

Notification of Airports of Thailand Public Company Limited

RE: Corporate Governance Policy of Airports of Thailand Public Company Limited

Glossary

1. “AOT” means Airports of Thailand Public Company Limited
2. “Board” or “Directors” means AOT Board of Directors or directors
3. “Management” means AOT top executives and executives
4. “Employees” means AOT employees
5. “Stakeholders” means persons, agencies, or business organizations that are involved in AOT’s operations and critical to the achievement of goals as well as those that are positively and negatively affected by AOT’s operations both directly and indirectly, for example, customers, business alliances, shareholders, investors, regulatory agencies, community, society, executives, and employees.
6. “Conflict of Interest” means a conflict between a staff member’s personal interests and public interests which could unduly influence his/her performance of duties and responsibilities or decision making, authority, and approval in order to seek personal or others’ gains, whether directly or indirectly, that may obstruct the interests of AOT.

Definition

Good Corporate Governance refers to good business management regulated by efficiency and controlled by ethics, with a sound management structure, strategies, value creation, regulatory compliance, and relationship management among the Board, management, employees and shareholders by which the Board, management and employees would abide to create sustainable growth with consideration to the rights of stakeholders in compliance with the principles of good corporate governance.

Principles and Background of Corporate Governance Policy

The Board aims to operate under AOT’s corporate governance principles, best practices for directors of listed companies, and relevant laws, regulations and guidelines on good corporate governance recommended by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. In addition, the Board is determined to enhance AOT’s corporate governance practices to meet international standards, thereby creating confidence to shareholders, investors and all concerned parties, and to ensure effective administration according to the established corporate governance principles and policy.

The Board, at the Board Meeting No. 5/2024 held on 23 April 2024, resolved to approve the AOT's 2024 Corporate Governance Policy by which the Board, management, and employees would abide to enhance AOT's effectiveness in conducting its business with transparency and accountability, and ensure the establishment of good corporate governance practices and business ethics.

Rights of Shareholders

All shareholders shall possess equal basic rights as below:

- Rights to receive share certificates and transfer shares
- Rights to receive adequate, timely, and appropriate information for decision making purposes
- Rights to attend the shareholders' meetings and vote at these meetings in relation to significant changes in AOT's policy
- Rights to elect and dismiss directors
- Rights to approve the appointment of auditor
- Rights to share in profits of the company

Equitable Treatment of Shareholders

The Board is aware of the importance of shareholders' meetings and shall facilitate all shareholders to attend the meetings, gain access to information, raise questions, and exercise voting rights at these meetings in an equitable manner.

The Board shall present important matters, even beyond those required by the laws, to shareholders in a complete, adequate and timely manner for decision-making purposes, support and facilitate voting procedures including voting by proxy, and encourage shareholders to express their opinions, seek explanations or raise questions. It is the duty of all directors to attend the shareholders' meetings to answer any questions the shareholders may have.

The Board shall prepare the minutes of shareholders' meetings and distribute them to shareholders through AOT's website within 14 days from the meeting date so that the shareholders can make any correction on the minutes of shareholders' meeting in due time. For minority shareholders, the Board shall encourage them to exercise their rights to propose an annual general meeting agenda and nominate a person for director position ahead of the annual general meeting of shareholders. The Board shall also be composed of at least three (3) independent directors.

The Board shall provide an opportunity for minority shareholders holding a minimum 5% of the company's total voting rights or at least 100,000 shares, either being one shareholder or combined shareholders, to propose agenda and director nominee ahead of the annual general meeting of shareholders during the last three months before the ending of accounting period. The criteria for proposal of agenda and director nomination shall be published on AOT's website.

Roles of Stakeholders

The Board is aware of the rights of stakeholders and therefore encourages co-operation between AOT and its stakeholders as well as other concerned parties including customers, business alliances, shareholders, investors, regulatory agencies, community, society, executives, and employees. The directors, executives, and employees are required to uphold business ethics to perform tasks based on fair and balanced dealings with stakeholders.

In addition, the Board shall ensure that AOT's operating information, which should be acknowledged by the stakeholders and other concerned parties, is reported through, for example, Form 56-1 One Report and the corporate website. Two-way communication channels shall also be established to allow the stakeholders and other concerned parties to express their opinions and file grievances for unfair treatment from AOT.

Information Disclosure and Transparency

The Board is determined to ensure strict adherence to any relevant laws, rules and regulations relating to information disclosure and transparency. There shall be an Investor Relations Unit to communicate useful information to shareholders, investors and securities analysts in an equitable and appropriate manner. The information provided in the corporate website shall essentially be both in Thai and English languages. In addition, the Corporate Communications Office shall be established to widely publicize information relating to AOT's performance and operating results through various media, thereby enabling shareholders, investors, stakeholders and other concerned parties to receive information in a thorough and timely manner.

The Board shall disclose both financial and non-financial information with sufficient details in due time as well as AOT's operating results in a factual, complete, adequate, constant and timely manner to actually represent AOT's financial and operational performance, and its business future as follows:

1. Management Discussion and Analysis (MD&A)

The Board recognizes the importance of the development of MD&A in full detail, on both annual and quarterly basis.

2. Financial Information

The auditor appointed by AOT shall certify AOT's financial statements with free opinions and the Board shall review and approve that the disclosed financial statements are accurate, complete, adequate and conducted in compliance with the generally accepted accounting standards and international accounting standards.

3. Non-financial Information

AOT shall provide clear and complete information in Form 56-1 One Report.

Responsibilities of Board of Directors, Structure and Composition of Committees

1. Board of Directors and Sub-committees

1.1 Board of Directors

Each director must be qualified and not possess any prohibited qualifications subject to the law governing public limited companies, the law governing standard qualifications for state enterprise board members and staff and the law governing securities and exchange as well as relevant criteria for directorships in state enterprises. Independent directors shall also have qualifications as prescribed in the definition of AOT independent director.

The Board shall play an important role in promoting corporate governance within the organization and be accountable to all shareholders. The Board shall comprise at least one-third (1/3) of independent directors of the total number of directors but not less than three (3) persons and not less than half the total number of directors must have residence in the Kingdom. Each director must have qualifications as required by laws and AOT Articles of Association. At least one (1) director must have knowledge and expertise in accounting and finance.

The Board shall possess a wide range of qualifications, skills, experiences and expertise in particular areas that would yield some benefits to AOT. The Board shall be free from the management's control. The independent directors, who are key mechanisms in a good corporate governance system, shall express their opinions on matters relating to the business direction with discretion and straightforwardness.

In the event of the appointment of new directors, the Nomination Committee is responsible for considering, nominating, and selecting persons who possess qualifications specified in relevant criteria and laws, and are entitled to be nominated as directors to be proposed to the Board of Directors and/or shareholders for consideration pursuant to the AOT Articles of Association, with transparency. The director nomination shall be based on the Skill Matrix of the Board and the Director Pool of the Ministry of Finance, with due regard for Board diversity, e.g., gender, age, ethnicity, nationality, religion, and origin.

The newly appointed directors would be provided with useful information to perform their duties as well as site visits within three months from the date of appointment.

1.2 Sub-committees

The Board shall appoint sub-committees, namely the Audit Committee, the Nomination Committee, the Remuneration Committee, the Governance Committee, and the Risk Management Committee, each of which consists of directors who are knowledgeable, capable, and experienced to ensure effectiveness in AOT's operation.

1.2.1 Audit Committee

The Audit Committee shall consist of at least three (3) but not more than five (5) independent directors. At least one (1) director shall possess sufficient knowledge and experience in reviewing the reliability of financial statements. It is responsible for reviewing and freely expressing opinions to ensure that the operations are in compliance with the laws and that the appropriate and efficient good corporate governance, internal control, internal audit, risk management and financial accounting and reporting processes are in place. There shall be an Internal Audit Office, which directly reports to the Audit Committee, to review financial reports in cooperation with the management and external auditor(s) and perform any other acts as assigned by the Board.

1.2.2 Nomination Committee

The Nomination Committee shall consist of at least three (3) directors. At least one (1) director shall be independent. It is responsible for setting up a nomination policy, criteria, and procedures and proceeding with the nomination processes as approved by the Board to select qualified, ethical, and experienced persons who are appropriate for the position of directors or independent directors with transparency.

1.2.3 Remuneration Committee

The Remuneration Committee shall consist of at least three (3) non-executive directors. At least one (1) director shall be independent. It is responsible for considering criteria and methods for determining remunerations and benefits for directors, sub-committee members and working groups appointed by the Board in a fair and reasonable manner. Remunerations shall be based on the Board's duties and responsibilities, good corporate governance principles, practices in the same industry, performance, and business size of AOT, to be proposed to the shareholders' meeting for approval.

1.2.4 Governance Committee

The Good Governance Committee shall consist of at least three (3) directors. At least one (1) director shall be independent. It is responsible for specifying a policy, principles, and guidelines of corporate governance, corporate social responsibility towards sustainability and fraud prevention, disseminating policies, directions, and ethics to all concerned parties including the society and the environment, and ensuring continuous and appropriate corporate governance principles implemented to AOT.

1.2.5 Risk Management Committee

The Risk Management Committee shall consist of at least three (3) directors. At least half of the directors shall be independent and have no duties in AOT's management. It is responsible for setting AOT's risk management policy and operational framework, making suggestions regarding the risk management at the corporate level to the Board and the management, overseeing and promoting the success of risk management at the corporate level, proposing methods to prevent and mitigate risks at an acceptable level, monitoring, evaluating, and improving the operational plans to continuously mitigate risks as appropriate for the business situations.

2. Scope of Duties and Responsibilities

2.1 Duties

The Board, as shareholders' representatives, shall set out directions, targets and business policies, make significant decisions for AOT, professionally perform its duties in taking care of all parties' benefits, and follow up the management's performance. The Board shall grant the management the authority to perform its duties in accordance with the set targets. However, any important matters must be firstly approved by the Board.

2.2 Responsibilities

The Board shall clearly separate duties and responsibilities of the Board and the management as established in the AOT Articles of Association.

The Board shall set out vision, mission and important policy, monitor the management's performance, and ensure appropriate internal audit system and risk management process, good corporate governance and communication with stakeholders and public, and encourage cooperation for sustainable benefits.

The Board is responsible for reporting its own or related persons' interests involving the management of AOT or subsidiaries. Any changes in the interests shall also be reported by providing additional details in the Form to Report on Conflict of Interest of the Board according to the defined criteria.

3. Self-evaluation of Director

The Board shall provide self-evaluation regularly, at least once a year, to allow all members of the Board to consider the Board's performance and solve the problems for further improvements. A benchmark of the Board's performance shall be systematically set in advance.

The Board shall evaluate the Board's collective and individual performances and disclose the process, the criteria used in conducting the Board evaluation, and the summarized results thereof in Form 56-1 One Report.

4. Internal Information Control

The staff at all levels of AOT shall not be allowed to utilize the internal information, which might cause a major change in share prices and has not been revealed to the public, for their own or others' interests. It is the duty of the Board and management to report the purchase or sale of AOT's shares in accordance with the laws. The blackout period of AOT's shares shall be one month before the announcement of financial statements to the public. The Board shall report the purchase or sale of shares to AOT at least one (1) day ahead of the date of purchase or sale of shares via the Corporate Secretary. This matter will then be reported to the Board Meeting for acknowledgement.

5. Communication with the Board

The Board shall provide channels for stakeholders to communicate directly with the Corporate Governance Committee. The stakeholders could communicate with, inform useful information or make some useful suggestions to AOT by sending e-mail via AOT's website.

6. Board Meetings

6.1 The Board shall conduct monthly meetings and extraordinary meetings if necessary. The Chairman of the Board shall allocate sufficient time for the directors to discuss the issues relating to management and corporate governance, carefully and effectively consider the matters to be included in the meeting agenda, encourage the management to freely express their opinions, and invite top management to provide necessary information for consideration of important matters in the meeting.

6.2 The Board shall attend at least 80% of the total number of meetings held in a year.

6.3 The Board shall have a policy to arrange a meeting whereby there are only non-executive directors attending as necessary at least once a year according to the principles of good corporate governance.

6.4 A resolution must be approved by at least two-thirds (2/3) of the total number of directors present at the meeting.

7. Term of Office of Director

At every Annual General Meeting, one-third (1/3) of the directors shall retire. If the number of directors is not in line with the one-third (1/3) requirement, the number closest to one-third (1/3) shall be enforced. The directors to retire in the first and the second years following the registration of the company shall be drawn by lots. In subsequent years, the directors who have been in office for the longest term shall resign. A retiring director may be re-appointed.

However, Section 8, paragraph 2 of Standard Qualifications for State Enterprise Board Members and Staff Act B.E. 2518 (1975), provides that a director of state enterprise, whose directorship is not by position according to the laws or decrees, shall serve a three-year term of office and may be re-appointed after completion of the term.

8. Term of Office of Independent Director

The Board specifies that the independent director shall hold office not more than nine (9) consecutive years from the date of the first appointment as independent director.

9. Directorship in Other State Enterprises and/or Other Juristic Persons

To ensure that the adequate number of directors could allocate time to efficiently perform their duties, directors shall hold a director position in state enterprises and/or juristic persons as follows;

9.1 Directors shall hold a director position in no more than three (3) state enterprises and/or juristic persons in which state enterprises are shareholders.

9.2 Directors shall hold a director position in no more than five (5) companies listed in the Stock Exchange of Thailand.

10. Termination of Directorship

The Board shall retire at 65 years of age, effective from the following day on which the director in question has attained that age. Also, the resignation letter made in writing must be submitted to AOT.

11. Internal Control

The Board shall ensure that AOT has established complete internal control and audit systems in the areas of finance, operation and compliance to relevant laws, regulations, and articles of association. Efficient check and balance mechanisms shall be put in place to protect, maintain, and take care of the shareholders' investment funds and AOT's assets on a regular basis. The Board shall clearly set workflow procedures, levels of authority, and responsibilities for the management and staff in writing. An independent Internal Audit Office, which reports directly to the Audit Committee, shall also be established to ensure that all units of AOT, both business and supporting ones, operate in line with the established regulations.

12. Risk Management

The Board shall ensure that AOT has a complete risk management system covering risk factors relating to vision, objective, business strategy, finance and other areas of operation. In addition, the Board shall also consider potential impacts and intensity levels of impacts, clearly set out preventive and corrective actions to mitigate risks, and identify responsible persons and methods of reporting and monitoring.

13. Compliance

The Board shall establish an efficient compliance system to ensure AOT staff's compliance with laws and regulations of AOT.

14. Conflict of Interest

The Board shall not allow directors, management and employees to seek personal gains from or engage in business in direct competition with AOT or transactions that may lead to conflict of interest with AOT. If such transaction is unavoidable, the Board shall ensure that the transaction is carried out with transparency and fairness similar to transactions carried out with third parties. However, directors, management or employees having an interest in the transaction must not be involved in its approval process.

If a transaction is considered as a connected transaction according to the Notification of the Stock Exchange of Thailand, the Board shall ensure strict compliance with the rules and procedures regarding information disclosure of transaction by listed companies.

15. Succession Plan

The Board shall ensure that a succession plan for the position of top management is in place to enable AOT to be composed of executives who are knowledgeable and capable to succeed important positions in the future. For the position of President, it is required that qualification requirements and nomination processes be explicit and transparent.

16. Employees

The Board shall ensure that the appointment, transfer, reward and punishment of employees is conducted with fairness, based on standard criteria and key performance indicators. Employees are also given an opportunity to participate in determining the policy on employees.

17. Corporate Culture and Role Model of Top Management

The Board shall promote an appropriate corporate culture in the working atmosphere by assigning the management to propose the desired corporate culture and efficiently communicate it towards the employees to create a common understanding. Essentially, the Board and management must be a role model to all employees.

18. Respect for Human Rights

AOT shall respect and comply with the law on human rights by focusing on human dignity, right, freedom, and equality of the persons who are recognized or protected by both Thai and international laws, regardless of sex, age, race, nationality, religion, belief, political opinion, or disability.

19. Protection of Intellectual Property

AOT shall protect its own intellectual property from violation or use without permission as well as respect and not violate the intellectual property rights of others.

Monitoring and Performance Evaluation

The Board requires the management to report the factual operating results compared to set targets on a regular basis, including financial statements and progress on any areas of operations, to ensure continuous and efficient operations. In the event that the operations fail to perform as planned, the Board shall take part in or request the management to provide corrective solutions.

The Board and management shall assess the performance of the President and management in a respective order, based on targets and criteria of evaluation relating to strategic and annual plans to fix appropriate remunerations and incentives.

Corporate Social Responsibility for Sustainable Development

AOT is committed to operating its business with corporate social responsibility along the path towards sustainable development while being a crucial part of national economic development. AOT enhances confidence among all stakeholders through its efficient operations with virtues, ethics, transparency and accountability. In addition, AOT encourages its staff to adhere to core values to create a sustainable work culture. AOT also highlights the development of service innovation to continuously increase competitiveness in all dimensions. All in all, AOT strives towards becoming the world's leading airport operator with service excellence and responsibility towards the society and community while delivering value to AOT, the society, and the environment to mutually achieve stable and sustainable growth.

This Notification was made on 17 May 2024.

(Signature)

Police General

(Signature)

(SARAWUT SONGSIVILAI)

Chairman of the Corporate
Governance Committee
Airports of Thailand
Public Company Limited

(VISANU PRASATTONGSOTH)

Chairman of the Board
of Directors
Airports of Thailand
Public Company Limited