

(-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
Form 56-1 One Report	means	Annual Registration Statements/ Annual Report as stipulated by the Capital Market Supervisory Board and/or the Securities and Exchange Commission
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
Office of the SEC	means	the Office of the Securities and Exchange Commission
SEC	means	the Securities and Exchange Commission
SEC Act	means	the Securities and Exchange Act, B.E. 2535 (1992) (as amended)
Senior Executives	means	Persons who hold the position of Chief Executive Officer, Deputy Chief Executive Officer, and Chief Officer
SET	means	the Stock Exchange of Thailand
Subsidiaries	means	the companies over which the Company has control with any of the following characteristics: (a) 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; (b) having control of the majority voting rights in the shareholders' meeting of companies whether directly or indirectly or by any other reasons; or (c) 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 (a) – (c)

- For [www.btsgroup.co.th](http://www.btsgroup.co.th) -

## ***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.

In addition, the Board of Directors has considered to review and revise this Corporate Governance Policy to align with the Corporate Governance Code for listed companies 2017 issued by the Office of the SEC and the criteria of the various corporate governance assessments.

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 SET, 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 serve our community with unique and sustainable solutions that greatly contribute to an improved life
- Mission** : We build inclusive infrastructure, platforms and innovate quality services for our community, using a sustainable approach
- 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 has developed an **innovative ‘3M strategy’** that leverages off its proprietary and primary MOVE and MIX networks.

Under the 'Sharing Economy' concept, BTS Group provides a unique **MATCH** solution to its partners; sharing access to both its MOVE network (providing ACCESS to customers) and its MIX network (providing broad and customized audience REACH).

Our **MOVE** network itself is a pioneering concept whereby we aim to provide convenient and safe door to door transportation solutions to customers, which purposefully support UN SDG13 (climate action) by reducing carbon emissions and improving living conditions.

Our **MIX** network has advanced beyond its leading OOH media capability to provide comprehensive O2O solutions combining advertising, payment and logistics services, incorporating smart DATA for optimizing insight and customer satisfaction.

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## ***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 SET, the SEC 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 annual general meeting of shareholders is 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 Sustainability Committee, the Risk Management 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.

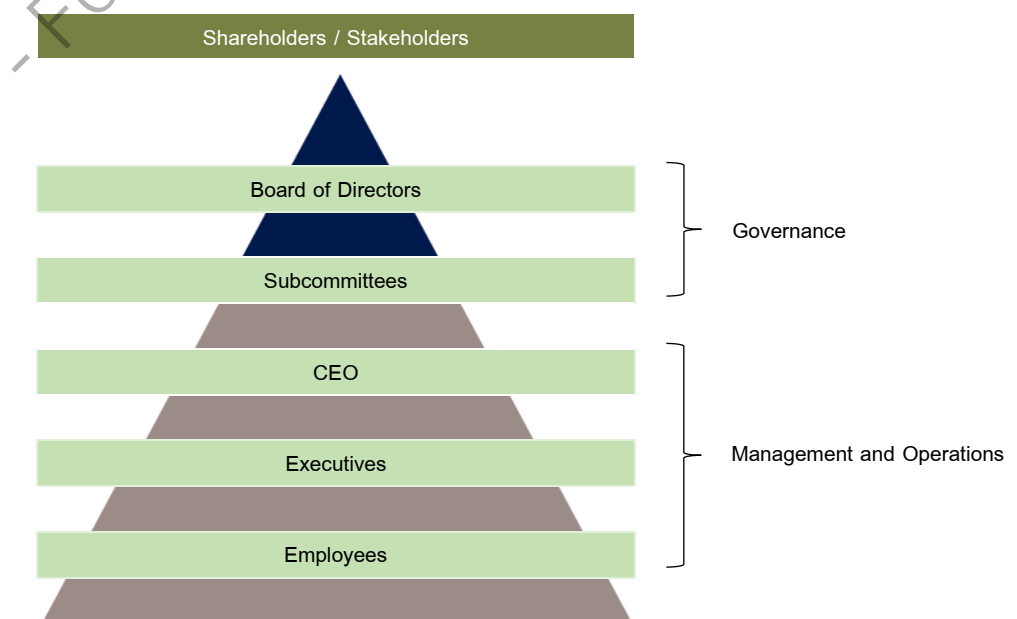
▪ The **Nomination and Remuneration Committee** shall make recommendations to the Board of Directors regarding, in particular, the Board of Directors' structure, qualified candidates for election as directors and senior executives, as well as remuneration framework for directors, executives and employees.

▪ The **Sustainability 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, as well as potential impacts on all stakeholders, for sustainable development.

▪ The **Risk Management Committee** shall determine the enterprise risk management policy and framework, as well as supervising each business unit of the Group on the implementation and compliance with such policy and framework.

▪ 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 Meeting 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 eight principles, policies and corporate governance guidelines as follows:

### **Principle 1**

#### **Recognize Roles and Responsibilities of the Board of Directors as Corporate Leader in Creating Sustainable Values to the Business**

##### **Principle 1.1 Key Role as Corporate Leader**

The Board of Directors understands and realizes its role and responsibilities as corporate leader to ensure good corporate governance, which includes:

- (1) defining objectives and goals;
- (2) defining strategies, operating policies, and allocating significant resources to achieve the objectives and goals; and
- (3) monitoring, evaluating and supervising the reporting on operating results.

##### **Principle 1.2 Oversee Creation of Sustainable Values to the Company**

The Board of Directors, as leader in corporate governance, has its corporate governance policy in place to sustainably create values to the business towards successful achievements, namely:

- (1) conducting the business to ensure its competitiveness and good operating results, primarily taking into account the creation of good values for the business in the long run in terms of not only its financial performance but also social and environmental impact;
- (2) operating the business ethically in a manner that respects the rights and responsibilities of shareholders and stakeholders.;
- (3) operating the business, taking into account the social contribution in conjunction with social and environmental development as well as the mitigation of social and environmental impact;
- (4) carrying on the business to ensure its resilience under various change factors.

In addition, the Company places importance on corporate governance and believes that good corporate governance will support the sustainable growth of the Group, and therefore, has established 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. The Board of Directors also provides regular communication and training to the directors, executives, and employees to understand the importance of such matter and regularly monitors the performance thereof. 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.

**Principle 1.3 Performing Duties with Accountability and Responsibility, Carefully and Honesty for the Best Interest of the Organization**

The Board of Directors will supervise and ensure that directors and executives perform their duties with accountability and responsibility, duty of care and duty of loyalty in the best interest of the organization and establish adequate mechanism to ensure that the Company's operations comply with the laws, its objectives, articles of association, resolutions of the Board of Directors' Meetings, resolutions of the shareholders' meetings and the Company's policies, including authorization procedures for significant matters as required by laws.

**Principle 1.4 Key Roles, Duties and Responsibilities of the Board of Directors**

The Board of Directors understands its scope of key roles, duties and responsibilities, and clearly delegates the scope of duties and responsibilities to subcommittees, Chief Executive Officer and Management, as well as monitors to ensure the performance of their assigned duties.

**(1) Board of Directors**

The Board of Directors is determined and committed to build the Company as a leading organization that is perceived at the international level 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.

The Board of Directors has a duty to comply with the laws, objectives, articles of association, resolutions of the Board of Directors' meetings and resolutions of the shareholders' meetings including corporate governance, conflicts of interest, code of conduct, and business ethics with honesty, integrity and due care, to ensure that its operations lead towards the best interest of the shareholders and stakeholders.

The duties and responsibilities of the Board of Directors also 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.

In this regard, the Board of Directors has established the “Board of Directors’ Charter” in writing which specifies the composition, qualifications, appointment and removal of directors, rules of the Board of Directors’ Meeting, duties and responsibilities of the Board of Directors, and directors’ knowledge development and corporate governance in order to enable the directors to efficiently and transparently perform their duties. Such charter will be regularly reviewed, at least once a year, to be in line with up-to-date situations, regulations, rules and any other circumstances.

For more details about duties and responsibilities of the Board of Directors are described in the Board of Directors’ Charter which are disclosed on the Company’s website at [www.btsgroup.co.th](http://www.btsgroup.co.th).

(2) Subcommittees

The Board of Directors has appointed the following subcommittees of experts in specific areas of work to have the duties to consider and screen matters, as well as propose their opinions and suggestions, as delegated by the Board of Directors prior to proposing the matters to the Board of Directors, namely: Audit Committee, Nomination and Remuneration Committee, Sustainability Committee, Risk Management Committee and Executive Committee.

The compositions, qualifications, rules of the Meeting, duties and responsibilities of the subcommittees are described in the respective subcommittees’ charters in writing, which are disclosed on the Company’s website at [www.btsgroup.co.th](http://www.btsgroup.co.th). The charters will be reviewed at least once a year for being suitable for the current circumstances, regulations, rules and changing situations.

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.

(3) Scope of authorities, duties and responsibilities of the Board of Directors and the Management

(3.1) Key responsibilities of the Board of Directors include:

1. To consider approving and/or providing opinions on significant matters relating to the Company’s operations, e.g., to determine the Company’s policy, vision, mission, values, strategies and goals, both in terms of financial and non-financial, etc.;
2. 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;
3. To ensure that the Board of Directors’ structure and performance are appropriate to efficiently achieve the objectives and main goals in the business operations;
4. To proceed with the nomination, development, remuneration and performance evaluation of the Chief Executive Officer;
5. 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.

(3.2) The Board of Directors and the Management jointly have the duty to consider establishing and laying down the overall operating policy in line with the objectives and main goals in the business operations. The Board of Directors delegates its power to the Management to handle business affairs and monitor the Management to perform their assigned duties. The Management has the duty to carry on and manage the business affairs in line with such strategies, policies and work plans approved or authorized by the Board of Directors, and duly report to the Board of Directors on a regular basis, as appropriate, namely:

- (1) To set out and review strategies, goals, business plans and annual budgets;
- (2) To establish and supervise the adequate and appropriate internal control and risk management systems;
- (3) To delegate the power to proceed as appropriate to the Management's responsibilities, such as, the authorization of the Policy on Delegation of Authority, etc.;
- (4) To set out the scope of allocation of resources, development and budgeting, e.g. policy and plan for personnel management, policy on information technology development;
- (5) To monitor and evaluate the Management's performance of its assigned tasks in the implementation of the specified policies and plans;
- (6) To supervise the accuracy, completeness and reliability of financial and non-financial information disclosures to the public.

The Board of Directors will supervise the policy level while the Management will proceed with the execution of the strategies, policies and work plans approved by the Board of Directors, and will be responsible for making decisions on business operations, marketing, sales, procurement, resources management, human resources management, and general administration, etc.

## **Principle 2**

### **Definition of Objectives and Main Goals of the Business for Sustainability**

#### **Principle 2.1 Definition of Objectives and Main Goals**

The Board of Directors places great emphasis on defining the key objectives and goals of the business for sustainability in line with creating values and benefits to the organization, customers, partners, employees, shareholders, stakeholders, society and the environment as a whole, so as to create corporate culture on the basis of good corporate governance.

- (1) The Board of Directors is responsible to ensure that the business has clearly and properly defined its objectives and main goals as appropriate to the economic, social and environmental conditions, so as to come up with a suitable business model, by way of corporate vision, mission and values, or principles and purposes, which will be communicated to personnel at every level for the purpose of driving the organization towards the same direction.
- (2) In order to achieve the objectives or main goals, the Board of Directors will consider defining such business model capable of creating values to the business, stakeholders, society and the environment altogether, taking into account 1. the environment and various change factors, including the effective use of innovation and technology 2. the requirements of customers and stakeholders and 3. competitiveness, know-how, opportunities and risks in the business.
- (3) The corporate values will reflect the good corporate governance characteristics, such as accountability, integrity, transparency, due consideration of social and environmental responsibilities, etc.
- (4) The Board of Directors promotes communications and ensures that the objectives and main goals of the organizations are reflected in the decision-making and operations by personnel at every level as our corporate culture.

#### **Principle 2.2 Business Strategies and Annual Plans in line with Objectives and Main Goals**

The Board of Directors will ensure that the annual and medium-term business objectives, goals and strategies shall be aligned with the business's objectives and main goals.

- (1) To ensure that the business strategies and annual plans must be aligned with the business's objectives and main goals, including its sustainability goals, both medium-term and long-term (3 to 5 years), considering the business environment, opportunities and the Company's risk appetite, including determines to be reviewed annually basis.
- (2) To support the execution of strategies towards such goals to ensure that the strategies and annual plans have taken into account impact for longer term which can be reasonably foreseen, including monitoring 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 ensure that the strategies and plans take into account all relevant factors (both opportunities and risks) which may affect the stakeholders concerned throughout the value chain, including such factors which may have potential impact on the achievement of the main goals, whereby there should be a mechanism to identify the stakeholders' expectations.
- (4) To ensure that the formulation of strategies to promote the creation and application of innovation and technology to enhance its competitiveness, respond to the stakeholders' requirements in an appropriate and safe manner, and meet social and environmental responsibilities.

- (5) To consider that the set goals are suitable for the organization's business profile and competency, in terms of both monetary and non-monetary goals, and compatible with the laws, the code of ethics and transparency.
- (6) To supervise and ensure effective communication of the Company's objectives and goals through the Company's strategies and goals, to personnel for their information and understanding on an organization-wide basis.
- (7) To supervise and ensure proper resource allocation and effective systems and controls.

### **Principle 3**

#### **Strengthening of the Effectiveness of the Board of Directors**

##### **Principle 3.1 Structure, Composition and Qualifications of Directors**

The Board of Directors has the duties and responsibilities for determining and reviewing the structure of the Board of Directors in respect of its composition, ratio of independent directors, appropriate number of directors for the business, and the diversity in the areas of their qualifications, expertise and experience as appropriate to and necessary for the fulfillment of the set objectives and main goals.

- (1) The structure of the Board of Directors is composed of directors and independent directors in such number and with such qualifications as prescribed by laws, including the relevant notifications of the Office of the SEC and the Capital Market Supervisory Board.
- (2) The Board of Directors establishes the policy to formulate a board diversity structure that is suitable for the sizes, types, and complexity of the business, as well as in line with operating strategies, to be able to perform their duties efficiently. The Board of Directors shall consist of not less than 5 persons and at least half of the number of directors shall have their residences in the kingdom.

The Board of Directors will ensure that its members comprise of directors with various qualifications in terms of professional skills, experience, competency, characteristics, specific expertise, gender, age, nationality, citizenship as necessary to achieve the organization's objectives and main goals. In this connection, a Board Skill Matrix will be established to make sure that the overall Board of Directors possesses suitable qualifications, is capable of understanding and responding to the stakeholders' requirements, and comprises at least 1 non-executive director with experience in the core business or industry in which the Group currently operates.

The Company believes that the diversity in the structure of the Board of Directors, including but not limited to a diversity of nationalities, race, religion, culture, age, and gender as appropriate and without discrimination, will broaden the perspectives and enhance the Board of Directors' performance. Particularly, the Company recognizes the important role and contributions of women on the Board of



Directors and encourages the nomination of female candidates for the position of directors of the Company. The Board of Directors shall have at least 1 female director. Nevertheless, the appropriateness and qualifications of each potential candidate is an important element for the consideration of the nomination of new directors.

- (3) The Board of Directors' proportion between executive directors and non-executive directors should reflect proper checks and balances system, namely:

(3.1) The majority of directors represents non-executive directors who are capable of independently providing opinions on the Management's performance.

(3.2) The number of independent directors meets the rules of the Office of the SEC and the SET, that is, independent directors shall account for at least one-third of the total number of directors, but not less than 3 persons.

- (4) Qualifications of Directors

The Board of Directors must possess qualifications and must not have any prohibited characteristics under the public limited companies law, securities and exchange law, the Company's articles of association, rules and regulations of 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. For more details about qualifications of directors, independent directors, and audit committee members which are set out in the Board of Directors' Charter, Nomination and Remuneration Committee's Charter and Audit Committee's Charter, please visit [www.btsgroup.co.th](http://www.btsgroup.co.th).

- (5) The Board of Directors has the policy that the tenure of an independent director of the Company should not exceed a cumulative term of 9 years from the first day of service. Upon completing 9 years, an independent director may continue to serve on the Board of Directors, subject to the Board of Directors' rigorous review of his/her continued independence.

- (6) The independent directors will be facilitated to jointly and efficiently work with the Board of Directors and to provide their opinions independently.

Structure, qualifications and the appointment or removal of directors are described in the Board of Directors' Charter and Nomination and Remuneration Committee's Charter. The Board of Directors will disclose the policy for determining the composition of the Board of Directors with diversity and directors' profiles, e.g., age, gender, educational background, experience, shareholding percentage, years of office as director, and their directorship in other listed companies, in Form 56-1 One Report and/or the annual report, and on the Company's website at [www.btsgroup.co.th](http://www.btsgroup.co.th).

**Principle 3.2 Roles and Duties of the Chairman of the Board of Directors and Chief Executive Officer**

The Board of Directors will select a qualified person as its chairman and ensure that the Board of Directors' composition and operations facilitate the independent exercise of discretion in the decision-making.

- (1) The Chairman of the Board of Directors and the Chief Executive Officer will have different duties and responsibilities. In this regard, the Board of Directors has clearly designated the roles and duties of the Chairman of the Board of Directors and the Chief Executive Officer. Duties and responsibilities of the Chairman of the Board of Directors are set out in the Board of Directors' Charter and duties and responsibilities of the Chief Executive Officer are set out in the Executive Committee's Charter which are disclosed on the Company's website at [www.btsgroup.co.th](http://www.btsgroup.co.th).
- (2) In addition, should the Chairman of the Board of Directors is not an independent director and/or the Chairman of the Board of Directors and the Chief Executive Officer not be clearly segregated. 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 benefit of the Company and shareholders, the Board of Directors shall appoint 1 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 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 liaison between the shareholders and the Board of Directors; and
  4. To act as the Chairman at the meetings of the non-executive directors.
- (3) The Board of Directors has appointed subcommittees to consider specific matters, screen information and provide suggestions for consideration prior to proposing to the Board of Directors for consideration and approval (as applicable). The compositions and scopes of duties and responsibilities of the subcommittees are described in their respective charters.
- (4) The Board of Directors will supervise and ensure that roles and responsibilities of the Board of Directors and subcommittees, the number of meetings, the number of each director's attendances to the meetings in the preceding year, reports on the subcommittees' performance, and related information will be disclosed as required by the applicable laws or rules.

**Principle 3.3 Nomination and Selection of Directors**

The Board of Directors will ensure that the nomination and selection procedures are transparent and clear in order to recruit qualified directors in line with the size, type and complexity of the business, the strategies on business operations and the defined composition.

- (1) The Board of Directors has appointed the Nomination and Remuneration Committee to be in charge of nominating eligible candidates for appointment as the Company's directors and propose its opinion to the Board of Directors prior to propose such nominations to the Board of Directors' meeting or the shareholders' meeting for consideration and appointment of directors (as the case may be). In this respect, the Board of Directors and/or the shareholders will be provided with sufficient information regarding the nominated candidates in support of their decision-making.
- (2) The Nomination and Remuneration Committee will consider the nomination criteria and procedures. 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, culture, national origin, age 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.  
  
For the purpose of nominating directors due to retire by rotation, the Nomination and Remuneration Committee will review the nomination criteria and procedures in order to provide suggestions to the Board of Directors. If the Nomination and Remuneration Committee nominates current directors, their performance shall be considered.
- (3) 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.
- (4) In the event where any person is appointed as advisor to the Nomination and Remuneration Committee in order to provide consultation and suggestions on the above arrangements, such advisor's information will be disclosed in Form 56-1 One Report and/or the annual report, including his/her independence or no conflict of interest.

**Principle 3.4 Remuneration of Directors**

The shareholders' meeting is empowered to consider approving the structure and rates of directors' remuneration. Therefore, for the purpose of proposing directors' remuneration to the shareholders' meeting, the Board of Directors will consider the structure and rates of such remuneration as appropriate for their duties and

responsibilities, and as an incentive for the Board of Directors to lead the organization towards both short-term and long-term goals.

- (1) The Board of Directors has assigned the Nomination and Remuneration Committee to be in charge of considering the policy, the structure, rates, and criteria on determination of directors' remuneration of all kind (whether monetary or non-monetary) for the Board of Directors' consideration and propose to the shareholders' meeting.

Directors' remuneration must be consistent with the Company's operating results, size of the business, strategies and long-term goals, experience, functions, scope of role, accountability and responsibility, including contribution expected of each director, as well as relative to make a comparison with the remuneration paid by other companies that are listed on the SET with a similar market capitalization and other listed companies within the same industry. This is in order to motivate and maintain the valuable directors with the Company.

- (2) The shareholders will approve the structure and rates of directors' remuneration of all kind (whether monetary or non-monetary). The Board of Directors has a duty to consider proposing appropriate remuneration, both fixed remuneration (e.g., regular remuneration, meeting allowances) and performance-based remuneration (e.g., bonus), based on the value generated by the Company to the shareholders, business nature and conditions, as well as the industry.
- (3) The Board of Directors will disclose the policy and criteria on determination of directors' remuneration, which reflect directors' functions and responsibilities, including the form and amount of remuneration.
- (4) In the event where any person is appointed as advisor to the Nomination and Remuneration Committee in order to provide consultation and suggestions on the above arrangements, such advisor's information will be disclosed in Form 56-1 One Report and/or the annual report, including his/her independence or no conflict of interest.

### **Principle 3.5 Directors' Performance of Duties and Sufficient Time Contribution**

The Board of Directors will ensure that all directors are duly responsible for the performance of duties with sufficient time contribution.

- (1) The Board of Directors has a mechanism to encourage directors to understand their own duties.
- (2) The Company has determined a policy that each director can hold the directorship positions in other listed companies besides the Group to not more than 4 companies to ensure that directors can devote their time to effectively perform their duties, and report and disclose their directorship in Form 56-1 One Report and/or the annual report.

- (3) In the event where directors hold directorship or executive positions or have an interest, whether directly or indirectly, in other businesses which are in conflict with or may use the opportunity or information of the Company for personal gain, the Board of Directors will sufficiently take preventive measures and report such circumstances to the shareholders for information as appropriate.
- (4) The Board of Directors has a policy to encourage 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.

**Principle 3.6 Governance of Subsidiaries, Associated Companies and Other Businesses with Substantial Investment**

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 Board of Directors has determined 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 (1) 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 (2) 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.

**Principle 3.7 Performance Evaluation of the Board of Directors, Sub-Committee and Chief Executive Officer**

The Board of Directors conducts an annual performance evaluation through both group evaluation and individual evaluation including Sub-Committee and Chief Executive Officer. The evaluation results will be used for further improvement of their performance of duties and for considering the appropriateness of the Board of Directors' and subcommittees' composition.

- (1) The Board of Directors will conduct a performance evaluation of the Board of Directors through both group evaluation and individual evaluation including a performance evaluation of subcommittees at least once a year in order for them to jointly consider the performance and issues for further improvement, whereby the basis and criteria for comparison of their performance will be specified.
- (2) The performance evaluation must at least involve self-evaluation or may also include cross-evaluation as appropriate, and the criteria, procedures and overall evaluation results will be disclosed in Form 56-1 One Report and/or the annual report.
- (3) The Board of Directors may also consider engaging an external advisor to assist in setting out guidelines and providing suggestions in the performance evaluation of the Board of Directors at least every 3 years, which will be disclosed in Form 56-1 One Report and/or the annual report accordingly.
- (4) The Board of Directors has assigned the Nomination and Remuneration Committee to consider the performance evaluation criteria of the Chief Executive Officer and propose the result of such evaluation to the Board of Directors for approval.

**Principle 3.8 Capacity Building and Knowledge Development for Directors**

The Board of Directors will supervise the respective directors to have knowledge and understanding in respect of their roles and duties, nature of business operations and the laws applicable to business operations, risk standard, the environment relevant to the business operations, and provide them with up-to-date information on a regular basis, by assigning the Nomination and Remuneration Committee 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. Moreover, the Board of Directors shall encourage all directors to regularly develop their skills and knowledge in the performance of duties as directors.

In addition, the Company has prepared the Director's Handbook, which contains all useful information for directors of listed companies which is regularly reviewed and amended so that the information therein is up to date.

The Board of Directors will ensure that new directors will be given an introduction and information helpful to the performance of duties by being given the new director orientation so that the new directors have knowledge and understanding of the Company's historical background, business organization and shareholding structure of the Group, organization chart, nature of business operations, business policy of the 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. Form 56-1 One Report and/or the annual report, the Corporate Governance Policy and Code of Business Conduct, etc.

The Board of Directors will provide directors with ongoing development of essential knowledge by promoting and supporting directors and senior executives to attend useful seminars and training courses depending on the scope of responsibilities and duties assigned to the respective directors and senior executives.

The Board of Directors will disclose information on ongoing training and knowledge development of the Board of Directors in Form 56-1 One Report and/or the annual report.

### **Principle 3.9 The Board of Directors' Meetings**

The Board of Directors will ensure that its operations proceed properly, have access to necessary information, and have a company secretary who is knowledgeable and experienced as necessary and appropriate in support of the Board of Directors' operations.

#### **(1) Meeting Schedule and Number of the Meetings**

##### The Board of Directors' Meeting

The Board of Directors will hold its Meetings at least once every quarter and not less than 6 meetings for each fiscal year. The Meetings and significant agenda of the Meetings will be scheduled in advance for the entire year in order to enable directors to make themselves available and attend the Meetings. The number of the Meetings will be scheduled as appropriate to the duties and responsibilities of the Board of Directors as well as the nature of the Company's business operations.

##### Subcommittees' Meeting

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, the Sustainability Committee and the Risk Management 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.

#### **(2) Meeting Agenda, Meeting Invitation and Meeting Materials**

The Board of Directors will hold its Meetings in compliance with the laws, articles of association and applicable rules, clearly set out the agenda of its Meetings, which may include special agenda items as necessary. Each director, including the Management, will be given an opportunity to propose such matters useful to the Company to be included in the agenda. In this regard, the Chairman of the Board of Directors or the company secretary as assigned by the Chairman of the Board of Directors will send the invitation to the meeting and supporting documents (in hard copy, via electronic and/or other means in accordance with the criteria stipulated by laws or relevant notifications) to all directors prior to the date of the meeting as required by the Company's articles of association, subject to the legal requirements, in order for the Board of Directors to receive and to have sufficient time to study the information beforehand. In this respect, the meeting materials



should be sent to the Board of Directors at least 5 business days prior to the date of the meeting or not less than the legal requirements.

(3) Conduct of the Meeting, Quorum, Presentation and Minutes of the Meeting

(3.1) The quorum of the Board of Directors' Meetings will be as specified in the articles of association and applicable laws.

(3.2) The Board of Directors encourages the Chief Executive Officer to invite senior executives or persons concerned with any particular agenda item proposed to attend the Meeting in order to answer questions and provide additional information for their direct involvement, so as to afford the Board of Directors an opportunity to get to know the senior executives in support of the consideration of the succession plan.

(3.3) The Board of Directors has access to essential and additional information from the Chief Executive Officer, the company secretary or other senior executives who have been authorized within the scope of the policies, and if necessary, the Board of Directors may obtain an independent opinion from external advisor or professional at the Company's expense.

(3.4) After the meeting, the Board of Directors assigns the company secretary to prepare the minutes of the meeting in writing to be proposed to the Board of Directors for consideration.

(4) Meetings of the Non-Executive Directors

The Board of Directors' supports and promotes the non-executive directors to 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, and the significant issues of the meeting will be reported to the Board of Directors.

(5) Company Secretary

(5.1) The Board of Directors will appoint a company secretary by taking into consideration his/her qualifications and experience, 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 and perform his/her duties with responsibility, due care and integrity. The Board of Directors will disclose the company secretary's qualifications and experience in Form 56-1 One Report and/or the annual report and on the Company's website.

(5.2) 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 SET, the Office of the SEC, and other relevant authorities, as well as the principles of good corporate governance;
  4. To keep the reports on interest as reported by the directors or the executives and submit a copy of such 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 SET, 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.
- (5.3) The Board of Directors supports and encourages the company secretary to regularly attend training and develop his/her knowledge which will be beneficial to the performance of duties, particularly, the company secretary must attend such training in a certified program for company secretary, e.g., The Thai Institute of Directors Association (IOD) or Thai Listed Companies Association, etc.
- (5.4) In the event where the company secretary vacates office or becomes unable to perform his/her duties, the Board of Directors shall appoint a new company secretary within 90 days from the date of the existing company secretary's vacancy or inability to perform as such, and during such period, the Board of Directors is empowered to assign any director to perform such function instead.

## **Principle 4**

### **Nomination and Development of Senior Executives and Personnel Management**

#### **Principle 4.1 Nomination and Development of the Chief Executive Officer and Senior Executives**

The Board of Directors will ensure that the nomination and development of the Chief Executive Officer and senior executives who are knowledgeable, skilled, experienced and possess such attributes necessary for propelling the organization towards its goals.

- (1) The Board of Directors has authorized the Nomination and Remuneration Committee to consider the criteria and procedures for nomination of candidates with eligible qualifications for the position of Chief Executive Officer, Deputy Chief Executive Officer and other Chief Officer positions. Such qualified candidate who shall have at least the following qualifications shall be further proposed to the Board of Directors for their consideration and appointment:
  - 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.
- (2) The Nomination of Chief Executive Officer shall be selected by taking into consideration the qualifications of the Deputy Chief Executive Officer, other Chief Officers within the organization and succession plan first. If there is no qualified candidate in the organization suitable for this position, the candidate shall be sought from the external source.
- (3) The Board of Directors will monitor and supervise the Chief Executive Officer to recruit senior executives as deemed appropriate.
- (4) 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 directorship positions of senior executive of the Company in non-BTS Group companies to not more than 5 companies, provided that a consent has been obtained from the Chief Executive Officer. However, such outside directorship must not impede the performance of his/her duties, and is prohibited from engaging or participating in any business identical to or in competition with the Company's business, or becoming a partner or director in another legal entity identical to or in competition with the Company's business, whether for personal gain or gain of others.

- (5) 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 Chief Executive Officer, Deputy Chief Executive Officer, and other senior executive positions, and to review the same from time to time as well as to report the execution of the succession plan to the Board of Directors for further acknowledgement in order to ensure that there will be competent senior executives for the succession of these key positions in the organization.
- (6) The Board of Directors promotes and encourages the Chief Executive Officer and senior executives to attend training, and develop and improve their knowledge and experience beneficial to their performance.

**Principle 4.2     Appropriate Remuneration Structure and Performance Evaluation**

The Board of Directors will ensure that the appropriate remuneration structure and performance evaluation are in place.

- (1) The Board of Directors has a policy to set out the remuneration structure as incentives for the Chief Executive Officer, senior executives and other personnel at all operating levels to be in line with the organization's objectives and main goals, and the business's long-term benefits.
- (2) The Board of Directors has authorized the Nomination and Remuneration Committee to consider the criteria, amount and form of the remuneration of 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 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. The performance evaluation criteria should incentivize the Chief Executive Officer to perform his/her duties in support of the Company's objectives, main goals, strategies, and long-term benefits and shall be communicated the evaluation criteria and the performance evaluation in advance as well as results including issues and development areas on an annual basis.
- (3) 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 in correspondence with the remuneration mechanism and welfare as approved by the Nomination and Remuneration Committee. 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 senior executives to contribute to the achievement and growth of the Company.
- (4) The Board of Directors has authorized the Nomination and Remuneration Committee to determine and governing the performance evaluation, remuneration mechanism and welfare for all employees pursuant to the remuneration structure as determined by the Board of Directors.

**Principle 4.3 Shareholders' Structure and Relationship**

The Board of Directors has a policy to understand the shareholders' structure and relationship that may affect their business management and the power to control and manage the business operations, so as not to impede the performance of duties by the Board of Directors and the nomination of directors and executives. The Board of Directors shall supervise and ensure that all information which may affect the business supervision shall be properly disclosed.

**Principle 4.4 Personnel Skill Development**

The Board of Directors will supervise and monitor the human resources management and development program to ensure the suitability to ensure that the Company has adequate staffing and appropriately knowledgeable, skilled, and experienced and is well incentivized.

- (1) The Board of Directors shall supervise the Company on setting up the human resources management properly and aligning with the Company's direction and strategies, and ensure that the employees at all levels are knowledgeable, competent, properly incentivized and fairly treated in order to retain the organization's talented personnel.
- (2) The Board of Directors will supervise to establish a provident fund to encourage personnel's savings sufficient to support their retirement plan, and promote them to acquire knowledge and understanding in terms of financial management.

**Principle 5****Promotion of Innovation and Responsible Business Operations****Principle 5.1 Creating Innovation to Create Value to the Company together with the Benefits to all Stakeholders, with Social and Environmental Responsibility**

The Board of Directors pays attention to and promotes the creation of innovation to create value for the business in parallel to creating benefits for all stakeholders, with social and environmental responsibility as follows;

- (1) To focus on creating corporate culture which promotes innovation and ensures that the Management incorporates the same as part of its review of strategies, planning for operational development and improvement, and monitoring of operating results.
- (2) To promote the creation of innovation for value added to the business under the changing circumstances, in terms of business model, concept, perspective in the design and development of products and services, research, improvement of production and work processes, including collaboration with partners, and provided that such innovation must not support any inappropriate, illegal or unethical conduct.

**Principle 5.2 Operating Business with Social and Environmental Responsibility**

The Company pays close attention to the importance of the roles 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.

The Board of Directors will ensure that the Management carries on the business with social and environmental responsibility, which must be reflected in the operational plan, to ensure that all departments of the organization proceed in compliance with the objectives, main goals, and strategies of the Group.

In view of the roles and rights of stakeholders, the Board of Directors will provide a mechanism to ensure that the business operations are ethical and socially and environmentally responsible without violating the stakeholders' rights, as guidelines stipulated in the Code of Business Conduct, comprising the relevant significant policies; treatment of customers, treatment of employees, treatment of business partners, treatment of creditors, responsibility to community, society and environment, fair competition and anti-corruption, etc. This is to be the guidelines for all business's department to perform their duties in order to achieve sustainable main goals and strategies. Please refer to *Section 4 : Code of Business Conduct* for additional details on the treatment of stakeholders.

**Principle 5.3 Efficient and Effective Allocation of Resources**

The Board of Directors will supervise and ensure that the Management efficiently and effectively allocates and manages resources, taking into account the impact and development of resources throughout all aspects of the value chain in order to sustainably achieve the objectives and main goals.

- (1) The Board of Directors realizes the necessity of resources required, namely financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital, and natural capital, and also realizes that the consumption of such resources has an impact on one another, and different business models may give rise to different impacts on resources. Therefore, in deciding on a business model, the Board of Directors will consider the impact and worthiness of the resources' consumption should be conducted based on ethical, responsible, and overall sustainable value creation.
- (2) The Board of Directors will supervise and ensure that for the purpose of achieving the business's objectives and main goals, the Management reviews, improves and maintains the efficient and effective utilization of resources, always taking into consideration changes in internal and external factors.

**Principle 5.4 Information Technology Management**

The Board of Directors will provide a framework for supervision and management of information technology at the organization level in line with the business requirements, and use such information technology to enhance its business opportunities and operational development, risk management, so as to achieve the business's objectives and main goals.

- (1) The Board of Directors will provide a policy on allocation and management of information technology resources to cover the allocation of adequate resources for business operations, and provide guidelines to support the situation where sufficient resources cannot be allocated as required.
- (2) The Board of Directors will supervise that the corporate risk management to cover information technology risk management.
- (3) The Board of Directors will establish the information technology security policy and procedures.

### **Principle 6**

#### **Effective Risk Management and Internal Control Systems**

##### **Principle 6.1 Risk Management and Internal Control**

The Board of Directors will supervise and ensure that the Company establishes the risk management and internal control systems to enable it to achieve the objectives effectively, and comply with the applicable laws and standards.

##### Risk Management

The Board of Directors recognizes the significance of enterprise risk management with good corporate governance principles.

- (1) The Board of Directors understands key risks of the business and approves the risk appetite.
- (2) The Board of Directors considers approving the Enterprise Risk Management Policy and framework of the Group in line with the objectives, main goals, strategies, and risk appetite of the business and focusing on strong risk management with a systematic risk management process according to the standards of the Committee of the Sponsoring Organizations of the Treadway Commission (COSO), which will be used as a framework for risk management for all directors, executives, and employees at all levels, covering all business units of the Group, to effectively manage the risks in a systematic and structured manner within the established risk appetite and risk tolerances considering associated risks related to business decisions.

The risk structure of the Company formalizes the accountability, roles and responsibilities among various stakeholders involved in the risk management process across the Group. This also includes defining risk-related decision-making authorities and involves creating a structure for risk information flows and reporting. Please see *the Enterprise Risk Management Policy* available on the Company's website at [www.btsgroup.co.th](http://www.btsgroup.co.th) for more information.

In addition, the Board of Directors has put an emphasis on supporting identification and prioritization of early warning signals of material risks as well as supervising and ensuring the preparation and regular review the Enterprise Risk Management Policy on an annual basis.

- (3) The Board of Directors will supervise and ensure that the Company identifies and manages key risks in its business operations, both external and internal factors which may prevent the Company from achieving its objectives, e.g., strategic risk, operational risk, financial risk, compliance risk, sustainability risk as well as environmental, social and governance issues (ESG risk) or emerging risk, etc.
- (4) The Board of Directors will ensure that the Company has assessed the impact and likelihood of identified risks to prioritize such risks and come up with risk mitigation as appropriate to the business, as well as regularly monitor and assess the effectiveness of the risk management.
- (5) The Board of Directors has delegated the above duties to the Risk Management Committee to consider screening such matters prior to propose to the Board of Directors for consideration.

#### 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 corresponds to the objectives and long-term goals of the Group as follows;

- (1) To oversee the business operations in compliance with the applicable laws and standards, both at the local and international levels.
- (2) To cause the Management to establish 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.
- (3) To delegate the Audit Committee that is responsible for reviewing and evaluating the adequacy of the internal control system and report to the Board of Directors annually, 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, etc.
- (4) To supervise and ensure the establishment of the Internal Audit Office to be 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 and evaluating the adequacy and effectiveness of the internal control system, reviewing compliance with the internal policies by preparing an annual plan and a 3-year long-term plan based on the principles for the assessment of risks that affect the business operations and cover the operational process of the organization. These plans are approved by 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. 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 consideration of the assessment results of the internal control and risk management systems includes the assessment of the internal control and risk management systems of subsidiaries and associated companies

#### **Principle 6.2 Independence of the Audit Committee**

The Board of Directors has appointed an Audit Committee to perform its duties efficiently and independently.

- (1) The Audit Committee is composed of at least 3 members, all of whom must be independent directors and have such qualifications and duties as prescribed by the relevant rules of the Office of the SEC and the SET.
- (2) The roles, duties and responsibilities of the Audit Committee are described in writing in the "Audit Committee Charter" Please see the *Audit Committee Charter* available on the Company's website at [www.btsgroup.co.th](http://www.btsgroup.co.th) for more information.
- (3) The Board of Directors will ensure that the Company has a mechanism or tools to enable the Audit Committee to have access to the information necessary for the performance of its assigned duties, e.g., by facilitating the Audit Committee to call upon any persons concerned to provide information, discussing with the auditor or seeking an independent opinion from any other professional advisor in support of its consideration.
- (4) The Board of Directors will ensure that the Management establishes the Internal Audit Office to be in charge of improving and reviewing the efficiency of the risk management and internal control systems, and reporting to the Audit Committee.
- (5) The Audit Committee should express its opinion on the adequacy of the risk management and internal control systems, which will be disclosed in Form 56-1 One Report and/or the annual report.

#### **Principle 6.3 Protection of Inside Information, Conflicts of Interest and Report on Interests**

The Board of Director will monitor and manage any potential conflicts of interest between the Company and the Management, the Board of Directors or shareholders, and prevent any inappropriate use of property, information and opportunities of the Company as well as execution of any improper transactions with the Company's related parties.

The Board of Directors will provide an information security system, including policy and procedures to protect confidentiality, integrity and availability of information, as well as management of market sensitive information. In addition, the Board of Directors will cause the directors, senior executives and employees as well as related third parties, e.g., legal advisors, financial advisors, to also comply with such information security system.

The Board of Directors has established a policy on the protection of inside information, related party transactions and potential conflict of interest transactions, as well as report on interests as follows;

Policy on the Protection of Inside Information

The Board of Directors 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 SET. In order to provide a clear guideline and to be in line with the SEC Act, 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 the 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"> <li>- The Company, subsidiaries, associated companies</li> <li>- 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</li> </ul>	Securities of the Company, subsidiaries, and associated companies	1 month prior to the date of the Board of Directors' meeting that is proposed to approve the financial statements until 1 business day after the disclosure of such financial statements through the disclosure portal of the SET	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 1 business day after the disclosure of such matter through the disclosure portal of the SET

Securities Holding by the Directors and Executives

Directors and senior executives of the Company (including their spouses and minor children) are required to report any changes in their securities holding to the Office of the SEC within 3 business days from the date of such change, in accordance with the Section 59 of the SEC Act and the reporting procedures prescribed by the Office of the SEC. In addition, the directors and executives shall also inform and/or 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.

To ensure the Company is managed in the interests of the shareholders, the Company encourages the Chief Executive Officer to build up and/or maintain share ownership in the Company of 10 times of the annual base salary. Such share ownership guideline will help align the interests of the Chief Executive Officer with those of the Company and the shareholders.

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

The Board of Directors will arrange for management and monitoring of transactions with potential conflicts of interest in order to prevent directors, executives, employees and related persons from seeking personal gain in conflict with the Company's interest, and avoid any acts which may give rise to conflicts of interest. The Board of Directors has established policies on related party transactions and potential conflict of interest transactions in accordance with the guidelines of the SET and SEC Act as follows;

### Measures or Procedures for Approving Related Party Transactions

The related party transactions shall be endorsed by the Audit Committee or endorsed or approved by the Board of Directors or approved by 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 SET 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, Form 56-1 One Report / 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 SEC Act. 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.

### **Report on Interests**

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 through the Company Secretary Office 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 7 business days from the date of receipt by the Company for further use in the verification and monitoring of conflicts of interest.

The Board of Directors requires all directors to report on their interests, at least before considering any agenda items in which they have an interest, and record the same in the minutes of the Board of Directors' Meeting. The Board of Directors will require such director who has a significant interest which may prevent such director from providing an independent opinion to refrain from participating in the Meeting to consider such agenda item.

### **Principle 6.4 Anti-Corruption**

The Board of Directors will establish a clear anti-corruption policy, measures and practices, which will be communicated to every level of the organization and third parties for further adoption and compliance.

The Board of Directors will arrange for an anti-corruption program or guidelines, and support such activities which promote and cultivate employees's compliance with the applicable laws, regulations and requirements. For more details about anti-corruption which are set out in *Section 4 : Code of Business Conduct item 4.11 Anti-Corruption and the Anti-Corruption Measure* on Company's website at [www.btsgroup.co.th](http://www.btsgroup.co.th).

#### **Principle 6.5 Complaints and Whistleblowing**

The Board of Directors will establish a mechanism for handling complaints and whistleblowing by setting out clear steps, procedures, protection of informants, storage of information, confidentiality, including more than 1 convenient channel for complaints and whistleblowing.

The Company provides channels for all stakeholders to contact or complaint their concerns directly to the Board of Directors through the Company Secretary Office or to the Audit Committee through the Internal Audit Office as follows; .

Company Secretary Office : Telephone: +66 (0) 2080 1000 ext. 5202-5205  
Email: [CompanySecretary@btsgroup.co.th](mailto:CompanySecretary@btsgroup.co.th)  
Post to the Company Secretary Office at the Company's address

Internal Audit Office : Telephone: +66 (0) 2080 1000 ext. 4105  
Email: [InternalAudit@btsgroup.co.th](mailto:InternalAudit@btsgroup.co.th)  
Post to the Internal Audit Office at the Company's address

Additionally, the Company has implemented the “**Nuduan Chaun Chee Chong Hotline**” as one of the channels for receiving complaints issues relating to violations or actions that may breaches of the policies and guidelines under the Company's Corporate Governance Policy and Code of Business Conduct. This channel is an intake system operated by an independent service provider and the Company will consider disclosing the whistleblowing channel information on its website at [www.btsgroup.co.th](http://www.btsgroup.co.th) or in the Corporate Governance Policy and Code of Business Conduct, and/or the 56-1 One Report and/or the annual report as appropriate.

Please find more information in *Section 4 : Code of Business Conduct item 4.19 Reporting or Whistleblowing and the Anti-Corruption Measure* on the Company's website at [www.btsgroup.co.th](http://www.btsgroup.co.th)

## **Principle 7**

### **Financial Integrity and Disclosure**

#### **Principle 7.1 Preparation of Financial Reports and Disclosure of Material Information**

The Company favours no particular group of shareholders. All disclosed information is accessible to the shareholders and the public equally which 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.

- (1) The Board of Directors will ensure that the personnel involved in the preparation and disclosure of any information are properly knowledgeable, skilled and experienced for such duties and responsibilities, and are adequate in number, including Chief Financial Officer, accountant, internal auditor, company secretary, and Investor Relations officer.
- (2) The Board of Directors will supervise and ensure that the financial reporting and disclosure systems (both financial and non-financial information) are accurate, complete, adequate and timely in order for stakeholders to 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, comply with laws, taking into account related factors, transparency and conveyed in simple and concise language. In the case of financial reports, the following factors will be taken into consideration: the evaluation results of the adequacy of the internal control system, the external auditor's opinions on financial reporting, observations on the internal control system, and any other observations through other channels, (If any), the Audit Committee's opinions and consistency with company's objectives, strategies and policies.
- (3) The Board of Directors will ensure that the disclosure of information, including financial statements, Form 56-1 One Report and/or k, sufficiently reflects the financial position and operating results, and require the Management Discussion and Analysis (MD&A) to be prepared in support of the disclosure of quarterly financial statements, in order for investors to be informed of and better understand changes to the Company's financial position and operating results in each quarter as opposed to merely relying on the figures in the financial statements.
- (4) In case of disclosures related to any matter that is specifically concern with any director, such director will ensure that the disclosure of his/her information is accurate and complete.

#### **Principle 7.2 Sufficiency of Financial Liquidity and Debt-Serviceability**

The Board of Directors will monitor the sufficiency of financial liquidity and ability to repay debts.

- (1) The Board of Directors will ensure that the Management monitors and assesses the financial position and reports the same to the Board of Directors on a regular basis. The Board of Directors and the

Management will jointly find solutions promptly if there are signs indicating problems relating to liquidity and the ability to repay debts.

- (2) In approving any transaction or proposing any opinions on a transaction for approval by the meeting of shareholders, the Board of Directors will ensure that the execution of such transaction will not affect the business continuity, financial liquidity or the ability to repay debts.

#### **Principle 7.3 Financial Problem-Solving**

Should the business encounter or be likely to encounter any financial problem, the Board of Directors will make sure that the business has a plan or any other mechanism to solve such financial problem, taking into account the stakeholders' rights.

- (1) In the event that the business is expected to be unable to repay debts or encounter financial problems, the Board of Directors will closely monitor and cause the business to operate with due care and comply with the requirements related to information disclosure.
- (2) The Board of Directors will cause the business to develop a financial problem-solving plan by taking into account fairness to stakeholders, including creditors, and monitor the problem-solving, whereby the Management will regularly report on the status thereof.
- (3) The Board of Directors will ensure that the Company's decisions on financial problem-solving by any means are justifiable.

#### **Principle 7.4 Sustainability Report**

The Board of Directors will prepare the sustainability report as appropriate.

- (1) The Board of Directors will consider the suitability for disclosure of information on compliance with the laws, the code of conduct and practices, the anti-corruption policy and measures, treatment of employees and stakeholders, including fair treatment and respect for human rights, as well as the social and environmental responsibility, subject to the reporting framework which is locally or internationally accepted, as appropriate for the business.
- (2) The Board of Directors will oversee the disclosure of information on significant matters which reflect such practices towards creation of value to sustainable business.

#### **Principle 7.5 Investor Relations**

The Board of Directors will cause the Management to set up an Investor Relations unit to communicate and publicize information and updates beneficial to shareholders, investors, analysts and concerned parties as appropriate, in an equal and timely manner.

- (1) The Board of Directors has a policy to communicate and disclose information to third parties properly, equally and timely through proper preserving confidentiality and price-sensitivity of information, as



well as to communicate such policy internally to the entire organization to ensure common understanding and compliance with such policy, namely:

- to communicate information on the Company's financial position to shareholders, analysts and concerned parties through a variety of channels as appropriate to the circumstances, e.g., quarterly analyst meetings, the Opportunity Day of the SET, and/or press releases, etc.
  - to communicate and disclose information on Investor Relations through the Company's website, e.g., financial information, securities prices, highlight reports, information for shareholders, contact information and/or contact channels with the Investor Relations, etc.
- (2) The Board of Directors will require the Management to appoint a responsible person specifically authorized to provide information to third parties, who must be qualified for such functions, understand the Company's business, including its objectives, main goals, corporate values, with good communication skills with the capital market.
- (3) The Board of Directors will ensure that the Management sets duties, responsibility and clear directions for 'Investor Relations' function to ensure an efficient communication and disclosure of information, 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 investor relations 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 favour 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 SEC and the SET, as well as the Company's Articles of Association and relevant policies of the Group;
  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 the Group's competitiveness;
  4. Providing opportunities to all related parties to access and inquire relevant information;
  5. Not disclosing nor use the 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 the 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 investor relations, the Chief Executive Office and/or the Executive Committee (as the case may be) upon being aware of such non-compliance.

#### **Principle 7.6 Dissemination of Information via Information Technology**

The Board of Directors will promote the use of information technology not only to disseminate information as required by the rules and through channels of the SET, but also to disclose information in Thai and English via other channels, such as, the Company's website, and keep the same up-to-date.

#### **Principle 8**

##### **Encourage Participation and Communication with Shareholders**

The Company places emphasis on the rights of shareholders as the owners of the Company. All shareholders, whether retail investors, major shareholders, institutional investors or foreign investors, are encouraged to exercise their fundamental rights, e.g. trading or transferring of shares, sharing of profits, receiving correct, complete, adequate, timely and equal information, whether via the SET's website, the Company'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 acknowledgment or approval at the shareholders' meetings.

In addition, the Company also takes into account the equitable treatment for shareholders and protection of their rights without taking any action that will violate or deprive shareholders' rights.

The Board of Directors will have a policy and procedure for holding shareholders' meetings of the Company to encourage and facilitate every group of shareholders to exercise their rights, and respect the principle of equal treatment of all shareholders as follows:

**Principle 8.1 Shareholders' Engagement**

The Board of Directors will ensure that shareholders are engaged in the decision-making on significant matters of the Company, as follows:

- (1) The Company must hold an annual general meeting of shareholders within the specific time as prescribed by laws. Other shareholders' meetings, i.e. extraordinary general meetings of shareholders, are to be called when it is deemed necessary and appropriate;
- (2) To oversee significant matters in terms of both legal issues and issues which may affect the Company's business direction to be considered and/or approved by the shareholders' meeting, by incorporating such significant matters in the agenda of the shareholders' meeting;
- (3) To promote the equitable treatment for shareholders, whereby the Company will allow the minority shareholders to propose agenda items and/or nominate candidates for election as directors prior to an annual general meeting of shareholders, and send their questions in advance, via the channels and under the criteria as specified by the Company;
- (4) To ensure that the invitation to the shareholders' meeting contain accurate, complete and sufficient information for shareholders to exercise their rights, i.e.,
  - (4.1) To send and/or disclose the invitation to the shareholders' meeting, together with a complete set of related documents, to shareholders prior to the meeting date according to the advance period as required by the criteria and methods stipulated by laws, relevant regulations and notifications. This allowed the shareholders to have sufficient time to study the documents beforehand.
  - (4.2) To provide shareholders with an opportunity to submit questions relating to the meeting and the Company in advance before the date of the meeting via the channels and subject to the criteria for submission of questions in advance, as published on the Company's website or any other channels as specified by the Company.
  - (4.3) To prepare and publish the invitation to the shareholders' meeting and related documents in compliance with laws and relevant regulations.
- (5) To encourage and promote all groups of shareholders who are majorities, minorities, institutional investors or foreigners to attend the shareholders' meeting.

**Principle 8.2 Shareholders' Meetings**

The Board of Directors will ensure that the shareholders' meeting is conducted properly, transparently, and efficiently to facilitate shareholders to exercise their rights, as follows:

- (1) To schedule the date, time, and venue of the meeting by considering the convenience for attendance of shareholders, such as allocating appropriate and sufficient time for discussion, and convenient venue for travel to the meeting, or electronic meeting or other means in accordance with the criteria stipulated by laws or relevant notifications, for convenience etc.;
- (2) To prevent any acts which may restrict the rights to attend the meeting or impose an unreasonable burden on shareholders, in the event that shareholders are unable to attend the meeting, the Company shall give an opportunity for the independent director or any person to act as proxy for shareholders and attend the meeting for shareholders' behalf by using one of the proxy forms provided by the Company with the invitation to the meeting;
- (3) To promote the use of technology in the shareholders' meeting in respect of shareholders' registration, vote counting, and displaying results in order to facilitate the conduct of the meeting rapidly, accurately, and precisely;
- (4) The Chairman of the Board of Directors is the Chairman of the shareholders' meeting with responsibility for compliance with the applicable laws, rules and the Company's articles of association and allocate sufficient time for each agenda item as well as allow shareholders to express their opinions and ask questions to the meeting on matters related to the meeting agenda and/or the Company as appropriate;
- (5) To engage shareholders in the decision-making on significant matters by conducting the shareholders' meeting in the order of the agenda as stated in the invitation to the shareholders' meeting and no addition of other agenda items that are not stated in the invitation, except for urgent matters.
- (6) The Board of Directors encourages all directors, the Chief Executive Officer, related senior executives, auditors, and company secretary to attend the shareholders' meeting, except in case of necessity or emergency, in order for shareholders to ask questions on various issues;
- (7) Prior to the commencement of the meeting, shareholders will be informed of the number and the proportion of shareholders present at the meeting in person and by proxy, meeting procedures, voting and vote counting procedures;
- (8) In case of any particular agenda item which contains various matters, the chairman of the meeting will arrange for separate voting for the respective matters, for instance, in the agenda item for appointment of directors, shareholders may exercise their voting rights to appoint directors individually, and the voting results will be announced on an individual basis, etc.;
- (9) To encourage the use of voting ballots and have an independent individual (e.g., a minor shareholder, legal advisor, or independent auditor) count or audit the votes and present the results of votes for, against and abstention on each agenda item to the meeting, which will be recorded in the minutes of the meeting accordingly.

**Principle 8.3 Resolutions and Minutes of the Shareholders' Meetings**

The Board of Directors shall supervise and ensure accurate and complete disclosure of resolutions of the shareholders' meeting and preparation of the minutes of the shareholders' meetings.

- (1) The Board of Directors will cause the Company to disclose such resolutions of the shareholders' meeting and the voting results via the SET News Portal and on the Company's website or through other channels within the specific time as prescribed by laws or relevant authorities.
- (2) The Board of Directors requires the Company to submit the copy of the minutes of the shareholders' meeting to the SET and related entities within the specific time, criteria and method as prescribed by laws or relevant authorities.
- (3) The Board of Directors will ensure that the minutes of the shareholders' meeting contain accurate and complete information in essence. In addition, the Company will publish the minutes of the shareholders' meeting on its website for shareholders' consideration.

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## ***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, emphasising on the equality and equity without discriminating on the grounds of race, religion, national origin, gender, skin colour, 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 long-lasting customer relationships.

The Company's personnel shall treat the customers with respect and attentiveness, communicate product and service information accurately and comprehensively, take into consideration their opinions and complaints, understand and anticipate their needs and continuously deliver 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 colour, age, physical ability, sexual orientation, political opinion, social status, education or other status. The Company has zero tolerance for any unacceptable behaviour or degrading treatment in the workplace, including mental cruelty, discrimination or sexual harassment, as well as gestures, language or physical contact that is sexual, coercive, threatening, abusive or exploitative.

The Company's personnel shall regularly attend training and seminar on diversity and inclusion within the workplace with emphasis on non-discrimination and anti-harassment, as well as joining relationship building activities, to be organized by the Company, which will foster awareness and understanding on associated benefits, and 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 behaviour. 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 (CO<sub>2</sub>) 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](http://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 management of information technology security.

Personal data, such as information from or concerning customers, business partners, employees or other third parties, including their related persons, may only be collected, processed, used or disclosed for legitimate business purposes, in order to support operational purposes, communication, relationship management, research and development of goods and services, efficient customer care, relevant business or commercial activities, and proper human resources administration.

The Company's personnel must treat personal data with due care and awareness. They may only collect, process, use or disclose 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 People Management Department at telephone: +66 (0) 2080 1000 ext. 1645 or email: [DoltRight@btsgroup.co.th](mailto:DoltRight@btsgroup.co.th).

If there is a breach or a case of possible breach of the policies and guidelines under the Corporate Governance Policy and Code of Business Conduct, the external stakeholder and/or the Company's personnel can report such breach to their supervisors or the People Management Department (for the Company's personnel), or the channel set out in Principle 6.5 , 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](mailto: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.

- For [www.btsgroup.co.th](http://www.btsgroup.co.th) -



## ***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 : \_\_\_\_\_