4.4 matters that have to be performed according to Company rules;
 - 4.5 matters that the Executive Committee sees fit to submit for approval on a case-by-case basis or following the principles set out by the Board of Directors.
5. The Executive Committee has the authority and duty to carry out specified activities for the administration of the Company's success and to meet Company targets, which include:
 - 5.1 To produce and verify strategic objectives, financial plans and important Company policy, and presentation for Board of Director's approval.
 - 5.2 Scrutiny of the annual business plan, the investment budget, targets and new initiatives that important for target achievement, and presentation for Board of Director's approval.
 - 5.3 Scrutiny of projects that require capital expenditure beyond the amount allocated by the Board of Directors, and presentation for Board of Director's approval.
 - 5.4 Consideration and approval of various matters within their designated authority or as granted by the Board of Directors.

- 5.5 Review of the authority to act in matters as specified in the table of authority, and presentation for Board of Director's approval;
 - 5.6 Management and balancing of short-term and long-term objectives;
 - 5.7 Development and oversight of human resources in line with human resources strategy approved by the Nomination and Remuneration Committee;
 - 5.8 Following up and reporting to the Board of Directors on Company operations and progress on meeting the Company's objectives;
6. Consideration of annual budget allocation for presentation to the Board of Directors for consideration and approval, approving changes and additions to the annual budget without a Board of Directors meeting in urgent circumstances, and presenting these actions at the next Board meeting;
 7. Authorizing the purchase of raw materials, goods or services for the purpose of making sales or providing services to customers at an amount of no more than 300 million baht per purchase
 8. Authorization of investment in fixed assets such as land, buildings or structures at an amount of no more than 100 million baht per purchase;
 9. Authorization of important investment expenditure that was included in the annual budget for which authority was delegated by the Board of Directors or that has already been approved in principle by the Board;
 10. Allocation of incentives and rewards that have already been authorized by the Board of Directors for staff and employees of the Company or other individuals who have done work for the Company;
 11. Appointing or assigning a particular individual or group to act in a particular instance in place of the Executive Committee as is seen fit and the Executive Committee may cancel, withdraw, change or revise this authority.

Authorization by the Executive Committee will not include approval of any matter in which the committee or any individual has a conflict of interest of any form with the Company or a subsidiary (if any), including reports that require approval from the shareholders and the acquisition or sale of any significant property belonging to the Company and/or a subsidiary, in accordance with the regulations of the Office of the Securities and Exchange Commission or the Stock Exchange, or other laws relating to the Company's business.

Holding the position of President in another company

The Board takes into account importance on the performance of duties as President to ensure the sufficient time to perform his duties. The Board of Directors has determined the policy for the Managing Director shall not be appointed as a Director in more than 2 other listed companies and must be agreed by the Board of Directors.

In addition, the Managing Director/Chief Executive Officer shall not hold Director Position in other company which has the same nature as and is in competition with the business of the Company unless the Board of Director has agreed. The above regulations are except being Director in subsidiary company.

The succession plan for the President

Company has procedures for recruiting senior executives and President in an appropriate and transparent method to ensure that the company has a professional executive recruiting system by concerning on work experiences, qualification also with clear vision and contribution to benefit business practice. The recruitment process is considered both inside and outside organization by assigning the Nominating Committee to consider remuneration and corporate governance to recruit qualified candidates. Through criteria and recruitment method, including an executive development plan along with a succession plan, to ensure that the company has recruited experienced executives in order to successfully inherit important positions in the future.

Performance Assessment of President and Executives

Company has guidelines for evaluating performance of President and executives by using corporate measurement and evaluation systems according to universal practice, Balanced Scorecard, which comprises of 4 factors such as financial, customer, internal and learning and development factors in order to consider remuneration and appropriate incentives. Besides, company has also applied its objectives, concept of sustainability, using of a fundamental financial perspective which leads to a cost-effective way and encourage learning process in order to achieve good internal processes to maximize all stakeholders' satisfaction. Human Resources department will submit a performance appraisal form to all segments and send President and all executives an annual performance evaluation, and then form will be resent back to department to summarize the report.