



## Good Corporate Governance Performance Report

The Company gives precedence to efficient, transparent, and verifiable management system, leading to confidence of all related parties and sustainable growth of the Company's business. To operate ethnically and compliance with related laws, the Company has established a good corporate governance policy to enhance the existing operation to be in clear standard and distribute to the employees in all level in order to reinforce a culture of corporate governance.

The Board of Directors' Meeting held in 2016 reviewed and approved the corporate governance policy, which the charter of the Audit Committee was revised by adding annual self-assessing the Audit Committee's performance and reporting to the Board of Directors.

### Corporate Governance Report of Listed Companies 2016

According to the Corporate Governance Report of Thai Listed Companies 2016 evaluated by the Thai Institute of Directors (IOD), the result of the corporate of the Company was improved to the level of excellent or 4 stars with score of 87% and in the Top Quartile of listed companies with market capitalization of Baht 1,000-2,999 Million, compared with the level of excellent or 4 stars with score of 84% in 2015, while the average score of all listed companies under the survey was 78%.

### Quality of Annual General Meeting of Shareholders 2016

According to the evaluation of the quality of Annual General Meetings of Shareholders 2016 of listed companies, carried out by the Thai Investors Association, the result of the quality evaluation the Company was rated superb with score of 97.75%, compared with 99.63% of 2015, while the average score of all listed companies under the survey was 91.62%.

In 2016, the company performed its operation in accordance with good corporate governance, which is in line with 5 sections of the 2006 good corporate governance guidelines promoted by the Stock Exchange of Thailand (SET) as follows:

## Section 1 The Rights of Shareholders

The Company takes the shareholders' fundamental rights into account and recognizes the importance of all shareholders both in terms of investors and owners of the Company, for instance right to buy, sell, and transfer shares held independently; right to share dividends from the Company's retained earnings; right to obtain relevant and sufficient information of the Company; right to participate in the Annual General Meeting of Shareholders; the rights to give their opinions; right to make decisions on the key issues of the company such as dividend payment, the appointment of directors, nomination of auditor, approval for important transactions that affect direction of the business operation, amendment of the Memorandum of Association and/or the Articles of Association, etc.

In addition to the fundamental rights as stated above, the Company also follows the criteria on the rights of shareholders including institute shareholders as follows:



1. As the Company is required to convene an annual general meeting of shareholders within four months from the last day of its fiscal year, the Company held the Annual General Meeting of Shareholders 2016 on April 21, 2016 at 2.00 pm. at Sitarom Room, 2nd Floor, Phranakorn Grand View Hotel, Phranakhon Rajabhat University, 9 Chaengwattana Road, Anusawari, Bangkok, Bangkok 10220. The Company established the notice of Meeting specifying the venue, date, time, agenda, and items with appropriate details to be proposed to the Shareholders' Meeting. The shareholders were informed on the date and agenda of the meeting via SET's communication system 55 days prior to the meeting date. The proposed items, submitted together with the comments of the Board of Directors, in both Thai and English, were identified clearly whether they are for information, approval, or consideration as the case maybe. The Company also disclosed the invitation letter as well as related documents on the Company's website 34 days before meeting date so that the shareholder have sufficient time for consideration. After that, same documents were delivered to the shareholders by TSD, the Company's registrar, within 14 days before the meeting date. Furthermore, the invitation letter was 3 days continually published on the newspaper 22 days prior to the meeting date according to the law.
2. The Company encouraged the Board of Directors, the management, and relevant organizations, including the external auditor to participate the Shareholders' Meeting simultaneously. In the Annual General Meeting of Shareholders 2016, Board of Directors consisted of 6 directors and 5 of them attended the meeting, In addition, the Chief Financial Officer (CFO) and the auditor participated this Meeting.
3. The Company provided the shareholders some chance for delivery any comment, suggestion, and questions to the Company prior to the Shareholders' Meeting date. In the Annual General Meeting of Shareholders 2016, the Company announced on the Company's website to invite shareholders to propose agenda items in advance during October 1 to December 31, 2015.
4. Before starting the Shareholders' Meeting, the Chairman clearly informed all rules to be used in the Meeting and the procedures of voting for each agenda resolution.
5. In the Shareholders' Meeting, before casting the votes in each agenda, the Company provided the shareholders some chance to share their opinions, suggestions, or questions independently and equally. The relevant directors and management attending the Shareholders' Meeting provided the answers for the shareholders. The key issues and comments were recorded in the minute of the Meeting for shareholders' verification.
6. To elect directors in the Shareholders' Meeting, the Company gave opportunity to shareholders to vote director, one by one, which shareholders are entitled to elect a qualified person to be the Company's director.
7. The Company ran the Shareholders' Meeting by following the agenda provided in the notice of the Meeting. The Company did not add any agenda or change priority of them.
8. To be transparent and verifiable, the Company used voting cards for all agendas. In addition, the registration and vote submission of the Shareholders were carried out via computer system for



quick and precise process. Additionally, the representative of the auditor was invited to be an inspector in the vote counting.

9. After the Meeting, the Company announced the voting result and the resolutions of the Shareholders' Meeting not later than 9.00 a.m. on the next business day after the Shareholders' Meeting date via the system of the Stock Exchange of Thailand (SET) and the Company's website. The Company also established the minute of the Meeting with correct and complete information within 14 days after the Shareholders' Meeting date and then announced it via the system of the Stock Exchange of Thailand (SET) and the Company's website for the Shareholders' verification.

## Section 2 The Equitable Treatment of Shareholders

### 1. Proposal of agenda and nominated directors

The Company has policy to treat all shareholder groups which are major, minor, management or non-management, with equality. One or several shareholders holding the Company's shares, minimum share in amount of 2,000,000 shares, are allowed to propose additional agendas of the Annual General Meeting of Shareholders and nominated persons who have knowledge, competency, and qualification for election as directors in advance. Thus, the Board of Directors shall consider and select such issue for being an agenda of the Meeting of Shareholders. By this case, the Company has determined clear criteria of entitlement and announced to the shareholders via the Company's website.

In the Annual General Meeting of Shareholders 2016, the Company invited shareholders to propose agenda and to nominate qualified candidates to be elected as directors in advance from October 1, to December 31, 2015. However, no shareholder proposed any additional agenda and nominated directors.

### 2. Appointment of proxies in the Shareholders' Meeting

The Company sent Proxy Form B. determined by Ministry of Commerce, together with the notice of the Meeting so that shareholders can appoint other persons as their proxy to attend the meeting and vote on their behalf in the case that they are unable to attend the meeting. In this regard, in case that shareholders prefer to use Proxy Form A. or Proxy Form C., they can download such Proxy Form from the Company's website. Shareholders independently decide to select any proxy form as they prefer, however the Company encourage shareholders to use Proxy form B. since they can specify the voting for each agenda item by themselves. In addition, the Company proposed an independent director to be appointed as proxy, attached together with the invitation letter.

### 3. Use of inside information

To ensure fairness and equality for all stakeholders, the Company strictly controlled usage of inside information to prevent abusive self-dealing. The Company has established guidelines in written to maintain inside information of the Company and to protect use of internal information for personal benefits. Please see more information in the topic of inside information control.



#### 4. Conflict of Interest

The Company has determined guideline to handle conflict of interest issues transparently and verifiably, especially consideration of transaction between the Company and stakeholders or any relevant party. Once there was conflict of interest issue, the person who related to the issue must report the Company immediately without taking any part in consideration or vote in the issue. In addition, the Company has determined guidelines to prevent the relevant directors or management who has gain or loss in such issue take part in consideration of the transaction. Regarding the vote in the Board of Directors' Meeting, the director who has gain or loss in the conflict of interest issue shall not be entitled to vote in such issue.

### Section 3 The Role of Stakeholders

#### 1. Treatment of each stakeholder group

The Company takes majority in concerning the rights of all stakeholder groups, include internal stakeholders i.e. shareholders, management, and employees of the Company; or external stakeholders e.g. creditors, clients, suppliers, competitors, public sector, society and community etc. Thus, the Company shall perform in accordance with related laws and regulations to take good care of the stakeholders' rights. In addition, the Company always operates its business by concerning of the rights of all stakeholders according to the following guidelines;

**Shareholders** : The Company has its policy to make equitable treatment of shareholders, keep shareholders' benefits, and avoid performing in infringe or refrain the shareholders' rights, including respect to the shareholders' rights of acknowledgment of the Company's information. Thus, the Company shall disclose information to shareholders equally, consistently, correctly, and completely; including provide the shareholders opportunity in query, providing an opinion, suggestion, include proposing additional agenda and nominated directors in the Shareholders' Meeting. Moreover, the Company shall create sustainable growth in order to continuously increase value-added and appropriate returns to the shareholder, as well as operate business in accordance with the Good Corporate Governance.

**Employees** : The Company always recognizes that employees are one of the key assets for development of the Company's growth. Thus, the Company shall treat all employees equally and fairly. The Company has established clear procedures about remuneration, compensation and benefits of employees, such as performance appraisal by KPI, establishment of provident fund, general purpose loan from Government Housing Bank to facilitate employees with special interest rate as well as monthly loan repayment directly from their salary, accidental insurance, annual physical check, other allowances i.e. funeral



allowance etc. In addition, the Company also arranges some activities for building employees relationship such as sport activity, New Year party, merit making ceremony at the Company's head office and factory, birthday party; grant annual rewards to operation staff at branch whose performance are outstanding in specified aspects; grant rewards to factory model employees; develop employees' competency; provides good environment and takes care of employees' health in the workplace for their safety; considers opinion, suggestion, complaint and whistleblowing of employees in all level equally and equitably thru various channels specified by the Company; including strictly performs in accordance with laws and regulation related to employees.

In 2016, the average training hours of employees were equal to 11.90 hours per man.

**Clients** : The Company has policy and procedure to continuously develop quality of goods and service to maximize customers' satisfaction. Thus, the Company shall deliver good, qualified, clean, safe products/service in fair and reasonable price; build good relationship with customers, be friendly with customers, consistently arrange customer satisfaction survey, including provide some channels to receive customers' complaint and suggestion to resolve or improve some mistake or problems quickly.

**Suppliers** : The Company recognizes in equality, fair, non-exploit, and integrity in business operation, protect mutual benefits with suppliers, and operate business with code of conduct. The Company has determined clear procedures for suppliers' selection, including prohibited for request, receipt, or payment of any dishonest benefits from/to the suppliers. The Company has sent the notification letters to all suppliers regarding the Company anti-corruption policy since January 21, 2014.

**Creditors** : The Company has established approach and procedure not to infringe creditors' rights by strictly perform in accordance with terms and conditions in the loan agreement, make repayment as scheduled, not apply loan in the way that oppose to the objectives agreed in the agreement, not use dishonest approach to conceal information or fact which may cause some damage to the creditors, including not request, not receive, or not pay any dishonest benefits from/to the creditors.

**Competitors** : The Company has policy and procedure to compete with trade competitors based on good competition treaty without obstructing other persons/parties in business competition. The Company shall not find any confidential information or secret of trade competitors by inappropriate or dishonest approach, including not accuse any trade competitors without fact or make any unfair action for competition.



Community, society, and environment : The Company takes majority concern in community, society, and environment regarding both safety and quality of life, encourage employees to use resources efficiently and prudently and operate business concerning environment effect. The Company, therefore, strictly follows the applicable laws and regulations related to environment by establishing the measure to avoid draining waste water from the factory to public water source. The waste water from the Company's factory must be treated and returned to use internally only. The Company also participates in some activities for development of community, society, and environment, i.e. the program to support students in doing part-time work, drug-free workplace project, supporting activities of the Children Day in community, etc.

## 2. Whistleblowing Channel

The Company has managed the means for stakeholders enabling to send their suggestions, opinions, queries, and complaints directly to our Chairman at email address : [chairman@hotpot.co.th](mailto:chairman@hotpot.co.th) or via the company website or suggestion box at branch restaurant or direct phone call according to telephone number as posted a notice at every branch restaurant.

The Company shall proceed with its investigations pursuant to the procedure and record the outcomes in writing without disclosure of whistle-blower's name including keeping complaint filing confidentially for protection of contingent impact toward that whistleblower.

## Section 4 Disclosure and Transparency

The Board of Directors has strong determination to reveal correct, complete, updated, and reliable information necessary for making decisions of the investors and stakeholders, while adhering to the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), including other information influence on decisions of the investors and stakeholders. The Company has disclosed the Company's information as follows:

- Prepare financial report and the Management Discussion and Analysis (MD&A) as supplement of financial statements disclosure on quarter basis and disclosed via the Company's website as well as SET's online.
- The Company's financial statements have never been revised under the order of the Stock Exchange of Thailand and the Securities and Exchange Commission. The financial statements were also disclosed to shareholders and investors within specified timeframe. Furthermore, in 2016, the external auditor gave unqualified opinion with an emphasis of matters on Company's financial report regarding the change in accounting policy about revaluation for the land from using cost to fair market value approach to reflect the current value.



- Disclose shareholding of directors and executives in Annual Report and Annual Disclosure Information. In addition, the Company has a policy requiring directors and executives to report a change in their securities holding within 3 business days from the date the securities have been purchased, sold, transferred or accepted transfer. The Company's secretary shall coordinate on submission of such report to the Stock Exchange of Thailand and the Securities and Exchange Commission. It is also specified that any change of such securities holding of directors and executives shall be reported to the Board of Directors' Meeting quarterly.
- Disclosed connected transactions or transactions which might have conflicts of interest of directors and executives and reported to the Board of Directors for approval or acknowledge quarterly.
- Provided several channels for information disclosure, which were SET's Communication system, Annual Report, Annual Disclosure Information (Form 56-1), the Company's website in 2 languages both Thai and English, research analysts and investors visiting the Company and interviewing the executives, press release i.e. newspaper. Furthermore, the Company assigned the investor relations to answer any questions of investors, securities analysts, news reporters, and people in general all the time, which can be contacted by telephone number 02-943-8448 ext.1114 or e-mail address: [ir@hotpot.co.th](mailto:ir@hotpot.co.th) or on the Company's website.

The Company gives opportunities to institutional investors, retail investors, and securities analysts to attend meetings with the management to ask questions about business operation, performance, and business trend. In 2016, no investors and analysts requested for meeting with the Company's management.

## Section 5 Responsibilities of the Board of Directors

### 1. The Board of Directors' structure

#### 1) Composition of Board of Directors

The Board of Directors composed of the persons with diversity including knowledge, profession, skill, competency, sex and experience that are beneficial to the Company. The Board takes an important role in establishment of the policy and overview of the organization, business plan; overseeing, auditing and assessment of the Company's operating result to comply with the plan and in accordance with laws, regulations, and resolutions of the Shareholders' Meeting. The Board concerns in integrity, code of conduct of business operation; including controlling of the management's administration to meet specified goal and procedure, as well as maximize profits for the Company and shareholders.

As of December 31, 2016, there were 6 directors in the Board, composed of 2 Executive Directors comprising Chief Executive Officer and Deputy Chief Executive Officer, 1 Non-Executive Director, and 3 independent directors, equivalent to one-half of total numbers of directors. The Company's



independent directors have knowledge and expertise in management, finance and marketing. Moreover, one of executive director is female.

#### 2) Appointment of the Audit Committee

The Board of Directors has appointed the Audit Committee to support in corporate governance of the Company. The Chairman of the Board of Director and the Chairman of the Audit Committee is the same person because he has qualification and ability to give good advices of any issues of the Company's business. The Company has clearly segregated roles, duties and responsibilities of the Board of Directors, the Audit Committee, and the Executive Committee. The Audit Committee shall make decision independently, conduct its special assignment and propose it to the Board of Directors for consideration or acknowledge. The Chairman of the Board shall not take any other position in other sub-committees, except for the Chairman of the Audit Committee as mentioned above.

#### 3) Segregation of roles and responsibilities of the Chairman and the Chief Executive Director

The Company has determined that the Chairman of the Board of Director and the Chief Executive Officer shall not be the same person in order to clarify responsibilities among policy establishment, supervision, and routine administration by clear segregation of roles, duties and responsibilities between the Board of Directors and the Executives and enhance balance of operating power. The Board of Directors has duties to establish policy and supervise the executives' operations in policy level, whereas the executives have duties to manage operation pursuant to specified policies.

#### 4) Election and Term of Office

The Board of Directors shall hold the position for a certain term in accordance with the determination in the Articles of Association. In every subsequent year of the Annual General Meeting of Shareholders one-third of the directors, who have been longest in office, shall retire. In the case that the number of directors cannot be divided by three, then refer to the closet number. However, the retired directors are eligible to be re-elected for another term by obtaining majority vote. The Company has determined the terms of the Independent Directors that they can serve on the directorship no longer than 9 years.

#### 5) Position of Directors in other listed companies

According to the Company's policy, each director shall take positions in listed companies not more than 3 companies.

#### 6) Position of Executive Directors and the Chairman of Executive Committee in other listed companies

The Company has no policy to allow directors who are also executives and the Chairman of Executive Committee to be in positions in other listed companies (except for subsidiaries and associated companies of the Company), unless they are approved by the Board of Directors.



#### 7) Appointment of the Company's secretary

The Board of Directors shall appoint the Company's Secretary to take roles and responsibilities set by the Securities and Exchange Act.

### 2. Roles, Duties, and Responsibilities of the Board of Directors

1) The Board of Directors shall consider and approve key matters in the Company's operation i.e. vision and mission, strategy, action plan, and budget; as well as supervise the management to comply with the designed policy and plan effectively and efficiently. Vision and Mission shall be reviewed and approved in annual basis. The Board of Directors' Meeting no. 6/2016 held on November 10, 2015 considered to revise and approve vision, mission, strategies, business plans and budget for the year 2017 as well as acknowledged follow-up report on the implementation of 2016 strategy plan. Additionally, department managers are informed about vision, mission and strategy plans approved by the Board of Directors annually, so that they followed those strategy plans. In the Company's 2016 Annual Meeting, executives presented vision, mission, value, goals, objectives, and strategic plans for the year 2016 to branch managers and department managers for acknowledge and implementation.

2) The Board of Directors has clearly segregated roles and responsibility in formulation of corporate governance policy from daily administration. The Board of Directors shall not appoint same person to attain the position of the Chairman of the Board of Director and the Chairman of the Executive Committee.

3) The Board of Directors shall create, take part in, and approve the Corporate Governance Policy. The Board of Directors' Meeting no. 1/2011, held on July 18, 2011, passed the resolution to approve such policy. The Board shall regularly review the policy and performance in accordance with the policy. In 2015, the Board of Directors' meeting no. 1/2015, held on February 26, 2015, revised the Corporate Governance Policy and communicated to everyone in the organization to understand the policy clearly and correctly and enhance them to comply with the policy.

4) The Board of Director has established the Code of Conduct in written to comply with good conducting standard and to present its intention to operate business with transparency, integrity, morality, and take responsible for all stakeholders. In 2015, the Board of Directors' Meeting no. 4/2015, held on August 13, 2015, approved the revision of the Code of Conduct's manual in order to be suitable for the Company's business operation, circumstance of situation change and compliance with Good Corporate Governance Policy. Additional substance has been prepared to cover more practices of directors, executives and employees, treatment towards all groups of stakeholders and performance of duty. The Code of Conduct Manual shall be guidelines for work operation, and correct business practices, reflecting the Company's vision, mission and core value, and operational frameworks which directors, executives and employee at all levels shall abide and perform themselves and carry out their duties the defined code of conduct as follows:



- (1) Treatment toward all stakeholders comprised shareholders, employees, customers, business partners, creditors, competitors, society, community, and environment
- (2) Performing in compliance with law, relevant rules and regulations, and customs, traditions and good morals
- (3) Respect for human rights
- (4) Avoidance of infringement of intellectual property
- (5) Anti-corruption
- (6) Receiving and offering gifts, properties or other benefits
- (7) Conflicts of interest
- (8) Keeping confidential information, use of internal information and trading of the Company's securities
- (9) Protection of the Company's properties
- (10) Internal control
- (11) Distribution of information and interview with the press and the public
- (12) Ethics of directors and executives
- (13) Ethics of employees

In this regard, the Company has announced and informed directors, executives and, employees at all level to acknowledge and comply strictly with the Code of Conduct Manual as well as sign as evidence. The Code of Conduct is also defined as one topic in orientation for new employees. In addition, the Code of Conduct Manual is publicized on the Company's website.

In the Company's 2016 Annual Meeting, the executives presented the Code of Conduct to managers so that they realized the importance of the Code of Conduct and strictly abided by the Code of Conduct.

5) The Board of Directors has formulated the policy regarding conflicts of interest by prohibiting any directors, executives, and employees, include anyone related to such persons to find self-benefit which conflict to the Company's interest. By this case, all relevant persons must inform the Company their relationship or engagement in such transactions without participating in consideration and approval for such transactions.

The Audit Committee shall propose the Board of Directors the related transactions and transactions that may have conflicts of interest to consider appropriation of transactions carefully. The Company shall adhere to the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) regarding determination of pricing, terms and conditions with the person who may have conflicts of interests similar as making transaction with third party. The Company shall also



report such transactions in the financial statement, Annual Report, and Annual Disclosure Information (Form 56-1).

6) The Board of Directors is aware of efficient supervision, internal control and risk management of both management level and operational level. The internal control system and risk management are key mechanisms to create confidence of management in reduction of business risks and support in efficient business operation by allocating resources properly and achieving the determined target. It also help to protect assets from leaking out or loss by some fraud; make financial reports correct and reliable; control all personal to comply with related laws and regulations; and protect investment of the shareholders. Thus, general rules and practices have been set for management and staff in written notice, i.e. control for utilization of company's assets; distinguish roles and responsibility of operation, controller, and assessor to make balance and suitable verification among one another.

The Board of Directors assigns the Audit Committee to take responsible for reviewing the appropriation and efficiency of the internal control system and risk management, including establish and review the control system of operation; financial report; compliance to rules, regulations, policies, corporate governance as well as risk management, with high awareness of warning signal and irregular items.

In addition, the Audit Committee considered hiring an external entity, Quantum Point Consulting Co., Ltd., to be the internal auditor who is responsible for auditing to ensure that the internal control system is sufficient and appropriate. The internal auditor shall report directly to the Audit Committee, so that it is independent and can perform its auditing duties and counterbalance extremely. The Chairman of the Board, who is also the Chairman of the Audit Committee, will report the summary of internal auditing result prepared by the internal auditor to the Board of Directors for consideration on quarterly basis, so that inappropriate work process will be corrected and improved. The Company shall assess sufficiency of the internal control system at least once a year to ensure that the system operates efficiently. In this regard, the Company Sectary is delegated to coordinate between the internal auditor and other departments in the Company.

7) The Board of Directors is responsible for the Company's consolidated financial statements by assign the Audit Committee to review financial reports and ensure that they were well prepared in accordance with the general acceptance-accounting standard in Thailand and disclose the important information of the Company based on actual information completely and regularly.

### 3. The Board of Directors' Meeting

1) The meeting dates shall be scheduled annually in advance and informs the directors for acknowledgement. The Meeting shall be arranged at least once every 3 months and may hold a special meeting as deemed necessary. The company's secretary shall send the Meeting's notice and all documents pertaining to the agenda of the meeting to all directors not less than 7 days before the Meeting date so that the directors have sufficient time to study the information, except for any necessity and urgency case to preserve the right or benefits to the Company.



2) The Chairman of Board of Directors, together with the Chief Executive Officer shall determine and consider issues to be included in the meeting agenda and each director is freely entitled to propose any matters beneficial to the Company for inclusion in the meeting agenda.

3) The Chairman of Board of Directors who is the Chairman of the meeting will allow directors to express their opinion independently. In some agenda items, senior executives may attend the Meeting to clarify and provide additional information for the proposed agenda as well as directly acknowledge the policy in order to implement with efficiency.

4) To form a quorum at the time of the Board passing a resolution, at least 2/3 of the total number of directors must be presented. The resolution of the Board of Directors' Meeting shall be adopted by the majority votes. Each director shall have one vote. A director who has conflicts of interest on a given matter shall not join the Meeting and has no right to vote for the related agenda. In case of an equality of vote, the Chairman of the meeting shall have a casting vote. In the case that any directors disagree with the resolution, he or she can request the company's secretary record his or her objection in the Minute of Meeting or he or she can submit the objection notice to the Chairman.

5) Every directors have right to investigate supplementary documents of the meeting and other important documents. In case that, independent directors or the member of Audit Committee have any query, other directors as well as management shall provide answers quickly and completely.

6) The Company's secretary will take minute of the Meeting and submit to the Chairman for approval and certify true by signature, then make it adopted in the next Meeting. In addition, the Company's secretary will keep information or document related to other meetings for future reference.

7) All member of the Board of Directors normally attend the meeting, except for necessary cases which shall be notified in advance before the meeting date.

8) The Board of Directors set the policy that non-executive directors shall have opportunity to arrange a meeting among themselves as deemed necessary in order to discuss about any crucial management issues without the presence of the management and then inform the Chief Executive Officer of the meeting result.



In 2016, the Directors attended the meetings as follows:

	No. of Meeting Attendance/No. of Total Meeting (times)			
	2015		2016	
	Board of Directors	Audit Committee	Board of Directors	Audit Committee
1. Mr. Sompon Roekwibunsi	5/5		6/6	
2. Ms. Sakuna Baicharoen	5/5		6/6	
3. Mr. Somchai Roekwibunsi <sup>1/</sup>	5/5		4/4	
4. Mr. Metta Charuchinda	5/5	4/4	6/6	4/4
5. Mr. Amornsakdi Ketcharoon	5/5	4/4	6/6	4/4
6. Mr. Sutee Ratananakin	5/5	4/4	5/6	3/4
7. Mr. Kan Suthirat <sup>2/</sup>	-		3/3	

Remark : <sup>1/</sup> Mr. Somchai Roekwibunsi resigned from the position of Director, effective on August 10, 2016.

<sup>2/</sup> Mr. Kan Suthirat was appointed as an additional Director according to the resolution of 2016 Annual General Meeting of Shareholders, held on April 21, 2016.

#### 4. Self-assessment of the Board of Directors

The Board of Directors shall arrange self-assessment for entire committee, not individual, on annual basis. The Board shall jointly determine criteria by modification from an example of the Stock Exchange of Thailand (SET) to be suitable for the Company. The Company's secretary shall deliver the appraisal form to each director. After conclusion of the assessment result, all directors will jointly determine improvement method by sharing each opinion independently. The self-assessment consisted of 6 main items as follows:

- 1) Structure and qualification of the Board
- 2) Roles, duties and responsibilities of the Board
- 3) Board's meeting
- 4) Performing duties of directors
- 5) Relationship with management
- 6) Self-development of directors and development of executives

Self-assessment of 2016 was completed on December 16, 2016, obtaining the average score of 92.10%, up from 84.84% in 2015, and the scores in every assessment item increased.

Since 2016, Audit Committee has assessed its performance. The 3 items for evaluation are as follows:

- 1) Structure and qualifications of the Audit Committee
- 2) Meeting of the Audit Committee
- 3) Role, duties and responsibility of the Audit Committee



Self-assessment of 2016 was completed on December 16, 2016, obtaining the average score of 94.74%, down from 96.05% in 2015, and the score of the assessment item regarding structure and qualification of Audit Committee decreased.

## 5. Remuneration

The Annual General Meeting of Shareholders 2016 on April 21, 2016 passed the resolution to determine remuneration of Directors, comprising members of the Board of Directors and members of the Audit Committee. The details of remuneration and payment conditions are shown in the topic remuneration of directors and executives.

### Remuneration of directors

The Annual General Meeting of Shareholders 2015 on April 23, 2015 passed the resolution to determine remuneration of Directors, comprising members of the Board of Directors and members of the Audit Committee. The details of remuneration and payment conditions are shown in the topic remuneration of directors and executives.

### Remuneration of the Chief Executive Officer and executives

The Company carefully considers paying remuneration to the Company's executives in appropriate level which can be competitive with the same business group in order to retain qualified executives with the Company. The executive who is assigned more duties and responsibilities shall be paid higher remuneration in line with more duties and responsibilities.

## 6. Development of directors and executives

The Board of Director specified that whenever there is a new director, the Company's secretary shall provide documents and useful information which shall be beneficial to the duty operation of the new director. In addition, the Company's secretary shall be coordinator for the orientation arranged by the management about business nature and business operation of the Company. In 2016, there was one new director.

The Board of Directors has policy to support and facilitate directors, executives and the Company's secretary to attend training or seminar courses arranged by the Thai Institute of Directors (IOD), the Stock Exchange of Thailand, the Securities and Exchange Commission or other independent organization in order to increase knowledge and improve their performance.

In 2016, the Company arranged directors, executives and the Company's secretary to attend the following training courses:



Attendant	Position	Courses	Arranged by	Date
Mr. Metta Charuchinda	Chairman, Independent Director, and Chairman of the Audit Committee	Meeting and Exchanging Opinion of Executives for the Good Internal Control System of Listed Companies	The Securities and Exchange Commission and The Stock Exchange of Thailand	February 9, 2016
		Chairman Forum 1/2016: "Corporate Governance vs Corporate Performance: Duty or Choice?"	The Thai Institute of Directors	May 13, 2016
		CG Forum 2/2016 "Honest Careful Shield Directors"	The Stock Exchange of Thailand	May 17, 2016
		Audit Committee Forum "New Auditor's Report: What's in it for you?"	The Thai Institute of Directors	June 29, 2016
Mr. Amornsakdi Ketcharoon	Independent Director and member of the Audit Committee	The UK Experience on Implementing the Enhanced Auditor Reporting	The Securities and Exchange Commission and The Stock Exchange of Thailand	January 15, 2016
Miss Sakuna Baicharoen	Director, Executive Director and Deputy Chief Executive Officer	Professional Inside Management Technique	The Securities and Exchange Commission and The Stock Exchange of Thailand	June 27, 2016
Mrs. Paleerat Numnonda	Chief Financial Officer, Investor Relations and Company Secretary	Tutoring for full score of 100	Thai Investors Association	January 21, 2016
		How to Write an Effective MD&A	The Securities and Exchange Commission and The Stock Exchange of Thailand	January 28, 2016
		Class Action	The Securities and Exchange Commission	May 25, 2016
		Business Strategy for IR	The Stock Exchange of Thailand	June 9, 2016



Attendant	Position	Courses	Arranged by	Date
Mrs. Paleerat Numnonda	Chief Financial Officer, Investor Relations and Company Secretary	Professional Inside Management Technique	The Securities and Exchange Commission and The Stock Exchange of Thailand	June 27, 2016
		CG Forum 3/2015 Risk Oversight : High Priority Roles of the Board	The Stock Exchange of Thailand	September 9, 2015
		CG Forum 3/2016 “Dishonesty in organizations, Preventive and Controllable Risk”	The Stock Exchange of Thailand	August 24, 2016
		Enhancing Good Corporate Governance based on CGR Scored	The Thai Institute of Directors	September 26, 2016
		Know New Securities Law, How to Conduct Correctly?	The Stock Exchange of Thailand	October 17, 2016

### Noncompliance with the Principle of Good Corporate Governance

Noncompliance Topics	Reason
1. Individual evaluation of directors	plan to implement
2. Determination of remuneration policy for CEO	plan to implement
3. Succession plan for CEO and high level executives	plan to implement
4. Appointment of Remuneration Committee, Nomination Committee, Corporate Governance Committee	The Company does not appoint those committees since the Company’s Board of Directors shall have authority, duties and responsibilities in such implementation
5. Submission for Certified members of Thailand’s Private Sector Collective Action Coalition	The Company failed to submit self-evaluation for countering bribery due to lack of staff responsible for document preparation. Nevertheless, the Company complies with defined Anti-Corruption Policy.