

CORPORATE GOVERNANCE





Corporate Governance Policy

GPSC sets corporate governance policy as a guideline for the directors, executives, and employees to comply with for the goals of efficiency in operation, excellence in management, ethical in business conduct, and transparency in the process.

In 2014, The Board cordially agreed to set corporate governance policy and have the Corporate Governance and Code of Conduct Manual produced for the first time. The manual has been distributed to the directors, executives, and employees for acknowledgement and further implementation to ensure GPSC's stakeholders that the company will operate with concern for all stakeholders, focusing on responsibility for the society and environment, as well as taking shareholders' benefits into account.

The Board emphasizes the importance of the corporate governance principles and determines to oversee the company's compliance with corporate governance framework to strengthen stakeholders' trust. The Board, therefore, set the

policy under the principles set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

With the vision of being **the power flagship of PTT Group to develop, invest, and operate power business domestically and internationally**, the company has identified corporate governance as essential elements of vision, missions, corporate values, with the goal of sustainable growth. GPSC focuses on these three areas: High Performance Organization: HPO, Corporate Social Responsibility (CSR), and Corporate Governance (CG).

After the company became listed in 2015, the Board has reviewed and revised the Corporate Governance and Code of Conduct Manual to ensure that it is up to date and comply with related laws and regulations as well as international standards which are the Public Company Limited Act B.E. 2535, the Securities and Exchange Act B.E. 2535, Organic Act on Counter Corruption, B.E. 2542, United Nations Global Compact principles, Economic Cooperation and Development (OECD), Corporate Governance of Listed Companies of SET.



The major issues that were revised and updated in the new manual are as follows

- Increased channels for providing complaints and offering clues when observing inappropriate behavior that contradicted with business ethics on the company website http://www.gpscgroup.com/gpsc_Whistleblowing.aspx
- Increase the GPSC's core values: CG SPIRIT as follows:
 - C** Care for All
 - G** Global Reach
 - S** Synergy
 - P** Performance Excellence
 - I** Innovation
 - R** Responsibility
 - I** Integrity and Ethics
 - T** Trust and Respect
- Revise the composition and qualifications, the nomination and appointment, and roles of Board of Directors as follows:
 - 1) The Board of Directors composes of at least 5 directors but not more than 12 directors, which at least half of the board must be independent directors.
 - 2) The Nomination and Remuneration Committee is responsible for nominating qualified persons to be considered as company's director to the Board of directors' consideration and approval
 - 3) Directors can be appointed as director in the listed companies not more than 5 companies.
 - 4) Directors cannot remain in the position for more than 9 consecutive years.
- Increased the qualifications of Independent directors and the guidelines of conflicting interests according to the Securities law.
- Added the content of Sub-Committees and duties and responsibilities of Sub-committees. Currently, the Sub-committee can be divided into the following groups:
 - 1) The Audit Committee
 - 2) The Nomination and Remuneration Committee

3) The Corporate Governance Committee

4) The Risk Management Committee

- Increase Anti-Corruption policy to be in line with PTT Group
- Added the code of conduct related to creditors to cover all company's stakeholders

Corporate governance policy

Board of Directors aims to promote the company's effectiveness in the business operation, to manage excellence in corporate governance and management, by creating maximum profits for stockholders, while recognizing the role of stakeholders and involving publics and practicing business code of ethics, transparency, along with check and balance. Hence, the company identified corporate governance policy for all directors, executives, and employees to practice in the following ways:

1. Board of Directors, executives, and employees will comply with the 6 corporate governance practices which are:
 - **Accountability** - demonstrating responsibility for the decisions made and being able to provide reasons for making such decisions
 - **Responsibility** - demonstrating responsibility for the individuals' duties with competency and effectiveness
 - **Equitable Treatment** - treating stakeholders equally with justice and reasonably
 - **Transparency** - operating the business that can be verified and with full disclosure
 - **Vision to Create Long Term Value**
 - **Ethics** - practicing business ethics and has organizational structure that promotes good relationship between directors, executives, and employees and stockholders with moral conducts
2. The Boards of Directors will perform the duties with high determination, independence, with role clarity separating Chairman of the Board of Directors and the President explicitly.

3. The Boards of Directors has the role to identify the vision, strategy, policies, and companies, while considering the risk factors and risk reduction and ensuring an accounting system, financial statements, and auditing are reliable.
4. The Boards of Directors must be a role model for ethical practices according to the good corporate governance principles and manage issues in conflict of interest and other relevant matters.
5. The Boards of Directors may appoint Sub-Committees to review significant issues
6. The Boards of Directors must do self-evaluation on a yearly basis in order to serve as framework for monitoring the roles of company directors
7. The Boards of Directors considers the company codes of business conducts, for the directors, executives, and employees to use a guideline for practice along with company rules and regulations.
8. The Boards of Directors promotes public disclosure via information technology regarding financial and non-financial matters with sufficiently, credibility, and up-to-date, so that stockholders can assess information equally. In addition, public relations and investor relations office will be responsible to provide information to investors and general publics.
9. The Boards of Directors oversees the nomination process of personnel to perform important duties in all levels, with a system that are transparent and justice.
10. Board of Directors oversees the setting of anti-corruption initiatives effectively in order to promote the administrators' awareness on the significance of anti-corruption and support the measures of anti-corruptions.
11. Shareholders will be treated equally, has the right to assess information equally, and has sufficient channels for communication with the company.

The company has publicized Corporate Governance and Code of Conduct Manual via internal networks of GPSC and company website.

The major corporate governance practices can be summarized as follows:

Rights of shareholders

Shareholders are entitled to the rights of the company's owners. They can participate in shareholders meeting and involved in the determination of the company's business operation through board of directors appointed by shareholders to represent, act, and make decisions on significant corporate issues. Shareholders meeting is therefore an important arena for every shareholder who is entitled to the rights to express, inquire, consider, and vote for or against the Board of the Directors' proposal. The company set the following policies to facilitate all shareholders and institutional investors to conveniently participate the meeting:

1. The company must not limit the shareholders' right for access of company information such as the meeting's information, process, and agendas in order for them to consider their decisions with sufficient and comprehensive details. Shareholders must be given adequate amount of time, at least 7 days, to go over the materials prior to the meeting. The company must provide diverse channels for shareholders to have access to information regarding shareholders meetings.
2. The Board of Directors must facilitate shareholders meeting by selecting the venue that can accommodate all the shareholders. The venue should be in Bangkok or nearby provinces and not too far to obstruct shareholders' commute. Special facility must be provided for the disabled individuals. The place must be organized with effective safety and emergency measures.
3. The company must not obstruct or limit shareholders' right to participate the meeting. Every shareholder is entitled to attend the entire meeting, inquire, and suggest recommendations according to the agendas, and vote for the resolution of the meeting. Chairman of the meeting must manage the time appropriately and encourage shareholders to express their opinions and ask questions.
4. Shareholders have the right to vote separately for each proposed agenda. The voting procedure and equipment must be transparent, convenient, fast, and effective,

where the resolution can be immediately announced. Shareholders are also entitled to the right to be informed about the voting results straight away.

5. The company's directors, Sub-Committees members, and the company secretary must participate in every shareholders meeting (unless they are obligated in other important missions) in order to answer shareholders' questions and listen to their opinions and inquiries. All high level executives should also participate in the meeting to answer shareholders' questions as well.
6. The company schedules shareholder's meeting once per year within 4 months after the closing day of the financial statement. And, in case of urgent situation the company will propose to call the meeting for a special agenda that affects or relates to the benefits of the shareholders or relevant to conditions, regulations, law which have to be approved by the shareholders. Company will call for an extraordinary shareholder's meeting case-by-case.
7. Company has publicized the invitation of the shareholder's meeting in the daily newspaper three days prior to the meeting for three consecutive days, so that shareholders will have sufficient time to prepare to attend the meeting.

Equitable treatment of shareholders

All shareholders shall be treated fairly and equally despite their differences in nationality, race, religion, belief, political standpoint, or physical condition. If any of the shareholders is unable to attend the meeting due to any inconvenience, they can assign a proxy to attend the meeting on his/her behalf. The procedures are as follows:

1. The Board of Directors must preserve and treat every shareholder's rights equally. Every Thai shareholder is entitled to receive the meeting's information in Thai language while foreign shareholders shall be provided with information that is translated in English.
2. Shareholders have the right to assign a proxy to attend and vote in the meeting on their behalf. Shareholders have the right to receive documents and advices

regarding the consent of assignation. A legal proxy, who submits the letter of consent to assignation to the Board of Director's meeting, has all the same right as a shareholder to attend and vote in the meeting. Shareholders can also assign their right to one of the independent directors to attend and vote in the meeting on their behalf. Shareholders have the right to be informed about each independent director's professional profile in order for them to use in their considerations when choosing the proxy.

3. The Board of Directors encourages minority shareholders to propose agenda as well as establishes procedures for the nomination of director candidates by minority shareholders. Shareholders have the right to propose the list prior to meeting to encourage shareholder engagement in recruiting qualified candidates for the directorship for the benefits of the company and stakeholders during October 16, 2015 to January 15, 2016; each shareholder or several shareholders holding not less than 1% of the total of company shares on the proposed date are entitled to propose. However, proposing for additional meeting agenda or people they wish to appoint as board members must be done under the laws and the company's regulations. Office of the President and the company secretary must be prepared in answering to inquiries and able to provide helps and instructions.

Role of stakeholders

The company's business operation involves a great deal of people from shareholders, members of the board, executive officers, employees, creditors, clients, and competitors to local and global community. Each party has its own demands and benefits; as a result, the code of conducts has to be determined as a policy that encompasses those different requirements.

1. The company categorizes the stakeholders into minority shareholders, major shareholders and institutional investors, creditors, partners, and companies in which the company invests in, community and the society

in general. The company must facilitate sufficient communication outlets, offering every stakeholder adequate access of information.

2. The company is obligated to continually develop its products and services with reasonable selling price with the situation. It must not do anything to take advantage of the consumers under Consumer Protection Law and Antitrust Act. Although the company's benefit is considered to be the main interest, it must treat its business partners fairly and justly.
3. The company recognizes employee incentives, by engaging in fair labor contract and proposing proper remuneration rate that is suitable to their potential and expertise in order to motivate the company's employee to work for the company. The company should also facilitate training and additional knowledge to strengthen the personals' potential, as well as pleasant working environment with standardized safety measures. Professional discipline should be promoted and engaged among employees, while a good health and compensation plan is also necessary in case should there is any cease of working, no matter what the cause is.
4. The company must have a Corporate Social Responsibility (CSR) unit that offers helps, supports, and benefits to the community and society in general. The company has initiated environmental and safety plans particularly to oversee possible environmental effects that might have been caused by the company's business operations with proper and suitable compensation plan in the case of accident and sustainable prevention and contingency plans.
5. The Board of Directors should publicly promote the company's concerns and care for the stakeholders, continually and consistently.

Disclosure and transparency

The Board of Directors shall ensure that all important information relevant to the company is disclosed correctly, accurately, and transparently through easy-to-access

channels that are fair and trustworthy, allowing the stakeholders to use as parts of their decision making process. The disclosure of information indicates the index of transparency in the company's operation. This is a crucial factor in promoting investors' confidence and trustworthiness in the business operation. It is also a mechanism that helps monitor and examine business operations. The company, therefore, recognizes the importance to information disclosure and transparency and has attempted to increase channels and level of accessibility in several ways as follows:

1. The Board of Directors is obligated to disclose information, both financial and non-financial, correctly, accurately, on a timely basis and transparently. In order for the company's shareholders and stakeholders to have an equal access to the information as specified by laws, involved governmental agencies, and the company's regulations, GPSC will up-date the information on the website regularly updated in order to make sure that shareholders can have access to the important information and contact with information provider unit, conveniently, and efficiently.
2. Set up a Corporate Communication unit, which is responsible for the public relations and promotion of the company's information, operations, and works beneficial to shareholders, investors, employees, involved parties, and the public. This should be done consistently and effectively for it can eliminate any misunderstanding or misconception. Investor Relations unit should be established to help facilitate the relationship with institutional investors, creditors, securities analysts and shareholders. The information regarding the company's operations and investment should be provided through convenient and easily accessible channels.
3. The Board of Directors should present the company's financial reports along with the auditor s report in the company's annual report. The report must be presented to shareholders at annual general meeting for further approval.

4. In the annual report, the Board of Directors must summarize status evaluation and a feasibility report on the power plant. The contents should be summarized that are easily comprehended. The report should include the Board's responsibilities in managing the financial statements, which must be presented along with the management report, final audit report, as well as the report on Board / Sub-committee meetings and attendance of directors in comparison to the number of Board/Sub-committee meetings held in the period of one year.
5. The Board of Directors must report the changes in the company's asset ownership, following the regulations issued by the Securities and Exchange Commission. The report of such changes must be presented in the Board of Director's meetings.
6. The company has presented the company performance to the analyst, investors, and employees periodically in various formats such as analyst meetings, roadshows, and meeting between individual investors and SET, and company visits.

The activities in 2015 are:

Events	Frequency in 2015
Domestic Roadshow	3
Overseas Roadshow	2
Analyst Meeting	3
Joining SET and other organizations to meet the investors	4
Institutional Investors Site Visit	1

In case investors and involving people have inquiries, contact Investor Relations 02-140-4628, 02-140-4691
Email: ir@gpscgroup.com via company website www.gpscgroup.com.

7. Company offers employees and stakeholders an opportunity to report if they have observed any inappropriate behavior that contradicts with unethical conducts, and clarify any doubt with the Human Resource Management, or use the available channels to report the clues to the company via company website www.gpscgroup.com, wherein the complainant must inform their names and complete evidences, for reliable investigation and follow-up on the issue. The

investigation must be done under the law and company regulations. Company will listen to all complaints with equal treatment, transparency, and granted justice for all. The timing for investigation will be planned appropriately and complainant's name will be kept confidential. They shall be protected during and after investigation.



Board Responsibility

Independence of the Board

Board of Directors must analyze, give opinions, and vote in the matters within its power of decision-making. If the board's decision making is done under professional pressure or the

conflict of interests, its judgment might be tainted with bias and impartiality. The board's independence is, therefore, highly crucial for the protection of the company and shareholders' interests. Directors who lack of such independence should be given the power to decide. The practices are as follows;

1. In order for the Board of Directors under the leadership of the Chairman to be driven by leadership with the ability to control the Executives' operations effectively and efficiently, the company clearly separates the role and responsibility of the Chairman and the President.
2. Independent directors must have sufficient access to financial and business information in order to provide independently conceived judgments and opinions for their role to preserve the interest of the involved parties. They should attend the meeting regularly.
3. Independent directors should be qualified by the qualification specified by the SEC and the SET. The responsibility of the Board of Independent directors should encompass the preservation of every shareholder's right, equally, as well as the obstruction of any conflict of interests between the company and executive personals, major shareholders, or other companies with executive personals and/or major shareholders in the same group. In addition, independent directors should be able to express their opinions in meetings freely.

The Board of Directors composes of 12 directors and 5 independent directors, which are more than one-third (1/3) of the total numbers of Board of Directors. GPSC perceives that the Board structure has transparency and could preserve the interest of shareholders and GPSC. In addition, after the company has registered in SET, company must comply with SEC, Capital Market Supervisory Board, SET concerning Connected Transaction and Practices of Listed Companies in the Acquisition and Disposal of Assets which indicated all significant matters have to be approved in the shareholder's meeting. The Audit Committee's opinions should be provided to support shareholders' decision making.

Meeting of Board and provision of information

Every director should attend board meetings. The Office of the President and the Company secretary will be responsible of the provision of documents, venue, and coordinating meeting. Each director must be notified the date and agenda of the meeting, while meeting documents should be sent for a considerable period in advance. The practices for the Board meeting are:

1. The Board of Directors should fully dedicate and commit its time and interest in the company's operations. It should attend meeting regularly, at least once a month, or whenever needed. The Company secretary will facilitate and prepare meeting documents as well as invitation. At least half the number of the directors must be present at the meeting to be considered a constituted quorum.
2. More than 3 consecutive absences at the meeting without reasonable cause will be considered as the lack of intention to continue one's position as a director. If a director cannot attend the meeting due to certain necessities, written document about the absence must be submitted to the Chairman of the Board.
3. Chairman of the Board and President should set the board meeting agenda together and ensure that all important issues are included. Each member of the Board should be free to propose an issue for a meeting agenda.
4. Chairman of the Board must ensure that the Board of Directors provides sufficient time for the executives to prepare the presentation as well as for the board of committee to discuss the important issues.
5. Chairman of the Board should have a clear procedure in order for directors to receive meeting information 7 days in advance (unless an urgent meeting is called). The directors should be provided sufficient time to prepare and review the information for accurate judgment and decision making process can be done efficiently and effectively. In the past year, the company has complied to this practice by sending meeting notice and agenda to all directors at least 7 days in advance.

6. The Board of Directors can inquire documents, information, consults, and services regarding the company's operations from high-level executives with the Company secretary help facilitating the matters. In addition to the documents, the Board can ask for independent opinions from outside consultants if necessary. The company will be responsible of all the expenditures.
7. Directors who might be involved in the conflict of interest in any meeting agenda cannot vote or must be asked to leave the meeting.
8. Minutes of Board's meetings must be summarized clearly and comprehensively, along with the resolution and the Board's opinions, which can be used for future references.

Evaluation of The Board's Performance

According to the Corporate Governance and Code of Conduct manual, the Board must ensure that there is a performance evaluation for directors on a yearly basis, which were used as guideline to monitor the overall performance of the directors throughout the year. In addition, the company directors will have to review and evaluate their own self-performance appraisal regarding the roles and responsibilities, wherein the results will be informed them to acknowledge and improve their performance effectively in the future. In the Board of Directors' meeting No. 5/2015 held on December 4, 2015, the meeting approved three forms of performance appraisal for the year 2015, wherein company directors must evaluate their performance appraisal and report the appraisal report to the Corporate Governance Committee and Board of Directors to acknowledge the performance of company directors and improve the operation effectively and efficiently.

In the year 2015, three forms of performance appraisal of company directors as follows:

1. The Board of Directors Assessment
2. Individual Self- Assessment
3. Sub-Committee Assessment
 - 1) The Audit Committee
 - 2) The Nomination and Remuneration Committee
 - 3) The Risk Management Committee
 - 4) The Corporate Governance Committee

The appraisal forms cover the following criteria:

The Board of Directors Assessment and Sub-Committee Assessment

1. Board Policy
2. Board Composition
3. Board Practices
4. Board Meeting

Individual Self- Assessment

1. Accountability
2. Responsibility
3. Equitable Treatment of Stakeholders
4. Transparency
5. Vision to Create Long- Term Value
6. Ethics

The criteria for the evaluation represent the percentage as follows:

- | | | |
|--------------|---|--------------|
| ● Over 85 % | = | Excellent |
| ● Over 75 % | = | Very Good |
| ● Over 65 % | = | Good |
| ● Over 50 % | = | Satisfactory |
| ● Under 50 % | = | Poor |

The 2015 Performance Assessment of the Board of Directors can be summarized as follows:

Assessment		2015 %	Rating
Form 1	The Board of Directors Assessment	93.93	Excellent
Form 2	Individual Self- Assessment	97.19	Excellent
Form 3	Sub- Committee Assessment		
	The Audit Committee	99.02	Excellent
	The Nomination and Remuneration Committee	98.04	Excellent
	The Risk Management Committee	98.04	Excellent
	The Corporate Governance Committee	100	Excellent

Remark : The appraisal respondent is comprised of 10 directors out of 12 directors (83%). The two directors who has not participated in the appraisal are Mr. Chavalit Punthong and Mr. Toemchai Bunnag as their directorship period were less than 3 months when the appraisal was conducted.

Orientation of New Directors

The Company ensures that every company director must attend orientation program for company directors prior to the first Board's meeting, to promote information about the company policies and related company information such as nature of business, strategic planning, organizational structure, shareholder information, company performance, and regulations. In addition, they will receive manuals for company directors and Corporate Governance and Code of Conduct Manual to perform effectively and efficiently.

Development of Directors

Board of Directors recognized the importance of attending courses and seminars to enhance their knowledge in performing their duties as company directors.

GPSC's Directors have attended courses organized by the Thai Institute of Directors (IOD) as follows:

No.	Name-Surname	DCP	DAP	ACP	RCP	FND	UFS	FGP	Others
1	Mr. Surong Bulakul	121/2009							
2	Mr. Norkun Sitthiphong				21/2009				
3	Mr. Chulasingh Vasantasingh	35/2003		17/2007		7/2003	1/2006	4/2012	RE DCP 1/2008
4	Ms. Panada Kanokwat	113/2009	75/2008					2/2011	DCPU 2/2014 ACEP 8/2013 C-FG 4/2013
5	Air Marshal Suttipong Inseeyong		114/2015						
6	Mr. Chavalit Punthong	177/2013							
7	Mr. Payungsak Chartsutipol		SCC/2004						
8	Mr. Supattanapong Punmeechaow	131/2010			30/2013				
9	Mr. Atikom Terbsiri	125/2009							
10	Mr. Somchai Wongwattanasan		114/2015			31/2006	2/2006		CSP 10/2005
11	Mr. Patiparn Sukornthaman	73/2006							
12	Mr. Toemchai Bunnag	143/2011							

GPSC's director who attended IOD's course in 2015 is Mr. Somchai Wongwattanasan, enrolled for Director Accreditation Program (DCP 114/2015)

Remarks: DCP : Director Certification Program
DAP : Director Accreditation Program
ACP : Audit Committee Program
RCP : Role of the Chairman Program
FND : Finance for Non-Finance Director Program
UFS : Understanding the Fundamental of Financial Statement
FGP : Financial Institutions Governance Program
DCPU : Director Certification Program Update
RE DCP : DCP Refresher Course
ACEP : Anti-Corruption for Executive Program
C-FG : Anti-Corruption Focus Group
CSP : Company Secretary Program

Remuneration of GPSC Board and the President

The Board of Directors and the President cannot approve their own remuneration for it is considered to be a conflict of interests. The Remuneration and Nomination Committee will consider, determine, and propose the remuneration to the Board's meeting for endorsement prior to the Shareholder's meeting, wherein shareholders will vote on the matter. The practices are as follows;

1. The role of the Remuneration and Nomination Committee is to advise the Board of Directors the details of remuneration policy and the individual remuneration of company directors and President. This information will later be used in the creation of the fair and appropriate remuneration structure and composition that reasonably suit with the given responsibility. The structure should support the company's operation, in the level that can motivate and retain qualified directors with the company, having similarity to other companies in the same industry. Remuneration structure and composition should be clear, transparent and easy to understand.
2. Shareholders have the right to consider the remuneration criteria and policy of directors annually. The Board of Directors must propose the remuneration for the year at the annual general meeting of shareholders for approval.
3. The Board of Directors and top executives must include remuneration policy for directors, principles, and explanations in the company's annual report.

Succession Plan

The Board must ensure that the company is equipped with human resource system that can find suitable replacements for every management position. The recruitment of the President will follow the selection process where both qualified internal and outside individuals will be taken into consideration.

In addition, company must prepare succession plan for the top management, by identifying policies and guideline for leadership development, personal enhancement plan to promote company directors' readiness for promotion if vacancy is offered.



Nomination of Board and the President

Nomination of Independent Directors

The Board of Directors will consider the primary qualifications of individuals who will be appointed as independent directors to be independent from the company's major shareholders and executives. The consideration will be done on the qualified individuals who are free from all incompatibilities as specified in Public Limited Companies Act, 2535 (As Amended) and Securities and Exchange Act, 2535 (As Amended), the Capital Market Supervisory Board's announcement, including the involved laws, regulations and rules. In addition, the board will also consider the qualified individuals with suitable credentials and working experiences as parts of the selection process. The lists of nominees will be presented and discussed in Shareholder's meeting for further consideration and future appointment. If one of the independent directors leaves the position before time, the Board of Directors can appoint a new, suitable independent director. The replaced independent director shall serve the remaining period of office of his/her predecessor.

The company's structure requires the Board of Directors to compose of at least 1/3 Independent directors out of all directors and it must not be less than 3. The structure of the board allows the voting to be balanced when issues have to be considered and decisions have to be made.

The qualifications of an independent director are as follows:

1. Holding shares not exceeding 0.5 percent of the total number of shares with voting rights of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, including shares held by related persons of such independent director.
2. Neither being nor used to be an executive director, employee, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary, affiliate, same level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to taking the independent directorship.

3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child to other director, executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary company.

4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in the manner which may interfere with his/her independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, affiliate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to taking the independent directorship.

The term 'business relationship' under the first paragraph shall include any normal business transaction; rental or lease of immovable property; transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans; guarantee; providing assets as collateral; and any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences.

5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company,

its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to taking the independent directorship.

6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding Baht 2 million per year from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to taking the independent directorship.
7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder.
8. Not undertaking any business in the same nature and in competition to the business of the Company or subsidiary company or not being a significant partner in a partnership or being an executive director, employee, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company.
9. Not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

Nomination and appointment of Company Directors

The appointment of directors is supervised by the Nomination and Remuneration Committee, which consists of one Independent director out of the total numbers of the committee. Its responsibilities include the consideration and selection of individuals with qualified experiences and knowledge who have all the qualifications and free of incompatibilities specified in Public Limited Company Act 2535 (as amended) and Securities and Exchanges Act 2535 (as amended) the

Capital Market Supervisory Board's announcement, including the laws, regulations, and rules involving the director position. The Nomination and Remuneration Committee then proposes the list of qualified candidates who are prospective directors. The aim is to obtain professional individuals from diverse fields through the consideration of structure, size and composition of the Board of Directors. The list of the nominated directors will be presented at the board meeting and/or shareholders meeting for further consideration and approval.

The Nomination and Remuneration Committee offers an opportunity for company directors and shareholders to be parts of the nomination by proposing the suitable candidates. The procedure is as follows:

1. A shareholder shall have one vote for each share he/she holds.
2. Shareholders shall vote for individual candidate nominated for directors.
3. The candidates shall be ranked in descending order from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the director positions are filled. If the votes cast for the candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the Chairman of the Meeting shall cast the deciding vote.

At the Annual General Meeting of Shareholders each year, one-third (1/3) of the total directors must vacate office. If it is not possible to divide the total number of directors evenly by three, the number closest to one-third (1/3) must vacate office. In choosing those directors who retire, length of service on the board should be considered, so that those who have served longest are most eligible to retire. Nevertheless, a retiring director is eligible for re-election.

In case the director position is vacant due to other causes besides retirement and end of term, the board shall consider individuals with required qualifications and free of any incompatibilities specified by law to be the new director in the

next board meeting unless the remaining term of the retiring director is less than two months. The selected replacement shall be the director position only in the remaining term of his/her predecessor. To approve the appointment of the individual to replace the director position, the individual must receive no less than three-fourths (3/4) votes from the remaining directors.

Nomination of the President

The nomination of the President is carried out by the Nomination and Remuneration Committee. The selected individual has to meet the specified qualifications, highly knowledgeable and skilled with professional experiences that can be beneficial for the company's operation. The person must have comprehensive understanding in the business of the company and can efficiently oversee the management perform duties and achieve the goal assigned and set out by the board of directors. Those matters should then be proposed to the board for further consideration and approval.



Corporate Governance of Subsidiaries, Associates and Other Companies

Corporate governance approaches of subsidiaries, associates and other companies

The company's approaches towards corporate governance of subsidiaries, associates and other companies are as follows:

1. The company will send its representatives to be directors of subsidiaries, associates and other companies in proportionate number of the shares it is holding in each company. Nevertheless, sending in representative will have to be considered with the suitability of each company and approved by the Board of Directors at the Board's meeting.
2. The Board of Directors is responsible for the corporate governance of each of the subsidiaries, associates and other companies to be in the following scopes:

- 2.1 Governing the Board of Directors of each of the subsidiaries, associates and other companies to perform its duties under the laws, objectives and regulations as well as following responsibilities assigned by the Board and Shareholders. It must perform under Duty of Loyalty, Duty of Care, accountability and ethics.
- 2.2 Follow up and provide advices in order for the business operations of subsidiaries, associates and other companies take place under contracts and regulations.
- 2.3 Follow up on operations of subsidiaries, associates and other companies and offer recommendation to ensure they proceed according to plan and head towards the right directions. Being able to handle and resolve possible obstacles, timely and appropriately.
- 2.4 Provide careful considerations, follow up and advices, which help strengthen internal mechanism and working system of subsidiaries, associates and other companies to be more efficient and effective in business operation.
- 2.5 Provide careful considerations, follow up and necessary revision of policy and important plans involving business operations of subsidiaries, associates and other companies, keeping them up to date and appropriate with the contemporary business and economic environment.
- 2.6 The Board of subsidiaries, associates and other companies can assign one or more directors or other individuals as the representatives and perform their duties. Such assignment will not include the authorized proxy's power to approve on any matters that might cause conflicts or jeopardize the interests of the company and/or subsidiaries, associates and other companies.
3. The company implements plans and operations to ensure the transparent disclosure of information of subsidiaries, associates and other companies from

operating results and financial statements as well as the information that has to be disclosed to the involved regulating agencies, governmental agencies, outside investors, and the general public, accurately, comprehensively and credibly.

4. In case the subsidiaries, associates and other companies have to perform any transactions that involve or may cause the conflict of interests, the company must ensure that the subsidiaries, associates and other companies perform those transactions, transparently and fairly. The company will follow the principles concerning the acquisition and disposition of assets, which are strictly determined by the involving regulating agencies.
5. The company will see through that the subsidiaries, associates and other companies have information disclosure system and internal regulating system that are adequate and appropriate for their business operations.



Use of Inside Information

The company's inside information management policy is implemented under good corporate governance principles. Policy and measures are established to control the involved person, namely, the Board of Directors, top executives and employees concerning the use and prevention of misuse of internal information that has not yet been disclosed to the public for personal interests. The policy and measures are as follows:

1. Provide the the Board of Directors and top executives accurate information and knowledge regarding their responsibility to report securities holding, changes in securities holding and securities acquisition and disposition of themselves, their spouses and offspring under the legal age to (SEC, following the regulations specified in Securities and Exchange Act 2536 (as amended).

2. The Board of Directors and top executives including their spouses and offspring under the legal age must disclose and report their securities holding, changes in securities holding and securities acquisition and disposition of themselves, their spouses and offspring under the legal age to (SEC, following the regulations specified in Securities and Exchange Act 2535 (as amended).
3. The Board of Directors, top executives as well as executives in management level and above in audit and finance and employees whose works involve important inside information that can reflect the change of securities values, must stop their transaction on the company's securities until the company's financial statements or financial status are disclosed to the public. The company must notify the Board of Directors, top executives as well as executives in management level and above in audit and finance, in written document, to stop the acquisition and disposition of the company's securities for at least 30 days before public dissemination and wait at least 24 hours after the public dissemination of the information. The aforementioned parties are prohibited from disclosing such information to others.
4. The Board of Directors, top executives and employees of the company are prohibited from the use of the company's inside information that has or might have any impact on the change of the company's undisclosed securities. The Board of directors, top executives and employees are prohibited from using the information acquired through position or status in the company to benefit any securities transactions of the company, whether by themselves or by asking or suggesting someone to perform the transactions, directly or indirectly, which may cause direct and indirect damages to the company's interests. It does not matter whether the action is for the benefit of themselves or others. The disclosure of information for others to perform securities transactions, whether the Board of Directors, top executives or employees of the company are benefited from such actions or not, is considered to be prohibited.
5. The Board of Directors, top executives and employees who had resigned are prohibited from disclosing the confidentiality or inside information of the company as well as its partners acquired through their positions even though such disclosure does not cause any damage to the company.
6. The Board of Directors, top executives and employees of the company as well as former board of directors, top executives and employees of the company are obligated to protect and preserve the company's confidentiality and/or inside information. They must be legally informed that the company's inside information can be used only for the company's business operations. The Board of Directors, top executives and employees of the company are prohibited from disclosing the company's confidentiality and /or inside information to benefit the companies in which they are shareholders, directors, executives, employees and outsource personnel.
7. For any violation of the aforementioned paragraphs regarding inside information dissemination by the board of directors, top executives and employees of the company, disciplinary penalties shall be enforced, from formal notification in writing, loss of wages for a specified number of hours or days, suspension without pay or termination of employment. The level of penalty will be considered from the intention and severity of the action.

GPSC Share Ownership of the Directors in the Year 2015

No.	Names-Surname (Directors as of December 31, 2015)	Total Shares Holdings (First Report)	Total Shares Holdings (As of December 31, 2015)	Change Increase (Decrease) During the Year
1	Mr. Surong Bulakul	73,000	73,000	-
		0.004872 %	0.004872 %	-
	Spouse	-	36,800	36,800
		-	0.002456%	-
	Offspring under the legal age	-	-	-
2	Mr. Norkun Sitthiphong	73,000	73,000	-
		0.004872 %	0.004872 %	-
	Spouse	-	-	-
3	Mr. Chulasingh Vasantasingh	73,000	73,000	-
		0.004872 %	0.004872 %	-
	Spouse	-	-	-
4	Ms. Panada Kanokwat	73,000	73,000	-
		0.004872 %	0.004872 %	-
5	Air Marshal Suttipong Inseepong	73,000	73,000	-
		0.004872 %	0.004872 %	-
	Spouse	-	-	-
6	Mr. Chavalit Punthong	30,000	30,000	-
		0.002002 %	0.002002 %	-
	Spouse	-	-	-
7	Mr. Payungsak Chartsutipol	73,000	73,000	-
		0.004872 %	0.004872 %	-
8	Mr. Supattanapong Punmeechaow	73,000	73,000	-
		0.004872 %	0.004872 %	-
	Spouse	-	-	-
9	Mr. Atikom Terbsiri	73,000	73,000	-
		0.004872 %	0.004872 %	-
	Spouse	-	-	-

No.	Names-Surname (Directors as of December 31, 2015)	Total Shares Holdings (First Report)	Total Shares Holdings (As of December 31, 2015)	Change Increase (Decrease) During the Year
10	Mr. Somchai Wongwattanasan	73,000	73,000	-
		0.004872 %	0.004872 %	-
	Spouse	-	-	-
11	Mr. Patiparn Sukornthaman	73,000	73,000	-
		0.004872 %	0.004872 %	-
	Spouse	-	-	-
12	Mr. Toemchai Bunnag	25,000	25,000	-
		0.001668 %	0.001668 %	-
	Spouse	-	-	-

GPSC Share Ownership of the Executive in the Year 2015

No.	Names of Executives (Executives as of December 31, 2015)	Total Shares Holdings (First Report)	Total Shares Holdings (As of December 31, 2015)	Change Increase (Decrease) During the Year
1	Mr. Toemchai Bunnag President	25,000	25,000	-
		0.001668 %	0.001668 %	-
	Spouse	-	-	-
2	Mrs. Wanida Boonpiraks Chief Financial Officer	58,000	58,000	-
		0.003871 %	0.003871 %	-
	Spouse	-	-	-
3	Mr. Smornchai Khoonrak Chief Asset Management Officer	58,000	63,000	5,000
		0.003871 %	0.004205 %	-
	Spouse	-	-	-
4	Mr. Kowit Chuengsatiansup Vice President , Corporate Planning	58,000	58,000	-
		0.003871 %	0.003871 %	-
	Spouse	-	-	-

No.	Names of Executives (Executives as of December 31, 2015)	Total Shares Holdings (First Report)	Total Shares Holdings (As of December 31, 2015)	Change Increase (Decrease) During the Year
5	Mr. Payont Ampornareekul	58,000	58,000	-
	Vice President, Special Assignment and Lao PDR Representative	0.003871 %	0.003871 %	-
	Spouse	-	-	-
	Offspring under the legal age	-	-	-
6	Mr. Ongkarn Srivichit	50,000	50,000	-
	Vice President, Special Project	0.003337 %	0.003337 %	-
	Spouse	-	-	-
7	Mr. Wisate Chungwatana	20,000	20,000	-
	Vice President, Business Development-1	0.001335 %	0.001335 %	-
	Spouse	-	-	-
8	Mr. Darunporn Kamolpus	58,000	58,000	-
	Vice President, Business Development-2	0.003871 %	0.003871 %	-
	Spouse	-	-	-
9	Mr. Yongyuth Kleebbua	58,000	58,000	-
	Vice President, Sriracha Power Plant	0.003871 %	0.003871 %	-
	Spouse	-	-	-
10	Mr. Klahan Tochamnanvit	58,000	58,000	-
	Vice President, Organization Excellence	0.003871 %	0.003871 %	-
	Spouse	-	-	-



Auditor Remuneration

For the audit year, which ended on 31 December 2015, the company and its subsidiaries paid an audit fee to KPMG Phoomchai Audit Ltd. in the total amount of 1.85 million THB, dividing into 1.11 million THB is the company's audit fee and 0.74 million THB is the subsidiaries' audit fee, and non-audit fee amount to 0.60 million THB.

KPMG Phoomchai Audit Ltd. is enlisted in the list of auditors approved by the office of the Securities and Exchange Commission. The firm has independence from the company as none of GPSC's directors and executives has been employed or hold shares of the firm before.