

PART 2 MANAGEMENT AND CORPORATE GOVERNANCE

7. Company information and Shareholders

7.1 Registered Capital and Paid up Capital

As of 31st December 2015, the Company had total registered capital and paid-up capital of Baht 1,991,763,130 (1,991,763,130 shares with par value of Baht 1.00 per share). The Company listed on the Stock Exchange of Thailand as “KGI”.

7.2 The Company’s shareholders

Major Shareholders

KGI Asia (Holdings) Pte. Ltd. is the direct major shareholder of the Company, owning 34.97% of the Company’s shares. The Company’s top ten shareholders are as follows:

	List of Shareholders As of 14 th March 2016 (the registration close book date)	No. of share	%
1	KGI Asia Limited *	697,319,400	35.010%
2	Thai NVDR Company Limited	160,030,708	8.035%
3	Mr. Songsak Jitjeujun	61,370,000	3.081%
4	EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD	19,135,500	0.961%
5	EAST FOURTEEN LIMITED-EMERGING MARKETS SMALL CAP SERIES	10,651,200	0.535%
6	STATE STREET BANK AND TRUST COMPANY	9,835,900	0.494%
7	Mr. Kanok Tungjairakkandee	9,401,000	0.472%
8	EAST FOURTEEN LIMITED-DFA EMERG MARKET CORE EQ PORT	8,870,000	0.445%
9	Mr. Bhavorntham Chaiear	8,637,900	0.434%
10	Royal Thai Navy	8,240,900	0.414%
	Others	998,270,622	50.119%
	Total	1,991,763,130	100.00%

Note * KGI Asia Limited acts as a custodian for KGI Asia (Holdings) Pte. Ltd. and holds 696,614,400 shares (34.97% of the Company) for KGI Asia (Holdings) Pte. Ltd.

KGI Asia (Holdings) Pte. Ltd. is indirectly owned entirely by KGI Securities Company Limited (“KGI TW”). KGI Taiwan itself is a wholly-owned subsidiary of China Development Financial Holdings Corporation (“CDFH”) respectively. (See Shareholding Structure of the group, page 4)

7.3 Other Issue of Securities

As of 31st December 2015, the Company has not issued any Convertible securities but has Bill of Exchange and Structure notes, totaling of Baht 455 million. (See noted of financial statements no. 19 Borrowings from financial institutions/Debts issued and other borrowings)

7.4 Dividend Policy

The Company’s dividend policy (pay to shareholders)

The Company’s dividend policy is “Any dividend payment will be considered by the Board of Directors and, if approved, be proposed to the shareholders, on a case by case basis, and will take into account prevailing business conditions, outlook, investment opportunities, and other relevant factors.”

In 2015, the Company had separate financial statements profits of Baht 573 million and separate financial statements earnings per share of Baht 0.288. The Company has thoroughly considered the prevailing business conditions, outlook, investment opportunities, and other relevant factors. The Company has sufficient cash flow to pay a dividend from the 2015 operating results of Baht 0.285 per share which is in-line with the Company’s dividend policy. The proposed dividend is equivalent to a payout ratio of 99% of separate financial statements profits and amounts to approximately Baht 568 million. The proposed

dividend will be paid on 13th May 2016 after obtaining approval from the Annual General Shareholders Meeting No. 1/2016.

5-Year dividend payment history and current year dividend payment

Separate financial statements	Y2015 (Current Year)	Y2014	Y2013	Y2012	Y2011	Y2010
Earnings per share (Baht per share)	0.288	0.368	0.363	0.232	0.278	0.404
Dividend per share (Baht per share)	0.285	0.365	0.360	0.230	0.250	0.330
Dividend payout ratio (% of separate financial statements profits)	99%	99%	99%	99%	90%	82%

The Subsidiary's dividend policy (pay to the Company)

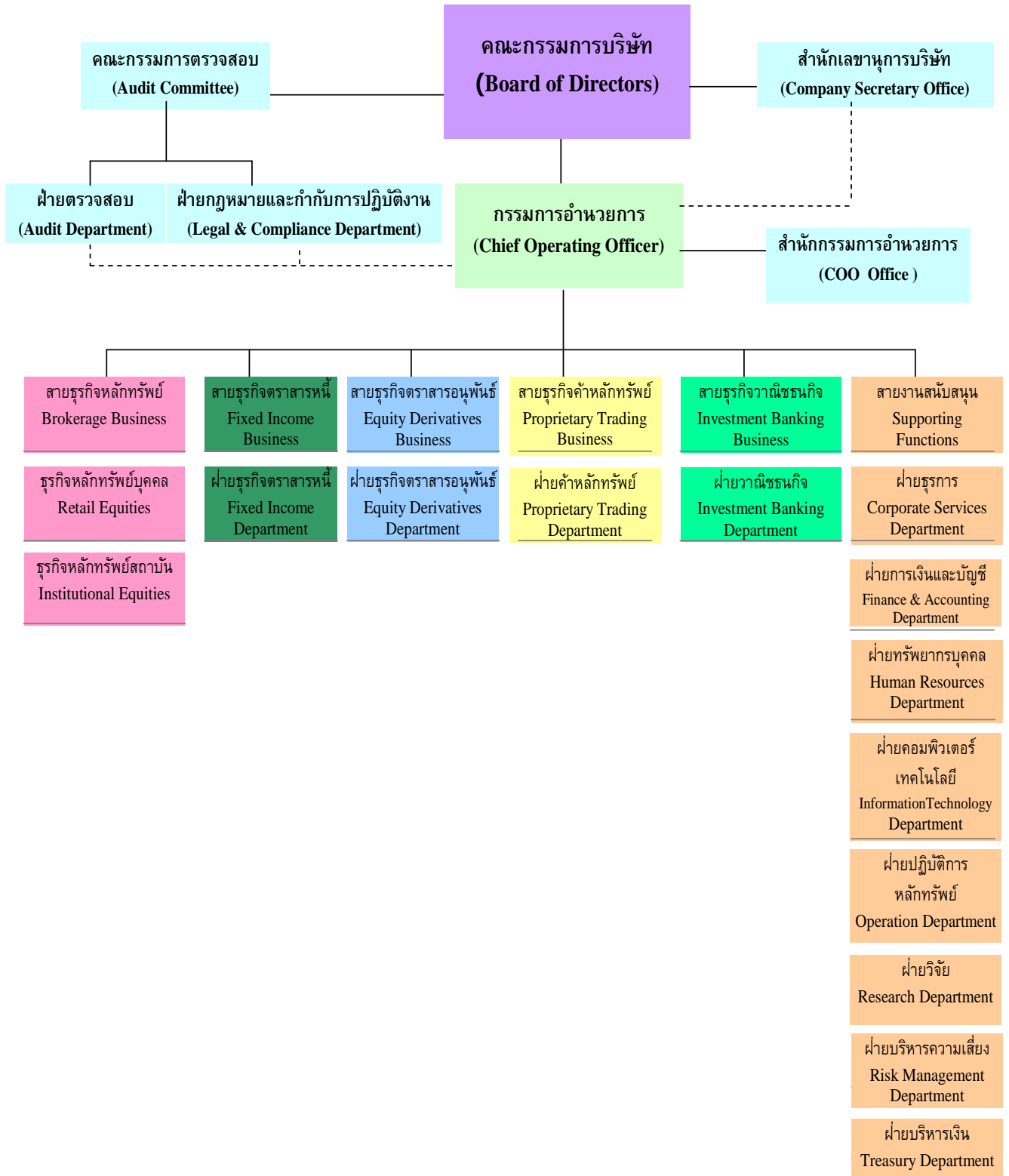
For our subsidiary's dividend policy, the subsidiary's board will recommend and propose the appropriate dividend to the subsidiary's shareholders by looking at the profit of the subsidiary company and available investment opportunities.

8. Management Structure

Directors and executives are performing their duties for the best interest for the Company and shareholders. The Board is comprised of 12 directors, each director has various qualifications, skills, experience, and expertise that are useful to the Company. The Company has considered an appropriate Board Structure and balanced their responsibilities as follows:

1. The Chairman of the Board of Directors is not the same person as the Chief Operating Officer, in order to achieve a balance of power.
2. There are 4 independent directors which are 1/3 of all directors, following the SEC's regulations.
3. There are 4 representative directors from major shareholder, which are 1/3 of all directors and proper with the portion of shareholding.
4. The Company has Audit Committee, which was composed of 3 Independent Directors. The Committee performed its duties as the SET's regulations and to perform any other act as assigned by the Board of Directors. All 3 have adequate expertise and experience to review the creditability of the Company's financial reports.
5. There are 7 directors who attend the Thai Institute of Directors (IOD) program.
6. The Company has the Company Secretary to provide regulatory advice to the Board, and monitors compliance with the Board's resolutions and Shareholders' resolution.

Organization Chart



8.1 Board of Directors

As of 31st December 2015, the Company's Board of Directors consisted of the following 12 members; in 2015, the Company had 6 Board of Directors' meetings; details of attendance of each director are as follows:

Name	Position in the Company	Board meeting in 2015		
		Total meeting	Attendance Record	Reason for absence
1. Mr. Foong Hock Meng	-Chairman	6	6	-
2. Dr. Pisit Leeahtam	-Vice Chairman -Independent Director -Audit Committee Chairman -Nomination Committee Chairman	6	6	-
3. Dr. Don Bhasavanich	-Independent Director -Audit Committee	6	6	-
4. Mr. Pradit Sawattananond	-Independent Director -Audit Committee -Compensation Committee -Nomination Committee -ESOP Committee	6	6	-
5. Mr. Picharn Kullavanijaya	-Independent Director	6	6 (Include 1 attendance by phone)	Urgent meeting abroad
6. Mr. Wei Chang Fang	-Chief Operating Officer -Authorized Director -Risk Management Committee Chairman -Debt Recovery Committee Chairman -Human Resource Committee Chairman -ESOP Committee Chairman	6	6	-
7. Ms. Bee Leng Ooi	- Managing Director -Authorized Director -Nomination Committee -Risk Management Committee -Human Resource Committee -ESOP Committee	6	5	Urgent meeting abroad
8. Ms. Suchada Sodthibhapakul	-Executive Director -Authorized Director -Risk Management Committee -Debt Recovery Committee -Human Resource Committee	6	6	-
9. Mr. Wisit Wongpaisan	-Director -Nomination Committee -Risk Management Committee	6	6	-
10. Ms. Pi-Lin Huang	-Director	6	4	Urgent meeting abroad
11. Mr. Yen, Chih-Chien	-Director -Compensation Committee Chairman	6	6	-
12. Mr. Chih - Hung Lin*	-Director	3	3	-

Note: *The Company has appointed Mr. Chih-Hung Lin as a director; replace Mr. Chin-Lung Tseng who has resigned. SEC has approved Mr. Chih-Hung Lin as a new director of the Company on 2nd June 2015.

8.2 Management

As of 31st December 2015, Company's Management (Definition of management in accordance with notification of SEC) consisted of the following 23 members:

No.	Name	Title
1.	Mr. Wei Chang Fang	Chief Operating Officer
2.	Ms. Bee Leng Ooi	Managing Director
3.	Mr. Somchai Kanjanapetcharat	Senior Managing Director, Retail Equity Business
4.	Mr. Suthep Rungsiam	Managing Director, Brokerage Business
5.	Ms. Jariya Posayajinda	Managing Director, Proprietary Trading Department
6.	Mr. Apichart Tungkiatsilp	Managing Director, Fixed Income Department
7.	Ms. Saranya Larksukthom	Senior Executive Vice President, Operation Department
8.	Mr. Somchai Siripaiboolpong	Executive Vice President, Retail Equity Business
9.	Ms. Songsri Chawengsataporn	Executive Vice President, Retail Equity Business
10.	Ms. Dutsanee Pamontip	Executive Vice President, Retail Equity Business
11.	Ms. Warunlak Aiemmeechai	Executive Vice President, Retail Equity Business
12.	Mr. Kamthorn Chinsakuljaroen	Executive Vice President, Retail Equity Business
13.	Mr. Viwat Charoenthangvitaya	Executive Vice President, Retail Equity Business
14.	Mr. Hua-Feng Chang	Executive Vice President, Retail Equity Business
15.	Ms. Kannikar Pradiskesorn	Executive Vice President, Institutional Equity Business
16.	Ms. Patchpon Sankaburanuruk	Executive Vice President, Investment Banking Department
17.	Mr. Jenvit Chinkulkitniwat	Executive Vice President, Equity Derivatives Department
18.	Ms. Inchaya Chatcherdsk	Executive Vice President, Human Resources Department
19.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
20.	Ms. Acharee Turongsomboon	Executive Vice President, Treasury Department
21.	Mr. Sumek Chantrasuriyarat	Executive Vice President, Research Department
22.	Ms. Nantararat Surakkhaka	Executive Vice President, COO Office Support Department
23.	Ms. Nongluk Ningsanond	Executive Vice President, Company Secretary Office

8.3 Executive Director

Ms. Suchada Sodthibhaphkul, Managing Director, has retired from the Company effective on 1st November 2014. However, Ms. Suchada Sodthibhaphkul will continue to be an Authorized Director of the Company. And the Company has renewed the appointment of Ms. Suchada Sodthibhaphkul, as the Executive Director of the Company for period November 2015 - October 2016 (under a Co-Management Contract pursuant to the SEC Notification topic Approval of Co-Management Contract of Securities Company No. Or Thor/Nor 9/2541)

8.4 Company Secretary

The Board of Directors has approved the appointment of Ms. Nongluk Ningsanond, as the Company Secretary since 6th November 2012. Details and Responsibilities of Company Secretary as attachment 1

8.5 Compensation of Directors and Management

The Company's compensation policy for directors and management is comparable to the industry standard, and takes into account various factors including the experience, roles and responsibilities, and contributions of each person. The compensation of directors requires approval from the shareholders' meeting. The board has delegated the compensation of top management to the Compensation Committee for approval.

8.5.1. Monetary Compensation

A) Monetary Compensation for Directors

In 2015, the Company paid monetary compensation for 10 directors (including 1 director who resigned during the year), representing a total of Baht 24.02 million which consists of attendant allowances paid according to the number of attendance, monthly allowance paid every month, including bonus. The remuneration of each director is as follows:

Name	Position	Total Compensation for 2015 (Baht)			
		Board	Audit Committee	Travelling and Accommodation	Total
1. Mr. Foong Hock Meng	-Chairman	4,250,000	-	-	4,250,000
2. Dr. Pisit Leehtam	-Vice Chairman -Independent Director -Audit Committee Chairman -Nomination Committee Chairman	4,190,000	200,000	-	4,390,000
3. Dr. Don Bhasavanich	-Independent Director -Audit Committee	1,790,000	150,000	-	1,940,000
4. Mr. Pradit Sawattananond	-Independent Director -Audit Committee -Compensation Committee -Nomination Committee -ESOP Committee	1,790,000	150,000	-	1,940,000
5. Mr. Picharn Kullavanijaya	-Independent Director	1,770,000	-	946,489	2,716,489
6.Mr. Wei Chang Fang	-Chief Operating Officer -Authorized Director -Risk Management Committee Chairman -Debt Recovery Committee Chairman -Human Resource Committee Chairman -ESOP Committee Chairman	-	-	-	-
7. Ms. Bee Leng Ooi	- Managing Director -Authorized Director -Nomination Committee -Risk Management Committee -Human Resource Committee -ESOP Committee	-	-	-	-
8. Ms. Suchada Sodthibhakupul /1	-Executive Director -Authorized Director -Risk Management Committee -Debt Recovery Committee -Human Resource Committee	120,000	-	-	120,000
9. Mr. Wisit Wongpaisan	-Director -Nomination Committee -Risk Management Committee	3,830,000	-	-	3,830,000
10. Mr. Chin – Lung Tseng /2	-Director	1,430,000	-	-	1,430,000
11. Ms. Pi-Lin Huang	-Director	1,430,000	-	-	1,430,000
12. Mr. Yen, Chih-Chien	-Director -Compensation Committee Chairman	1,970,000	-	-	1,970,000
13. Mr. Chih - Hung Lin /3	-Director	-	-	-	-
Total		22,570,000	500,000	946,489	24,016,489

Note: 1/ The Cinpanu also paid Monetary Compensation to Ms. Suchada Sodthibhakupul as the Executive Director, details in 8.5.1 (C)
2/ Mr. Chin-Lung Tseng has resigned as director on 7th May 2015
3/ SEC has approved Mr. Chih-Hung Lin as a director of the Company on 2nd June 2015

B) Monetary Compensation of Management

In 2015, the Company paid compensation including salary and bonus to 25 management (includes 1 management who resigned during the year and 1 management who retired during the year), amounting to Baht 151.52 million.

C) Monetary Compensation of Executive Director

The Company has renewed the appointment of Ms. Suchada Sodthibhaphkul, Authorized Director, as the Executive Director of the Company for period November 2015 - October 2016. In 2015, the Company paid compensation to Ms. Suchada Sodthibhaphkul, as the executive director of the Company, amounting to Baht 3.78 million.

8.5.2 Other Compensation

A) Other Compensation of Directors

In 2015, the Company paid golf membership, car rental, gasoline, driver, mobile phone expenses for directors, amounting to Baht 4.47 million.

B) Other Compensation for Management

- Provident Fund

The Company has jointly established a provident fund. The Company contributed to the fund monthly at the same rate of 5 percent of basic salary. The funds will be paid to employees upon termination in accordance with the rules of the fund.

In 2015, the Company contributed to the fund of 24 management (includes 1 management who resigned during the year), amounting to Baht 3.69 million.

- Welfare

The Company provides yearly health check-ups, welfare for IPD and OPD medical expenses for its employee. For IPD the welfare covers employees' families, spouse and children. In 2015, the Company paid health welfare to 24 management (including 1 management who resigned during the year), amounting to Baht 0.88 million.

- Others

In 2015, the Company paid golf membership, car rental, gasoline, driver, mobile phone, life/accident insurance fee expenses for 24 management (including 1 management who resigned during the year), amounting to Baht 11.21 million.

8.6 Employees

As of 31st December 2015, the Company had a total of 546 employees. Total compensation paid to all employees in 2015 was Baht 651 million, which consisted of salary, overtime payment, cost of living allowance, bonus, social security fund and provident fund. Furthermore, One Asset Management Limited, (the Company's subsidiary), had a total of 142 employees and also paid compensation of Baht 174 million to its employees. The Company and its subsidiary have no significant labor disputes in the last 3 years.

Total employees and compensation

Year 2015	Company	ONEAM ^{/2}	HOLDCO ^{/3}	KTHL ^{/4}
Management (person) ^{/1}	23	14	-	-
Total Business Unit employee (person)	393	63	-	-
Risk Management Department employee (person)	5	2	-	-
Audit Department employee (person)	6	3	-	-
Legal & Compliance Department employee (person)	6	2	-	-
Other supporting employee (person)	113	58	-	-
Total (person)	546	142	-	-
Number of employee in Head Office (person)	407	142	-	-
Total compensation of employee (Baht million)	650.87	173.70	-	-

Note

/1 The Company defines management in accordance with notification of SEC, which rank Executive Vice President and higher

/2 ONEAM: One Asset Management Limited, 99% owned by the Company.

/3 HOLDCO : KGI Securities (Thailand) International Holdings Limited, 100% owned by the Company

/4 KTHL : KGI (Thailand) Holdings Limited, 100% owned by the Company

Policy on Development of Employees

The Company is aware that employees are the most valuable asset. Therefore, the Company has a policy to enhance the development of its employee as follows:

1. The Company enhances and develops every employee to have good quality, knowledge, and capability and supports them using their full potential to grow together with the Company.
2. The Company gives employees opportunities to study and develop themselves both locally and abroad.
3. The Company emphasizes developing employees to be efficient and knowledgeable to be more productive and ready for any changes in the future.
4. The Company ensures the budget is appropriate and adequate to develop staff at every level.

In 2015, the Company arranged a total of 23 internal training courses and encouraged employees to attend external training courses numbering more than 107. The total number of training course participants was more than 1,380. On average, each employee attends 10.66 hours of training in 2015.

The Company encourages employees to compete in sports such as football and badminton, and enters teams in competitions with other securities companies. This not only supports healthy employee behavior but also builds good relationships between employees within the Company and within the securities industry.

9. Corporate Governance**9.1 Corporate Governance Policies**

The Company shall abide with Good Corporate Governance so that quality of management is effective, transparent and accessible. The Good CG will enhance confidence and trust from shareholders, investors, stakeholders, and related parties. The Good CG is a tool to increase value and enhance stable growth to the Company.

The Board of Directors Meeting had approved the Good Corporate Governance Policy in writing and has a policy to review the policy and implementation of the policy once a year. The Company follows the Corporate Governance for listed companies in 5 categories, as follows.

1. Right of Shareholders
2. Equitable Treatment of Shareholders
3. Roles of Stakeholders
4. Disclosure and transparency
5. Responsibilities of the Board

(See the Corporate Governance Policies and the Implement of Corporate Governance Report in 2015 in the Company's website at www.kgiworld.co.th)

9.2 The sub-committees

Beside the Board of Director which perform their duties to manage the Company's business, the Company structure consisting of the 12 committees, which are

- | | |
|------------------------------|---|
| 1. Audit Committee | 7. Human Resource Committee |
| 2. Compensation Committee | 8. Disciplinary Committee |
| 3. Nomination Committee | 9. Welfare Committee |
| 4. Risk Management Committee | 10. Health and Environment Committee |
| 5. Debt Recovery Committee | 11. ESOP Committee |
| 6. Purchasing Committee | 12. Corporate Governance (CG) Committee |

The Board of Director and the 12 committees has member and roles and responsibilities as follows:

The Board of Directors

As of 31st December 2015, the Board of Directors was composed of 12 Directors as follows:

No.	Board Director	Board Position
1.	Mr. Foong Hock Meng	Chairman
2.	Dr. Pisit Leeahtam	Vice Chairman (Independent Director)
3.	Dr. Don Bhasavanich	Director (Independent Director)
4.	Mr. Pradit Sawattananond	Director (Independent Director)
5.	Mr. Picharn Kullavanijaya	Director (Independent Director)
6.	Mr. Wei Chang Fang *	Director (Authorized Director)
7.	Ms. Bee Leng Ooi *	Director (Authorized Director)
8.	Ms. Suchada Sodhibhaphkul *	Director (Authorized Director)
9.	Mr. Wisit Wongpaisan	Director
10.	Ms. Pi - Lin Huang	Director
11.	Mr. Yen, Chih - Chien	Director
12.	Mr. Mr. Chih - Hung Lin	Director

Note * Any two from three Authorized Directors shall be required to bind the Company

Roles and responsibilities of the Board

1. The Board shall perform their duties in conformity with laws, and carry on the businesses of the Company in accordance with the laws, the Company's objectives and the Articles of Association;
2. The Board reviews and approves key business matters, such as strategy, financial targets, risks, major plans of action and budget and monitors the compliance of management with approved policies and plans;
3. The Board sets a written corporate governance policy for the Company and reviews the policy and compliance to the policy regularly, at least annually;
4. The Board ensures that a written code of business conduct be in place so that all Directors, Executives and employees understand business ethical standards of the Company;
5. The Board considers any conflict of interests thoroughly. Persons who have vested interests in a given transaction shall not participate in decision-making process. There is clear guidelines on the approval of transactions with conflict of interests, the transactions are conducted for the best interests of the Company and all shareholders. The Board also monitors compliance with regulations regarding criteria, procedures and disclosure of transactions with conflict of interests;
6. The Board ensures that an internal control system is in place, including financial, compliance, and policy controls. The Board assigns Audit Department and Legal and Compliance Department to audit and report on the system. The Board of Directors will do the self-assessment questionnaire on the adequacy of the internal control system every year and disclose on the Company's Annual Report;
7. The Board assigned the Risk Management Committee to approve the Risk Management policy to cover all activities of the Company, and assigned Risk Management Department to implement the policy;
8. The Board sets clear procedures on whistle blowing and ensures the Company has protective measures to keep the whistleblowers' names confidential. The reported incidents shall be investigated in line with the Company's set policy;
9. The Board has clear procedures on governing its subsidiaries in order to protect investor benefits including assigning directors of its subsidiaries to control management under the policies of the parent company, including transactions related to securities and exchange laws or SET regulations;

Audit Committee

As of 31st December 2015, the Audit Committee was composed of 3 Independent Directors. All of the Independent Directors have attended director training programs of the Thai Institute of Directors Association (“IOD”). All 3 have adequate expertise and experience to review the creditability of financial reports. Ms. Rungthip Vanitchapan acts as the Secretary of the Audit Committee. (See information of each Audit Committee and Secretary of the Audit Committee in Attachment 1 and 3).

In 2015, the Audit Committee had 5 meetings and details of attendance of each director are as follows

No.	Name	Position	Attendance Record / Total Meeting
1.	Dr. Pisit Leeahtam	Chairman of Audit Committee / Independent Director	5/5
2.	Dr. Don Bhasavanich	Audit Committee / Independent Director	5/5
3.	Mr. Pradit Sawattananond	Audit Committee / Independent Director	5/5

Scope of duties and responsibilities of the Audit Committee

The Audit Committee has the following scope of duties and responsibilities, and reports to the Board of Directors.

1. To review the Company’s financial reporting process to ensure its accuracy and adequacy;
2. To review the Company’s internal control systems and internal audit systems to ensure that they are suitable and efficient;
3. To review the Company’s compliance with laws relating to securities and the stock exchange, the SET’s regulations, and laws relating to the Company’s business;
4. To consider, select and nominate an independent person to be the Company’s auditor, and to propose such person’s remuneration, and to attend a meeting with the auditor at least once a year at which the Company’s management is not present;
5. To review any connected transactions, or transactions that may lead to conflicts of interest, to ensure that they are in compliance with the relevant laws and the SEC/SET’s regulations, and that they are in the best interests of the Company;
6. To review the Company’s risk management policies and procedures to ensure that they are suitable and efficient;
7. To prepare and to disclose in the Company’s Annual Report, an Audit Committee Report which must be signed by the Audit Committee’s chairman and contain at least the following information:
 - 7.1 An opinion on the accuracy, completeness and creditability of the Company’s financial statements;
 - 7.2 An opinion on the adequacy of the Company’s internal control systems;
 - 7.3 An opinion on the compliance with the relevant laws relating to securities and the stock exchange, the SET’s regulations, and other laws relating to the Company’s business;
 - 7.4 An opinion on the suitability of the auditor and its auditing fee;
 - 7.5 An opinion on any transactions that may involve conflicts of interests;
 - 7.6 The number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
 - 7.7 An opinion or overview comment by the Audit Committee regarding the performance of its duties in accordance with the charter;
 - 7.8 Any other transactions which, in the Audit Committee’s opinion, should be disclosed to the Company’s shareholders and general investors.

8. In the performance of its duties, if it is found or suspected that a transaction or any of the following acts has taken place, which may materially affect the Company's financial condition or operating results, the Audit Committee shall report it to the Board of Directors for rectification within a period of time to be set by the Audit Committee.

8.1 A transaction which causes a conflict of interest;

8.2 Any fraud, irregularity, or material defect in an internal control system;

8.3 An infringement of the laws relating to securities or the stock exchange, the SET's regulations, or any other law relating to the Company's business;

If the Board of Directors or management fails to make a rectification within the specified time, any Audit Committee member may report the transaction or act to SEC or SET.

9. If the auditor becomes suspects that a director, manager, or any person responsible for the Company's operations has violated any relevant securities law, they should report the evidence relating to such event to the Audit Committee for investigation immediately. The Audit Committee will report the results of its preliminary investigation to the Office of the Securities and Exchange Commission and to the auditor within 30 days. Notification of the suspicious events and procedures for investigating such shall comply with the notification of the Capital Market Supervisory Board.

10. To perform any other act as assigned by the Board of Directors and accepted by Audit Committee.

Compensation Committee

As of 31st December 2015, the Company's Compensation Committee consisted of 3 members and there were 2 meeting in 2015, details of attendance of each director are as follows:

No.	Name	Position	Attendance Record / Total Meeting
1.	Mr. Yen, Chih-Chien*	Compensation Committee Chairman	0/0
2.	Mr. Pradit Sawattananond	Compensation Committee Member / Independent Director	2/2
3.	Ms. Yuan - Chen Chiu	Compensation Committee Member	2/2 (Call conference)

Note * Mr. Chin – Lung Tseng, attended 2/2 meetings as chairman of Compensation Committee. He has resigned from the Board of Directors effective from 7th May 2015, the Board has appointed Mr. Yen, Chih-Chien to be the Chairman of the Compensation Committee replace Mr. Chin-Lung Tseng.

Scope of duties and responsibilities of the Compensation Committee

1. To consider and approve the compensation of the Company's top management;
2. To set the criteria, components, structure and form of payment of the Directors, to ensure their interests are aligned with those of the shareholders;
3. To recommend the compensation of the Directors to the Board for approval and proposal to a shareholders' meeting for final approval.

Nomination Committee

As of 31st December 2015, the Company's Nomination Committee consisted of 4 members and there was 2 meeting in 2015, details of attendance of each director are as follows:

No.	Name	Position	Attendance Record / Total Meeting
1.	Dr. Pisit Leehtam	Nomination Committee Chairman / Independent Director	2/2
2.	Mr. Pradit Sawattananond	Nomination Committee Member / Independent Director	2/2
3.	Ms. Bee Leng Ooi	Nomination Committee Member	1/2
4.	Mr. Wisit Wongpaisan	Nomination Committee Member	2/2

Scope of duties and responsibilities of the Nomination Committee

Nomination Committee is responsible for selection of qualified candidates to be directors and top management and proposes to Board's meeting for approval.

Risk Management Committee

The Risk Management Committee consists of executives from both business units and support units. As of 31st December 2015, there are 18 members as follows:

No.	Name	Position
1.	Mr. Wei Chang Fang	Chief Operating Officer
2.	Mr. Wisit Wongpaisan	Director
3.	Ms. Bee Leng Ooi	Managing Director
4.	Ms. Suchada Sodthibhaphkul	Executive Director
5.	Mr. Somchai Kanjanapetcharat	Senior Managing Director, Retail Equity Business
6.	Ms. Jariya Posayajinda	Managing Director, Proprietary Trading Department
7.	Mr. Apichart Tungkiatsilp	Managing Director, Fixed Income Department
8.	Ms. Saranya Larksukthom	Senior Executive Vice President, Operation Department
9.	Ms. Patchpon Sankaburanuruk	Executive Vice President, Investment Banking Department
10.	Mr. Jenvit Chinkulkitniwat	Executive Vice President, Equity Derivatives Department
11.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
12.	Ms. Nongluk Ningsanond	Executive Vice President, Company Secretary Office
13.	Ms. Acharee Turongsomboon	Executive Vice President, Treasury Department
14.	Ms. Kannikar Pradiskesorn	Executive Vice President, Institutional Equity Business
15.	Ms. Nantarat Surakhaka	Executive Vice President , Legal & Compliance Department (Acting)
16.	Mr. Mark Antony Hodge	Senior Vice President, COO Office
17.	Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department
18.	Mr. Chi-Chih Huang	Assistant Vice President, Information Technology Department

Scope of duties and responsibilities of the Risk Management Committee

1. To approve the Company's Risk Management Policy, and to regularly review or amend that policy to take account of new risks or market developments;
2. To consider and approve any transactions those impact the Company's risk management;
3. To consider and approve the issuance of new products (Product Program);
4. To approve and review the risk budget of the Company's proprietary trading team at least once a year;
5. To manage all Company's risks, such as credit risk, market risk, liquidity risk, operational risk, IT risk, to ensure that the Company's risk policy is followed;
6. To consider and approved credit limits according to Account Opening Policy and Procedure;
7. To consider and approve Business Continuity Management ("BCM") and Business Continuity Plan ("BCP");
8. Other duties as assigned by the Board of Directors or management.

The scope of duties and responsibilities of the Risk Management Committee which are described in its filings for the issue of DWs are consistent with those described above.

In addition, to avoid violation of Chinese wall, the company also established 4 sub-committees under the Risk Management Committee as follows:

A) Credit Risk Sub-committee: consisted of the following 7 members:

No.	Name	Position
1.	Mr. Wei Chang Fang	Chief Operating Officer
2.	Ms. Suchada Sodthibhaphkul	Executive Director
3.	Mr. Somchai Kanjanapetcharat	Senior Managing Director, Retail Equity Business
4.	Mr. Suthep Rungsiam	Managing Director, Brokerage Business
5.	Ms. Saranya Larksukthom	Senior Executive Vice President, Operation Department
6.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
7.	Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department

Scope of duties and responsibilities of Credit Risk Sub-committee

1. To consider and approved credit limits;
2. To consider and approved Account Opening Policy and Procedures;
3. To consider and approved Credit Balance Policy and Procedures;
4. To set stock concentration limits and to review them on a regular basis;
5. To consider and approve any issue related to credit balance and Stock Borrowing and Lending;
6. To consider and approve the refinancing of credit balance clients;
7. To consider and approve company's Turnover List.

B) Trading Businesses Risk Sub-Committee: consisted of the following 6 members:

No.	Name	Position
1.	Mr. Wei Chang Fang	Chief Operating Officer
2.	Mr. Wisit Wongpaisan	Director
3.	Ms. Bee Leng Ooi	Managing Director
4.	Ms. Suchada Sodthibhaphkul	Executive Director
5.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
6.	Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department

Scope of duties and responsibilities of Trading Businesses Risk Sub-committee

1. To consider and approve trading policies, including approval of the procedures of related businesses, such as REPO, SBL;
2. To consider and approve the temporary limit and market risk budgeting for Proprietary Trading Department, Fixed Income Department and Equity Derivatives Department under the total limit approved by the Risk Management Committee;
3. To consider and approve the adjustment of the trading limits for ETF business.

C) Investment Banking Business Risk Sub-committee: consisted of the following 6 members:

No.	Name	Position
1.	Mr. Wei Chang Fang	Chief Operating Officer
2.	Mr. Wisit Wongpaisan	Director
3.	Ms. Bee Leng Ooi	Managing Director
4.	Ms. Suchada Sodthibhaphkul	Executive Director
5.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
6.	Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department

Scope of duties and responsibilities of Investment Banking Business Risk Sub-committee

1. To approve underwriting deals;
2. To approve other investment banking business.

D) Information Technology Security Risk Sub-committee : consisted of the following 7 members:

No.	Name	Position
1.	Mr. Wei Chang Fang	Chief Operating Officer
2.	Ms. Bee Leng Ooi	Managing Director
3.	Ms. Suchada Sodthibhaphkul	Executive Director
4.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
5.	Ms. Rungthip Vanitchapan	Senior Vice President, Audit Department
6.	Ms. Chutima Jitbunjong	Senior Vice President, Risk Management Department
7.	Mr. Chi-Chih Huang	Assistance Vice President, Information Technology Department

Scope of duties and responsibilities of Information Technology Security Risk Sub-committee

1. To consider and approve matters that may impact to the Company's information technology systems;
2. To ensure that the IT resources of the Company are used effectively;
3. To comment or advise on the risks relating to Information Technology security.

Debt Recovery Committee

As of 31st December 2015, the Company's Debt Recovery Committee consisted of 5 members as follows:

No.	Name	Position
1.	Mr. Wei Chang Fang	Chief Operating Officer
2.	Ms. Suchada Sodthibhaphkul	Executive Director
3.	Ms. Saranya Larksukthom	Senior Executive Vice President, Operation Department
4.	Ms. Khunmira Thunnom	Executive Vice President, Finance & Accounting Department
5.	Ms. Nantararat Surakkhaka	Executive Vice President, Legal & Compliance Department (Acting)

Scope of duties and responsibilities of Debt Recovery Committee

1. To periodically review the progress of debt recovery from time to time;
2. To set guidelines and criteria for restructuring of doubtful debts;
3. To approve settlements with debtors;
4. To monitor and approve management/sale of real estate portfolio incurred from the debt recovery;

Purchasing Committee

As of 31st December 2015, the Company's Purchasing Committee consisted of 4 members as follows:

No.	Name	Position
1.	Ms. Kobkarn Cholchanupatumpa	Advisor, Human Resources Department
2.	Ms. Inchaya Chatchersak	Executive Vice President, Human Resources Department
3.	Ms. Nongluk Ningsanond	Executive Vice President, Company Secretary Office
4.	Ms. Nantararat Surakkhaka	Executive Vice President , COO Office Support Department

Scope of duties and responsibilities of Purchasing Committee

- Setting up and approving the purchasing process of the Company for items such as office equipment, computer systems and capital expenditure, including insurance of the Company's assets to comply with good internal control. The purchasing process includes:
 - Comparing prices, quality of products, and service;
 - Selecting lists of suppliers and vendors of products or services to have variety;
- To recommend negotiations with suppliers or vendors;
- To select and approve the suppliers and vendors of products or services appropriate for and in the best interest of the Company.

Human Resource Committee

As of 31st December 2015, the Company's Human Resource Committee consisted of 4 members as follows:

No.	Name	Position
1.	Mr. Wei Chang Fang	Chief Operating Officer
2.	Ms. Bee Leng Ooi	Managing Director
3.	Ms. Suchada Sodthibhaphkul	Executive Director
4.	Ms. Inchaya Chatchersak	Executive Vice President, Human Resources Department

Scope of duties and responsibilities of the Human Resource Committee

- To review and approve HR related policies; and
- To review and approve promotions.

Disciplinary Committee

As of 31st December 2015, the Company's Disciplinary Committee consisted of 4 members as follows:

No.	Name	Position
1.	Ms. Inchaya Chatchersak	Executive Vice President, Human Resources Department
2.	Ms. Nantararat Surakkhaka	Executive Vice President , COO Office Support Department
3.	Ms. Rungthip Vanitchapan	Senior Vice President, Audit Department
4.	The Department Head of the person being charged	

Scope of duties and responsibilities of the Disciplinary Committee

- To investigate employee who violates the rules and regulations of the SEC and the SET or do not comply with the policies and procedures of the Company which may cause damage to the Company;

2. To ensure the case will be considered fairly, by hereing from all concerned partie, and impose appropriate penalty.

Welfare Committee

As of 31st December 2015, the Company's Welfare Committee consisted of 7 members as follows:

No.	Name	Position
1.	Ms. Saranya Larksukthom	Senior Executive Vice President, Operation Department
2.	Mr. Somchai Siripaiboolpong	Executive Vice President, Retail Equity Business
3.	Ms. Songsri Chawengsataporn	Executive Vice President, Retail Equity Business
4.	Mr. Kamthorn Chinsakuljaroen	Executive Vice President, Retail Equity Business
5.	Ms. Kanlayanee Sontisuwan	Vice President, Human Resources Department
6.	Ms. Suthinee Theerawitpreecha	Manager, COO Office
7.	Ms. Chatkaew Kittayanusorn	Manager , Fixed Income Department

Scope of duties and responsibilities of the Welfare Committee:

1. To join and cooperate with the employer in providing the necessary welfare for the employees;
2. To give advice and recommendations, as well as propose ideas, on ways for the employer to provide for the employees;
3. To check, control, and supervise the provision of the welfare extended to the employees by the employer;
4. To propose ideas and guidelines on providing useful welfare for the employees to the Company's management.

Health and Environment Committee

In 2015, there are no accidents in the Company' workplace. As of 31st December 2015, the Company's Health and Environment Committee consisted of 7 members as follows:

No.	Name	Position
1.	Ms. Saranya Larksukthom	Senior Executive Vice President, Operation Department
2.	Ms. Suchada Wongrak	Senior Vice President, Corporate Services Department
3.	Ms. Wipha Katikubanan	Vice President, Finance & Accounting Department
4.	Mr. Surachet Amnuaywittayakul	Vice President, Legal & Compliance Department
5.	Ms. Sirirat Chimkaew	Manager , Corporate Services Department
6.	Ms. Petcharat Ongartpajon	Deputy Manager, Research Department
7.	Ms. Pimploy Kankaew	Deputy Manager , Finance & Accounting Department

Scope of duties and responsibilities of Health and Environment Committee

1. To determine regulations about the safety and safety standard for workplace;
2. To determine policy, plan, and activities about safety and working environment to protect and reduce the occurrence of accidents and the suffering of injury due to unsafe working conditions;
3. To set the course about the scope of duties and responsibilities of employees' safety;
4. To evaluate the implementation of safety of the Company's workplace.

ESOP Committee

As of 31st December 2015, the Company's ESOP Committee consisted of 5 members as follows:

No.	Name	Position
1.	Mr. Wei Chang Fang	Chief Operating Officer
2.	Mr. Pradit Sawattananond	Independent Director
3.	Ms. Bee Leng Ooi	Managing Director
4.	Ms. Inchaya Chatchersak	Executive Vice President, Human Resources Department
5.	Ms. Yuan-Chen Chiu	Member

Scope of duties and responsibilities of ESOP Committee

1. To determine allocation rules and conditions;
2. To review and approve the list of directors and/or employees eligible to receive the warrants;
3. To review and approve the amount of warrants allocated to directors and/or employees;
4. To determine exercise price, exercise period and other related conditions and other details as deemed necessary.

Corporate Governance Committee

As of 31st December 2015, the Company's Corporate Governance Committee consisted of 4 members as follows:

No.	Name	Position
1.	Ms. Nongluk Ningsanond	Executive Vice President, Company Secretary Office
2.	Ms. Inchaya Chatchersak	Executive Vice President, Human Resources Department
3.	Ms. Nantararat Surakkhaka	Executive Vice President, Legal & Compliance Department (Acting)
4.	Ms. Rungthip Vanitchapan	Senior Vice President, Audit Department

Scope of duties and responsibilities of CG Committee

1. To review and evaluate the implementations and propose to the Board of Directors to approve at least once a year;
2. To follow up in the implementations in accordance with the policy.

9.3 Nomination of Directors and Top management.

Qualifications of Independent Directors

Independent directors of the Company are qualified as per SEC regulation as follows:

1. Any shareholding they, and any related persons, have is equivalent to not more than 1 percent of the paid-up capital of the Company, the parent company, any subsidiary company, associated company or major shareholder or any other juristic person which could result in a conflict of interest.
2. A director who is not an employee, staff member, or advisor who receives a regular salary, or a controlling person of the Company, the parent company, any subsidiary company or associated company, major shareholders, or of any other juristic person which could result in a conflict of interest, either at present or during the past two years. Not including a director who used to be a government official or advisor of any government department which is a major shareholder of the Company.

3. A director who has no biological or legal relationship such as; parent, spouse, sibling, child or spouse of the child with any of the company's executives, major shareholder, controlling person, or any person already proposed to be appointed as an executive or controlling person of the Company or its subsidiaries.
4. A director who has no business relationship* with the Company, the parent company, subsidiary company, associated company, major shareholders, or any conflict of interest with the company which would affect the ability of the director to provide independent opinions relating to the operations of the Company and a director who is not a major shareholder, or persons who have relationship with the Company, the parent company, any subsidiary company, associated company, major shareholder, or of any juristic person resulting in a conflict of interest, either at present or during the past two years.

*Business relationship includes transactions for operating the business, leasing, asset or services transactions, or financial subsidies such as loaning or borrowing, providing guarantees, giving assets as guarantee, and all behaviours which will affect the Company or counterparties have duties to liquidate in case that the value is from 3% of tangible assets of the Company or Baht 20 million up, up to the lower amount. However, the concept to calculate transaction follows the disclosure of the Securities and Exchange Commission and will calculate total liabilities which have been for one year before a director has business relationship with.
5. A director who is not and has never been an auditor of the Company, the parent company, any subsidiary company, associated company or any juristic person which might result in a conflict of interest. A director who is not a major shareholder or director (other than an independent director) or executive or partner of the audit company which has the auditor of the Company, the parent company, any subsidiary company or associated company or of any juristic person resulting in a conflict of interest, either at present or during the past 2 years .
6. A director who is not or never been a professional advisor, such as legal advisor or financial advisor that received service fees of more than Baht 2 million per year, for services for the Company, the parent company, any subsidiary company or associated company or of any juristic person resulting in a conflict of interest. In the case that the service provider is a juristic person, a director should never be a major shareholder, person with a conflict of interest, or partner of the juristic person, either at present or during the past 2 years.
7. A director who is not a representative of any of the Company's directors or major shareholder or a shareholder who is related to the Company's major shareholder.
8. A director who does not own or control any business which would result in a conflict of interest with the Company or any subsidiary company, and is not a partner of such a business or a director, executive, employee, or advisor who receives a regular salary, or hold shares equivalent to more than 1 percent of the paid-up capital of such business.
9. No other characteristic that would prevent the director providing an independent opinion relating to the operations of the Company.

In 2015, the Company's independent directors are qualified as per SEC's regulation. They have no any business relationship with the Company or provide any services to the Company.

Criteria and Process for Nomination Director

In considering the nomination of directors, the Board of Directors will consider the opinion of the Nomination Committee on the most appropriate directors for the Company's operation. The Nominating Committee will consider and recommend persons who have the qualifications listed below before submitting to the Board for approval. The Board of Directors will then propose at the shareholders' meeting for approval. Furthermore, the Company is a securities business under SEC's control; therefore, the directors of the company must receive approval from the SEC.

1. Meeting the qualifications stated in the Public Company Act, Securities and Exchange Act and the Good Corporate Governance of the Company.
2. Knowledgeable, capable, dedicated with suitable age and ability to perform director's duties with care and loyalty.

3. Has the skills of industry knowledge, accounting & finance, business judgment, management, business strategy, corporate governance and legal or others.

Appointment of Directors which Require Shareholder Approval

If the selection of director needs approval from shareholders, the director appointment has to receive the majority of votes from shareholders with the right to vote. Election of Directors shall be made at the shareholders' meeting according to the following procedure and rules;

- a. Each shareholder shall have one vote for each share;
- b. Each shareholders shall exercise all votes applicable under (a) in appointing one or more person to be a Director, but provided that any of the vote shall not be divisible; and
- c. Person who has the most vote respectively shall be elected to be the Directors equivalent to the number of Directors required; in case the following persons be elected have equivalent vote, the Chairman shall have a casting vote.

In the case there is vacancy among the Directors other than a retirement by rotation, the Board shall elect a person who is qualified and not being prohibited by the Public Company Law to fill the vacancy in the next Board of Directors' meeting except in the event the period of time the Director is entitled to retain his office is less than two months. The person who is elected shall retain his office during such time only as the vacating Director was entitled to retain the same. The resolution of the Board of Directors shall consist of votes of not less than three-fourth of the remaining Directors.

Number of Representative Directors from Major Shareholder

KGI Asia (Holdings) Pte. Ltd. is the direct major shareholder of the Company, owns 34.97% of the Company's shares. The Company has 4 representative directors from Major Shareholder which are 1/3 of all directors, and proper with the portion of shareholding, the list of representative directors from Major Shareholder are as follow:

Director	Position
Mr. Foong Hock Meng	Chairman
Ms. Pi-Lin Huang	Director
Mr. Yen, Chih-Chien	Director
Mr. Chih - Hung Lin	Director

Process of Nominating Top Management

For the nomination of top management position "Chief Operating Officer", the Nominating Committee will consider persons with appropriate qualifications, competence and experience that are beneficial to the company and understand the Company's business. The Nominating Committee will then propose to the Board for approval. Furthermore, the Company is a securities business under SEC's control; therefore, top management of the company must receive approval from the SEC.

Right of Shareholder to Propose the Candidate for Election as a Director

The Company allows shareholders to propose candidates for election as Director who have the qualifications set by the Public Company Act, Securities and Exchange Act. Shareholders can send their proposal to the Company Secretary at the address below. The Company Secretary will propose to the Board of Director for further consideration.

Submit documents

The Company Secretary Office

KGI Securities (Thailand) Public Company Limited

No.173 Asia Centre Building, 11th Floor, South Sathorn Road,

Thungmahamek Sub-District, Sathorn District, Bangkok 10120 Thailand

9.4 Supervision of Business Operation in Subsidiaries Company

The Company has its mechanisms to control the operations of its subsidiaries, to protect the Company's investment as follows:

1. Appoint a Company's representative to act as director in subsidiary companies, the appointment shall be approved by the Board
2. The representative appointed as director in subsidiary companies has duties as follows:
 - 2.1 To get the Company's Board approval prior to a vote on significant matters of the subsidiary.
 - 2.2 To act for the best benefit of that subsidiary company.
 - 2.3 To participate in the significant policy of the subsidiary.
 - 2.4 To oversee the subsidiary company to ensure it discloses accurate and complete information, such as financial statements, operating results, connected transactions and acquisition & disposition of assets.
 - 2.5 To oversee the subsidiary company to ensure it has appropriate internal control systems.

9.5 Prevention of the Misuse of Inside Information

The Board of Directors has set up a strict policy to prevent the misuse of inside information. The punishment for those who do not follow the policy will be considered by the Disciplinary Committee. The policies are as follows:

1. Company's directors and executives cannot trade the Company's securities to seek benefits for themselves or related persons by using the Company's information which has not been disclosed to public 1 month prior of disclosure of financial statements to the public.
2. In the case that directors or managers purchase or sell KGI securities, they must report the transaction to the SEC in accordance with Section 59 of Securities and Exchange Act and submit the one copy to the Company Secretary.
3. The Company Secretary reports changes in the holding of securities of directors and executives to the Board of Directors every quarter.
4. The Company informed all staff of the mentioned policies and procedures to have them implemented and followed up constantly.
5. Executives cannot conjoin to make decisions on any transactions which they have a conflict of interests with.

The Company has rules and regulations for staff relating to securities trading, including rules on the prohibition of use of inside information. For example, Legal and Compliance department has designated Research List, Grey List and Restricted List for staff in departments that deal with inside information.

9.6 Audit fee

A) Audit fee

For 2015, the Company and its subsidiaries paid audit fee to auditor and any persons or companies related to auditor as follows:

Company and its subsidiaries	Auditor	Audit Fee (Baht)	Audit Fee (HK Dollar)
KGI Securities (Thailand) Plc.	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd ("Deloitte")	1,740,000	-
One Asset Management Limited (a 99% owned subsidiary)	Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd ("Deloitte")	440,000	-
KGI Securities (Thailand) International Holdings Limited (a wholly owned subsidiary)	Ernst & Young Hong Kong	-	32,000
KGI (Thailand) Holdings Limited (a wholly owned subsidiary)	Ernst & Young Hong Kong	-	60,000
Total Audit Fee		2,180,000	92,600

Note : The above fees are exclusive of out-of-pocket expenses such as traveling , fax and photocopying charges which will be charged to the Company at actual cost.

B) Non-audit fee

For 2015, the Company's subsidiary paid non-audit fee to Ernst & Young Tax Services Limited as follows:

The Company's subsidiary	Non-audit service	The auditor's firm, persons and companies related to the auditor	Non-audit fee Yearly fee (HK Dollar)
KGI Securities (Thailand) International Holdings Limited (a wholly owned subsidiary)	Tax Service	Ernst & Young Tax Services Limited	8,900
Total Non-Audit Fee			8,900

There is no further expense for services not yet completed which will become payable in the near future.

9.7 Implementation of Code of Best Practices of SET

The Company believes that good corporate governance is a significant tool to ensure efficient and transparent management to foster shareholders' and investors' trust. The Company intends to conduct business under the Good Corporate Governance Principles issued by the Stock Exchange of Thailand and the rules and regulations of Listed Company issued by the Securities and Exchange Commission and the Capital Market Supervisory Board to continuously raise the governance of the Company to international levels for efficient management and sustainable business growth.

In 2015, the Company was assessed on Good Corporate Governance by the Thai Institute of Directors Association (IOD) at the range of "Good". Good Corporate Governance is presented in 5 categories, as follows:

Section 1 : Right of Shareholders

Section 2 : Equitable Treatment of Shareholders

Section 3 : Role of Stakeholders

Section 4 : Disclosure and Transparency

Section 5 : Responsibilities of the Board

The Company discloses the Corporate Governance Policies and the Company's Implementation of Corporate Governance in 2015 on KGI's website at www.kgiworld.co.th. Shareholders who want to receive a hard copy can contact the Company's Secretary Office, tel. 02-658-8881.

However, the Company would like to clarify some items that the Company cannot follow code to the best practices of SET as follows:

Topic	Reason
1. Allowing minority shareholders to propose AGM agenda in advance, submitting questions about the AGM agenda before the meeting date, proposing the candidate for election as a Director, and disclosing on the Company's website.	Shareholders can propose AGM agenda in advance, and can submit questions about the AGM agenda before the meeting date and propose the candidate for election as a Director, by sending the proposal to the Company Secretary. The Company Secretary will then propose to the Board. For the proposal of a candidate for election as Director, the Company will follow the Company's Article No. 14: Election of Directors shall be made by the shareholders' meeting with the following procedure and rules. Shareholders have the right to propose, so the Company did not disclose on the Company's website.

Topic	Reason
2. The Chairman of the Board is independent director. 3. More than half the Board of Directors should consist of independent directors if the Chairman is not an independent director.	The Chairman of the Company was the representative of the major shareholders. However, the Chairman of the Board of Directors and the Chief Operating Officer are different persons and the Company has clearly divided duties and responsibilities between the Board of Directors and the management in order to balance between management and good corporate governance.
4. The Board of Directors should set limitations an individual may serve as an independent director to a maximum of 9 consecutive years. 5. The Board of Directors should set limitations on consecutive terms of directors and sub-committee members.	The Company did not set limitations on terms for directors since the Company believes that the Company's directors have knowledge and capability. The long-term experience of the director gives them a good understanding of the Company's business.
6. All Nomination Committee members should be independent directors.	The Company's Nomination Committee consists of 2 independent directors, 1 non-executive director and 1 executive director, since the executive director will know the Company's information, so the Nomination committee can make decisions on accurate and complete information.
7. Board should consider a policy for non-executive directors to hold a meeting among themselves independently without the management team joining.	The Company's audit committee has its meeting every quarter. This committee consists of 3 non-executive directors, so it is not necessary to arrange another meeting for non-executive directors.

10. Corporate Social Responsibilities: CSR

10.1 Social Responsibility Policy

The Company operates its business with responsibility for all groups of stakeholders. The Company strives towards this by strictly complying with all applicable laws and regulations and promoting CSR projects on education and learning, which will be a major force for the sustainable development of the country and society in the future.

Principles of Corporate Social Responsibility

1. Fair business operation

The Company is committed to doing business in compliance with the law, giving respect to social rules as well as not committing acts that infringe or degrade the rights of the interested individuals.

2. Anti-corruption

The Company has policies to fight against corruption of all forms directly and indirectly. The Company implements work reviews, financial reports, internal controls, internal audits to ensure proper control systems, which is enough for the risk of any possible corruption.

3. Giving respect to human rights

The Company realizes the importance of humanitarian rights and provides all employees the rights, freedoms and equality in working as well as advancement without discrimination against employee because of position, race, religion, sex, class or political opinions.

4. Fair labor treatment

The Company sets wages at a proper level for the Thai industry. It also provides welfare to its employees in different forms and creates a safe working environment.

5. Responsibilities to the client

The Company focuses on good services to ensure the highest satisfaction of the client, adhering to the fairness of price and quality of service and honesty in negotiation and conclusion of the contract, sincere management of client complaints as well as any attempt to solve any possible deficiencies in activity or services in order to maintain a permanent relationship with the client.

6. Environmental protection

The Company regularly encourages employees to be environmentally aware.

7. Joint development of the community or society

The company supports the activities of development of the community and society. The Company continues to focus on providing the educational opportunities for youth as usual every year, whether it is building a library for schools in remote areas, the KGI scholarships throughout the course of Bachelor students and donating bicycles to students.

8. Innovation

The Company is recognized as one of the leaders in innovation in the development of new products. The Company shall not infringe against the intellectual property or copyrights of others. The Company will regularly organize training/seminars to ensure that our clients thoroughly understand new products before investing with the Company.

10.2 Report Preparing and CSR Operations

Report Preparing

The following 2015 CSR Report of the Company (the fiscal year of 1st January 2015 – 31st December 2015), is published to communicate with the public and stakeholder groups the understanding of the Company's CSR directions and operations.

Corporate Social Responsibility Operations

Product design

The Company's products are based on the principle of conducting business fairly and responsibly with the consumers. The Company proposes products relevant to clients' needs and that do not impose unfair trade terms with clients or competitors. The Company will disclose complete, accurate, and fair information about the products without any distortion to clients.

When the Company launches a new product, it will educate clients and investors in order to enhance their knowledge and build confidence in the Company's product.

Sources of Funding

If the Company requires new funds, the policy is to try to procure the cheapest source of funds available and not depend upon just a single source of funds. The Company has a policy to maintain a Net Capital Rule and a Net Capital Ratio (NCR) that are higher than the requirements under the SEC regulations, which specified that the Net Capital Rule must be at least Baht 25 million and the Net Capital Ratio must be at least 7% of liabilities and guarantees. As of 31st December 2015, the Company has Net Capital Rule of Baht 3,756 million and Net Capital Ratio (NCR) of 131% of liabilities and guarantees.

Operational laws and regulations

The Company shall strictly abide by all laws and regulations concerning the securities business. The Audit Department and Legal and Compliance Department are responsible for ensuring the Company has effective internal control systems and that the systems are used properly and comply with SEC/SET regulations.

Risk Management

At the heart of the business operation is the question of how to maximize profits while keeping risk at a reasonable level. Under this concept, the Company, which has developed various new financial products such as equity options, structured products, other derivatives, Repurchase Agreement, etc., knows that the

risk factors must be handled effectively. Therefore, the Company has established a Risk Management Committee as well as other safeguards to see that risk is always balanced with return.

The Company's Risk Management committee is comprised of representatives of all business units as well as senior operational administrative executives. Essentially, the Committee is a forum where professional managers can join forces in coordinating risk-management initiatives. Initiatives include the installation of a mechanism for monitoring and managing market, credit risk and other financial risk. The Risk Management Department is responsible for monitoring all trading positions by systematically calculating Value at Risk (VaR) and also monitoring all the clients' positions by computerized systems. The Company has been able to analytically identify risk and thereby fully realize the full potential of the capital in question. Other innovations by the Company include a variety of standard operational procedures that have been developed to reduce risk in routine operations.

Fair treatment to employees

The Company takes action to ensure that qualified applicants are given equal opportunity to be employed with regards to the required qualification, educational background, experience and other requirements on a non-discriminatory basis regarding gender, age, nationality or religion. The Company ensures fair employment and offers fair career advancement opportunities.

Fair competition policy

The Company practices under the international competition rules, commercial practices, and does not seek competitors' information using fraudulent methods. The Company does not seek any competitors' confidential information in a dishonest or improper manner and does not destroy the reputation of competitors by accusing them without honest and factual data.

Caring for the environment

The Company intends to do business environmentally responsibly. The Company supports all employees being environmentally aware and responsible by efficiently using resources to the best benefits. This includes saving electricity, saving use of water and proper use of office equipment.

Anti - Corruption Practices

The Company's staff must not ask or receive any bribes which can lead to misbehavior or omit to do any duties or cause the Company to lose its benefits. The Company's staff must omit to propose, or give benefit or assets to third parties to encourage such third parties to do illegal practices or behavior.

Respect for the rights of stakeholders

The Company's operations place importance on the rights of all groups of stakeholders both internal and external as follows:

Stakeholders	Treatment toward Stakeholders
Shareholders	<ul style="list-style-type: none"> Operates with integrity, honesty and justice by considering the Company growth and satisfactory returns to shareholders. Discloses true, sufficient, consistent and timely the Company operating result.
Employee	<ul style="list-style-type: none"> The Company regards each employee as respected and honored colleague who should be well cared for. The Company will take action to ensure that qualified applicants are given equal opportunity to be employed with regards to the required qualification, educational background, experience and other requirements on a non-discriminatory basis regarding gender, age, nationality or religion. The Company will ensure fair employment and offer fair career advancement opportunities. The Company offers continuous and thorough development and distribution of knowledge and abilities of employees at all levels. The Company will set up a fair compensation system for all employees.

Stakeholders	Treatment toward Stakeholders
Government	<ul style="list-style-type: none"> • The Company strictly conducts business under the laws and regulations. • The Company provides complete and correct information as requested by the government agencies to show transparency and build mutual confidence and trust.
Clients	<ul style="list-style-type: none"> • The Company proposes products relevant to clients' needs and provide quality services. • The Company provides equal services to every client. • The Company discloses information relevant to the Company's products and services completely, correctly, precisely and without any distortion. Therefore, clients can receive all information thoroughly. • The Company does not disclose clients' information to other clients or related persons except for disclosures that are following regulations or injunctions. • The Company does not impose any commercial conditions that are unfair to clients. • The Company gives clients opportunities to make complaints when they deem necessary and to take the best action to ensure a swift satisfactory resolution.
Suppliers	<ul style="list-style-type: none"> • The Company has a policy for employees not to ask or receive bribes or dishonest benefits from suppliers. • Procurements will be transparent and the Company will provide information to every supplier with equal, accuracy, without bias, and no discrimination. The Company will make fair competition among suppliers and make the procurement process strictly relevant to each situation. • Negotiations must be transparent. The Company's management can supervise and the Company's staff must not receive bribes from procurement. The Company's staff must be neutral and not close to any supplier that may influence the decision making. The Company's staff must strictly follow the conflict of interest rule. • The Company will follow the conditions appropriately and fairly.
Creditors	<ul style="list-style-type: none"> • The Company treats creditors with fairness, responsibility and transparency by strictly complying with the terms of contracts with the creditor. • The Company does not use dishonest means or conceal information and facts, which may be adverse to the creditors.
Debtors	<ul style="list-style-type: none"> • The Company follows the contracts, agreements or terms made with debtors with no discrimination in debt handing. • The Company negotiates with debtors in advance to collaborate in finding solutions to problems.
Society and Community	<ul style="list-style-type: none"> • The Company always support the social activities. • The Company places importance on coexisting with the communities and society and create understanding to continuously build confidence in communities and society.

10.3 Impact of Business Operations on Corporate Social Responsibility

The Company and its subsidiaries have not been found in violation or under review regarding the 8 principles of Corporate Social Responsibility.

10.4 Corporate Social Responsibility (After Process)

In order to give back to society KGI has supported various Corporate Social Responsibility (CSR) projects, particularly in the field of education. In 2015 the Company continued its student sponsorship program which has so far paid the tuition fees for 81 students at 9 universities throughout Thailand. In late 2015 the Board of Directors also approved a new CSR project to help provide access to education for school students who live in remote rural areas by donating bicycles to students who live far from the nearest school. So far we have donated 570 bicycles to students in 8 provinces.

10.5 Anti-Corruption Guidelines

The Company signed its intention to join the Private Sector Collective Action Coalition against Corruption: CAC, of which Thai Institute of Directors (IOD) was the project secretary. The purpose of this project is to create a joint agreement to combat corruption in all its forms. This is the beginning of collaboration on nationally important issues.

The Board of Director's meeting no.6/2014, date 12th December 2014, has approved the Policies and Guidelines to prevent and combat corruption by the Company and the Procedures regarding the Anti-Corruption policy. (See the policies and guidelines to prevent and combat corruption on the Company's website: www.kgiworld.co.th). The Board also approved the Self - Evaluation Tool for Countering Bribery, which is reviewed by Audit Committee and has authorized the Company to send the completed Self - Evaluation Tool to the Private Sector Collective Action Coalition against Corruption ("CAC") Committee for the certification process. And the Company has received the certificate from CAC on 16th January 2015.

The THAIPAT institution has evaluated the Company in 2015. The Company has scored level 4 (level Certified), which demonstrates that the Company has follow the policy and the Audit Committee has reviewed the whole process. And the Company has received the certificate from CAC.

In addition, the Company has taken actions to prevent fraud and corruption as follows:

1. The Company has communicated the policy to all levels of management and employees to ensure they strictly comply with the policy.
2. The Company also provides a channel to inform of violations or corruption and has protective measures for the person who reports the violation or corruption to the Company, by report to Legal & Compliance Department, at Telephone number: 02-658-8740-7 or Fax number: 02-658-8004 or Email: legal&compliance@kgi.co.th
3. The Company has arranged the report and investigation to present before the company's committee for consideration and advice. In this regard, the company's business risk assessment from the corruption would be taken into account in reporting and investigating.
4. The Company will propose to Board of director to review the anti-corruption policy every year.

The Board of Directors and Audit Committee had considered and reviewed report related to investigation of corruption for the year 2015 by Audit Department. The conclusions were operation processes related to anti-corruption had adequate internal control, authorization compliance with the Company's policy/guidelines and could not found any transactions may be considered as corruption.

11. The Internal Control and Risk Management

11.1 Evaluation of Internal Control

At the Board of Directors Meeting No.6/2015 held on 14th December 2015, there were 3 Audit Committee members attending. The Audit Committee and the Board of Directors completed the self-assessment questionnaire on the adequacy of the internal control system in regards to 5 categories as follows;

1. Control environment,
2. Risk assessment,
3. Control activities,
4. Information and communication, and
5. Monitoring activities

Regarding the evaluation result, the Audit Committee and the Board gave the same opinion that the Company has an appropriate internal control system for its business and adequate staff to implement the system effectively. The Company has a system of internal controls to monitor the operations of the Company and its subsidiaries, and to protect the assets of the Company and its subsidiaries against wrongful or unauthorized actions by the directors or management. This includes the monitoring of connected transactions.

The Company's Audit Committee is responsible for reviewing the Company's financial statements. By coordinating with external auditors and the relevant management, the Audit Committee ensures that the Company discloses information fully and accurately. The Audit Committee monitored and reviewed the Company's internal control, and reviewed to ensure that the Company has followed the Securities and Exchange Act and related regulations along with considering related party transactions and risk management to ensure that the Company has an appropriate internal control system.(see the Audit Committee report)

The auditor of the Company, Deloitte Touche Tohmatsu Jaiyos Company Limited has audited quarterly and annual financial statements of the Company for 2015 and reported on the information technology system. The audit scopes were general control and application control and the results did not disclose any material findings. The related departments had improved operation process based on the auditor's recommendations in order to increase the control efficiency.

11.2 Head of Audit Department and Head of Compliance Department.

Head of Audit Department

The Company has appointed Ms. Rungthip Vanitchapan to act as Head of Audit Department since 1st February 2016. The Audit Committee gave the opinion that Ms. Rungthip Vanitchapan is appropriate to perform such functions effectively because she has 10 years of experience in the auditing of securities and banking businesses and has an understanding of the Company's business.

The appointment or Transfer or dismissal of the Head of Audit Department needs approval from the Audit Committee. The qualification of the Head of Audit Department as per Attachment 3

Head of Legal & Compliance Department.

The Company has appointed Ms. Nantarat Surakkhaka as the acting head Legal and Compliance Department replace Mr. Thanachai Meechoke who has resigned from the Company on 20th January 2015, until the Company appoints a new permanent head of Legal and Compliance Department.

12. Related Party Transaction

12.1 Related Party Transactions

During the years ended December 31, 2015, the Company and its subsidiaries had significant business transactions with its related parties. Those transactions, which are summarized below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, the subsidiaries and those related parties. (See note of financial statements no. 34)

12.2 Necessity of and reason for transactions

In 2015, the Company's related party transactions, pertaining to both commission fee and brokerage fee, were general business terms which were approved in principle by the Board. For other related transactions, the Company has followed the process of approval and disclosure in compliance with the regulation; the Audit Committee and the Board of Directors has considered and agreed that these transactions were necessary and reasonable and served the benefit of the Company and shareholders. The independent directors have no different comment from the Board resolution.

12.3 Process for approval of related party transactions

If the Company needs to do a transaction with a person who may have conflict of interests, the Company will ensure that the connected transaction will be reasonable, transparent, fair and for the best benefit for the Company and its shareholders. The Company's policy on Connected Transaction is as follows:

Policy on Connected Transaction

Transactions with connected persons may have a conflict of interest. Therefore, to ensure transparency and fairness to all shareholders equally, the Company has the following policy for connected transactions:

1. The connected transaction was approved through a transparent process by Directors and Executives. The connected person does not participate in the decision process.
2. The connected transaction must be fair and reasonable and for the best benefit of the Company.
3. The connected transactions shall get approval by the Audit Committee, Board and/or shareholders as may be required in order to comply with notifications, regulations, orders or requirements of the SEC/SET, which include related party transactions and acquisitions or disposal of assets of listed companies or subsidiaries. Connected executives or directors or shareholders will not be involved in that agenda.