



## Objectives, Facts and Reasons of BOD's Opinions for Shareholders' Consideration

.....

### **Agenda 1 : To consider and adopt the minutes of 2018 Annual General Meeting of Shareholders**

#### Objectives, Facts and Reasons

The Company Secretary prepared the minutes of the Annual General Meeting of Shareholders for the year 2018 which was held on 25 April 2018 and were subsequently certified by the Company's Board of Directors who agreed that the minutes were correctly recorded the resolutions of the Annual General Meeting of Shareholders for the year 2018. Apart from having been delivered to the Stock Exchange of Thailand within 14 days from the date of the meeting as required by law, the minutes have also been posted on the Company's website at [www.pps.co.th](http://www.pps.co.th) for the shareholders to acknowledge them and check their accuracy within an appropriate time. Nobody raised any objections or requested an amendment to the minutes, as detailed in attachment No. 2. Therefore, it was deemed appropriate to present the minutes of the Annual General Meeting of Shareholders for the Year 2018 to the Annual General Meeting of Shareholders for approval.

### **Agenda 2 : To acknowledge the Board of Directors' report on the Company's operating results for year 2018 and Company's future business plan.**

#### Objectives, Facts and Reasons

The report by the Board of Directors with respect of the Company's business performance for the year 2018 ended on 31 December 2018 has been prepared to report the operational results of the Company during 2018. The Board of Directors, having considered and deemed it was correct and sufficient, hereby proposes the Annual General Meeting of Shareholders to acknowledge the Company's business performance during 2018, ended on 31 December 2018, as contained in the Annual Report delivered to the shareholders together with this Invitation Letter (Attachment No. 3).

### **Agenda 3 : To consider and approve the balance sheet (statement of financial position) and statement of income for the year ended 31 December 2018**

#### Objectives, Facts and Reasons

The audited statement of financial position, statement of income and the auditor's report for the accounting period ended on 31 December 2018 have been prepared and audited by the auditors of the Company, as detailed in the Annual Report (Attachment No.3). The Board of Directors and the Audit Committee, having considered and deemed them were correct, completed and sufficient pursuant to the generally accepted accounting standards, hereby propose that the Annual General Meeting of Shareholders approve the balance sheet and the profit and loss statement for the accounting period ended on 31 December 2018 in accordance with section 112 of the Public Limited Companies Act B.E.2535 (A.D.1992).

### **Agenda 4 : To approve the allocation of the year 2018 net profit as legal reserve.**

#### Objectives, Facts and Reasons

Section 115 of the Public Limited Companies Act B.E.2535 (A.D.1992) and article 47 of the Company's regulations state that the Company has to allocate annual net profit for minimum of 5% of annual net profit as a reserve deducted by accumulated deficit (if available) until the reserves has reach 10% of the Company's registered capital.

Regarding to the Company's operating results, the Board of Directors considered that the Company net profit of the year was Baht 7,342,411 (separate financial statement) and agreed to allocate legal reserve as Baht 368,000 (Calculated by 5.01% of year 2018 net profit) effects to the Company's legal reserve increase to Baht 8,018,000 or 5.01%



## Agenda 5 : To consider and approve the dividend payment for 2018

### Objectives, Facts and Reasons

The Company has announced the dividend payout policy from annual net profit regarding following factors. (1) The Company's operation performance (2) The Company has no accumulated deficit and (3) The Company has adequate cash to pay dividend. The Company's dividend policy is willing to payout at least 40 percent of the net profit after deduction for all reservations required by law by considering for the separate company's financial statements. The Board of Directors have the right to exempt such compilation of occasionally amend such policy.

Regarding to the Company's operating results, the Board of agreed to allocate cash dividend payment to the shareholders in the ratio of Baht 0.02 per share from retained earnings. As the Company had paid the interim dividend to the shareholders on 7 September 2018 in the ratio of Baht 0.01 per share, so the remaining dividend will be paid of Baht 0.01 per share or in the amount of not exceed Baht 8,598,551.42. Total of dividend payment for year 2018 is not exceed Baht 16,720,135.91. The Dividend Payout Ratio equivalent to 239.74% of net profit after legal reserve for the year 2018, as comply with the dividend policy, or 58.72 % of unappropriated retained earnings prior year 2018 dividend has paid.

All dividend shall be deducted the withholding tax on the rate as legally designated. The Company will deduct withholding tax to all dividend paid as cash.

However, the approval of proposed right to receive such cash dividend remains amid uncertainty as it must be approved from shareholders at the Annual General Meeting 2019. If AGM approve to this agendum as proposed, the Record Date for the rights to receive the dividend will be on 7 May 2019. The cash dividend shall be paid on 22 May 2019.

Details of Dividend payout	Year 2018 (proposed)	Year 2017	Year 2016
1. Net Profit after Legal Reserve (million Baht)	6.97	46.89	32.87
2. Number of shares (million shares)	859.85	797.79	509.58
3. Dividend per share (Baht per share)	0.02	0.0	0.05556
4. Total Dividend payout (million Baht)	16.72*	31.91	28.31
5. Dividend payout ratio (% of net profit in year)	239.74	68.05	90.68

### Comparison of Dividend ratio for operating results of the year 2016 to 2018

\* the Company had paid the interim dividend to the shareholders on 7 September 2018 in the ratio of Baht 0.01 per share based on purchased shares on date 24 August 2018 of 812.16 million shares amount Baht 8.12 million, so the remaining dividend will be paid of Baht 0.01 per share based on purchased shares on date 7 May 2019 of 859.85 million shares amount Baht 8.60 million.

## Agenda 6 : To approve appointment of the new directors in replacement of those who are due to retire by rotation and appointment of a new director

### Objectives, Facts and Reasons

Referring to Article 18 of the Company's regulations, one-third of the directors must retire from office at each AGM and those directors who have longest been in office must retire first. For the first and second anniversaries of the Company's registration, the directors must retire by drawing lots. For subsequent years thereafter, the directors who have longest been in office shall retire. The directors who retire may be re-elected to resume as director for another term.

Two directors are due to retire by rotation in the 2019 Annual General Shareholders' Meeting.

- |                          |                              |
|--------------------------|------------------------------|
| 1) Mr. Prasong Tharachai | Director / Chairman of BOD   |
| 2) Mr. Tat Thongpakdi    | Director / Managing Director |

The shareholders were given the opportunity to nominate the names of qualified persons for being considered to be elected as directors as required by the recruitment process in advance from 12 October 2018 to 28 December 2018 through the website of the Company. There was no proposal of nominated person as directors from any shareholders.



The Nomination and Remuneration Committee complied with and followed the nomination criteria and procedures, which are detailed in the Annual Report of 2018 (Attachment No.3 – Management Structure Section and recruitment of directors & management executives), taking into account the Company's structure of directors and individual directors' qualifications in various aspects. The Nomination and Remuneration Committee found that two directors are fit to work for the Company as the directors by reason of their qualifications, knowledge, abilities, experience and working performance in the past years, including their devotion and support to the Company's business operation for the Company's benefit. Furthermore, all the two directors are free of restricted characteristics, e.g. never being punished for the discharge or dismissal due to the fraudulent performance of duty, never being convicted with imprisonment sentence or found guilty relating to the unfaithful acquisition of property, and never being engaged in any business or holding shares in any business in the manner of competing against the Company's business. Therefore the Nomination and Remuneration Committee propose to appoint one director who are going to be retired by rotation to serve another term on the Board, which is as following.

- |                          |                              |
|--------------------------|------------------------------|
| 1) Mr. Prasong Tharachai | Director / Chairman of BOD   |
| 2) Mr. Tat Thongpakdi    | Director / Managing Director |

The Nomination & Remuneration Committee and the Board of Directors have also considered and will propose to appoint Mr. Phisit Saeng-Chuto as a new director (Independent director / Audit Committee). Mr. Phisit Saeng-Chuto has passed evaluation from the Nomination & Remuneration Committee that he is fully qualified in compliance to qualification criteria of the Company's director.

The directors, excluding those with an interest in this agenda item, considered the opinion of the Nomination and Remuneration Committee and agreed that Mr. Prasong Tharachai, Mr. Tat Thongpakdi and Mr. Phisit Saeng-Chuto have full qualifications required by the Public Limited Companies Act B.E.2535 (A.D.1992), with knowledge, ability, and experience relating to the Company's business, making them able to help develop the Company's business. Therefore, it was deemed appropriate to elect the three persons to be Company's directors. Their profiles and other supporting information are set out in Attachment No. 4.

Qualifications of the Company's independent director (Definition of Independent Director) meet the requirements of the Capital Market Supervisory Board (please see details of an independent director's qualifications (Definition of Independent Director) in the Annual Report of 2018 under the section "Structure and Components of Board of Directors", which was distributed to the shareholders together with this Invitation Letter (Attachment No. 3)).

#### **Agenda 7 : To approve the remuneration of the Company's Board of Directors for year 2019**

##### Objectives, Facts and Reasons

Article 34 of the Company's regulations state that the Company's board of directors have the right to receive remuneration package which is consist of salary, incentive bonus, meeting allowance, special remuneration (bonus payment), welfare and other benefits regarding to the refer regulation or under approval from AGM. The remuneration may be approved as fixed amount or varied base on practical criteria.

The company's policy on remuneration of directors (member of the board of directors, independent directors, executive directors and non-executive directors) is reasonably competitive rate to the same industry in order to retain qualified directors with the Company which has been approved by AGM. Directors who also be member of audit committee and / or nomination and remuneration committee and / or good governance & social responsibility committee and /or other committee shall receive much more remuneration regarding to increased tasks and responsibilities.

The nomination and remuneration committee, audit committee and board of directors have considered and passed resolution to propose the 2019 AGM for approval of criteria on remuneration of directors for year 2019 as following.



1) Remuneration as money : Maximum of Baht 1,000,000 (One million Baht) per annum for meeting allowance and maximum of Baht 2,000,000 (Two million Baht) per annum for special remuneration (bonus payment) depending on the company's operating performance for each particular year. The Chairman of BOD shall appropriately allocate the remuneration package for each director. The proposed remuneration is equal to the remuneration package of the Board of Directors for previous year.

Details of the Meeting Allowances rate are as following.

Directors – Board / Committee	2019 (proposed year)	2018 (previous year)
	Allowance per meeting	Allowance per meeting
<b>The Board of Directors</b>		
Chairman	15,000 Baht	15,000 Baht
Vice Chairman	13,000 Baht	13,000 Baht
Other directors	10,000 Baht	10,000 Baht
<b>Audit Committee</b>		
Chairman	15,000 Baht	15,000 Baht
Other directors	10,000 Baht	10,000 Baht
<b>Nomination and Remuneration Committee</b>		
Chairperson	10,000 Baht	10,000 Baht
Other directors	10,000 Baht	10,000 Baht
<b>Good Governance &amp; Social Responsibility Committee</b>		
Chairperson	10,000 Baht	10,000 Baht
Other directors	10,000 Baht	10,000 Baht

2) Regular Monthly Remuneration, Salary and Other Allowances : None

#### **Agenda 8 : To approve the appointment of auditors and fix their remuneration for year 2019**

##### Objectives, Facts and Reasons

Section 120 of the Public Limited Companies Act B.E.2535 (A.D.1992) requires that each annual general meeting of shareholders appoint an auditor and fix his/her remuneration year to year. An existing auditor is eligible for re-election.

Under the Notification of the Securities and Exchange Commission No. Kor Chor 39/2005 Re: Rules, conditions and procedures for information disclosure relating to the financial condition and operating results of issuing companies (No. 20), an issuing company must ensure the rotation of its auditor if any auditor has been appointed to conduct the audit work for it for more than five (5) consecutive accounting years. However, the requirement of rotation does not mean a change of the audit firm; in other words, other members working for the same audit firm as the existing auditor may be elected to replace the existing auditor.

The audit committee and the board of directors have considered focused on independent and competent of external auditors and agreed to appoint auditors from D I A International Audit Company Limited (proposed for the ninth year) namely Miss Somjintana Pholhirunrat, CPA No. 5599 (proposed for the ninth year but never sign) or Miss Suphaphorn Mangjit, CPA No. 8125 (proposed for the fourth year and signed for three consecutive year) as the Company's auditor for the year 2019 (the ninth year). Auditors from D I A International Audit Company Limited had been appointed as the Company's auditors for year 2018 with excellent performance and all these two auditors' qualifications do not conflict with the rules of the Stock Exchange of Thailand.



The auditor's remuneration for the year 2019 amounts to Baht 860,000. None of the above auditors provide other services, except for the audit service, to the Company or have any relationship or interest in or with the Company or its subsidiaries, executives or major shareholders and any affiliates of the above persons.

Auditor's Remuneration	Year 2019 (Proposed year)	Year 2018 (previous year)
Audit Fee for Project Planning Service Public Company Limited including of consolidated financial statements	860,000	800,000
Other Fee / Non – Audit Fee	None	None

The auditor's remuneration for the year 2019 amounts to Baht 475,000 for 4 (four) following subsidiaries (1) PPS Oneworks Company Limited (2) PPS Innovation Company Limited. (3) Ensemble Equity Pte. Ltd. (4) Sapat Project Co.,Ltd. These four companies' auditing fees in totaling of Baht 475,000 then agreed to appoint Miss Somjintana Pholhirunrat (CPA No. 5599) or Miss Suphaphorn Mangjit (CPA No. 8125).

None of the above auditors provide other services to the Company and had no relations and/or conflict of interest with the Company/ its management/ major shareholders or involved persons.

Auditor's Remuneration	Year 2019 (Proposed year)	Year 2018 (previous year)
Audit Fee for the Company's subsidiaries	475,000	581,000
(1) PPS Oneworks Company Limited	Included	included
(2) PPS Innovation Company Limited	Included	included
(3) Ensemble Equity Pte.,Ltd.	Included	included
(4) Sapat Project Company Limited	Included	included
Other Fee / Non – Audit Fee	None	None

Brief profile and relevant information of nominated auditors is present in Attachment No. 5

#### **Agenda 9 : Other business (if any)**

This agenda is for the shareholders to query (if any) and/or for the Board of Directors to give answers or clarification (if any) to the shareholders. No any other businesses will be considered and approved or resolved under this agenda item.