

Internal Controls

The board of directors established an internal control system which is adequate and appropriate to the Company. They also provided a risk management system that analyzes and assesses risk factors, internal and external factors, which may have an impact on business operations, including supervising business operations to be in line with goals, objectives, laws and related requirements efficiently, providing anti-corruption policy and communicating to all employees to acknowledge and strictly adhere. This is provided with a review and a report on audit results to the board of directors regularly. The board will jointly evaluate the internal control system from the assessment report of the audit committee using the Internal Control Adequacy Evaluation Form of the Office of the Securities and Exchange Commission, consistent with guidelines of internal control according to standards of COSO (The Committee of Sponsoring Organization of The Tread way Commission) in all five elements as follows:

1. Internal Controls of the Organization, consisting of

- Clear preparation of the Business Ethics Manual to guide the conduct of directors, management and employees.
- The board of directors are those who are qualified and not contrary to the Public Limited Companies Act B.E.2535 or any other relevant laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC), including the Company's Articles. They are knowledgeable, have ability and experience from various professions which are beneficial to the business operations of the company and they perform their duties according to the Committee Charter strictly.
- Provide line reporting structure and decentralization and define authorities of executives with appropriate responsibilities and command under supervision of the board of directors.
- Continually develop human resources by providing consistent training at all levels, including supporting education of staff and preparing management or staff to be ready for a higher position, or an increased capacity of work. There is also a process of selecting successors of the key positions to prepare for the case of lack of personnel with the knowledge and ability in a timely manner.
- The board of directors and executives has considered the amount of work and number of employees to achieve optimal performance of employees at each location, with Key Performance Indicators (KPI) for their performance, employee benefits, including applying competency as a tool for human resource management in creating incentives and rewarding staff appropriately.

2. Risk Assessment, consisting of:

- The Company has identified risks in the areas of strategic risk, financial risk, operational risk, compliance risk and IT risk that could affect business operations. The risk management committee is responsible for setting policies or guidelines on risk management for the main mission. The committee assigned management at every level to be effectively involved in risk management and followed up the risk management of different departments with internal audit units that monitor and assess risk management in order to be in compliance with the Company's policies and guidelines.
- The Company assessed the likelihood of fraud in various areas such as finances, assets, and corruption in order to define measures to effectively prevent it.

3. Operational Controls, consisting of

- The Company has policies and procedures appropriate to the risks associated with activities, functions and processes of work in order for the organization to minimize damage from the risks
- The Company defines measures on connected transactions between the Company and the related party or persons who may have conflicts of interest to conform to the rules of the Securities Exchange of Thailand and the Office of Securities and Exchange Commission, by bringing this issue into the meeting of the executive committee, meeting of the audit committee and meeting of the board of directors or meeting of shareholders, as the case may be.
- Provide a work manual for performance of all work fields as a reference, with the executive committee supervising and ensuring compliance with the Company policies.
- Provide a financial unit and legal unit in monitoring compliance with the terms of transactions with the third party. And there are also the auditors, both internal and external, to check its accuracy.

4. Information and Communication System, consisting of

- Develop information and communication technology to cover all processes continuously, including focusing on security of information technology and electronic data storage.
- Communicate within the organization to acknowledge the objectives and responsibilities so that employees at all levels are always aware of the risks and internal control.
- Establish communication channels that are linked across an entire organization, as well as evaluating and monitoring in order to get information that is correct and reliable so that management can use the information to make timely decisions.
- Add channels for third parties to communicate the potential impacts on the organization or recommendations on products and services to contribute to development of innovation.
- Provide an extra communication channel for stakeholders to inform clues about embezzlement or fraud via website (www.origin.co.th) or send a letter to the secretary to the audit committee of Origin Property (Public) Company Limited at 496 Moo 9, Soi Bearing 16, Sukhumvit 107 Road, Samrong Nuea Sub-district, Mueang District, Samut Prakan Province, 10270.

5. Monitoring Systems, consisting of

- Monitoring implementation of the strategic plan if it is in line with the goals, with presentation of operating results of the Company to the executive committee meeting on a monthly basis.
- Internal audit unit is responsible for monitoring and the evaluation of the internal control system and reporting directly to the audit committee on a quarterly basis.
- Internal audit unit is responsible for monitoring the internal control system. If a defect is found, it will be communicated to the responsible person, including management and the audit committee, as appropriate in order to jointly discuss the solution and set a period for completion, and then report the internal audit result to the audit committee. And then, the internal audit unit will follow up and report to the audit committee further.

The Company appointed P&L Internal Audit (“P&L”) to review the adequacy of the Company’s internal control systems and monitor the Company’s key processes to ensure that the policies and practices are adequate and appropriate as well as efficient and effective. The processes were reviewed in 4 areas: (1) control environment; (2) human resource processes (3) land acquisition, constructional designs and contractor processes (4) revenue acknowledgment processes. From the meeting of the audit committee board No. 7/2016, held on September 17, 2016, a resolution was made to approve the assessment report on internal controls. It is seen that executives focused on improving ways and processes and making corrections as strictly recommended by P&L. This included continuously monitoring improvements and corrections.

At the audit committee board meeting No. 1/2016, held on January 21, 2016, a resolution was made to approve self-assessment of the audit committee board for the year 2016 in order to assess the alignment of the audit committee board with corporate governance.

In addition to this, the board of directors meeting No.2/2016, held on February 28, 2016, made a resolution to approve the results of the Company’s internal control system assessment. The Company’s board of directors considered the Company’s internal control systems to be adequate and appropriate and would continually report the follow up results.