



**BUALUANG  
SECURITIES**

## CORPORATE GOVERNANCE POLICY

**BUALUANG SECURITIES PUBLIC COMPANY LIMITED**

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## Message from Chairman

The Board of Directors of Bualuang Securities Public Company Limited (BLS) recognized that good corporate governance is vital to successful business operations, and a key to ensuring long term and sustainable maximization of shareholder value. BLS has thus formulated the Corporate Governance Policy in which the relevant policy and key principles are compiled for the Board of Directors, management and staff to follow in their performance of duties.

The Board will ensure compliance with such policy and practice, and have the policy amended and updated as appropriate and necessary. The Company has put in place a policy for good corporate governance which incorporates the following key principles:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board

Sansern Wongcha-um

(Mr. Sansern Wongcha-um)

Chairman of the Board of Directors



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## Corporate Governance Policy

The Corporate Governance Policy of of Bualuang Securities Public Company Limited is divided into the following 5 sections:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board

### 1. Rights of Shareholders

The Board observes the rights of the shareholders and is duty-bound to protect the interests of all the shareholders on an equitable basis. It will not commit any acts that will be a violation or deprive the shareholders of their rights, as well as any acts that will limit the opportunity of the shareholders to study the Company's information and to attend the shareholders' meeting. The basic shareholder rights are buy, sell or transfer of the Company's shares, sharing in the profit of the Company, obtain relevant and adequate information on the Company in a timely manner and on a regular basis, participate and vote in the shareholder meeting to elect or remove members of the Board, appoint the auditor, and make decisions on any transactions that affect the Company such as dividend payment, provisions of or amendments to the Company's memorandum and articles of association, the capital decrease or increase, and approval of any extraordinary transactions, etc.

In addition, the shareholders have equitable rights as provided in the Company's articles of association and the relevant laws, as below:

1. They have the right to be informed, in advance of the shareholders' meetings, adequate and timely information on the date, time, venue, and all agenda items with complete support data. The Company will also inform the shareholders of the criteria and procedures governing the shareholders' meetings, including the appointment of proxies and the voting procedure.
2. They have the right to attend the shareholders' meetings to express their opinions, raise questions, give recommendations and participate in the decision making on significant changes of the Company. The Chairman of the meeting should allocate appropriate time for discussion and encourage the shareholders to express their opinions and ask questions related to the Company's operations. All directors, particularly the Chairman of the Board of Directors and of the supporting committees, should attend the shareholders' meetings to provide answers to the shareholders on relevant issues.



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## 2. Equitable Treatment of Shareholders

### 2.1 Shareholders' meeting

The Board of Directors will ensure that the shareholders' are treated and their basic rights are protected on an equitable basis. All the shareholders will receive in advance information about the meeting and the issues on the agenda. The Company will call a meeting and send the invitation letter informing of the issues on the agenda accompanied by the opinions of the Board, in both Thai and English versions, prior to the meeting and as prescribed by the relevant laws. The Company will not add any issues on the agenda without prior notice to the shareholders. The minutes of the meeting will be completed within 14 days from the date of the shareholders' meeting.

The Board of Directors gave the opportunity to the shareholders to appoint the Company's director one-by-one and encouraged shareholders who were unable to attend the Shareholders' Meeting to appoint the Company's designated independent director to attend the meeting and cast votes on their behalf. The shareholders can use the proxy form which allows shareholders to specify their votes on each agenda item.

### 2.2 Use of inside information

The Board has set procedures to prevent the use of inside information by the directors, the management and the staff concerned for abusive self-dealing, such as insider trading, disclosure of inside information that would result in the damage to the shareholders in overall, etc.

The Board has ensured that all the directors and the management disclose to the Board whether they and their related parties have any interests in any transactions or matters so that the Board may consider whether such matters have conflict of interests and make decision with the interests of the Company taken into account. The directors and the management who have such interests will not participate in the decision making process on such issues.

## 3. Role of Stakeholders

The Company has observed the rights of all stakeholders, comprising customers, employees, Suppliers, shareholders, creditors, the community where the Company is located, the society, the government sector, and others such as competitors and the auditor, etc. Cooperation between the Company and the stakeholders is promoted based on their rights and duties according to the law or the agreements with the Company. The Company will not violate the rights of all these stakeholders. This aims at ensuring the Company's continued and smooth operations with sustainable growth, and fair wealth to all the stakeholders.



Shareholders : The Company is determined to represent the interests of shareholders by running the business in order to create maximum satisfaction to shareholders with due regard for growing the business's value over the long run and with transparent and reliable disclosure of information.

The Company encourages shareholders to exercise their rights, which are the basic rights of shareholders. It gives the right for the shareholders as the business owners to raise any comments or suggestions relating to the Company's business operations, and to access any updated information on the Company.

Clients : The Company is committed to creating maximum satisfaction to clients with due care and accountability to them, on-going development of services and diversification of channels/options of services, as well as provision of accurate, complete and precise information.

The Company will keep client information strictly confidential. It will not disclose the information without the prior permission of clients, except in the case where information has to be disclosed to relevant parties according to the law. The Company has instituted a system to accommodate clients' complaints, with procedures and guidelines set out for the consideration and investigation for fact-finding, so that settlement or resolution can be reached with fairness and promptness.

Employees : Employees are resources of the highest value to the Company and a key factor in the success of its operation. BLS is thus determined to develop a good working environment and culture, and promote teamwork. It also has a policy to develop employees' knowledge and competency on a comprehensive and on-going basis.

The Company is responsible for always ensuring that the working environment is safe to the life and property of the employees. BLS adheres strictly to laws governing labor. It treats all employees fairly and equally with proper and appropriate remuneration.

The Company is determined to take care of the staff to ensure that they perform duties with professionalism and high morale by improving the office environment as a safe, modern workplace with proper health welfare and other facilities, such as annual check-up, life and health insurance, etc

The Environment, Health and Safety Committee has been set up by the Company to take care of the health and safety of, and create a good work environment for, the staff. The Welfare Committee has also been formed to look into and ensure proper



staff welfare.

The Company has organized activities that promote harmony and good relationship across the organization, such as annual merit making ceremonies, sports days, annual staff parties, etc.

**Suppliers** : Transactions with suppliers will not cause any damage to the reputation of the Company, nor will any transaction be in breach of the law. The Company treats suppliers under competitive terms and with integrity. Due consideration is made on the equality of business operations and of the mutual benefits to both parties. The Company complies with the trade conditions of its suppliers with integrity and fairness. The selection of suppliers is made on a fair basis.

Moreover, when the Company negotiates business arrangements, under no circumstances does it demand, accept or offer any unethical incentives from or to our business partners. BLS is committed to strictly honoring all agreements and conditions made with our business partners.

**Creditors** : The Company abides by all agreements and complies with the conditions set out in the agreements signed with its creditors in respect of principal and interest payment and safekeeping of collateral within the purview of the conditions, agreements, as well as any legal requirements and provisions. In the event of its failure to fulfill any of the conditions, the Company would promptly notify its creditors in order to jointly seek remedial measures. The Company also reports essential financial information that is accurate, complete, timely and examinable to its creditors regularly, as agreed upon.

Moreover, in negotiating with creditors, under no circumstances does the Company demand, accept or offer any unethical incentives from or to creditors.

**Competitors** : The Company supports and promotes fair and non-monopolistic competition policies. BLS adheres to the rules of fair competition, both adopted by the industry and set out by the regulators, especially the criteria for brokerage fees, listing, commission payments to marketing staff and maintaining fair competitive standards and practices.

The Company never tries to search for confidential information about our rivals in an unethical or improper manner, such as the giving of tokens to the employees of rivals, etc. In addition, BLS never seeks to tarnish the reputation of our competitors with any false accusations.

**Society and environment** : The Company operates under ethical and good governance principles in concurrence with an on-going effort to care for the environment and society at large. BLS annually



allocates a budget to support and take care of society and the environment.

The Company has held activities that promote society-building in various areas—especially educational opportunities and youth development, as well as support for sport and promotion of social wellness. All such support helps pave the way for the sustainable development of Thailand's youth and general quality of life.

The Company supported and promoted education, sports and other public activities aimed at safeguarding the environment and nurturing society. It also avoided committing any acts that might jeopardize Thailand's environment and natural resources.

In addition, the Board allows the stakeholders to communicate with the Board conveniently and protects the rights of the stakeholders who give any hints or evidences or any points that may reflect the concerns about the accuracy of the Company's financial reports, the deficiency of the internal control system or the violation of legal and ethical practices. The communication would be made through the Company's Audit Committee to enable the examination of the information so provided under the Company's procedures applicable and reporting the result of which to the Board accordingly.

The Company keeps all such communication confidential. Acceptance of a complaint and investigation procedures are set out. The information regarding complaints is accessible only to the persons assigned and involved.

#### **Refusal to Violate the Human Rights**

The Company has policy on the refusal to violate the human rights as follows:

1. Provision of security for the employees to ensure that they are safe from harassment and abuse and have freedom of assembly within the purview of the relevant laws.
2. Upholding the principles of equal opportunity, regardless of race, religion, color, gender identity, national origin or disability, within the purview of the relevant laws.
3. Refusal to use forced labor and child labor.
4. Employee development—enhancing the skills and capabilities of members of staff by offering opportunities to learn and to be promoted, as deemed fit.
5. The adoption of employment terms and conditions that are fair to employees and offer reasonable compensation, based on the skills and effort of each employee.
6. Provision of appropriate welfare for employees, such as annual vacation leave, reasonable overtime, medical care, etc.



7. Ensuring that employees manage a good balance between career and personal life and have opportunities to participate in activities that contribute to society.

#### **Resistance to Fraud and Bribery**

The Company has policy on the Resistance to Fraud and Bribery as follows:

1. Management and employees will provide the proper action in line with their duty by omission of any dishonestly act.
2. For the interest of the Company, management and employees will not giving or accepting bribery, money or any other benefit by a wrongful exercise.

#### **Refusal to Violate the Intellectual Property Rights**

The Company has policy on the refusal to violate the Intellectual Property Rights as follows:

1. Compliance with intellectual property or copyright law. In the case that a violation of intellectual property rights is discovered, the Company will take prompt action, as deemed fit, in order to end such piracy.
2. According to clause 1, when a violation of intellectual property rights is ceased, the Company will take proper action in line with the Company regulation regarding the discipline of employee and inform to the employee, who violate intellectual property rights.

#### **4. Disclosure and transparency**

The Company has all along recognized as a key policy and core mission the disclosure of the Company's significant information, both financial and non-financial, with accuracy, completeness, transparency, thoroughness and timeliness.

Disclosure of significant financial and non-financial information of the Company covers:

- Statement of the Board of Directors' responsibilities concerning the Company's financial reports, disclosure of the name list of the members of the Board and other supporting committees along with the management, with details given on their profile, disclosure of the policy on remuneration payment for directors and executives, in terms of both the type and nature of payment, as well as the remuneration each director is entitled to in the capacity of a director in subsidiary companies (if any).
- Disclosure of transactions with conflict of interests.
- Disclosure of the roles taken and duties performed by the Board of Directors and other supporting committees for the past year.



- Disclosure of the Company's policy on confidentiality, the use of inside information and control on communication and disclosure of information among work units in the organization (Chinese Wall).
- Statement of compliance with good corporate governance principles. The Company has set up an "Investor Relations" unit to take charge of communicating with and providing significant information to the shareholders and the general public

## 5. Responsibilities of the Board

The Board plays an important role in corporate governance for the best interest of the Company. The board of directors have leadership, vision, and independence in making decisions for the best interest of the company and all shareholders. The board clearly separates its roles and responsibilities from those of management and monitor the company's operations to ensure all activities are conducted in accordance with relevant laws and ethical standards.

### Board of Directors structure

The Board consists of the Chairman and the directors, in the number commensurate with the Company's business size and ensuring efficient performance. The number of the Board members will not be less than 5 persons and not more than 11 persons.

The directors who are non-executive represent half of the total number of Board members. There are also independent directors, that have no business relationship or any other relationship that may influence independent discretion and decision, representing at least one-fourth of the total number of Board members.

The appointment of the directors is transparent, being in line with the Company's articles of association and the relevant laws. The director nomination is undertaken by the Nomination and Remuneration Committee, and the consideration of which is supported by information on various qualifications, which are educational background, professional expertise and experience of the candidates, which are in sufficient details to support the decision making of the directors and/or the shareholders.

The term in office of the directors is as prescribed in the Company's articles of association. That is, at each annual general meeting, one-third of the total number of the directors are due to retire by rotation. If the total number of the directors cannot be divided into three, the closest number to one-third will be applicable. The directors due to retire by rotation may be re-elected. Any director who resigns before the completion of his term has to notify the Company at least one month in advance, together with the reasons for the resignation.

As the Board has a key role in mapping the Company's direction, policy and check and balance, it is essential that the Board has leadership, vision and adequate expertise and experience in the business to enable the mapping of the direction and framework for the management, as well as has independence for



the check and balance of the operations by the management. The Board should also comprise the members who have diversified knowledge and competence so that they can identify the operations in different perspectives, whether they are the opportunities or the threats.

The Board and the management have clearly separated duties and responsibilities. However, some of the directors may also be executives, as they get involved in the business operations and can link the operations by the Board and the management.

The Chairman and the President must not be the same person. The Chairman must be non-executive and have independence. Also, he must not be the chairman or member of any supporting committees.

The Company has clearly determined the role, power and duties of the Chairman and the President to ensure that neither of them have unlimited and overlapping power, hence a check and balance. The Chairman takes the lead in policy-making and the President the lead in management.

The President and executives who work full-time for the Company should fully dedicate their time to the Company's operations. Therefore, the Board has determined the guidelines for their directorship in other companies in that the President and executives of the Company shall not have directorship in more than three other companies. Moreover, their directorship in any company must not contradict the relevant regulatory laws and rules. For example, the executive of a securities company may not be a director in another securities company, and the prohibition of the executives to be any authorized signatories, etc. The President's assuming of directorship in any other companies is also subject to the approval by the Executive Committee meeting and the further acknowledgement by the Board of Directors. The executives' assuming of directorship in any other companies is also subject to the approval by the President and the further acknowledgement by the Executive Committee.

The Company has disclosed the information on the directorship of its directors and executives for the shareholders' information in the annual report.

The Board of Directors must have the following qualifications:

1. The director must be a knowledgeable and capable person with integrity, honesty and ethics in the business operations. He must dedicate adequate time, knowledge and efforts in his performance of duties.
2. The director must be qualified and not be disqualified pursuant to the public company law and other relevant laws.
3. The director must not assume directorship in any company that may have conflict of interests with the Company.



4. The independent director must have qualifications relating to independence in the same manner as those of the member of the Audit Committee pursuant to the notification of the SET on the qualifications and scope of performance of the audit committee, and must take due care of the interests of all the shareholders on an equitable basis and ensure that there will be no conflict of interests.

The qualifications of the Independent Director are detailed below:

1. Holding shares not exceeding one per cent of the total number of voting rights of the company, its parent company, a subsidiary, an affiliate, a major shareholder or a person having control over the company, including the shares held by related persons of the independent director.
2. Neither being, nor having been, an executive director, employee, staff member or advisor who receives salary, or a person having control over the company, its parent company, a subsidiary, an affiliate, a same-level subsidiary, a major shareholder or a person having control over the company, unless the foregoing status has ended not less than two years prior to the appointment date.

However, this shall not apply to an independent director who has been a governmental officer or an advisor of a government authority, which is a major shareholder or a controlling person.

3. Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as an executive or controlling persons of the company or any of its subsidiaries;
4. Not having a business relationship with the company, its parent company, a subsidiary, an affiliate, a major shareholder or a person having control over the company, in a manner which may interfere with his independent judgment, and neither being nor having been a major shareholder, non-independent director or executive of any person having business relationship with the company, its parent company, subsidiary, affiliate, major shareholders or a person having control over the company, unless the foregoing relationship has ended not less than two years prior to the appointment date;

The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or the counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the applicant or twenty million Baht or more, whichever is lower.

5. Neither being nor having been an auditor of the company, its parent company, a subsidiary, an affiliate, a major shareholder or a person having control over the company, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the company, its parent company, a subsidiary, an affiliate, a major shareholder or a person having



control over the company, unless the foregoing relationship has ended not less than two years prior to the appointment date;

6. Neither being nor having been any type of professional advisor, including legal advisor or financial advisor, who receives an annual service fee exceeding two million baht from the company, its parent company, a subsidiary, an affiliate, a major shareholder or a person having control over the company, and neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor, unless the foregoing relationship has ended not less than two years prior to the appointment date;
7. Not being a director who has been appointed as a representative of the company's director, major shareholder, or shareholders who are related to the company's major shareholder;
8. Not engaged in a business that is of a similar nature to and is in competition with the Company or a subsidiary company, or not being a major partner in a partnership, executive director, employee, staff member or advisor who receives a regular salary or holds shares of more than one percent of total voting rights of another company engaged in a business that has a similar nature to and is in competition with the Company or a subsidiary company.
9. Not being a director of its parent company, a subsidiary, a same-level subsidiary which is a listed company.
10. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the company's business affairs.

After having been appointed as independent director with qualifications complying with criteria 1 to 10, the independent director may be assigned by the board of directors to take part in the business decision-making of the company, its parent company, a subsidiary, an affiliate, a same-level subsidiary or a juristic person who may have conflicts of interest, on condition that such a decision must be a collective one.

The person appointed Independent Director by the Company who has a relationship in terms of business or service provisions with value higher than that prescribed in Clause 4 or 6 shall be exempted from the prohibition of being or having been a business or professional service provider to a value exceeding the specified amount only if that the Company's Board of Directors gives an opinion based on their consideration of the provisions in Section 89/7 that the appointment of the said person shall have no impact on the performance of duties and provision of independent opinions, and that the transaction related to such business or service provision is disclosed in the agenda on the appointment of the said independent director in the invitation letter for the shareholders meeting.



## **Role, duties and responsibilities of the Board of Directors**

The Board of Directors is accountable to the shareholders as regards the Company's business operations and the governance to ensure that the operations and management have achieved the targets and the framework to the maximum interests of the shareholders and in line with the code of business ethics, with due regards for the interests of all the stakeholders.

The Board is duty-bound to perform duties according to the laws, objectives, company articles of association, and resolutions of the shareholders' meetings, with integrity, honesty and prudence to protect the interests of the shareholders both at present and in the long run, and also pursuant to the criteria and regulations of the SET and the SEC.

### **Duties and Responsibilities of the Board of Directors**

1. To review and approve key business matters such as the vision and mission of the company, strategy, financial targets, risks, business plans and budget. The board should also monitor implementation by management to ensure efficiency and effectiveness.
2. To set and approve a written corporate governance policy for the Company.
3. To ensure that a written code of business conduct be in place so that all directors, executives and employees understand the ethical standards of the Company. Compliance to the code should be closely monitored by the board.
4. To consider any potential conflict of interest thoroughly and set up clear guidelines on the approval of transactions where there is a potential conflict of interest so that the transaction is conducted in the best interest of the company and all shareholders. The board shall also monitor compliance to the regulations regarding criteria, procedures and disclosure of transactions with potential conflicts of interest.
5. To ensure that the operational control system is in place, including financial reporting, compliance, and policy control, and review the system at least annually. The board shall also assign a person or a department to independently audit and report on the system.
6. To establish a risk management policy to cover all activities of the company, assign management to implement the policy and request a report from management regularly. The board shall review the risk management system or assess the effectiveness of risk management at least annually and whenever there is a change in risk level. The board shall also focus on early warning signs and unusual transactions.
7. To set out targets, guidelines, policy, plans and budgets, monitor and supervise business administration to be aligned with the assigned policy and the provisions set forth by the SET and the SEC except for the issues that require prior approval of the shareholder meeting, e.g. capital



increase/decrease, issue of debentures, sale or transfer of major business in whole or in part to any other party, amendment to memorandum or articles of association, payment of bonus or remuneration to directors, and others.

8. To control and follow-up the Company's operations to ensure compliance with the rules and regulations of the authorities, adequate disclosure of information to shareholders and the parties concerned and transparent management to maximize benefits to shareholders.
9. To consider appointment of directors as deemed proper to sit on the Executive Committee or other sub-committees to supervise business operations as assigned by the Board.
10. To set and approve the authorization limit which could be amended from time to time by the Board of Director as deemed appropriate.

#### **Board meeting**

Board meetings are held at least once a quarter. The year-round meeting schedule is set out in advance and notify each director of the schedule so that each member of the board can manage time to attend the meetings.

The Chairman of the Board is in charge of handling the Board meeting. All the directors should attend all the Board meetings. The Chairman will determine the agenda together with the President, and ensure that all the directors receive the meeting documents at least seven days before the meeting date, so that they will have enough time to study and consider the issues on the agenda before giving any opinions and voting. The Chairman will also ensure that the meeting documents contain proper and adequate information, analysis and recommendations. In addition, directors and executives may propose items or issues to be put on the meeting agenda as they consider appropriate.

At the meeting, the Chairman and/or the person assigned by the Chairman will summarize the issues on the agenda for the directors' consideration, with adequate time allocated for the management's proposal and the directors' discussion of the issues on a prudent basis. Each director will be encouraged and given opportunity to express his opinions. The opinions will then be concluded together with conclusion from the meeting.

At the meeting, the director with interests in material aspect in any issue must not attend the meeting and participate in the consideration on such issue. In consideration of any issues, the directors are entitled to request any relevant documents for detailed examination or to instruct the management or the persons directly in charge to attend the meeting in order to give explanation or additional information, as well as to have an external consultant or expert to give opinions, the expenses for which shall be borne by the Company. The resolution of the Board is subject to a majority votes. Any protest by the directors to



the resolution must be recorded in the minutes of the meeting or the protest was made in writing and submitted to the chairman within three days of the meeting.

The Board will be informed of the report on the Company's operating results on a monthly basis so that the Board can monitor and supervise the management's performance consistently and timely. The Board will have access to additional necessary information from the President or the corporate secretary or any other executive assigned under the scope of duties as deemed appropriate.

The Board of Directors, excluding the directors who are executives, will hold a special meeting at least once a year to discuss issues relating to the management, the result of which will be informed by the Chairman to the President.

The Board has arranged to have the secretary to the Board to take charge of preparing the meeting agenda and meeting notices, as well as organizing the meeting, keeping the meeting documents and giving consultancy regarding directors' practices in accordance with the relevant laws, rules and regulations.

### **Supporting committees**

The Board may appoint a number of supporting committees to assist in the study and screening the relevant issues, so that the Board's performance will be in an efficient and effective way. At present, the Company has the following supporting committees:

#### **The Audit Committee**

The Audit Committee is part of the Board of Directors. Its members are appointed from at least two of the Board members, with the qualifications related to independence pursuant to the SET notification on the qualifications and scope of performance of the audit committee. At least one of the Audit Committee members must have dependable knowledge and experience in finance, accounting, organizational management and securities business. The term of service is three years and the committee member may be re-appointed for another term.

The Audit Committee has the following duties and responsibilities:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate and also to review the unusual items, the important accounting policy and the auditor's adjustment transactions.
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient.
3. To review the Company's compliance with laws on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.



4. To consider, select, and nominate the Company's auditor, and to propose the auditing fee by considering the auditors' independence e.g. reviewing the other services provided to the Company by the audit firm, the rotation of the auditors, etc.
5. To review with the auditor the material matters which may affect the reliability of the financial statement e.g. issues or conflicts the auditor may face in performing his duty, differences of opinion between the auditor and the management, the efficiency of internal control systems, and some weak point which occurred during this period and may continue in the next period, etc.
6. To attend a non-management meeting with an auditor at least once a year.
7. To review the risk level and risk assessment method of the internal auditor and to assess the awareness of the Board of Directors and the management with regard to significant risk and operational risk.
8. To review and acknowledge the Company's compliance with the business code of conduct, ethics and corporate governance.
9. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
  - 9.1 an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - 9.2 an opinion on the adequacy of the Company's internal control system,
  - 9.3 an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - 9.4 an opinion on the suitability of an auditor,
  - 9.5 an opinion on the transactions that may lead to conflicts of interests,
  - 9.6 the number of the audit committee meetings, and the attendance of such meetings by each committee member,
  - 9.7 an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
  - 9.8 other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.
10. To approve the Charter of the internal audit function and review it at least once a year.
11. To consider and approve the annual compliance and internal audit plan and prioritize it according to risk level. To review the compliance and internal audit report and consider with the management the Company's weak points or failings and get responses from management. To meet with the Head of



Compliance and the Internal Audit Department without management in attendance at least once a year.

12. To approve the appointment, transfer and dismissal of the head of compliance and internal audit department, to consider the appropriateness of the number of staff members of the Compliance and Internal Audit Department, as well as to determine the independence of such function.
13. To review the Charter of the Audit Committee at least once a year and propose the review to the Board of Directors.
14. If the Board of Directors or the management unreasonably ignores the recommendations made in the Audit Committee's report or the committee is suspicious of a transaction that might have a material impact on the financial condition or operational results of the company, the Audit Committee will report such finding to the Office of Securities and Exchange Commission or the SET.
15. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

### **The Executive Committee**

The Executive Committee is part of the Board of Directors. Its members are appointed from at least three of the Board members. The term of service is the same as that of the Board.

The Executive Committee has the following duties and responsibilities:

1. To scrutinize management's proposals for further submission for the Board's consideration;
2. To make recommendations on strategies, plans, and guidelines for operations to the Board for consideration;
3. To follow up the Company's performance to ensure efficient operations, particularly on the following issues:
  - Operating results compared to the policy and targets set out by the Board
  - Risk management
  - Management of investment and operating expenditure compared to budgets
  - Compliance of operations with relevant laws and regulations as well as the code of ethics.
4. To consider and approve the undertakings of issues assigned by the Board.
5. To consider and appoint subcommittees and/or working committees to deal with day-to-day business administration and operations, and to set out and delegate power, duties and responsibilities of the subcommittees and/or working committees.



6. To approve the Company's transactions in accordance with the authorization limit approved by the Board of Directors which could be amended from time to time by the Board of Director as deemed expedient.
7. To carry out any other tasks as assigned by the Board.

### **The Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is part of the Board of Directors. Its members are appointed from at least three of the Board members. Of the total number of the Committee members, at least half must be independent directors, and the chairman must be an independent director. The term of service is the same as that of the Board.

The Nomination and Remuneration Committee has the following duties and responsibilities:

#### **Scope of duties and responsibilities—Nomination:**

1. Consider the appropriateness of the structure and composition of the Company's Board of Directors.
2. Determine the qualifications of the Directors and the President, the criteria in the nomination of the persons for such positions, review the qualifications of the directors, as well as evaluate the performance of the directors who complete their term of service and the President.
3. Set out the methodology and procedures in the preparation of the persons qualified for being appointed directors and the President.
4. Prepare and submit to the Board the report on the Committee's performance on an annual basis.

#### **Scope of duties and responsibilities—Remuneration**

1. Set out criteria and review the structure of the remuneration for the Board of Directors, sub-committees, and the President. The Board is in charge of approving the remuneration for the President, while the remuneration for the directors is subject to the approval by a shareholder meeting.
2. Formulate criteria for the evaluation of the President's performance.
3. Consider and approve the allocation of the securities under the ESOP Program to directors and employees of the Company who are entitled to be allocated the securities exceeding 5 percent of numbers of securities issued and offered.

The member of the Nomination and Remuneration Committee shall not be allocated the securities exceeding 5 percent of numbers of securities issued and offered under the ESOP Program.

4. Provide explanations and answers to the shareholder meeting on directors' remuneration.
5. Prepare and submit to the Board a report on the Committee's performance on an annual basis.



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## The Risk Management Committee

The Risk Management Committee is part of the Board of Directors. Its members are appointed from at least three of the Board members (non-management directors only) or the persons the Board of Directors deem appropriate. Of the total number of the Committee members, at least one must be independent director. The term of service is three years, the same as that of the Board.

The Risk Management Committee has the following duties and responsibilities:

1. Consider the Company's risk management policy covering the credit risk, market risk, operational risk, strategic risk, liquidity risk and other themes, such as legal risk and relevant rules and regulations.
2. Consider and review risk management guidelines and tools to ensure efficiency and appropriateness with the nature and size of each risk aspect.
3. Consider and review the setting of risk limits and measures in the case that there is a failure in keeping within specified risk limits.
4. Follow up the results of risk assessments under normal and crisis conditions.
5. Assess risks which may arise from new products or new transactions and set the risk management guideline for such transaction.

## Remuneration for directors and top executives

The Company has clearly set out director remuneration, for which the Nomination and Remuneration Committee will screen and consider before submission to the Board for further proposal to the shareholders' meeting for approval.

The director remuneration will be considered and set at an appropriate level on a par with that of other companies in the industry, taking into account the directors' experience, duties and responsibilities, together with the benefits expected from each director, and ensuring that the remuneration is adequate in order to retain quality directors. Directors with additional assignments are entitled to additional remuneration in a proper proportion.

The determination of the remuneration for the President will be in line with the policy and principles set forth by the Board and on the basis earlier agreed upon with the President, which is at a concretely proper and attractive rate, and correspond with the President's performance for the past period. In this regard, the Nomination and Remuneration Committee is tasked with evaluating the President's performance and submit the result of which to the Board for approval. The result of the performance evaluation will be informed by the Chairman of the Board to the President.



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**Transactions in which the directors and executives have interests**

The Board has required that the directors and the executives disclose the transactions in which the directors and the executives and the related parties thereto have interests so that the Board can make consideration of the transactions that may have conflict of interests with the Company's, and make decision that will benefit the Company in overall. The directors and the executives with such vested interests must not get involved in the decision making on such transactions. In this regard, the Board will supervise to ensure that the Company complies with the regulatory rules and procedures regarding the disclosure of such transactions.

**Board self assessment**

The Board has made available the assessment of the performance of the Board as a whole, through the Board self assessment procedure, which is made annually to assess the Board's performance for the past year from which problems can be identified and solutions or improvement accordingly worked out.

**Internal control and audit and risk management**

The Board has ensured that the Company put in place the internal control system that fully covers financial and operational undertakings and compliance with the relevant laws, rules and regulations, together with the risk management. It has ensured the institution of the adequate and efficient check and balance mechanism to protect and safeguard the equity of the shareholders and the assets of the Company on a regular basis. It has set out delegation of authority in the approval by and responsibilities of the management and the staff. It has made available written work procedures and practices with the internal audit work unit to examine the operations of all the work units, both the front office and the back office, pursuant to the regulations set forth. It undertakes to assess and ensure the efficiency and adequacy in the internal control by such internal audit work unit. The Board will supervise to have such work unit have independence in the auditing work and check and balance, and report directly to the Audit Committee.

**Business code of conduct**

The Company has put in place the business code of conduct for its directors, executives and staff for use as guidelines in the business operations. It has worked out the compliance manual for employees so that the employees can use it as guidelines in their performance with due application of their skills, knowledge, competence and professionalism, and without any threat of non-compliance with the regulatory rules, the code of ethics, and the rules, regulations and policies of the Company.



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## Development of directors and executives

### - Knowledge development and training

The newly appointed directors will adequately be informed of the Company's corporate information, rules and regulations, and business information of the Company, and other information that will benefit such directors' performance of duties.

The Board has encouraged the training of and provision of knowledge for such relevant persons as directors, Audit Committee members, executives, corporate secretary, etc., to allow for on-going improvement of performance of duties for a higher level of efficiency.

### - Succession plan

The Board is duty-bound to review and make available the succession plan for the President, with the Nomination and Remuneration Committee assigned to consider and work out the succession plan and criteria to serve the need when there is the vacancy of the position. This aims at retaining the confidence of the investors, organizations and staff in the Company's uninterrupted operations.

## Protection of Conflict of Interest

The Company has policy on the conflict of interest for protect the interest of the Company and shareholders. Before entering into any potential conflict of interest transaction, BLS will carefully consider the reasonableness such transaction. The Company will avoid any of authorized persons who are significant shareholders of, or have vested interest in, rival companies or trade partners from participating in decision-making on matters concerning business relationships with those parties, unless otherwise approved by the Board of Directors.

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