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Corporate Governance Policy

1. Governance Structure

To achieve the vision of the company as "a leading organization in the administration and management of industrial waste for environment conservation" The Board has the mission and responsibilities as specified in the laws and resolutions of the Board of Directors. The Board has appointed the committees in order to oversee and screen tasks for each aspect of operation instead of the Board of Directors, to enhance the company's business to the best efficiency and effectiveness.

Structure and responsibilities of the Board of Directors and committees are as follows:

The Board of Directors

- **Structure**

Number of the Board of Directors in accordance with the Articles of Association, shall comprise at least 5 persons and not exceeding 15 persons. More than half of the number must comprise individuals resident in the Kingdom of Thailand. Directors must also be in possession of the qualifications as specified by Law.

- **Holding the director position in other listed companies**

For the efficiency, the board of directors have to devote their time to control and supervise the company's operation closely, therefore, the board of directors should not hold the director position in other listed companies more than 5 companies.

- **Number of quorum**

The minimum members for any resolutions during the board of directors meeting have to be not less than 2/3 of the total board of directors.

- **The duties and responsibilities of the Board of Directors are as follows:**

1) The Board of Directors of company is charged with ensuring company operates and observes its duties in accordance with the Law, company objectives, the Articles of Association and the resolutions of Shareholder Meetings with honesty and care, to safeguard the interests of company.

2) The Board of Directors has the duty to formulate policies, plans, business direction and strategic goals, including the overall business operating plans of company. The Board is also responsible for guiding management operations in accordance with the predetermined policies and plans, with efficiency and effectiveness.

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3) The Board of Directors has a responsibility to Shareholders and performance, in order to safeguard the interests of Shareholders. Information disclosed to investors must be accurate, complete, meet the relevant standards and be of a transparent nature. Directors must report their interests to the company.

4) The Board of Directors must provide a system of internal controls and audit that is efficient and effective.

5) The Board of Directors is obliged to use its knowledge and experience for the benefit of the business' operations; take an appropriate interest in company's business; and be committed to the ongoing operations of the business.

6) The Board of Directors has the duty to consider and approve significant transactions as specified in the corporate scope of authority, with the exception of transactions requiring the approval of Shareholder Meetings as defined in the Companies Act, the Securities and Exchange Commission Act and other relevant laws.

7) The Board of Directors may appoint any one or several Directors to carry out any missions on behalf of the Board.

8) The Board of Directors may appoint other persons to operate company's business under the supervision of the Board. The Board may also appoint such persons with the authority and timeframe as deemed appropriate by the Board. The Board of Directors reserves the right to cancel, revoke, change or amend such authority.

The committees appointed by the Board of Directors

- **The Audit Committee**

The Audit Committee shall comprise at least 3 persons, which consists of 1 chairman and at least 2 directors. All Audit directors shall be qualified under the rules of the Stock Exchange of Thailand and shall be independent directors as defined by the company. The period of terms for audit directors shall be the same as the terms for the company directors.

Quality designation independent director

1) Holding no more than one percent of the total shares with voting rights in company, it's main, subsidiary, and associate companies or other juristic persons with a possible conflict of Interest; shares held by spouse, associates, and children lower than legal age of that independent director shall also be counted.

2) Not be or used to be directors who were involved in management or being an employee, staff or advisor who receives fixed salary or controlling persons of the company; Its main, subsidiary, same level subsidiary, and associated companies or other juristic persons with a possible conflict of interest unless they have not been involved in such positions for at least two years prior to the date of appointment.

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3) Not be or have no blood relationship, no relationship in terms of marriage or legal registration with a person of possible conflict of interest as parents, spouse, children including children's spouses or closed relatives of executives or major shareholders, controlling persons or a person who's nominated as executive or controlling persons of company or its subsidiary

4) Not be or having no business relationship with company; it's main, subsidiary and associated companies or other juristic persons with a possible conflict of interest in a manner that may interfere with the use of personal judgment independently; including that he or she must not be or used to be the major shareholder, director that is not independent director or executive who has business relation with company; its main, subsidiary, and associated companies, or other juristic persons with possible conflict of interest; unless they have not been involved in such positions for at least two years prior to the date of appointment.

Business relation including the normal business transaction that carry on a business, transaction regarding rental or leasing of real estate, transaction regarding assets or services, giving or receiving financial assistance by receiving or giving loan, surety, using assets to collateralize liabilities, including other comport with the same position. Which makes the requestor or the parties hold responsibilities for clearing another parties debt. From three percent of all the net assets value of the requestor or from 20 million baht or more depends on whether which quantity is lower. Therefore debt assessment will be calculated according to the transactions that are related to the announcement of the board of director of Stock Exchange of Thailand (SET). In related to information disclosure and company's operation had been registered in a related transaction. By defer only the considered debt to reckon into the debt that occurred within one year before the start date of business relations with that same individual.

5) They must not be or used to be an auditor of company; its main, subsidiary and associated companies or other juristic persons with a possible conflict of interest and must not be a major shareholder, a director which is not independent director, executive director or a copartner manager of an audit firm which has the auditor of company; Its main, subsidiary, same level subsidiary, and associated companies, or other juristic persons with a possible conflict with the affiliated; unless they have not been involved in such positions for at least two years prior to the date of appointment.

6) They must not be or used to be a person who provided any professional advice and services, such as legal adviser or financial consultant, who receives service fees more that 2 million baht per annum from company; Its main, subsidiary, and associated companies or other juristic persons with a possible conflict of interest. Anyhow in the case of a person who provided any professional advice and services is the juristic persons, including the major shareholder, director which is not the independent director, manager or copartner manager of that professional service provider; Unless they have not been involved in such positions for at least two years prior to the date of appointment.

7) Must not be a director that was anoint to be the representative of company's director, major shareholder or shareholder that are related to the major shareholder of company.

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8) Possessing no other qualifications that prevent him/her from independently expressing opinions about company's operation after being authorize to became an independent director that contain the quality according to number 1 to number 8. Then the independent director may be assign from the board of director to determine the operation of company business; Its main, subsidiary, same level subsidiary, and associated companies or other juristic persons with a possible conflict of interest base on the decision in the form of panel.

The duties and responsibilities of the Audit Committee are as follows:

- 1) To review company's financial reporting process to ensure that it is accurate and adequate.
- 2) To review company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine and internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
- 3) To review company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
- 4) To consider the qualifications, the independent, performance results and auditor fee to propose the appointment and termination of the auditor including the determination of the auditor's remuneration to the Board of Directors, as well as to attend a non-management meeting with an auditor at least once a year.
- 5) To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations and are reasonable and for the highest benefit of company.
- 6) To prepare, and to disclose in 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:
 - (a) an opinion on the accuracy, completeness and creditability of company's financial report,
 - (b) an opinion on the adequacy of company's internal control system,
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to company's business,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflicts of interests,
 - (f) the number of the audit committee meetings, and the attendance of such meeting by each committee member,
 - (g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and



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(h) 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; and

7) 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 Board of Directors has appointed some Directors to be the Executive Committee to supervise the affairs of the company as assigned by the Board of Directors and shall elect one of their members to be Chairman of the Executive Committee. The period of terms for executive directors shall be the same as the terms for the company directors.

The duties and responsibilities of the Executive Committee are as follows:

- 1) Carry out duties in accordance with the policies, strategies and operating plans as specified by the Board of Directors
- 2) Prepare operation plans using the policies, strategies and business plans specified by the Board of Directors. Such plans are to be duly approved by the Board of Directors.
- 3) Closely supervise and monitor operating performance in accordance with the operating plans, and report operating results to the Board of Directors on a regular, monthly basis. Reports are also to be made of events of a significant nature, or that may have a potential impact on operations.
- 4) The authority to consider and approve expenditures related to the normal operations of company, within the scope of authority as determined by the Board of Directors, in line with the rules governing authoritative powers.
- 5) Screen matters to be proposed at the Meetings of the Board of Directors.
- 6) Convene Meetings of the Executive Committee on a regular basis and report the outcome of such Meetings to the Board of Directors.
- 7) Carry out other duties as assigned by the Board of Directors of company.

▪ **The Nomination and Remuneration Sub-Committee**

The Nomination and Remuneration Sub-Committee shall comprise non-executive directors at least 3 persons. The period of terms for the nomination and remuneration directors shall be the same as the terms for the company directors.

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The duties and responsibilities of the Nomination and Remuneration Sub-Committee are as follows:

- 1) Nomination of Directors to replace Directors who complete their terms, for proposal to the Annual General Shareholders Meeting, wherein the nominees are to be proposed to the Board of Directors first.
- 2) Recruitment and selection of appropriate candidates for nomination as Directors, in the event that Directorial positions become vacant due to other reasons than the completion of a term. Nominations are to be proposed to the Board of Directors.
- 3) Determination of remuneration for company's Directors, Advisors to the Board, Audit Committee Directors and Executive Directors, for proposal to the Annual General Shareholders Meeting. The proposals are to be first submitted to the Board of Directors
- 4) Any other tasks as assigned by the Board of Directors

2. Rights and Equitable Treatment of Shareholders and Stakeholders

The Board of Directors is aware of rights to the Shareholders and Stakeholders. All parties will be protected and treated by the company equally and fairly.

Shareholders: the Company is dedicated to providing the best performance to continue growth in profits, increasing the capitalization of the company higher in long run. The Company aims to provide shareholders an opportunity to recognize the operating results and participate in decision-making through the shareholders meeting that are transparent, legitimate and beneficial to the shareholders and stakeholders. Consequently, information disclosures are widely and readily available to all shareholders, without prejudice. All shareholders have the right to attend Shareholders Meeting, as well as the right to appoint proxies to attend Meetings and vote on their behalf to appoint or remove Directors; the right to vote for appointment of auditors and determination of audit fees; and the right to vote for changes to significant corporate policies. In additional, Shareholders have the right to propose agenda items and the persons who are qualified to be appointed as a director prior to the meeting, according to the regulation of the Company.

Customers: the Company is dedicated to improving the efficiency of its services; fair pricing; quality of services; as well as honesty and integrity when entering into contracts and conducting negotiations.

Trading partners: a manual has been compiled which clearly specifies operating procedures for the procurement of products and services. The Company observes the conditions of trade and contracts of which it is a party to; payments are promptly arranged; and full cooperation is provided to the sellers of products and services regarding essential information.

Competitors: the rules for fair competition are strictly observed and involvement in disinformation which could potentially damage the reputation of its competitors is actively discouraged.



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Creditors: the Company complies with the lending conditions specified in its agreements and observes its obligations to business creditors.

Society: the Company is aware of social responsibility and has supported and participated in various activities that benefit the community in all company's operating area on a regular basis.

3. Disclosure and Transparency

The Board of Directors recognizes the importance of disclosure of the company thus has formulated the policy of disclosure of information both financial and non-financial information, with regard to accuracy, sufficiency, timeliness and transparency as well as equality of disclosure to all shareholders and stakeholders as prescribed by the regulations of regulatory agencies.

Including the Board of Directors and Executives are required to report their shareholdings in company and subsequent changes in accordance with the rules of the Securities and Exchange Commission.

4. Code of Conduct

The Board of Directors has prepared a code of conduct to serve as guidelines for directors, executives and employees of the company in order to practice with honesty, care and responsibility to build credibility and trust of our customers, shareholders and the general public.

1) Administration and/or work with honesty and transparency under the law, company objectives, the Articles of Association and the resolutions of Shareholders Meeting including the principles of good corporate governance.

2) Administration and/or work by the knowledge and management skills with their full capacity for the highest benefits of business and by utilizing cautious discretion in deciding to take action.

3) Administration and/or work by avoiding personal conflict of interest to make a full and effective management which means:

- Do not take improper advantage of the position as Directors or employees of the company to gain directly or indirectly
- The company will not allow any information or sufficient facts that are not ready to be revealed to the public to affect the price of the company's securities that is currently trading or for personal benefit from trading the stock.
- No individuals are allowed to use company's inside information for personal benefit nor may they reveal such information to the public even after they retire from the position.
- For Directors, they are not permitted to be Director of competitor's companies or have any kind of benefit from being a competitor with our company directly or indirectly.
- No interest from signing any contract of the company.



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4) Administration and/or work for the benefit of all stakeholders and shall maintain the image of the company.

5) Concern of the alternative of using of natural resources for effect the least to security, social damage, environment and quality of life.