



CORPORATE GOVERNANCE

5. Responsibility of Board of Directors

Structure of Board of Directors

The Company's Articles of Association specify that the Board of Directors shall consist of not less than 9 directors which have been appointed from the shareholders' meeting, and not less than half of the directors shall reside in Thailand.

The Board of Directors consists of 5 independent directors out of 12, more than one-third of the total. A list of independent directors' names and information appears under 'Details on Directors and Management', fully qualified under the Company's standard, independent directors can effectively and efficiently discharge their duties for the Company.

The appointment of directors, the selection of independent directors and the determination of composition of the Board of Directors that is various and the information of directors, e.g. age, sex, educational background, experience, percentage of shareholding, the number of years in the position of director, and the position of director, in other listed companies, are set out in chapter 'Management Structure'.

The ratio of executive directors and non-executive directors reflects the appropriate check and balance principle, whereby the Board of Directors which comprises 12 directors consisting of 7 non-executive directors (5 of which are independent directors, which is more than one-third of all members of the Board of Directors in accordance with the regulations of the Securities and Exchange Commission, Thailand) and 5 executive directors. The non-executive directors may independently express their opinions on the work of the Management Team.

The Sub-Committee

To ensure an inclusive supervision of all operational aspects under Corporate Governance principles, the Board of Directors has set up Sub-Committees to consider specific issues and scrutinise specific important matters as assigned, then propose to the Board of Directors. The Sub-Committees are empowered to decide on some important matters as the Board of Directors has authorised to performing its duties. Relevant details appear under chapter 'Management Structure'.



Roles of the Chairman of the Board of Directors and the President

The Chairman and the President of the Company are not the same person in order to explicitly separate the roles and comply with the check and balance principle. In spite of being representatives of the shareholders and not independent directors, based on the deliberation of the Nomination and Compensation Committee and the approval of the Board, the current structure is appropriate for the Company's business and, in fact, is a forte supporting the Company's constant success and business growth, since the Chairman is knowledgeable, experienced, skillful in the property development industries, able to allocating sufficient time to the Company and conforms to the principles of good governance, taking into consideration the benefits of all stakeholders.

The Chairman is the leader of the Board of Directors with responsibilities and duties as director under the laws, the Articles of Association of the Company and other applicable regulations, in promoting ethics and the corporate governance policy to set a role model to other directors, executives, and employees of the Company.

The Chairman has responsibilities to (i) supervise, follow up and monitor the performance of the Board of Directors, Sub-Committees, and each director to ensure the efficient performance to achieve the objectives and goals of the Company, (ii) determine agenda for Board meetings by consulting with the management team, be the Chairman of the Board meetings and the shareholders' meeting, monitor and ensure the smooth meetings, allow directors and shareholders to express their views or offer any suggestions in full capacity and creativity under the relevant regulations and in an independent manner, (iii) ensure that all directors participate in promoting the organisational culture with ethics and good corporate governance as well as being a good role model, (iv) devote and allocate his/her time sufficiently for the benefits towards the Company's operation, (v) promote and support the directors in giving independent opinions, and (vi) promote the good relationship between the executive directors and the non-executive directors, and between the Board of Directors and the Management Team.

The President is responsible for effectively managing and administering the Company as part of executing the strategic plan, vision and mission formulated. The scope of authority has been specified under the law, objectives, the Company's regulations as well as resolutions from the Board of Directors' meeting and shareholder's meeting.

Duties and Responsibility of the Board of Directors

The Board of Directors has the obligation and responsibility to perform its duty in accordance with laws, objectives, regulations, code of conducts, and resolutions of the shareholders' meeting, as well as to consider and approve the Company's policy and management direction, financial target, and annual budgets. The Board of Directors also oversees and monitors to ensure that business operations are managed effectively and according to the Company's policy for the utmost benefits of shareholders under ethical standards with honesty and carefulness.

Apart from the authorities of the Board of Directors specified under the chapter 'Management Structure', the following are additional roles of the Board of Directors:

Business Ethics

The Board of Directors has a clear policy in operating the business with ethics, honest and good faith, whereby the Board of Directors, the executives and all employees must perform their duties with integrity. The Board of Directors has prepared 'Corporate Governance and Business Code of Conduct' (Reviewed and updated version as of 14 December 2020) to set the standard on ethics for business operation of the Company and to promote the good organisational guidelines and the business operation process, with a view that if all departments reflect the business ethics through their performance and intention, it will significantly enhance the confidence towards the Company. It also set out its expectation of the Company on all employees, and the employees must understand the principles, guidelines, and intentions of the Company conveyed in such manual.

The Company places importance on the employees to strictly comply with all principles, and further expects to promote the good organisational culture in accordance with the good corporate governance of the Stock Exchange of Thailand. The Company also intends to emphasise the underlying reason of the trust and confidence of all stakeholders in the Company whilst they can still expect from the Company's operation from the principles and guidelines in such manual.

In order to promote the organisational culture of good ethics and business operation with honest and good faith, the Company has determined the 'integrity to self and the organisation' as one of the vital organisational culture. The Board of Directors is an example in compliance with the corporate governance and will perform their duties with integrity, honesty, transparency, and for the utmost benefits of Sansiri Group and all stakeholders. It will supervise and monitor Sansiri Group in operating its business in consistent with

rules, regulations, and articles of government sector and also perform its duties of directors as specified by the Company. The Board of Directors will further consistently communicate such policy to the Management Team and the employees at all levels so that the relevant parties will perform their duties in compliance with the guidelines and in accordance with the Company's policy, together with integrity, good faith, and equality in respect of their manners towards the Company, stakeholders, public, and society. The follow-up will be regularly conducted towards relevant parties. In addition, the performance of duties shall be carried out with responsibility and duty of care. Where, the decision making and conduct of any activities must be done without conflict of interest and in compliance with laws, articles, and the resolutions of shareholders. Such guidelines include:

- The Board of Directors will monitor all directors and the performance of all departments to be in compliance with laws, objectives, Articles of Association of the Company, shareholders' resolutions, Board resolutions, regulations, rules, articles, approval process regulations, notifications, and policy of the Company, including the Corporate Governance and Business Code of Conduct. It also determines the reporting system with the sequencing of related executives and follows up on the implementation to ensure the compliance with the policy for the utmost benefits of shareholders in an efficient manner under the ethics standard and with integrity and carefulness.

- An entry into any agreement must be approved in accordance with the duty under the laws and the Company's Articles of Association as well as the approval authorisation regulation of the Company.

In respect of an entry into a transaction with related persons that may cause a conflict of interest, the Company determines that the Audit Committee always considers seeking approval from the Board of Directors and shareholders (in accordance with the regulations of the Stock Exchange of Thailand) and it must be disclosed in a complete manner and in compliance with the regulations and the Articles of Association, where the Board of Directors will ensure that the Company strictly complies with criteria and method of the disclosure of information in connection with the transactions with related persons pursuant to the laws or as the relevant regulators determines.

Conflicts of Interest

To prevent conflicts of interest, the Board of Directors carefully reviews any item that could be construed as a conflict of interest, and to establish written policies and procedures for the authorisation of transactions between related parties. The Article of Association of the Company and its subsidiaries were revised to stipulate that if there is any transaction between the Company and its subsidiaries, or the sale and



acquisition of the Company's and its subsidiaries' assets, all transactions must be complied with guidelines by The Stock Exchange of Thailand regarding the inter-related transaction.

The Board of Directors is aware of each incidence of a potential conflict of interest or inter-related transaction and considers the appropriateness of each occurrence. The Company complies with principles of The Stock Exchange of Thailand whereby prices and conditions are negotiated strictly on an arm's-length basis. Details of each transaction, its value, the parties involved, and the reason or necessity of the transaction are explained in the Annual Report and Form 56-1. In particular, directors, the management and employees are not allowed to consider or vote on matters in which they may have a potential conflict of interest.

Internal Control and Internal Audit

The Company places importance on an effective and appropriate internal control system for business operations, both at the managerial and operational levels. Therefore, the Company has adjusted the structure of the organisation to be in line with the Company's objectives, business, duty, and responsibility of each strategic business unit. The Company has also clearly established the written guideline of the obligation, and scope of authority of staff and the management, has the control and monitoring system for the utilisation of the Company's assets, and has clear separation and segregation of duty and obligation for operators, the monitoring party and the evaluator. This is to balance the power and authorisation and enables appropriate cross examination among all parties involved. Furthermore, the Company also has an internal control of financial system, by setting the financial reporting structure according to the respective management in charge.

The Company conducts investigation to determine that its operations and financial activities are proceeding properly and efficiently and are compliant with all relevant laws and regulations. In order that an internal auditing unit being independent, capable, and balanced, the Board of Directors has stipulated that its reports must be made directly to the Audit Committee and that its activities be evaluated by the Audit Committee as well.

Risk Management

The Board of Directors places great importance on risk management. The risk involved in each corporate activity is evaluated, along with measures to prevent and mitigate risk and its effect on corporate operations. The task of the management is to assess economic, financial, social, and compliance risks produced by changes in circumstance, along with their impacts on competitiveness in the industry, and to decide on appropriate solutions.



The Company has appointed the Audit Committee which is formed entirely of independent directors in order to verify accuracy of information disclosure and ensure reliability of financial statements. The Committee is also responsible for regulating good governance and internal control, with its roles and responsibilities of the Audit Committee detailed under the chapter 'Management Structure'.

The Company has the Nomination and Compensation Committee determining the procedures and criteria in the recruitment of the Company's Directors and remuneration or any other benefits that are fair and reasonable, and propose to the shareholders' meeting for approval.

The important strategy and policy of the Company are communicated to the Board of Directors, the executives and all employees through various communication devices or channels which are appropriate with the relevant content, e.g. at the executive level, communication will be done through corporate planning meeting held every 6 months, and at the employee level (for both head offices, branches, and staff at the projects), communication will be done through the chain of authority, including the determination of content in orientations, seminars, internal communication (via intranet of the Company), e-learning, email, and conduct of activities, which support and align with the Company's policy. The Board of Directors will follow up with the result of performance and progress and also acknowledge the result of operation and ask for suggestions or advice from the Management Team on a quarterly basis.

Monitoring on Directors to be Responsible in Performing Their Duties and Allocating Sufficient Time

In December of every year, directors will be informed in advance of schedules for Board meetings in the following year so that the Board of Directors can perform their duties in attending the meetings efficiently and allocate their sufficient time. The Board meeting for each agenda must take appropriate time, whereby the directors will be provided with relevant documents for at least 5 days before the meeting date so that they can study the relevant information.