

The Company realizes the significance of life quality of not only the staff but also the motorists and the society around the Expressway routes in accordance with the guidelines of ISO 14001 Environmental Management System. The Company was then certified by SGS (Thailand) Limited in accordance with UKAS Standard of England and NAC Standard of Thailand on 14 November 2008, through the commitments of the management team and contribution of staff in realizing the significance and necessity as members of the world community with duty to preserve the environment.

The Company and staff, as Thai people, realize the national energy problems and deem it as a duty to jointly conserve energy. According to participation in the Energy Conservation Project in association with the Department of Alternative Energy Development and Efficiency (DEDE), the Ministry of Energy, since 1 March 2006 until the present, the Company's staff have continually engaged into energy conservation activities, whereby it has been included in the Company's policy on environment which shall be continuously implemented and improved, as follows:

1. Arranging the activities and training for staff's awareness of energy conservation;
2. Studying and analyzing factors affecting the use of energy;
3. Studying the energy saving methods without any effect on the efficiency in the Company's business operation without reducing the staff's quality of life;
4. Proposing the concept of energy conservation and prepare the action plan;
5. Adapting the achieved practical guidelines as part of routine operation.

9.5.3 Benefits

In order to determine the appropriate and competitive remuneration, to maintain the good and competent staff to work with the organization, the Company participated in the survey of wages and remuneration with the institute conducting wage survey every year. Therefore, it can be assured that the Company determines the fair and appropriate remuneration to the staff, including plan to improve the performance evaluation by the Performance Management System: PMS to increase staff's knowledge and skills and to determine fair remuneration for work performance for each staff. In addition to such remuneration for work performance, including various benefits as provided by law, the Company also realizes the significance of the quality of life of staff, therefore, the Company provides additional benefits in relation to health for staff by way of provision of Engerix-B vaccination to staff who have no immunity from such disease, including the yearly general medical examination and cancer examination to the staff. In 2009, the Company has provided cooperation in preventing the H1N1 flu pandemic by providing information for self care and others, keeping work place clean and sterile, and providing special welfare services to its staff at risk, namely, flu vaccination for special medical treated and examination.

Furthermore, the Company also provides security to staff in case of leaving employment or retirement, by establishing a provident fund, whereby the Company also arranges group life insurance for staff, so as to ensure security for staff family accordingly.

10 Internal Control

The Board of Directors has always realized the significance of its internal control system by authorizing the Audit Committee comprising independent directors to audit the evaluation of the internal control system, whereby the Internal Audit Office directly reporting to the Audit Committee performs the duty to audit the work operation system in various departments of the Company as per the annual audit plan approved by the Audit Committee to ensure each department's efficient and effective performance of work and optimized use of the Company's resources. This also includes the control of the work performance, the timely, accurate and reliable financial reports, as well as the compliance with the policy in accordance with the laws and regulations of the government agencies. Furthermore, the efficiency of the control system is regularly reviewed to ensure the optimum benefit to the shareholders from the business operation based on the fairness in terms of benefits to all interested persons. In addition, the Audit Committee shall have the duties to consider, select and submit for appointment of the auditor, including remuneration of the auditor, consider disclosure of the Company's connected transactions or any transactions which may give rise to any conflicts of interest to be accurate and complete.

In regard to risk management, the Company has major concern on this matter by authorizing the Corporate Governance and Risk Management Committee to take into account various risk factors currently sustained or threatened to be sustained in the future by the Company to analyze impact and possibility of such risks and to determine measures to prevent and deal with such risks. The efficiency of the risk management system is reviewed and evaluated every year, and for every time when the risk level has changed, the results are regularly monitored. The significant risk factors are described in Risk Factors on pages 26 to 31.

In 2009, the Audit Committee convened four meetings, whereby the executives of the Company attended all such meetings, and the Audit Committee convened a meeting with the auditor without the management attending the meeting in the consideration of the 2009 financial statements. The Board of Directors and the Audit Committee have evaluated the internal control system as per the internal control adequacy evaluation form, comprising five components, i.e., organization structure and environment, risk management, control of the performance of work of the management team, information and communication system, follow-up system for the performance of work along with the audit results of the Internal Audit Office, and concluded that the Company's internal control system was considered adequate and appropriate to the business operation without material fault in the internal control system; and it could prevent improper or unauthorized use by executives or employees of the property of the Company and the Subsidiary. The financial report of the Company was made in accordance with the generally accepted accounting principles. Disclosure of information in the financial report was accurate and reliable. The Company's business operation was in accordance with the law on securities and exchange and other applicable laws.

Furthermore, the Board of Directors, the Audit Committee and the auditor were of the opinion that the Company's business operation was in accordance with the transparent corporate governance principles, its internal control system was suitable, efficient and capable of preventing improper or unauthorized use by executives or employees of the property of the Company.

11 Connected Transactions

11.1 Principles

Transactions with persons who may have conflict of interest are subject to the conditions and criteria in the ordinary course of business. The execution of connected transactions and transactions with conflict of interest are in accordance with the regulations of the Stock Exchange of Thailand.

In the consideration and approval of any connected transaction, the Company shall propose such matter to the Board of Directors' Meeting, in which the directors having any involvement which may give rise to a conflict of interest shall not be entitled to attend and vote on such matter. Furthermore, the Audit Committee, as assigned by the Board of Directors, shall consider the disclosure of the Company's information in respect of the connected transaction or the transaction which may have conflict of interest, to ensure accuracy and completeness.

In respect of transactions with general commercial terms which the Company and its Subsidiary have or may have in the future, the Company has already requested approval in principle from the Board of Directors' Meeting No. 4/2008 on 26 November 2008, with the approval of the Audit Committee's Meeting No. 6/2008 on 12 November 2008 which already considered justification and nature of the transactions prior to submission thereof to the Board of Directors for consideration.