

## Corporate Governance Policies

The conduct of Company business adheres to international practices and principles of good corporate governance. This is in line with the guiding principle of the Stock Exchange of Thailand in promoting sound practices of good corporate governance among publicly listed companies in Thailand. The Company plans to communicate and encourage full compliance with good corporate governance principles to all of its Directors, management, officers, and staff.

The Company resolutely believes that the pursuing of good corporate governance policies and practices in the conduct of every business transactions is important, and represent a key to success, and to accomplish sustainable growth of the Company in the future, these includes:

### 1. Rights of Shareholders

#### 1.1 Annual general meeting of the Shareholders

##### 1.1.1 Date, time, and venue of the meeting

The institution of the Annual General Meeting of the Shareholder is within four months after the annual book closing date, December the 31<sup>st</sup> of each year. The Company secures the most suitable date, time, and venue that are most appropriate to facilitate and support the meeting process and both individual and institutional Shareholders who have to attend the meeting.

The meeting is not to be held on or during the weekend, public holidays, or commercial bank holidays, and it is to be held in Bangkok Metropolitan whereas the Head Office of the Company is situated. This is to promote and to encourage every Shareholder to participate in the meeting. The meeting starts in the morning, necessary detail and information of the meeting include; date, time, place, and agenda, etc. are provided in advance of the meeting. This is together with descriptions and reasons in association with each agenda, if applicable.

In addition and where appropriate, an Extraordinary General Meeting of the Shareholders can be instituted by the resolutions of the Board of Directors of the Company.

##### 1.1.2 Opportunity to recommend meeting agenda and to submit questions in advance of the meeting

The Company website is upgraded. This is to incorporate a feature whereby Shareholders can communicate, recommend, and suggest meeting agenda and/or questions to the Company Secretary in advance of the meeting.

#### 1.2 The process of the Annual General Meeting of the Shareholders

#### 1.2.1 Checking of attendance and the meeting registration

The company processes the registration by using barcode system that identify and recognize the identity number of shareholders imprinted in the registration form and Power of Attorney to provide the shareholder the most convenient registration process. Also the documents and Power of Attorney will be thoroughly checked by the company's assigned person, this person will promptly support the shareholders along the registration process.

#### 1.2.2 Meeting in attendance by the Company members of the Board

The Annual General Meeting of the Shareholders is important, thus every members of the Board of the Company regularly attend the meeting. The Chairman of the Board chairs the meeting. In addition, the Company Chief Executive Officer, Executive Vice Presidents, Legal Advisor, and Auditors also attend to every meeting of the Shareholders, this is in order to listen to all comments, suggestions, advices, and concerns that are discussed during the meeting.

#### 1.2.3 Meeting agenda

The meeting agenda is appropriately grouped according to subject headings such as the election and appointment of members of the Board, the review and endorsement of power of the Board of Directors, the review and approval of compensation to the Board of Directors, etc. Resolutions and/or recommendations of the Company Board of Directors are provided under each meeting agenda. Any unplanned or unforeseen agenda that required detailed review, discussion, and resolutions of the Shareholders will not be introduced during the meeting. The act of this is an unfair practice, especially to the Shareholders who are not able to attend the meeting.

#### 1.2.4 Vote checkers

The Company arranges to have a professional and reliable independent party to conduct the counting and checking final number of votes, this is either during the Annual General Meeting of the Shareholders or during an Extraordinary General Meeting. Results of the vote numbers of each agenda is declared and announced during the meeting.

#### 1.2.5 Vote counting procedures and open session for questions, answers, and comments

Prior to the commencement of each meeting agenda, the Chairman notifies Shareholders about the voting casting methods and procedures, and the counting of final number of votes. Different methods of vote casting, when applied to each agenda, is clearly explained to Shareholders, including the method that is applied to the

Shareholders who attend the meeting in person and by themselves, and those who hold legitimate proxy and in attendance of the meeting on behalf of others. In voting for the re-election of members or new election of members of the Board, a ballot sheet is used, which is given to Shareholders to vote for a person or persons whom they truly want to appoint to be a member or members of the Board. During the meeting, a suitable time and opportunity are given to the Shareholders to ask questions, to express any concerns, and to share view and comment, etc.

Vote casting follow the principle of 1 share equal to 1 vote, and the highest number of vote, under the by law of the Company or others related to each meeting agenda, constitute a resolution. Chairman of the meeting is entitled to 1 additional vote casting, in addition to the number of shares that he or she owns, this is apply only when voting results are equal, and the resolution on such agenda cannot be reached.

#### 1.2.6 The Use of ballot sheet

The Company encourages the use of ballot sheet in vote casting, regardless and whether or not the meeting agenda is a general agenda required under a specific law, or an agenda that is specific to a particular subject matter such as related party transactions, acquisition and disposal of assets, etc. This practice endorses the transparency of the significant or special transactions, while proper audit trail of the said transactions are available for future review in case of doubts.

#### 1.2.7 Recording the minute of the meeting

The Company records all information it gives to the Shareholders before the start of the meeting into the minute. This includes and for examples, the voting casting method, the vote counting, and the use of ballot sheet for vote casting, etc. Prior to the commencement of the meeting, the Company informs Shareholders about the name and the position of members of the Board, who attends the meeting, who refrains from the meeting, questions and answers raised during the meeting, opinions, and vote casting results that shows number of supporting votes, number of against votes, number of silent votes, and final resolution of each agenda are recorded into the minute of meeting. Recording of these information shall facilitate future review and checking in case of doubts.

In case where certain member of the Board has exposure to some, or has potential has some benefits or interests in a certain subject matter of that particular meeting agenda, the said member of the Board must be abstained from the meeting, and must has no voting right thereof, this exclude the voting for the appointment of the removal of members of the Board of Directors.

### 1.3 Payment of dividends

The Board of Directors of the Company may put forward the agenda to pay or not to pay dividend for the approval of the Shareholders during the meeting. Payment of dividends is for the review, consideration, and approval of the Shareholders when the Company reports net profit from operation, positive accumulated retained earnings, and sufficient of cash for future business operation. The Company has not made any form of dividend payment during past years.

#### 1.4 Appointment of the Company general auditor and audit fees

The Shareholders, during the meeting, appoint the Company general auditors and related compensation or the audit fee. This is proposed and recommended by the Board of Directors. The Company general auditor must not hold any position within the Company as a Director, as an Officer, or as the Employee.

### 2. Identical treatments to the Shareholders

#### 2.1 Nomination of candidates to be member(s) of the Board

The Company website is re-built so as to provide a channel of communications between the Shareholders and the Company Secretary. This is also served as a mean and method of how the Shareholders can nominate the name of the person(s) together with his or her personal profile, and consent to be a candidate for member(s) of the Board to the Company Secretary in advance of the meeting. The Company Secretary will in turn passes on this nomination to the Chairman of the meeting.

#### 2.2 Execution of the annual general meeting of the Shareholders

##### 2.2.1 Granting of proxy to attend and to vote in the meeting

Should the Shareholders are not able to attend the Annual General Meeting; they can designate and appoint a person or persons to attend the meeting on their behalf. A Power of Attorney Form is always attached, sent by registered mail to the Shareholders in a seal enveloped, together with an invitation letter to attend the meeting plus all other document to be used during the meeting. In the meeting package, easy to understand instructions are also given of how to grant a proxy to another person or persons to attend the meeting, and to have rights in voting under the principle of 1 share equals to 1 vote. These instructions includes how to fill the Power of Attorney Form, what are supporting document required to make the Power of Attorney Form valid and legitimate with voting rights, etc.

##### 2.2.2 Sending of meeting notice and information package

According to the by law and regulations of the Company, a notice of the meeting that contain information package such as an invitation letter, a Power of Attorney Form, and other document both in Thais and in English languages are sent to the Shareholders 14 days in advance of the date of the meeting. The Shareholders shall then has sufficient time to review and to analyze the meeting information package, which includes number and type of agenda to be discussed, reviewed, and voted, what are recommendations, opinions, or resolutions of the Company Board of Directors specific to each meeting agenda, what are matters that required Shareholders approval, what are matters that are Shareholders information, etc.

In addition to the sending of meeting information package, the Company also publishes and advertises all of the above information in a Thai daily newspaper for 3 consecutive days, and also posts the same onto the Company website at [www.grandeasset.com](http://www.grandeasset.com) in advance of the date of the meeting.

### 2.3 Preventive measures on the use of inside information

The Company regularly notifies in writing to members of the Board, to management, and officers about the safeguarding of information that are not yet known to general public, and strict prohibition to make use of the said information for personal interests. Information related to for examples the Company operating results, critical transactions that are sensitive to share prices, mergers and acquisitions, etc. are considered as price sensitive information. During last year, the Company did not detect or finding of any internal irregularities arises from the use of inside information.

### 2.4 The conduct of related party transactions

The conduct of the related party transactions of the Company, if any, follows general commercial terms and conditions, reasons and pricing of the transactions are always fully disclosed. Every execution of the related party transactions requires proper authorizations and approvals according to the Company by law and any other applicable law prior to the engagement and the closing of transactions. There are no related party transactions that are engaged and closed by the Company without proper authorization, un-disclosures, or not properly approvals according to the bylaw of the Stock Exchange of Thailand (SET), of the Securities and Exchange Commission (SEC), or of the Company by law during the year 2014.

## 3. Stakeholders right and role

The Company fully recognizes and respects the rights of all stakeholders. Every execution of the business transactions and commercial engagement of the Company follows a professional code of conduct and taking into account the interests, benefits, and impacts of related stakeholders. This is to ensure that the lawful rights of all stakeholders, whether it is the Shareholders, employees, management, customers, business partners, creditors, or

general public, are carefully considered, are properly protected, and that business transactions and commercial engagements are carried out for the benefits of every stakeholders as a whole.

### 3.1 Stakeholders guiding principles

#### 3.1.1 Ethical guidelines in dealing with each stakeholder

**Shareholders:** the Board of Directors of the Company resolves to act as a good representative of all Shareholders in performing of their duties, based on the fact that they are the owner of the Company. This is by:

- (1) Exercising duty of care in directing business. Every decision to undertake or to enter into any business dealing are carefully considered and evaluated based on available information taken into account of fairness to every Shareholder.
- (2) Exercising duty of disclosure the truth and accurate information about various aspects and status of the Company such as its operating results and financial performances, financial positions, etc. on a regular basis.
- (3) Exercising duty to report future and potential business directions and situations of the Company, based on the review and analysis of best-known information.
- (4) Exercising duty to protect the use of inside information that is not yet known to general public for personal interests and benefits.
- (5) Every Shareholder is identically treated during the Annual General Meeting of the Shareholders.

**Employees:** The Company creates and cultivates a good working culture and environment while promoting teamwork spirit within the Company. Privacy information is fully safeguarded, and personal matters of each employee are fully respected.

The recruitment and placement of employees are reviewed and undertaken on the basis of fair treatment, and for the mutual benefits of the Company and of the employee.

The Company provides safe and healthy work place to all employees at all times, and strictly adhere to applicable Labor Law. The Company compensates its employees who perform and meet expectations of the Company key performance index (KPI) in the form of special bonuses. The voluntarily and equally contributed provident fund scheme is set up in 2015. The Company, by all means, will not reveal or disclose any information of each employee to the third party without written consent of the employees.

**Customers:** The Company ascertains that only good quality and best value for money products and services of both the hotel business and the real estate development business are delivered or provided to meet the needs and expectations of its customers. In 2014, the Company in associated with the customers jointly inspected the condominiums to fix the defects of the units aiming to match customers' expectation leading the customers to accept the ownership transfer. The quality of services and guests satisfaction index are always measured and evaluated on a regular basis. Monthly hotel guest satisfaction index becomes one of the agenda during the monthly meeting of the management of hotels and the Company.

**Competitors:** The Company pursues the principle of sustainable growth. In doing this, the Company always make certain that the quality of its products and services still remain competitive when compare with competitors. In business competition, the Company follows the practice of fair and justice method of competitions, and will not undertake any foul play or unethical actions that jeopardize long-term business relation either with business partners and its competitors.

**Contractual parties and creditors:** The Company adopts the principles of integrity and honesty in business dealings with partners, contractual party, and creditors, etc. The Company strictly adheres to all applicable laws in every doing of the business, so as to maintain a good business reputation of the Company. The Company honors every terms and conditions it binds with contractual parties and creditors for example, loan repayment must be made on time and when due according to the loan agreement, collateral to the loan must be protected, etc.

**Community and society:** The Company places high value to the community, the society, the nature, and the environment that are directly and indirectly involved with the conduct of business of the Company. Several actions are made during the pasts, and some of them are ongoing, by the management team of the hotels of the Company. For examples, the preservation of scarcity of water supply through an investment in upgrading of a waste water treatment system and the re-use of those recycling water, the energy saving programs by replacing all electrical equipment that consume high electricity, the reduction of chemical usage in the laundry system, the receiving of many local and international awards and certificates i.e. for being a smoke free hotel, for being a green environment hotel, the institution of various short training courses for free to the community who lives nearby i.e. cooking class, bartender class, etc. Every real estate development projects of the Company must be reviewed and approved by responsible organizations prior to the commencement of construction activities such as the Environmental Impact Evaluation and Assessment Bureau (EIA), the local District Office,

the Bangkok Metropolitan Authority, etc. The Company has, from time to time, a team of relevant management to meet and to socialize with neighbored society and community to create the sustainable good relationship.