

(-English Translation-)

Corporate Governance Policy



BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED

May 27, 2011

Latest Version reviewed and revised on May 29, 2017

Contents

Definition	1
Introduction	2
1. Rights of Shareholders	3
• Shareholders' Meetings	3
• Delivering Invitations and Providing Convenience to Shareholders.....	4
• Procedures during and after the Shareholders' Meeting	4
2. Equitable Treatment of Shareholders	6
• Proposing Agenda Items and Nominating Director Candidates	6
• Appointing Proxies	6
• Access to Information	6
3. Roles of Stakeholders	8
• Treatment of Different Groups of Stakeholders	8
• Policies on Business Ethics.....	11
• Complaint Channels.....	14
4. Disclosure and Transparency	15
• Financial and Non-Financial Disclosure	15
• Investor Relations	15
• Policy on Disclosure of Significant Information	16
5. Board Responsibilities	18
• Composition of the Board of Directors and the Subcommittees	18
• Meetings of the Board of Directors and the Subcommittees.....	35
• Development of Director Skills and Knowledge.....	36
• New Director Orientations.....	37
• Assessment of the Performance of the Board of Directors.....	37
• Assessment of the Performance of the Subcommittees.....	38
• Assessment of the Annual Performance of the Chairman of the Executive Committee and the Chief Executive Officer.....	39
• Policy on the Chairman of the Executive Committee's and the Chief Executive Officer's Directorships in Non-BTS Group Companies.....	39
• Succession Plan.....	39
• Remuneration of Directors and Executives.....	40
• Company Secretary	40
• Internal Control.....	41
• Oversight of the Use of Inside Information and Conflicts of Interest	45
• Oversight of the Subsidiaries' and the Associated Companies' Operations	50
• Internal Audit Office	51
• Code of Conduct.....	52

Definition

Audit Committee	means	the Audit Committee of BTS Group Holdings Public Company Limited
Board of Directors	means	the Board of Directors of BTS Group Holdings Public Company Limited
BTS Group or Group	means	BTS Group Holdings Public Company Limited and its Subsidiaries
Company	means	BTS Group Holdings Public Company Limited
Company Secretary Office	means	the Company Secretary Office of BTS Group Holdings Public Company Limited
Director	means	a director of BTS Group Holdings Public Company Limited
Internal Audit Office	means	the Internal Audit Office of BTS Group Holdings Public Company Limited
Investor Relations Department	means	the Investor Relations Department of BTS Group Holdings Public Company Limited
Subsidiaries	means	the companies over which the Company has control with any of the following characteristics: (i) holding shares in an amount exceeding 50% of the total number of shares having the rights to vote of such companies whether directly or indirectly; (ii) having control of the majority voting rights in the shareholders' meeting of companies whether directly or indirectly or by any other reasons; or (iii) having direct or indirect control over the appointment or removal of a least half of all directors in companies, including companies under the chain of control of the companies under (i) – (iii)

Introduction

BTS Group Holdings Public Company Limited (the “Company”) has a good management system. The system is composed of having visionary and accountable Board of Directors and executives, having a system of checks and balances to ensure that the management of operations is transparent and verifiable, treating the shareholders equitably, and being responsible for all groups of the stakeholders. All of these are key factors in adding value and providing maximum returns to the shareholders in the long run. The Board of Directors has established various corporate governance policies by incorporating principles and guidelines that are aligned with the principles of good corporate governance of the Stock Exchange of Thailand and the recommendations from the Thai Institute of Directors Association. The Company constantly communicates its various corporate governance policies to its executives and employees to ensure that they understand and comply with the same. Moreover, such policies are reviewed yearly to ensure that they are appropriate for the Company’s current situation and business operations at all times.

In order to promote good corporate governance within the organization, the Company has prepared this Corporate Governance Policy in writing to be used as a guideline for the directors, executives, and all levels of employees, communicated to the executives and employees of the Company to acknowledge the same by signing their names and to adhere to it in performing their functions, and published a complete version of the Corporate Governance Policy on the Intranet and made the same available to the public on the Company’s website. In addition, the Company also has prepared corporate social responsibility (CSR) policy to affirm the intention and commitment of the Directors, executives, and employees to take part in doing business for the sustainable development of society, as well as the Enterprise Risk Policy to control and manage the risk of the organization efficiently. To support the Board of Directors’ corporate governance functions and to assist the Board of Directors to monitor to see if the Company’s business is conducted in accordance with the principles of good corporate governance, the Board of Directors appointed the Corporate Governance Committee in May 2012 to support the Company’s good corporate governance functions and be responsible for considering, setting, reviewing, and updating policies, manuals, and guidelines on good corporate governance, business ethics, employees’ ethics, corporate social responsibility (CSR) policy, sustainability report, and anti-corruption measures for further consideration and approval by the Board of Directors, as well as monitoring the implementation of such policies, manuals, and guidelines.

The Corporate Governance Policy of the Company covers the principles of good corporate governance and can be categorized into five sections as follows:

1. Rights of Shareholders,
2. Equitable Treatment of Shareholders,
3. Roles of Stakeholders,
4. Disclosure and Transparency, and
5. Board Responsibilities.

1. *Rights of Shareholders*

The Company places emphasis on the rights of shareholders as the owner of the Company. All shareholders—no matter if they are retail investors or institutional investors—are encouraged to exercise their fundamental rights, e.g., selling/purchasing or transferring shares, sharing profit of the business, receiving adequate information either via the website of the Company or the website of the Stock Exchange of Thailand or through other channels, attending shareholders' meetings to acknowledge the Company's annual business performance, and casting votes at the shareholders' meetings to approve significant matters as specified by laws, such as the appointment or removal of directors, the determination of directors' remuneration, the appointment of auditor and the determination of audit fee, the dividend payment or suspension of dividend payment, and the capital increase and the issuance of new securities, including making enquiries or comments on matters that the Board of Directors presents to or requests for approval at the shareholders' meetings.



Shareholders' Meetings

The Company must hold an Annual General Meeting of Shareholders within 120 days from the end of the Company's fiscal year. Other shareholders' meetings, i.e., Extraordinary General Meetings of Shareholders, are to be called when it is deemed necessary and appropriate. The Company has set up a Company Secretary Office to ensure that the shareholders' meetings are held as required by law and in accordance with the principles of good corporate governance. In the shareholders' meetings, the Company will arrange for a legal advisor to attend the meeting to provide legal advice and witness the vote count throughout the meeting and give the minority shareholders an opportunity to nominate a representative to witness the vote count. In the case where an agenda item of the meeting concerns a transaction that is complicated and significant to the decision making of the shareholders' meetings, the Company will also arrange for a financial advisor as well as a legal advisor to provide answers and explanations at the meeting. As for the Annual General Meeting of Shareholders where financial statements will be considered for approval, the Company will arrange for its auditor to be present at such meeting every time.

**Delivering Invitations and Providing Convenience to Shareholders**

The Company engages Thailand Securities Depository Co., Ltd., its securities registrar, to undertake the delivery of the invitation to both Thai and foreign shareholders. The Company also prepares and provides an English version of the invitation for the foreign shareholders. The invitation will provide adequate information regarding the place, date and time of the meeting, details of the meeting agenda, the objectives and rationale of each agenda item together with the opinion of the Board of Directors, and the number of votes required for the agenda items that require the casting of votes, including other supporting documents. This is to allow the shareholders to have sufficient time to study the documents beforehand, and there will be no hidden agenda items or addition of other agenda items that are not stated in the invitation, except for urgent matters. Besides, the Company will also publicise the invitation together with the supporting documents for the meeting on the Company's website at least 30 days in advance and make an announcement of the same in the newspaper for 3 consecutive days, at least 3 days prior to the meeting date. In addition, the Company allows the shareholders to submit their inquiries to the Company prior to the meeting.

Moreover, the Company uses the barcode system for the registration and vote count to enhance transparency and provide convenience to the shareholders. The registration opens at least two hours prior to the meeting. In addition, the Company arranges for its officers to welcome and provide convenience and also sets up an Investor Relations desk where investor relations officers who have the knowledge and expertise in giving information will answer shareholders' questions in relation to the Company's businesses. The Company also provides stamp duties for attendees by proxy. To provide convenience to the shareholders who are institutional investors and the shareholders who hold shares through custodians, the Company gives an opportunity to such shareholders to verify their names, information, and supporting documents before the meeting date to reduce the time and procedures for verifying information and documents on the meeting date.

**Procedures during and after the Shareholders' Meeting**

The Company has adopted the following procedures as its practices of good corporate governance. Prior to the commencement of the shareholders' meeting, the secretary to the meeting will introduce to the shareholder's meeting the members of the Board of Directors, the executives, and the Company's auditor and legal advisor, who are present. The secretary to the meeting will also inform the shareholders' meeting about the voting procedures and the vote count method in the meeting. After providing information in each

agenda item, the chairman of the meeting will grant equal opportunities to all attendees to make their comments or enquiries relevant to the agenda item. The enquiries will be answered precisely and adequate time will be given for discussion as appropriate. As for the agenda item on the appointment of directors, the shareholders will cast their votes to appoint each director individually. In addition, in order to promote compliance with the principles of good corporate governance, a director who is due to retire by rotation at the Annual General Meeting of Shareholders will leave the meeting room temporarily during consideration of the proposed agenda item for his/her re-election as the Company's director for another term.

The Company arranges for minutes of meetings to be recorded correctly and completely so that the shareholders can inspect the same. Resolutions of the meeting are to be clearly recorded with details of the quorum; the list of present directors, executives, and advisors; the vote count method; the witness(es) to the vote count; the voting results, i.e., approvals, disapprovals, and abstentions, of all agenda items requiring the casting of votes. Furthermore, comments, suggestions, questions, and answers which are significant and relevant to each agenda item will be recorded in the minutes. The Company will report a summary on significant meeting resolutions through the Stock Exchange of Thailand's website within the meeting date or no later than 9.00 a.m. of the following business day. The minutes of the shareholders' meeting will be submitted to the Stock Exchange of Thailand within 14 days from the meeting date and publicised on the Company's website.

2. *Equitable Treatment of Shareholders*



Proposing Agenda Items and Nominating Director Candidates

The Company provides the shareholders an opportunity to exercise their rights to propose agenda items and/or nominate candidates to be elected as directors in advance in order to promote equitable treatment of shareholders. The shareholders are entitled to propose agenda items and/or nominate candidates to be elected as directors at the annual general meeting of shareholders in accordance with the criteria publicized on the Company's website and the Company will make an announcement of the same through the Stock Exchange of Thailand's website.

In 2016, the Company has amended the criteria on the qualifications of the shareholders who are entitled to propose agenda items and/or nominate candidates to be elected as directors at the Company's annual general meeting of shareholders in order to be in line with the guideline of the SEC Office with effect from the 2017 Annual General Meeting of Shareholders onwards. In this regard, the shareholders who have the following qualifications are entitled to nominate candidates to be elected as directors at the annual general meeting of shareholders: (1) being the shareholder(s) of the Company, individually or collectively, holding shares not less than 5% of the total voting rights of the Company; or (2) being the shareholder(s) of the Company, individually or collectively, holding shares not less than 3% of the total voting rights of the Company; whereby the shareholders shall continuously hold such shares for at least 6 months from the date of acquisition to the date of nominating candidates to be elected as directors.



Appointing Proxies

To protect the rights of the shareholders who cannot attend the shareholders' meeting in person, the Company encloses a proxy form (Form B) to the invitation together with the list of documents and evidence required for the appointment of a proxy. The shareholders may appoint his/her representative or the independent director of the Company as his/her proxy to attend the meeting and cast votes on his/her behalf. The Company will provide in the invitation at least the name of one independent director whom a shareholder can appoint as his/her proxy. In addition, the Company will also publish the invitation and the proxy forms (Form A, Form B and Form C) together with the details and procedures on the Company's website.



Access to Information

The Company favors no particular group of shareholders. All disclosed information is accessible to the shareholders and the public equally through the Company's website at www.btsgroup.co.th, or through



Investor Relations at telephone no. +66 (0) 2273-8631, +66 (0) 2273-8623, and +66 (0) 2273-8637, fax no. +66 (0) 2273-8610 or email: ir@btsgroup.co.th.

3. Roles of Stakeholders

The Company pays close attention to the importance of the role and rights of all groups of stakeholders by ensuring that they are treated properly, equitably, and fairly. The Company believes that maintaining good relationships with all groups of stakeholders is significant for the long-term development and sustainable growth of the Group whereas policies have been set out in writing in the Code of Conduct for the executives and employees of the Group to acknowledge and adhere to.



Treatment of Different Groups of Stakeholders

Shareholders : The Company operates its business with transparency, correctness, and fairness. This is to develop stability and growth in the business while taking into account the rights of shareholders, the returns that outperform other investment alternatives with a similar risk profile for all shareholders, and the equitable treatment of shareholders — whether they are retail investors or institutional investors. (Additional details can be found in *Section 1: Rights of Shareholders*, *Section 2: Equitable Treatment of Shareholders*, and *Sub-section: Investor Relations in Section 4: Disclosure and Transparency*.)

Customers : The BTS Group aims to build customers' satisfaction and confidence by focusing on the responsibilities and attention to customers' needs, which

impact the business success. To achieve this, the Group continues to improve the quality and features of the products and services to meet the customers' needs and to maintain good relationships with the customers in the long run. The Group has conducted surveys on customers' satisfaction to listen to their comments or complaints and used the same as a guideline for the improvement of services and operations. The Group also provides trainings for the customer services personnel both before they begin their duties and thereafter to enhance their skills and knowledge constantly so that the customers can obtain the utmost benefit from the services.

BTS Group also emphasizes on the safety of its customers. For example, in operating the mass transit business, Bangkok Mass Transit System Public Company Limited has received various standard management certifications, e.g., ISO 9001:2008 for Quality Management System, OHSAS 18001:2007 for Occupational Health and Safety Management System, and Lloyd's Register Rail for the Railway Safety Management System.

The BTS Hotline Center was awarded the "Consumer Protection Thailand Call Center Award of 2014" from the Office of the Consumer Protection Board for its outstanding performance in handling and solving customers' complaints. Moreover, Bangkok Mass Transit System Public Company Limited continues to review and analyze the root causes of complaints for service improvement and customer satisfaction in order to maintain the standard of the BTS Hotline Center. In addition, the equipment of the Hotline Center has been upgraded and changed from the ACD Analog system to the IP Phone system, which improves the capability of the Hotline Center staff to efficiently solve customers' complaints.



Employees : BTS Group believes that human resource is the key factor and valuable resource in its business operation and, therefore, values the employees. The Group treats all levels of employees equally and without discrimination. The Group also respects human rights principles under international standards and laws and regulations. The Group also values the wellness and occupational health, the safety of life and property, and the working environment, and promotes good corporate culture and working as a team. All employees are equally provided with an opportunity for career growth. Valuing the potential of employees, BTS Group focuses on personnel development whereby both internal and external trainings are given to the employees and group activities, either among the employees or between the employees and the executives, are organized to develop and build a good relationship in the organization.

Business Partners : BTS Group values its business partners as key supporters of its operation. The BTS Group, therefore, treats all business partners on the basis of equality and fair competition. Besides, BTS Group places an emphasis on transparency and straightforwardness in doing business, selecting business partners equitably, and negotiating and concluding contracts with its business partners to allow both parties to receive fair consideration. BTS Group will treat its business partners in accordance with the contracts, as well as the Group's business ethics.

Competitors : BTS Group treats its competitors within the scope of law and good business ethics with emphasis on fair competition. BTS Group will not discredit or seek confidential information of its competitors in bad faith or an unfair manner but will operate its business honestly and professionally.

Creditors : BTS Group focuses on building creditors' confidence in the Group and strictly conforming to the conditions and agreements given to its creditors. BTS Group always pays all due loans and interests thereon in a timely manner

and will not use the loans in any way that is contrary to the objectives of such loans. In addition, BTS Group will not hide any information that may cause damage to its creditors.

Society, Community, and Environment : BTS Group concentrates on the sustainable development of its business growth together with the development of society, community, environment, and quality of life in Thailand. Taking into account the ongoing nature of social responsibility, the Group has striven to ensure that the policy on social responsibility exists in every part of the organization — from the policy level to the operational level — and that it is carried out within the organization through and through. The Group believes that conducting business with a good conscience towards the society and community will create a powerful economic driving force, leading to sustainable development at the community and national levels. In 2014, Bangkok Mass Transit System Public Company Limited received ISO 14001:2004 for the Environmental Management System, an international standard that is important to the development of organization and is commercially and socially recognized, from Bureau Veritas Certification (Thailand) Ltd.

Additional details can be found in *Sustainability Report 2016/17* which is available on the Company's website at www.btsgroup.co.th.



Policies on Business Ethics

The Company has several policies in relation to BTS Group's business ethics. These policies promote the Group's good corporate governance as follows:

Respect and Non-Violation of Human Rights : BTS Group values respect for human rights, taking into account the equality and parity considerations and without discriminating on grounds of race, religious belief, gender, marital status, physical ability, educational institution, position, or other status irrelevant to the work performance. BTS Group also realizes that the respect and non-violation of human rights is one of the components for promoting the sustainable growth of a policy on such matter

under the Code of Conduct, the communication of the same to all employees to acknowledge and adhere to, and the publication of such document on the Intranet system and the Company's website.

Anti-Corruption : The Company has been awarded the certification of membership of Thailand's Private Sector Collective Action Coalition Against Corruption on January 22, 2016, which shows the strong intention of BTS Group in operating its businesses in accordance with the international framework and procedure standard. The Company has also joined the Partnership Against Corruption for Thailand (PACT) Network, an initiative of the Thaipat Institute and cooperating partners, which brings together organizations from various fields through their shared goal of combating corruption.

With the commitment to conduct businesses in accordance with the principles of good corporate governance, and not to tolerate any form of corruption, including providing a clear guideline for the Board of Directors, the executives, and employees of the Company to conduct and perform their functions in compliance with the testimony of the Chairman "**Do it Right**", the Board of Directors has set out the Company's Anti-Corruption Measures which consist of:

(1) Policy and guideline on anti-corruption, in which the guideline has additional procedures as follows:

- Sponsorship Procedure
- Charitable Contribution Procedure
- Political Contribution Procedure
- Gifts Giving and Receiving Procedure
- Hospitality and Expense Procedure

(2) Policy on whistleblowing and protection of whistleblowers

(3) Fraud Risk Management Procedure, which is an additional procedure of the Anti-Corruption Measures). Additional details can be found in *Anti-Corruption Measures (Consolidated Version)*, which is available on the Company's website at www.btsgroup.co.th.

The Company requires that the board of directors, the executives, and employees of the Company follow the Company's Anti-Corruption Measures by avoiding involvement with any course of corruption in a direct or indirect manner and shall not be negligent in any corruption involving the Company. The Company has initiated the "Nuduan Chaun Chee Chong" campaign to receive reports of any actions that are suspicious of corruption within BTS Group through whistle blowing channels on the intranet system or Email: DoItRight@btsgroup.co.th and "Nuduan Chaun Chee Chong Hotline" at telephone no. 1 800 292 777 or +66 (0) 2677 2800 or Email: tell@thailand-ethicsline.com, which are complaint channels monitored by an independent third party. Additionally, in order to protect the rights of the complainants and respondents, the complainants or respondents are not required to reveal their identity. The Company will conceal the names, addresses or any information that are able to identify the complainants or respondents and will keep such information confidential and accessible only to those who are responsible for conducting investigations on such complaints.

Furthermore, the Company places an importance on the communication and dissemination of the Company's Anti-Corruption Measures in order to provide a better understanding and knowledge in relation thereto to the Company's related parties, both internally and externally. For internal related parties, the Company has provided a training session to the executives and employees on an annual basis in order to create a better understanding and knowledge in relation to the Company's Anti-Corruption Measures. In 2016/17, the Company organized a training titled "Anti-Corruption Awareness and Anti-Corruption Policy of the Company". In addition, the Company has set the training on Anti-Corruption Policy and relevant guidelines as one of the agenda for the orientation of all new employees of the Company. Moreover, the Company has publicized the Anti-Corruption Policy and the relevant information on the intranet system, posters, and display screens within the Company. For external related parties, the Company has published the Anti-Corruption Measures on the Company's website and disseminated the same to the Company's business partners through a letter titled "Dealing of

Business pursuant to the Anti-Corruption Measures and Policy” in order to inform the business partners of the Company’s Anti-Corruption Measures as well as the complaint channels for unfair and unequal treatments or requests for any benefits or consideration by the Company’s personnel, etc.

Non-Infringement of Intellectual Property or Copyright : The BTS Group has established a policy against infringement of intellectual property or copyright, which the directors, executives and employees are required to follow strictly, and has organized inspections to prevent any infringement of copyright in the computer software.

Use of Information Technology and Communications : The BTS Group places an importance on the use of information technology and communications and it has established the information security and safety standard to prevent and reduce the chance of significant or confidential information being leaked intentionally or negligently. Guidelines on the use of information technology and communications have been established based on the internationally accepted standard, e.g., the ISO 12207 standard, which was established by the Institute of Electrical and Electronics Engineers (IEEE), and Control Objectives for Information and Related Technology (COBIT), which was published by the IT Governance Institute.

Moreover, BTS Group also requires its information technology departments to keep the employees’ traffic information as required by laws and notifications of the relevant authorities.



Complaint Channels

The Company provides channels for all stakeholders to contact or express concerns or complaints directly to the Board of Directors through the Company Secretary Office:

Company Secretary Office : Tel: +66 (0) 2273 8611-5 # 1525, 1531
Fax: +66 (0) 2273 8610
Email: CompanySecretary@btsgroup.co.th
or by post to the Company Secretary Office at the Company’s address.

or contact or express concerns or complaints to the Audit Committee through the Internal Audit Office:

Internal Audit Office : Tel: +66 (0) 2273 8611-5 # 1553
Fax: +66 (0) 2273 8616
Email: InternalAudit@btsgroup.co.th
or by post to the Internal Audit Office at the Company’s address.

4. *Disclosure and Transparency*



Financial and Non-Financial Disclosure

The Board of Directors has a duty to disclose financial and non-financial information to all shareholders and stakeholders accurately, completely, accountably, and timely to ensure that the shareholders and stakeholders receive the information equally, including developing the Company's website and regularly and promptly updating information on the website to ensure that it is complete. The information disclosure will be prepared with due care, accuracy, and transparency and conveyed in simple and concise language.



Investor Relations

The Company places high importance on the Investor Relations (IR) Department. The duty of the IR Department is to establish and maintain accurate, complete, and timely communications with the existing and potential investors of the Company as well as the shareholders through several IR products, such as the Management Discussion and Analysis (MD&A), the quarterly IR Newsletters, and the Company's presentations. These materials are available publicly on the Stock Exchange of Thailand's website and the Company's website and they are also circulated via e-mail. The IR Department develops both 1-year and 3-year plans, provides updates to the Executive Committee or the Board of Directors on a regular basis, and establishes key performance indicators to align with the goals of the Company. These indicators involve developments that are clearly visible, such as number of meetings held, number of roadshows attended, website traffic, and quality and timeliness of products and services offered to the investors and shareholders. The Company will take into account product delivery time, response time, and results from various surveys.

The Company has emphasized in communicating and organizing activities for the existing and potential shareholders as well as the analysts from various financial institutions. In each year, the Company holds quarterly analyst meetings to clarify on its quarterly earnings, organizes a company visit, and participates in the SET Opportunity Day activities organized by the Stock Exchange of Thailand, which gives the Company more opportunities to meet, discuss with, and provide information to the retail investors.

In 2014 - 2016, the Company received a "Popular Stock Award" in the service category. The Stock Exchange of Thailand, the University of the Thai Chamber of Commerce, and the Stock News jointly organized the



Popular Stock Awards to present awards to companies that gave importance to providing information to and looking after the interests of the investors or shareholders and gained the highest level of popularity from the investors who traded the companies' stocks continuously.

The Company's website represents one of the key channels to communicate with the investors. The website is the definitive source of information and has been designed based on the principles of good corporate governance. Its contents include live share price feeds, downloadable publications (consisting of the Annual Reports, Annual Registration Statement Disclosure Form (Form 56-1), the Financial Statements, the Management Discussion and Analysis (MD&A), the Company's presentations, and the Investor Relations' Newsletters), events calendar, and webcasts of analyst meetings. The Company provides an e-mail alert service so that investors can be automatically alerted when there is a new press release or website update.

For enquiries by the shareholders and investors, please contact our Investor Relations Department:

Investor Relations : Tel: +66 (0) 2 273 8631, +66 (0) 2 273 8623, +66 (0) 2 273 8637
Department Fax: +66 (0) 2273 8610
Email: ir@btsgroup.co.th
Website: <http://www.btsgroup.co.th>



Policy on Disclosure of Significant Information

The Company has a policy to disclose significant information to the public, namely the Company's objectives; the financial position and business performance; the organization chart; the business organization and shareholding structure of the BTS Group; the names, profiles, and shareholding of the Board of Directors and the executives; the factors and policies on managing foreseeable risks related to the business operations and finance; the Corporate Governance Policy; the Code of Conduct; the duties and responsibilities of the Board of Directors and subcommittees; the responsibilities of the Board of Directors to prepare the financial report and the report of subcommittees; information on the meetings attendance of the directors and the members of the subcommittees; the criteria for determining the remuneration of the Board of Directors and the executives, including the remuneration of each director; and other information having an impact on the Company's share price, investment decisions, or other rights and benefits of the shareholders pursuant to the notifications of the Stock Exchange of Thailand and relevant laws and regulations, including the disclosure of the Articles of Association, the Minutes of the Shareholders' Meetings, the Annual Registration Statement Disclosure Form (Form 56-1), the Annual Reports, and the Sustainability Reports prepared in line with the

Global Reporting Initiative's framework on sustainable development, the Enterprise Risk Management Policy, and the Company's Anti-Corruption Measures, through different disclosure channels and medium of the Stock Exchange of Thailand, as well as the Company's website, so that the investors and other relevant parties, e.g., the shareholders and those who are interested to invest in the Company's shares in the future, can use the same to support their investment decisions.

5. Board Responsibilities

The duties and responsibilities of the Board of Directors include the determination of the Company's policy, vision, mission, value, strategy, direction, and operation target. In addition, the Board of Directors also supervises and assesses the management and operation through the subcommittees with an objective to increase shareholder value in the long run. In order to achieve this, the Board of Directors must ensure that its duties are carried out in compliance with the laws, objectives, and the Company's Articles of Association. Moreover, the Board of Directors must be mindful of corporate governance, conflicts of interest, code of conduct, and business ethics.

The Board of Directors is determined and committed to build the Company and its subsidiaries as a leading organization that is perceived at the international level as one of the most successful companies in Thailand with business variety, resilient management, and competent personnel that play a key role in achieving the Company's vision, mission, and strategy. The Board of Directors has the necessary leadership, vision, and independence to make decisions and has the duties and responsibilities to oversee the business in the best interest of the shareholders. The Board of Directors has the duties and responsibilities to the Company's shareholders to monitor the performance of the Management, where the duties of the Board of Directors and the Management are clearly separated.



Composition of the Board of Directors and the Subcommittees

The Board of Directors shall consist of members in the number that is suitable for the size and business strategy of the Company, but shall be no less than 5 members. At least one-third (1/3) of the members shall be independent directors and in any case the independent directors shall not be less than 3 members. The Board of Directors has appointed subcommittees to manage and operate the business in accordance with the principles of good corporate governance, i.e., the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Executive Committee. The Audit Committee shall entirely consist of independent directors and shall not be less than 3 members whereas at least one member must be knowledgeable and experienced in reviewing the accountability of the financial statements. The Nomination and Remuneration Committee shall consist of at least 3 members but shall not exceed 5 members where the majority of the members shall be independent directors. The Corporate Governance Committee shall consist of at least 4 members but shall not exceed 6 members. The Executive Committee shall consist of not more than 5 members where the members of the Executive Committee do not have to

hold the position of director of the Company. Moreover, the Board of Directors has appointed the Advisory Board as part of its organization chart to have the role to provide useful advice and suggestions for the businesses of the Company and its subsidiaries.

The duties and responsibilities of the Board of Directors and each subcommittee shall be as follows:

Duties and Responsibilities of the Board of Directors

1. To perform its duties in accordance with the laws, the Company's objectives and the Articles of Association, and the resolutions of the shareholders' meeting with loyalty, honesty, and due care for the Company's interest;
2. To determine the Company's policy, vision, mission, value, strategy, direction, and operation target; to direct, monitor, and supervise the management to ensure the effective and efficient implementation and execution of those policies effectively and efficiently so as to maximize the value for the Company and the shareholders; to consider and review the Company's long-term policy, vision, mission, value, strategy, direction, and operation target at least every 5 years; to monitor the implementation of such strategy; and to review the business strategy of the Company in the past fiscal year in order to determine the business strategy for the next fiscal year;
3. To determine the Company's policy, business strategy, plan, and annual budget, including the monthly and quarterly operation results and earnings of the Company in comparison with the business plan and budget, and to also consider future trends for the next periods;
4. To evaluate the Management's performance regularly and to monitor the remuneration mechanism of high level executives as deemed appropriate by having the Nomination and Remuneration Committee supervise efficiently;
5. To supervise the Management to ensure that the accounting system, financial reports, and accounting audit system are accountable, as well as ensuring that the Company has an appropriate and sufficient internal control system;

6. To consider and approve the acquisition and disposal of assets, investment in new businesses and any matters as required by law, save for matters requiring resolutions of the shareholders' meeting;
7. To consider and/or provide an opinion on the Company's and the subsidiaries' connected transactions so as to ensure compliance with the relevant laws, notifications, regulations and rules;
8. To monitor and prevent conflicts of interest among the stakeholders of the Company;
9. To consider all the Company's affairs by taking into account the interest of the shareholders and all groups of stakeholders equitably whereby a director shall report to the Company, without delay, if he/she has any conflicts of interest in relation to a contract to be entered into with the Company or there is an increase or decrease in his/her shareholding in the Company or its subsidiaries, and, as regards transactions the Company enters into with a director or any person who may have a conflict, an interest, or any conflict of interest with the Company or its subsidiaries, the director who has such a conflict of interest shall have no right to vote to approve such transaction;
10. To oversee the business operations with morality and business ethics, to review the corporate governance policy and code of conduct regularly, and to evaluate the implementation of such policies at least once a year;
11. To establish the risk management policy and framework, to review the appropriateness of the risk management policy and framework on an ongoing basis, and to ensure that the risk management policy and internal control are implemented;
12. To establish a corporate social responsibility (CSR) policy and to monitor the implementation of such CSR policy;
13. To report the responsibilities of the Board of Directors to prepare the financial statements by disclosing the same along with the external auditor's report in the Company's Annual Report, covering key issues under the policy statement on the Stock Exchange of Thailand's Code of Best Practices for Directors of Listed Companies;

14. To delegate one or more directors or other persons to perform any task on behalf of the Board of Directors; however, such delegation shall not be an authorization or sub-authorization that allows the director or his/her designated person who has a conflict, an interest, or any kind of benefit with the Company or its subsidiaries to approve such transaction;
15. To evaluate the performance of the Board of Directors on an annual basis, both group evaluation and individual evaluation, in order to use as a guideline for the review of the Board of Directors' performance;
16. To appoint subcommittees to assist and monitor the management system and the internal control system to ensure compliance with the Company's policies, such as the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee, and to implement annual performance evaluation of all subcommittees;
17. To determine and review the business organization chart and to appoint the Advisory Board, which shall consist of a group of individual advisors who have the knowledge and expertise in different areas and can provide useful advice and suggestions for the business of the Company and the subsidiaries; the opinions or suggestions of the Advisory Board are given by individuals who are not involved in the business management of the Company, which will enable the Company to gain benefits from the viewpoint of a third party, but such advice, opinions, or suggestions shall have no legal binding effect over the Company;
18. To prepare and review the succession plan in order to determine the succession procedure for the positions of Chairman of the Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, and other senior executive positions in the organization; and
19. To appoint the Company Secretary to ensure that the Board of Directors and the Company comply with the laws and relevant regulations.

Roles and Duties of the Chairman of the Board of Directors

1. The Chairman, as the chief of the Board of Directors, has the duties and responsibilities to supervise, follow up, and monitor the performance of the Board of Directors and other subcommittees to achieve the business objectives under the designated plans;
2. The Chairman is the person who calls the meetings of the Board of Directors whereby the Chairman, or a designated person, shall send out an invitation to all directors at least 7 days prior to the meeting date unless it is necessary and urgent and such invitation shall specify the place, date and time of the meeting and the nature of the businesses to be discussed;
3. To act as the chairman at the meetings of the Board of Directors and to cast the casting vote in case of an equality of votes at the meetings of the Board of Directors;
4. To act as the chairman at the shareholders' meetings of the Company, to conduct the meeting in compliance with the Company's Articles of Association and the agenda, and to cast the casting vote in case of an equality of votes; and
5. To perform other duties as specified specifically by the laws as the duties of the Chairman.

Duties and Responsibilities of the Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and in accordance with the generally accepted accounting principles and that there is adequate disclosure;
2. To review the Company's internal control system, internal audit system, and risk assessment policy to ensure their appropriateness and efficiency; to review the independence of the Internal Audit Office, and to approve, jointly with the Chief Executive Officer, the appointment, transfer, and dismissal of the head of the Internal Audit Office or the head of any other units in charge of internal audit;
3. To review to ensure that the Company is in compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand, and the laws relevant to the Company's businesses;

4. To consider, select, and nominate independent person(s) to be elected as the Company's external auditor(s), to terminate the Company's external auditor(s), to propose their remuneration, and to attend a meeting with the external auditor(s) without the Management at least once a year, and the external auditor(s) will be discharged in the following events:
 - (1) The external auditor(s) violates and/or fails to comply with Section 89/25 of the Securities and Exchange Act B.E. 2535 (1992) (as amended);
 - (2) The license of the external auditor(s) is not valid under the professional accounting laws;
 - (3) The external auditor(s) commits a misconduct, violates or fails to comply with the rules and ethics of professional auditors in a material manner and is suspended from practicing or de-licensed under the professional accounting laws; or
 - (4) The Federation of Accounting Professions Committee considers the behavior of the external auditor(s) to be damaging to the honor of the accounting profession.
5. To consider connected transactions or transactions that may lead to a conflict of interest to ensure that those transactions are in compliance with the laws and regulations of the Stock Exchange of Thailand, are justifiable, and are transacted in the best interest of the Company;
6. To prepare the Audit Committee's report and disclose the same in the Company's annual report where the Audit Committee's report must be signed by the Chairman of the Audit Committee and must consist of at least the following information:
 - (1) An opinion on the accuracy, the completeness, and the creditability of the Company's financial report;
 - (2) An opinion on the adequacy of the Company's internal control system;
 - (3) An opinion on the compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand, or the laws relevant to the Company's businesses;
 - (4) An opinion on the suitability of the external auditor(s);
 - (5) An opinion on the transactions that may lead to a conflict of interest;

- (6) The number of the Audit Committee's meetings, and the meeting attendance by each member;
 - (7) An opinion or overview observation the Audit Committee has obtained from performing duties under the scope of the Audit Committee Charter;
 - (8) Other transactions which, according to the Audit Committee's opinion, should be made known to the shareholders and general investors, and are in the scope of the duties and responsibilities assigned by the Board of Directors;
7. To review and provide an opinion on the internal audit plan and the performance of the Internal Audit Office where the Audit Committee has the authority to invite the relevant Management, executives, or employees to provide their opinions, attend meetings, or submit any relevant and necessary documents;
8. In performing the duties of the Audit Committee, if the Audit Committee discovers or suspects that there is any of the following transactions or acts which may materially affect the Company's financial conditions and operating results, the Audit Committee shall make an inspection and report to the Board of Directors for further rectification within the period that the Audit Committee deems appropriate:
 - (1) A transaction which causes a conflict of interest;
 - (2) Any fraud, irregularity, or material error in the internal control system;
 - (3) An infringement of the securities and exchange laws, the regulations of the Stock Exchange of Thailand, or the laws relevant to the Company's businesses;

If the Board of Directors or executives should fail to rectify within the period that the Audit Committee deems appropriate, any member of the Audit Committee may report such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand;

9. The Audit Committee is responsible for assessing the adequacy and effectiveness of the anti-fraudulent risk policy and the risk management measures in countering fraud. The main functions of risk management are as follows:

- (1) Review the internal audit plan of the Internal Audit Office to determine if the internal controls cover the implementation of Anti-Fraud & Corruption Policy and other related policies which may be exposed to fraudulent business practices;
 - (2) Acknowledge reports of fraudulent incidents during regular scheduled periods. Contents should provide detailed information on fraudulent risk management and fraudulent incidents. For serious fraudulent incidents, the report should cover results of the investigations, measures taken and penalties, if any;
 - (3) Consult with the external auditor in the event of a significant fraud;
10. To review and update the Audit Committee Charter and present the same to the Board of Directors for consideration and approval; and
 11. To perform any other duties as assigned by the Board of Directors as the Audit Committee may agree.

Duties and Responsibilities of the Nomination and Remuneration Committee

1. To consider and provide an opinion on the Board of Directors' structure, such as the appropriate size and composition of the Board of Directors, taking into consideration the Company's size and business strategy in comparison with the current size and composition of the Board of Directors, as well as reviewing the independence of each of the independent directors, so as to adjust the Board of Directors' structure to correspond with the Company's strategy;
2. To determine the criteria and process for nominating a person for the position of director, by considering:
 - The qualifications of a director which are appropriate for and correspond with the Company's business strategy, structure, size and composition of the Board of Directors as determined by the Board of Directors, including the diversity in the structure (Board Diversity) and other qualifications that are necessary and are still lacking in the Board of Directors (Board Skill Matrix);

- The appropriateness of his/her knowledge, experience, expertise, and availability, as well as other requirements as stipulated by the laws or regulations of the government authorities;
3. To nominate director candidates who have the qualifications in accordance with the specified qualification criteria:
- In the event that a director retires by rotation, the nominated candidate must be recommended to the Board of Directors for approval and recommendation to the shareholders' meeting for consideration and election;
 - In the event that there is a vacancy in the Board of Directors for any reasons (other than retirement by rotation), the nominated candidate must be recommended to the Board of Directors for consideration and election as a new director to fill in for the vacant position; and
 - In the event that there is a need for election of a new director additionally to correspond with the Board of Directors' structure, the nominated candidate must be recommended to the Board of Directors for approval and recommendation to the shareholders' meeting for further consideration and election;
4. To consider the structure, amount, form, and criteria for all types of appropriate remuneration (monetary and non-monetary) for the Chairman of the Board of Directors, directors and members of the subcommittees, taking into account the remuneration paid by other companies within the same industry and other listed companies with a similar market capitalization in order to motivate and retain valuable directors with the Company, and to propose the same for the Board of Directors' approval and for further proposal at the shareholders' meeting for consideration and approval;
5. To consider the performance evaluation criteria of the Chairman of the Executive Committee and the Chief Executive Officer, to propose the result of such evaluation for the Board of Directors' approval, and to propose the amount and form of remuneration of the Chairman of the Executive Committee and the Chief Executive Officer, both short-term and long-term, in line with the results of the performance evaluation for the Board of Directors' approval;

6. To prepare the director development plan in order to develop the knowledge of the existing directors and the new directors to understand the business of the Company, the roles and duties of the directors, and other significant developments, including determining a guideline for new director orientations;
7. To consider the appropriateness and conditions for offering new shares, warrants, or other securities to the directors and employees as a motivation for the directors and employees to perform their duties and build long-term shareholder value, as well as retaining qualified personnel with the Company, whereas such conditions must be fair to the shareholders;
8. To report its performance of duties to the Board of Directors and/or the shareholders' meeting;
9. To conduct an evaluation of the performance of the Nomination and Remuneration Committee on an annual basis and report the evaluation results to the Board of Directors;
10. To appoint working groups to assist the Nomination and Remuneration Committee in performing its duties and to appoint independent expert consultants to provide advice, consultation, and assistance for the performance of duties by the Nomination and Remuneration Committee; and
11. To perform any other acts in relation to the nomination and determination of remuneration as assigned by the Board of Directors and to perform any other acts as stipulated by the laws or regulations of the government authorities.

Duties and Responsibilities of the Corporate Governance Committee

1. To consider, determine, review, and update policies, manuals, and guidelines on good corporate governance, business ethics, and employees' ethics to be in line with the international standard practices, to propose the same for consideration and approval by the Board of Directors, and to monitor the implementation of such policies, manuals, and guidelines on good corporate governance, business ethics, and employees' ethics;
2. To consider, determine, review, and update the corporate social responsibility (CSR) policy, to propose the same for consideration and approval by the Board of Directors, and to monitor the implementation of such CSR policy;

3. To consider, determine, review, and update the policy and guideline on anti-corruption and bribery, to propose the same for consideration and approval by the Board of Directors, and to monitor the implementation of the policy and guideline on anti-corruption and bribery;
4. To report its performance of duties to the Board of Directors and/or the shareholders' meeting;
5. To conduct an evaluation of the performance of the Corporate Governance Committee on an annual basis and report the evaluation results to the Board of Directors;
6. To appoint working groups to assist the Corporate Governance Committee in performing its duties and to appoint independent expert consultants to provide advice, consultation, and assistance for the performance of duties by the Corporate Governance Committee; and
7. To perform or undertake other tasks as the Board of Directors may assign and to perform any other acts as stipulated by the laws or regulations of the government authorities.

Duties and Responsibilities of the Executive Committee

1. To determine policy, vision, mission, direction, strategy, management structure, objectives, and goal for the Company's businesses to correspond to the economics and competitive environment, and to propose the same for consideration and approval by the Board of Directors;
2. To prepare a business plan, budget, the management authorities of the Company and to propose the same for consideration and approval by the Board of Directors;
3. To review and monitor the Company's performance results to be in line with the approved policy and business plan in an efficient and effective manner;
4. To consider and approve the Company's and the subsidiaries' projects and report on the progress of such projects to the Board of Directors;
5. To manage the overall risk of the organization, to evaluate such risk and plan the Company's risk management structure, to monitor and control key risks and any conditions that may have a material impact on the business operations of the Company, and to report the same to the Board of Directors;

6. To report its performance of duties to the Board of Directors and/or the shareholders' meeting;
7. To conduct an evaluation of the performance of the Executive Committee on an annual basis and report the evaluation results to the Board of Directors;
8. To appoint working groups to assist the Executive Committee in performing its duties and to appoint independent expert consultants to provide advice, consultation, and assistance for the performance of duties by the Executive Committee; and
9. To perform other tasks as assigned by the Board of Directors and to perform any other acts as stipulated by the laws or regulations of the government authorities.

Duties and Responsibilities of the Chief Executive Officer

1. To operate the day-to-day business operation of the Company and to supervise, manage, and operate the works and operations of the Company to comply with the policy, vision, mission, value, strategy, business direction and business target, as well as the budget and business plan as approved by the Board of Directors and/or the Executive Committee;
2. To employ, appoint, transfer, dismiss, terminate, and determine the rate of wages and remuneration for the executives and employees, except for (i) the appointment, transfer and dismissal of the executives who hold the position of Deputy Chief Executive Officer or Chief Officer where these executive positions shall be approved by the Board of Directors (but their remuneration shall be determined by the Chief Executive Officer) and (ii) the appointment, transfer and dismissal of the head of the Internal Audit Office where the Audit Committee's consent shall also be required;
3. To determine the salary and remuneration and to adjust the salary, bonus and reward of the executives and employees of the Company;
4. To authorize the execution or termination of any contracts (which have not been included in the approved annual budget) between the Company or a subsidiary and any other third party where the aggregate value of each contract does not exceed the designated amount;
5. To consider and approve intercompany loans among the Company and the subsidiaries;



6. To issue internal orders, policies, announcements, and memos in order to ensure that the operations of the Company are in compliance with the policy and the interest of the Company, including maintaining discipline within the organization;
7. To perform other tasks as assigned by the Board of Directors and/or the Executive Committee and to perform any other acts as stipulated by the laws or regulations of the authorities;
8. To delegate one or more persons to perform any task on his/her behalf; however, such delegation shall not be an authorization that allows the designated person who has a conflict, an interest, or any kind of benefit with the Company or its subsidiaries to approve such transaction; and
9. If the Chief Executive Officer is not in office or is unavailable to perform his/her duties, the Deputy Chief Executive Officer shall act and perform all duties on his/her behalf and the Deputy Chief Executive Officer shall report or present those matters he/she has approved to the Chief Executive Officer as soon as practicable.

Nonetheless, the exercise of the Chief Executive Officer's authority shall not allow him/her to approve a transaction with himself/herself or his/her related person(s) who has a conflict, an interest, or any kind of benefit that is in conflict with the interest of the Company or its subsidiaries.

Appointment and Removal of Directors

The appointment and removal of directors of the Company are in accordance with the criteria and procedures as stipulated in the laws and the Company's Articles of Association which can be summarized as follows:

1. In every Annual General Meeting of Shareholders, at least one-third (1/3) of the directors shall retire by rotation. If the number of the directors who must retire by rotation is not divisible by three, the number of directors closest to one-third (1/3) of all directors shall retire. The directors who retire by rotation are eligible for re-election;
2. The election of the directors at the shareholders' meeting shall be in accordance with the following rules and procedures:
 - Each shareholder shall have one vote for one share;

- Each shareholder shall use all of his or her votes to elect one or several persons as the director(s). However, he or she may not divide his or her votes among the candidates; and
 - The candidates who receive the most votes in descending order will be elected as the director(s) up to the number of the directors required to be elected at such meeting. In the event that the candidates have equal votes and their election would exceed the number of directors required to be elected at such meeting, the Chairman of the meeting shall have a casting vote;
3. Apart from retirement by rotation, the directors shall cease to hold office upon death, resignation, lack of qualifications or possession of prohibited characteristics according to the Public Limited Companies Act B.E. 2535 (1992) (as amended), removal by a resolution of the shareholders' meeting, or removal by a court's order;
 4. In case of a vacancy in the membership of the Board of Directors for reasons other than retirement by rotation, the Board of Directors shall pass a resolution by affirmative votes of not less than three-quarters (3/4) of the number of the directors remaining in office to elect a person who has the qualifications and possesses no prohibited characteristics under the Public Limited Companies Act B.E. 2535 (1992) (as amended) as a substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months; and
 5. The shareholders' meeting may pass a resolution to remove any director from his/her office prior to the expiration of his/her term by affirmative votes of not less than three-quarters (3/4) of the number of the shareholders attending the meeting, having the right to vote, and holding shares not less than one-half (1/2) of the total number of shares held by the shareholders attending the meeting and having the right to vote.

Nomination of New Directors

The Nomination and Remuneration Committee will be responsible for the nomination of new directors. The Nomination and Remuneration Committee will search for potential candidates and then propose the same for the Board of Directors' or the shareholders' meeting's consideration and election (as the case may be). The following matters will be taken into consideration as part of the

selection criteria: the structure of the Board of Directors, which shall consist of members in the number that is suitable for the size and business strategy of the Company, the diversity in the structure of the Board of Directors (Board Diversity), the appropriateness of the qualifications and skills of the director(s) that are necessary and are still lacking in the Board of Directors identified through the preparation of the Board Skill Matrix to determine the qualifications of desired directors.

Nomination Procedures

The Nomination and Remuneration Committee will select candidates for the position of director(s) of the Company from the recommendation of other directors, the nomination by the shareholders of the Company, the service of external professional search firms, or the directors' pools of various agencies, or other nomination procedures as the Nomination and Remuneration Committee considers appropriate.

Qualifications of Directors

1. Must possess qualifications and must not have any prohibited characteristics under the public limited companies law, securities and exchange law, rules and regulations of the Company and the relevant supervisory agencies, and the Company's good corporate governance. In case of nomination of an independent director, such nominated person shall possess the qualifications as specified in the Company's Definition of Independent Director. In case of nomination of a member of the Audit Committee, such nominated person shall possess additional qualifications in accordance with the laws;
2. Must have knowledge, capability, skills, experience, and diversified expertise beneficial to the Company's businesses;
3. Must be independent, perform the director's duty with due care, be honest, be mentally and physically healthy, and be able to fully commit to work for the Company; and
4. Must have a good work profile and must not engage in a business or be a partner in a general partnership or be a partner having unlimited liability in a limited partnership or a director in other private or public company which carries on businesses of the same nature as and in competition with the Company's businesses, except the shareholders' meeting is

advised before a resolution is passed to elect such person and other relevant laws are complied with.

Additional Qualifications of Independent Directors

In case of nomination of an independent director, such nominated person shall possess the qualifications under the Definition of Independent Director of the Company, which is “*more stringent*” than the minimum requirement of the notifications of the Capital Market Supervisory Board as follows:

1. Must not hold more than 0.75% of the total number of shares having voting rights of the Company, its parent company, Subsidiary, associated company, major shareholder, or controlling person, and, for the purpose of calculation, the number of shares held by a related person of such independent director shall also be included (*Remark: The Company's criterion on this matter is more stringent than the minimum requirement of the notifications of the Capital Market Supervisory Board, which limits a holding of not more than 1%.*);
2. Must not be or have been an executive director, an employee, a member of staff, an advisor who receives a regular salary, or a controlling person of the Company, its parent company, subsidiary, associated company, subsidiary of the same level, major shareholder, or controlling person, unless such status has ceased for at least 2 years;
3. Must not be a person who is related by blood or law as the father, mother, spouse, sibling, and child, including being the spouse of a child, of any other Director, executive, major shareholder, controlling person, or any person who is to be nominated as a Director, an executive, or a controlling person of the Company or its subsidiary;
4. Must not have or have had any business relationship with the Company, its parent company, Subsidiary, associated company, major shareholder, or controlling person in the manner that may obstruct the exercise of his/her independent judgment, and must not be or have been a key shareholder or a controlling person of any entity having a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person, unless such status has ceased for at least 2 years;

The “business relationship” as stated in the first paragraph shall include conducting ordinary business transactions, offering or taking on leases of any immovable properties, conducting transactions relating to assets or services, or granting or accepting any financial supports by way of offering or taking on loans, guarantees, asset-based collaterals, including any other similar actions, which result in the Company or the counterparty being indebted to the other party in the amount of 3% or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lesser, where the consideration of such indebtedness shall include any indebtedness taking place during a period of 1 year prior to the commencement date of the business relationship with such person;

5. Must not be or have been an auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person, and must not be a key shareholder, a controlling person, or a partner of any audit firm of which the auditor of the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person, is a member, unless such status has ceased for at least 2 years;
6. Must not be or have been a provider of any professional services, including a legal advisor or a financial advisor who receives or has received service fees in the amount of more than Baht 2 million per year from the Company, its parent company, subsidiary, associated company, major shareholder, or controlling person, and must not be a key shareholder, a controlling person, or a partner of such professional services provider, unless such status has ceased for at least 2 years;
7. Must not be a director who has been appointed as a representative of a director of the Company, a major shareholder, or a shareholder who is a related person of the major shareholder;
8. Must not engage in the business of the same nature as and in significant competition with the business of the Company or its subsidiaries, and must not be a key partner in a partnership, an executive director, an employee, a member of staff, or an advisor who receives a regular salary, or hold more than 1% of the total number of shares having voting rights of a company that engages in the business of the same nature as and in significant competition with the business of the Company or its subsidiaries; and
9. Must not have any other characteristics that may obstruct his/her ability to give independent opinion on the Company’s operation.

After being appointed as an independent director, such independent director may be assigned by the Board of Directors to make a decision with regard to the business operations of the Company, its parent company, subsidiary, associated company, subsidiary of the same level, major shareholder or controlling person, provided that such decision shall be a collective decision.

Additional Qualifications of Members of the Audit Committee

Apart from possessing the qualifications of independent directors, the members of the Audit Committee shall possess the following additional qualifications:

1. Must be appointed by the Board of Directors to be a member of the Audit Committee;
2. Must not be a director who has been assigned by the Board of Directors to make decisions in the business operations of the Company, the parent company, the subsidiaries, the associated companies, the subsidiaries of the same level, the major shareholders or the controlling person of the Company and must not be a director of the parent company, the subsidiaries, or the subsidiaries of the same level that are listed companies;
3. Must be knowledgeable and experienced in performing his/her duty as a member of the Audit Committee where at least one member must be knowledgeable and experienced in reviewing the accountability of financial statements; and
4. Must have full and proper qualifications in accordance with the laws and regulations of the government authorities.

To promote good corporate governance, the Company has allowed the shareholders to nominate candidate(s) to be elected as directors at the Annual General Meetings of Shareholders pursuant to the criteria provided on the Company's website. The Company has also made announcements of the same via the Stock Exchange of Thailand's website.



Meetings of the Board of Directors and the Subcommittees

The Board of Directors will hold more than 6 meetings in each fiscal year pursuant to the annual meeting schedule set in advance. The Company will provide the meeting materials to the directors in advance at least 5 business days prior to the meeting to allow the directors to have sufficient time to study the information beforehand. As regards the subcommittees, the Audit Committee will hold a meeting on a quarterly basis and

may call additional meetings as necessary and appropriate while the Nomination and Remuneration Committee and the Corporate Governance Committee will hold at least two meetings in each fiscal year and may call additional meetings as necessary and appropriate. The Executive Committee schedules a meeting every month and may call additional meetings as necessary and appropriate. In addition, the non-executive directors will hold a meeting at least once a year, without the attendance or participation from the executive directors or the Management in order to allow a discussion on any issues of concern.



Development of Director Skills and Knowledge

The Company has a policy to encourage the directors to develop their personal skills and knowledge regularly and adequately. The Company supports the directors to enroll in various training programs or seminars to enhance their work knowledge and performance as a director; for example, the training programs organized by the Thai Institute of Directors Association, i.e., the Director Certification Program (DCP), the Director Accreditation Program (DAP), the Role of the Compensation Committee Program (RCC), the Audit Committee Program (ACP), the Anti Corruption Training Program, the Role of the Nomination and Governance Committee Program (RNG), the Strategic Board Master Class (SBM), and the training programs organized by the Capital Market Academy, i.e., the Executive Program. Moreover, the Nomination and Remuneration Committee has also developed the director development plan in order to develop the knowledge of the existing directors and the new directors to understand the business of the Company, the roles and duties of directors, and other significant developments, including encouraging the directors to enroll in various training programs or seminars organized by the Thai Institute of Directors Association and/or other agencies to allow them to enhance their work knowledge and performance as directors of listed companies. In addition, the Company has prepared the Director's Handbook, which contains all useful information for directors of listed companies, e.g., The Listed Company Handbook, Director Fiduciary Duty Check List for Directors of Listed Companies, The Listed Company Director's Handbook, The Independent Director's Handbook, The Audit Committee's Handbook, Guidelines for Nomination Committees, Additional Guidelines for Remuneration Committees, Guidelines for New Director Orientation, The Principles of Good Corporate Governance for Listed Companies, Criteria of the Corporate Governance Survey of Thai Listed Companies by IOD, Rules on Acquisition or Disposal of Assets, Rules on Connected Transactions, and other relevant laws and regulations, including report forms and other documents for the directors, e.g., Report on Conflict of Interest of Directors and Executives, Form to Report on Names of Members and Scope of Work of the Audit Committee (F 24-1), Certificate and Biography of Director / the Audit Committee Member (F 24-2), Report of Securities Holding (Form 59-1), Report of Changes in Securities Holding (Form 59-2), and Information with Representation and Warranty of the Company's Director and Executive and Their Consent (Form 35-E1). These are regularly reviewed and amended so that the information therein is up to date.



New Director Orientations

The Company organizes new director orientations pursuant to the director development plan developed by the Nomination and the Remuneration Committee so that the new directors have knowledge and understanding of the Company's historical background, business organization and shareholding structure of BTS Group, organization chart, types of business, business policy of the BTS Group, financial status and operating results, as well as the scope of duties and responsibilities of the Board of Directors and the subcommittees, including providing relevant information, e.g., the Annual Report, Annual Registration Statement Disclosure Form (Form 56-1), the Corporate Governance Policy, and the Code of Conduct.



Assessment of the Performance of the Board of Directors

The Board of Directors conducts an assessment of its annual performance through both group evaluation and individual evaluation. The purpose is to review the performance outcome, problems, and obstacles in the business operation in the past year so as to improve the work efficiency.

Assessment of the Annual Performance of the Board of Directors (Group Evaluation)

The Board of Directors used the assessment criteria which cover 6 assessment subjects, i.e., 1) Structure and Characteristics of the Board of Directors, 2) Roles, Duties and Responsibilities of the Board of Directors, 3) the Board of Directors' Meetings, 4) Performance of Board of Directors' Duties, 5) Relationship with the Management, and 6) Personal Development of Directors and Executives. After each director completed the Self-Assessment Form of the Board of Directors (Group Evaluation), the Company Secretary Office would calculate the scores and provide a summary of the scores of the group assessment of the Board of Directors to the Board of Directors' meeting in order for them to jointly consider, find a solution to improve unsatisfactory scores and use it as a guideline for their performance in the next year, including considering and reviewing the comments and suggestions raised by each director in the past year whether or not such comments and suggestions had been complied with.

Assessment of the Annual Performance of the Board of Directors (Individual Evaluation)

The Board of Directors used the assessment criteria which covered the fiduciary duty to manage the Company's business operations in the best interest of the shareholders, the time allocation and preparation for attending the Board of Directors' meetings and the shareholders' meetings, the contribution of useful opinions, suggestions, or other guidelines to the Management, the independence of opinions, the value and support of continuous compliance with the principles of good corporate governance of listed companies, and

the attendance of trainings and personal development programs necessary for performing functions as directors of listed companies. After each director completed the Self-Assessment Form of the Board of Directors (Individual Evaluation), the Company Secretary Office would calculate the scores and provide a summary of the scores of each director to the Board of Directors' meeting for acknowledgement.



Assessment of the Performance of the Subcommittees

The Board of Directors assigns all subcommittees, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Executive Committee to assess their performance and report the assessment result to the Board of Directors on an annual basis.

Assessment of the Annual Performance of the Audit Committee

The Audit Committee used the assessment criteria which covered 6 assessment subjects, i.e., 1) Composition of the Audit Committee, 2) Independence of the Audit Committee Members, 3) Trainings and Source of Information, 4) Meetings, 5) Activities of the Audit Committee, and 6) Relationship with the Chief of the Internal Audit Office, the Company's Auditors, and the Management. After each member of the Audit Committee completed the Self-Assessment Form of the Audit Committee, the Internal Audit Office would calculate the scores and provide a summary of the scores to the Audit Committee's meeting in order for them to jointly consider, find a solution to improve unsatisfactory scores and use it as a guideline for their performance in the next year, including considering and reviewing the comments and suggestions raised by each member of the Audit Committee in the past year whether or not such comments and suggestions had been complied with. Thereafter, the result of the assessment would be proposed for consideration at the Board of Directors' meeting where the Board of Directors may provide comments or request the Audit Committee to improve in certain areas as appropriate.

Assessment of the Annual Performance of the Nomination and Remuneration Committee, the Corporate Governance Committee, and the Executive Committee

The assessment criteria were used which covered 5 assessment subjects, i.e., 1) Structure and Qualification, 2) Performance of Duties, 3) Training / Source of Information, 4) Meetings and 5) Duties and Responsibilities. After the Self-Assessment Forms (Group Evaluation) of each subcommittee were completed, the Company Secretary Office would calculate the scores and provide a summary of the scores to the relevant subcommittee's meeting in order for them to jointly consider, find a solution to improve unsatisfactory scores and use it as a guideline their performance in the next year, including considering and reviewing the

comments and suggestions raised by each member of the subcommittee in the past year whether or not such comments and suggestions had been complied with. Thereafter, the result of the assessment would be proposed for consideration at the Board of Directors' meeting where the Board of Directors may provide comments or request the relevant subcommittees to improve in certain areas as appropriate.



Annual Assessment of the Chairman of the Executive Committee and the Chief Executive Officer

The Nomination and Remuneration Committee evaluated the performance of the Chairman of the Executive Committee and the Chief Executive Officer based on the evaluation criteria, which were separated into 3 sections, i.e. Section I: Key Business Success (where the success of activities and projects in the past year would be taken into account), Section II: Performance Measures, and Section III: Personal Development of the Chairman of the Executive Committee / Chief Executive Officer.



Policy on the Chairman of the Executive Committee's and the Chief Executive Officer's Directorships in Non-BTS Group Companies

The Company has established a policy on the Chairman of the Executive Committee's and the Chief Executive Officer's directorships in non-BTS Group companies. In short, the Chairman of the Executive Committee and the Chief Executive Officer should not hold any directorship in non-BTS Group companies, save for the exceptions stipulated by the Board of Directors.



Succession Plan

The Board of Directors is aware of the importance of having the Company's management and operation running smoothly and continually in an effective and efficient manner, which will lead to the organization's sustainable growth and progress. Thus, the Company has established the succession plan which sets out the succession procedures for the positions of Chairman of the Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, and other senior executive positions to ensure that there will be competent executives to succeed these key position holders in the organization in the future.



Remuneration of Directors and Executives

The Nomination and Remuneration Committee shall determine the remuneration of the directors by taking into account the Company's operating results, the size of the business, and the responsibilities of the Board of Directors and making a comparison with the remuneration paid by other companies that are listed on the Stock Exchange of Thailand with a similar market capitalization and other listed companies within the same industry, and further propose the same for consideration and approval at the Board of Directors' meeting and the shareholders' meeting on an annual basis.

The Nomination and Remuneration Committee shall also consider and determine the amount and form of the remuneration of the Chairman of the Executive Committee and the Chief Executive Officer on both short-term and long-term bases, taking into account various indicators, including the assessment results of the performance of the Chairman of the Executive Committee and the Chief Executive Officer, the business success, and also a comparison with other listed companies, and then propose the same for consideration and approval at the Board of Directors' meeting.

As for the high-level executives, the Chief Executive Officer shall consider and determine the executives' remuneration individually based on their performance by using various indicators whereas the Company will provide short-term incentives through the promotion of salary and annual bonus in line with the economy and the Company's operating results and provide long-term incentives by allocating warrants as a motivation for the executives to contribute to the achievement and growth of the Company.



Company Secretary

The Company Secretary is responsible for monitoring the Company to comply with the relevant and applicable laws and regulations so as to conform to the principles of good corporate governance of listed companies as follows:

1. To organize the Board of Directors' meetings and shareholders' meetings in accordance with the applicable laws and regulations, including ensuring that such resolutions are fully complied with;

2. To prepare and keep a register of directors, invitations to the Board of Directors' meetings, minutes of the Board of Directors' meetings, invitations to the shareholders' meetings and minutes of the shareholders' meetings;
3. To ensure that information is disclosed in accordance with the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, and other relevant authorities, as well as the principles of good corporate governance;
4. To keep the reports on conflicts of interest as reported by the directors or the executives and submit a copy of the report to the Chairman of the Board of Directors and the Chairman of the Audit Committee;
5. To keep a copy of the reports on the change of the securities holding of the directors or the executives;
6. To provide advice to the Directors as regards the laws and regulations in relation to good corporate governance and the maintenance of the status as a listed company in the Stock Exchange of Thailand, including the laws and regulations relevant to the Company's businesses; and
7. To perform any other acts as stipulated by the Capital Market Supervisory Board or as assigned by the Company's Board of Directors.



Internal Control

Having a good internal control system will support and lead the Company to achieve its corporate objectives, in particular, the matters relating to 1) the effectiveness and efficiency of business operation, 2) the reliability of financial reporting, and 3) the compliance with the laws and regulations, which will also build up the confidence of the shareholders and stakeholders in the Company. The Company always emphasizes on the importance of having a good internal control system. The Board of Directors assigns the Audit Committee to review and evaluate the adequacy of the internal control system and report to the Board of Directors and, therefore, the good internal control system has been efficiently and effectively established in the following aspects, namely Control Environment, Risk Management, Control Activities, Information & Communication, and Monitoring Activities.

Control Environment

The Company has clearly established the Company's vision, mission, strategy, business direction, and long-term goal and communicated these to all employees to use as guidelines in performing their functions. The Company has also established the organization chart, the chain of command, the delegation of authority, and policies and procedures which are appropriate to the duties and responsibilities of each department, including policies relating to transactions which may be in conflict with the Company's interest. As such, the executives and employees can use those as guidelines for their conduct and prevent transactions which may be in conflict with the best interest of the Company and the shareholders. Furthermore, the Company has established the Corporate Governance Policy and the Code of Conduct of the Group for the directors, executives and employees of the BTS Group to use as guidelines in performing their duties with integrity and maintaining business ethics. The contents of the Code of Conduct relate to the corporate governance policy, business ethics, and policies on the employees' remuneration, benefits, and career development, including policies on anti-corruption and bribery and responsibility for society, community, and environment. BTS Group has carried out several CSR activities in line with the sustainable development framework of the Global Reporting Initiative (GRI) (G4) through economic, environmental, and social indicators. BTS Group has also set out appropriate penalties in case these regulations or policies of the Group are violated.

Risk Management

The Company has a policy to manage both internal and external risk factors that affect the Group to an appropriate and acceptable level. The Company has **divided the types of risks into 5 categories**, namely, strategic risk, operational risk, financial risk, legal and compliance risk, and fraud risk. Risk management is a part of the annual business plan in order to ensure that the risk management guidelines are in accordance with the Group's objectives, goals, and strategic plans. All the executives and employees of the Group are the risk owners and have a duty to assess the risk of their units and the efficiency of the existing control policy, as well as presenting plans and procedures to mitigate the risks if the existing procedures are insufficient. **Risk Management Working Group**, which is comprised of the representatives from all business units of the Group, is responsible for consolidating risks of all business units and conducting a risk assessment of the Group, including supporting the implementation of the risk management framework and reporting to the Executive Committee on a quarterly basis and to the Board of Directors on an annual basis. The **Risk Management Framework** consists of 5 procedures, namely, risk identification, risk evaluation, risk reporting, risk control, and risk monitoring. The **Executive Committee** is the core of the Group's risk

management structure which is responsible for monitoring and controlling key risks and factors that may have a material impact on the Group. The **Board of Directors** provides top-down oversight and supervision of risks and has the responsibilities of 1) setting out the risk management policy and framework, 2) reviewing the appropriateness of the policy and framework on an ongoing basis, and 3) ensuring that enterprise risk management and internal control are implemented. In order to achieve this, the **Audit Committee** is tasked with evaluating the sufficiency of the enterprise risk management policy and providing advice to both the Board of Directors and the Management. The **Internal Audit Office** is responsible for reviewing the risk management process and independently evaluating the efficiency of the internal control system.

Please see additional details in *the Enterprise Risk Management Policy* available on the Company's website at www.btsgroup.co.th.



Control Activities

The Company has a variety of written risk control measures, e.g., the scope of authority and threshold of approval in each level of management, policies and procedures on the approval of financial, procurement, and management transactions. The Company also implements the procurement management information system (ProMis) to control transactions relating to finance, procurement, and management, such as budget, purchase requisition (PR), and purchase order (PO). The role of the person who prepares the information and the person who approves the transaction will be separated and the authority of the approvers will be as delegated by ranking in the Chart of Delegation of Authority. This is to ensure effective cross-checking and monitoring. In addition, each department has prepared its own operational manuals and work instructions that are tailored to their job descriptions, duties, and responsibilities.



The Company does not have a policy to do business with its directors, executives, major shareholders or any related persons thereof, except where there is a necessary cause or it will support the Company's business, and it will be in the best interest of the Company and its shareholders in general. If there is such a transaction, the Company has established strict and clear measures governing the transactions with the directors, executives, major shareholders or their related persons which require that the transactions between the Company or its subsidiaries and the persons who may have a conflict of interest shall be in compliance with the relevant rules and regulations and must be made on reasonable terms or general commercial conditions or in line with the market price. In addition, the transactions shall be transacted at arm's length basis and the related party transactions shall be presented to the Audit Committee for review on a quarterly basis.

Information & Communication

The Company organizes its information system to cover the Company's performance at the organizational level, the financial reporting level, the business unit level, and the policy and regulation implementation level. This is to ensure that the Company has effective communication and provides the Board of Directors, executives, employees, shareholders, investors and all stakeholders with correct, accurate, and complete information. Furthermore, the Company also provides channels for employees and outsiders to make a complaint to the Board of Directors or the Audit Committee or the relevant business units through the Company Secretary Office (Email: CompanySecretary@btsgroup.co.th) or the Internal Audit Office (Email: InternalAudit@btsgroup.co.th) or Investor Relations (Email: ir@btsgroup.co.th). In addition, the Company has initiated the "Nuduan Chuan Chee Chong" campaign to receive reports of any actions that are suspicious of corruption within BTS Group through whistle blowing channels on the intranet system or Email: DoltRight@btsgroup.co.th and "Nuduan Chuan Chee Chong Hotline" at telephone no. 1 800 292 777 or +66 (0) 2677 2800 or Email: tell@thailand-ethicsline.com, which are complaint channels monitored by an independent third party.

Monitoring Activities

The Company reviews and improves the internal control system to correspond with the change of internal and external factors constantly. To achieve this, the Company monitors and evaluates the internal control system regularly in order to consider whether the performance results are in line with the determined business plan, budget, and business goal of the Company. Operational guidelines are also discussed and proposed so that the Company can make rectifications in a timely manner. If any significant error in the

internal control system is found, the relevant person must immediately report the same to the Board of Directors and/or the Audit Committee to explain the cause, propose a solution, monitor the rectification, and report to the Board of Directors and/or the Audit Committee within the given period. In addition, the Company assigns the Internal Audit Office to review compliance with the internal control system regularly. To allow the internal auditors to perform their duties independently and without bias, the Internal Audit Office is under direct supervision of the Audit Committee and reports to the Audit Committee directly.



Oversight of the Use of Inside Information and Conflicts of Interests

■ Prevention of the Misuse of Inside Information

BTS Group places significant emphasis on the prevention of the use of inside information by the Directors, the executives, and the employees of the Group as well as their related persons for their own or other's benefits. The use of inside information for the benefit of trading securities is an offence under the Securities and Exchange Act B.E. 2535 (1992) (as amended).

Therefore, BTS Group has established a policy to prohibit the directors, the executives, and the employees of the Group, as well as their related persons, from using inside information for the benefit of trading the securities of the Company, subsidiaries, and associated companies, and also forbid the disclosure of inside information to outsiders or non-relevant persons before disclosing the same through the Stock Exchange of Thailand.

Furthermore, in order to provide a clear guideline and to be in line with the amendment of the Securities and Exchange Act B.E. 2535 (1992) (as amended), the Company has set out an additional guideline on the protection of inside information from misuse, which applies to the Company, subsidiaries and associated companies under BTS Group. Details are as follows:

Subjected Persons	Prohibited Securities from Trading	Blackout Period in case of disclosure of financial statements		Blackout Period in case of any events that may affect the securities price
		Before	After	
- The Company, subsidiaries, associated companies - Directors, executives,	Securities of the Company, subsidiaries, and	One month prior to the date of the Board of	One day after the date of the Board of	- 14 days prior to the date of every Board of Directors' meeting

Subjected Persons	Prohibited Securities from Trading	Blackout Period in case of disclosure of financial statements		Blackout Period in case of any events that may affect the securities price
		Before	After	
employees, and/or any relevant persons of the Company, subsidiaries, and associated companies who are in charge of or have access to inside information	associated companies	Directors' meeting that is proposed to approve the financial statements	Directors' meeting that has resolved to approve the financial statements	- Until one day after the date of each Board of Directors' meeting

In addition to the penalties according to the Securities and Exchange Act B.E. 2535 (1992) (as amended), the executives or the employees who violate the policy on the use of inside information are also considered to be in violation of the work regulations and are subject to disciplinary actions. (Additional details can be found in *Section 4.4 Disciplinary Actions of the Code of Conduct.*)

In addition, the directors and the executives of the Company (including their spouses and minor children) are required to report any change in their securities holding to the Office of the Securities and Exchange Commission within 3 business days from the date of such change. This is to comply with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) (as amended). In addition, the directors and executives shall also provide a copy of such report to the Company Secretary Office. The Company Secretary Office shall then consolidate, and present such report to the Board of Directors' meetings on a quarterly basis.

■ **Conflicts of Interest**

The Board of Directors has established written policies and guidelines on conflicts of interest as stipulated in the Corporate Governance Policy. The Company has a policy to adhere to the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Act for the utmost benefit of the Company. It is the duties and responsibilities of the personnel at all levels to vigilantly resolve conflicts of interest with honesty, loyalty, sound judgment, and independence within the scope of good ethics. The Company also discloses full information in the best interest of the Company.

Measures or Procedures for Approving Related Party Transactions

All related party transactions must be approved by the Audit Committee and the Board of Directors or the shareholders' meeting, as the case may be, in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003) (as amended) and the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions (as amended), as well as laws on securities and exchange, regulations, notifications, orders or requirements of the Stock Exchange of Thailand relating to the execution of connected transactions or transactions which may create a conflict of interest or the relevant regulations that are applicable at such time (the "Relevant Rules and Regulations on Related Party Transactions").

Policy or Tendency on Related Party Transactions

The Company may need to enter into related party transactions with connected person(s) or person(s) who may have a conflict of interest in the future. In such an event, the Company will determine the transaction terms and conditions to correspond with the general trading conditions and market price comparable to those offered to third parties. The Company will also comply with the Relevant Rules and Regulations on Related Party Transactions.

If there is any related party transaction between the Company or a subsidiary and a connected person or a person who may have a conflict of interest or a conflict of any kind, the Company will request the Audit Committee to review and give opinion on the necessity and appropriateness of such transaction. Moreover, if the Audit Committee does not have expertise to review such transaction, the Company will have an independent expert, independent financial advisor, or the Company's auditor provide opinion on such transaction, so that the Board of Directors or the shareholders, as the case may be, can use such opinion to support their decision making. In case where the related party transaction is proposed for the shareholders' meeting's approval, the Company shall appoint an independent financial advisor to report and give opinion on the execution of such transaction to the shareholders. The Company will disclose the related party transactions in the remarks of the financial statements as audited by the Company's auditor, the Annual Registration Statement Disclosure Form (Form 56-1) and the Annual Report of the Company.

Policies Relating to Transactions Which May Be in Conflict with the Company's Interest

In order to prevent an occurrence of a transaction which may be in conflict with the best interest of the Company and the shareholders and to maintain good corporate governance, the Board of Directors has established a set of policies relating to transactions which may be in conflict with the Company's interest as follows:

- *Policy on doing a new business*

The Company shall present the details of such business plan to the Board of Directors or any person appointed by the Board of Directors and arrange for the same to be considered whereby the returns and benefits to the Company and its shareholders will have to be taken into account. Nevertheless, the Company has no policy to do business with its directors, executives, major shareholders, or any related persons thereof, except there is a necessary cause or it will support the businesses of the Company, and it will mainly be for the best interest of the Company and its shareholders in general. The Company shall also comply with the Relevant Rules and Regulations on Related Party Transactions.

- *Policy on holding shares in a company in which the Company invests*

As for investments, the Company has a policy to hold shares on its own, except there is a necessary cause or it will be for the best interest of the Company or its shareholders in general, which shall be brought up for consideration and approval by the Audit Committee and the Board of Directors, provided that any person who has an interest in the transaction shall not be present at the Board of Directors' meeting during the course of consideration of such transaction and shall have no right to vote.

- *Policy on lending money to a joint venture company*

Lending money is not the business of the Company. However, if it is necessary for the Company to lend money to its joint venture company to support the financing of the joint venture company in the form of a shareholders' loan, the Company will provide the loan in proportion to its investment, except there is a necessary and appropriate cause as per the Board of Directors' consideration and approval on a case by case basis. Nevertheless, the Company has no policy to lend money to its directors, executives, major shareholders, and/or any related persons thereof, or the business in

which the Company has jointly invested with such persons, except the loan is provided in proportion to the investment or it will be for the best interest of the Company or its shareholders in general. The Company shall also comply with the Relevant Rules and Regulations on Related Party Transactions. In addition, even if the size of a transaction is smaller than that required to be disclosed, the Company shall report such transaction to the Audit Committee for acknowledgement.

■ *Policy on preparing documents in writing*

The Company will prepare promissory notes, loan agreements and/or financial support agreements in writing with due care and shall keep all evidence properly, even if such loan is provided to companies within the Group.

■ *Policy on entering into connected transactions with the same commercial terms as those a person of ordinary prudence would have entered into with an ordinary counterparty under the same circumstances*

The Board of Directors has approved, in principle, a policy on entering into connected transactions between the Company or its subsidiaries and directors, executives or any related persons thereof, with general commercial conditions and/or market price, in accordance with the same commercial terms as those a person of ordinary prudence would have entered into with an ordinary counterparty under the same circumstances and with the power in commercial negotiation not being influenced by the person's status as the director, executive, or connected person as stipulated in Section 89/12 of the Securities and Exchange Act B.E. 2535 (1992) (as amended). As for connected transactions that do not have general commercial conditions and/or market price, the Company shall comply with the Relevant Rules and Regulations on Related Party Transactions.

Preparation of Conflict of Interest Reports by the Directors and the Executives

In order to prevent transactions that may create a conflict of interest with the Company and to comply with the relevant rules and announcements, the Company requires the directors and the executives to submit the Conflict of Interest Report Form in relation to themselves and their related persons to the Company in the following events:

1. the Report Form must be first submitted at the time of appointment as a new director or an executive of the Company;

2. the Report Form must be submitted on an annual basis at the beginning of each fiscal year (1 April of every fiscal year) in order to update the information; and
3. the Report Form must be submitted in case of any change of significant information capable of creating a conflict of interest during the fiscal year.

The Company Secretary shall keep and maintain the Report Forms submitted by the directors and executives and deliver a copy of the same to the Chairman of the Board of Directors and the Chairman of the Audit Committee within seven (7) business days from the date of receipt by the Company for further use in the verification and monitoring of conflicts of interest.



Oversight of the Subsidiaries and the Associated Companies' Operations

The Company has the following management policies with respect to its Subsidiaries' and associated companies.

Management Policy in the Subsidiaries

The Company will set out business policies and guidelines that the Company considers to be conducive to the achievement of the Group's corporate objective and long-term goal for the subsidiaries through approval of the annual budget. The Company will designate representatives in the executive director level or the senior executive level to sit as directors in the subsidiaries and set the subsidiaries' business strategies, as well as monitoring whether the subsidiaries conduct their businesses within the framework set by the Company. The representative directors shall use their discretion in the best interest of both the Company and the Group as a whole. As for matters which are significant or related to the business of the subsidiaries, the representative directors will provide updates on the progress or propose such matters for consideration and approval by the Executive Committee or the Board of Directors (as the case may be). Besides, the Management has a duty to report to the Board of Directors, on a quarterly basis, the financial status and the operating result of the core subsidiaries in each business group through financial reporting.

Management Policy in Associated Companies

The Company will designate representatives to sit as directors in the associated companies in order to monitor and ensure that the associated companies carry out their business operations in accordance with the Company's guidelines.



Internal Audit Office

The Internal Audit Office has responsibilities to examine and evaluate both financial and non-financial information on a regular basis, including reviewing compliance with the internal principles and reporting directly to the Audit Committee. The objective is to ensure that the Company strictly abides by the laws and regulations, retains good corporate governance and good internal control, and achieves the operational objectives of the organization.

The Internal Audit Office prepares an annual plan and a 3-year long-term plan based on the principles for the assessment of risks that affect the business operation and cover the operational process of the organization. These plans are approved by the Audit Committee. The scope of work of the Internal Audit Office covers examination, review, and assessment of the sufficiency and the effectiveness of the Company's internal control system, including the performance quality of the following:

- Reliability of the internal control system as well as compliance with the standards and finance and accounting policies to ensure that the accounting and financial information is accurate and reliable and that the adopted organization structure plan, procedures, and measures are sufficient for protecting the assets from all kinds of frauds and errors;
- Reliability of the internal control system in terms of management and operation to ensure that they are consistent with the policies and plans and are in accordance with the requirements of the laws and regulations of the government and supervisory authorities, including the Company's regulations which cover activities such as operation management, procurement, marketing, administration, finance, accounting and human resources;
- Reliability of the internal control system as regards information and communication, review the structure of the Information Technology Department, access to information, access to programs, data processing, system development, data backup, preparation of backup plans in case of emergency, authority of operation in the system, and production of documents from the system, including storage of documents, manuals, and computer system flowchart; and
- Reliability of the internal control system with regard to anti-corruption in order to be consistent with and correspond to the Company's anti-corruption measures, which shall support the Company's business operation to be conducted with integrity and in a sustainable manner. The measures cover a complaint receiving framework, and a complaint management procedure in order to provide complaint channels for employees and other stakeholders. In this regard, a collaboration among relevant departments is established in order to find solutions and set up preventive measures. The Internal Audit Office is one of the channels to

receive complaints. A complaint receiving manual has been prepared for general complaints, material adverse impact complaints and corruption and bribery related complaints. The Internal Audit Office will monitor the progress on the handling of complaints and report the same to the Audit Committee.

The Internal Audit Office presents the audit report to the Audit Committee constantly on a quarterly basis and monitors the progress of the implementation of the recommendations provided during the course of examination regularly. The Internal Audit Office is independent from other departments and can gain access to the information and assets of the Company which are relevant to the audit functions. The Internal Audit Office has the authority to request information and explanation from any person being audited on the subject matter as assigned by the Audit Committee. The Internal Audit Office is responsible for the internal auditing, monitoring, controlling, examining, reviewing and evaluating the operating results of all departments in accordance with the audit plan as assigned by the Audit Committee. In addition, the Internal Audit Office encourages all business units to conduct self-assessment on risks. This is to ensure that the internal control system is effective and efficient, the financial reporting is reliable, and the operational performance is in accordance with the laws and regulations of the governmental agencies or the regulatory bodies as well as the Company's standards, policies, plans, rules, regulations and announcements. The internal control system is aimed to protect the Company's assets, to prevent the Company from any damage it may suffer from, and to create a mechanism of checks and balances among the business units so as to ensure reasonable reliability of the Company's operations to achieve the Company's goal.

In addition, the personnel of the Internal Audit Office are encouraged to develop their personal skills regularly by attending both internal and external training courses to enhance their knowledge and internal audit professional skills, as well as other skills necessary for performing their work.



Code of Conduct

The Board of Directors has established the policies for the BTS Group to operate its business with integrity and adhere to the principles of corporate governance and the code of conduct and ethics. The Board of Directors has prepared the Code of Conduct in writing whose contents cover 1) Vision, Mission, Value, Strategy and Long-term Goal, 2) Corporate Governance, 3) Business Ethics, 4) Employees, and 5) Corporate Social Responsibility. The Company reviews the Code of Conduct every year and monitors the implementation of the guidelines set out therein regularly, including providing trainings for the executives and employees. The executives and supervisors have the responsibility to supervise and encourage their subordinates to comply with such ethics, as well as behaving as a role model.