


	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		




Asia Green Energy Public Company Limited  
 Corporate Governance Policy


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 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG
	Revised : 02
Corporate Governance Policy	Approved Date : 26 February 2018
	Page : 1

Content	Page
Corporate Governance Policy	3
Category 1 Rights of Shareholders	4
<ul style="list-style-type: none"> <li>Facilitating and Promoting the Shareholders to Attend the Shareholders' Meeting Policy</li> </ul>	
Category 2 Equitable Treatment of Shareholders	7
<ul style="list-style-type: none"> <li>Conflicts of Interest</li> </ul>	
Category 3 Roles of stakeholders	9
<ul style="list-style-type: none"> <li>Compensation and Benefit Policy</li> <li>Channel for complaints to our employees</li> <li>Safety, Occupational Health and Working Environment Policy</li> <li>Human Rights Policy</li> <li>Intellectual Property and Rights</li> <li>Community service and development</li> <li>Policy on Business Operations under Environmental Standards</li> <li>Efficient usage of resources</li> <li>Anti-Corruption Practices</li> <li>Whistleblowing/Complaint Policy</li> <li>Measures on Protection of Complainants, Whistleblowers, and Related Persons</li> <li>Channels for Complaints and Whistleblowing</li> </ul>	
Category 4 Disclosure and Transparency	19
<ul style="list-style-type: none"> <li>Creating Financial Reports</li> </ul>	
Category 5 Board Responsibilities	20
<ul style="list-style-type: none"> <li>Structure of the Board of Directors</li> <li>Board of Directors' Meetings</li> <li>Compensation for the Board and Managements</li> <li>Report of the Board of the Directors</li> <li>Self-evaluation of the Board of Director</li> <li>Consolidation or Separation of Position</li> </ul>	

 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
	Corporate Governance Policy Page : 2

Content	Page
<ul style="list-style-type: none"> <li>● Knowledge development of the Board</li> <li>● Policy on re-positioning to the Board position, managing director, and executives in other company</li> <li>● Succession Plan</li> <li>● Report of conflicts of interests</li> </ul>	
<b>The Subcommittee</b>	24
<ul style="list-style-type: none"> <li>● The Audit Committee</li> <li>● The Executives Committee</li> </ul>	
<b>Recruitment and Appointment of Directors and Management</b>	27
<ul style="list-style-type: none"> <li>● Independent Director</li> <li>● Terms of the Independent Director</li> <li>● Nomination of Directors and High-ranking Executives</li> <li>● Composition and Appointment of the Audit Committee</li> <li>● Composition and Appointment of the Executives Committee</li> </ul>	
<b>Corporate Governance of the Subsidiaries</b>	31
<b>Use of Internal Information</b>	32
<b>Policy on internal control</b>	32
<b>Process in following and evaluating the outcome of the principles of good corporate governance</b>	32
<b>The Auditor</b>	33

 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
	Corporate Governance Policy Page : 3

## Corporate Governance


The company realizes the importance of business operation by relying on good corporate governance, which agrees with regulation by the Stock Exchange of Thailand and the Stock Exchange Commissioner. Ethics and conscious-ness are well indoctrinated for treating with stakeholders. The goal is to operate the company with honesty, efficiency, and trust to the investors and all stakeholders, which is important for stability of the company.

### Corporate Governance Policy

The Board always holds the principle of systematic management and process as of corporate good governance important factor. The Board has determined Good Corporate Governance Policy including Code of Business Ethics and Code of Conduct, in a written form so that the Board, the Management, and the employees can rely as a way to perform their duties. Also, there is an update of Good Corporate Governance policy and Code of Business Ethics and Code of Conduct to be modernized and suitable to the environment, business operation, and more modern. We require having the conference to re-evaluate the management policy every 3 years.

**The Board of the company determines the Good Corporate Governance Policy as the followings.**

1. The Board, Management and employees will perform their duties with full effort and responsibility to maximum the benefits of the company. They will rely on Good Corporate Governance Policy, Code of Business Ethics and Code of Conduct as a way to operate.
2. The Board has a role with the Management to determine visions, strategies, policy, and business goal of the company to cover the planning of management and proper business operation.
3. The Board, Management and employees will treat all stakeholders with fairness and will examine, control and prevent any action or decision that will lead to any conflicts.
4. The Board, Management and employees will perform their duties with honesty, fairness, and transparency.
5. The Board accepts to reveal the information on finances and non-finance matter with creditability and punctuality so that shareholders, investors and stakeholders of the company can access such information with fairness.
6. The Board will provide an access to communicate with shareholders, investors, administrating organizations, shareholders and general audiences who are interested in.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 4

The Board of Directors is aware of the importance of promoting the duty and responsibility of Director, Management and employees to be in accordance with the principle of Good Corporate Governance as stipulated by the Board of Directors. Thus, the Board of Directors has undertaken a communication of Good Corporate Governance Policy and Code of Business Ethics and Code of Conduct issues to Director, Management and employees through communication channels :-

- Employee Handbook
- Handbook “Good Corporate Governance Policy”
- Handbook “Code of Business Ethics and Code of Conduct”
- Company intranet system and Company's website ([www.agecoal.com](http://www.agecoal.com))
- Company's e-mail.
- Company's public relation sign Board

Furthermore, the company has opened the training for Good Corporate Governance principle during the courses of orientation for new employees. The Stock Exchange of Thailand (SET) created “Principles of Corporate Governance for Registered Companies in 2012” which contains principles about how to govern and manage for the companies to apply. In 2014, our company had evaluated, applied such principles, and continuously performed the duties in 5 categories.

Category 1 Rights of Shareholders

Category 2 Equitable Treatment of Shareholders

Category 3 Roles of stakeholders


Category 4 Disclosure and Transparency

Category 5 Board Responsibilities

#### Category 1 Rights of Shareholders


The Board realizes the rights of shareholders and promotes the shareholders to use their rights according to basic rights of shareholders by allowing them to receive sufficient information and supporting them to vote during the general annual meeting. The Board will not commit any action that will violate the rights of the shareholders.

The Board determines the policy to provide convenience and to promote all shareholders (both Thai and foreign investors, Individual Investor and Institution Investors) to participate in the meeting of the shareholders, as follow:-


	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 5

#### Facilitating and Promoting the Shareholders to Attend the Shareholders' Meeting Policy

1. The Annual General Meeting of shareholders is determined to be held every year within 4 months after the ending of the accounting year of the company. In case of urgency that there is a need to consider a special agenda that may affect or relate to the benefits of the shareholders and is required an approval from shareholders, the Extraordinary General Meeting of shareholders can then be called upon on a case-by-case basis.
2. Invitation letter to the Annual General Meeting of shareholders is prepared and sent to every type of shareholders including institutional shareholders, together with the details of meeting agendas; important and necessary information for the shareholders consideration; all types of letters of power of attorney namely Form A, Form B, and Form C as determined by the Ministry of Commerce; and indicating how to authorize clearly by indicating location, date, time and a map of the meeting venue. In the meeting invitation letter, details of documents that shareholders need to present in the meeting in order to preserve the right in attending the meeting will be given. The letter will be sent to shareholders at least 21 days in advance of the meeting date so that shareholders will receive sufficient, accurate, complete, and transparent information in making a decision to cast a vote. In addition, the letter will be announced in the newspapers in Thai for 3 consecutive days before the meeting date at least 3 days. Moreover, the company determines to distribute a complete book of the general annual meeting and the documents about the meeting on the website in Thai version for at least 30 days prior to the meeting day and in English version for at least 7 days prior. The shareholders can then use the information to make a decision for voting with completeness and honesty. The provided documents are intended for the shareholders to be prepared before attending the meeting. The company also broadcasts this news via the channel of SET that the company has distributed the meeting book and related documents on the company website.
3. Shareholders will be informed in case there are additional agendas in the meeting. For an urgent case regarding the preserving of rights or benefits of the company, a meeting invitation letter will be sent in advance no less than 7 days before the meeting date, while relevant information of the meeting agendas will be publicized on the website in advance before sending the documents.
4. On the meeting day, shareholders will be assisted equally by arranging sufficient welcoming officers to provide information on document inspection and meeting registration. The company uses barcode system for registration to increase efficiency and swiftness and prepares revenue stamps for the shareholders to transfer the proxy with free of charge. The company also arranges a spacious meeting place to accommodate the shareholders, and the place will be easy to transport in Bangkok area.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG
Corporate Governance Policy		Revised : 02
		Approved Date : 26 February 2018
		Page : 6

5. The company will not take any actions that are considered limiting the rights of attendance of shareholders. Every shareholder has to right to attend the meeting of shareholders throughout the length of the meeting.
6. Every time before starting the meeting, the chairman of the Board of Directors will inform all of the rules relevant in the meeting such as the opening of the meeting, the methods of voting and counting of votes of shareholders in order to reach a resolution for each agenda according to the regulations of the company, and so on. In counting votes, the company will carry on counting the votes of shareholders who do not cast a vote for every agenda in the meeting venue, and present a summary of the votes for every agenda clearly in the meeting venue. The company will ensure to separate the votes for each agenda clearly so as to preserve the rights of shareholders.
7. In counting votes, the company will arrange an independent outsider to count or examine the vote counts in ordinary and extra Annual General Meetings, for example the legal division or shareholders who are selected and approved from the meeting, etc. The vote counts will be available to present to the meeting and will be recorded in the minutes of the meeting.
8. The chairman of the Board of Directors will allocate time adequately in the meeting and proceed the meeting properly and transparently. During the meeting, attendants are given an opportunity to exercise their rights in taking care of their benefits by asking questions, sharing opinions, giving recommendations and casting a vote in the meeting of shareholders in important issues that may affect the company such as the appointment or removal of directors, nominating a person for an independent director, approval of the auditor, dividend allocation, decreases or increases of capital, determination or amendments of rules, memorandum of association, and special items that require approval, and so on.
9. The chairman, Directors, and related Management are responsible for attending the meeting of shareholders to answer questions arising from shareholders.
10. Shareholders are given the right to attend the meeting of shareholders after the meeting has been declared open, and have the right to cast a vote in the agenda in-between consideration that has not been voted.
11. The company has indicated the interests of directors in the invitation letter to the meeting of shareholders. And in the meeting of shareholders, if any director has an interest or is related in any of the agendas, the chairman of the meeting will inform the meeting attendants in advance before considering the agenda. The director with an interest to that agenda will not attend the meeting and be refrained from casting a vote in such an agenda.


	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 7

12. The company will disclose the result of the votes for each agenda in the ordinary and extraordinary meetings of shareholders on the next working day on the company's website.
13. The company will prepare the minutes of the meeting of shareholders to be submitted to the Stock Exchange of Thailand within 14 days after the meeting date according to the requirements of the Stock Exchange of Thailand. The detailed record of the meeting, the minutes of the meeting, casting of votes and questions from shareholders in each agenda must be publicized in a complete and appropriate way.

#### Category 2 Equitable Treatment of Shareholders

1. The company gives importance to every shareholder by giving an opportunity to shareholders to exercise their right in raising an additional agenda to be added to the meeting and in nominating for an expert to be elected as a company's director at least 3 months in advance of the Annual General Meeting of shareholders. In addition, the company will publicize the rules of such execution of the right through channels of the Stock Exchange of Thailand as well as clearly inform the consideration rules in accepting the proposed agenda by publicizing on the company's website as well.
2. Shareholders have the right to give a proxy to other person to attend the meeting and cast a vote, and obtain the document and suggestions in giving a proxy. The legal proxy once giving the letter of power of attorney to the director in the meeting will have the right to attend the meeting and cast a vote in the same way as a shareholder.
3. The company nominates independent directors in the letter of power of attorney of the company so as to provide options for shareholders to choose to give a proxy to one of the listed independent directors.
4. The company will carry out the meeting of shareholders by the order according to the meeting agenda as in-formed in the invitation letter and has a policy not to add an agenda in the meeting without informing shareholders in advance. This is to ensure that shareholders have an opportunity to study information relevant to the agenda before making a decision.
5. The chairman, directors and related Management are responsible for attending the meeting of shareholders to answer questions from shareholders. Important questions and opinions will be recorded in the minutes of the meeting so that shareholders can examine.
6. Shareholders are given an opportunity to register and even after the registration time shareholders who desire to attend the meeting are given an opportunity to register and attend the meeting without losing the right.




	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 8

7. Ballots will be prepared using a barcode system and sorted by important issues in every agenda so that share-holders can cast a vote as they see appropriately. Then the voting results will be added with the voted cast in advance in letters of power of attorney before announcing the resolution of the votes in the meeting. To ensure transparency, the company will keep the ballots from shareholders for later inspection.
8. Updated information will be disclosed through the company's website so that shareholders can receive important changing news of the company including information required to be disclosed by relevant regulations. After dis-closure to the Stock Market, such information can be disclosed on the company's website both in Thai and English. and allow the communication channels between the company and the shareholders on the company website so that the shareholders can ask questions and receive fair information.
9. Also, the Board and Managements cannot buy or sell the stocks during 1-month period before financial statement data or other data that can affect the price of the stock will be revealed to general audiences. They cannot buy or sell the stocks until 24 hours since the data revelation to public have passed. When the Board and Managements buy or sell the stocks, there will be a report of stock holding to the meeting of the Board to acknowledge and will be reported to the Stock Exchange Commissioner within 3 days to release to the public.
10. Directors or high-level Management must report their interests to the meeting of the Board of Directors for acknowledgement.
11. Directors and high-level executives are required to report on buying the company's shares at least 1 day before the date trading to the company's secretary.

- **Conflicts of Interest**

The company takes this as an important policy to not allow the Board, Managements, and the employees to use their status for personal benefits. The Board thus determines the policy for the Board, Managements, and the employees to avoid any transactions that might involve them personally and might lead to the benefit conflicts to the company. In the case that it is necessary to do so, the conditions and the price must be as if the transactions to the outsiders. The Board or the employee who are considered as stakeholders will not be a part of approval. If any transaction is related transaction under the Stock Exchange of Thailand, there must be a strict following to the rules, principles, and data revelation to public.

During the meeting of the company Board in the case the Board becomes stakeholders, the Chairman of the Board will ask Directors to explain to the meeting and will not allow the votes.

 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
	Corporate Governance Policy Page : 9

### Category 3 Roles of stakeholders

The Board recognizes the importance of rights of all stakeholders including internal groups (employees and Management of the company) and external groups (shareholders, customers, trade partners, creditors, competitors, government staffs, and other associated parts such as community where the company is located, environment, and society). The company understands the driven force from the stakeholders, which will create the ability to compete and make profits to the company, contributed to the long-term success of the company. Above all, the company realizes the importance of rights of stakeholders, detail as following:-

- **Shareholders**

The company treats shareholders fairly and equally with the basic rights and adheres to the practices according to the good corporate governance. In addition, the company is determined to be a representative of shareholders in doing a transparent business with reliable accounting and financial systems. In ensuring every share-holder being treated equally in various issues related to the company, for example the right in attending the meeting and casting a vote in the meeting of shareholders, giving a proxy, providing information in advance on a timely manner in order for shareholders to use in decision making, the proper meeting venue and time allocation, disclosure of information on the interests and rights to share opinions freely in the meeting, and so on. Besides, the Board of Di-rectors will not take any actions that may cause conflicts with the benefits of the company, seek for own benefits, and disclose confidential information to outsiders.

- **Employees**

The company has given importance to every employee who is regarded as a part of the company. Therefore, it has determined a policy related to various issues that concern employees, for example salary, bonus welfares on the compensation fund, provident fund, employee uniforms, sports, annual health check-up, and assistance for child delivery, injuries or disabled, etc. In addition, the company provides development for every level of employees in order to increase their potentials necessary for the future business growth. In this regard, the company arranges training courses to enhance knowledge and capability suitable for employees in each department, reasonable and appropriate to the performance of each employee at each level, as well as ensures the transfer of knowledge to employees in that particular department.

**Regulations and practices include:**


1. Ensure the working environments are safe to lives and assets of employees.
2. Support and encourage the arrangements of trainings in order to provide knowledge to employees in every aspect such as development of working potentials, emphasis on the environment, and so on;

 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG
	Revised : 02
Corporate Governance Policy	Approved Date : 26 February 2018
	Page : 10

3. Appointment, removal, rewarding and giving penalty to an employee must be done with equality, sincerity, and on the basis of knowledge, capability, appropriateness, and the actions or practices of the employee;
4. Treat employees on the basis of fairness, and give importance to development transfer of knowledge, and employee capability, while providing opportunities to employees on a throughout and regular basis;
5. Listen to opinions and suggestions from every level of employees on a fair and equal basis;
6. Strictly follow the laws and regulations relevant to employees;
7. Manage the operations by avoiding to take any unfair actions that may affect the job security of the employee;
8. Treat employees with politeness and give respect to individualism and human dignity;
9. Encourage the understanding of the code of conduct and mantle in order to promote behaviors that are in the code of conduct throughout the employees;
10. Encourage employees to participate in the determination of working directions as well as the solutions to the problems of the agency and the company as a whole.
11. Trainings in the business regulatory system and anti-corruption are set in the new employee's orientation course.

- **Compensation and Benefit Policy**

1. The company will employ and allow all employees to progress in jobs and works with fairness.
2. The company will allow all employees to work with their best abilities and will properly compensate to motivate their works as a form of allowance, annual bonus, and overtime.
3. The company will offer various compensation in comparable amount to other business in same category according to the position, experience, degrees, and qualification of the employees. The compensation will also depend on the profits of the company in each year. It will depend on the evaluation and competency assessment system as a tool to manage and evaluate by determining KPIs or Key Performance Indicators to measure the success the work of the employees as well.
4. The company will provide the fair and proper compensation according to knowledge, responsibility, and the out-come of each employee.
5. The company offers benefits for basic needs of the employees such as mutual fund, annual physical examination, compensation fund, uniforms, various compensation, and training to increase professional skills.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG
Corporate Governance Policy		Revised : 02
		Approved Date : 26 February 2018
		Page : 11

- **Channel for complaints to our employees**

The Company provide a channel for complaints to our employees that indicate misconduct and illegal actions by announcing on internal Boards and websites of the company regarding channels for opinions and complaints, including opinion and complaint boxes within the company and only the managing director has a key to open the box, as well as the email of the Managing Director “panom@agecoal.com”


- **Safety, Occupational Health and Working Environment Policy**

The company realizes that employee is one of the success factors, so the company has polices on safety, health, and work environment to prevent and control any accidents that might occur from working. This is one of the main protocols to control and prevent any danger from working, and this is considered as duties and responsibilities of all employees to commit, examine, and investigate for safe workplace. In 2017, one employee of the main office and branch office were injured in a serious work accident (causing three days or more of work absence). The company is determined to reduce accidents and will not neglect accidents and unsafe incidents or incidents that cause impacts to the health of employees. The company will provide assistance to employees who are endangered or encounter health impacts to the full extent of the company's abilities without delay and will take action to investigate into causes and carry out serious corrections to prevent recurrence of the aforementioned problems.

- **Human Rights Policy**

The Board realizes that the human rights are the foundation of human resource development that will boost up the value of the business. Every employee has a right and a freedom to have a clean and safe workplace without being violated and suppressed in any forms. We require fair employment without involuntarily laboring forcing or child laboring. We fully support the potentials of employee and the values within themselves, which is a part of the organization development in steady and continuous progressing. Hence, the Board of the company determines the policy for all executives and employees to follow in all issues including justice application and sincerity in management of fare, benefits, and interest. The company sets up benefit funds to promote saving so that the employees will have some retirement money. Moreover, the company has the process of submitting a clue and proper appeal for the employees that are unfairly treated. The process is also confidential.

The company insists in fair compensation to the employees including allowance, benefits, and other forms of compensation that are related to the value increasing for the long-term shareholders. The company also manages personnel with justice along with increasing opportunities of the employees in consistent and equal knowledge learning and full competency development The Company has also promoted enhancement of employees' knowledge and potentiality through various training courses. Details are available in Personnel topic under Management Structure section.

 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
	Corporate Governance Policy Page : 12


- **Customers**

The company is determined to provide goods and services that are of good quality and standards. The inspection of goods quality is ensured, the delivery of goods is accurate and in-time. Contracts, agreements and conditions made with customers must be fulfilled in a transparent and fair manner. The various forms of customer demand in each industry will be attended by having an agency to contact customers as well as giving recommendations and listening to suggestions or opinions from customers and the confidentiality issue is promised.

1. Arrange a system that takes care, keeps, and protects securities or assets that customers entrust the company to look after in a concise and appropriate manner;
2. Maintain sufficient amounts of various types of assets according to the officially determined laws and rules in order to create customer confidence;
3. Do not call for, request or receive monies, gifts, prizes, or other rewards from customers or other persons except the acceptance from traditional giving;
4. Adhere and maintain honesty as a principle in running a business;
5. Follow standards that relate to running the company's business and are generally accepted;
6. Run a business legally and according to official regulations, and will not provide assistance, encourage or support any illegal activities or transactions;
7. Monitor occurring development and changes, initiate innovations in order to build customer satisfaction, and exert all the efforts in the work;
8. Professionally apply knowledge, capability, expertise, carefulness and attention to produce quality products to customers;
9. Concisely and properly keep and take care of confidential information of customers, and such confidential information will not be disclosed to other persons except being granted consent from the customers or implemented according the law;
10. Communicate information on products or services of the company to ensure correct understanding of customers.

- **Clients**

The company takes into account the importance of its clients. The company purchases goods and services from clients according to the trading conditions as well as ensures its implementation following the laws, rules and con-tracts made with the clients in a fair and transparent manner. In addition, the company gives importance to the on-time payment for goods. Nonetheless, the company has a system of selecting clients that are reliable, responsible to the society and environment so as to ensure that customers get goods and services of specified standard quality.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 13

1. Do not call for, receive, pay any trade benefits to clients with dishonesty, and strictly follow the contracts, agreements and conditions made with clients. In case of failure to follow the conditions, the company will notify clients in advance at the first instance so that a solution to the problem at hand is jointly considered under the principle of reasonableness;
2. Appropriately control or prevent in case there may be conflicts in benefits related to the business running, and will not seek for benefits in an illegal manner or opposing to official regulations;
3. Do not take any actions related to the violation of intellectual property, encourage Managements and employees to efficiently use resources and assets of the company, use goods and services with the legal copyrights, and discourage the use of goods and services that is related to the violation of intellectual property;
4. Strictly follow the trade conditions and agreements in order to create standard trades both with domestic and foreign clients.

- **Intellectual Property and Rights**


The Board of Directors has policy to comply with laws related to intellectual property and rights by subjecting works or information belonging to outside parties that are accepted or to be used within the company to examination to ensure that no violation of intellectual property rights or other rights of others occur.

**Practice Guidelines**

1. The Company must undertake the business in conformity with relevant laws and regulations of every country in which it invests, including contractual obligations in relation to valid intellectual property rights, patents, copyrights, trade secrets, and other proprietary information.
2. The Company shall not infringe on or misuse the valid intellectual property rights.
3. The Company's personnel have a duty to protect the confidentiality and prevent leakage of trade secrets, trade secret formulas, product manufacturing processes or secret business methods to the best of their ability.
4. The Company's personnel must respect the intellectual property rights of others and must not use not even a part of other people's works for personal gain without prior permission from or compensation payment to the work owner.

- **Creditors**

The company has determined the conditions and practices with creditors who are financial institutions that provide financial support to the company appropriately with the business situations. Regarding this, the company has taken care of the financial situations of the company to ensure that the

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 14

company can control the financial risk involved and follow the borrowing conditions according to the agreements.

- **Competitors**

The company behaves according to the rules of fair competition and bases on the fair returns on both sides. In addition, the company avoids using dishonest methods to destroy its trade competitors and does not seek for its trade competitors' confidential information using dishonest or inappropriate ways, as well as do not destroy its trade competitors' reputation by accusing without the actual facts.


- **The Communities and society**

The company is well aware of creating understanding and trusts from communities surrounding the locations of warehouses and sorting houses, thus it has set up a community relation on the environment and society unit responsible for various issues, particularly responsibilities related to conservations, protection and solving of the environmental problems that may arise to the surrounding communities and nearby the company, and taking care of complaints from members of the communities. In addition, the company has supported the public part of the surrounding communities such as giving donations to build a school, donating computers to government offices, supporting religious activities, supporting activities of school students and the elderly, and so on as the opportunity arises. In the private front, the company corporates with client companies in arranging revenue earning projects for members of the communities, as an example. Moreover, in the recruitment, the company will emphasize potential employees who have domiciles in the surrounding areas in order to create jobs for the locality and provide support to those living nearby which will result in revenue and business prosperity in those communities.

- **Community service and development**

The company understands the importance of strong community and society. The steady development plays a critical role in extending the growth of the business. Thus, the company has the policy to determine the regulations on pre-venting effects to the community where the company is located and to include the participation and the supporting the activities in all levels such as government, local organization, and community. The company has developed the community under the principle of CSR-DIW of Department of Industrial Works, which is the project to promote all sizes and levels of industry to operate under the standard of the Department of Industrial Works. The issues are the responsibilities of industry operators to society, networking for quality social activities, exchanging ideas, experiences, and expertise for steady development. The company has the activities to support the community as the followings.

- 1) Educational activities
- 2) Cultures and tradition promoting activities
- 3) Professional supporting activities

 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG
	Revised : 02
Corporate Governance Policy	Approved Date : 26 February 2018
	Page : 15

4) Public good and service activities

5) Buddhist Activities

- **The environment**


The company is well aware of the environmental issues that may arise as a result of running the business. Since the company runs a business that involves importing, screening, and selling coals, the potential effects inevitably include dust diffusion in the areas of the sorting houses and warehouses, port, and the routes in which trucks use to deliver goods to customers. Therefore, the Company has adopted a policy to undertake the business under the Environmental Management System Standard, also known as ISO 14001:2015 to protect the environment also noise, air, and water pollutions. Within the 3 locations of warehouses and sorting houses, namely Samut Sakhon Branch, Phetchaburi Branch, and Ayutthaya Branch, which are branches that have coal sorting processes, the company has constructed a building covering machinery to ensure they are protected from noise and dust getting out. Regarding the coals resting outside the building, the company covers them with canvases and installs water spray systems in the surroundings in order to prevent dust diffusion. In preventing the water pollution, the company has built a clarifier together with ditches around the warehouses and sorting houses in preventing water from the coals leaking out directly. In the Nakhon Luang branch, the company has built 6-meter ridges and grows more than 20,000 trees in order to conserve the environment. Moreover, in terms of coal transportation, the company uses canvases covering every coal transporting truck tightly and every truck will be inspected before moving out of the port and warehouse area. In the port area where it is used as a coal transferring point to customers or the sorting houses, there will be a water spraying system to prevent dust diffusion as well. The aforementioned policies and measures result from the due attention and importance placed by the company in preventing the potential problems and environmental effects. In addition to these measures, the company also gives importance to improvements and corrections of existing measures in order to increase their effectiveness. And the policy in business running under the environmental standards.

- **Policy on Business Operations under Environmental Standards**

The Company is intent on operating business with environmental responsibility according to the following principles:-

1. Operating business with the aim of preventing environmental impact in accordance with the provisions of laws;
2. Endeavoring to develop operating processes on par with international standards, as well as conducting regular review and assessment of business performance;
3. Inculcating into and promoting among employees including related parties the environmental responsibility;



	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 16

4. Seeking opportunities to exchange and share business experiences with other units in order for continual operating improvements.

- **Efficient usage of resources**

The Board realizes and promotes the indoctrination of efficient usage of resources within the organization by providing knowledge and planning on efficient usage of resources as the followings.

1. Plans on resource usage and plan on water reusing in various steps.
2. Plans and activities on water and electricity saving.
3. Plan on reducing paper uses.
4. Activities for natural resource and environment preservation.
5. Media for campaign.

- **Anti-Corruption Practices**

The Board of Directors encourages directors, executives and employees of all levels to operate with conscience, transparency and corporate governance principles, and not to abet corruption in all forms, either directly or indirectly. The Board has therefore set forth the Anti-Corruption and Bribery Policy, which prohibits directors, executives, employees as well as related third parties of the Company from committing any acts indicative of corruption, either by offering, promising, soliciting, demanding, giving or accepting bribes. The Company has zero tolerance to corruption, the value of which applies to all businesses and transactions of the Company in any country and all relevant units. The Company will review its operating procedures regularly to ensure alignment with changes in the laws and industry and to uphold reputation of the Company.

- **Whistleblowing/Complaint Policy**

Placing an importance on acknowledgment of complaints and suspected cases, the Board of Directors set forth a policy providing an opportunity and channel for employees and stakeholders to submit complaints, opinions, and suspected cases regarding legal offence, corruption, inaccurate financial report, defective internal control system, infringement of rights, unequal treatment, negligent and reckless act, including complaints concerning the Company's corporate governance, code of conduct, and behaviors indicative of corruption.

- **Measures on Protection of Complainants, Whistleblowers, and Related Persons**

Complainants or whistleblowers will be protected appropriately and fairly by the Company from such reprisals as reassignment, demotion, relocation, suspension, threat, work harassment, termination or any other unfair treatment against them. The complaint information will be kept confidential and not be disclosed to unrelated persons, unless it is required by the laws. Related persons knowing about the complaint or information pertinent to it must maintain the confidentiality thereof and not disclose it to third parties. In case

 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy	Page : 17

of an intentional violation of non-disclosure, the Company will take punitive actions in accordance with the Company's regulations and/or legal actions, as the case may be.

- **Channels for Complaints and Whistleblowing**

To treat all stakeholders equally and fairly under the corporate governance principles, the Company has provided channel for submitting complaints, suspected cases, opinions, or any suggestions indicating that stakeholders are affected or at risk of being detrimentally affected by the Company's business operations or by the discharge of duties of its employees in relation to acts against the laws or code of conduct, inaccurate financial report, or defective internal control system, including behaviors indicative of corruption, unequal treatment, or negligent and reckless act. Such incidents can be reported directly or by mail, expressly marked 'Confidential' via the following channels:-

1. **Registered mail**

Address to: Independent Director / Audit Committee Member

Asia Green Energy Public Company Limited

273/1, Rama II Road, Samaedam

Bangkhunthian, Bangkok 10150

2. **E-mail**

Board of Director [bod@agecoal.com](mailto:bod@agecoal.com)

Audit Committee [ac@agecoal.com](mailto:ac@agecoal.com)

Independent Director [id@agecoal.com](mailto:id@agecoal.com)

Corporate Secretary [ni-orn@agecoal.com](mailto:ni-orn@agecoal.com)

Investor Relations [ir@agecoal.com](mailto:ir@agecoal.com)

3. **Telephone**


Corporate Secretary 02-894-0088 ext. 807

Investor Relations and Corporate Communications Department 02-894-0088 ext. 704

4. **Drop Box**

5. **Corporate Website**, "Channel for Complaints" section

The Corporate Secretary is responsible for compiling documents received via these channels, and summarizing all the suggestions and issues for submission to the Board of Directors on a quarterly basis, except for letters addressed to the Audit Committee that will be sent directly to the Committee. In the event of urgency, the case can be reported directly to the Managing Director at [panom@agecoal.com](mailto:panom@agecoal.com). The Company will further carry out the examination procedures and record the investigation in writing without disclosing the identity of the whistleblower. All relevant information will be kept confidential in order to protect the whistleblower against any possible adverse impact.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 18


- **The process in risk evaluation from corruption**

The company determines to have the system for risk evaluation by indicating the event or the opportunity that corruption might occur such as giving or receiving bribe, donation, business relation, and purchasing. The system considers all aspects of corruption in such false financial statement, asset losing, corruption, management override of internal controls, modification of critical information, and unjustified receive or spending of assets. The system also has to evaluate the chance for the corruption to occur and its severity from both internal and external factors. Moreover, it has to determine the proper anti-corruption policy with assessable risk and follow up the outcome evaluation.

- **Guidelines for governing and controlling to prevent and investigate the risk from corruption**

The company has determined guidelines for governing and controlling to prevent and investigate the risk from corruption as the followings.

1. The Board, Managements, and the employees in all levels must strictly the anti-corruption policy by not joining any corruption matter both directly and indirectly.
2. The employees do not ignore or neglect when the action of corruption is found. They must notify their senior or the associated officers and collaborate in finding the truth. If there is any question, please consult the senior or the associated officer or the officer who is responsibility with anti-corruption via pre-determined channels.
3. The company will give justice and protection to the employee who is refused to notify about the corruption by using the protocols for protection of requester or to the person who collaborates in the report of corruption.
4. The person who commits corruption violates the anti-corruption policy for the company and will be punished according to the rules. He or she might face charges if that act is against the federal laws.
5. The company realizes the importance in distributing and providing knowledge and understanding to all staffs associated with the company and affected by this anti-corruption policy.
6. The company intends to build and preserve the culture inside the organization by adhering that corruption is unacceptable in transactions with both public and private sectors.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 19

- **Guideline in following up and evaluating the anti-corruption policy**


The company determines to have guideline for following up and evaluating the anti-corruption policy.

1. Determine to have internal audit team to audit the internal control system, risk management, operation management, and continuous suggestion by investigating from the annual plan that is approved by the Audit Committee. The internal audit team must be responsibility in testing and evaluating risk from corruption in order to efficiently apply the protocol for anti-corruption. The team needs to evaluate and modify the anti-corruption policy frequently by presenting the risk evaluation to the Audit Committee and by reporting to the Board, respectively.
2. The company determines Managements and the employees to evaluate themselves every year about the practices of the good corporate governance, business ethics, company ethics, the anti-corruption policy, guideline for preventing corruption action, and ethics for employees.
3. If the investigation reveals that the data or the appeal show the matter of corruption that has significance to financial status and overall outcome of the company, violation of ethics, illegal action, guideline for corruption preventing, financial statement, internal control system, the Audit Committee will report to the Board to solve such issues within the proper time frame.

#### **Category 4 Disclosure and Transparency**

The Board of Directors gives importance to the disclosure of key information of the company including financial reports, non-financial information, and other information according to the criteria set by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission in an accurate, clear, complete, transparent, rapid and equal manner. In addition, the company provides report on policy and regulatory structure in the annual data form (Form 56-1), annual report (Form 56-2) and on the website [www.agecoal.com](http://www.agecoal.com) both in Thai and English within 120 days from the ending date of the accounting period. In addition, the company has revealed the minutes of shareholder's meetings so that shareholders can monitor details in the meetings. In case of any further enquiries, one can contact the investor relations and organization communication at the telephone number +662-894-0088 ext. 704, and email: [ir@agecoal.com](mailto:ir@agecoal.com) so as to ensure shareholders and interested persons having equal access to the information.

The Board of Directors has maintained the effective internal control system so as to ensure that the records of ac-counting items are accurate, complete, and adequate for the preservation of assets for the purpose of preventing misconduct or any significant abnormal operations.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 20

In this regard, the Board of Directors has appointed the Audit Committee which consists of non-Executive Director and sufficiently independent. The Audit Committee is responsible for the quality of the financial reports and the internal control system including risk management.

Besides, the company has a measure on prevention of the misuse of internal information by specifying that every level of employees must not use confidential information for own or other persons benefits and must keep the internal information and documents that cannot be disclosed to outsiders and may be used to seek for own or family's benefits, or friends in an abusive way. Such information includes information that affects the share price, trade secrets, or invention formulas, etc. Employees who disclose such information to outsiders without approval from the managing director will be considered a disciplinary action according to the company's regulations and may be legally charged as well


- **Creating Financial Reports**

The Board of Directors is responsible for important business operations and governance along with the company's financial statements and financial information available to the public as shown in annual information forms and annual reports. Creation of the aforementioned financial reports concurs with generally accepted accounting standards. Suitable accounting policies are chosen and practiced regularly and with careful judgment and the best projections. Furthermore, significant information is sufficiently disclosed in financial remarks, and the Board of Directors also creates reports of the responsibilities of the Board of Directors on financial reports conjunctively with auditor's reports appearing in annual reports.

In the aforementioned regard, the Board of Directors has established the Audit Committee composed of independent non-executive directors in overseeing the quality of financial reports and internal control. The opinions of the Audit Committee are shown in the Audit Committee's reports shown in annual reports.

#### **Category 5 Board Responsibilities**

The Board of Directors consists of experts with knowledge, capability and experiences from diversified professions including engineering, management and other experiences that are beneficial to the running of the company and have independence in making decision for the maximum benefit of the company and shareholders. The Board of Directors participates in formulating the vision, missions, targets, policies, long-term business strategies and annual budget of the company, by assigning the management to present, and the Board of Directors shares opinions and discusses with the management. This is to create mutual agreement as well as to supervise the management to carry out the business according to the business plan and specified budget in an efficient manner. Moreover, the Board of Directors also supervises the

 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
	Corporate Governance Policy Page : 21

procedures for assessing adequacy of the internal control system, financial reporting and performance monitoring on a regular basis.

- **Structure of the Board of Directors**

The Board of Directors consists of 8 experts which is an appropriate number for the company and efficient to function, 2 executives, 1 non-executive and not an independent director, and 5 directors who are not executives and qualified as independent directors, which accounts for more than one-third of the total number of directors. Furthermore, the Board of Directors promote diversity in the structure of the Board of Director to have experts from diversified fields fully equipped with experiences, knowledge, expertise that are beneficial to the business running, adhering to morale and integrity, regardless of gender, race, religion, age, professional skills or other specific qualifications.

- **Board of Directors' Meetings**


The Board of Directors' meetings follow the regulations, laws related to public limited company, and regulations of the Stock Exchange of Thailand. Special meetings are arranged if necessary. The meetings are held at least 4 times a year when the company will send an invitation letter with the meeting agenda and meeting documents as attachments to the directors no less than 7 days before the date of the meeting so that the directors have time to study the information adequately before attending the meeting.

The Board of Directors requires that the meeting must have directors attending the meeting at least 2 out of 3 of the total number of directors to constitute a quorum. Every director must attend the meetings at least 75 per cent of the total number of meetings over the year. The company has an accurate and complete record of the meetings such that shareholders can inspect.

The Board of Directors requires that directors who are not executives to arrange their own meetings as appropriate by not having executive or management directors attending the meetings. This is so that they can have an opportunity to discuss issues or express opinions relating to the company's business and management of interest independently. Nonetheless, the results from such meetings shall be reported to the chairman and the Board of Directors for acknowledgement so as to convey to the management to implement accordingly.

- **Compensation for the Board and Managements**

The company has determined the remuneration of directors in a clear and transparent manner as well as asked for approval from the ordinary meeting. The criteria in determining the remuneration of directors is considered from the appropriateness with the responsibilities of each director. The remuneration uses the same rate as the industry and at the level that provides incentives to retain directors who are capable and have appropriate qualifications for the responsibilities.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 22

- **Report of the Board of the Directors**

The Board of Directors is responsible for the financial reports preparation including the Company's financial statements, the consolidated financial statements of the Company and subsidiaries and financial information memorandum as shown in annual report. The financial statements are prepared based on generally accepted accounting standard. The Company applies proper and acceptable accounting standard and complies with such standard regularly. The Company is very careful to prepare and manage sufficient information to disclose in the notes of financial statements.

- **Self-evaluation of the Board of Director**

The Board has evaluated their performance every year with three formats 1) person 2) team 3) sub-team in order for the Board to assess the outcome, the problems, and the obstacles during the previous year in order to fix and increase efficiency. The evaluation as a team and as a sub-team will be based on the protocols suggested by the Stock Exchange of Thailand, leading to properly changes of the company. With this, The assessment as referred to 6 topics:-

- 1) The structure and qualifications of the Board of Directors
- 2) Duty and responsibility of the Board of Directors
- 3) The Board of Directors' meeting
- 4) Performance of Directors
- 5) Relationships with the management
- 6) Self-development of Directors and management development.


- **Consolidation or Separation of Position**

The Board of Directors requires that it's the Chairman and Managing Director be two different persons. There are clearly separated to achieve a healthy balance between management and good corporate governance. The current Chairman of the Board is an independent director

- **Knowledge development of the Board**

1. **Training for Directors and Executives**

The company encourages the Board of Directors and the management to attend seminar courses that are beneficial to their functions. Courses that the Board of Directors should attend at least are courses arranged by the Thai Institute of Directors (IOD) namely Directors Certification Program courses from related supervisory agencies on a regular and constant basis. The Board of Directors has assigned the company's secretary to be a coordinator with directors to inform training courses so that directors can bring in knowledge and experiences to continuously develop the company.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 23

## 2. Orientation of New Directors

The Board of Directors has specified for orientation to be provided to newly appointed directors by assigning the company secretary as the person responsible for preparing the company's information, business overview, share structure, organization structure, director's manual and meeting schedules to provide new directors information about the roles, duties and responsibilities of directors, policies and practice guidelines for governing the company's business in addition to building understanding in business and operations and risk management and to provide explanation to inquiries along with visiting various operation units of the company in order to prepare new directors for performing their duties.

- **Policy on re-positioning to the Board position, managing director, and executives in other company**

Corresponding to the good corporate governance and the suggestion from the Stock Exchange of Thailand, the Board has determined the policy on limiting the number of the re-positioning to the Board of other companies that are registered in the Stock Exchange of Thailand to be no more than 5 companies. All current 8 Board members hold the position in no more than 5 other companies


Also, the Board determines the managing directors and Managements to take the positions in other company as necessary in a way that it will not affect the duties and the responsibilities of the company. There also requires approval from the Board or the one in charge first.

- **Succession Plan**

In order to ensure that the company shall have continuity in administration, the Board of Directors sees the necessity and importance of position succession of the high-level executives and positions that are considered „Critical Position by considering the age criterion close to retirement (60 years), difficulty for replacement in the labor market or being likely to be on demand in the market, the company thus arranges to have position succession for the following positions: managing director, deputy managing director, assistant managing director and division director, so as to select appropriate persons for the position who are equipped with knowledge, capability, experiences, visions, leadership, honesty and key qualifications required by the position (Key Jobs) as well as there are regular revisions consistent with the current situations.

In the high-level executive position, the company has made a position succession plan in support of the positions from division directors upwards. Replacement persons are identified. In case no persons who can replace instantly, the company has arranged a personnel development system for preparing persons in subordinate positions along with external selection. This is to ensure confidence in investors, organizations as well as employees that the business running of the company shall be succeeded in time.



 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG
	Revised : 02
Corporate Governance Policy	Approved Date : 26 February 2018
	Page : 24

- **Report of conflicts of interests**

The Board has determined the protocol in reporting of conflicts of interests of the Board and Managements for transparency in order to prevent the problem that will lead to benefit conflicts as the followings

1. The Board or Managements including family members that are associated or are the shareholders must report the conflict of interest to the company by each member must report the information since the day he or she started.
2. The Board determines the evaluation of the conflicts of interests in August of every year or within 7 days after known changing of the data.
3. The Board or Managements have the duties to report the stock holding of the company. If any changes, they must report to the Stock Exchange Commissioner within 3 days after changes.
4. The Board assigns the Corporate Secretary to record the report of conflicts of interests.

#### **The Subcommittee**


- **The Audit Committee**

The audit committee consist of 3 independent directors and shall be responsible for verifying the financial reports of the company, checking the adequacy of the internal control system, and the risk management system, the compliance of requirements, laws, and related regulations, In addition, the Audit Committee considers to select and determine the remuneration for the company's auditor, verifies related items or items that may have benefit conflicts so as to ensure accuracy, completeness and transparency, supervises and considers work plans, budgets, and workforce of the internal audit office.

The Company requires that at least one Audit Committee must have experience in accounting or finance.

#### **Authority and Functions of the Audit Committee**

- 1) Verify to ensure that the company has accurate and adequate financial reports.
- 2) Verify to ensure that the company has an internal control system and appropriate and effective internal audit.
- 3) Verify to ensure that the company complies with the laws and regulation on the Stock Exchange Market or related laws on the company's business.

 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG
	Revised : 02
Corporate Governance Policy	Approved Date : 26 February 2018
	Page : 25


- 4) Consider, select, propose to appoint, remove and propose remuneration of the auditor of the company and the head of the internal audit agency, or other agency that is responsible for the internal audit.
- 5) Consider the disclosure of the company's information in case of related items or items that may have benefit conflicts in order to ensure accuracy and completeness.
- 6) Prepare the report on the control of business of the Audit Committee by disclosing in the annual report of the company which has to be signed by the Chairman of the Audit Committee.
- 7) Carry out other tasks as assigned by the Board of Directors upon approval from the Audit Committee.

#### **Terms of the Audit Committee**

The Audit Committee has the term of 3 years in the position. A member of the Audit Committee whose term is ended due to the maturity of term according to the company's regulations may be appointed again. If a position in the Audit Committee is vacant due to a reason other than the end of term, the Board of Directors shall appoint a qualified person to become a member of the Audit Committee so as to ensure the complete set of the committee as specified by the Board of Directors. The person who is newly appointed will has the term length equal to the remaining term of the member of the Audit Committee he/she replaces.

- **The Executives Committee**


The Executives Committee consists of 3 directors who are responsible for the determination of business operation strategies of the company under the objectives and/or the company's policy. The Board has the authority to give instructions, makes plans, and operates the company according to the policy determined by the Board of Directors; pro-poses an investment plan and/or raising capital of the company to the Board of Directors and/or the Meeting of Share-holders for approval as the case may be; has authority to consider determining the welfare support to employees as it sees appropriate with respect to circumstances, traditions and effective laws; given the amount authorized by the Board of Directors, the Executives Committee has the authority to approve purchases, procurement, rental, hire-purchase of any assets as well as to invest and pay any expenses that are considered necessary to the operations of the company; given the amount authorized by the Board of Directors, the Executives Committee has the authority to approve borrowing, making overdrafts from banks, corporate or other financial institutions for the benefits of the company's business operations; and the Executives Committee has the authority to approve purchases of assets or pay any prices incurred from the operations of the company according to contracts and/or agreements with clients. The details of the authority coverage are given by the approval authorization chart as determined by the Board of Directors.

 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
	Corporate Governance Policy Page : 26

#### Authority and Functions of the Executives Committee

- 1) Have the authority to give instructions, make plans, and operate the company according to the policy determined by the Board of Directors.
- 2) Determine business operation strategies given the objective and/or policy of the company.
- 3) Propose an investment plan and/or raising capital of the company to the Board of Directors and/or the Meeting of Shareholders for approval as the case may be.
- 4) Approve the appointment of advisors considered necessary to the operations of the company.
- 5) Have authority to consider determining the welfare support to employees as it sees appropriate with respect to circumstances, traditions and effective laws.
- 6) Given the amount authorized by the Board of Directors, the Executives Board has the authority to approve purchases, procurement, rental, hire-purchase of any assets as well as to invest and pay any expenses that are considered necessary to the operations of the company. The details of the authority coverage are given by the approval authorization chart as determined by the Board of Directors.
- 7) Given the amount authorized by the Board of Directors, the Executives Board has the authority to approve borrowing, making overdrafts from banks, corporates or other financial institutions for the benefits of the company's business operations. The details of the authority coverage are given by the approval authorization chart as determined by the Board of Directors.
- 8) Have the authority to approve purchases of assets or pay any prices incurred from the operations of the company according to contracts and/or agreements with clients. The details of the authority coverage are given by the approval authorization chart as determined by the Board of Directors.

Nonetheless, the aforementioned delegation of authority and responsibilities to the Executives Committee will not include the authority and/or sub-delegation in any item approval that the Board or the Sub-delegate or a person who may have a conflict (as defined in the announcements and/or related laws) may have interests or benefits in any forms that conflict with the company or its subsidiaries. The approval of such items requires the approval from the Board of Directors and/or the Meeting of Shareholders (as the case may be) as determined by the regulations of the subsidiaries or related laws.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 27


## Recruitment and Appointment of Directors and Management

- Independent Director

The company defines definition of independent director follow the minimum requirements of the Securities and Exchange Commission or the Stock Exchange of Thailand in accordance with the Capital Market Supervisory Board No. TorJor.4/2552 dated 20 February 2009. The Company's independent director shall have the following qualifications.

Independent Director Means a director who has no business or any related work which may affect their independent judgment. The features of the independent directors in accordance with regulations of The Stock Exchange of Thailand details are as follows: -

1. Holding shares not over one percent of the total shares with voting right of the company, holding company, subsidiary, affiliation, major shareholder or authorized person of the Company for license, however, it includes share-holding by related persons of the independent director also.
2. Not being or has been a director with management participation on employees, consultant with regular salary or authorized person of the Company, holding company, subsidiary, affiliation subsidiary in same level, major share-holder or of authorized person of the Company, except relieved from aforesaid characteristic at not less than two years before submitting permission to the Office. However, the prohibited characteristics do not include that of civil service or consultant of government body holding major shareholding or authorized person of the Company.
3. Not being person of whole blood or registration as stated in the law, in the manner of being father or mother, spouse, brotherhood and offspring including spouse of the offspring of the management, major shareholder, authorized person of person designated to be management of authorized person of the company or subsidiary.
4. Not have or has been in business relation with the Company, holding company, subsidiary, affiliation, major shareholder or authorized person of the Company, in the manner that may obstruct the independent exercise of discretion including in not being or has been a significant shareholder or authorized person of the person with business relation with the Company, holding company, subsidiary, affiliation, major shareholder or authorized person of the Company, except relieved from aforesaid characteristics at not less than two years.
5. Not being or has been auditor of the Company, holding company, subsidiary, affiliation, major shareholder or authorized person of the Company and shall not be significant shareholder, authorized person or partner of auditing office with the auditor of the Company,

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 28


- holding company, subsidiary, affiliation, major shareholder or authorized person of the Company in attachment, except relieved from such characteristic at not less than two years.
6. Not being or has been professional provider which includes legal consulting or financial consulting with service fee over two million baht a year from the Company, holding company, subsidiary, affiliation, major shareholder or authorized person of the Company, and not being a significant shareholder, authorized person or partner of the professional provider, except relieved from such characteristic at not less than two years.
  7. Not being a director appointed to be agent of the director of the Company, major shareholder or shareholder with relation with the major shareholder.
  8. Not operating similar or significant competitive business to the business of the Company or subsidiary or not being significant partner in the partnership of directorship with management participation on employees, consultant with regular salary or holding shares over one percent of the total shares with voting right in other company, operating business similar or competing with business of the Company or subsidiary.
  9. Not having any characteristics that will hinder free independent opinion in relation with the operation of the Company.

After having been appointed as an independent director following the qualifications specified under items (1) through (9) above, the independent director may be assigned by the Board of Directors to make decisions on the operation of the company, the parent company, the associates, the affiliates, the associates of the same level, the major shareholders or the entities with the authority to control the company in the manner of a collective decision.

The Board contains 6 independent members, which are the persons with knowledge or competency and truly have the freedom to operate such as no business connection to the company, no connect to other influences that might affect the independent performance.

- **Terms of the Independent Director**

The Board determines the independent Director to be in position for 3 years and will circulate and retire as 1 in 3 of the entire team accordingly. When the term comes, the committee could be presented to the Annual General Meeting of Shareholders to continue as the Board and to come back in the position. The independent committee will in the position for no longer than 3 terms or 9 years starting from the day of accepting the position. In 2016, no independent committee stays more than 9 years.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 29


- **Nomination of Directors and High-ranking Executives**

The company does not have a specific nomination and remuneration specification committee, because the company has a small organizational structure. However, a nomination and remuneration specification committee might be established in the future based on changes in the company's organizational structure and income. Accordingly, candidates for company directors and executives are required to meet the qualifications in Section 68 of the Public Company Limited Act, B.E. 2535 (A.D. 1992) in addition to the company's regulations without the prohibited characteristics in the Notification of the Capital Market Supervisory Board No. Tor. Jor.28/2008 on Requesting for Authorization and Authorization for Offering Newly Issued Shares for Sale dated 15 December 2008.

In recruitment of qualified persons to takeover positions of directors vacating from office according to term or other cases, proposals are made to the Board of Directors to make considerations on nominated persons, who are subsequently proposed to a meeting of shareholders for further consideration of approval. The company has processes to select qualified persons based on expertise, vision and leadership with fairness and transparent work background who can express opinions independently. Persons chosen to become directors required to be consistent with the company's business operations. Accordingly, the company created the Board Skill Matrix to provide information for accompanying director recruitment with considerations based on necessary knowledge and expertise that are lacking in the Board of Directors. The Board of Directors evaluates qualified persons for becoming directors based on nominations of persons to become directors by shareholders, professional search firm, director pool or other recruitment processes deemed appropriate by the Board of Directors.

In searching and appointing the Board member of the company, the Board determines the structure of the Board to contains diverse qualities in terms of skills, experiences, special expertise, and gender. At least one of the Board must not be executives but must have the knowledge in business and industry. The composition of the company's directors and the selection, appointment, or removal from the position of a director of the company has been determined in the regulations of the company which can be concluded as follows:


- 1) The Board of Directors consists of at least 5 directors but not exceeding 15 directors who are elected in the meeting of shareholders. The members of the Board must contain at least 3 directors from the Audit Committee and at least a half of the total number of directors must reside in Thailand.
- 2) The meeting of shareholders is responsible for electing directors according to the following rules and methods:

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 30

- Each shareholder has 1 vote for 1 share.
  - Each shareholder will cast all of their votes according to (1) to elect one person or more than one person to be a di-rector. In case of electing more than one person, the votes will not be divided unequally between the elected persons.
  - Persons with the highest votes in order respectively will be elected as directors equaling to the number of directors that are supposed to be or to elect in a particular occasion. In case that persons in the second orders have the same number of votes and more than the number of directors that are supposed to be or to select in a particular occasion, the chairman of the meeting shall have the deciding vote.
- 3) In every Annual General Meeting of shareholders, the terms of one-third (1/3) of the current number of the Di-rectors will be ended. If the number of Directors could not be divided into three proportions, the number of Directors whose terms will be ended will be the closet number to the one-third proportion. Directors whose terms are ended in the first and the second years after the registration of the company will be decided by drawing lots. For the consecutive years, the Directors who are in the positions the longest will be removed. However, those Directors who are removed may be elected to fill the positions again.
- 4) Any director who is resigning from the position should submit the letter of resignation to the company with the effective date from the date that the letter of resignation reaches the company.
- 5) In casting a vote on which Directors whose terms should be ended before seeing out their actual terms, the number of votes must be at least no less than three-fourth of the number of shareholders attending the meeting and having the right to vote, and that the total number of shares must be no less than a half of the number of shares held by the shareholders who attend the meeting and having the right to vote

- **Composition and Appointment of the Audit Committee**

The Audit Committee of the company must be the company's director who is appointed from the Board of Directors and have qualifications as specified by the securities law and the Stock Exchange of Thailand. The Audit Committee must contain no less than 3 persons and at least 1 director must have knowledge on accounting and finance.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 31

- **Composition and Appointment of the Executives Committee**

The Board of Directors is responsible for proposing the appointment of the Executives Committee by electing from Directors and/or a certain number of Management as it sees appropriate and the Board of Directors will appoint one of the members of the Executives Committee to be the chairman of the Executives Committee.


#### **Corporate Governance of the Subsidiaries**

The company always gives importance to the good corporate governance along with the business running, and has formulated the corporate governance policy and prepared the business ethics manual in writing with the objective to control the operations of the company and its subsidiaries. The Board of Directors has disseminated the good corporate governance policy and Code of Business Ethics and Code of Conduct to Directors, Management, and every level of employees so as to ensure understanding and observance. The company believes that good corporate governance will help the company to achieve the company's missions and that the principle of good corporate governance is to control the business running of the organization so as to ensure functional responsibility with transparency, accountability, and creation of moral competitiveness. In addition, the practices of good corporate governance help to reduce risks and create long-term competitiveness for the organization while focusing on the maximum benefits of shareholders.

Nonetheless, in nominating and using the right to vote to appointing a person as a Director of the subsidiary is carried out by the management. Since 2010, the company has determined the regulations that such nominating and using the right to vote must be granted approval from the Board of Directors as well. The person who is appointed to be a director in the subsidiary is responsible for operating for the best benefits of the subsidiary. And the company has determined that the appointed person must be granted approval from the Board of Directors before casting a vote or using the right to vote in issues as important as those required the approval from the Board of Directors for the case of the issues operated by the company. Nonetheless, the number of Directors to represent the company in the subsidiary will be determined by the proportion of the company's shareholding.

Besides, in case of a subsidiary, the company has set the regulations that a person being appointed from the company must ensure that the subsidiary has the regulations regarding the preparation of related items, acquisition or sales of assets, or preparation of any important issues of the company in a complete and accurate manner. In addition, the subsidiary must be ensured to use the rules regarding disclosure of information and preparation of the aforementioned items in the same way as the rules of the company as well as to keep information and bookkeeping of the subsidiary in such a way that the company can examine and gather for the preparation of the consolidated financial statements on a timely basis



 Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
	Corporate Governance Policy Page : 32

### Use of Internal Information

Directors must perform their duties according to the relevant laws, the company's objective and regulations, as well as the resolutions from the meeting of shareholders. For disclosure of information that is important and affects the company, if it is information on operations, approval must be required from the managing director. If the information may affect investors, approval must be required from the meeting of the Board of Directors. For the policy and method of monitoring the misuse of internal information for own benefits, the company has assigned the Board of Directors to supervise and consider misconduct of a director and/or executive by assigning the managing director to consider the misconduct according to the penalty as agreed in the meeting of the Board of Directors in case the company's employee makes the offence. In addition, the Board and Managements cannot buy or sell the stocks during 1-month period before financial statement data or other data that can affect the price of the stock will be revealed to general audiences. They cannot buy or sell the stocks until 24 hours since the data revelation to public have passed.

### Policy on internal control

The Board realizes the importance of internal control that is sufficient and proper for all performance levels. The control must cover all aspects including control conditions, risk management, law protocols, regulations, associated rules, and assessment mechanism in order to efficiently balance and to prevent and monitor the investment of shareholders and the assets of the company.

The Board assigns the Audit Committee to review and to assess the internal control system and directly report to the Audit Committee and hires external unit to evaluate the sufficiency of internal control system to give opinions and suggestions to modify the internal control system of the company. The Board requires the report to the Audit Committee for every 3 months for better efficiency and performance.

### Process in following and evaluating the outcome of the principles of good corporate governance

The Board has determined the process to follow and evaluate the outcome from the principles of good corporate governance including ethics and business ethics

1. Following up and evaluating by Dharmniti Auditing Co., Ltd., internal audit of the company
2. Self evaluation by Managements and employees

The company has communicated to Managements and the employees in the managing levels to follow up their subordinates. There must be an immediate report to the direct senior in the case that the performance does not follow the predetermined policy. Such policies will be a part of annual evaluation of Managements and the employees.

	Asia Green Energy Public Company Limited and AGE Group	Document No : AGE-CG Revised : 02 Approved Date : 26 February 2018
Corporate Governance Policy		Page : 33

**The Auditor**

The Audit Committee will consider auditors according to the assessment standard of the company such as independence in working, quality of work, and working standard.

The auditors must have qualifications according to The Stock Exchange of Thailand. They must not relate to the stakeholders of the company, subsidiary, executives, major shareholder, and associated persons. They must have freedom to Audit and give opinion to the financial statement of the company.

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