

Chapter 5 Responsibilities of the Board of Directors

The Board of Directors is responsible for overseeing the work of the management to ensure compliance with policies, strategies, plans and budgets, as well as its responsibilities toward the Company and its shareholders.

The Company has set the guidelines regarding the responsibilities of the Board of Directors as follows:

1. Structure of the Board

1.1 The Board of Directors prescribed the structure of the Board of Directors consist of directors with various qualification in term of sex, age, education, professional experience, skills and knowledge, specific capabilities that benefit the company and there should be at least one non-executive director who has experience in the core business or industry of the company.

1.2 The Board of Directors ensures that the Board's diversity policy and the number of years each director has served as a director of the Company are disclosed in the annual registration statement (Form 56-1 One Report) and on the Company's website. This includes:

1.2.1 Disclose the procedures for selection of directors that is formal and transparent and the number of years each director has served as a director of the Company are disclosed in the annual registration statement (Form 56-1 One Report) and on the Company's website.

1.2.2 Disclose the name, history, qualifications, experience and shareholding in the Company of the directors in order to show that the Board has the knowledge, skills, characteristics and experience that are useful to the Company in the annual registration statement (Form 56-1 One Report) and on the Company's website.

1.2.3 Disclose clearly in the annual registration statement (Form 56-1 One Report) the directors representing the shareholders / non-executive directors / independent directors / executive directors.

1.3 The Board is appropriately sized and is composed of persons with sufficient knowledge, experience and skills to perform their duties efficiently. The Board is composed of at least 5 and not more than 12 directors.

1.4 The Board consists of independent directors who can independently comment on the performance of the management in the number prescribed in the notification of the Securities and Exchange Commission (SEC).

1.5 The proportion of directors is in accordance with the director nomination process, which is mainly based on the criteria of knowledge, competency and suitability of the person to be appointed as a director rather than on the criteria on proportion of investments.

1.6 The Company takes into account the benefits to corporate management according to the director nomination process set by the Company rather than the number or proportion of independent directors.

1.7 The Board of Directors has determined the tenure of each term of office but has not set the limit on the number of consecutive terms in office.

1.8 The Board considers the qualifications of the person to be appointed as an "independent director" to ensure that the independent directors of the Company are truly independent and are appropriate for the specific nature of the Company. Their independence must at least be in accordance with the criteria set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

1.9 The continuous tenure of the independent director will be beneficial to the corporate management and business operations of the Company. In addition, the search for a competent person to serve as independent directors cannot be implemented immediately.

1.10 The Chairman of the Board and the Managing Director have different roles and responsibilities. The Board has clearly defined the roles and responsibilities of the Chairman and the Managing Director and has recruited different persons to hold the positions of Chairman and Managing Director so that neither person has unlimited power.

1.11 The Company respects the judgment of the Managing Director and senior executives of the Company not to serve as a director of other companies with the same business as or are in competition with the business of the Company or are contrary to the interests of the Company.

1.12 The Company has appointed a Company Secretary to be responsible for advising on laws and regulations of relevance to the Board of Directors and for overseeing the activities of the Board, including coordinating the compliance with the Board's resolutions. The Board of Directors has determined the qualifications and experience of the appropriate Company Secretary who will perform the duty as the secretary of the Company. The qualifications and experience of the Company Secretary are disclosed in the annual registration statement (Form 56-1 One Report) and on the website of the Company.

1.13 The Company Secretary has received training and continuous development in legal, accountancy, or company secretarial practices. The Company determines the qualifications and appoints a person as the Company Secretary by taking into consideration of mainly his knowledge, capability and work experience, disregarding whether such person is a permanent employee of the Company or not.

2. Committees

2.1 The Board of Director has appointed the Audit Committee in accordance with the requirement of the Stock Exchange of Thailand with a term of office of 3 years to perform specific duties and to propose matters for consideration or acknowledgement by the Board. The Audit Committee has rights and duties as set out in the scope of responsibilities of the Audit Committee and has qualifications according to the criteria prescribed by the Office of the Securities and Exchange Commission (SEC).

2.2 The Board of Directors appointed the Remuneration Committee comprising 3 members to consider the criteria for and form of remuneration to the directors and present its opinion to the Board, which the Board must propose to the shareholders' meeting for approval.

2.3 The Board of Directors has appointed the Corporate Governance and Risk Oversight Committee which consists of the director from supporting unit or a person with sufficient knowledge and experience to perform governance and risk responsibilities and be independent from management. The committee consists of at least 3 directors to perform the duties of monitoring, auditing, evaluating and giving advice in regards to corporate governance and risk management.

2.4 The entire Board of Directors, except those with conflicts of interest, performs duties for the Nomination Committee in order to consider the rules and procedures for the recruitment of suitable and qualified persons in line with the Company's business strategy to be a director, including selection of people in accordance with the specified recruitment process, propose opinions to the Board of Directors to propose to the shareholders' meeting to appoint directors. The process of recruiting the said person, the Company has been selected from the professional committee in the

directory of the Thai Institute of Directors (IOD) and personnel in various fields, by considering qualifications and working experience.

3. Roles and Responsibilities of the Board

3.1 The Board's duties and responsibilities should include the following matters:

- 1) The Board of Directors has the authority to approve various matters of the Company according to the scope of duties prescribed by the laws, the Articles of Association, the Board of Directors' charter, and by resolution of the shareholders meetings, as well as consider and approve key matters on the Company's operations, such as the vision and mission, strategy, financial targets, risks, plans, budgets, the corporate governance policy and the anti-corruption policy, including regular review and approval to be in line with the Company's situation.
- 2) Monitor and ensure efficient and effective implementation by the management of approved policies, strategies and plans.
- 3) Internal control and risk management, including the process for receiving and handling complaints.
- 4) Ensure long-term business continuity, including employee development plan and succession plan.

3.2 The Board of Directors has determined in writing a corporate governance policy for the Company as follows:

- 1) The Board has determined and approved a written corporate governance policy.
- 2) Communicate to everyone in the organization for their understanding.
- 3) Have method to encourage everyone in the organization to comply with the corporate governance policy.
- 4) Assess compliance to the corporate governance policy and review the policy at least annually.

3.3 The Board of Director promotes the preparation of a written code of conduct so all directors, executives and employees will understand the ethical standards the Company uses in its business operations and seriously monitors compliance with the code.

The Company has arranged for all employees to take the "Sujarit-Thai (or Honest Thai)" test through its intranet system to ensure that employees have knowledge and understanding about anti-corruption, which is part of the business ethics, and can implement it correctly and appropriately. In addition, the Company has evaluated the performance of all employees on the topic of morality, ethics and good governance in order for them to be good role models for others and society in accordance with the core values of the Premier Group annually.

3.4 The Board of Directors considers any conflict of interests thoroughly. There should be clear guidelines on the approval of transactions with possible conflicts of interest, which is chiefly for the best interests of the Company and all its shareholders. Persons with vested interests should not participate in the decision-making process. The Board should also monitor compliance with regulations regarding the procedures for and disclosure of information on transactions that may have conflicts of interest to ensure accuracy and completeness.

3.5 The Board of Directors ensures that internal control systems for financial reporting and compliance with regulations and policies are in place. The Board has assigned a person or a department that is independent to audit such systems and to review the main systems at least annually, as well as disclose the review results in the annual registration statement (Form 56-1 One Report).

3.6 The Board has established a risk management policy covering the whole Company and has assigned the management to implement the policy and regularly report to the Board. The risk management system is reviewed or the effectiveness of risk management is assessed at least once a year with the results disclosed in the annual registration statement (Form 56-1 One Report), and whenever, there is a change in risk level, which includes focusing on early warning signs and unusual transactions.

3.7 The Board of Directors or the Audit Committee should provide its opinion on the adequacy of the Company's internal controls and risk management systems in the annual registration statement (Form 56-1 One Report).

3.8 The Board of Directors has set clear procedures for whistle-blowers or stakeholders through its website or directly to the Company or report directly to the Company. The Board has assigned the Company Secretary as the recipient and handler of complaints from the stakeholders. The procedures and channels for filing complaints are disclosed on the Company's website and annual registration statement (Form 56-1 One Report). The Company has mechanisms for whistle-blower protection and compensation measures in the case stakeholders receive damages from the Company's violation of their legal rights.

3.9 The Board of Directors has mechanisms for governing its subsidiaries in order to protect the benefits from its investment. The Board is responsible for determining the suitability of persons to be appointed as directors of the subsidiary in order to ensure that its management complies with the policies of the Company and that various transactions are executed correctly according to securities and exchange laws and notifications of the SET.

3.10 The Board of Directors ensures that the management monitors and evaluates the financial position of the business and reports to the Board of Directors on a regular basis. If there is a problem, the Board of Directors and the management will work together to find a solution quickly and reasonably with regard to fairness to stakeholders, including creditors as well as follow up problem solving by having the management report the status on a regular basis and in approving any transactions or proposing opinions to the shareholders' meeting for approval. The Board of Directors will consider that such transactions will not affect the continuity of business operations, financial liquidity or the ability to pay debts.

4. Board of Directors' Meetings

4.1 The Company sets the schedules and agendas of the Board of Directors' meeting in advance and notifies each director of the schedule so that all directors can manage time to attend the meetings.

4.2 The number of Board meetings should correspond with the duties and responsibilities of the Board and the nature of business of the Company.

4.3 The Chairman of the Board of Directors and the Managing Director jointly select matters for inclusion in the agenda of the Board meeting and ensures that all important matters are included. Opportunity is provided for each director to independently propose any matter that is beneficial to the Company as an agenda item.

4.4 The meeting documents are sent to the directors at least 5 working days in advance of the meeting date.

4.5 All directors attended at least 75% of all Board meetings held during the year.

4.6 The Company has a policy regarding to the minimum quorum at the time that the Board of Directors will pass a resolution in the meeting of the Board that there must be at least 2 in 3 of the total number of directors. In the event of an emergency and/or force majeure which may result in negative impacts to the business or operation of the company and may not have at least 2 in 3 of the total number of directors to attend the meeting; then not less than half of the directors in accordance with the regulations have such power to consider and pass a resolution for that agenda.

4.7 The Chairman allocated adequate time for the management to propose matters and enough time for all directors to discuss important problems carefully. The Chairman promotes the prudent use of discretion. All directors paid attention to all matters raised at the meeting, including those concerning corporate governance.

4.8 The Board of Directors encourages the Managing Director to invite the senior executives to attend the Board meetings to provide additional information on the problems to which they are directly related and to provide an opportunity for the Board to learn more about the senior executives for use in supporting the consideration of the succession plan.

4.9 The Board of Directors has access to additional necessary information from the Managing Director, Company Secretary or other executives assigned under the scope of the policy set. If necessary, the Board may obtain independent opinions from external consultants or practitioners at the Company's expense.

4.10 The Board of Directors considers it a policy to provide opportunities for non-executive directors to meet among themselves as necessary to discuss various management issues of interest without participation of the management and to inform the Managing Director of the outcome of such meetings.

4.11 The minutes of the meeting should consist of at least the following information and there should be a good storage system with easy data search but cannot be amended without approval of a Board meeting.

- Date, start time and end time;
- Names of the directors present and absent;
- Summary of important information on the matters proposed to the Board;
- Summary of the matters discussed and observations of the directors;
- Resolutions of the Board and opinions of the dissenting directors (if any);
- Recorder of the minutes - Secretary of the Board of Directors;
- Certifier of the minutes - Chairman.

5. Board Self-Assessment

5.1 The Board of Directors and the committees conduct self-assessment of its performance at least once a year so that the directors can collectively consider its performance and problems for further improvement by setting a benchmark for systematic comparison with its performance.

5.2 The Board Performance Evaluation is both the committee and individual assessment. For sub-committee, it is an assessment of the entire committee which disclosure in the Company's annual registration statement (Form 56-1 One Report).

5.3 The Board of Directors assesses the performance of the Chairman of the Executive Committee or the highest ranking executive of the Company regularly every year for use in determining the remuneration. The criteria for the assessment is in accordance with the rules for the assessment specified by the Stock Exchange of Thailand.

For the Board self-assessment process, the Company Secretary will send the evaluation form mentioned above to all directors in November and respond within 15 December of every year. After that, the Company Secretary will collect and report the results of the evaluation in comparison with the previous year to the next Board of Directors' Meeting to acknowledge and improve the work to be more effective.

For the Board self-assessment criteria, the Company has evaluated the performance of the entire committee and evaluate the

performance of individual by using the method of 5 level scoring for each topic, which are:

- 0 = Strongly disagree or there has been no implementation of the matter,
- 1 = Disagree or there has been little implementation of the matter,
- 2 = Agree to a limited extent or there has been initial implementation of the matter,
- 3 = Mostly agree or there has been progressive implementation of the matter,
- 4 = Strongly agree or there has been complete implementation of the matter

The evaluation topics consisted of 6 main topics, which are:

- 1. Structure and characteristics of the board
- 2. Roles and responsibilities of the board
- 3. Board meetings
- 4. The Board's performance of duties
- 5. Relationship with management
- 6. Self-development of directors and executive development

For the assessment criteria of each sub-committee, the Company conducts performance assessments of the entire committee. The scoring method was used in the same manner as the performance evaluation of the Board and the individual performance evaluation. Which the topic of assessment consists of 3 main topics, which are

- 1. Structure and characteristics of the sub-committee
- 2. Sub-committee meetings
- 3. Roles and responsibilities of the sub-committee

In addition, the Company evaluates the performance of the Chairman of the Executive Committee by consideration of the Company's operating results and the implementation of the policies received from the Board of Directors for use in improvement the method employed is the same as in the evaluation of the performance of the Board of Directors as a whole and as individuals.

The evaluation consists of 3 main sections, which are:

Section 1 : Status of Achievements

Section 2 : Performance Measures

- 2.1 Leadership
- 2.2 Strategy formulation
- 2.3 Strategy execution
- 2.4 Financial planning/performance
- 2.5 Relationships with the Board

- 2.6 External relations
- 2.7 Human resources management/relations
- 2.8 Succession
- 2.9 Product/service knowledge
- 2.10 Personal qualities

Section 3 : Development of Chairman of the Executive Committee

6. Remuneration

The remuneration of directors is comparable with the industry level and reflects the experience, duties, accountability and responsibilities, as well as expected contributions of each director. Directors who are assigned to more tasks and has more duties and responsibilities, such as being a member of a committee, should receive additional remuneration as appropriate.

7. Board and Management Training

7.1 The Board encourages and facilitates training and educating for those involved in corporate governance of the Company, such as directors, members of the Audit Committee, executives, Company Secretary, etc., to assist them to continuously improve their performance. Training and educating can be done internally or through the use of the services of external institutions.

7.2 The Board of Directors requires that new directors must be provided with an orientation to create knowledge and understanding of the Company's business and the various processes, to prepare for the performance of their duties as directors. The Company Secretary shall act as a coordinator on various matters, such as business and management structures, scope of authority, regulation, general business knowledge, operating procedures, etc.

7.3 The Board of Directors has established a policy on human resources development for the directors and executives, which is disclosed in the annual registration statement (Form 56-1 One Report).

7.4 The Board requires the Managing Director to present them with the Company's succession plan at least once a year. The Managing Director and senior executives have prepared continuous succession plans in case they cannot perform their duties.