

Report of Audit Committee

The Audit Committee consists of 3 independent directors possessing the required qualifications specified by the Stock Exchange of Thailand and the Securities and Exchange Commission, namely Mrs. Pismai Boonyakiat as the Chairman, Mr. Jane Wong-isariyakul and Ms. Thipawan Uthaisang as members of the Audit Committee.

During 2018, the Audit Committee fully discharged its duties and responsibilities as assigned by the Board of Directors, through holding 4 committee meetings, with the management team, the external auditor, in order to discuss various significant importance, which are summarized below;



Mrs. Pismai Boonyakiat
Chairman of Audit Committee

- *Review the financial statement* for the company and subsidiary companies for every quarter and the 2018 financial year, whereby the Audit Committee's opinion agreed that the financial statements of the company and subsidiary companies are correct and accurate, complete and credible as well as have been prepared in accordance with the required accounting standards and standards for financial disclosures.
- *Review the adequate of internal control system* together with effective anti-corruption measures and good corporate governance practices, also monitored other associated internal systems. As such, the Audit Committee's opinion agreed that the established internal controls system are both adequate and appropriate, and also ensured that the Internal Audit has acquired various working experiences, relevant knowledge appropriately sufficient to undertaking the required duties and responsibilities in an effective manner.
- *Proposed appointment of the external auditor* together with the audit fee, by considered the relevant knowledge, capabilities, experiences, and degree of independence in undertaking the assigned duties. As such, it was proposed to the Board of Directors then submit for approval by the Annual General Shareholders Meeting, to appointed Ms. Thanyaporn Tangthanopajai, or Mr. Thanawuth Piboonsawad or Ms. Wannisa Ngambuathong from Dharmniti Auditing Co., Ltd., to be the authorized external auditor of the company for the 2018 financial year with total audit fee of 0.85 million baht
- *Review of connected transactions* together with any transactions that involved a conflict of interests, whereby the Audit Committee's opinion agreed that the various transactions are normal business transactions, fully transparent, equitable and of maximum benefit for the company, as well as that relevant accurate information have been disclosed in a complete and adequate manner.
- *Review of risk management* that the company has in place systematic risk management procedures that are comprehensive and adequate for the company's business operations.

In summary, the Audit Committee has discharged its assigned duties and responsibilities in a comprehensive manner and with full independence, there are in place good corporate governance practices, together with an adequate internal controls system and appropriate risk management procedures. The Financial Statements have been prepared in a correct manner and in accordance with the required standards of financial disclosures. As such, the Audit Committee has not found any operational deficiencies or irregularities of any significant importance.

Anti-corruption and Internal Control

Resistance to corruption is an important policy of the company besides implanting attitude and ethics as basic for performance for management and all level of employees. The company has drawn up audit process and internal control system to check and balance appropriately.

Moreover, the company has made implementation to create confidence in accordance to Resistance to Corruption Policy as follow;

1. Review rules and regulations about purchase, employment, determine requirement for authorized signatures for expense and purchase document to control and prevent corruption within the company
2. Board of Directors, management and employees are forbidden to engage in any action to claim or accept or offer to give assets, other benefits to induce to carry out or refrain from performing duty which is wrongful.
3. Organize training to give knowledge to the management and employees about risk management frame and internal control in order to manage risk
4. Determine communication channels, receive complaints or information about corruption, the informers will be protected in strict confidence and will not be disclosed. The issue informed will be examined by the Board fairly

In 2018, the company has no issue found about corruption and unlawful operation or related requirements as well as no violation about business operation ethics. The company was granted Thai Chamber of Commerce Best Awards 2017 as an exemplary organization conducting business in accordance with its code of conduct upholding transparency, integrity as well as social responsibility and good corporate governance. In this regards, Ms. Petcharat Eksangkul, President of the company, received the Honorary Awards from Mr. Kalin Sarasin, Chairman of Thai Chamber of Commerce, dated October 19, 2018 at the Office of National Anti-Corruption Commission, Nonthaburi Province.



Internal Control Policy

Company aims to establish and maintain the confidence of all stakeholders and adherence to operate as a good citizenship. All employees have a reputation to protect and preserve the dignity of the company. By maintaining the highest standards of professional and ethical conduct as follows;

1. Conflict of Interest Policy

- Employees should avoid any action that might be conflicted to the company interest whether contact with relevant companies such as customers, suppliers, competitors or take advantage or information from being employee for their own benefit and doing business to compete with company.
- Employees shall avoid the shareholding in the company's competitors. In cases the stocks have been obtained before being an employee or before the company went into business, or by way of inheritance. Employees must report to their superiors.
- The company will enforce by intellectual property laws or other laws if there is the violation of confidentiality of business.

2. Corporate Assets Policy

- Employees have duty and responsibility for the corporate assets by ensure that it will not be damaged, lost also utilized corporate assets for highest benefit and do not take for personal use.
- The assets means tangible and intangible property such as chattel, property, technology, knowhow, certificate of ownership, patents, copyright also the confidential information that not disclosed to the public, such as business plans, financial projections. Information of Human Resources.
- All employees should avoid disclosing or using the confidential information strictly.

3. Gifts and Entertainment Policy

- Employees shall not request, receive or accept money, materials, or other benefits from the relevant with the corporate.
- Employees may accept gift as conventional. By accepting the gift shall not affect any business decisions of the recipient.
- The gift should not be much valuable and shall not be cash or equivalent as cash.
- If employees receive valuable gift than usual from the relevant with the corporate, employees should report to theirs superiors.
- Giving or accepting gift can be made if made by transparent or in open location.

4. Securities Trading and Inside Information Policy

- Employee shall avoid using internal information or disclosing internal information to others for trading corporate stock.
- Insiders should not buy or sell shares before the publication of financial statements. Or publishing company status as well as other important information and should wait at least 24-48 hours after the disclosure to the public prior to purchase or sell shares of the company.

5. Internet Controls and Audits, Financial Reporting

- The management has responsibility to prepare the financial report to be accurate, complete and in timely manner both annual report and quarterly report in accordance with acceptable accounting standard.
- Establish efficient control system and internal audit to ensure that the Corporate has complied with the standards and related laws and under monitoring of internal audit and reviewed of the audit committee.
- Perform duties with honesty and take any action to all shareholders with equitable.

6. Shareholders Policy

- Inform status of the Corporate to Shareholder regularly and completely.
- Report to the shareholders of the future prospects of the organization, both positive and negative with sufficient rationale.

7. Customer Relations and Product Quality Policy

- Deliver product with equivalent or higher quality than customer expectation under fair condition.
- Provide correct and sufficient Product and Service information in timely manner which will support customer to make decision without exaggerating on advertisement or other communication channel that may cause misleading about the quality, quantity, or any other condition of Products and Services.
- Maintain customer confidentiality and do not use for own benefit or related person.
- Response to customer request by rapidly and provide procedure and channel for customer's complaint about Product and Service efficiently.

8. Suppliers/Creditors Policy

- Treat all creditors equally and fairly on the basis of obtaining a fair return on both sides.
- Strictly comply with terms or conditions agreed upon by the business partners, in case failure to comply, must inform to Suppliers and/ or Creditors in advance to find solutions mutually.

- To negotiate business must exempt any request, accept or give any unlawful benefits which in dealing with business Partners and / or Creditors.
- If corruption was found must inform to Partners and /or Creditors to explore the solution fairly and rapidly.
- Financial report must be regularly provide to creditor with accuracy, completely and timely

9. Employees Policy

- Offer fair remunerations to the employees
- Ensure working environment that secures life and property of employees
- Ensure that promotion and transfer employee including reward and punishment must be trustworthy and based on appropriate and capability of employee.
- Give priorities to the development of employee's capabilities and knowledge by providing the opportunity thoroughly and regularly.
- Strictly adhere to rules and regulations relating to the employees;

10. Rivals Policy

- Comply with the rule of fair competition
- Do not make any unlawful exercise or inappropriate in seeking information of competitors such as give bribe to competitor's employees.
- Do not defame or slander against the competitor's reputation.

11. Employees Practice Policy

- Perform duties with endeavor, integrity and transparent and shall refrain from giving to superior or receiving from subordinates.
- Respect employee's right including management
- Superiors should practice themselves as respectful person and employees should not disrespect Superiors.
- Comply with rules, regulations and traditional whether provided in written or not.
- Maintain and create the unity among the employees and avoid any action which is affect to company reputation and image or cause problem later

12. Environment and Community Policy

- Responsible and commit for the environmental preservation also including custom and local tradition where the corporate is located.
- Carry out activities to develop the society, the community and the environment to enabling the good quality of life for the community where the corporate is located by own operate and cooperate with government and community.

- Prevent accident and control waste emission to be lower than standard level.
- Response immediately and efficiency to the situation that effect to the environment and the community from the company operation also cooperate with government and related agencies.

The Board of Director' opinion

The company has recognized the importance of internal control system. The Board of Director has appointed the Audit Committee to review the assessment of the company's internal control to ensure that it is a sufficient and appropriate system, as well as to provide accurate and credible accounting system and financial report, also to contribute asset protection and mitigate damage occurred from error and corruption, along with effective compliance with relevant laws and regulations.

The company hires Well Planning Solution Co., Ltd., an external organization, as the internal audit. This will allow the company to be able to fully perform functions, and independently in internal audit. The company can keep improving itself up to internal and external factors which are constantly changing. In this regard, the internal audit will coordinate the System Development Manager of the company, and report directly to the Audit Committee to enhance the effectiveness of the audit process.

At the Board of Directors' meeting No.1/2018 on February 23, 2018, the Board of Directors including member of the Audit Committee evaluated the company's internal control system for 2018. According to the internal audit and inquiring for information from the management, the Board of Directors did not find any significant deficiency regarding internal control system. Therefore, they agreed that the company had sufficient and appropriate internal control system which was compatible with the current operation. These can be summarized as follows;

1. Control Environment

The company has assigned explicit policies and objectives of business with concrete evaluation by considering fairness to employee, customer, trading partner, and responsibility for shareholders, society, community and environment. It has also reviewed the implementation of the goals set on a regular basis to comply with the conditions at that time.

The company has established organizational structure in order to separate duties and responsibilities of the management team, thus allowing effective operation. There were policy on corporate governance, business ethics, which were acknowledged by executive and employee as guideline for everyone to perform their duties with integrity, and restrain from posing conflict of interest with the company, including not corrupting which causes damage to the organization.

2. Risk Assessment

The company has assigned the Executive Board Committee in order to take care of risk management in a systematic and effective manner. There was risk analysis that revealed probable risks from internal and external factors which could affect business conduct of the organization. It has also decided clear working plan and working procedures, as well as constantly followed up on risk management result to ensure that it is at acceptable level. This included all executives to engage in risk management and communicated to all employees to comply with as a part of organization culture

The company complied with generally accepted accounting principle and suitable for business, by revealing financial report that is fully accurate and reflects the operating activities of the company

3. Control Activities

The company has clearly specified the limitation of authority and approved credit line for each management level in writing, as well as separated duties and responsibilities of each department apart for counter-verification. It has also set the concise regulations concerning financial transaction, purchasing, and general management in writing, to prevent from authority abuse seeking to misappropriate company assets, or acting beyond the authority assigned by the company.

Additionally, the company also had monitoring measures allowing the company operation to correspond with related laws. In the case of transaction with the major shareholder, directors, executives, or those who are involved with such person. The company has followed related procedures and regulations with regard to the best interest of the company.

4. Information & Communication

The company has presented sufficient information and documents to the Board of Directors in advance as relevant references for their decision-making. The company also stored accounting documents and other related accounts in an orderly and classified manner, kept in the safe place according to the duration of time required by law.

The company effectively communicated information to inside and outside the organization with appropriate channels, in order to encourage internal control to be proceeded as required by the company.

5. Monitoring Activities

The company has set its targets and compared operating results to meet its goals. If there are differences to consider, the company would review and adjust its business operations in accordance with the situations. Monitoring process and operating results assessment are assigned based on the principles of good corporate governance to ensure that internal control is carried out fully and appropriately. In this regard, Well Planning Solution Co., Ltd., internal audit, will responsible for the checking, analysis and assessment of various internal control system, together with the regular follow up on their implementation. The results of the audit were reported directly to the Audit Committee, who holds their joint meetings quarterly, provided that significant deficiency is detected. The Audit Committee will report the matter to the Board of Directors, suggesting improving the situation and monitoring progress in improving deficiencies regularly.

The Audit Committee' opinion

The Audit Committee agreed with the opinion from the Board of Directors, including auditors who had no observations on internal control

Internal Audit

Company Name	Well Planning Solution Co., Ltd.
Head of Internal Audit	Ms. Woraluck Limsookprasert Managing Director
Education	<ul style="list-style-type: none">• Bachelor of Accounting 2nd Honor University of Thai Chamber of Commerce• Master of Accounting, Thammasat University Certified Public Accountant
Experience	1995 – 2002 SGV-Na Thalang Co., Ltd. 2003 – 2004 KPMG Phoomchai Audit Co., Ltd. 2005 – Present Well Planning Solution Co., Ltd.
Training	<ul style="list-style-type: none">• TSQC1 Monitoring Workshop and EQCR for Capital Market Auditing• Compliance with Quality Control Standard (TSQC1) for Auditing Firm• COSO Internal Control Integrated Framework Update 2013• Enterprise Risk Management Integrating with Strategy & Performance• Integrated Internal Audit for Sales and Debt Management• Risk Management Frameworks