

Corporate Governance Report

Definition

Corporate Governance is a set of structure of relationships between Company's management, its board and its shareholders to enhance the business competitiveness towards prosperity and long term shareholder value taking into consideration the interest of other stakeholders.

The above definition is as recommended by the Securities and Exchange Commission ("SEC") and the Company has endeavored to follow the same completely in letter and spirit.

Corporate Governance Policy

Christiani & Nielsen (Thai) Public Company Limited recognizes that good corporate governance is important and necessary for sustainable growth in business and long term shareholders value, and accordingly, with the resolution of the Board of Directors Meeting held on 14th February 2013, the Corporate Governance Policy Manual, Business Ethics and Code of Conduct Manual have been set up and disclosed on the Company's website under the subject of "Corporate Governance". The Board of Directors conducts an annual review of the Corporate Governance Policy (the "Policy") and evaluation of the Policy's implementation, so that the Policy is up to date and appropriate with the current situation. The Policy shall be reviewed and the implementation thereof shall be evaluated to ensure that the Board of Directors, Sub-Committees, Management and Employees understand and implement the Policy correctly.

The Company's administration has been complying with the Principles of Good Corporate Governance, focusing on the significance of and responsibilities towards shareholders and stakeholders of the Company. Consequently, the Company continued to receive a very good rating in the assessment of the corporate governance, and in 2017, the Company received assessment by the regulatory units as below;

- In the assessment of the quality of the 2017 Annual General Meeting of Shareholders by the Thai Investors Association, the Company was rated higher than the average score in the year 2016 despite the more intense assessment criteria.
- The Company received an "Excellent" rating in the assessment of corporate governance of Thai listed companies for 2017 from the Thai Institute of Directors Association.

The Company's implementation of Good Corporate Governance Principles is outlined in 7 sections hereunder:

1. Rights of Shareholders

The Company recognizes the rights and equitable treatment of shareholders and maintains a smooth working relationship to safeguard the best interests of all the shareholders. The basic legal rights comprise the right to buy/sell or to transfer securities held, the right to share in profits of the Company, the right to receive dividend, the right to attend the shareholders' meeting, the right to propose agenda in the shareholders' meeting, the right to vote for the appointment of auditor and fixing of auditor fee and the right to take part in decision-making of the Company's material issues.

Apart from the basic rights of shareholders above, the shareholders have the right to received information on the operating performance of the Company, the newsletter from the Management and other key information via the Company's website. In accordance with Good Corporate Governance Guidelines, the Company has conducted its affairs with a view to protecting shareholders' rights and also encourage all shareholders to exercise their rights. The policy for maintaining rights of shareholders is part of the Company's Corporate Governance Policy Manual which is disclosed on the Company's website.

The Company is responsible to the shareholders in terms of information disclosure, accounting methods, internal information usage and conflict of interests. The Board of Directors and Management are expected to be honest and any decision must be based on honesty and fairness to both major and minor shareholders, and for the collective benefit of all. Some of the policies and procedures followed to protect the rights of the Company's shareholders are follows:

1.1 Appointment of Board members

The Company has continuously improved the documents required for the appointment of each Board member individually to give additional information in the nominees'/existing Directors' profile in the Company's Annual Report and also to present to the Company's shareholders in the Annual General Meeting ("AGM"). The aforesaid information is provided so that the Company's shareholders can get correct and complete information, which is relevant and required for the appointment of Board members.

1.2 Consideration of the policy on Director's remuneration

The Company seeks the approval of the shareholders on the policy on Directors' remuneration at the AGM, and has also disclosed guidelines/procedures for determining Directors' remuneration in 4.2 "Directors and Management Remuneration" hereunder.

1.3 Appointment of auditors

The Company seeks the approval of the shareholders on the appointment of the auditors of the Company at the AGM, and has improved the information disclosure for the correctness and completeness of the information required, such as their experience, independence and fees for the decision on the appointment of auditors.

1.4 Consideration of the dividend policy

Presently, the Company's dividend policy is remains unchanged. However, any future changes will be subject to approval from the shareholders.

1.5 Shareholders' Meetings

The Company has followed the recommended practices of Stock Exchange of Thailand ("SET")/SEC for holding shareholders' meeting as follows:

- For the AGM of shareholders as of year 2017, the Company provided an opportunity to the shareholders to propose agenda items for the AGM and an opportunity to the shareholders to nominate suitable candidates for membership of the Board of Directors of the Company. In practice, shareholders with a combined holding of at least 2,000,000 shares could propose agenda items or nominate qualified Directors from 1 October 2016 until 31 December 2016, which exceeds the privileges provided by law to shareholders. The Company has set up this policy, as well as made communication channels through the Company's website and announcements through the SET, based on which, a shareholder or a group of shareholders could propose an agenda item and nominate candidates to be Director for consideration at the AGM.

- Providing complete and correct notice with full information when calling shareholders' meetings is the normal policy of the Company. Such notice includes the objective and reasons for each agenda item, apart from the Board of Directors' comments/opinion thereon, which has always been included. It is made certain that the Company does not amend the agenda of the shareholders' meetings without giving notice to shareholders.
- For the AGM 2017, the Company disclosed the AGM schedule and the AGM Agenda through the SET and Company's website from 27 February 2017 (55 days before the AGM date) for shareholders to plan their schedule for the meeting.
- The Company disclosed the notice of shareholders' AGM 2017 on the Company website from 24 March 2017 (31 days before the AGM date). The company also instructed the Thailand Securities Depository Co., Ltd., which is the Company's Registrar, to send the AGM 2017 notice to each of the shareholders on 31 March 2017 (24 days in advance of the AGM). Shareholders can get more information from our Investor Relations by calling phone number +66 2 338 8079 or at the Company's website at www.cn-thai.co.th / ir@cn-thai.co.th
- The Company publishes the notices of shareholders' meetings in both Thai and English newspapers for 3 consecutive days from 3 April 2017 to 5 April 2017 (21 days before the AGM date).
- The Company provides full opportunity for shareholders to participate in the meetings and encourages the shareholders to ask relevant questions which are answered by the Management and/or related persons.
- The Company prepares the minutes of shareholders' meetings, which are clear and complete and include the names of the Board members' who attended the meeting. The minutes also include a correct and complete record of questions/answers, voting method, vote counting procedure and voting results.
- The Company has always followed the policy of obtaining the shareholders' approval from an Extraordinary General Meeting of shareholders for any major event and in case of any serious situation that affects the Company's operations, and has always provided correct and complete information required for their decision.

Annual General Meeting

During the year 2017, the Company held two shareholders' meetings, which was the AGM No. 84 on 24 April 2017 at 10.30 a.m. at Bussarakam Ballroom, AVANI Atrium Hotel, 1880 New Petchburi Road, Bangkok, Huay-kwang, Bangkok. All directors (except Mr. Somchai Jongsirilerd) inclusive of Chairman of the Board of Directors, Chairman of Audit and Corporate Governance Committee, Chairman of Remuneration Committee, Chairman of Nomination Committee and Chairperson of Risk Management Committee were attending the Meeting to answer the questions relating to Company's financial statement or the auditing.

The other general meeting was Extraordinary General Meeting No. 1/2017 on 2 August 2017 at 10.30 a.m. at Bussarakam Ballroom, AVANI Atrium Hotel, 1880 New Petchburi Road, Bangkok, Huay-kwang, Bangkok and there were 11 directors attended the Meeting.

Registration

- The shareholders could register or recheck documents 1 hour in advance. Duty stamps were provided to shareholders using the proxy form. The proxy form including supporting documents could also be submitted by facsimile for checking in advance. The Company had send the notice to Company's shareholders and clearly specifying the documents required to give proxy. The Company had arranged a barcode system for registration and vote counting for shareholders' convenience and accuracy of the vote-count.

Procedure for Voting, vote casting and counting, query and comment

- Before commencing the meeting, the Chairman informed all attendees about the voting procedure, vote casting and counting, the use of ballot and disclosed of votes counting in each agenda item for transparency, including the shareholders' right to express their opinion or raise questions in each agenda item. The Meeting was in order, there were shareholders present at the Meeting in person and by proxy, holding shares in aggregate of 794,544,090 shares equal to 79.2243 percent of the paid-up shares. The Company had provided the witness in counting the votes during the Meeting.

The agenda of this AGM of Shareholders was considered chronologically as it appeared in the notice submitted to shareholders prior to the AGM, without any changes or request for the AGM to consider any agenda item other than those specified in the notice. All agenda items were voted on and approved in conformance with the relevant laws.

During the 2 hours of the AGM, shareholders were allowed to freely express their opinions, give suggestions, and raise questions on any agenda items. The Directors, Audit and Corporate Governance Committee members and/or Executive Directors gave clear information to the shareholders in each agenda item.

The following members of the Board of Directors, Sub-Committees and Managements attended the meeting:

1. Mr. Santi	Grachangnetara	Chairman of the Board of Directors Executive Chairman
2. Mr. Kirit	Shah	Vice Chairman of the Board of Directors Executive Vice-chairman Member of Remuneration Committee Member of Nomination Committee
3. Mr. Khushroo Kali Wadia		Managing Director Executive Director Member of Risk Management Committee
4. Mr. Surasak	Osathanugraha	Assistant to Managing Director Director and Company Secretary Executive Director Member of Risk Management Committee
5. Mr. Ishaan	Shah	Executive Director
6. Mr. Kasemsit	Pathomsak	Independent Director Chairman of Audit and Corporate Governance Committee Chairman of Remuneration Committee Chairman of Nomination Committee

7. Mr. Kris	Thirakaosal	Independent Director Audit and Corporate Governance Committee Member of Remuneration Committee Member of Nomination Committee
8. Mrs. Nampung	Wongsmith	Independent Director Audit and Corporate Governance Committee Chairperson of Risk Management Committee
9. Mr. Suphon	Tubtimcharoon	Independent Director
10. Mr. John Scott	Heinecke	Director

Director Absent

1. Mr. Somchai	Jongsirilerd	Director
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Auditor

1. Ms. Kamontip	Lertwitworatep	Certified Public Auditor License No. 4377 EY Office Limited
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Legal Advisor

1. Mr. Suradej	Tungtirawat	Suthee Phongpaiboon's Law office
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Record of the Minutes

The Company records that it has informed the Shareholders of AGM's quorum, voting method, vote counting and the use of ballot prior to the meeting. The Company also informed the name and position of Directors present at the meeting, Director who was absent, the external auditor, legal advisor and witness for vote counting. All questions, answers and comments, resolution in each agenda items were also recorded. Voting records are divided into agree, disagree, abstain and void. These were recorded in writing in the minutes of meeting in detail so as to enable Shareholders who did not attend the meeting to be review and recheck.

Disclosure of AGM's resolutions

The Company disclosed the resolutions of the Meeting together with voting results in the Meeting date by way of letter to SET and on the Company's Website under "Investors Relation".

After the Meeting, the minutes were prepared with all substantive issues, including voting results, for submission to the SET, and posted on Company's website under "Investors Relation" within 14 days after the Meeting.

2. Equitable treatment of Shareholders

The Company ensures the equitable and fair treatment of shareholders in terms of calling and holding shareholders meetings and for protecting the basic rights of shareholders for other matters by taking the following steps:

- Ascertaining that the date, time, venue of the meeting is convenient to attend.
- Offering one-share-one-vote.
- Facilitate proxy voting: clearly specifying the documents required to give proxy and by sending out the notice to the Company's shareholders prior to the meeting date at least 14 days. For shareholders who are unable to attend each meeting, the Company has designated the Chairman and/or an Independent Director to attend and to vote on their behalf in each meeting.

Full details for this purpose are provided in the notice of shareholders' meetings. Moreover, the Company has provided Proxy Form B and the notice of the shareholders' meeting both Thai and English on Company's website for downloading.

- Registration period is commenced at least 1 hour in advance to keep adequate time for completion of registration.
- Providing ballot papers for each agenda item.
- Arranging a barcode system for registration and vote counting for shareholders' convenience and accuracy of the vote-count.
- Providing an opportunity to the minority shareholders to propose agenda items and to nominate candidates for Directorship in advance for the AGM of Shareholders through various channels including the Company's website.
- Providing an opportunity for shareholders to elect Directors by voting on the given ballot papers for each of the Directors separately.
- Not adding any new agenda item without notice to the shareholders in advance.
- Directors disclosing their interests and those of their related parties to the Board.
- Directors reporting their ownership of Company's shares to the Board regularly.
- Directors and Executives disclose and report their conflict of interests, including dealings with their relatives, if any, to the Company for the Company's use in complying with the regulation about connected transactions. Such reports on interest are also useful in monitoring their adherence to their duties, by the following practices:
 - A new Director/Executive submits the form "Report on Conflict of Interest Transactions" within 30 days after appointment.
 - Thereafter, when there is a change, said Director/Executive submits the updated form "Report on Conflict of Interest Transactions" immediately or no later than 7 working days from the transaction date.
 - The Company Secretary submits a copy of the report on interest to the Chairman of the Board of Directors and the Chairman of Audit and Corporate Governance Committee within 7 working days from the date on which the Company has received such a report.
- The Board of Directors has established a guideline to prohibit a Director/Executive, who has a conflict of interest on an issue, to participate in the decision-making process related to that issue. Normally, a Director/Executive who has a conflict of interest on an issue, will leave from the meeting and join back once the issue has been discussed and a decision is made.
- Providing detailed explanations of related-party transactions, characterizing names, relationship, policy, and value of each transaction as explained under the "Connected Transactions" section of this Annual Report. No non-compliance cases involving related-party transactions have been detected.
- Following an appropriate policy and laying down procedures for monitoring the use of insider information as explained under the "Insider Trading Controls" section of this Annual Report. No cases of insider trading involving the Directors and/or the Management have been detected.

3. Recognition of Role of Stakeholders

The Company recognizes the importance of the rights of all stakeholder groups, whether it is the internal stakeholders such as director, employees and management of the Company and/or its subsidiaries, or external stakeholders such as shareholders, creditors, suppliers, customers, communities, government agencies and other related organizations. The Company is aware that the support from each stakeholder would help establish the Company's competitive advantages and profitability, which would contribute greatly to the Company's long term success and prosperity. The Company has also amended its website to include under the subject of "Stakeholder Activities", the policy and code of conduct towards stakeholders in Business Ethics and Code of Conduct Manual and included therein a way whereby the website can be used as one of the channels for any stakeholder to express his/her opinion and contact the Audit and Corporate Governance Committee in case they wish to do so directly without going through the Management. The Committee will treat such information seriously and will maintain utmost confidentiality. If the complaints are not unfounded, the Board would take all remedial action that may be necessary. "Stakeholders Engagement" are disclosed in "Sustainability Report" in this Annual Report.

Shareholders:

The Company ensures the equitable treatment of shareholders in terms of the participation in an important decision making issue. The Company allows the shareholders to express their opinion and suggestions for the improvement of Company's business operations in order to achieve the long term growth and contribute to the optimum return to the Shareholders. The Company discloses the significant information to Shareholder completely, accurately and transparently. The Company facilitates all shareholders to fully exercise their rights.

Management:

The Company recognizes that Management is one of the key factors of success for the Company's operations, and accordingly, Management remuneration is appropriately structured and comparable with the Industry norms and other equivalent listed companies in Thailand. The Management is also allowed to work independently without interference as defined in their duties and responsibilities, which are approved by the Board of Directors.

Employees:

The Company recognizes that Employees are another key factor of success for the Company's operations. The Company aims to build commitment and a long and sustainable relationship with all its Employees. The employment policy is set out to provide transparent, justified and equal treatment for all Employees. The Company intends to enhance their abilities and capabilities by using their knowledge, competency and experience for their future career development and for the benefit of the Company. The policy is as follows:

Employment Policy

The Company provides fair and equal opportunities in employment, job security, and career advancement, as well as adhering to other good principles related to employees and employment.

Remuneration Policy

The Company provides fair compensation commensurate with ability and performance, which is related to Company's performance both in short and long term by considering Company's ability to make profit as well as individual's Key Performance Indicator (KPI) and Competency. Benefits to Employees are as follows:

Salary is based on duties and responsibilities and individual's performance appraisal by KPI and Competency.

Increments/bonus is based on financial status/performance and future plans of the Company, which depends on many factors beyond the Employees' direct control. Therefore, the Company has allocated certain net profit from its operation as an annual bonus based on the performance of the Company against specified quantitative targets.

Other benefits like Provident Fund (not required by law) whereby the contributions are from Employees and the Company. However, the contribution rate from the Company is increased in connection with number of Employees' years of services to promote good morale and serve as a long term incentive to Employees who have many years of service. Workmen's Compensation, Accident Insurance Policy, financial aids in various occasions.

Training Policy

The Company also ensures that Employees are adequately knowledgeable and skillful to perform their jobs for the Company's business, and understand the relevant codes of conduct and practices, and are encouraged to gain knowledge and abilities and keep them updated by following Industry trends and Company future growth as well as for their career advancement. The Company provides in-house and external training for staff, both in the office and at worksites. The costs of such training are borne by the Company.

The annual development programme (Career Path Development) is set up on a continuing basis from year to year. The objective is for employees to realize and understand the opportunities for their career development which is the Company's mission to create "quality employees, quality productivity". According to Company's sustainability development, the 2 focus groups are 1. Top Management and staff at management level, 2. Operation staff at worksite. Separate detailed reports are provided under the subject of "Sustainability Report" in the Annual Report.

Occupational Safety and Health Policy

The Company has policies and practices relating to occupational safety and health for staff at work place to promote safety, prevent accident, sickness and reduce the loss from operations, as well as to promote good physical and mental health of employees.

Separate detailed reports are provided under the subject of "Sustainability Report" in the Annual Report.

Creditors: The Company recognizes Financial Creditors as one more important factors of success, who provide funds which are essential for the Company's highly capital intensive business. The Company complies with all terms in borrowings, including compliance with the objectives of using the borrowed funds, repayment, collateral, and other conditions as may be agreed.

Suppliers: The Company recognizes the importance of satisfied Suppliers, and the Company always ensures that terms and conditions for Suppliers are based on Industry norms and practices and thereafter, agreed terms and conditions are strictly followed by the Company.

Customers: The Company recognizes the importance of Customers, who support the Company's business, and the Company always provides the highest quality of work and services, with quality work guaranteed, within agreed construction periods, and in compliance with the Customer's specifications. The Company also solicits client satisfaction feedback for improving and developing operation to maximize Customer's satisfaction. The Customers' confidential information is used exclusively for the concerned business, without revealing it unless required by laws, regulations, or with consent from the information owners, including issues related to marketing, market power exercises, price setting, and details of services, quality and safety. The Company has provided a separate detailed report under the subject of "Responsibility for products and services" section in "Sustainability Report" of the Annual Report.

Competitors: The Company acts within the rules of fair trade, neither attacking trade competitors' reputations with false allegations, nor does the Company access competitors' confidential information or use dishonest or inappropriate means for any purpose.

Social Responsibility to the Community: The Company recognizes its responsibility to the Community and is often involved in supporting Community activities and being attentive to the consequences of the Company's conduct, including making efforts to absorb social accountability, going beyond what the relevant laws require. The Company has provided a separate detailed report under the subject of "Sustainability Report" of the Annual Report.

Environment: The Company recognizes that the construction business, if conducted irresponsibly, may affect the environment by both noise and air pollution. For the protection of the environment, the Company has applied to be certified for Occupational Health and Safety Assessment Series: OHSAS 18001:2007, for all worksites as explained under the "Sustainability Report" in this Annual Report.

Regulators: In the construction business, the Company's is governed by many laws and regulations. The Company recognizes the significance of compliance with related laws and regulations and has included its review of compliance as one of the duties of the Internal Audit Department headed by a qualified Internal Auditor. The Internal Audit Manager provides an annual compliance review report of related laws and regulations and reports directly to the Audit & Corporate Governance Committee, as explained under the "Audit & Corporate Governance Committee Report" of this Annual Report.

Respect for International Human Rights Principles: The Company requires that all of its Directors, the Management and Staff strictly respect international human rights principles as part of the operations, and the Company does not tolerate any violations thereof. The Company also encourages the improvement of the quality of life of disabled people, by employing them under the same terms and conditions as other Staff. Moreover, the Company also provides facilities for the disabled i.e. elevator, toilet etc. in its new Head Office. Separated detailed report are provided under the subject of "Sustainability Report" of the Annual Report.

Ethics for Intellectual Property Rights: The Company requires that all of its Directors, the Management and Staff strictly respect the intellectual property rights of others with due care and caution.

Policy on preventing corruption and offering bribes: The Company has guidelines for preventing corruption and offering bribes as follows:

- Giving and receiving of benefits that could improperly influence decision making should be conducted correctly, honestly, and in ways that are certain not to cause condemnation or loss of reputation. Gifts received by Directors are generally retained within the Company or distributed to office staff.
- The Company shall take immediate action both in terms of the Company's regulations and legal if any employee is found and proved to be dishonest in their duties and responsibilities.
- Procurement is to be conducted according to the Company's guidelines and should be fair to all involved. The procurement's decisions are to be made on the basis of reasonable prices, quality and services, and should stand scrutiny if an investigation occurs.
- Transactions with the Government must not be such as to persuade the Government or Government officers to do anything wrong or inappropriate. Mutual acknowledgement and building relations, within the proper bounds and normal practice, such as offering congratulatory messages and flowers on public occasions is acceptable.

Communication with the board of directors and whistle-blowing policy

The Company has a policy and guidelines on anti-corruption and does not engage in any form of bribery. This policy is clearly stipulated in the Corporate Governance Policy Manual and the Business Ethics and Code of Conduct Manual which has always been strictly complied with.

To ensure the fair treatment of all stakeholders, either internal stakeholders, such as directors, employees, and executives of the Company, or external stakeholders such as shareholders, investors, customers, trade partners, payable, competitors, the society, the environment, the public sector, and relevant agencies, all stakeholders can communicate with the Company's Board of Directors for complaints, suggestions, or recommendations, giving useful information or evidence about illegal actions or violations of the Code of Conduct, as well as behaviour implying corruption. The procedure to protect such whistle-blowers has also been put in place. To foster trust, information regarding whistle-blower messages will be kept confidential and will be known only among responsible parties as to protect the rights of the whistle-blower.

The Company has set up channels for communication where every stakeholder can suggest, file a complaint, and file a report in regards to corruption activities or unfair treatment, or disorderly acts of our employee. All information will be kept confidential according to whistle-blowers protection policy.

Contact

The stakeholders can communicate with the Board of Directors by writing a letter with their name, address, phone number, fax number and e-mail (if any) and the relationship with the Company and emailing it to ponpisch@cn-thai.co.th or sending it to the Audit and Corporate Governance Committee at the address below.

**Khun Ponpisith Charoenthai (Internal Audit Department),
Secretary of Audit and Corporate Governance Committee**

Christiani & Nielsen (Thai) Public Company Limited

727 La Salle Road, Bangna-Tai Subdistrict, Bangna District, Bangkok 10260

The Audit and Corporate Governance Committee will verify the information received before reporting to the Board of Directors. When the whistle-blower does not reveal himself, the Company will consider such issue only if it has information or suggestions that can be useful to the Company.

Other Channels:

- Compliances | Investor Relationship | Company Secretary E-mail: ir@cn-thai.co.th
- Customers Relation E-mail: cnt@cn-thai.co.th
- Complainant Hotline: Mr. Ponpisit Charoenthai 02 338 8161
Miss Sophidararat Panthong 02 338 8121

Whistle-blower and Complainant Protection

- In order to protect the rights of the whistle blower, the complainant and the informant, the company will conceal name, address, and any information that can possibly identify them. In addition, the company will keep all those information confidential. Only responsible person who conducts the investigation will be able to access such information.
- In case of any compliant lodged against the supervisor, the audit committee will be responsible for protecting the whistler-blower, the complainant, and the witness. The audit committee must ensure that no harm shall be done to them. If the complainant is harmed or being treated unfairly in any way please inform the audit committee directly.
- Managing director is responsible for giving out orders as seen appropriate to protect the whistle-blower, complainant, and the witness. Managing director must ensure that no harm shall be done to them as a result of informing the truth.
- Managing director can assign one of the executives to give out order to protect the whistle-blower, the complainant, and the witness on his behalf. However, the assigned executive himself must not be involved with the case either directly or indirectly. (The executive must not be one of the accused person by his subordinate.) The person who receives the complaint is responsible for keeping the information and evidence confidential. He must not reveal information to anyone unless constructed by law.

Guideline for anti-corruption and bribery policy

The Company's Board of Directors declared an intention not to participate in any form of corruption. This is in compliance with Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The anti-corruption policy is defined as a key issue in the Internal Control of the Company. In year 2017, the Internal Audit Department had conducted the assessment of Company internal control system by adopting the self-assessment form as set by CAC for anti-corruption assessment and found that the Company had provided sufficient internal control system which are in line with the guidelines provided by CAC. During the year, the acts to promote the anti-corruption policy were as under:

- The company had reviewed and completed the draft Anti-Corruption Policy which is in accordance with the guidelines provided by the Private Sector Collective Action Coalition Against Corruption Committee (CAC) and National Anti-Corruption Commission (NACC). Now the policies are in the approval process by the Management to consider propose to the Board of Directors for approval. After approval, the Policy shall be put into practice within the Company, suppliers and sub-contractors.
- Reviewed and improved the Company's internal control system by adopting the self-assessment from as set by CAC in order to increase the efficiency in the internal control system for both preventing and auditing the acts which may lead to corruption in every business process.
- Set an anti-corruption audit as a key internal audit issue to ensure that every department both at the Head Office and at Construction site are strictly complied with the anti-corruption guidelines and policies.

- Follow up and assess the risk for corruption throughout the entire organization including set up the practices to ensure that the business will be conducted in accordance with the Guidance for conducting business with Government Agency as to prevent any actions which may related to corruption.
- Include Anti-Corruption Policy as part of Company's standard contract with our Sub-contractors.

The company continue to emphasize on following anti-corruption polices with the aim for the continuity of the following actions.

- The company is determined to declare an intention to join CAC and with the target to be certified by CAC that the Company's internal control for anti-corruption policy is appropriate, effective and efficiency. This is to ensure all stakeholders that the Company is doing its business with transparency, integrity and without corruption for equal benefits to all stakeholders.
- Publish anti-corruption policy to inform our staff both in Head Office and Construction Sites including our suppliers and sub-contractors of the anti-corruption policy so that everyone shall have the same practice under the policy.
- The training about anti-corruption and its related law will be organized for company staff both at the Head Office and Construction Sites to ensure that everyone understand the objective and importance of anti-corruption policy and can implement in accordance with the policy and guidelines.
- Internal Audit department will regularly oversee, monitor and audit Company's department operation and construction sites to ensure that the anti-corruption policy is being followed. This is to assess and put in place the effective internal control system to prevent the acts which may lead to corruption in every business process.

4. Disclosure and Transparency

The Company has tightened procedures to take care of important information to be disclosed, including both financial and non-financial statements and reports. The information is disclosed correctly, accurately, on a timely basis and transparently, through the proper channels that users can fairly and trustfully access.

4.1 Board of Directors' Report

The Board of Directors is responsible for the Company and its subsidiaries' financial statements and financial information presented in this Annual Report. The report on the Board of Directors' Responsibilities for Financial Statements is presented along with the Report of Independent Auditor and Audited Financial Statements in this Annual Report.

4.2 Directors and Management Remuneration

On 20th February 2013, the Board appointed and assigned the Remuneration Committee to set procedures for consideration of the remuneration of the Directors, Sub-committee Members, Managing Director and Senior Management. The Remuneration Committee will propose the remuneration for the Directors and Sub-committee Members. The Board of Directors is not empowered to fix the remuneration of the Directors and Sub-committee Members but is required to place their recommendations on the same to the shareholders for their approval. The composition, role and duties and qualifications of Remuneration Committee and Remuneration Criteria are disclosed on Company's website.

Consideration of the remuneration for Managing Director and Senior Management remuneration is fixed in accordance with the principles and policies set by the Remuneration Committee. The Board of Directors directly and specifically approves the remuneration which is appropriate and at a sufficient level to attract and retain qualified high-ranking executives to work with the company based on the remuneration in the Industry for equivalent positions, financial status/performance of the Company for both short term and long term and their respective individual performances.

In the years 2017 and 2016 the Company proposed the remuneration, meeting allowance and bonus pay to the Board of Directors to the shareholders for their approval. The Directors' remunerations approved by the shareholders' meetings are as follows:

Director's Remuneration 2017

	Meeting Allowance				Remuneration		Bonus	
	Audit & CG Committees' Baht/Attendance/Person		Director Baht/Attendance/Person					
	2017	2016	2017	2016	2017	2016	2017	2016
1. Chairman of the Board	-	-	60,000	60,000	20,000	20,000	2% of cash Dividend Payment Equal to 1.0 MB. The allocation of Bonus payment is subject to the judgement of Board of Directors.	No bonus payment
2. Director	-	-	30,000	30,000	10,000	10,000		
3. Chairman of Audit & CG Committee (additional remuneration)	60,000	60,000	30,000	30,000	30,000	30,000		
4. Audit & CG Committee (additional remuneration)	45,000	45,000	30,000	30,000	25,000	25,000		
5. Chairman of other Sub-committees	-	-	-	-	-	-		
6. Member of other Sub-committees	-	-	-	-	-	-		

A comparison of the regular remuneration paid to the Chairman of the Board, each Director, the Chairman of Audit and Corporate Governance Committee, each Audit and Corporate Governance Committee member among the Company and other listed companies and other construction listed companies is as follows:

Comparison for regular remuneration

Unit : Thousand Baht/person/year

Position	CNT*		Other Listed Companies**								
			Listed Companies Property and Construction			Listed Companies with Revenue 5,001-10,000 MB			All Listed Companies		
	2017	2016	Mean	Min	Max	Mean	Min	Max	Mean	Min	Max
Chairman of the Board of Directors	240	240	696	240	2,592	540	180	2,004	840	96	4,680
Executive Director	120	120	420	120	1,728	276	84	696	396	60	1,728
Non-Executive Directors	120	120	408	120	1,728	300	120	600	396	48	2,076
Chairman of Audit & CG Committee***	360	360	348	120	600	336	96	1,200	360	48	1,620
Audit & CG Committee Members***	300	300	252	60	420	264	36	804	252	36	1,320

*CNT figures are actuals of respective years

**From IOD's Thai Directors Companies Survery 2016

***Additional remuneration as Chairman of Audit & CG Committee / Audit & CG Committee Member

A comparison of the regular remuneration, meeting allowance and bonus paid to the Chairman of the Board, each Director, the Chairman of Audit and Corporate Governance Committee, each Audit and Corporate Governance Committee member among the Company and other listed companies and other construction listed companies is as follows:

Comparison for regular remuneration, meeting allowance and bonus

Unit : Thousand Baht/person/year

Position	CNT*		Other Listed Companies**								
			Listed Companies Property and Construction			Listed Companies with Revenue 5,001-10,000 MB			All Listed Companies		
			Monthly Remuneration, Meeting Allowance and Bonus			Monthly Remuneration, Meeting Allowance and Bonus			Monthly Remuneration, Meeting Allowance and Bonus		
	2017	2016	Mean	Min	Max	Mean	Min	Max	Mean	Min	Max
Chairman of the Board of Directors	827	600	1,973	394	10,152	1,143	328	3,153	1,856	140	13,380
Executive Directors	413	300	1,243	244	6,780	826	180	3,412	1,085	111	7,428
Non-Executive Directors	413	300	1,263	244	6,780	825	216	2,791	1,094	73	8,676
Chairman of Audit & CG Committee***	683	600	773	461	1,165	802	296	2,064	741	119	2,532
Audit & CG Committee Members***	563	480	614	366	890	623	146	1,449	552	103	2,081

*CNT figures are actuals of respective years

**From IOD's Thai Directors Companies Survey 2016

***Additional remuneration as Chairman of Audit & CG Committee / Audit & CG Committee Member

Directors Remuneration

In the past year, the Company's directors received remuneration in term of monthly remuneration, meeting allowance and bonus as follows:

Name	Monthly Remuneration Baht	Meeting Allowance Baht	Bonus Year 2017 Baht
<u>Period 1 January – 31 December 2017</u>			
1. Mr. Santi Grachangnetara	240,000.-	360,000.-	166,666.50
2. Mr. Kirit Shah	120,000.-	180,000.-	83,333.25
3. Mr. Surasak Osathanugraha	120,000.-	180,000.-	83,333.25
4. Mr. Khushroo Kali Wadia	120,000.-	180,000.-	83,333.25
5. Mr. Kasemsit Pathomsak	360,000.-	420,000.-	83,333.25
6. Mr. Ishaan Shah	120,000.-	150,000.-	83,333.25
7. Mr. Kris Thirakaosal	300,000.-	285,000.-	83,333.25
8. Mr. John Scott Heinecke	120,000.-	120,000.-	83,333.25
9. Mrs. Nampung Wongsmith	300,000.-	360,000.-	83,333.25
10. Mr. Suphon Tubtimcharoon	120,000.-	180,000.-	83,333.25
<u>Period 1 Jan. – 24 Apr. 2017</u>			
Mr. Somchai Jongsirilerd*	38,000.-	30,000.-	83,333.25
<u>Period 24 Apr. – 31 Dec. 2017</u>			
11. Mr. Maxwell Federbush**	82,333.-	180,000.-	-
12. Mr. Vites Ratanakorn***	82,333.-	180,000.-	-

*Mr. Somchai Jongsirilerd was not accept to be re-elected as a director for another term in AGM.

**Mr. Maxwell Federbush was appoint as a director to replace Mr. Somchai Jongsirilerd.

***Mr. Vites Ratanakorn was appointed as a new director no. 12th.

Management

Name and position of the Company's executives (as on 31st December 2017)

Name		Position
1. Mr. Khushroo	Wadia	Managing Director
2. Mr. Surasak	Osathanugraha	Assistant to Managing Director (Finance & Accounts)
3. Mr. Vites	Ratanakorn	Operations Director
4. Mr. Pichet	Nimpanich	Business Development Director
5. Mr. Thanin	Srisethi	Business Development Director (Special Project)
6. Mr. Manu	Benjamanee	Director – General Buildings Business Unit
7. Mr. Pongsak	Dittapongpakdee	Director – Government Works Business Unit
8. Mr. Watchara	Promkhunthong	Director – Industry and Hypermarket Business Unit
9. Mr. Pongsak	Sutthapreeda	Director – General Constructions and MEP Business Unit
10. Mr. Andrew	Dunshea	Director – Hospitality and Residential Business Unit

Advisor

1. Mr. David Greenbank Advisor - Commercial

Detail of Company's executives are described in "Directors and Management Details" in this Annual Report.

- Violation records - None

Remuneration for Management

In the year 2017 and 2016, the Company and its subsidiary paid remuneration, including salary and bonus, to directors and executives for 2017 = 20 persons (2016 = 14 persons) totaling 46 million Baht (2016 = 31 million Baht).

Contribution to Provident Fund for Executives

The Company provided the Provident Fund for all Staff including Executives with contribution rate of 5-9 percent (depending on each Executive's years of service). In the year 2017 the total contribution from the Company for 10 persons is Baht 1.8 million.

Other remuneration for directors - None -

4.3 Information on Company's shareholding by Directors and Managements both direct and indirect

Pursuant to Section 59 of the Securities and Exchange Act, B.E. 2535, all Directors and Management personnel are required to report the changes in their (and of their spouses and all minors) shareholding to the Office of the Securities and Exchange Commission within 3 business days from the date of trading/transfer of the Company's shares and/or other securities of the Company (if any). Moreover, all Directors and Management (including their spouse and minor children) and all personnel who are close to the relevant inside information in Accounts Department and Investor Relations Section are not allowed to trade/transfer in the Company's shares and/or other securities of the Company (if any) during the period of 30 days before considering the quarterly reviewed results and annual audited results are announced and also within 2 days after any notifications to the Stock Exchange of Thailand.

During the last year, the aforementioned persons have strictly complied with this policy. It is the responsibility of the aforementioned persons to strictly protect the confidential information or any information that is beneficial to the Company, including information un-disclosed to public or any information that might affect the Company's business or share price. The use of the information received by being a Director, Executive or Employee of the Company for private benefit is prohibited, as is incorporating such information in a business that competes with or is related to the Company. If there is any change, the Company Secretary will report such change in shareholding of the Directors, Management and top Executives to the Board of Directors on a quarterly basis.

Directors and management shareholding report

	Ordinary Shares (No. of shares)			
	As of 31/12/2016	Change in Year 2017 Increase (Decrease)	As of 31/12/2017	
			Numbers	Percentage
Globlex Corporation Co., Ltd.	581,126,256	-	581,126,256	56.535
Mr. Ishaan Shah				
Spouse and Minors	100,372,280	(6,000,000)	94,372,280	9.181

4.4 Relations with investors

The Board of Directors recognizes the importance of accurate, complete and transparent disclosure of financial information and general information, which may affect the Company's share price. The Company provides information through the SET and the Company's website. While the Company undertakes investor relations at the top Management level, the Company has also designated persons as the contact points in the Company to service investors, shareholders, analysts and public as under.

Mr. Khushroo Kali Wadia	Managing Director Telephone: +66 2 338 8111 E-mail: khushroowa@cn-thai.co.th
Mr. Surasak Osathanugraha	Assistant to Managing Director (Finance & Accounts) Company Secretary Telephone: +66 2 338 8100 E-mail: surasakos@cn-thai.co.th
Mrs. Phanee Charoencharoenchai	Senior Manager Group Finance and Accounts Telephone: +66 2 338 8077 E-mail: phaneech@cn-thai.co.th

The Company participates in the investor relations activities held by SET called "Opportunity Day" quarterly, including interaction with press, which are attended by the Managing Director and Assistant to Managing Director.

During the past year, the Company had joined 4 Opportunity Days and also took part in a number of press interviews.

Year / No. of time	Meeting with Analysts	Meeting with Investors	Presentations	Interview with newspapers/TV	Total
2017	8	6	5	6	25
2016	5	6	5	6	22
2015	5	6	5	7	23
2014	7	4	5	6	22
2013	5	4	5	5	19
2012	1	1	2	1	5

5. Responsibilities of the Board

5.1 Board Structure

The number of members on the Board of Directors is commensurate with the size and complexity of the Company's business. Currently, there are 12 Directors on the Board of Directors of the Company which consists of:

5 Executive Directors (2 Director as full-time employee of the Company),

3 Non-Executive Directors and

4 Independent Directors (1/3 of total Board Members).

The Audit and Corporate Governance Committee comprises entirely of Independent Directors.

Among 12 directors, there are 11 male directors, 1 female director. 7 Directors are between 27-50 years of age and 5 directors are more than 50 years old.

Board Diversity

The Company considered increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. The Board members represent diversity from a range of perspectives including gender, age, educational background, skills, knowledges and professional experience. And for the selection of new directors, the Board of Directors will consider candidate's qualifications, having regard to the mix of skills, diversity and in line with the Company's strategic direction.

Definition

Executive Director:

An Executive Director is a Director who is involved in the Management of the Company on a full-time basis and receives regular monthly remuneration from the Company in the form of salary or its equivalent.

Independent Director:

The Independent Directors are independent from the Management and have no business or activities with the Company and must not be involved in the day-to-day management of the Company or an affiliated company which may compromise the Interests of the Company and/or the Shareholders.

The qualifications of the Independent Directors of the Company comply with the rules and regulations of the SET and the SEC, Thailand but some have higher qualifications.

Qualifications of Independent Directors of the Company:

- Holding shares not exceeding 0.80 percent of the total number of shares with voting rights of the Company, its parent company, subsidiaries, associate companies, major shareholder or controlling person, including shares held by related persons of such Independent Director.

- Neither being nor used to be an Executive Director, Employee, Staff, Advisor who receives salary or other kinds of compensation from the Company, its parent company, subsidiaries, associate companies, major shareholder or controlling persons or other juristic person may have conflicts of interests (present and during less than 2 years prior to the date of appointment).
- They must not be a blood relative, legal relative, related person or close relative of any Executive Director, top Executive, major shareholder or controlling person in/of the Company.
- Neither having nor used to have a business relationship pursuant to the regulations of the SEC and also must be free of any present, direct or indirect, financial or other interest in the management and business of the Company, its subsidiaries, associated companies, or its major shareholders.
- Neither being nor used to be an auditor or a provider of any professional services including those as legal advisor or financial advisor from the Company, its parent company, subsidiaries, associate companies, major shareholder or controlling person and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relations has ended not less than 2 years prior to the date of appointment.
- They must not be acting as a nominee or representative of any Director, major shareholder or shareholders, who are a relative of any major shareholders of the Company.
- Not undertaking any business of same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner, or being an Executive Director, Employee, Staff, Advisor who receives salary or controlling person or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.
- They must be able to carry out their duties, exercise their judgments, and report the committee's performances, which are assigned by the Board of Directors without being influenced by Executive Directors or major shareholders of the Company, including related persons or relatives.
- Not having any other characteristics which cause the inability to express independent opinions.
- Being able to provide equitable protection to the benefit of all shareholders, and being able to prevent any conflict of interests that might occur between the Company and Executives, major shareholders, or any other company having similar major shareholders. May be appointed by the Board of Directors to make decision in a group (collective decision) regarding business operation for the Company, subsidiaries, affiliate or juristic person which may have conflicts of interest.

Definition of Related Persons

Related persons shall include persons who are involved in any kind of benefits or are related to the Company's business to a significant amount, such as suppliers, customers, or creditors. This kind of connection may affect the Independent Directors in carrying out their duties independently or conveniently.

Independent Directors' Roles and Duties

1. Independent Directors should gain access to financial and other business information adequately for them to perform their duties effectively.
2. They are expected to regularly attend every Board meeting, including committee meetings, and raise good questions to ensure the interests of the Company's shareholders' and the protection of rights of other stakeholders', and ensure that the Company complies with best practices.
3. Independent Directors are expected to possess abilities and display willingness to learn about the Company's business and are also expected to express their views independently, as well as dedicate time and attention to the Company as needed.
4. Independent Directors are expected to regularly hold meetings among themselves, and try in every way possible to look for opportunities in which they can discuss business management issues with the Management.

5. Independent Directors are expected to submit a confirmation letter to the Company verifying their independence in accordance with the Company's definition; on the date they accept the appointment and every subsequent year if required.
6. There should be specific terms given to Independent Directors, and no Director must stay on beyond a certain time limit. Nonetheless, the difficulties of searching an appropriate replacement and the benefits of the working relationship built up over the years within the Independent Directors and their understanding of the business must also be taken into account. Accordingly, at present no time limit has been set up for the Independent Directors apart from the statutory limits placed under applicable law.

Other Committee

Apart from the Board of Directors and the Executive Board of Directors, the following sub-committees were appointed by the Board of Directors on 20th February 2013:

- The Audit and Corporate Governance Committee (Formerly "Audit Committee", changed with the Board of Directors resolution on 16th November 2000)
- The Remuneration Committee
- The Nomination Committee
- The Risk Management Committee

The Composition, Role and Duties and Qualifications of each Committee are described under "Management" in this annual report.

Other principles and practice involved

A) Term of Directors

Board of Directors: At every AGM, one-third of the Directors shall retire. The Director who has held office longest shall retire. If the number of Directors cannot be divided into three parts, the number of Directors closest to one-third shall retire. The retiring Directors may be re-elected. In addition, the tenure of a director normally should not be longer than three consecutive terms but this requirement may be waived by the Board of Directors after due consideration.

Sub-Committee Members: Each member of the Sub-committees holds office during the same term as that of his/her Board membership. The tenure of a Sub-committee member normally should not be longer than three consecutive terms.

Independent Directors: The Independent Directors of the Company shall normally hold office for a term not exceeding 9 years from the first date of appointment as Independent Director. However, depending on the reasonable needs of the business and ease or difficulty in finding suitably qualified candidates as Independent Directors.

B) Board of Directors' and sub-committees' Meeting

The Board of Directors' meetings are required at least 7 times per year and held quarterly on a regular basis, but extraordinary or special meetings, if required, may be called at any time during the year. Each meeting has a specific agenda, which would include a review of the Company's operations. The Company Secretary sends the notice of each meeting and the relevant documents to all Directors, at least 7 days prior to the meeting date, so as to allow sufficient time for them to review the information before joining the meeting, unless there is an overriding necessity or urgent matter.

The Company Secretary will prepare the meeting schedule in advance and distribute to all board members, so as to allow them to arrange the time to attend the meeting. Moreover at every Board of Director Meeting, Company Secretary will regularly inform the schedule of the next meeting to all board members.

Quorum

The minimum quorum required for the Board of Directors to vote on a particular matter is no less than two-thirds of all Directors.

The Company Secretary records the minutes, and after each meeting, the draft minutes are proposed to all Directors for their consideration. Such drafts are generally distributed to Board members before the minutes are adopted at the next meeting, and are kept for scrutiny by Board members and other concerned parties.

Normally, Board meetings will take 2-3 hours. In 2017, the Company's Board of Directors held 7 regular meetings.

The attendance of the Directors in Board of Directors meetings, Sub-committee meetings and shareholders' meetings in the year 2017 was as followings:

	Company Board of Directors	% of attendance	Executive Board	Sub-committee				Annual General Meeting No. 84	Extraordinary General Meeting No. 1/2017
				Audit and Corporate Governance Committee	Nomination Committee	Remuneration Committee	Risk Management Committee		
Mr.Santi Grachangnetara	7/7	100%	1/1****	-	-	-	-	1/1	1/1
Mr.Kirit Shah	6/7	85.71%	4/4	-	2/2	2/2	-	1/1	1/1
Mr.Somchai Jongsirilerd*	1/1*	100%	-	-	-	-	-	-	-
Mr.Surasak Osathanugraha	7/7	100%	4/4	-	-	-	4/4	1/1	1/1
Mr.Khushroo Wadia	6/7	85.71%	4/4	-	-	-	4/4	1/1	1/1
Mr.Kasemsit Pathomsak	7/7	100%	-	5/5	2/2	2/2	-	1/1	1/1
Mr.Ishaan Shah	5/7	71.43%	4/4	-	-	-	-	1/1	1/1
Mr.Krit Thirakaosal	6/7	85.71%	-	5/5	2/2	2/2	-	1/1	1/1
Mr.John Hinecke	5/7	71.43%	-	-	-	-	-	1/1	-
Mrs.Nampung Wongsmith	7/7	100%	-	5/5	-	-	4/4	1/1	1/1
Mr.Supphon Tumtimcharoon	7/7	100%	-	-	-	-	-	1/1	1/1
Mr.Maxwell Federbush**	6/6**	100%	-	-	-	-	-	1/1	1/1
Mr.Vites Ratanakorn**	6/6***	100%	3/3***	-	-	-	-	1/1	1/1

* Mr. Somchai Jongsirilerd resigned from directorship on 24 April 2017.

** Mr. Maxwell Federbush was elected to replace Mr. Somchai Jongsirilerd on 24 April 2017.

*** Mr. Vites Ratanakorn was elected as a 12th director on 24 April 2017.

**** Mr. Santi Grachangnetara resigned from Executive Director and was replace by Mr. Vites Ratanakorn on 24 April 2017.

On 10 November 2017, the non-executive directors held a meeting among themselves for discussing the business management issues and performance of the Executive Directors.

C) Aggregation or Segregation of Positions

The Chairman of the Board of Directors is not the Management and has no relationship with the Management as well as not the same person as the Managing Director of the Company nor is he related in any way to the Managing Director of the Company in order to segregate the duties between the policy maker and the policy manager.

The Chairman of the Board is selected and appointed by the Board from the members of the Board. The Chairman of the Board is the leader of the Board of Directors and serves as the Chairman of the Board of Directors meetings and the shareholders' meetings.

The Managing Director is appointed from the Board of Directors from one of Company's directors. The Managing Director shall be Executive Director by position and is empowered to sign on behalf of the Company as specified by the Board of Directors. The Managing Director is the leader of the Management team and operates the business and to apply good governance principles across the organization to achieve the objectives as outlined.

Company Secretary

In keeping with good corporate governance, the Company designated Mr. Surasak Osathanugraha as a Company Secretary, having duties and responsibilities in accordance with the Securities and Exchange Act and responsibility for overseeing and advising the Board and the Management regarding applicable laws, rules, regulations and good corporate governance, and responsible for holding the Board and shareholders' meetings.

D) Procedures for new directors

The Company holds orientation meetings for new members of the Board. In these meetings, briefings on the Company's visions, strategies and key business targets and operational plans are given by the Chairman of the Board, the Managing Director, and/or senior Executives. Material documents are also provided to new Directors, including the Directors' Manual, the Memorandum and Articles of Association of the Company, and the Company's latest Annual Report. The main areas of focus are roles and responsibilities of Directors, policy statements on corporate governance, approval authorities, prohibitions under applicable laws, and roles and responsibilities of the Sub-committees of the Board.

E) Directors and Management Remuneration

The remuneration for Directors and members of Sub-committees was a fixed monthly amount, in addition to meeting attendance fees and bonuses, which were approved at the shareholders' meeting. The remuneration for Managing Director and Senior Management consists of salary, bonuses and provident fund.

The Remuneration Committee shall consider and propose the remuneration for Managing Director for the approval from the Board of Directors. The remuneration will be based on the remuneration in the industry for equivalent positions, financial status/performance of the Company for both short term and long term including responsibility and performance.

The procedures to consider the remuneration for Senior Management was set out by Remuneration Committee which shall be in accordance with the Company financial status/performance in both short term and long term and their respective individual responsibilities and performances.

The remuneration of the Directors and Management has been disclosed hereinabove under the subject of "Disclosure and Transparency".

F) Board Self-Assessment

Assessment of the Board is divided into 2 parts:

- a. Assessment of the Board and Sub-Committees as a whole.
- b. Assessment of each Board member and each Sub-Committee member

Currently, the Assessment of the Board was conducted for Board of Directors and Sub-Committee as a whole and the assessment of each Board member and each Sub-Committee member. Board self-assessment is conducted each year on a regular basis. The Board of Directors has jointly defined criteria, assessment processes in the evaluation, as well as the norms

of performance comparison. The Company Secretary shall distribute the assessment forms to each member of the Board, then collect the completed forms and submit them to the Chairman of the Board, for performance evaluation. Thereafter, the evaluation results will be used for discussion in a meeting of the Board where the recommendations given by Board members will be adopted for improvement of the Board's performance, for the optimal benefit of the Company in terms of corporate governance.

At the Company's Board of Directors meeting held on 10 November 2017, the Self-Assessment of Board Directors and Sub-committee and Self-Assessment of the Board of Directors and of Committee Member on an individual basis was considered, with the major items for assessment was (in line with the guidance of the SET) as follows:

- Structure and quality of Director;
- Duty and Responsibility of Director;
- Board of Directors meeting;
- The performance of the Director;
- The relationship with Management;
- Self-development of Director and Executive.

The overall performance of the Board of Directors was excellent.

The performance of each Sub-Committees are as under:

Sub-Committee	2017 Results of self-assessment
The Executive Board of Directors	Very Good
Audit and Corporate Governance Committee	Excellent
Nomination Committee	Very Good
Remuneration Committee	Very Good
Risk Management Committee	Excellent

The scores of Board member and each Sub-committee member fall in the level of "Excellent". Overall performance of the Board is enough and appropriate, the Board of Directors can perform their duty efficiently as can be seen from the ability to monitor the Company's business operation to achieve its strategy goal and policy.

The Board of Directors will use this assessment to further improve their performance. The Company will conduct this assessment every year which is in accordance with good corporate governance policy. The next assessment of the Board of Directors will be conducted in 2018.

Assessment of the Managing Director and Senior Management

Assessment of the Managing Director is conducted by the Remuneration Committee on an annual basis. The Remuneration Committee has the duty to review the targets and performance criteria and assess the performance. Assessment of the Senior Management is conducted by the Managing Director by considering from key performance indicators following the goals and strategies for each year, and monitor and assess the performance.

Directors and Management Training

Board of Directors continues to try and enhance their value by participation in activities, courses and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge. All the Company's Directors have attended important training courses, such as the Director Certification Program (DCP) or at least the Director Accreditation Program (DAP) held by the Thai Institute of Directors Association (IOD).

Year 2017

Mr. Maxwell Federbush	Directors Certification Program (DCP) 235 Thai Institute of Director Association (IOD)
Mr. Vites Ratanakorn	Director Certification Program (DCP) Thai Institute of Director Association (IOD)
Mrs. Nampung Wongsmith	Corporate Governance for Directors and Top Management of State Enterprises and Public Organizations (17) King Prajadhipok's Institute

G) Succession Planning

The Company forms succession plans with the objectives of making human resources ready in advance, both in terms of quality and quantity, ensuring continuity of appropriate management, and selecting suitable Employees for the Company's key jobs, which consist of the top Executives in the Company's divisions, the key positions in the Company's Management structure or business operations, or the positions for which specific expertise is required and replacements are difficult to find, such as the Managing Director, Assistant to Managing Director, the Head of Operations and the Head of Business Development etc.

The persons who are responsible to nominate successors and to grant approval on the successors to key job positions are classified according to level of position. The person or group of persons responsible for nominations is the Nomination Committee, or others as specifically appointed by the Board, such as the Chairman of the Nomination Committee, members of the Board, the Managing Director, or the top Management at the group-head or division-head level, while the person or group of persons responsible for granting approval can be either the Board, the Nomination Committee, the Chairman of the Executive Committee, the Managing Director, or the top Management at the group-head level, depending on the level of each key position needing a successor.

Operating Guidelines (In case the Managing Director or the Executive is unable to perform their duty).

The Board of Directors specifies authorized signatories to sign on behalf of the Company in case the Managing Director or the Executive Directors are unable to perform their duty due to temporary absence for any reason like sickness, travel, etc.

5.2 Roles, Duties and Responsibilities

Leadership and Vision

The Board of Directors is the main driver in defining the direction of the Company's performance, achieving its goals and objectives and to define the Company Mission, Vision, Core Values, Strategic Business Plan, appointment of competent and effective Management and managing the Company's affairs with good corporate governance in order to reach the objectives in accordance with Company's policy and in accordance with the law. The Board of Directors is comprised of persons who have the knowledge, expertise, business experience and background which qualify them to perform their duties and responsibilities in accordance with the highest standards of business ethics. The Board of Directors will review Company's vision and missions at every 5 year.

The Board of Directors has clearly defined and demarcated powers, duties and responsibilities between each committee as mentioned under the "Management Structure" section of this Annual Report.

During year 2017, the Company held several meetings for top management to review Vision, Goal and Long-term Strategy of the Company. The reviews were based on current business environment, competitors and economics. The objective is to analyze and for in-time improvement of the Company Opportunities and Threats, Strength and Weakness in order to reach its goals.

The Corporate Governance Policy

A Corporate Governance Policy Manual outlining its features has been drawn up by the Company and already circulated to the Company's employees for the recognition of the necessity of Good Corporate Governance.

The Company's Corporate Governance Policies consists of:

1. Rights of Shareholders;
2. Equitable treatment of Shareholders;
3. Recognition of Role of Stakeholders;
4. Disclosure and Transparency;
5. Responsibilities of the Board;
6. Controlling System and Risk Management;
7. Business Ethics.

The Board of Directors conducts an annual review of the Policy and evaluates the implementation thereof so that the Policy is up to date and appropriate with the current situation.

Governance for Company's subsidiary's operation

Previously, the nomination of candidates and the voting for the appointment of Directors in the subsidiaries was done by the Management. Starting from year 2013, the Company set a policy for the said nomination and voting to be approved by a resolution of the Board of Directors. In case of a conflict which could not be avoided, the candidate who was nominated should act in the best interests of the subsidiary and not the Company.

The Company has also set an outline for an authorized person to ensure that as per the policy for related transactions, acquiring/selling of assets, or other important transactions, such transactions are correctly and completely disclosed, in compliance with the rules set out by the Company, including the proper record of all information and accounting records which can be investigated and submitted to the Company for consolidation of accounts on time.

6. Controlling System and Risk Management

The Company recognizes the importance of internal control systems at an operational level to ensure that the operations are conducted efficiently. The powers and duties of Operations and Management level personnel are clearly laid down. There is a proper level of control maintained on the utilization of the Company's property/assets for the highest benefit of the Company and there is clear segregation between operations units, control units and assessment units for the purpose of maintaining appropriate checks and balances. Moreover, an internal control system for the financial and accounting functions of the Company is clearly set up which allows adequate reporting to the relevant Management.

The Company has an Internal Audit Department in order to ensure that the key operations and financial activities are conducted efficiently, under the relevant guidelines and laws. Moreover, to ensure that the Company has complied with laws and regulations relating to the business of the Company, the Internal Audit Department conducts regular checks thereof. Internal auditors report directly to the Audit & Corporate Governance Committee on all matters, in order to make the Internal Audit Department completely independent of the Management.

Internal control systems for the financial and accounting functions of the Company are clearly set up which allows adequate reporting to the relevant Managers to achieve the following objectives:

1. Efficient and effective operations, including skillful use of resources for the best benefit of the Company.
2. Accurate, reliable and prompt financial reporting.
3. Full compliance with the Company's policies, laws and regulations.

The Board of Directors recognizes the importance of risk management and is responsible directly for the risk management of the organization with the objectives to support the work performance of the Management of the Company to be efficient and effective and to achieve the business objectives. The Board of Directors has specified the Company's policy on risk management and internal control on the website of the Company and under the subject of Corporate Governance Policy.

7. Business Ethics

The Company has set up a code of ethics for Directors, Management and employees as a guideline to carry out their respective work for the Company in a transparent, honest, faithful and justifiable manner. It is also disclosed on the Company's website.

Conflict of Interest

In order to prevent conflict of interest transactions, the Board of Directors, through the Audit and Corporate Governance Committee has carefully supervised such potential transactions by setting out a written policy and procedure of approval of transactions involving any potential conflict of interests, as follows:

Potential conflict of interest transactions

Any transaction which could lead to a potential conflict of interest and/or a related party transaction is considered very carefully by the Board of Directors with a view to full compliance with the relevant rules and regulations of the SET and the SEC, Thailand, apart from compliance with the internal policies and guidelines set up by the Company. Moreover, such transactions are entered into strictly on an “Arms-Length” basis. The terms and conditions of such transactions are always in compliance with generally acceptable, standard commercial terms and conditions and appropriate disclosure regarding the details of the transactions viz. value, counter-party, reason and necessity of the transaction is made in this Annual Report and also in Form 56-1.

The Audit and Corporate Governance Committee and Internal Audit Department have planned for the audit of potential conflict of interest transactions by recording these transactions in the audit plan every year. In 2017, the Auditor has audited all transactions and reported accordingly to the Audit and Corporate Governance Committee. In the Audit and Corporate Governance Committee Meeting, the Committee will revise transactions that have potential conflict of interest, to ensure that each such transaction that the Company carried out was important to the Company’s business, according to standard commercial competition, generally based on price list as a priority and in the best of interests of the Company, as well as whether it is disclosed in the Annual Report.

Moreover, the Internal Audit Department has reviewed the compliance of the Company with respect to the Notifications of the SET Re: The Disclosure of Information and Acts of Listed Companies Concerning Connected Transactions 2003 as amended from time to time and Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions as amended from time to time including the circular letter of the SEC about the recommended practice to be followed under section 89/12 (1) of the Securities and Exchange Act (No.4) B.E.2551. The details of the connected transactions have been explained under the topic “Connected Transactions” of this Annual Report. The results of the review have been reported to the Board of Directors of the Company. The Board of Directors of the Company is of the opinion that such transactions are fair and for the full benefit of the Company.

Reporting changes in Company share ownership

To prevent abuse of inside information, all Directors and Senior Management are encouraged to inform the Company’s their intention (including their spouse and minor children’s) to trade in the Company shares of other securities (if any) at least a day in advance. The changes in Company share ownership, if any, is reported to the Board of Directors meeting every quarter.

Remuneration for Auditor

(1) Audit Fee

The Company and subsidiaries paid the audit fee to:

- The Company’s auditor, in the previous accounting period, amounting to Baht -
- The audit firm of which the auditor is a member, persons or businesses related to the auditor and the audit firm of which the auditor is a member, in the year 2016 accounting period, amounting to Baht 2,600,000.- and which is the same auditor as last year.

(2) Non-audit fee - None -

Compliance with the Principles of Good Corporate Governance in Other Matters

The Company has fully complied with the Principles of Good Corporate Governance for Listed Companies 2012, except the following matters:

Principles of Corporate Governance	The opinion from the Board of Directors
Determination of the number of terms of holding of office as directors and independent directors	The Board of Directors considers and deems that the consecutive holding of such directors will be useful for the Company and Shareholders since Directors holding consecutive office will have knowledge and experience in the Company's business operations and can maximize value to shareholders.
Declare an intention to join with Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)	The Board of Directors acknowledges the signing for anti-corruption campaign by participating in the private concerted efforts against corruption. The personnel in related department is assigned to draft the anti-corruption policy in accordance with the guideline set out by CAC to propose to the Management to consider propose to the Board of Directors for approval and to be used in the Company including suppliers and sub-contractors.
The Company should provide an appropriate compensation policy for the Board and the Management.	The Company may consider making this policy by arranging advice from an outside expert, but it cannot be prepared in this year.