

# CORPORATE GOVERNANCE



## Good Corporate Governance Policy And Code Of Business Conduct

Global Power Synergy Public Company Limited (GPSC) has operated in adherence to principles of good corporate governance and code of business conduct to ensure that in its advancement towards success and business growth, its business is still characterized by good governance, transparency, and responsibility towards each stakeholder group.

### Good Corporate Governance Policy

The Board of Directors has prescribed the good corporate governance policy to guide GPSC's personnel at all levels in their operation as follows.

1. The Board of Directors, executives, and employees shall commit themselves to adhering to the following six principles of good corporate governance.



- **Accountability** Responsibility towards one's decisions and actions and the ability to provide explanations for such decisions
- **Responsibility** Responsibility towards fulfilling one's duties with competency and efficiency
- **Equitable Treatment of Stakeholders** Treating stakeholders equally with fairness and reasons
- **Transparency** Openness and accountability in business operations and information disclosure
- **Vision to Create Long Term Value** Vision for the creation of long-term added value for GPSC
- **Ethics** Integrity and ethical principles in business operations and a management structure that

2. The Board of Directors shall fulfill its duties with dedication, responsibility, and independence and shall clearly separate the roles and responsibilities between the Chairman of the Board and the President and Chief Executive Officer.
3. The Board of Directors shall play a significant role in determining GPSC's vision, strategies, policies, and key plans while taking into consideration risk factors and preparing appropriate management of such risks and ensure the reliability of the accounting system, financial statements, and the auditing.
4. The Board of Directors shall serve as a role model of integrity and adherence to GPSC's good corporate governance policy as well as oversee the management of conflicts of interest and connected transactions.
5. The Board of Directors may appoint Sub-Committees as deemed appropriate to review significant matters.
6. The Board of Directors shall perform self-assessment on an annual basis to serve as a framework for examining the performance of the Board of the Directors.
7. The Board of Directors shall define GPSC's code of business conduct to be adopted as guidelines by the Board of Directors, executives, and employees at all levels in tandem with GPSC's rules and regulations.
8. The Board of Directors shall oversee sufficient, reliable, and timely disclosure of information on financial and non-financial matters so as to ensure equal access to GPSC's information among shareholders and stakeholders as well as put in place public relations and investor relations divisions to be responsible for information disclosure for investors and the general public.
9. The Board of Directors shall oversee an appropriate, transparent, and fair talent acquisition and selection system to recruit personnel for executive positions at all levels.
10. The Board of Directors shall implement an effective anti-corruption system to ensure that the management gives precedence to anti-corruption and adhere to anti-corruption measures.
11. Shareholders shall receive equitable treatment, enjoy the right to access GPSC's information, and have appropriate channels for communication with GPSC.

In addition to the aforementioned policy, the Board of Directors has also defined five categories of good corporate governance principles, comprising rights of shareholders, equitable treatment of shareholders, role of stakeholders, disclosure and transparency, and responsibilities of the Board of Directors.

### Code of Business Conduct

The Board of Directors has formulated GPSC's code of business conduct, describing standards of behavior and conduct that GPSC's personnel at all levels should adopt in carrying out business operations and performing their duties. In 2018, the code of business conduct has been improved, real-life situations and case studies are added to set clearer guidelines for GPSC's personnel.

GPSC's code of business conduct comprises 15 categories as follows.

1. Compliance with laws and human rights
2. Anti-Money laundering
3. Political support

4. Conflict of interest
5. Confidentiality and use of inside information
6. Treatment of customers and consumers
7. Treatment of business competitors
8. Procurement and treatment of business partners
9. Communities, social, and environmental responsibility
10. Treatment of employees
11. Treatment of creditors
12. Internal control and internal audit
13. Receiving and offering of gifts and other benefits
14. Safety, health, and environment
15. Intellectual properties and use of ICT

The details and guidelines of the principles of good corporate governance and GPSC's code of business conduct are available in the Corporate Governance and Code of Conduct Manual 2016 which is publicized on GPSC's website, accessible to the general public. The revised edition of the manual is being reviewed and communicated to executives and employees. GPSC will publicized the revised manual on GPSC's website once fully completed.



## Good Corporate Governance in Action

### 1. Rights of Shareholders and Equitable Treatment of Shareholders

GPSC has treated every shareholder with respect and equity. The summary of its operations in 2018 is as follows.

#### 1) The 2018 Annual General Meeting of Shareholders

The 2018 Annual General Meeting of Shareholders (AGM) was held on April 3, 2018 at Bangkok Convention Center, 5<sup>th</sup> Floor, Central Plaza Ladphrao. GPSC provided the shareholders convenience in attending the AGM as follows :

##### Pre-Meeting

- GPSC shareholder(s), which can be either one shareholder or combined shareholders, holding not less than one percent of the total voting rights of GPSC, were invited to propose agenda items and nominate director candidates from October 1 to December 31, 2017 (at least three months prior to the date of the AGM). The selection criteria and processes were published on GPSC's website
- The resolutions of the Board of the Directors on the AGM date and agenda items as well as the record date to determine the shareholders entitled to attend and vote in the AGM and receive the dividend were published through the SET's Digital Disclosure System as soon as the resolutions were reached on February 12, 2018.
- The invitation notice, both in Thai and English, meeting documents, and proxy forms were made available on GPSC's website on March 2, 2018(30 days prior to the AGM) and delivered to shareholders via post on March 13, 2018 (21days prior to the AGM) to allow sufficient time for shareholders to study the information for the AGM. Foreign shareholders were given the English version of the documents.
- Shareholders unable to attend the meeting were invited to appoint a proxy or grant proxy to independent directors to attend the meeting and vote in their lieu. Proxy Form B. (in which shareholders could cast their votes) is encouraged and was enclosed with the invitation notice sent via post to every shareholder.

- Shareholders were invited to submit inquiries about AGM attendance and the agenda prior to the meeting. The channels for inquiries were disclosed in the invitation notice.
- For institutional investors, GPSC contacted their representatives to provide information for institutional investors on the preparation of accurate and complete documents prior to the meeting.

##### Meeting

- The AGM was held at Bangkok Convention Center, 5<sup>th</sup> Floor, Central Plaza Ladprao, which was accessible via various public transport and spacious enough to accommodate all attending shareholders.
- Sufficient staffers were stationed at the venue to welcome and assist shareholders with the registration and document examination. In addition, revenue stamps were prepared to ensure convenience for proxies during the document examination process.
- An IT System (Shareholder Meeting System) was employed for registration, vote counting, and result displaying processes. The technology expedited the meeting as well as ensured accuracy.
- The rules and regulations of the meeting as well as the voting procedure were announced prior to the meeting commenced.
- Voting tickets were employed for every agenda item. For director election, the shareholders were eligible to vote each director separately.
- Independent legal counselors and shareholder representatives were invited to witness the vote counting. After the meeting was concluded, no dispute over the vote counting was lodged.
- The Chairman of the meeting encouraged and invited inquiries and free expression of opinions of shareholders as well as oversaw that all inquiries were addressed.
- The meeting was conducted in accordance with the agenda detailed in the invitation notice, and no agenda item was added.

### Post-Meeting

- The resolutions of the AGM were published through the SET's Digital Disclosure System, along with the results and the numbers of votes (approval, disapproval, and abstention) for each resolution.
- The minutes, which identified the list of directors and top executives attending the meeting, the information presented by the directors, inquiries and answers, and the voting result of the shareholders for each resolution, were submitted to SET and published on GPSC's website within 14 days from the date of the AGM.

## 2) Conflicts of Interest by Director and Executives

GPSC has stipulated that its directors and executives shall declare any vested interest of their own and their related persons so that the Board of Directors may consider transactions potentially involving conflicts of interest and make decisions in the interest of GPSC. Any directors and executives with conflicts of interest in such transactions of GPSC shall take no part in any decision-making for those transactions. In 2016, the Board of Directors approved the implementation of the Report of Interest for directors, executives, and related persons (revised version) and the criteria of interest reporting which comprises first report, report in changes of interest, and yearly report.

## 3) Shareholders' Site Visit

GPSC has attached utmost significance to the roles of stakeholders, from shareholders, investors, associated government agencies and other relevant agencies, employees, business partners, suppliers, contractors, customers, as well as society and communities. To this end, GPSC has defined its policy on the roles of stakeholders in its corporate governance manual and code of business conduct and published its operations relevant to its stakeholders in GPSC's 2018 Sustainability Report.

## 2. Roles of Stakeholders

GPSC has attached utmost significance to the roles of stakeholders, from shareholders, investors, associated

government agencies and other relevant agencies, employees, business partners, suppliers, contractors, customers, as well as society and communities. To this end, GPSC has defined its policy on the roles of stakeholders in its corporate governance manual and code of business conduct and published its operations relevant to its stakeholders in GPSC's 2018 Sustainability Report.



## 1) Anti-Corruption

GPSC operates its business with integrity, transparency, and responsibility towards the society and all stakeholders, as well as not tolerating all forms of corruption. In 2018, GPSC became a certified member of the Collective Action Coalition of Thailand's Private Sector Collective Action Coalition against Corruption: CAC)

## GPSC's Anti-Corruption Policy

### Definition

"Corruption" is defined as any act of bribery in all forms:

1. Offering / providing / promising to offer
2. Accepting / requesting

of money, assets, or other inappropriate benefits, either directly or indirectly, given to governmental or private officers or responsible individuals so that such individuals perform or refrain from performing their duty so as to deliver or preserve the business or other undue business interest, except when such an act is in compliance with laws, rules, regulations, local customs and traditions, and business customs.

### Roles and responsibilities

In addition to strict compliance with the company's policies, guidelines, and measures, the roles and responsibilities of the Board of Directors, the Sub-committees, and the executives defined by the company are as follows:

#### The Board of Directors

- Formulate policies and perform supervisory roles to ensure that GPSC has an efficient anti-corruption system in place so as to ensure that the executives recognize the significance of anti-corruption practices, place emphasis on them, and cultivate them into the organizational culture of the company
- Comply with anti-corruption measures, with penalties imposed for non-compliance

#### The Corporate Governance Committee

- Formulate compliance frameworks for anti-corruption related operations of GPSC
- Prescribe and review anti-corruption policy; offer recommendations and guidance; monitor and assess anti corruption related operations

#### The Audit Committee

- Supervise internal control, financial statement reporting, and other anti-corruption related processes as well as oversee compliance with anti-corruption measures
- Review relevant measures and internal control to ensure anti-corruption measures are sufficient and efficient

- Review risk management and suggest practices that should be adopted to reduce risks to the Board of Directors, which the Board shall implement
- Report results of internal control auditing relevant to the company's anti-corruption measures to the Board of Directors on a regular basis and offer recommendations to the Board of Directors and the Executives.

#### The Risk Management Committee

- Supervise and promote anti-corruption related risk management as well as assess corruption risks and review anti-corruption measures to ensure sufficiency and appropriateness

#### The Executives

- Prescribe corruption risk assessment of operations with corruption risks
- Prescribe processes that support and promote anti-corruption policy and communicate the policy to employees and all relevant parties
- Implement anti-corruption policies and preventive frameworks across the organization
- Review the appropriateness of processes and standards to ensure correspondence with changes in business, laws, rules, and regulations

### Guidelines

The company shall not tolerate any form of corruption, both direct and indirect, and prescribes that GPSC personnel actively follow the company's anti-corruption policy, as detailed below.

1. GPSC personnel must not accept or offer gifts, assets, or other benefits to another GPSC employee or an external party except for business purposes and in compliance with local customs only, in which case the gift must be in an appropriate price range and does not significantly influence any decision-making.
2. GPSC personnel must maintain impartiality and must not offer political contributions, as stipulated in GPSC Business Code of Conduct. They must not support or perform any act that supports a political party, either directly or indirectly, nor use the company's resources to organize activities that undermine the

company's political neutrality and/or cause damage to the company through involvement.

3. Corruption risk assessment and internal control must be regularly maintained to ensure effectiveness and suitability for corruption prevention. Risks in corruption - prone operations must be reviewed and assessed at least once per year.
4. The company must put in place inspection processes for systems and procedures for sales, marketing, procurement, and contract making as well as prescribe guidelines for the assessment of anti-corruption policy compliance.
5. Transparent and accurate financial reporting mechanisms of international accounting standards must be put in place.
6. The company must prescribe an archiving procedure to ensure that documents and records are readily available for inspection in verifying the accuracy and appropriateness of financial statements and that there is no unreported, unaccountable, or false item.
7. Any charitable donation or sponsorship granted by the company must be inspected, approved, and reviewed, with clear documentation in line with the company's regulations to ensure that the donation and sponsorship is a pretext for corruption.
8. The company's human resources management must reflect its commitment to anti-corruption measures. The company must also educate its employees on the anti-corruption policy and relevant practices as well as provide continuous communication and training to foster a clear understanding of the anti-corruption policy and practices as well as disciplinary actions for non-compliance.
9. The company must communicate its anti-corruption policy and practices to its subsidiaries, joint ventures, companies where it has a controlling interest, suppliers, stakeholders, and the general public via various channels such as the company's website and annual reports.
10. The company must provide communication channels for its personnel to submit reports, suggestions, and complaints related corruption as well as protect

whistle-blower protection measures in accordance with its whistleblowing and complaints handling policy.

11. The company must comply with relevant anti-corruption laws of Thailand and other countries where it conducts business.
12. The management is responsible for reporting the implementation results of anti-corruption measures to the Corporate Governance Committee and the Board of Directors on a regular basis, at least once per year.
13. Relevant internal control units can promptly report detected issues to the Audit Committee as well as President and Chief Executive Officer, to be subsequently reported to the Board of Directors.

#### Anti-Corruption in Action in 2018

- GPSC prescribe its proper internal control measure for actions against bribing government agency's officers, according to the announcement of the National Anti-Corruption Commission.
- GPSC became a certified member of the Collective Action Coalition of Thailand's Private Sector Collective Action Coalition against Corruption: CAC) on June 7, 2018
- GPSC announces its No-Gift Policy, along with related messages from the President and Chief Executive Officer to its business partners on its website [www.gpscgroup.com](http://www.gpscgroup.com)
- GPSC participates an academic seminar on Anti- Corruption on September 6, 2018
- GPSC participates the International Anti- Corruption Day : Zero Tolerance of Corruption on December 7, 2018
- Anti-Corruption Trainings In 2018, Anti-Corruption trainings was provided for GPSC's stakeholder which are directors, management, employees, representatives from subsidiaries, and business partners. The training topics cover Anti-Corruption policy, Whistle-Blowing Policy, and No-Gift Policy. The participants also sign as acknowledgement form of Anti-Corruption policy. The details are as follows:

• Management and Employees

GPSC CG Day 2018, on November 28, 2018, at Banquet room, 5th Floor, Energy Complex Building C

• Supplier

Supplier Relationship Seminar 2018, on November 22, 2018, at PTT's Conburi Operation Center

2) Whistle-Blowing

GPSC's stakeholders are encouraged to file complaints which fair treatment and protection are in place for the whistle-blowers. Whistle-Blowing and Complaints Handling Policy Whistleblowing and Complaints Handling Policy Every stakeholder may report cases of corruption,

violation of laws, non-compliance with the code of conduct, damage from human rights violations, and others through the following channels:

Complaints channels

• Mail Address

Address : Global Power Synergy Public Company Limited 555/2 Energy Complex Building B, 5<sup>th</sup> Floor, Vibhavadi-Rangsit Road, Chatuchak Sub-D istrict, Chatuchak District, Bangkok 10900

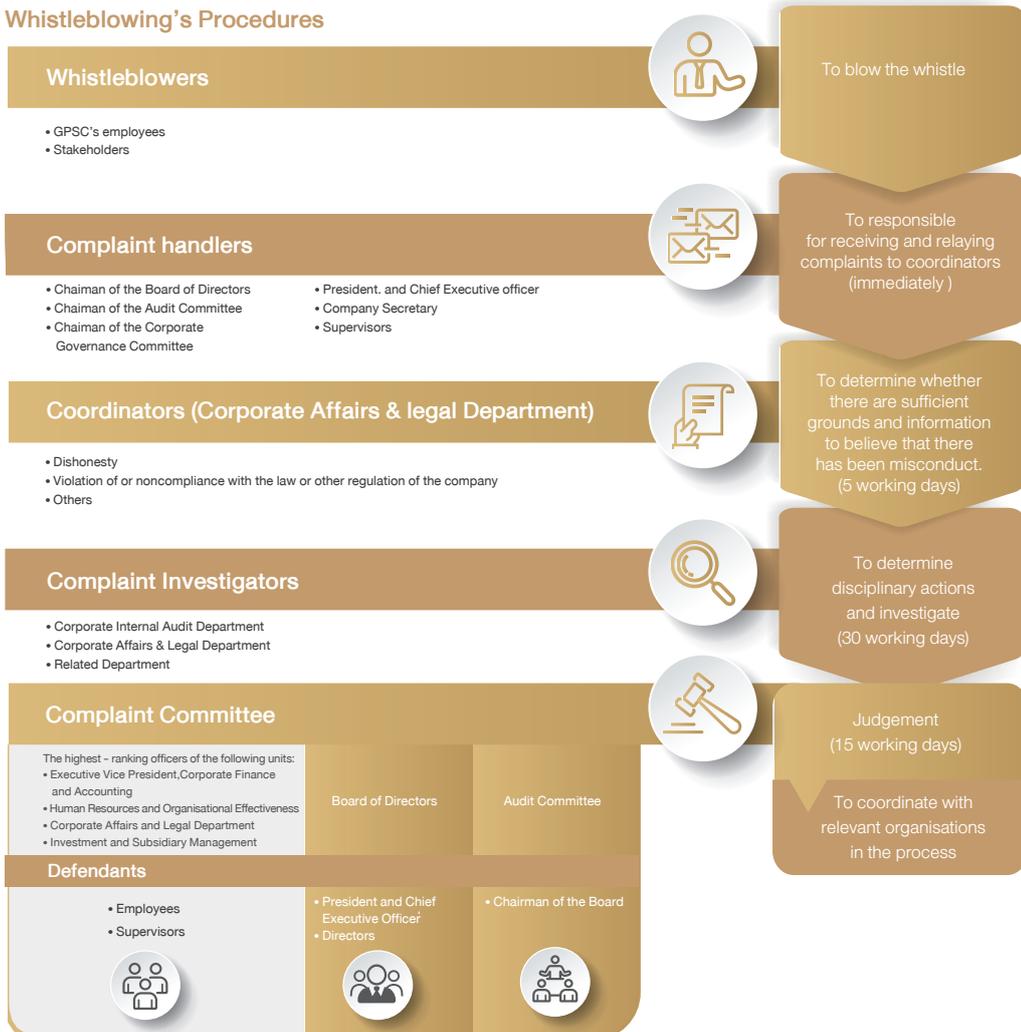
• E-mail Address

compliance\_cg@gpscgroup.com

• Website

http://www.gpscgroup.com/th/cg/whistle-blowing

Whistleblowing's Procedures



Remarks:

The total of Whistleblowing's procedure is 50 working days. The processing period may be extended by no more than 30 days if deemed appropriate by the Complaint Committee.

#### Protection of whistleblowers and related parties

- The complaints can be filed anonymously however, facts and evidence about individuals provided must constitute sufficient grounds to believe that a violation of laws, rules, regulations, orders, notifications, or code of business conduct of the company has been committed.
- Whistleblowers will receive appropriate protection from changes in positions, job descriptions, or working conditions, as well as employment suspension, threats, employment termination, or other treatments that are abnormal or unfair to them.
- Any individual apprised of the complaint or other information related to the complaint according to this policy shall keep the complaint and all related information confidential and not disclose it to another party to ensure the safety and protection of the whistleblower, information sources, or related parties, except the disclosure is required by the procedure of this policy or the law.

#### Penalty

Any individuals, either intentionally or by negligence, do not comply with this policy as well as harass, threaten, impose undue disciplinary actions on, or discriminate against the complainants or individuals involved in the complaint filing in accordance with this policy will be considered to have committed an offense and will need to compensate the company or affected individuals as well as assume civil and criminal liabilities or bear any relevant legal consequences.

In 2018, GPSC received one complaint. The matter has been handled according to GPSC's Whistle-Blowing procedures

### 3. Disclosure and Transparency

#### 1) Information Disclosure

GPSC disclosed its material information, comprising its financial and non-financial reports as required by SEC and SET, as well as other associated information such as the activities of the Board of Directors and the Sub-committees, policies on corporate governance and corporate social responsibility, and compliance with such policies. The Board of Directors placed emphasis on the accuracy and completeness of the financial statements, and the disclosed information were verified by independent auditors to ensure the statements were accurate, not misleading, and sufficient for investor decisions. In addition, GPSC also issued a Management Discussion and Analysis (MD&A) along side the quarterly financial statements so that investors are better informed and understood changes in GPSC's financial statements and performance in each quarter more thoroughly in comparison to having the financial statements alone.

#### 2) Investor Relations

The company has attached utmost significance to disclosure of material information to investors as it recognizes that accurate and equal information is vital to investment decisions. As such, Investor Relations Division has been formed to serve as a disclosure center of material information, financial statements, and information disclosed to the SET. To this end, the company's management has pursued strategies that place emphasis on sufficient, accurate, reliable, up-to-date, and fair information disclosure, in accordance with the criteria prescribed by SEC and SET. In addition, the company has organized Investor Relations activities to present the company's performance as well as activities aimed at fostering relations and creating an understanding of the company's operation among institutional and non-institutional investors, both domestic and overseas, to inform investment decisions, which will create an appropriate shareholder structure and ultimately lead to stability and liquidity of the prices of the company's securities.

In the previous year, the Investor Relations Division executed strategies to develop its information disclosure to investors and analysts by means of various documents such as the Management's Discussion and Analysis (MD&A), analyst presentations, and investor notes to ensure sufficient, complete, accurate, and ready-to-use information on the company's performance and financial positions for investors and analysts as well as to reflect

accurate the prices of the company's securities. Other information of materiality is published on the company's website at [www.gpscgroup.com](http://www.gpscgroup.com) both in Thai and English. Any investor with inquiries may contact the company via its website or contact Investor Relations Division Telephone Number +66 (0) 2140-4628, +66 (0) 2140-4630, +66 (0) 2140-4691, +66 (0) 2140-5318, +66 (0) 2140-4715, E-mail: [ir@gpscgroup.com](mailto:ir@gpscgroup.com).

### Key Activities in 2018

| Activity                               | Frequency in 2018 |
|--|-------------------|
| Roadshow in Thailand                   | 14                |
| Roadshow Abroad                        | 3                 |
| Analyst Meeting                        | 4                 |
| Company Visit / Conference Call        | 10                |
| Roadshow with SET / other institutions | 5                 |
| Institutional Investors Site Visit     | 1                 |
| Shareholders Site Visit                | 1                 |

## 4. Responsibilities of the Board

### 1) Good Corporate Governance and Code of Business Conduct

The Board of Directors has implemented good corporate governance policy and its code of business conduct. The Board has assigned the management team to promote compliance through trainings and regular communication as well as assigned the Corporate Governance Committee to monitor the operation.

### 2) Specification of Policies, Directions, Business Strategies, and Key Performance Indicators

- In 2018, the Board of Directors reviewed and specified the policies, directions, and business strategies of GPSC as well as reviewed GPSC's vision, mission, and goals.
- In 2018, the Board of Directors approved GPSC's Key Performance Indicators (KPIs) both financial aspects and non-financial aspects, in accordance with the Balanced Scorecard. The indicators included Financial Perspective (EBITDA and net profit),

Stakeholder Perspective (Customers, Community, and Investors' satisfaction), Internal Process Perspective, and Learning & Growth Perspective (Employee Engagement and Employee Capability).

### 3) Orientation of New Directors

GPSC organized an orientation for new directors prior to their first Board of Directors' Meeting so as to inform them of GPSC's business policies and relevant information such as the nature of the business, business strategies, organizational structure, shareholding structure, operating results, good corporate governance, and the code of business conduct, as well as laws and regulations beneficial to their role as GPSC's directors.

### 4) Director Development

It is GPSC's policy to encourage its directors to continuously develop themselves to enhance their efficiency in fulfilling their duties. The trainings attended by GPSC's directors were as follows.

## Directors' Training Record with Thai Institute of Directors (IOD)

| No. | Name-Surname                        | DCP      | DAP      | RCP     | ACP     | AACP   | RCL    | RCC     | Others                           |
|-----|-------------------------------------|----------|----------|---------|---------|--------|--------|---------|----------------------------------|
| 1.  | Mr. Surong Bulakul                  | 121/2009 |          |         |         |        |        |         |                                  |
| 2.  | Mr. Kurujit Nakornthap              |          | 64/2007  |         | 32/2010 |        |        | 12/2011 |                                  |
| 3.  | Mr. Payungsak Chartsutipol          |          | SCC/2004 |         |         |        | 3/2016 |         |                                  |
| 4.  | Maj.Gen. Chaowalek<br>Chayansupap   | 217/2016 |          |         |         |        |        |         |                                  |
| 5.  | Mrs. Suvimol Chrityakierne          | 92/2007  |          |         | 36/2011 | 7/2017 |        |         | ELP<br>10/2017<br>R-DF<br>1/2010 |
| 6.  | Mrs. Nicha Hiranburana<br>Thuvatham |          |          |         |         |        |        |         |                                  |
| 7.  | Mr. Wittawat Svasti-Xuto            | 146/2011 |          |         |         |        |        |         | FSD<br>12/2011                   |
| 8.  | Mr. Supattanapong<br>Punmeechaow    | 131/2010 |          | 30/2013 |         |        |        |         |                                  |
| 9.  | Mr. Atikom Terbsiri                 | 125/2009 |          | 41/2017 |         |        | 4/2016 |         |                                  |
| 10. | Mr. Kongkrapan Intarajang           | 119/2009 |          | 21/2009 |         |        |        |         |                                  |
| 11. | Ms. Peangpanor Boonklum             |          |          |         |         |        |        |         |                                  |
| 12. | Mr. Bandhit Thamprajamchit          | 187/2014 |          |         |         |        |        |         |                                  |
| 13. | Mr. Chawalit Tippawanich            | 152/2011 |          |         |         |        |        |         |                                  |

DCP : Director Certification Program

DAP : Director Accreditation Program

RCP : Role of the Chairman Program

ACP : Audit Committee Program

AACP : Advanced Audit Committee Program

RCL : Risk Management Program for Corporate Leaders

RCC : Role of Compensation Committee

ELP : Ethical Leadership Program

R-DF : R-DF-Director Forum

FSD : Financial Statements for Directors

#### Additional Directors' Training Record in 2018

- Mr. Supattanapong Punmeechaow : Business Revolution and Innovation Network (BRAIN) Program, 2/2018, The Federation of Thai Industries
- Mr. Kongkrapan Intarajang : The National Defence Course (Batch 60), National Defence College
- Ms. Peangpanor Boonklum : Certificate in Anti-Corruption Strategic Management for Senior Executives, Class 9/2018, Office of the National Anti-Corruption Commission and Milbank@Harvard Corporate Counsel Program, Harvard Law School, Cambridge, Massachusetts, United States of America
- Mr. Bandhit Thamprajamchit : Capital Market Academy Leader Program (Batch 27), Capital Market Academy
- Mrs. Suvimol Chrityakieme, Mrs. Nicha Hiranburana Thuvatham, Mr. Bandhit Thamprajamchit, Mr. Wittawat Svasti-Xuto, Mr. Chawalit Tippawanich : GPSC's director orientation program

#### 5) Self-Assessment of the Board of Directors and the Sub-Committees of 2018 Assessment Process and Criteria

In 2018, the Board of Directors, with recommendation from the Corporate Governance Committee approved assessment criteria and assessment forms which composed of the Board of Directors assessment form, Individual director assessment forms (self-assessment and assessment of other directors), Sub-committee assessment forms (the entire committee) for the four sub-committees, and Sub-committee assessment forms (individual member) for the Audit Committee

**Assessment scales:** the percentages represent the assessment results as follows :

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

The Company Secretary team then distributed these assessment forms to the directors to complete and return to the company to analyze the results. Subsequently, the assessment results were reported to the Board of Directors' Meetings to inform future improvements.

#### Assessment Result

1. **The Board of Directors assessment** comprises 5 topics which are 1) Composition and qualification of the Board 2) Policy of the Board 3) Roles, duties, and responsibilities of the Board 4) Meeting of the Board 5) Self - development of the board
  - Assessment result : "Excellent" (88.76%)
2. **Individual director assessment (self-assessment and assessment of other directors)** comprises 6 topics which are
  - 1) Accountability
  - 2) Responsibility
  - 3) Equitable treatment of stakeholders
  - 4) Transparency
  - 5) Vision to create long- term value
  - 6) Ethics
  - Assessment result (self-assessment) : "Excellent" (96.01%)
  - Assessment result (assessment of other directors) : "Excellent" (96.19%)

### 3. Sub-committees assessment

3.1) Sub-committee assessment forms (the entire committee) for the four sub-committees comprises 3 topics which are 1) Composition and qualification of the committee 2) Meeting of the committee 3) Roles, duties, and responsibilities of the committee

- Assessment result (Audit Committee) : "Excellent" (100.00%)
- Assessment result (Nomination and Remuneration Committee) : "Excellent" (99.44%)
- Assessment result (Corporate Governance Committee) : "Excellent" (92.22%)
- Assessment result (Risk Management Committee) : "Excellent" (86.57%)

3.2) Sub-committee assessment forms (individual member) for the Audit Committee comprises 6 topics which are 1) Business knowledge 2) Expertise 3) Roles, duties, and responsibilities 4) Independence and fairness 5) Understanding of duties and accountability 6) Commitment to the roles

- Assessment result : "Excellent" (98.24%)

### 6) Assessment of the President and Chief Executive Officer

In 2018, the Board of Directors arranged the performance assessment of the President and Chief Executive Officer, taking into consideration two main factors as part of the criteria, namely the performance in relation to the Key Performance Indicators (KPIs) and the management ability and leadership. Informed by a careful review by the Nomination and Remuneration Committee, the Board of Directors conducted a performance assessment and determined the remuneration of the President and Chief Executive Officer using the aforementioned criteria in tandem with the self-assessment of the President and Chief Executive Officer.

### 7) Succession Management

GPSC has devised a succession planning system for key positions, in which a list of individuals with potential for executive positions is compiled before they are assessed for their capacity as executives on competency and personal attributes. Subsequently, the assessment results are utilized to create Individual Development Plans (IDPs) so as to prepare these individuals for succession either by taking office left vacant by retirement or filling new positions created with future expansion of the business. The progress of succession planning is constantly being reported to the executives. In 2018, 20 executives were assessed and provided with IDPs, and more executives will be assessed in the near future.

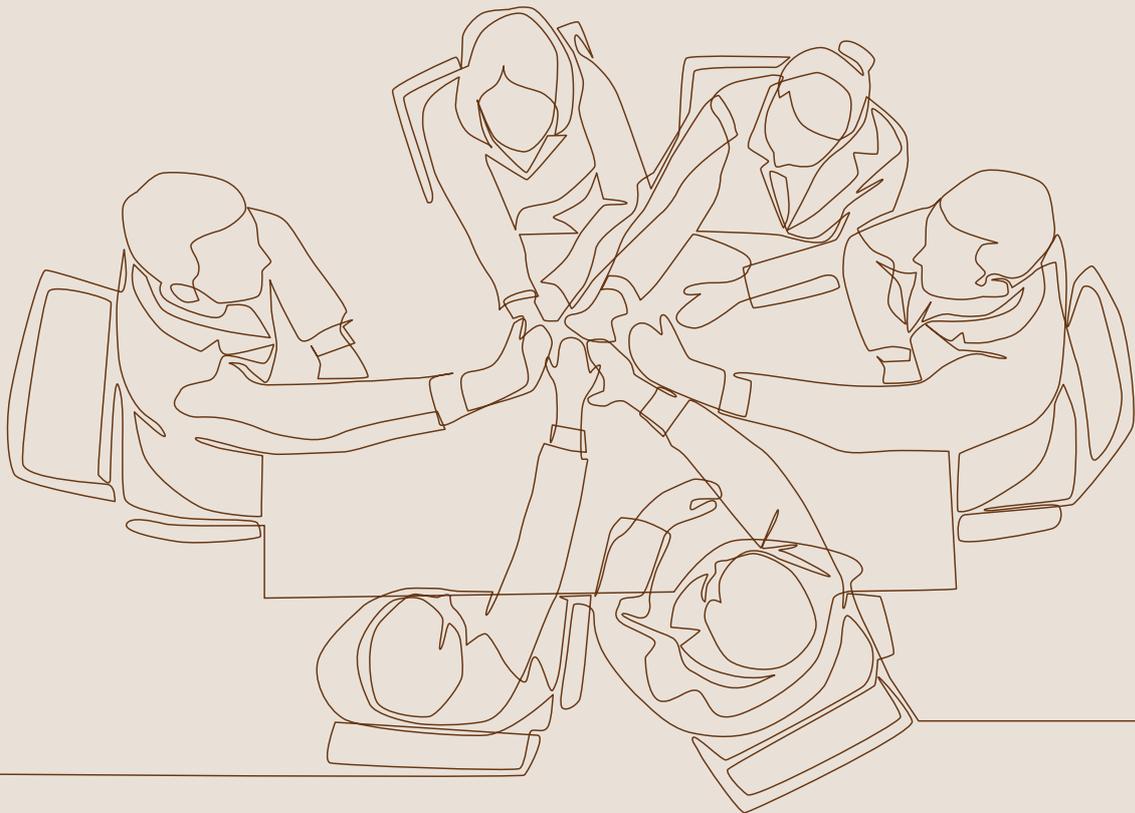
### 8) Policy on Holding Directorship in Other Companies by the President and Chief Executive Officer

The Board of Directors has determined that the President and Chief Executive Officer may hold directorship in other companies in which GPSC is a shareholder in order to ensure the uniformity and efficiency of their operations. For listed companies, the President and Chief Executive Officer may hold directorship in no more than five companies listed on SET, in accordance with GPSC's good corporate governance guidelines. As for other companies, organizations, or juristic persons, the Board of Directors has approved in principle that GPSC's directors, the President and Chief Executive Officer, and other personnel may take office in another company, organization, or juristic person so that GPSC would have a systematic review procedure.

- **Guidelines for Office Holding in Other Companies, Organizations, and Juristic Persons**

- 1) In case the highest-ranking executive of GPSC is appointed by a royal command or appointed by the Cabinet by legal authority to any office beyond his or her roles and responsibilities in GPSC, the President and Chief Executive Officer shall inform the Board of Directors on which he or she serves of such an appointment, either by a royal command or by the Cabinet.
- 2) In case the highest-ranking executive of GPSC is appointed by a governmental agency, a state enterprise, an independent organization, or a governmental educational institution as a director, subcommittee member, working team member, expert, advisor or to any office beyond his or her roles and responsibilities in GPSC, the President and Chief Executive Officer shall inform the Board of Directors to obtain acknowledgment and opinions prior to the appointment.
- 3) In case the highest-ranking executive of GPSC is taking office as a director, subcommittee member, working team member, expert, advisor or taking any office in a company or any other juristic person not defined in Item 2) and beyond his or her roles and responsibilities in GPSC, the President and Chief Executive Officer shall obtain the opinion of the Board of Directors on which he or she serves prior to accepting such an office.
- 4) For executives and employees who are not the highest-ranking executive of GPSC, in case specified in Items 1), 2), or 3), that individual shall inform the meeting of the Management Committee (MC) to obtain acknowledgment and approval on a case-by-case basis prior to accepting such an office.





## THE SUB-COMMITTEES

### The Audit Committee

As of December 31, 2018, the Audit Committee comprises three members as follows.

| No. | Name-Surname                    | Position               |
|-----|---------------------------------|------------------------|
| 1.  | Mr. Payungsak Chartsutipol      | Chairman (independent) |
| 2.  | Mrs. Suvimol Chrityakerne       | Member (independent)   |
| 3.  | Maj. Gen. Chaowalek Chayansupap | Member (independent)   |

Mrs. Suvimol Chrityakerne has adequate expertise and experience to review creditability of the financial reports. Ms. Attayar Sukotang, Vice President, Corporate Internal Audit is serving as the Secretary to the Audit Committee.

#### Composition of the Audit Committee

The Audit Committee shall be composed of one Chairman and no fewer than two but no more than four members. Each member of the committee must be an independent director and possess qualifications related to independence as stipulated in notifications of Securities and Exchange Commission (SEC) regarding qualifications and scope of responsibilities of an audit committee. In addition, at least one member of the committee must possess expertise and experience in finance and accountancy so as to be able to review the reliability of financial statements.

#### Roles and Responsibilities of the Audit Committee

1. Consider the Audit Committee Charter to conform with the scope of responsibility and communication to the Board of Directors, then review the appropriate and correctness of the Charter at least once a year.
2. Complete and review financial reports :
  - 2.1) Review the process of financial audits, financial status, and essential evidence and facts in order to ensure that they are credibly, correctly, and sufficiently illustrating the financial statements of the company, and that the company complies with accounting standard and other relevant laws.
  - 2.2) Consider, recommend the selection, appoint, disemploy as well as suggest the remuneration of

external auditors in order to propose them to The Board of Directors for consideration before approval by Annual General Meeting (AGM). In addition, the Audit Committee should hold the meeting at least once a year with the external auditors without any participation of management or other person.

- 2.3) Support the independence of external auditor and suggest the suitability of external auditors.

#### 3. Internal control :

- 3.1) Review to ensure that the internal control systems, internal audit systems, and risk management of the company are efficient and effective, as well as to regulate appropriately the conforming the standard of Internal Audit.
- 3.2) Guide and give any advice to management to improve processes and the working system effectively in order to reduce any risk factors and report the correctness of financial statements.
- 3.3) Advice the set-up policy of good governance, to ensure that the assessment of all the actions comply with good governance policy.
- 3.4) Review operational procedures and company management to ensure that the company has operated correctly by policies, compliance, requirements, announcements, work procedures, and relevant laws.

- 3.5) Review and suggest a process for complaints and the whistle blowing policy.
4. Internal Audit :
- 4.1) Review to ensure that the internal audit system is appropriate and efficient, and that the internal audit department complies with the standard of internal audit, as well as considering the quantity of human resources, budgets, and the independence of the Internal Audit Department.
- 4.2) Set the scope of internal auditing and review auditing plan, as well as considering the approval of annual audit plans, and revising plans (if the internal audit department proposes this) including the examination of the report of audit activity.
- 4.3) Consider and assess the performance of the Chief of the Internal Audit Department.
- 4.4) Review and consider to appoint, transfer, and remove the Chief of the Internal Audit Department.
- 4.5) Review and approve the Internal Audit Charter.
- 4.6) Corporate understanding among the Audit Committee, the Management, the Internal Audit Department, and external auditor with the same direction, including the consideration of the scope of the external auditor's responsibilities that would support the internal audit and vice versa.
5. Compliance with the law and other relevant regulations :
- 5.1) Review compliance with the law on securities, the stock exchange of Thailand, the regulations of the stock exchange of Thailand, and other laws relevant to the business of the company.
- 5.2) Review the effect of related transactions or conflicts of interest or the possible corruption to the company that complies with the law and regulations of the Stock Exchange of Thailand in order to ensure that a transaction is reasonable and of the utmost benefit to the company.
- 5.3) Review the Audit Committee Charter at least once a year and propose it to the Board of Directors for approval.
- 5.4) The Audit Committee should conduct self-assessment, then report the result with problems or obstacles if the work was unsuccessful to the Board of Directors annually.
6. Reporting
- 6.1) The Board of the Audit committee report must be exposed and published on the company's annual report signed by the chairman of the Audit Committee. The report is detailed as follows:
- Committee's advice in the case of the utmost credibility and accuracy of company's financial status.
  - Committee's advice in the case of the effectiveness of the internal control system.
  - Committee's advice of the company's compliance with law on the policy of the Stock Exchange of Thailand, regulations of the stock exchange, and other relevant laws of company business.
  - Committee's advice in the case of the suitability of the Auditor's selection.
  - Committee's advice in the case of the possible incident of a conflict of interest.
  - The quantity of meeting arrangements and the frequency of Audit Committee's participation in meetings.
  - The comments of the Audit Committee regarding the compliance with the Audit Committee Charter.
  - The regulations that Shareholders and common investors should know according to The Board of Director's scope of responsibility.
7. Other duties :
- 7.1) Seek independent specialist experts in order to help review some issues continuously and most effectively to propose them to the Board of Directors for approval at the expense of the company. However, the process of employment should comply with the company's regulations. In addition, the Board of Directors is authorized to assign a team to support the Audit Committee's activities.

7.2) In the case that the Audit Committee has received a report from internal auditors about any unusual action against compliance, work procedures, policies, company announcements, company direction, a report to the management can be made in order to consider and take action by responsibility department.

In case that the Audit Committee has received a report from the internal auditors about any unusual items or actions with the possibility of a negative impact on company progression such as

- conflicts of interest
- corruption or unusual actions or significant defects of internal control system
- law infraction or other regulations of the Securities Exchange of Thailand or other relevant laws that are related to company business

The Audit Committee must report matters to the Board of Directors immediately in order to rectify solutions deemed appropriate. If it is found that the Board of Directors and the Management will not response to the action within limited timeframe, one of the Audit Committee might report or give notice directly to the Securities of Thailand.

7.3) In the case that the Audit Committee has received notice from auditors that Committee, Management or persons who responsible for the company business have any unusual actions that offend (related to Securities and Exchange Act Section 281/2 space two, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313), it is the responsibility of the Audit Committee to examine and report superficial results to the Board of Directors, then notify SET and the external auditor within 30 days of the first day's notification from the external auditor.

7.4) The Audit Committee has other responsibilities with the consent which is assigned by the Board of Directors or shareholders or other relevant laws.

In the case that the audit committee's duties are changed, the Company shall report on a resolution to change its duties, and shall prepare a name list and scope of work of the audit committee according to such change in the form as prescribed by the Exchange. Such name list and scope of work must be submitted to Stock Exchange of Thailand within 3 (three) business days from the date on which the change is made in accordance with the procedures under Stock Exchange of Thailand's regulations relating to reporting via an electronic media.

## The Nomination and Remuneration Committee

As of December 31, 2018, the Nomination and Remuneration Committee comprises three members as follows.

| No. | Name-Surname                   | Position               |
|-----|--------------------------------|------------------------|
| 1.  | Mr. Kurujit Nakornthap         | Chairman (independent) |
| 2.  | Maj.Gen. Chaowalek Chayansupap | Member (independent)   |
| 3.  | Mr. Wittawat Svasti-Xuto       | Member                 |

Mrs. Sasitorn Stithit, Vice President, Human Resources and Organization Effectiveness, is serving as the Secretary to the Nomination and Remuneration Committee

### Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be composed of at least three members, one of whom shall be an independent director. The term of each member is equal to his or her directorship term, and a vacating member is eligible for re-election.

### Responsibilities of the Nomination and Remuneration Committee

- To select qualified candidates to be nominated as GPSC's directors and President and Chief Executive Officer as well as ensure that the selection criteria and processes are principled and transparent before proposing to the Board of Directors and/or shareholders' meetings for approval
- To review remuneration policies and criteria for GPSC's directors and President and Chief Executive Officer to ensure fairness and reasonableness for subsequent proposal to the Board of Directors and/or shareholders' meetings for approval
- To review and nominate qualified directors as sub-committee directors before proposing to the Board of Directors for appointment as deemed necessary
- To provide recommendations on the remuneration structure and composition for GPSC's directors to the Board of Directors
- To assess the performance of the President and Chief Executive Officer in order to provide recommendations to the Board of Directors of GPSC regarding the appropriate remuneration
- To review the succession plan for President and Chief Executive Officer and the list of candidates qualified for the succession consideration
- To report the performance of the Nomination and Remuneration Committee to the Board of Directors and compile reports of the Nomination and Remuneration Committee to be disclosed in GPSC's annual reports
- To fulfill any other obligations assigned by the Board of Directors

## The Corporate Governance Committee

As of December 31, 2018, the Corporate Governance Committee comprises four members as follows.

| No. | Name-Surname                     | Position               |
|-----|----------------------------------|------------------------|
| 1.  | Mr. Kurujit Nakornthap           | Chairman (independent) |
| 2.  | Mrs. Nicha Hiranburana Thuvatham | Member (independent)   |
| 3.  | Ms. Peangpanor Boonklum          | Member                 |
| 4.  | Mr. Bandhit Thamprajamchit       | Member                 |

Mrs. Dutdao Phuttasuatta, Vice President, Corporate Affairs and Legal / Company Secretary, is serving as the Secretary to the Corporate Governance Committee.

### Composition of the Corporate Governance Committee

The Corporate Governance Committee shall be composed of at least three members, at least half of whom shall be independent directors. The term of each member is equal to his or her directorship term, and a vacating member is eligible for re-election.

### Roles and Responsibilities of the Corporate Governance Committee

- To determine and propose policies regarding GPSC's code of conduct and business ethics in accordance with good corporate governance principles to propose to the Board of Directors for approval and implementation as part of GPSC's standard practices
- To formulate policies, promote internal assessment of corporate governance standards, and apply for assessment by recognized external organizations on a regular basis
- To offer recommendations on good corporate governance to the Board of Directors
- To oversee the operation of the directors and the management to ensure adherence to good corporate governance principles stipulated by regulators such as the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and other relevant organizations
- To review GPSC's corporate governance guidelines in comparison to universal practice on a regular basis and propose to the Board of the Director
- To formulate corporate governance policies for corporate governance working teams
- To formulate policies and guidelines regarding sustainability management and corporate social responsibility
- To monitor sustainability management operations and report results to the Board of Directors
- To establish guidelines for GPSC's anti-corruption operations
- To promote the organizational culture of good corporate governance among the executives and employees at all levels to create practical results in both GPSC and its subsidiaries
- To provide consultancy to the corporate governance working team when participating corporate governance rankings by external parties at least once every three years
- To review and offer recommendations on the assessment form and the results of the performance assessment of GPSC's directors for subsequent proposal to the Board of Directors
- Formulate compliance frameworks for anti-corruption related operations of GPSC
- Prescribe and review anti-corruption policy; offer recommendations and guidance; monitor and assess anti-corruption related operations
- To report the results of corporate governance assessment to the Board of Directors. Should a factor or situation that may significantly affect GPSC arise, the Corporate Governance Committee must report it to the Board of Directors for acknowledgment and consideration immediately
- To regularly reviews the Corporate Governance Committee Charter
- To appoint the Secretary to the Corporate Governance Committee as deem appropriate.
- To fulfill other obligations assigned by the Board of Directors

## The Risk Management Committee

As of December 31, 2018, the Risk Management Committee comprises five members as follows.

| No. | Name-Surname                  | Position               |
|-----|-------------------------------|------------------------|
| 1.  | Mr. Payungsak Chartsutipol    | Chairman (independent) |
| 2.  | Mr. Wittawat Svasti-Xuto      | Member                 |
| 3.  | Mr. Supattanapong Punmeechaow | Member                 |
| 4.  | Mr. Atikom Terbsiri           | Member                 |
| 5.  | Mr. Chawalit Tippawanich      | Member                 |

Mrs. Wanida Boonpiraks, Executive Vice President, Corporate Finance and Accounting, is serving as the Secretary to the Risk Management Committee.

### Composition of the Risk Management Committee

The Risk Management Committee shall be composed of at least three members, comprising both executive directors and independent directors. The term of each member is three years, and a vacating member is eligible for re-election.

### Roles and Responsibilities of the Risk Management Committee

- To determine and review risk management policies and frameworks relevant to the business of GPSC
- To oversee and support risk management operations to ensure correspondence with GPSC's strategies and business goals as well as shifting situations
- To provide recommendations for, monitor, and assess the Risk Management and Internal Control Committee (RMCC) (management level) for further implementation
- To report results of risk management, offer opinions on potential risks, and offer recommendations on risk control and mitigation plans as well as the development of GPSC's risk management system to RMCC on a regular basis to ensure efficiency
- To ensure that GPSC has risk management plans, systems, or procedures to minimize potential impact on the business of GPSC, as well as monitor and assess the implementation of the risk management framework across the organization to ensure that adequate risk management has been put in place
- Supervise and promote anti-corruption related risk management as well as assess corruption risks and review anti-corruption measures to ensure sufficiency and appropriateness
- To support and develop risk management and related instruments at all levels across the organization as well as promote risk management as part of the organizational culture
- To report risk management results to the Board of Directors. Should a factor or situation that may significantly affect GPSC arise, the Risk Management Committee must report it to the Board of Directors for acknowledgment and consideration immediately.
- To convene at least one Risk Management Committee meeting per quarter
- To fulfill any other obligations assigned by the Board of Directors

## NOMINATION AND APPOINTMENT OF DIRECTORS AND THE HIGHEST RANKING EXECUTIVE

### Independent Directors

As of December 31, 2018, GPSC has a total of five independent directors, in line with the criteria of the Securities and Exchange Commission, which stipulate that at least one third of the Board of Directors of a listed company must be composed of independent directors and that the Board of Directors must contain no fewer than three independent directors. GPSC has adopted the Capital Market Supervisory Board's definition of independent directors, with more stringent restrictions on the shareholding proportion, in which GPSC's independent directors may "hold shares not exceeding 0.5 percent of the total number of shares with voting rights of GPSC, its parent company, subsidiary, affiliate, major shareholder or controlling person, including shares held by related persons of such an independent director." (The Capital Market Supervisory Board has prescribed this number at one percent.) GPSC specifies the term of services for independent directors to be no more than 9 years.

### Nomination of Directors and the Highest-Ranking Executive

#### 1) Nomination, Appointment, and Retirement of Directors

##### Nomination of Directors

The Board of Directors has appointed the Nomination and Remuneration Committee to select and nominate qualified candidates for directorship. In this process, the Nomination and Remuneration Committee will take into consideration recommendations from major shareholders and free float as well as director's pools derived from reliable organizations, which provide a list of qualified persons in different fields, before reviewing the qualifications of the candidates in the following aspects:

- Being qualified and having none of the prohibited characteristics under the Public Company Limited Act, B.E. 2535 and do not have characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by

public shareholders as specified in the notification of the SEC

- Not over 70 years of age
- Knowledgeable, capable and possess a variety of skills and working experiences that are in line with GPSC's strategy and "GPSC's Director Skill Matrix"
- Being capable of devoting sufficient time for GPSC, being in good health, being capable of regularly attending the Board of Directors meetings, being an active participant in meetings, being straight-forward, and/or being a businessman with good reputation, good record of work performance and good ethics, as well as being accepted by society
- Capable of providing leadership and able to efficiently and effectively monitor the business conduct of the Company's executives
- Not serving as a director of more than 5 listed companies in the SET

The selection process shall be free from discrimination on grounds of gender, race, religion, or other considerations. The nomination of candidates to replace directors retiring by rotation at annual general meetings of shareholders shall be published on GPSC's website to invite advance nomination of qualified candidates from shareholders, after which the Board of Directors will consider their qualifications and propose qualified candidates at annual general meetings of shareholders in accordance with GPSC's criteria.

##### Appointment of directors

#### 1) Appointment of directors to replace directors retiring by rotation

The Nomination and Remuneration Committee shall select and nominate qualified candidates as defined by GPSC's nomination criteria to recommend to the Board of Directors for approval and to be subsequently proposed at annual general meetings of shareholders for approval by a simple majority vote of the total votes of shareholders attending the meeting and casting votes. The voting procedure is as follows:

- A shareholder shall have one vote for each share one holds or represents.
  - Shareholders shall vote for each individual candidate nominated for directorship.
  - The candidates shall be ranked in order descending 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. Where the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the remaining appointment shall be made by the chairman of the meeting, who shall have a casting vote.
- 2) Appointment of directors to fill vacancies incurred by reasons other than expiration of term of office

The Nomination and Remuneration Committee shall select and nominate qualified candidates as defined by GPSC's nomination criteria to recommend to the Board of Directors, after which the candidates shall be appointed as directors to fill vacancies with no less than three-quarters (3/4) of the total votes of the remaining directors. The appointed directors shall be in office for as long as the remaining term of office of their predecessors.

#### Retirement of directors

- 1) At each annual general meeting of shareholders, one third (1/3) of the total number of the directors must retire from office by rotation. If the number is not a multiple of three, the number nearest to one third (1/3) of the total number of the directors must retire from office by rotation. The directors retiring from office in the first and second years after the registration of GPSC shall be selected by means of lot drawing. In subsequent years, the director who has held office the longest shall retire. A retiring director is eligible for re-election.
- 2) Apart from retirement upon expiration of the term of office, a director shall cease to hold office if he or she dies, resigns, possesses a prohibited characteristic under the law governing public limited companies and the law governing securities and exchange, is removed by a resolution of the shareholders' meeting, or is removed by a court order.

- 3) Any director who wishes to resign from GPSC shall submit a resignation letter to GPSC. The resignation shall be effective from the time the resignation letter reaches GPSC. A director who resigns may inform the registrar of his or her resignation.
- 4) A shareholders' meeting may pass a resolution to remove any director from office prior to the expiration of the term of office, by a vote of no less than three-quarters (3/4) of the number of shareholders attending the meeting and eligible to vote, and the shares held by the voting shareholders shall, in aggregate, be no less than one-half of the number of shares held by the shareholders attending the meeting and eligible to vote.

#### **2) Nomination of Directors and the Highest-Ranking Executive**

The Nomination and Remuneration Committee is responsible for the selection of the President and Chief Executive Officer, searching for qualified candidates with knowledge, experience, skills, attributes, leadership. The Committee then proposed the list and recommendation to the Board of Directors for further consideration and appointment.

### **GOVERNANCE OF THE INVESTED COMPANIES**

GPSC has set a policy on close governance of its invested companies (subsidiaries, associates, and related companies) to constantly safeguard its own interests of investment capital and add value as well as confidence for its stakeholders, as detailed below.

#### 1. Nomination of subsidiaries' and associates' directors and management

GPSC has set "Criteria for invested companies' director nomination" as a rule for nominating qualified representatives from GPSC to hold directorship or management position in its invested companies. The number of directors is essentially to be proportional to GPSC's equity or as mutually agreed. The company has no policy of closely controlling its associates.

The duties as GPSC's representatives consist of governance of subsidiaries, associates, and related companies so that they may command an approach or management practices, together with practical guidelines, that strictly agree and comply with GPSC's own policy framework and business directions, including the corporate governance policy, legal policy, finance and accounting policy, quality-safety-occupational health-environmental policy, personnel management policy, and related key policies.

2. Structuring the management of subsidiaries and associates  
GPSC structures the management of subsidiaries and associates to take responsibility for steering their management and for the performances of subsidiaries, associates, and related companies under the following scope:

- Monitor and guide the businesses of subsidiaries, associates, and related companies under applicable agreements and regulations
  - Constantly track various aspects of subsidiaries', associates', and related companies' performance and mentor them to ensure that their businesses are in line with goals and that potential obstacles can be promptly and suitably overcome
  - Review, monitor, and mentor subsidiaries, associates, and related companies so that they may institute efficient and effective internal control systems and business protocols
  - Review, monitor, and organize reviews and amendment of key policies and work plans for the businesses of subsidiaries, associates, and related companies so that these policies and plans may always be up to date and suitable for business circumstances.
3. GPSC has set a policy on corporate investment and governance of subsidiaries as a framework for its subsidiary management in key aspects such as investment criteria, investment management, operational guidelines , etc.
4. GPSC defines plans and ensures that subsidiaries, associates, and related companies disclose information about their performance outcomes and financial standings together with factual, complete, and credible information to regulators, related government agencies, outside investors, and the public

5. If subsidiaries, associates, and related companies need to engage in connected transactions or those potentially causing conflicts of interest, GPSC must ensure that they do so with transparency and fairness. GPSC will comply strictly with applicable regulators' criteria on connected transaction engagement, and acquisition and disposal of assets.
6. GPSC will take necessary steps and monitor subsidiaries', associates', and related companies' systematic disclosure of information and internal control systems that are adequate and suitable for their businesses.

## **PROTECTION AGAINST ABUSE OF INSIDER INFORMATION**

In GPSC's operation, directors, executives and employees might be required to learn or consider information that may impact securities prices. As such, GPSC has developed a policy on the protection against abuse of insider information, which has been disseminated among GPSC's directors, executives, and employees. The policy and measures against abuse of insider information are as follows.

### **Policy on the Protection Against Abuse of Insider Information**

- 1) GPSC's directors and executives have been informed of their duty to submit reports of change in securities holding of themselves, their spouses, and their minor children to the Securities and Exchange Commission (SEC), a duty of directors and executives as stipulated by the Securities and Exchange Act B.E. 2535 (1992) (including its amendment).
- 2) GPSC's directors and executive must report changes in their holding of GPSC's securities in the Board of Directors' meetings.
- 3) GPSC's directors and executives, including executive officers in accounting or finance at or above the vice president level and employees involved in operations that give them knowledge of insider information material to changes in securities prices, must suspend their purchase and selling of GPSC's securities until the public disclosure of GPSC's financial statements or positions. These individuals will be informed of their suspension in written forms at least 30 days

prior to the public disclosure and should wait at least 24 hours after the disclosure before making any trade. They are also prohibited from divulging such material information to another party.

- 4) GPSC's directors, executives, and employees are prohibited from employing insider information that may affect changes in GPSC's securities prices which has not been publicly disclosed but is accessible to them by virtue of their offices or positions to, whether directly or indirectly, purchase or sell, offer to purchase or sell, or invite any other person to purchase, sell or offer to purchase or sell GPSC's stocks or securities (if any) in such a way as to damage GPSC, whether or not such an act is done for their own or another person's benefit, or to disclose such information so that they will receive consideration from the person who engages in the aforesaid acts.
- 5) GPSC's directors, executives, and employees, both current and former, are prohibited from disclosing GPSC's insider information and secrets as well as confidentiality of GPSC's suppliers accessible to them by virtue of their duties to an external person even if such disclosure may not damage GPSC and its suppliers.
- 6) GPSC's directors, executives, and employees, both current and former, are obligated to protect GPSC's confidentiality and/or insider information as well as the duty to use GPSC's insider information solely for its business operations. In addition, GPSC's directors, executives, and employees are prohibited from exploiting GPSC's confidentiality and/or insider information to benefit any other companies in which they are shareholders, directors, executives, and employees.
- 7) Disciplinary actions shall be enforced for any violation of the use of insider information for personal interest, ranging from warning notifications, payment cuts,

temporary suspension without pay, or termination of employment. The severity of the disciplinary action is based the intention behind and the gravity of the violation.

### **Protection Against Abuse of Insider Information in Action**

- 1) New directors and executives of GPSC was informed and made aware of their duty to report changes in securities holding of themselves, their spouses, and their minor children with in three days after such changes via SEC's online system. In addition, current directors and executives will also be reminded regularly via notices and emails to submit reports in changes in securities holding (if applicable).
- 2) GPSC's directors, executives, and relevant employees will be notified in written forms of the black-out period designated by GPSC prior to a public disclosure of information material to changes in securities prices.
- 3) The securities holding GPSC's directors and executives will be disclosed in annual reports and GPSC's website. In addition, the Board of Directors will also track changes in securities holding of GPSC's directors and executives on a monthly basis through reports in the Board of Directors' meetings.

**Directors and Executives' Shareholding in GPSC in 2018**  
(including spouses and minors)

| Name-Surname                                    | Number of Shares |              | Increase / (Decrease) | Remark            |
|---|------------------|--------------|-----------------------|-------------------|
|   | Dec 31, 2017     | Dec 31, 2018 |                       |                   |
| <b>Directors</b>                                |                  |              |                       |                   |
| 1. Mr. Surong Bulakul                           | 73,000           | 73,000       | -                     | -                 |
| By spouse                                       | 36,800           | 36,800       | -                     | -                 |
| 2. Mr. Kurujit Nakornthap                       | 30,000           | 30,000       | -                     | -                 |
| 3. Mr. Payungsak Chartsutipol                   | 73,000           | 73,000       | -                     | -                 |
| 4. Maj.Gen. Chaowalek Chayansupap               | -                | -            | -                     | -                 |
| 5. Mrs. Suvimol Chrityakierne                   | N/A              | -            | N/A                   | Appointed in 2018 |
| 6. Mrs. Nicha Hiranburana Thuvatham             | N/A              | -            | N/A                   | Appointed in 2018 |
| 7. Mr. Wittawat Svasti-Xuto                     | N/A              | 30,000       | N/A                   | Appointed in 2018 |
| 8. Mr. Supattanapong Punmeechaow                | 73,000           | 73,000       | -                     | -                 |
| 9. Mr. Atikom Terbsiri                          | 73,000           | 73,000       | -                     | -                 |
| 10. Mr. Kongkrapan Intarajang                   | -                | -            | -                     | -                 |
| 11. Ms. Peangpanor Boonklum                     | -                | -            | -                     | -                 |
| 12. Mr. Bandhit Thamprajamchit                  | N/A              | -            | N/A                   | Appointed in 2018 |
| 13. Mr. Chawalit Tippawanich                    | N/A              | 25,000       | N/A                   | Appointed in 2018 |
| <b>High-Level Executives (SEC's Definition)</b> |                  |              |                       |                   |
| 1. Mr. Chawalit Tippawanich                     | N/A              | 25,000       | N/A                   | Appointed in 2018 |
| 2. Mr. Smornchai Khoonrak                       |                  | 63,000       | -                     | -                 |
| 3. Mr. Somkiat Masunthasuwun                    |                  | -            | -                     | -                 |
| 4. Mr. Sirimet Leepagorn                        | N/A              | -            | N/A                   | Appointed in 2018 |
| 5. Mrs. Wanida Boonpiraks                       | 58,000           | 58,000       | -                     | -                 |
| 6. Mrs. Sukittee Chaiyarak                      | N/A              | -            | N/A                   | Appointed in 2018 |
| 7. Mrs. Dutdao Phuttasuatta                     |                  | -            | -                     | -                 |

**Remark**

(1) N/A means no information as the director/ executive was appointed during 2018

(2) Mr. Surong Bulakul is the only director who has indirect shareholding through spouse. Others do not have indirect shareholding

(3) As of December 31, 2018; total GPSC shares held directly and indirectly by directors and executives is equivalent to 0.002002%.

## AUDITOR'S REMUNERATION

For the accounting year ending on December 31, 2018, GPSC and its subsidiaries paid a total of THB 3.08 million in audit fees to their auditors, divided into THB 1.18 million for GPSC's audit fee, THB 1.64 million for audit fees of GPSC's subsidiaries, and a total of THB 0.26 million for non-audit fees. KPMG Phoomchai Audit Company Limited, GPSC's auditor, has been approved by SEC and is considered to operate independently, with no directors or top executives of GPSC having ever held office or partnership in it.

## APPLICATION OF SEC'S CORPORATE GOVERNANCE CODE IN 2018

The Board of Directors has properly reviewed the CG Code and assign the management to execute the application of the CG Code Principles and Sub-Principles as well as monitoring the operation. It has been reviews that in 2018, GPSC applied all CG Code principles to the business.

As for the guidelines that GPSC's operating differently from that of SEC's CG Code are 1) The chairman is not an independent director. GPSC selects its chairman considering his qualification and leadership as well as not holding a management position in the mother company; and 2) GPSC has 13 directors which is more than SEC's guideline of 12. It is due to GPSC is conducting business expansion which variety of directors' skill is needed to ensure its efficiency.

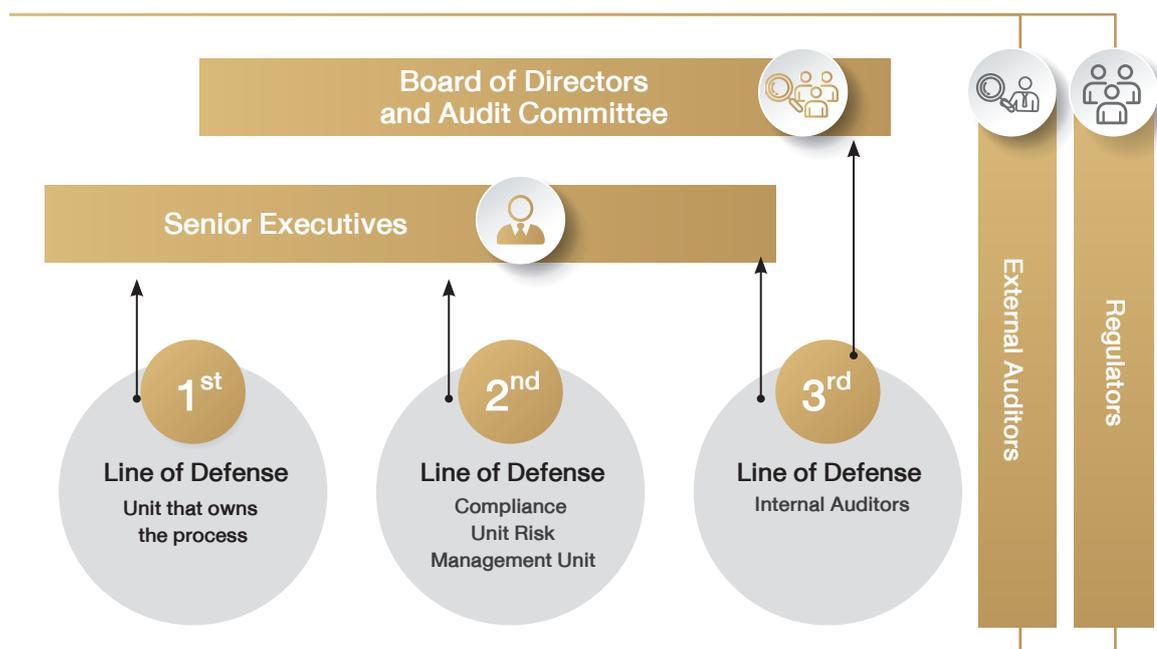
## OTHER GOOD CORPORATE GOVERNANCE PRACTICES

### Corporate Compliance

GPSC has demonstrated a strong commitment to elevating its compliance standards to foster confidence and trust among all shareholders and stakeholders as well as enable the company sustainably accomplish its goals. To this end, the Board of Directors approved the establishment of a Compliance unit, under the Corporate Affairs and Legal Department.

GPSC structured its compliance structure in to the concept of Three Lines of Defense :

1. **First Line of Defense** is the unit that owns the process
2. **Second Line of Defense** is the legal and regulatory unit, organizations and corporate risk management units, which are responsible for supervising the operation of each process owner's unit laws, regulations and good internal controls.
3. **Third Line of Defense** is the Internal Audit unit, an independent unit that conducts audit of the first and the second lines of defense. Internal Audit is to report the audit findings directly to the Audit Committee and report the managerial aspect to the President and CEO.



Also, GPSC has set is “Compliance Policy” to serve as guiding principles for its directors, executives, and employees in performing their duty and ensure that the company operates in compliance with laws, rules, regulations, orders, and notifications both internally and externally and help prevent risks of non-compliance. The company’s directors, executives, and employees have the duty to follow the following policy :

1. Compliance with relevant laws and regulations
2. Promotion of fair competition and anti-monopoly practices
3. Anti-corruption and anti-bribery practices
4. Respect for human rights
5. Intellectual property protection and safeguarding
6. Anti-money laundering and combating the financing of terrorism (AML/CFT)
7. Asset management, confidentiality protection, and appropriate use of the company’s information
8. Compliance with corporate governance policies and principles

### Corporate Governance Activities

#### 1. PTT Group CG Day 2018

On August 24, 2018; GPSC and PTT Group flagship companies which are PTT Public Company Limited (PTT), Thai Oil Public Company Limited (TOP) (the host), PTT Exploration and Production Public Company Limited (PTTEP), PTT Global Chemical Public Company Limited (GC), and IRPC Public Company Limited (IRPC), jointly organized PTT Group CG Day 2018 for the 10<sup>th</sup> time, under the concept “PTT Group CG Day 2018: Born to be Real” with the intention to promote “Integrity” (Disciplinary, Sufficiency, Honesty, and Voluntary) via Digital Technology (4.0). Business partners and customers of each company were invited to participate in this event.

#### 2. GPSC CG DAY 2018

On November 27, 2018; GPSC organizes GPSC CG DAY 2018 to communicate and promote CG-related topics to the employees. The activities include a talk from Mr. Kulvech Janvatanavit - Thai Institute Of Directors’ CEO on CAC certification, as well as corporate governance policies, compliance policy, and roles of the Corporate Governance & Compliance Unit, and a closing remark from Mr. Chawalit Tippawanich, the President and Chief Executive Officer.

## Corporate Governance Awards

### 1. ASEAN CG SCORECARD

GPSC was awarded TOP 50 ASIAN PLCs in 2<sup>nd</sup> ASEAN Corporate Governance (CG) Awards, named as one of ASEAN's 50 listed companies with the best corporate governance practice based on the score assessment of the ASEAN CG Scorecard released by the ASEAN Capital Market Forum (ACMF) as GPSC has been conducting the business with transparency and fair information disclosure, under the Board's sharp vision and supervisory. The award ceremony took place at Kuala Lumpur Convention Centre, Malaysia.

**2. The Collective Action Coalition of Thailand's Private Sector Collective Action Coalition against Corruption (CAC)**  
GPSC became a certified member of the Collective Action Coalition of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC). The certificate ceremony took place on June 7, 2018 and the certificate will be valid for three years.

### 3. Corporate Governance Report of Thai Listed Companies 2018 (CGR)

GPSC is rated "Excellent" in the Corporate Governance Report of Thai Listed Companies (CGR) by the Thai Institute of Directors (IOD) with the average score of 96% in 2018, increased from 95% in 2017.



