

I) The Board of Directors

The Board of Directors shall be accountable for all shareholders of the Company in managing the Company's business for interests of the shareholders and other stakeholders, society and environment. The Board of Directors plays the key role in governing the management of the Company to ensure that the executives of the Company continuously commit themselves to excellent operation under concern on risk condition.

1.1 Formulation of Corporate Governance Policy and Code of Business Conduct Manual

The Board of Directors formulated Corporate Governance Policy and Code of Business Conduct Manual for the directors, executives and employees of the Company and both of which are disclosed on the Company's website (www.pruksa.com) under Corporate Governance Section. All directors, executives and employees are also determined to strictly comply with the said Code of Business Conduct Manual by setting up a monitoring method for compliance with the said Manual. Furthermore, the Board of Directors organizes trainings/seminar sessions for employees at all levels and arranges practical assessment after such trainings/ seminar sessions whether they have correct knowledge and understanding and can properly solve problems in case of actual circumstance occurrence. In case of any doubts by the employees, the opportunity is given to the employees to raise questions and mutually share opinions for clearer understanding.

1.2 Vision, Mission, Culture and Value of the Company

The Board of Directors takes part in determining corporate vision and mission of the Company so that the executives and employees shall have the goals in the same direction. In addition, the Board of Directors reviewed and approved corporate vision and mission in the past accounting year to ensure that the executives and employees have the goals in the same directions (For more details, see Section "Pruksa Corporate Vision, Mission, Culture and Value").

1.3 Board Structure Diversity Policy

The Company highly emphasizes on Board Structure Diversity such as in terms of professional skills, specialization and gender. The Board of Directors (as on December 4, 2017) has consisted of 13 members that are 12 males and 1 female and in the range of 40-50 years of age for 3 persons and in the range of over 50 years of age for 10 persons. The Board of Directors is made up of:

1. Independent directors and non-executive directors totaling 7 persons whereas one independent director who is Mr.Adul Chandanachulaka, has work experiences in relation to the Company's business.
2. Independent directors totaling 6 persons including Dr.Pisit Leeahtam, Mr.Weerachai Ngamdeevilai sak, Mr.Adul Chandanachulaka, Dr.Piyasvasti Amranand, Dr.Anusorn Sangnimnuan and Dr.Prasarn Trairatvorakul, whereas the independent directors exceed 1/3 of the entire Board of Directors.
3. Non-executive director totaling 1 person that is Mr.Wichian Mektrakarn and executive director (who take part in management) totaling 6 persons including Mr.Thongma Vijitpongpun, Mr.Piya Prayong, Mr.Prasert Taedullayasatit, Mr.Nimit Poonsawat, Mr.Theeradej Kerdsamang and Mrs.Ratana Promsawad.

In addition, Chairman of the Board (Dr.Pisit Leeahtam) is not the same person as the Chairman of the Executive and Strategy Committee (Mr.Thongma Vijitpongpun) whose scope of duties and responsibilities are different (For more details, see Sections "The Board and Management Profile", and "Roles, Powers and Duties of the Chairman of the Board".)

1.4 Director Qualifications

The directors must be completely qualified in accordance with Public Limited Companies Act and other related laws, and must be the persons with knowledge, competence, integrity, business ethics in business operation, time adequacy for knowledge and competence devotion to perform their duties for the Company.

Independent directors must possess the qualification related to independence as prescribed by the Company and in line with the same guideline of qualification in accordance with the Notification of Capital Market Supervisory Board.

Independent directors must be able to supervise the interests of all shareholders in equal manner and without any conflict of interests, including ability to remark opinions independently.

1.5 Director Office Term

Number of Each Term

The Good Corporate Governance Policy determines that each office term of a director shall be three years. A period of one year herein means the period between Annual General Meeting of Shareholders of the appointing year and Annual General Meeting of Shareholders of the following year. A director may be re-elected by the shareholders to resume the director post upon expiration of the office term for retirement by rotation.

The office term of Sub-Committee members shall be in accordance with the office term of the Board of Directors and may be re-elected by the Board of Directors to resume the office upon expiration of the office term for retirement by rotation.

Number of Consecutive Office Term of a Director

The Company deems that every director elected by the Shareholders' Meeting is an expert with keen knowledge, competence, virtue and ethics, and well consistently performs his/her duties. If the Shareholders' Meeting continues to entrust the said expert directors by re-electing them as members of the Board, the Company shall respect to the right of the Company's shareholders. The Company has not determined the clear number of consecutive office term of a director.

However, according to the Charter of the Board of Directors, it determines that the director shall retire upon reaching the age of 72 years at the end of the accounting year of the Company according to this case.

1.6 Board of Directors' Meeting

Advance Scheduling of Date for the Board of Directors' and Shareholders' Meetings

The Board of Directors shall schedule the date for the Board of Directors' and Shareholders' Meetings in advance every year and notify all directors regarding such schedule so that they can allocate their time to attend the meeting all together. At each Board of Directors' and Shareholders' Meeting, every director shall participate in consideration of the meeting agenda selection.

The main agenda of the Board of Directors' Meeting shall contain the Chairman's Report, continual issues from previous meeting, issues for acknowledgement and issues for consideration/approval.

The main agenda of the Annual General Meeting of Shareholders shall contain consideration on the report of the Board of Directors indicating the Company's business in the previous year, consideration on balance sheet and profit and loss account, consideration and approval on appropriation of profit and dividend payment, and approval, consideration and appointment of new director in replacement of the director who retires by rotation, determination of director's remuneration, and consideration and appointment of auditor and determination of audit fee and other affairs.

Meeting Attendance of the Board of Directors/Advance Receiving Meeting Documentation

The Company shall schedule the Board of Directors' Meeting more than 6 times per year and deliver meeting documentation to the member of the Board by no less than 7 days in advance prior to the meeting date. In last 2017, total of 11 Board of Directors' Meetings was held. All members of the Board attended the meeting exceeding 80% of total number of the Board of Director's Meetings in last year and no less than 75% of the number of meetings held throughout the entire year. In the event where the Company is unable to hold meetings on a monthly basis, the performance report for the month without meetings will be delivered to the Board of Directors to ensure that the Board of Directors can continuously and timely govern, control and supervise the operations of the management (For more details, see Section "Attendance of the Board of Directors' Meeting in 2017 and 2016".)

Minimum Quorum at the time of the Board of Directors' Resolution

The Company has formulated the policy that at least 2/3 of total number of directors shall be present during resolution of the Board of Directors in the Board of Directors' Meeting.

1.7 Disclosure of Number of the Audit Committee's Meetings in the Year

(For more details, see Section "Meeting Attendance of the Board/Committees in Year 2017 and 2016".)

1.8 Strategic Planning of the Company and Implementation

In the Board of Directors' Meeting each year, the Board jointly considers the Annual Strategic Planning Plan for the next 5 years in advance. In last 2017, the Board jointly considered the Annual Strategic Plan for 2018 - 2022 and thereafter followed up whether the Management implements such Plan. The Management must subsequently report the said Strategic Planning Plan to the Meeting of the Management Board and the Board of Directors for acknowledgement on monthly basis. In each meeting, each board shall determine as agenda on "Acknowledgement of Monthly Performance and Review of Quarterly Strategic Plan" so that the Meeting of the Board of Management and the Board of Directors can provide suggestions on the matters deemed that they should be improved/corrected by the Management.

1.9 Sub-Committees

The Company established Sub-Committee which is Audit Committee and also established other Sub-Committee to share works of the Board of Directors such as the Management Board, etc.

1.9.1 The Audit Committee

The Audit Committee's duties are to review the Company's financial report preparation to ensure its accuracy and adequacy, approve any changes in significant accounting principles or practices under proper and effective internal control and internal audit system, consider the independence of Internal Audit Unit, and give consent on considering appointment, removal, dismissal of the Chief of Internal Audit Unit or any other units in charge of internal audit, review internal audit result report to be proposed to the Management, review the Management's opinions toward audit aspect, meet the executive and contact employees, access the related data without restriction, and consider disclosure of the Company's information. In the event of occurrence of connected transaction or transaction that may have conflict of interests, it shall be in line with Securities and Exchange Law, and requirement of Stock Exchange of Thailand so as to ensure that the said transactions are reasonable and maximally useful for the Company. The Audit Committee shall also prepare the report of the Audit Committee and disclose in the Annual Report of the Company, conduct the review to ensure that the Company complies with Securities and Exchange Law, requirement of Stock Exchange or laws related to the Company's business, consider selecting, nominating, appointing and determining remuneration of the auditor, conduct review of Charter at least once a year, and take any other action as entrusted by the Board of Directors of the Company. Furthermore, the Audit Committee shall independently perform duties and remark opinions whereas the Internal Audit Department of the Company that directly reports to the Audit Committee is the operating unit, and also consult with the external auditor on regular basis.

1.9.2 Board of Management

The duties of the Board of Management are to formulate policy, goal, strategy, operating plan, annual budget, and managerial power of the Company's works for approval and supervision of the Board of Directors on the Company's business operation to be effective and favorable to business condition, and give counsel and advice on management to top executives, approve spending money for investment, perform financial transaction with financial institution, purchase and sale/registration of land title to perform normal transaction of the Company, determine effective organizational structure and management, govern and approve the matters related to the Company's operation, as well as screen all types of works proposed to the Board of Directors except works under duties and responsibilities and/or power of other Sub-Committees.

1.10 Invitation of Top Executive for Meeting Attendance

According to the Company's policy, top executive is particularly invited to attend the Board of Directors' Meeting in the agenda related to the said executive only in order to provide additional data and details and give the Board of Directors the chance to be acquainted with top executive as support of consideration on work succession plan.

1.11 Charter of the Board of Directors

For clear and consistent practice for the operations performed by the Board of Directors and the Audit Committee, the Company therefore developed charter of the Board of Directors and Audit Committee. The charter content shall be classified into different categories which are always reviewed and updated, such as category of objective, element and qualification, office term, authority and responsibility, meeting, quorum and reporting. The details shall be disclosed in the Company's website at www.pruksa.com.

1.12 Orientation of Newly Entering Director / Training and Development of Director Knowledge

The Company arranges an orientation session for newly appointed directors to ensure that they are adequately informed of the rules, regulations, and information related to the Company's business and other relevant information in relation to the business operations of the Company before performing their duties. The Company also continuously provided in-house and external trainings and knowledge development for the directors such as training course provided by Thai Institute of Directors, the Stock Exchange of Thailand, the Office of Securities and Exchange Commission as well as other courses organized by public and private agencies, including site visit such as the construction projects of the Company at the projects and field study at precast factories. Furthermore, the Company also surveys the additional opinions of each director whether he/she requires the additional fields of training and knowledge development that contribute to the ability of the Board of Directors to effectively perform duties and govern the Company's business.

Course Trainings or Participation in Seminar Activities in 2017

In last 2017, four members of the Board of Directors attended the course trainings or participated in seminar activities for operating knowledge enhancement as follows:

Name-Surname	Position	Training/Seminar Course	Institution
1. Dr.Prasarn Trairatvorakul	Independent Director	Role of the Board of Directors of the Listed Company in Abatement of Corporate Risk from Cyber Threat, Challenge and Solution	The Office of the Securities and Exchange Commission
2. Prof.Piyamitr Sritara, MD	Independent Director	Directors Certification Program - DCP 244/2017	Thai Institute of Directors
3. Mr.Piya Prayong	Director	Risk Management Program for Corporate Leader- RCL 8/2017	Thai Institute of Directors
4. Mr.Wichian Mektrakarn	Director	Role of the Chairman Program - RCP 40/2017	Thai Institute of Directors

1.13 Training of Courses in Relation to Performing of the Director's Duties

The Company has the policy in supporting each director to participate in training regularly organized for directors. The directors attended the training of courses organized by Thai Institute of Directors under the following details.

- (1) Director Certification Program (DCP)
- (2) Director Accreditation Program (DAP)
- (3) Audit Committee Program (ACP)
- (4) Role of the Compensation Committee (RCC)
- (5) Successful Formulation & Execution of Strategy
- (6) Finance for Non-Finance Directors (FN)
- (7) Chartered Director Class
- (8) Corporate Governance for Capital Market Inter Mediarities (CGI)
- (9) The Role of Chairman (RCP)
- (10) Board that Make a Difference (BMD)
- (11) Role of the Board of Directors of the Listed Company in Abatement of Corporate Risk from Cyber Threat, Challenge and Solution
- (12) Risk Management Program for Corporate Leader

1.14 Internal Control / Risk Management Policy

The Company gives precedence to Internal Control Policy and Risk Management Policy. The Audit Committee's duties are to review assessment result on adequacy of internal control system in order to emphasize on internal control system that it is adequate and proper for business operation. The internal control operational framework in accordance with the international standard of COSO (The Committee of Sponsoring Organizations of the Tread way Commission) shall be applied for improvement and development together with the Guideline of Enterprise Risk Management (ERM) as tool of the Management to develop more complete internal control and risk management system (For more details, see Section "Internal Control and Risk Management").

1.15 Provision and Disclosure of Internal Control System and Risk Management System

The Board of Directors provides and discloses the Company's internal control system and risk management system of the Company by establishing a comprehensive guideline for dealing with key risks throughout the organization. This includes considering, reviewing system or assessing efficiency at least once a year and in every period of which change in risk level is detected, and emphasizing on early warning sign and all system irregularities. The Board of Directors or the Audit Committee shall remark the opinions on the adequacy of the Company's internal control and risk management systems in Annual Report (For more details, see Section "Internal Control and Risk Management").

1.16 Opinions of the Board of Directors on Adequacy and Appropriateness of the Company's Internal Control System and Risk Management System

The Board of Directors shall remark the opinion on adequacy of the international control system and risk management system of the Company that the Company's internal control and risk management systems are adequate and appropriate (For more details, see section "Report of Audit Committee").

1.17 Guideline for Management of the Company's Key Risk

The Board of Directors and the executives give precedence to risk management by determining risk factor assessment and preventive system to minimize the contingent impact on the Company's business operations. In addition, the Company established Business Continuity Management (BCM) Project as guideline of development and governance of business continuity management system so that the Company can continuously operate business and reduce impact toward the Company in various areas upon occurrence of cause of difficulty. The experienced and expert consultants shall be employed for project operation (For more details, see Section "Internal Control and Risk Management").

1.18 Compliance Unit

The Company established Compliance Unit on July 1, 2014 internally named as "Corporate Governance Management Unit" with main duties in the area of Corporate Governance and Compliance under the following mission of the Unit.

- (1) To have the principle of good corporate governance that is consistent with the Company's corporate vision and mission by indicating the management system which is efficient, transparent and verifiable in order to build confidence and trust among the shareholders, investors, stakeholders and all relevant parties.
- (2) To set up a structure and process of relationship among the Board of Directors, the Management and shareholders in order to build competitiveness, leading to growth and value addition to the shareholders in long term by taking other groups of stakeholders into account.

1.19 Establishment of Internal Control Department

Internal Control Department was established by the Board of Directors whereas Mr.Premsak Vallikul, Senior Vice President of Internal Audit, as Chief of Internal Audit Department (For more details, see Section "The Board and Management Profile"). The Board of Directors therefore determines that the Internal Audit Department shall report directly to the Audit Committee. The Audit Committee reports to the Board of Directors on the important operating duties and operating result, or opinions on various matters, such as disclosure of the number of Audit Committee's Meeting per year, assessment and review of the internal control system, connected transaction performing, consideration on the nomination for appointing auditor, review of financial reports, supervision of compliance with the rules, regulations, policies and conclusions/opinions of the Audit Committee toward the operating results (For more details, see Section "Meeting Attendance of the Audit Committee in 2017 and 2016" and Section "Report of Audit Committee").

1.20 Conflict of Interests Policy

The Board of Directors gives precedence to management related to conflict of interests of relevant parties both in business organization level and in the Company's personnel level in careful, fair and transparent manner, determination of policy and best practice related to conflict of interests, and determination of disclosure of complete information for such matters.

In case where any director and executive have an interest in a matter under consideration, he/she shall not attend the meeting or abstain to vote in that particular agenda.

The Company's Conflict of Interests Policy

- (1) Employees must avoid all conflicts between personal interest and the Company's interest when dealing with business partners and any other parties.
- (2) In the event where an employee is committee member or an advisor of other company, organization or business association, there shall be no conflict of interests and of direct function of that employee.

- (3) The employee shall not be a partner or a shareholder with decision making power or an executive of the business which is competitive or has same nature as the Company. However, in the event where it is unavoidable, the employee shall immediately inform his/her superior.
- (4) During service term and after termination of employment contract, the employee shall not disclose any information of the Company that is deemed confidential for benefit of any parties whether it is electronic information, financial information, operational information, business information, future work plan of the Company, and others.
- (5) In the event where an employee or his/her family member takes part in or becomes a shareholder of any businesses that may have benefit or cause business conflict with the Company, that employee must notify his/her superior in writing.
- (6) The employee shall not borrow money from the business partner to which the Company is engaged in business with, except financial institutions since this may influence the employee's function on behalf of the Company's representative.
- (7) All employees shall avoid getting involved in activities that may cause conflict of interests of the Company or incur the financial obligations in any forms with the parties related to the Company's business or the Company's employees.
- (8) The employees are prohibited to pay money or give any assets owned by the Company to any other parties without prior-approval from authorized persons.
- (9) Every employee must fully devote oneself and time for the activities of the Company. In the event where other job is necessary to work outside working hours for income augmentation or for other purpose, such job:
 - (9.1) Must not violate law or in conflict with the peace and public morals;
 - (9.2) Must not have any conflict of interests with the Company;
 - (9.3) Must not operate business which is competitive or has the same nature as the Company;
 - (9.4) Must not damage the reputation or the business of the Company;
 - (9.5) Must not use the Company's secret;
 - (9.6) Must not affect the duties and responsibilities of that employee

1.21 The Board of Directors' Independence from the Management

The Board of Directors can freely remark opinions on the performance of the Management to ensure the maximum benefits of the Company and the shareholders. In this regard, duties and responsibilities between the Board of Directors and the Management are clearly allocated. In addition, the Board of Directors must consist of at least one director (independent director) who is non-executive director with experiences in the core business or industry in which the Company operates (For more details, see Section "Scope of Powers, Duties and Responsibilities of the Board of Directors and Chief Executive Officer").

1.22 Approval Powers of the Board of Directors

Apart from the powers stipulated by laws and regulations, the Board of Directors also has power to approve matters as defined in the Charter the Board of Directors as follows:

- (1) To consider and approve business policies, targets, operational plans, business strategies and annual budgets of the Company;
- (2) To consider and approve the appointment of a qualified person without prohibited characteristics under Public Limited Companies Act B.E.1992 and laws governing the securities and Stock Exchange of Thailand, including notifications, regulations and/or rules concerning holding the Company's director position in the event of vacancy due to causes other than retirement by rotation.
- (3) To consider the appointment of independent directors by taking into consideration the required qualifications and prohibited characteristics in accordance with laws governing the securities and Stock Exchange of Thailand, Notification of the Capital Market Supervisory Board, including relevant notifications, regulations and/or rules of the Stock Exchange of Thailand or propose to the Shareholders' Meeting to consider appointing such independent director of the Company accordingly.
- (4) To consider the appointment of the Audit Committee with qualifications specified by laws governing the securities and Stock Exchange of Thailand, Notification of the Capital Market Supervisory Board, including relevant notifications, regulations and/or rules of the Stock Exchange of Thailand.
- (5) To consider the appointment of executive director by selecting from among the directors or the executives of the Company or external parties, and also determine their scope of powers, duties and responsibilities of the executive director.

- (6) To consider the appointment of sub-committees to assist in operations within the scope of responsibilities of the Board of Directors.
- (7) To determine and change the names of the authorized signatory directors in binding the Company.
- (8) To appoint other persons to operate the Company's business under supervision of the Board of Directors or may authorize other persons to have authority and/or within the time period as deemed appropriate by the Board of Directors. The Board of Directors may cancel, withdraw, alter, or change such power.
- (9) To consider the approval of transactions relating to acquisition or disposition of assets, except where such transactions require approval from a Shareholders' Meeting. Such approval must be in compliance with the Notification of the Capital Market Supervisory Board and/or relevant notifications, regulations and/or rules of the Stock Exchange of Thailand.
- (10) To consider the approval of connected transactions, except where such transactions require approval from a Shareholders' Meeting. Such approval consideration must be in compliance with the Notification of the Capital Market Supervisory Board and/or relevant notifications, rules and/or regulations of the Stock Exchange of Thailand.
- (11) To consider the approval of interim dividend payment among the shareholders when being deemed that the Company generates sufficient profits to do so, and report such dividend payment to the next Shareholders' Meeting for acknowledgement.

1.23 Performance Appraisal of the Board of Directors (Both the Board Appraisal and Individual Appraisal) and Sub-Committees

The Company determines that the performance of the Board of Directors and Audit Committee must be appraised at least once a year through both the Board and individual performance appraisal for the benefits of the overall performance of the Board of Directors and indication of the important subject matters believed by the Board of Directors that they are more useful for the Company than status quo. The objective of performance appraisal is to increase the efficiency of the Board of Directors and Audit Committee, and utilize the said result in improvement of the function of the Board of Directors and Audit Committee.

Board of Directors (both in the Board and Individual) and Audit Committee Performance Appraisal Process

At the end of the year, the Company Secretary and Secretary of the Audit Committee shall send Board of Directors and Audit Committee Performance Appraisal Form to each member of the Board/Committee to annually appraise their performance. After completing the performance appraisal by each member of the Board/Committee each director/committee member shall send it back to the Company Secretary and Secretary of Audit Committee to collect appraisal result of each director/committee member, summarize performance appraisal result of the Board of Directors and Audit Committee in the year, and report the said result to the Board of Directors and Audit Committee for acknowledgement accordingly.

Criteria for the Board of Directors Performance Appraisal (Group Appraisal and Individual Appraisal)

- Score earned between 85-100% means Very Good - Excellent
- Score earned between 75-85% means Good
- Score earned between 65-75% means Fairly Good
- Score earned between 50-65% means Fair
- Score earned below 50% means should improve

Topics of Consideration on the Board of Directors Performance Appraisal

The Board of Directors Performance Appraisal Form consists of the following main topics including:

- Structure and qualifications of the Board of Directors
- Roles/duties and responsibilities of the Board of Directors
- Meeting attendance of the Board of Directors
- Communication and cooperation among the Board of Directors
- Performing duties in compliance with good corporate governance
- Overall opinion conclusion

Average performance appraisal result of the Board of Directors and the Audit Committee is as follows.

1. The Board of Directors earned the score of appraisal result in 2017 at 91.95% being within very good-excellent criteria.
2. The Audit Committee earned the score of appraisal result in 2017 at 98.68% being within very good-excellent criteria.

1.24 Performance Appraisal of Top Management (Chief Executive Officer)

Performance appraisal result of top management (Chief Executive Officer) is considered as personal confidential information and unable to be disclosed. The criteria of consideration are based on operating result of the Company's business and operation according to the policy entrusted by the Board of Directors. The Company shall use the acquired information for consideration on remuneration of the Chief Executive Officer accordingly.

1.25 Chief Executive Officer Remuneration Policy

The Company set up transparent and fair consideration procedure for payment of remuneration to Chief Executive Officer (CEO) both short-term and long-term by considering from performance appraisal score, the Company's business operating result, and operation according to the policy assigned by the Board of Directors (For more details, see Section "Chief Executive Officer Performance Appraisal" and Section "Director and Executive Remuneration").

1.26 Remuneration Structure for Non-Executive Director

The remuneration structure for non-executive director is disclosed by the Board of Directors. The said remuneration structure must be approved by the Board of Directors and proposed to the shareholders at the Annual General Meeting of Shareholders for consideration of approval (For more details, see Section "Director and Executive Remuneration").

1.27 Remuneration of Executive Director/Top Executive

In consideration on the remuneration of executive director, it must be approved by the Board of Directors and proposed to the shareholders at the Annual General Meeting of Shareholders for consideration of approval.

The remuneration of top executive, either monetary and non-monetary form, shall be appropriately considered and determined by the Nomination and Remuneration Committee of PSH in order to motivate and retain quality personnel to work with the Company in long term (For more details, see Section "Director and Executive Remuneration").

1.28 Roles and Duties of the Chairman of the Board

The Board of Directors determined and disclosed roles and duties of the Chairman of the Board (For more details, see Section "Roles and Duties of the Chairman of the Board").

1.29 Nomination, Appointment and Termination of Employment of External Auditor/Internal Auditor

The Audit Committee of the Company has power and duty to consider, select, nominate, appoint and terminate the employment of the external auditor to perform as the auditor of the Company, as well as play the role in nominating, appointing, transferring and terminating the employment of the internal auditor of the Company.

1.30 Non-Executive Director with Work Experience Related to the Company's Business

The Company's non-executive director with work experience related to the Company's business is Mr. Adul Chandanachulaka who had ever worked in the post of the director of Jalapathan Cement Plc. from 2000-2002 (For more details, see Section "The Board and Management Profile").

1.31 Violation of the Regulations of the Securities Exchange Commission and the Stock Exchange of Thailand

The Board of Directors set a policy to operate business in compliance with laws, the Company's Articles of Association as well as the requirements of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, etc. Hence, there was no record of any violations against the said laws and other relevant laws in last year.

1.32 Succession Planning for Topmost Executive Position

In the event where the topmost executive of the Company can no longer perform his/her function, the Company shall have a work succession plan for the said position by having the second-in-command executive or an executive in similar level to be acting in the position until the fully qualified person under the law with knowledge/competence, vision and experience suitable for the Company can be recruited and selected. The selection process shall be performed under consideration of the Nomination and Remuneration Committee of PSH in order to propose the said qualified person to the Board of Directors and/or the shareholders for consideration and approval to assume the office in replacement.

1.33 Criteria and Process for Appointment of New Directors and New Top Executives

In the event of vacancy in the director or top executive position, the Company has transparent criteria and process for selecting a new director or top executive. The Nomination and Remuneration Committee of PSH shall perform its duty to consider selecting new director and top executive under criteria of consideration from qualification, knowledge and competence, work experience, and necessary skills that the Board of Directors and top executives are still lacking regardless of gender. The selected candidate must be a person who can fully devote his/her time to perform duty and must not possess characteristics prohibited by laws and the principle of good corporate governance. In appointment of the director of the Company, part of the consideration shall be drawn from Director Pool which will lead to a diversified structure of the Board. Board Skill Matrix shall be developed to determine qualifications of the director required for selection by considering from necessary skill of which the current Board of Directors is still lacking, and business strategies of the Company. For instance, if the Company has a strategy to operate a new business apart from the existing businesses which are under operation, it is necessary that in director selection, the person who is qualified and experienced in consistency with new business of the Company shall be further selected and proposed to the Board of Directors and/or the Shareholders' Meeting for consideration and approval as the case may be. The aforesaid is deemed as the appointment process of the director of the Company.

1.34 Remuneration for Directors and the Executive

The Company shall determine appropriate and motivating remuneration for the directors in order to retain quality directors. The remuneration is classified into two parts consisting of monetary remuneration and other remuneration. The Nomination and Remuneration Committee of PSH shall consider screening on yearly basis and propose remuneration for directors in each year to the shareholders for approval. The executive director shall be paid for remuneration on behalf of executive only. The remuneration of each executive shall be linked with the Company's operating results and his/her individual performance.

1.35 Non-Executive Directors' Meeting

The Board of Directors determines that non-executive directors shall hold the meetings as appropriate without the presence of the executive director or the Management to attend the meeting in order to give the chance for discussion on problems both in relation to the business of the Company or other matters of interest. In 2017, only one Non-Executive Directors' Meeting was held on December 22, 2017.

1.36 Position Held by Chief Executive Officer in Other Listed Companies

The Company shall stipulate that Chief Executive Officer can hold position in only one listed company which is Pruksa Real Estate Public Company Limited.

1.37 Disclosure of List of Independent Directors of the Company

The Company disclosed the list of the entire Board of Directors at the end of the year and clearly disclosed the list of any directors who are independent directors (For more details, see Section "Management Structure" and Section "The Board of Directors").

1.38 Being an Employee or Partner of External Audit Firm

During the past two years, no director and top executive of the Company were an employee or a partner of the external audit firm to which the Company uses its service.

1.39 Director Position Holding by Independent Directors in Other Listed Companies

No independent directors of the Company have held director position in more than 5 listed companies (For more details, see Section "The Board and Management Profile").

1.40 Position Holding by the Executives in Other Listed Companies

No executives of the Company have held director position in more than 2 listed companies outside business groups (For more details, see Section "The Board and Management Profile").

1.41 The Appointment of a Company Secretary

The Board of Directors shall appoint a person to hold the position of Company Secretary to perform the duty in providing advice to the Board of Directors in relation to laws and regulations required for recognition, and overseeing the activities of the Board of Directors and coordinating to ensure that the resolutions of the Board of Directors are complied. The Company Secretary's information, roles, duties and responsibilities have already been disclosed by the Company (For more details, see Section "Company Secretary" and Section "Company Secretary Profile").

1.42 Participation in Thai Private Sector Collective Action Coalition Against Corruption

The Company is committed to operate business with integrity and transparency without involvement with corruption. As a result, the Company declared its intention to participate in Thai Private Sector Collective Action Coalition Against Corruption on September 1, 2014.

In last 2017, the Company initiated anti-corruption campaigns for employees and executives by showing that corruption has severe impact on house quality and customer service. Any employee who detects clue of fraud, corruption and gain and loss in work or claim for pay, can complain/perform whistle blowing/request for fairness. Any employee whom the Company considers that he/she plays a vital role in helping the organization shall be rewarded up to Bt 30,000 per case together with Certificate of Honor from Chief Executive Officer (CEO). The Company also formulated the policy for concealment of whistleblower information under confidentiality, and the measure of whistleblower protection from trouble.

After the Company's declaration to join Thai Private Sector Collective Action Coalition Against Corruption (CAC) on September 1, 2014.

Later on April 22, 2016, the Company was certified from Thai Private Sector Collective Action Coalition Against Corruption (CAC) Project.

1.43 Non-Violation Against Fraud/Penalty and Corporate Governance, and Notoriety

In last 2017, the Board of Directors, executives and employees did not commit any offenses against fraud or penalty or any other actions that violate against rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, no executives resigned due to issues concerning corporate governance of the Company and no executives had notoriety issues due to the Board of Directors' failure in surveillance at all.