

(-Unofficial English Translation-)

Corporate Governance Policy and Code of Business Conduct



BTS GROUP HOLDINGS PUBLIC COMPANY LIMITED

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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 the 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
Senior Executives	means	Persons who hold the position of the Chairman of the Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, and Chief Officer
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”) places importance on corporate governance and believes that good corporate governance will support the sustainable growth of the Group.

In 2011, the Company has prepared this Corporate Governance Policy and Code of Business Conduct in writing to be used as guidelines for the directors, executives, and employees in all levels. In order to improve the Company’s corporate governance standard to meet the recognized international standards, as well as being suitable for the Group’s business circumstances and operations, the Board of Directors has determined that this Corporate Governance Policy and Code of Business Conduct and other policies relevant to the corporate governance matters shall be reviewed and revised on an annual basis.

This Corporate Governance Policy and Code of Business Conduct shall apply to the Company and all subsidiaries of the Company. For the subsidiaries that are listed on the Stock Exchange of Thailand, there are separate sets of the Corporate Governance Policy and Code of Business Conduct that each subsidiary has prepared and shall be considered in addition hereto. Furthermore, the Company also encourages its associated companies, joint ventures, business partners or suppliers to comply with the relevant laws and regulations, and adhere to the principles of good corporate governance and business ethics that are equivalent to the international standards or the Company’s practices.

In order to promote the principles of good corporate governance, the Company has announced and communicated this Corporate Governance Policy and Code of Business Conduct to the directors, executives and employees of the Group to acknowledge and adhere to, as well as publishing this Corporate Governance Policy and Code of Business Conduct on the Company’s intranet system and made available to the public on the Company’s website.

Section 1 : Vision, Mission, Values, Strategy and Long-term Goals

- Vision** : To provide sustainable “*City Solutions*” that contribute to an improved way of life
- Mission** : We aim to provide a sustainable and leading set of “*City Solutions*” to urban communities across Asia, supporting critical needs in our four principal business areas: Mass Transit, Media, Property, and Services.
- Values** : **Delivering Customer Satisfaction:** Our success is dependent on our ability to develop long-lasting customer relationships. This will be achieved by listening, understanding, and anticipating our customers’ needs and delivering products or services that satisfy those needs. We are professional, accountable and transparent and always strive to be responsive.

Creating Shareholder Value: We strive to deliver accretion of shareholder value through earnings growth and improvement in operational effectiveness. Specifically, we aim to deliver long-term shareholder returns to our investors that outperform returns from investment alternatives with a similar risk profile.

Supporting Sustainable Growth: Our client base and shareholder value must be enhanced in a sustainable manner. We conduct our business upholding sustainable practices that reduce environmental impact compared to competing products and services.

Developing Communities: We are an integral part of the communities which we operate in. We provide “*City Solutions*” that enhance our customers’ sense of community. We contribute revenues and resources to work with local communities supporting education and children’s welfare and we promote the health and well-being of the Employees and their families.

Strategy and Long-term Goals : BTS Group companies aim to be the leader in developing and operating **Rail Mass Transit** in Thailand, reinforce our position as the leading **Out-of-Home (OOH) Media** player in the country and selectively expand our network across the ASEAN region, cautiously grow our **Property** business, and lead Bangkok cashless society via smart purse **e-Payment** solutions. We based our strategies on five foundations:

1. Experiences in rail mass transit,
2. Synergy across all four businesses with rail mass transit at our core,
3. Financial strength,
4. Innovation, and
5. Stakeholder satisfaction.

BTS Group will grow our four businesses in line with the urbanization of Thailand, and provide the community with a unique and comprehensive range of “*City Solutions*” that significantly contributes to an improved way of life.

Section 2 : Management Governance

The Company has established a management governance system and a corporate governance system in alignment with the principles of good corporate governance of the Stock Exchange of Thailand, the Securities and Exchange Commission and the recommendations of the Thai Institute of Directors.

The Company's management governance system clearly defines the separation of power, duties and responsibilities of the key governing bodies in their roles of (1) governance, (2) management and (3) operation within the Company, as well as creating a checks and balances mechanism, in order to ensure transparency and verifiability. Details of the power, duties and responsibilities of each governing body are set out in the Charters and the Policy on Delegation of Authority.

The Company's management governance structure comprises:

(a) The **General Meeting of Shareholders** – is the supreme authority of the Company and can make any decisions unless otherwise specified by laws or the Articles of Association of the Company. An ordinary general meeting of shareholders are held once every year to acknowledge the Company's performance and approve the Company's financial statements of the previous year, as well as vote on other resolutions, such as dividends, appointment of directors and auditors, and determination of their remunerations. In addition, an extraordinary general meeting of shareholders may be held from times to times on an ad hoc basis to approve other matters as required by laws or regulations.

(b) The **Board of Directors** – consist of qualified and visionary individuals who have knowledge, expertise and experience that are useful for the business of the Company. The Board of Directors has the duties and responsibilities to govern and oversee the Management of day-to-day operations, and define the Company's vision, mission, values, strategy and long-term goals. In addition, the Board of Directors also has the authority to make decisions on matters which, due to the nature of the business, are unusual or of major significance to the Company.

The Board of Directors shall establish subcommittees, i.e. the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, the Executive Committee, and any other subcommittees as appropriate, to support the Board of Directors in fulfilling their duties and responsibilities in accordance with the principles of good corporate governance.

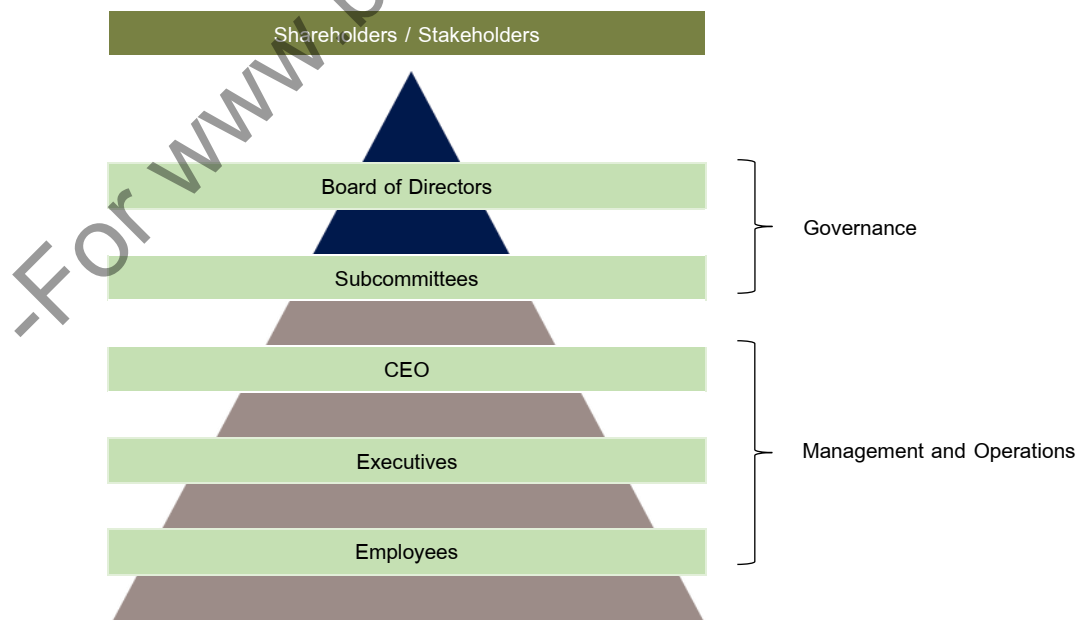
■ The **Audit Committee** shall review the Company's financial reporting process to ensure that it is accurate and adequate, ensure the integrity of the financial statements and any disclosure concerning the Company's financial information, as well as review the Company's internal control system and internal audit system.

▪ The **Nomination and Remuneration Committee** shall make recommendations to the Board of Directors regarding, in particular, the Board of Directors' structure, qualified candidates for election as directors and senior executives, as well as remuneration framework for directors, executives and employees.

▪ The **Corporate Governance Committee** shall oversee that the Company adheres to the generally accepted principles of good corporate governance, maintain a corporate culture that encourages good business ethics and values, and supervise the Company's corporate social responsibility activities.

▪ The **Executive Committee** shall provide suggestions to the Board of Director on the Company's strategy, business plan and financial budget, monitor the Management's performance, and has the authority to make decisions on matters as delegated by the Board of Directors.

(c) The **Chief Executive Officer and the Management** – is in charge of the day-to-day operations and the management of other matters as delegated by the Board of Directors, as well as report to the Board of Directors the Company's performance on a regular basis. The Chief Executive Officer as the head of the Management shall operate the Company's business in accordance with the laws and regulations, the Company's Articles of Association, the resolutions of the General Meeting of Shareholders and the Board of Directors and the principles of good corporate governance. The Chief Executive Officer reports to the Board of Directors.



Section 3 : Corporate Governance

The Company's corporate governance policy covers 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.

3.1 Rights of Shareholders

The Company places emphasis on the rights of shareholders as the owners of the Company. All shareholders, whether retail investors or institutional investors, are encouraged to exercise their fundamental rights, e.g., trading or transferring of shares, sharing of profits, receiving adequate information, whether via the Company's website, the Stock Exchange of Thailand's website or through other channels, attending shareholders' meetings to acknowledge the Company's annual 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. In addition, the Company encourages all directors, members of the sub-committees, senior executives and company secretary to attend the every shareholders' meeting, except in case of necessity or emergency.

■ **Invitations and Facilities for Shareholders**

To protect rights of all shareholders equally and do not restrict rights to access to shareholders' information and, either Thai shareholders or foreign shareholders, the Company prepares and provides the invitation to shareholders' meeting and supporting documents, both Thai and English version, and engages Thailand Securities Depository Co., Ltd., its securities registrar, to undertake the delivery of the invitation thereof to all shareholders. The invitation will provide adequate information regarding the place, date and time of the meeting, meeting agenda, objectives and rationale of each agenda item together with the opinion of the Board of Directors, number of votes required for each agenda item, and other supporting documents. This is to allow the shareholders to have sufficient time to study the documents beforehand. 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 publicize the invitation together with the supporting documents on the Company's website and allows the shareholders to submit their inquiries 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.

Moreover, the Company will arrange the shareholders' meeting at the appropriate venue that can accommodate all shareholders, having a good security system and being conveniently accessible for shareholders. 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 of the Shareholders' Meetings**

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 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 and is nominated for election as director of the Company for another term will leave the meeting room temporarily during the consideration of such agenda item.

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. 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 publicized on the Company's website.

3.2 Equitable Treatment of Shareholders

The Company shall treat each and every shareholders equally, whether they are minority shareholders, major shareholders or institutional investors.

■ 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. 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 Office of the Securities and Exchange Commission 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.

■ **Appointment of 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 for the appointment of proxy 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.

The Company prohibits the directors, executives and employees of the Group, as well as other relevant persons who are in charge of or have access to inside information, 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 pursuant to the criteria and procedures specified in the policy on the protection of inside information.

3.3 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.

■ **Treatment of Stakeholders**

The Company sets out policies for the treatment of each stakeholder in writing, as well as communicating the same to all directors, executives and employees of the Group to acknowledge and adhere to in performing

their duties in order to ensure that all stakeholders will receive equitable and appropriate treatments to their needs and have sufficient communication channels. Please refer to *Section 4 : Code of Business Conduct* for additional details on the treatment of stakeholders.

■ 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 : Telephone: +66 (0) 2273 8611-5 # 1525, 1531
Office 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, express concerns or complaints to the Audit Committee through the Internal Audit Office:

Internal Audit Office : Telephone: +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.

In addition, the Company has launched the “**Nuduan Chuan Chee Chong Hotline**” campaign, which is an intake system operated by an unaffiliated service provider, as another reporting channel for any breach or a case of possible breach of the policies and guidelines under the Code of Business Conduct.

“Nuduan Chuan Chee : Telephone: 1 800 292 777 or +66 (0) 2677 2800
Chong” Campaign Email: tell@thailand-ethicsline.com
Post: P.O. Box 2712 Bangrak Post Office Bangkok 10500

3.4 Disclosure and Transparency

The Company always discloses to all shareholders and stakeholders the information that is accurate, complete, in a timely manner, both in Thai and English languages, and correspond to relevant laws and regulations, as well as the international good corporate governance standard, through various information disclosure channels to demonstrate the Group's transparency in doing business.

■ 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 Group 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 and at the roadshow activities. 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.

Given that IR's main function deals with communication, public relations and timely disclosure of correct and complete information relating to BTS Group's business and performance, the Board of Directors therefore sets out the Investor Relations Code of Conduct as guidance for BTS Group's IR function to align with the ethics and the principles of good corporate governance with emphasis on the disclosure of information and strict compliance with the relevant laws and regulations, taking into account the interests of the shareholders and stakeholders.

In addition to compliance with the Company's Corporate Governance Policy and Code of Business Conduct, all directors, executives and employees involved in the IR function are required to strictly adhere to the Investor Relations Code of Conduct as follows:

1. Performing IR duties with knowledge and to the best of the ability, in a responsible and professional manner as well as with professional loyalty, and upholding righteousness and equal treatment without discrimination or favor to any particular persons;
2. Strictly complying with the applicable laws, rules and regulations of the relevant supervisory authorities, e.g. the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the Company's Articles of Association and relevant policies;
3. Prudently disclosing information, which is significant and necessary for investment decision-making, in an accurate, adequate, timely and fair manner to avoid misunderstanding or misinterpretation. Refraining from disclosing information regarded as trade secret or confidential information, which may prejudice BTS Group's competitiveness;

4. Providing opportunities to all related parties to access and inquire relevant information;
5. Not disclosing nor use BTS Group's inside information, which is not publicly available, for personal gain or undue gain of others;
6. Promptly and timely responding to queries raised by shareholders, investors, analysts and all stakeholders;
7. Refraining from organizing meetings or providing information to investors and analysts 15 days prior to the announcement of BTS Group's quarterly financial statements;
8. Refraining from trading the Company's securities during the blackout period as per the Company's policy on protection of inside information; and
9. Immediately reporting any non-compliance of the Investor Relations Code of Conduct and its impact to the head of IR, the Chief Executive Office and/or the Executive Committee (as the case may be) upon being aware of such non-compliance.

In communicating and organizing activities for the shareholders and interested investors, as well as analysts from various financial institutions in each year, the Company holds quarterly analyst meetings and company visits, and participates in the SET Opportunity Day activities organized by the Stock Exchange of Thailand, which gives the Company more opportunities to meet, discuss, and provide information to the retail investors.

The Company's website represents one of the channels to communicate with the investors. The Company's 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 IR Newsletters), events calendar, and webcasts of analyst meetings. The Company provides an automatic e-mail service to alert investors of news release or website update.

Shareholders and interested investors can contact the IR Department for enquiries or information at:

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 and Code of Business 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.

3.5 Board Responsibilities

The duties and responsibilities of the Board of Directors include the determination of the Company's policy, vision, mission, values, strategy and goals. In addition, the Board of Directors also supervises and assesses the management and operation 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. 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 govern and supervise the Management's business operations, 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 supervise and monitor the business operations 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 their duties in accordance with the laws, the objectives and the Articles of Association of the Company as well as the resolutions of the shareholders' meeting with honesty, responsibility, and due care for the utmost benefits of the Company and the shareholders;
2. To determine the Company's policy, vision, mission, values, strategy and goals, both in terms of monetary and non-monetary as well as supervising and monitoring the Management to ensure the implementation of those policies effectively and efficiently so as to create and maximize the sustainable value for the Company and the shareholders, to regularly consider, review, and determine the Company's policy, vision, mission, values, strategy and goals (1) annually for the short-term basis and (2) 3-5 years for the medium-to-long-term basis, and to monitor the implementation of the business strategy as well as reviewing the business strategy of the Company in the past fiscal year in order to set the business strategy of the next fiscal year;
3. To determine the Company's business plan and annual budget, as well as considering and reviewing the progress of the monthly and quarterly performance of the Company, in comparison with the business plan and budget, and to consider the trends for the next periods;
4. To determine the remuneration structure and welfare for the employees in all levels, and to ensure that an appropriate remuneration mechanism is in place and in accordance with the

short-term and long-term performance of the Company, with the Nomination and Remuneration Committee acting as superintendent;

5. To supervise the Management to ensure that the accounting system, financial reports and accounting audit system are accountable, and to monitor the sufficient of cash flow liquidity, as well as ensuring that the Company has a good internal control system that is sufficient and appropriate;
6. To consider and approve the acquisition and disposal of assets, investment in new businesses and any matters as required by the laws, save for the matters that the resolutions of the shareholders' meeting are required under the laws;
7. To consider and/or provide an opinion on the connected transactions of the Company and its subsidiaries and to ensure the compliance with the laws, notifications, regulations and relevant rules;
8. To monitor and prevent a conflict of interests among the stakeholders of the Company;
9. To consider all the Company's affairs by taking into account the benefits of the shareholders and all groups of stakeholders equitably. The director shall report to the Company, without delay, if he has any conflict of interests in a contract to be entered into with the Company or an increase or decrease of his shareholding in the Company or its subsidiaries. Hence, for any transaction with the director or a person having a conflict of interests or a conflict of any kinds with the Company or its subsidiaries, the director in conflict shall have no right to vote to approve such transaction;
10. To govern the business operations with business ethics and conducts as well as promoting the creation of corporate culture for all employees to adhere and perform their duties with ethics and integrity, and to regularly review the corporate governance policy and code of business conduct on an annual basis as well as evaluating the implementation of such policies at least once a year;
11. To establish the risk policy and framework, to review and evaluate the appropriateness of the policy and framework on an ongoing basis and to ensure that enterprise risk management policy and internal controls system are implemented in order to effectively achieve the objectives;
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 in the preparation of the financial statements by disclosing such report along with the external auditor report in the Company's Annual Report, covering key issues under the Code of Best Practices for Directors of Listed Companies of the Stock Exchange of Thailand, as well as disclosing any material information in an accurate, complete, timely manner and correspond with the relevant regulations, standard, and guidelines;
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 the authorization or sub-authorization that allows the director or any designated person, who has a conflict of interests or a conflict of any kinds 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, as well as reviewing their duties and responsibilities in the Board of Directors' Charter on an annual basis;
16. To appoint sub-committees to assist and monitor the management system and the internal control system to ensure the 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 assign the annual performance evaluation and review the duties and responsibilities in the charter of all sub-committees;
17. To delegate the authorities, duties, and responsibilities to the Management in order to clearly separate the roles, duties and responsibilities between the Board of Directors and the Management as well as reviewing such separation of roles, duties and responsibilities, and to regularly monitor and evaluate the performance of the Management in order to maintain the balance of power, enhance the independence in performing duties and increase the operational efficiency;
18. To determine and review the business organization chart and to appoint the Advisory Board which consists of a group of individual advisors who are knowledgeable and being the experts who can provide the strategic and useful advice to the business affairs of the Company and subsidiaries. The opinion or advice from the Advisory Board will be the opinion/advice from a person who is not involved in the business management of the Company and this would assist the Company to gain benefits from the viewpoint of a third party. Nonetheless, the advice, opinion or suggestion from the Advisory Board has no legal binding effect over the Company;

19. To prepare and review the succession plan in order to determine the succession process for the position of the Chairman of the Executive Committee, Chief Executive Officer and other senior executive positions; and
20. 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 and monitor the due performance of the Board of Directors and other sub-committees to efficiently achieve the business objectives and plans, as well as to ensure that all directors contribute to the promotion of ethical culture and good corporate governance;
2. The Chairman is the person who calls the meetings of the Board of Directors. In calling a meeting, the Chairman or a person assigned by him shall send out the meeting invitation to all directors at least 7 days prior to the meeting date. However, in necessary and emergency case and in order to preserve the rights or benefits of the Company, the meeting invitation may be sent by other means within a shorter timeframe. Such invitation may be served by hand to each director, or transmitted by facsimile transmission to every director specifying the place, date and time of the meeting and the nature of the businesses to be transacted. In addition, the Chairman should allocate sufficient time for the Management to report all details thoroughly and encourage the directors to carefully discuss all significant matters, as well as freely exercising their independent judgement;
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;
4. To act as the chairman at the shareholders' meetings of the Company and to conduct the meeting in compliance with the Company's Articles of Association and the meeting agenda and to cast the casting vote in case of an equality of votes; and
5. To perform other duties as specified by laws particularly 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 to review the independency of each independent director, for the adjustment of the Board of Directors' structure to correspond with the Company's strategy;
2. To determine the criteria and process in selecting a person for the position of director, by considering:
 - qualifications of a director which 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 being required and inadequate in the Board of Directors (Board Skill Matrix);

- the appropriateness of their knowledge, experience, expertise and time availability as well as other requirements as stipulated by the laws or regulations of the government authorities;
3. To select a director who has qualifications in accordance with the specified qualifications:
- If the directors retire by rotation, to recommend those persons to the Board of Directors for approval and to further propose to the shareholders' meeting for consideration and appointment;
 - If there is a vacancy in the Board of Directors for any reasons other than the retirement by rotation, to propose a person/persons to the Board of Directors for consideration and appointment as a new director to replace the vacant position; and
 - If there is a need on the appointment of an additional director to correspond with the Board of Directors' structure, to recommend a person/persons to the Board of Directors for approval and to further propose to the shareholders' meeting for consideration and appointment;
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 sub-committees, taking into account the remuneration of other companies in the same industry and other listed companies on the Stock Exchange of Thailand in the same range of market capitalization. This is in order to motivate and maintain the valuable directors with the Company and to propose to the Board of Directors for approval and to further propose to the shareholders' meeting for consideration and approval;
5. To select the senior executives (i.e. Chairman of the Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, and other Chief Officer positions) who shall have at least the following qualifications:
- Possessing all qualifications under the securities and exchange law, rules and regulations of the Company and relevant supervisory agencies and the good corporate governance of the Company; and
 - Possessing the qualifications which are appropriate and in accordance with the business strategy of the Company, as well as having vision for managing big-size organization, leadership skill, appropriate knowledge, experience, expertise and ability to contribute and dedicate time for the Company's business affairs both in the domestic and international levels as the senior executives of the Company;

6. To consider the performance evaluation criteria of the Chairman of the Executive Committee and the Chief Executive Officer and propose the result of such evaluation to the Board of Directors for approval, to propose the structure, amount and form of remuneration of the Chairman of the Executive Committee and the Chief Executive Officer, both short-term and long-term remuneration, in correspondence with the result of the performance evaluation to the Board of Directors for approval, as well as determining and governing the performance evaluation, remuneration mechanism and welfare for all employees pursuant to the remuneration structure as determined by the Board of Directors;
7. To prepare the director development plan in order to develop the knowledge of the existing directors and the new directors as regards the business of the Company, the roles and duties of directors and other significant developments, including to determine the new director orientation guidelines;
8. To consider the appropriateness and conditions in offering new shares, warrants or other securities to the directors and employees as a motivation for the directors and employees to perform and build the long-term value for the shareholders as well as to maintain the qualified personnel with the Company. Nonetheless, such remuneration shall be justified to the shareholders;
9. To report their performance to the Board of Directors and/or at the shareholders' meeting;
10. To conduct an evaluation of the performance of the Nomination and Remuneration Committee on an annual basis and report the evaluation result to the Board of Directors; and
11. To appoint the working group to assist the Nomination and Remuneration Committee in performing their duties as well as to appoint the independent expert consultants for providing advice and assistance for the performance of duties by the Nomination and Remuneration Committee; and
12. To perform any other acts related to the nomination of directors 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 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 business policy, vision, mission, values, strategy and goals, both in terms of monetary and non-monetary, including the management structure, to correspond with the economy and competitive environment and to propose such to the Board of Directors for consideration and approval;
2. To prepare business plan, financial budget, and management authorities of the Company and to propose such to the Board of Directors for consideration and approval;
3. To govern, review and monitor the Company's performance result in compliance with the policy, mission, vision, values, strategy and goals, both in terms of monetary and non-monetary, as well as the approved business plan and financial budget on a quarterly basis in order to ensure that the Company's performance result is efficient and effective;
4. To consider and approve the Company's and subsidiaries' projects and report the project progress 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 and 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 such to the Board of Directors;

6. To report their performance to the Board of Directors and/or at the shareholders' meeting;
7. To conduct an evaluation of the performance of the Executive Committee on an annual basis and report the evaluation result to the Board of Directors;
8. To appoint the working group to assist the Executive Committee in performing their duties as well as to appoint the independent expert consultants for providing advice 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 laws or regulations of the authorities.

Duties and Responsibilities of the Chief Executive Officer

1. To be in charge of the day-to-day business operations of the Company, supervise and manage the works and operations of the Company to comply with the policy, vision, mission, values, strategy and goals, both in terms of monetary and non-monetary, as well as the business plan and financial budget as approved by the Board of Directors and/or the Executive Committee;
2. To employ, appoint, transfer, dismiss, and terminate employees in all levels, except (i) the appointment, transfer and dismissal of senior executives who hold the position of Deputy Chief Executive Officer and Chief Officer, which shall be approved by the Board of Directors and (ii) the appointment, transfer and dismissal of the Head of Internal Audit, which shall also be approved by the Audit Committee;
3. To determine the salary and remuneration, adjust the salary, bonus, reward and welfare of all employees of the Company, including the senior executives who hold the position of Deputy Chief Executive Officer and Chief Officer in correspondence with the remuneration mechanism and welfare as approved by the Nomination and Remuneration Committee;
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 the intercompany loans among the Company and the subsidiaries;

6. To issue internal order, policy, announcement and memo of the Company in order to ensure that the operations of the Company are in compliance with the policy and the interest of the Company, including to maintain the organizational disciplinary;
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 laws or regulations of the authorities;
8. To delegate one or more persons to perform any task on his behalf. However, such delegation shall not be the authorization that allows any designated person, who has a conflict of interests or a conflict of any kinds with the Company or its subsidiaries, to approve such transaction; and
9. If the Chief Executive Officer is not in the office or unavailable to perform his duties, the Deputy Chief Executive Officer shall act and perform the duties on his behalf in full respects and the Deputy Chief Executive Officer shall report or propose those approved matters to the Chief Executive Officer as soon as practicable.

Nonetheless, the power of the Chief Executive Officer shall not allow him to approve a transaction that he or his related person(s) is in conflict of interests or conflict of any kinds with 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 propose the same to the Board of Directors' or the shareholders' meeting (as the case may be) for consideration and appointment. 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), including but not limited to, race, religion, national origin and gender, the appropriateness of the qualifications and skills of the director(s) that are necessary but lacking in the Board of Directors. The Board Skill Matrix will be used to identify the required qualifications.

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.

■ **Separation of Power, Duties and Responsibilities of the Board of Directors and the Management**

The Company has a management structure that clearly defines the separation of power, duties and responsibilities of the Board of Directors and the Management. The Board of Directors, as the policy supervisor, has the duties to define the Company's vision, mission, values, strategy and long-term goals, including overseeing monitoring, and evaluating the performance of the Management. The Management, as the executives, has the duties to perform day-to-day operations to be efficient, effective and in compliance with the defined policies, vision, mission, values, strategy and long-term goals and report its performance to the Board of Directors on a regular basis.

In addition, in order to support the performance of the Board of Directors, enhance the effectiveness of the management governance system and promote the balance of power between the Board of Directors and the Management pursuant to the good corporate governance principles for the utmost benefits of the Company and shareholders. The Board of Directors shall appoint one independent director to hold the position of lead independent director whose roles, duties and responsibilities are as follows:

1. To represent the independent directors to consult with the Chairman of the Board of Directors and the Management on matters that are relevant and significant to the business operations of the Company, as well as serving as an liaison between the independent directors and the Chairman of the Board of Directors and the Management;
2. To jointly consider and determine in advance the annual agenda items for the Board of Directors' meetings with the Chairman and the Chief Executive Officer;
3. To act as an liaison between the shareholders and the Board of Directors; and
4. To act as the Chairman at the meetings of the non-executive directors.

■ **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 promotes and encourages each director to attend the Board of Directors' meeting at least 75% of the total number of meetings in each fiscal year, except in case of

necessity and emergency. 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 will hold its meetings regularly as it deems 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 encourages the directors to develop their personal skills and knowledge regularly and adequately. The Nomination and Remuneration Committee has 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 (IOD), the Capital Market Academy, 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 the Thai Institute of Directors Association (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 Code of Business 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.

■ **Assessment of the Performance 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.

■ Directorship of Senior Executives in Non-BTS Group Companies

The Chairman of the Executive Committee and the Chief Executive Officer should not hold any directorship position in non-BTS Group companies, save for the exceptions stipulated by the Board of Directors. Furthermore, the Company has determined a policy on the number of directorship positions that a senior executive of the Company may hold in non-BTS Group companies to not exceed 5 companies, unless a consent has been obtained from the Chief Executive Officer.

■ Succession Plan

The Board of Directors places importance on having an effective and efficient management as well as the continuance of its business operations, which are essential factors to the sustainable growth of the organization. Thus, the Company is required to prepare a succession plan for the positions of the Chairman of the Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, and other senior executive positions, and to review the same from time to time in order to ensure that there will be competent senior executives for the succession of these key positions in the organization.

■ Nomination and Nomination Procedures for Chief Executive Officer

The Nomination and Remuneration Committee shall select a candidate for the position of Chief Executive Officer in accordance with the selection criteria of the Company, by taking into consideration the qualifications of the Deputy Chief Executive Officer and other Chief Officers within the organization first. If there is no qualified candidate in the organization suitable for this position, the candidate shall be sought from the external source. Such qualified candidate shall be further proposed to the Board of Directors for their consideration and appointment.

■ 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 senior executives, the Chief Executive Officer shall consider and determine the executives' remuneration individually based on their performance by using various indicators and propose the same to the Nomination and Remuneration Committee for their consideration and approval. 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 Board of Directors determines the qualification of the person who holds the company secretary position, i.e. possessing educational background in law or accounting, and/or experiencing the training courses that are in relation to the company secretary's performance. 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

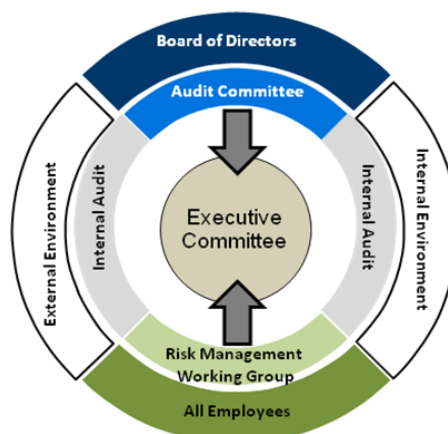
The Board of Directors is aware of the importance of having a good internal control system in order to ensure that the management and operational control of the Company is systematic and correspond to the objectives and long-term goals of the Group. The Management is responsible for setting the structure of the internal control system to cover the following aspects, namely Control Environment, Risk Management, Control Activities, Information & Communication, and Monitoring Activities, implementing this system to effectively achieve the objectives, as well as ensuring that the Company's internal control system is adequate and appropriate for the circumstances at any point in time with continuous improvement and development.

The Audit Committee is responsible for reviewing and evaluating the adequacy of the internal control system and report to the Board of Directors, in particular, the matters relating to 1) the effectiveness and efficiency of business operations, 2) the reliability of financial reporting, 3) the compliance with the laws and regulations, 4) risk management, and 5) assets management.

■ Risk Management

Risk management is an important component in the Company's business operations. The Company has a policy to manage both internal and external risk factors that affect the Group to the level that is appropriate, acceptable and no impact on the good corporate governance principles.

Types of risks are divided 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 measures are in accordance with the Group's objectives, strategy, direction, and goals.



The Company determines that all executives and employees of the Group are owners of the risks 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. **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 *the Enterprise Risk Management Policy* available on the Company's website at www.btsgroup.co.th for more information.

■ Internal Audit Office

The Internal Audit Office is an independent unit in the Company and reports directly to the Audit Committee. The Internal Audit Office has responsibilities to examine and evaluate both financial and non-financial information, including reviewing compliance with the internal policies. 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 auditing, monitoring, controlling, examining, reviewing, and assessing 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 on a quarterly basis and monitors the progress of the implementation of the recommendations provided during the course of examination regularly.

■ Policy on the Protection of Inside Information

The Company has established a policy on the protection of inside information by prohibiting the directors, executives, and 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.

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 Board of Directors 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	
		For the disclosure of financial statements	For any matters that may affect the securities price
<ul style="list-style-type: none"> - The Company, subsidiaries, associated companies - Directors, executives, employees, and/or any relevant persons of the Company, subsidiaries, and associated companies who are in charge of or have access to inside information 	Securities of the Company, subsidiaries, and associated companies	One month prior to the date of the Board of Directors' meeting that is proposed to approve the financial statements until one business day after the disclosure of such financial statements through the disclosure portal of the Stock Exchange of Thailand	14 days prior to the date of the Board of Directors' meeting that is proposed to approve the matter that may affect the securities price until one business day after the disclosure of such matter through the disclosure portal of the Stock Exchange of Thailand

The directors and 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.

■ **Related Party Transactions and Potential Conflict of Interest Transactions**

The Board of Directors has established policies on related party transactions and potential conflict of interest transactions in accordance with the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Act as follow:

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 its 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 Potential Conflict of Interest Transactions

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.

■ **Governing Relationship with Subsidiaries and Associated Companies**

The Company, as the parent company, is responsible for governing and overseeing the business operations of the companies within the Group, sets out governing policies and standards, defines directions and business goals for the Group, as well as follow up on the implementation and compliance thereof on a regular basis. In this regard, the Board of Directors has the authority to define the overall directions, business model, strategies, business plans, and financial budgets, as well as resources allocation, which are applied to the Group on a consolidated basis. The Board of Directors also makes decisions on matters which are of major significance to the Group, for example, investment or divestment, asset acquisition or disposal, business joint venture or termination thereof.

The investment policies in the Company's subsidiaries and associated companies are as follows:

Investment Policy in Subsidiaries

The Company has a policy to invest in businesses that support or align with the core businesses of the Group. Each subsidiary is strategically used to set the marketing position and specific business focus, as well as maximize operational efficiency and increase flexibility for growth.

The Company will define business policies, directions and business goals that the Company considers to be conducive to the achievement of the Group's corporate objectives and long-term goals for the subsidiaries through (i) the subsidiaries' general meeting of shareholders, where the Chief Executive Officer or any person authorized by the Company to attend such general meeting of shareholders shall vote in accordance with the instructions of the Company; and (ii) the subsidiaries' board of directors, by nominating the Company's executive directors or senior executives or any persons designated by the Board of Directors as the Company's representatives to take the positions in the subsidiaries' board of directors (or management), in order to set the strategies, business plans, and financial budgets, as well as follow up on the subsidiaries' performance. The Company's representatives shall be appointed by the Board of Directors or the Executive Committee (as the case may be), except in the case of small operating subsidiaries, the Board of Directors or the Executive Committee may authorize the Chief Executive Officer to appoint the Company's representatives to take the positions in the subsidiaries' board of directors (or management).

The Company's representative shall perform his or her duties in the capacity as the subsidiaries' director (or executive) in a responsible manner. The Company's representative shall oversee and monitor the subsidiaries' business operations to be in compliance with the relevant laws and regulations, as well as this Corporate Governance Policy and Code of Business Conduct and the Policy on Delegation of Authority, and exercise his or her discretion in decision-making of any matters for the interest of the subsidiaries and in line with the Group's policies. The Company's representative shall report the subsidiaries' financial status and performance, and propose any matters which are of major significance to the subsidiaries, to the Board of Directors or the Executive Committee (as the case may be) pursuant to the Policy on Delegation of Authority. Furthermore, the Company's representative shall oversee that the subsidiaries' disclosure of any significant information are accurate and complete, manage any potential conflict of interest between the Company and the subsidiaries in an appropriate manner (at arm's length basis), and ensure that the internal control system is effective and adequate.

Investment Policy in Associated Companies

Unless there are appropriate or reasonable grounds to invest less than 25 percent, the Company's policy is to invest not less than 25 percent in associated companies with business partners and/or companies having expertise in a particular area in order to supplement the core businesses of the Group.

The Company shall review and monitor the associated companies' performance, as well as actively pursue the associated companies to comply with the principles of good corporate governance and business ethics that are in line with the Company or the international recognized standards. In this regard, the Company shall nominate the Company's executive directors or senior executives or any persons designated by the Board of Directors as the Company's representatives to take the positions in the associated companies' board of directors. The Company's representatives shall be appointed by the Chief Executive Officer, except in the case of associated companies in which the Company has a significant but non-controlling shareholding, the

Board of Directors or the Executive Committee (as the case may be) shall appoint the Company's representatives to take the positions in such associated companies' board of directors. In addition, the Company may enter into a shareholders' agreement or any other agreements in order to define the management framework and the participation in the decision-making of any matters that are of major significance to the associated companies, as well as to ensure that the investments in such associated companies will generate returns and are for the best interest of the Group.

The Company's representative shall perform his or her duties in the capacity as the associated companies' director in a responsible manner for the interest of the associated companies and in line with the Group's policies. The Company's representative shall report the associated companies' financial status and performance, and propose any matters which are of major significance to the associated companies, to the Board of Directors or the Executive Committee (as the case may be) for consideration. The Company's representative shall manage any potential conflict of interest between the Company and the associated companies in an appropriate manner (at arm's length basis), and ensure that the resolutions of the board of directors' meetings are complete and duly documented, including any minority dissents or considerations.

Section 4 : Code of Business Conduct

In order for BTS Group to conduct its business with honesty and integrity on the good ethical principles, the Board of Directors has set out the business conducts and ethics in accordance with the core principles of good corporate governance as guidelines for BTS Group's personnel, which include **directors, executives, and employees of the Company and its subsidiaries**, to abide and strictly comply with. In addition to behaving as a good precedent, directors, executives, and supervisors are responsible for monitoring, supervising, and encouraging subordinates to behave and comply with the defined policies and guidelines.

The Company encourages its associated companies, joint ventures, business partners or suppliers to comply with the relevant laws and regulations, and adhere to the principles of good corporate governance and business ethics that are equivalent to the international standards or the Company's practices. These shall serve as guidelines for the business cooperation in order to attain the common goals.

Significant policies and guidelines of BTS Group are as follows:

4.1 Respect of Human Rights

BTS Group places importance on the respect of human rights, emphasizing on the equality and equity without discriminating on the grounds of race, religion, national origin, gender, skin color, age, physical ability, sexual orientation, political opinion, social status, education or other status, as well as respecting the individuality and human dignity in accordance with the internationally proclaimed human rights, including the UN Declaration and conventions on human rights.

The Company's personnel shall respect the personal dignity, privacy and rights of each individual they interact with during the course of work and shall not in any way cause or contribute to the violation or circumvention of human rights.

4.2 Treatment of Shareholders

Shareholders, as the owners of the Company, are entitled to fair and equal treatment in accordance with the shareholder rights as prescribed under the laws and the Articles of Association, including the right to attend and vote at the shareholders' meeting, the right to freely express opinion and the right to receive fair returns.

The Company strives to deliver accretion of shareholder value through earnings growth and improvement of operational effectiveness. Specifically, the Company aims to deliver long-term shareholder returns that outperform returns from investment alternatives with a similar risk profile.

The Company's personnel shall support and encourage the shareholders to exercise their shareholder rights, treat the shareholders with respect and take into consideration their opinion and complaints, disclose the

Company's information accurately and in full, and operate the business for the best interest of the Company and the shareholders.

4.3 Treatment of Customers

BTS Group is committed to delivering customers' satisfaction and confidence. The Group focuses on quality and safety of the products and services, accountability towards customers and safeguarding of customer information. By conducting customers' satisfaction surveys, the Group uses them as guidance to develop and improve the products and services. The Group's success is dependent on its ability to develop and maintain a long-lasting customer relationships.

The Company's personnel shall interact with the customers with respect and care, taking into consideration their opinion and complaints, understanding and anticipating their needs and continuously delivering products and services that satisfy those needs in order to maintain good relationships with the customers in the long run.

4.4 Treatment of Employees

Employees are valuable resource in the business operations. Having good working conditions will foster fair employment practices and ethical conduct value.

BTS Group is committed to creating good working conditions. The Group recognizes and respects the fundamental labour rights under the International Labour Organization's fundamental conventions, which includes, among others, freedom of association, collective bargaining, and industrial relations, elimination of child labour, prohibition of forced or compulsory labour, equality of opportunity and treatment, and occupational health and safety.

Employees have the right to equality of opportunity or treatment. The Group adheres to human rights and labour principles, laws and regulations, as well as this Corporate Governance Policy and Code of Business Conduct as the foundation for the relationship between the Group and its employees and amongst the employees.

Employees have the rights to reasonable compensation and welfare, internal and external trainings for the development of their potential and good opportunity for the career growth. Employees have the right to enjoy good health, safety and security in their life and property. A healthy and sustainable work-life balance will support and enable the employees to work efficiently for the best interest of the Company.

The Company's personnel shall perform their duties in a responsible and ethical manner with loyalty and honesty.

The Company's personnel shall treat their colleagues and others that they interact with during the course of work with respect and open-mind, without discrimination on the grounds of race, religion, national origin,

gender, skin color, age, physical ability, sexual orientation, political opinion, social status, education or other status. The Company does not tolerate any unacceptable behaviour or degrading treatment in the workplace, including mental cruelty, sexual harassment or discrimination, as well as gestures, language or physical contact that is sexual, coercive, threatening, abusive or exploitative.

The Company's personnel shall contribute to the creation of good working culture and environment and team work.

4.5 Treatment of Business Partners

Business partners are essential to the Group's ability to operate its business, to compete in the market, and to produce goods and services. The Group adheres to the principles of non-discrimination and equality of opportunity in the selection of its business partners and in the conduct of its business relationships in order to develop and maintain good relationships with its business partners, which will lead to partnerships that support one another in the long run.

The Company's personnel shall treat the business partners with transparency and fairness, selecting the business partners in accordance with the Company's procurement process, negotiating with the business partners to achieve fair terms and considerations for both parties, as well as treating the business partners in accordance with the agreements and this Corporate Governance Policy and Code of Business Conduct.

The Company's personnel are required to carefully select the Company's business partners, and shall perform an ongoing monitoring, audits and assessments in order to ensure that the business partners do not conduct any activities that are not in conformity with good business ethics, which may have an impact on the Company's reputation.

4.6 Treatment of Competitors

BTS Group shall conduct its business in an honest and professional manner. BTS Group supports fair and open competition in all markets and will not cause or be part of any breach of the local or international competition laws.

The Company's personnel must treat the Company's competitors within the scope of laws and this Corporate Governance Policy and Code of Business Conduct with emphasis on fair competition, honesty and transparency. The Company's personnel shall not discredit the competitors' reputation by casting aspersions nor seek their information or secrets in bad faith or unfair manner.

4.7 Treatment of Creditors

BTS Group focuses on building creditors' confidence by treating the creditors with honesty, transparency and equality.

The Company and its personnel must strictly conform to the terms and conditions of the agreements entered into with the creditors, ensuring that all due loans and interests are paid correctly and in a timely manner, and shall not utilize the loan proceeds in any way that is contrary to their objectives, as well as not concealing any information or facts that may cause damages to the creditors.

4.8 Social Responsibilities

Undertaking businesses with good conscience towards the community and the society is an important driving force to sustainable development of the community and the nation at large.

BTS Group is committed to undertake the Sustainable Development Goals (SDGs) of the United Nations with the aims to improve the quality of life and well-being of the community and the society, which will create a strong foundation and bring happiness to the community and the society as a whole.

BTS Group continually provides support to activities that contribute to the development of the community and the society. Such is not only in response to the needs of the community and the society, and the expectation of the relevant stakeholders, but also to encourage the Company's personnel to contribute and recognize their duties and responsibilities towards the community and the society in a tangible way.

The Company's personnel are encouraged to participate in the Group's social responsibility activities, which are arranged regularly across the nation.

4.9 Environment

BTS Group strives to balance its economic pursuits with environmental considerations. BTS Group conducts its business by continuously developing and improving its operations to be environmental friendly or causing minimal impact on the environment, in conformity with applicable laws and internationally recognized environmental standards. BTS Group fosters a culture of individual environmental responsibility within the organization.

The Company's personnel must contribute to these goals through their own behavior. They shall protect and effectively manage the use of finite resources, including energy, water, etc. as well as contributing to minimizing harmful emissions and waste to the environment, such as carbon dioxide (CO₂) and other air emissions or discharges to water. In addition, the Company's personnel shall implement sustainable sourcing and select business partners who share the Company's concerns on environmental responsibilities.

4.10 Occupational Health and Safety

BTS Group places high priority on the creation of a healthy and safe working environment and does its utmost to promote occupational health and safety awareness in its organizational culture

BTS Group puts in place preventive measures for accidents and occupational diseases in accordance with applicable laws and internationally recognized standards.

It is the responsibility of the Company's personnel to foster these efforts and strictly adhere to the prescribed rules and regulations on occupational health and safety. They shall regularly attend training and be attentive to various communication on occupational health and safety issues. They shall be able to identify, report and contribute to the prevention or mitigation of any risk which may represent a potential threat to the health and safety in the workplace.

The Company's personnel shall adhere to the principles of occupational health and safety both when selecting business partners and in the conduct of the business relationships.

4.11 Anti-Corruption

Corruption means the seeking of unlawful benefits for private or others' gains, whether directly or indirectly, in all forms, including bribery, political supports, charitable contributions, sponsorships, gifts, hospitality, etc. Corruption gives rise to unfairness and causes damages to the business, economy, society and the country at large. The coalition to take a firm stand against corruption is for the interest of all.

BTS Group is committed to a firm stand against corruption and does not tolerate any forms of corruption. BTS Group does not allow reprisals of any kind against the Company's personnel who refuse to condone corruption even if such refusal will cause the Group to lose its business opportunity.

The Company's personnel, including any persons involving in the Company's business operations, shall strictly comply with the Company's policy on anti-corruption, as well as avoiding involvement, whether directly or indirectly, with any forms of corruption. The Company's personnel shall place importance on transparency and integrity when transacting businesses with business partners, officers or government agencies in order to avoid inappropriate acts or violation against the Company's policy on anti-corruption or unlawful acts under the laws on corruption.

Please refer to *Anti-Corruption Measures* on the Company's website at www.btsgroup.co.th and *Fraud Risk Management Procedure* and *Guidelines of Practices* on the Company's intranet system for more information.

4.12 Anti-Money Laundering

BTS Group is committed to complying with the laws governing anti-money laundering and is firmly opposed to all forms of money laundering. BTS Group is determined to prevent itself from being used as a channel or instrument to transfer, conceal, or disguise proceeds from illicit activities into assets which ostensibly derive from legitimate business activities.

The Company's personnel are required to carefully select the Company's business partners by thoroughly check their records in order to ensure that such business partners engage in legitimate business activities and do not conduct any activities which may be suspicious of money laundering or support money laundering.

The Company's personnel shall take reasonable steps to prevent and detect any transfer or conversion of assets, or any support of such transfer or conversion of assets, as illegal form of payments to the Company.

4.13 Political Activities

BTS Group is committed to being politically neutral, abide by the laws and uphold the democratic regime of government. The Group has no policy to provide political support or assistance to any political parties, politicians or political related persons.

The Group respects and encourages its personnel to exercise their political rights in compliance with the laws as good citizens.

The Company's personnel may express, participate, or support political activities outside working hours, on their own behalf and personal resources. The Company's personnel are prohibited from taking any political actions using the Company's reputation, property, or other resources for such purposes.

4.14 Non-infringement of Intellectual Property

Intellectual property are valuable assets and may attribute to the success in the market. The Group places importance on intellectual property and respects the intellectual property of others. Intellectual property includes trademarks, copyrighted works, patents, inventions, trade secrets, know-how, etc.

The Company's personnel shall keep confidential trade secrets and know-how used in the Company's business operations, as well as protecting and safeguarding the Company's intellectual property from unauthorized access, sharing or illegal use. Furthermore, the Company's personnel shall respect and shall not infringe the intellectual property of others.

4.15 Confidentiality

Important or confidential information is valuable asset of the Group. Unauthorized access or disclosure of such information to external parties may impair the value and could cause damages to the Group's business and other relevant persons.

Information from or concerning customers, employees or other third parties must be protected and treated with confidentiality in accordance with legal and contractual requirements.

The Company's personnel shall place importance on the information accessible to them. The Company's personnel shall take caution when discussing, providing or forwarding the Company's or the Group's information in order to prevent such information from leakage and avoid unduly use or disclosure of such information by external parties or unauthorized persons. If important or confidential information is to be shared with or forwarded to external parties, the Company's personnel must ensure that a written confidentiality agreement is in place.

The obligation to maintain confidentiality and not disclosing important or confidential information to external parties extends beyond the termination of the relevant relationship with the Company, e.g. retirement, resignation, termination of employment, or termination of any contractual relationship, for as long as such information remains confidential.

4.16 Data Privacy

Nowadays, access to the internet, electronic communication and exchange of information are crucial to the business and for the success of the business as a whole. Nevertheless, the advancements of information technology are tied to the risks of personal privacy and data protection. BTS Group places importance and takes utmost responsibilities on effective information technology management.

Personal data, such as information from or concerning customers, employees or other third parties may only be collected, processed, or used for legitimate business purposes, and must be limited to what is needed to support operational purposes, efficient customer care, relevant business or commercial activities, and proper administration of human resources.

The Company's personnel must treat personal data with due care and awareness. They may only collect, process, or use personal data as they are authorized and in compliance with the relevant laws on protection of personal data. They must never use any such data for personal benefits or in any other inappropriate way.

4.17 Trading of Securities

BTS Group places significant emphasis on the prevention of the use of inside information for the Company's personnel own benefits, including their related persons, or others' benefits. The use of inside information to trade securities is an offence under the securities and exchange laws. Inside information means information that is price sensitive or may affect investment decision-making.

The Company's personnel shall strictly comply with the Company's policy on protection of inside information from misuse. In the event that the Company's personnel have or receive inside information of the Group, whether from performing their duties or other sources, the Company's personnel shall not use such inside information to trade the Company's, the subsidiaries' or the associated companies' securities for their own benefits or others' benefits. In addition, the Company's personnel shall not disclose such inside information to

outsiders or non-relevant persons, whether directly or indirectly, during the period in which such inside information has not been disclosed to the public through the Stock Exchange of Thailand or until such inside information ceases to be price sensitive or no longer affect the investment decision-making. Furthermore, the Company's personnel are prohibited from trading of securities during the disclosure of financial statements or material transactions of the Company, its subsidiaries and associated companies pursuant to the rules and procedures of the policy on protection of inside information from misuse.

The Company's personnel shall ensure that their related persons, such as spouse and minor children, or any persons involving in the Company's business operations and having access to the inside information, do not violate the Company's policy on protection of inside information from misuse.

If there is any doubt on the trading of securities, the Company's personnel shall consult the Legal Department or the Company Secretary Office.

4.18 Conflict of Interest

Conflict of interest is when a personal or outside interest conflicts with the best interest of the Group. A personal interest could be a financial interest, a personal relationship, or any interest or relationship that could affect the judgement and decision-making.

The Company's personnel shall perform their duties in a responsible manner with loyalty and honesty, protecting the Company's interest and avoiding the appearance of any conflict of interest. The Company's personnel shall not exercise their influence to persuade a decision for their own benefits and shall consider any issues on conflict of interest in an independent and ethical manner, and shall ensure complete disclosure of relevant information for the interest of the Company.

The Company's personnel must not engage in businesses that compete or of similar nature as the Group's businesses, and shall not seek benefits from the Group's inside information, their positions, and duties and responsibilities within the Company.

The Company's personnel shall not hold external duties or positions which may affect their work ability and capacity unless such duties or positions are approved by their supervisors.

4.19 Reporting or Whistleblowing

The Company's personnel shall not be negligent of any breach of the policies and guidelines under this Code of Business Conduct, including other rules and regulations of the Company.

If there is any doubt or require any advice on a specific case, the Company's personnel may consult their supervisors, or the Human Resources Department at telephone: +66 (0) 2273 8611-5 ext. 1418, 1419 or email: DoltRight@btsgroup.co.th.

If there is a breach or a case of possible breach of the policies and guidelines under the Code of Business Conduct, the Company's personnel can report such breach to their supervisors, or the Human Resources Department, or through the reporting channel "**Nudual Chuan Chee Chong Hotline**", which is an intake system operated by an unaffiliated service provider.

Telephone: 1 800 292 777 or +66 (0) 2677 2800

Email: tell@thailand-ethicsline.com

Post: P.O. Box 2712 Bangrak Post Office Bangkok 10500

All reports will be handled confidentially. The reporters may choose to remain anonymous. In order to protect the rights of the reporters, the Company will not disclose the names or any information that can identify the reporters, and will keep such information and all documents and evidence confidential. Only those who are responsible for conducting investigations on the reports may have access to such information.

4.20 Disciplinary Actions

In the event that the Company's personnel breach the policies and guidelines under this Code of Business Conduct, including any rules and regulations of the Company, which causes damages to or has a negative impact on the Group, apart from being subject to penalties in accordance with the relevant laws, such personnel may be deemed to have breached the work rules of the Company and shall be subject to disciplinary actions. There are five levels of disciplinary actions depending on the nature of the breach, the seriousness of the wrongdoing, or the severity of the consequences of such action as follows:

- (1) Verbal warning;
- (2) Written warning;
- (3) Work suspension;
- (4) Dismissal with severance pay; and/or
- (5) Dismissal without severance pay.

Disciplinary actions may also be imposed upon the Company's personnel for their request of others to commit a breach, failure to promptly report a breach, failure to cooperate with the investigations of possible breaches, reporting false information or retaliation against the reporter who reports in good faith.



Acknowledgement and Conformity Form

I have read this Corporate Governance Policy and Code of Business Conduct of BTS Group Holdings Public Company Limited.

I understand and will act in compliance with the policies, practices and operational guidelines under this Corporate Governance Policy and Code of Business Conduct.

Signature : _____
(_____)

Employee ID : _____

Position : _____

Business Unit : _____

Date : _____

-For www.btsgroup.co.th-