

# Corporate Governance



## 6. Corporate Governance Policy

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 all groups of stakeholders.

Effective from 2020, the Board of Directors approved the Revised Corporate Governance and Code of Conduct Manual to guide its employees at all levels in their operation towards efficiency, effectiveness, management excellence, transparency, and accountability, as well as confidence among all stakeholders that GPSC is a leading listed company that adheres to corporate good governance, and sustainable growth.

### 6.1 Overview of Corporate Governance Policy and Guidelines

#### 6.1.1 Corporate Governance Policy and Guidelines relevant to the Directors

The Board of Directors is committed to promoting GPSC as an efficient and effective organization, with good corporate governance and management excellence to benefit shareholders, employees, customers, stakeholders, and all relevant parties with business ethics, and that the executives and employees operate with transparency and accountability. The Corporate Governance Policy has therefore been formulated as guidance for the Board of the Directors, executives, and employees in carrying out their duties, as detailed below:

1. To uphold good corporate governance, the Board of Directors, executives, and employees of GPSC shall adhere to the six following principles in fulfilling their duties:
  - Accountability: Responsibility towards one's decisions and actions and the ability to account 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.
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 CEO.
3. The Board of Directors and executives 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 and executives shall serve as role models of integrity and adherence to GPSC's good corporate governance policy as well as overseeing the management of conflicts of interest and connected
5. The Board of Directors may appoint Sub-Committees as deemed appropriate to review significant matters. The Board of Directors shall perform self-assessment and cross-assessment annually to serve as a framework for examining the performance of the Board of Directors.
6. The Board of Directors and executives shall define GPSC's code of conduct to be adopted as guidelines by the Board of Directors, executives, and all employees in tandem with GPSC's rules and regulations.
7. The Board of Directors and executives shall oversee sufficient, reliable, and timely disclosure of information on financial and non-financial matters to ensure equal access to GPSC's information among shareholders and stakeholders as well as putting in place public relations and investor relations divisions to be responsible for information disclosure for investors and the public.
8. GPSC's shareholders shall receive equitable treatment,



- have access to IT information, and be able to communicate with GPSC through appropriate channels.
9. The Board of Directors and executives shall oversee an appropriate, transparent, and fair talent acquisition and selection system to recruit personnel for all executive positions.
  10. The Board of Directors and executives shall implement an effective anti-corruption system to ensure that the management gives precedence to anti-corruption and adhere to anti-corruption measures.
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Apart from the above policy, the Board has determined other guidelines based on GPSC's good corporate Governance as follows:

**Guidelines for Serving in Other Companies, Organizations, and Juristic Persons of the President and Chief Executive Officer, Senior Management and Employees**

- (1) If any of GPSC's senior management is appointed under an applicable law or by the Cabinet under its authority to assume a position in the government sector or a position for other public interest, apart from performing the Company's duties, management must report such matter to the Board for acknowledgement.
- (2) If GPSC's top executive is appointed by a governmental agency, state enterprise, other state organization, independent organization, or governmental educational institution as a director, subcommittee member, working group, expert, qualified person, advisor or to any position for government services or for other public interest apart from performing the Company's duties, management must report such matter to the Board for acknowledgement and comments before the top executive takes up the duties under the new position appointed.
- (3) If any of the Company's senior management is taking up the duty as a director, subcommittee member, working group, expert, qualified person, advisor or any position in other companies or juristic persons besides those mentioned in (2) or besides performing the Company's

duties, that person must submit such matter to the Board for approval before taking up the position.

- (4) Other executives and employees who are not senior management but fall under (1), or (2) or (3) above must submit such matter to the Management Committee (MC) meeting for acknowledgement or approval, as applicable, before taking up the position.

**6.1.2 Corporate Governance Policy and Guidelines relevant to Shareholders and Stakeholders**

GPSC respects the rights of shareholders with equitable treatment of all shareholders. The Company's operation in 2020 was as follows:

**1. Rights of the Shareholders and Equitable Treatment**

The 2020 Annual General Meeting of Shareholders (AGM) was held on June 4, 2020 at Main Conference Hall, 2nd Floor, Building 1, Head Office of PTT Public Company Limited. 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, 2020 (at least three months before the date of the AGM). The selection criteria and processes were published on GPSC's website.
- The resolutions of the Board of 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 (Record Date) were published through the SET's Digital Disclosure System as soon as the resolutions were reached on April 29, 2020.
- The invitation notice, in Thai and English, meeting documents, and proxy forms were made available on GPSC's website on May 14, 2020 (21 days before the AGM) and delivered to shareholders via post on May 27, 2020 (7 days before 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 before 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 before the meeting.

### Meeting

- The AGM was held at Head office of PTT Public Company Limited, which was accessible via various public transport and spacious enough to accommodate all attending shareholders.
- Sufficient staff 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 ensuring accuracy.
- The rules and regulations of the meeting as well as the voting procedure were announced before 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 at PTT Head Office Building, 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. Roles of Stakeholders

GPSC takes most seriously the roles of stakeholders, from shareholders, investors, customers, associated government agencies and other relevant agencies, employees, business partners, suppliers, contractors, to society and communities. To this end, GPSC has defined its policy on the roles of stakeholders in its 2020 Corporate Governance Manual and Code of Business Conduct. GPSC has stipulated that the employees of GPSC Group shall submit their annual reports of conflicts of interest, as well as any transaction during the year, to their supervisors. In 2020, the Company sought cooperation with its business partners, in the cases where business partners entered into relation with procurement officers, employees, and executives, to prepare their reports of conflicts of interest, to ensure transparency and accountability, as part of the internal control measures to fight fraud and corruption, in compliance with the Company's anti-fraud and anti-corruption policy.

## 3. Conflicts of Interest by Directors and Executives

GPSC has stipulated that its directors and executives shall declare any vested interests 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. The Board of Directors approved the

reports of conflicts of interest of the directors, executives, and related persons, and the criteria of interest reporting which comprised first report, report in changes of interest, and yearly report.

## 6.2 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 2020, GPSC's code was improved, real-life situations and case studies were added to set clearer guidelines for the Company's personnel.

GPSC's Code of Business Conduct comprises 15 categories as follows:

1. Compliance with laws and human rights
2. Political rights and political neutrality
3. Conflicts of interest
4. Confidentiality and use of inside information
5. Treatment of customers and consumers
6. Treatment of business competitors
7. Procurement and treatment of business partners
8. Communities, social, and environmental responsibility
9. Treatment of employees
10. Treatment of creditors
11. Internal control and internal audit
12. Receiving and offering of gifts and other benefits
13. Safety, health, and environment
14. Intellectual properties and the use of ICT
15. Prevention of money laundering.

The details and guidelines of the principles of GPSC's good corporate governance and code of business conduct are available in the Corporate Governance and Code of Conduct Manual 2020 which is publicized on GPSC's website, accessible to the general public.

## 6.3 Highlights of Changes and Development of Corporate Governance Policies, Guidelines, and System

### 6.3.1 Highlights of Changes and Development of the Review of Corporate Governance Policies, Guidelines, and System, or the Directors' Charters in 2020 consisting of the following:

#### 1. Corporate Governance

- 1) GPSC determined and reviewed policies and guidelines in 2020 as follows:
  - Policies formulated on compliance with relevant laws and regulations as follows:
    - Anti-fraud and anti-corruption policy
    - Guidelines on the policy of anti-fraud and anti-corruption, receiving and offering of gifts, receptions, or other benefits
    - Policy on complaints and protection of whistleblowers.
  - Dissemination of the revised CG & Code of Conduct Manual. The improvement of the CG & Code of Conduct was in line with SEC Principles of Good Corporate Governance for Listed Companies 2017 (CG Code), and in line with the guidelines of PTT Group, the topic and contents of which were updated.
- 2) Implementation of the PTT Way of Conduct, providing advice and verifying documents in the capacity of Policy Owner related to the GPSC Way of Conduct
- 3) Production of the hard copy of the GPSC Group Way of conduct, communicating, and monitoring the practice of the PTT Group Way of Conduct
- 4) Encouragement of the employees to comply with the guidelines of Corporate Governance
  - Reports of conflicts of interest by directors, executives, and employees
  - Directors, executives, and employees signed their names acknowledging the 2020 CG Manual
  - Communication to employees to ensure compliance with the anti-corruption policy, concerning the handling of complaints and protection so that they may be aware of such procedure, investigation, and penalty as well as confidentiality and protection of the whistleblowers and informants

- 5) GPSC set guidelines for its personnel to decline receiving/giving gifts of all groups of stakeholders. The Company also provided the channel for received objects to be donated to foundations as appropriate, as well as followed up the implementation of the measure.
- 6) Awareness raised for GPSC personnel to respect the code of business conduct, good internal control, and compliance with law and organization's regulations through the training course on "Corporate Governance and Code of Conduct" and test conducted via E-Learning. The personnel signed their names and received the CG & Code of Conduct Manual online as well. The participating number was 100%.
- 7) Supported compliance with CG principles of directors and executives
  - Orientation of new directors and director training
  - Non-management Directors' meeting
  - Meeting of the independent directors
  - Prevention of using inside information (directors and executives were reminded to submit their reports on the changes in securities and derivatives holding (Form 59-2) and of the Black-Out Period, during which the disclosure of important information might impact the Company's stock prices before the information reached the general public)
  - Directors and executives were reminded to submit their reports of conflicts of interest in compliance with the policy of the Board of Directors
  - Review of the charters of the Board and the Subcommittees in 2020 with no changes in their charters
  - Self-assessment and cross-assessment of the Board
  - Reporting of the implementation of SET's CG Code
- 8) Training to provide knowledge to employees during GPSC QSHE and KM Day 2020
- 9) Participation in PTT Group CG Day 2020 : Futuristic CG World
- 10) Conclusion and report to the executives and directors on the 2020 report of conflicts of interest of directors, executives, and employees
- 11) Awareness raised of the public and treatment of rights of stakeholders
  - Treatment of rights of stakeholders (minor shareholders)
    - AGM was held following good corporate governance principles
    - Shareholders were invited to propose agenda items and nominate director candidates in the AGM
    - Due to the spread of Covid-19, GPSC cancelled the 2020 program of shareholders' site visits
  - Awareness raised of the public through information disclosure
    - Preparation of the information disclosure on GPSC's CG Compliance and Internal Control in the Company's Annual Report, Form 56-1, and Sustainability Report
    - Preparation of GPSC's performance data on CG and Compliance with evaluation by an external auditor to improve Dow Jones Sustainability Indices (DJSI) indicators
  - GPSC's information was evaluated by external agencies as follows:
    - According to the findings of the survey of Corporate Governance Report of Thai Listed Companies 2020 (CGR), GPSC was ranked at the level of excellence (five stars) with an overall average score equal to 2019 or 96%
    - Award won of ASEAN CG Scorecard at the level of ASEAN Asset Class Award, with the scores evaluated by The ASEAN Capital Markets Forum (ACMF) at the level of over 97.5 in score
    - GPSC's certified member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) was extended in 2020 for the duration of three years after the date of certification.

## 2. Compliance with the Laws and the Organization's Regulations

- 1) Compilation of the laws and organization's regulations relevant to GPSC by following/compiling laws or other regulations, including new or amended ones, for



registration of the laws in the system, and establishing the database on laws to enter the Compliance Management System (CMS)

- 2) Meetings with relevant agencies for new laws (monthly) and follow up of the operation of the coordinators
- 3) The 2020 report on compliance with laws
- 4) Formulation of policies on compliance with relevant laws and regulations such as:
  - Asset management, confidentiality, and proper use of the Company's information
  - Anti-money laundering and anti-terrorist financing
  - Intellectual property protection
  - Support of fair competition and anti-monopolistic trade
  - Policy on privacy to accommodate the enforcement of the Personal Data Protection Act of 2019, with training provided for executives and communication to employees via Email for their acknowledgment. Implementation was also planned with other relevant agencies to manage the personal data for GPSC.
- 5) Knowledge provided to employees via Email
- 6) Improvement of the Compliance Monitoring System

(CMS) and coordination with relevant units to migrate the data of the former Glow Energy Plc (GLOW), now a subsidiary, with CMS, including post-migration system testing to ensure readiness for use (Test run script).

### 6.3.2 Application of SET Principles of Good Corporate Governance for Listed Companies 2017 (CG Code)

"The Board of Directors considered and assigned the administration to apply SEC Principles of Good Corporate Governance for Listed Companies 2017 (CG Code) in the context of GPSC's business and monitored the performance of the CG Code. In 2020, the Company appropriately applied the CG Code in accordance with the context of its business.

### 6.3.3 Other tasks based on Corporate Governance

- 1) Preparation of the Table of Authority: Improvement of the new structure following the merger with GLOW announced on April 1, 2020, as well as advice on the use of the Table of Authority twice improved, and announced on June 16, 2020, and August 31, 2020 respectively.
- 2) Dealing with one case of complaint on violation of the code of business conduct involving corruption between January 1-September 30, 2020, of which the Company proceeded with the acknowledgment of the complaint.
- 3) CGR assessment of listed companies in Thailand in June 2020, under which GPSC had submitted assessment data and its CGR Checklist 2020 to Thai IOD: It was found that GPSC was assessed as "Excellent" this year.
- 4) ASEAN CG Scorecard: In 2019, GPSC had submitted data to IOD as a representative of Thailand in joint development and upgrading of the ASEAN CG Scorecard. It was found that GPSC won the ASEAN Asset Class PLCs with a score over 97.50 from a field of 130 companies.
- 5) AGM assessment with the AGM Checklist by the Thai Investors Association in an attempt for Thai listed companies to achieve international-standard AGM organization against assessment criteria for various meeting stages. It was found that GPSC achieved a perfect score of 100.



