

Part 2

Management and supervision

7. Data of the securities and shareholding

7.1 Share-holding of the Board of Directors

Authorized Capital 300,000,000.00 Baht Paid-up Capital 210,000,000.00 Baht No. of Listed Share 21,000,000

Shares Par Value 10.00 Baht

7.2 Shareholders

The company's 10 Major shareholders as of 30 September, 2016.

No.	Shareholder's Name	Number of Shares	Equity Stake (%)
1.	Plantheon Co.,Ltd.	14,516,243	69.13%
2.	UBS AG SINGAPORE BRANCH	1,047,155	4.99%
3.	DBS BANK LTD	1,045,850	4.98%
4	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	1,044,000	4.97%
5.	Phoemsuk Trading Co.,Ltd.	629,100	3.00%
6.	Ventures Hotel Management Co.,Ltd.	551,300	2.63%
7	Tanasiri (2014) Co.,Ltd.	464,700	2.21%
8	Phachoenchoke Trading Co.,Ltd.	400,800	1.91%
9	TCC Inter Trade Co.,Ltd. (Change of Company Names : Plantheon Co.,Ltd.)	361,524	1.72%
10.	Kasikorn Bank Public Company Limited.	200,000	0.95%
11.	Yodkij Business Co.,Ltd.	84,900	0.40%

7.3 Dividend payment policy

The company and Subsidiary has policy to pay dividend from net profit in each accounting period after deduction of legal reserves and retained loss brought forward (if any). Such dividend payment is subject to the cash flow, investment plan, terms and condition of contracts which is binding the company including the necessity and other suitability in the future.

8. Management

Structure of Management

The management structure of Siam Food Products Public Company Limited comprises the Board of Directors of the Company, the Audit Committee, the Remuneration and Nominating Committee, Corporate Governance Committee, the Risk Management Committee. Each respective Committee an Sup-Committee has the duties and responsibilities as detailed below:

8.1 Board of Directors

The roles, duties and responsibilities of the Board of Directors shall be as being provided by law, Memorandum of Association, Articles of Association and resolution of the shareholders' meeting. The Board of Directors must perform the duties faithfully (Fiduciary Duties), supervise the business management of the company carefully (Duty of Care) with skills by adhering to the reasons, ethical principles, focusing on the benefits and value addition for the company. Therefore, it is necessary to supervise the management efficiently to cause the effectiveness for the company.

The Board of Directors plays important roles to provide the policies of the company jointly with the top executives, plan the short-term and long-term working as well as provides the financial policies, risk management and perspective of the organization with important roles of supervision, examination and assessment, operation of the company and performance result of the top executives to correspond with the plan systematically.

During the year 2016, the directors were changed, 1 director resigned as follows:

- Mr. Charnvit Subsanyakorn; director and member of the risk management committee and acting President, resigned from being director since 1st March 2016.
- The company thus appointed Mr. Graeme Anthony Cox, director, member of the risk management committee and President, of the company since 1st March 2016.

As of 30 September 2016, the Board of Directors comprises 12 members as follows

- | | |
|--------------------------------|--|
| 1. Mr. Thien Mekanontchai | Chairman |
| 2. Mr. Prasit Kovilaikool | Independent Director and Chairman of the Audit Committee |
| 3. Mr. Siripol Yodmuangcharoen | Director |
| 4. Mr. Ananta Dalodom | Independent Director |

5. Mr. Prasert Maekwatana	Director
6. Mr. Sithichai Chaikriangkrai	Director
7. Mr. Chai Jroongtanapibarn	Independent Director and Director of the Audit Committee
8. Mrs. Chaveevan Chandanabhumma	Director
9. Police General Krisna Polananta	Independent Director and Director of the Audit Committee
10. Mr. Panot Sirivadhanabhakdi	Director
11. Mrs. Nidda Theerawatanachai	Director
12. Mr. Graeme Anthony Cox	Director and President

Authorized signatory director on the Company's behalf is "Two directors sign the names and affix seal of the company except Mr. Prasit Kovilaikool, Mr. Chai Jroongtanapibarn , Mr. Ananta Dalodom and Police General Krisna Polananta"

Authorities and Duties of the company's Board of Directors

1. The company's Board of Directors are required to adhere to the laws, objectives and regulations of the company, and the resolutions of the shareholders' meeting, while performing their duties with loyalty and honesty and maintaining the benefits of shareholders in the short and long run. The board must also perform its duties in accordance with the rules and regulations of The Stock Exchange of Thailand (SET) and The Securities and Exchange Committee (SEC).

2. Responsible for the shareholders in terms of business operations and overseeing the management to ensure that the goals and methods lead to the achievement of maximum shareholder benefits, the Board of Directors also has to perform its duties ethically and fairly.

3. Consideration and approval of matters important to company operations, such as vision, mission, financial goal strategies, risks, work plans and budgets, etc.

4. Following up to ensure the efficient and effective implementation of the policies and plans established.

5. Internal control and risk management, complaint-receiving mechanisms and execution in the event of a whistleblower.

6. Ensuring long-term business continuity, personnel development, and succession plan.

The Board of Directors comprises Independent directors 4 members as follows:

1. Mr. Prasit Kovilaikool
2. Mr. Ananta Dalodom
3. Police General Krisna Polananta
4. Mr. Chai Jroongtanapibarn

Orientation for new company director

The Board of Directors determines the orientation for all new company directors in order to provide them opportunity to build knowledge and understanding about the company's business, industrial condition, business operation direction, policies of the company including also roles, duties and responsibilities of the company directors. The orientation shall be in form of explanation documents, seminar, training and visiting all facilities of company's projects in order to provide them to experience actual operation condition of the company.

In 2016, Mr. Graeme Anthony Cox, a new Director, took his role and attended orientation programmed organized by the company on 4 March 2016.

The Board of Directors has policy to promote knowledge in several fields to all company directors, such as, to promote them to attend seminar and useful course arranged by the Thai Institute of Director (IOD). and/or the Stock Exchange of Thailand.

In 2016 the company attended in the course of the seminar as follows.

Mr. Graeme Anthony Cox: Director Accreditation Program (DAP) No.109/2014 of Thai Institute of Director (IOD)

8.2 The Board of Executive Directors

As of 30 September 2016, the Board of Executive Directors comprises 8 members as follows :

1. Mr. Thien Mekanontchai	Chairman of Executive Director
2. Mr. Prasert Maekwatana	Vice Chairman of Executive Director
3 Mr. Siripol Yodmuangcharoen	Executive of Director
4. Mrs. Chaveevarn Chandanabhumma	Executive of Director
5. Mr. Sithichai Chaikriangkrai	Executive of Director
6. Mr. Panot Sirivadhanabhakdi	Executive of Director
7. Mrs. Nidda Theerawatanachai	Executive of Director
8. Mr. Graeme Anthony Cox	Executive of Director and President

Authorities and Duties of the Board of Executive Directors

1. Implement the policy of the Board.
2. Consider the allocation of the annual budget and various investments for approval by the company's Board of Directors.
3. Manage the company's regular operations.
4. Perform any other task assigned by the Board.

5. Monitor and coordinate with the employees at all levels in carrying on the performance in accordance with the company's regulations, including the authorities to rotate, appoint, promote, demote, dismiss, punish, put on parole , and determine salary, bonus, and other benefits of all employees.

6. Command of sales, production, planting, including any necessary and proper change to meet the company's interests.

8.3 The Audit Committee

As of 30 September 2016, the Audit Committee comprises 3 Independent directors with 3 years term. The Audit Committee comprises 3 members as follows :

- | | |
|------------------------------------|---------------------------------|
| 1. Mr. Prasit Kovilaikool | Chairman of the Audit Committee |
| 2. Mr. Chai Jroongtanapibarn * | Director of the Audit Committee |
| 3. Police General Krisna Polananta | Director of the Audit Committee |

Note : *The Audit Committee have experiences in accounting to review the financial statement.

Authorities and Duties of the Audit Committee

1. to review the Company's financial reporting process to ensure that it is accurate and adequate;
2. to review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine and internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of and internal audit unit or any other unit in charge of an internal audit;
3. to review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the 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, as well as to attend a non-management meeting with an auditor at least once a year;
5. to review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the company;
6. to prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (b) an opinion on the adequacy of the Company's internal control system,
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflicts of interests,
 - (f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,

(g) an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and

(h) other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors; and

7. to perform any other act as assigned by the Company's board of directors, with the approval of the audit committee, in its performance of duties under the first paragraph.

The audit committee must be directly responsible to the Company's board of directors, while the Company's board of directors shall remain responsible to third parties for the operations of the Company.

8.4 The Remuneration and Nominating Committee

As of 30 September 2016, the Remuneration and Nominating Committee comprises 3 members as follows :

- | | |
|---------------------------------|---|
| 1. Mr. Prasit Kovilaikool | Chairman of the Remuneration and Nominating Committee |
| 2. Mr. Sithichai Chaikriangkrai | Director of the Remuneration and Nominating Committee |
| 3. Mr. Prasert Maekwatana | Director of the Remuneration and Nominating Committee (Being appointed to instead of Mr. Suvit Macsinee on 22 September 2016) |

The recruitment of the new member of the compensation and recruitment committee was in process, instead of Mr. Suvit Macsinee, who resigned from being the director on 17th August 2015.

Authorities and Duties of the Remuneration and Nomination Committee

1. Select appropriate directors to replace those who are due to retire or others.
2. Review and evaluate the performance of the company's Board of Directors.
3. Establish criteria for remuneration.
4. Follow up on the changes and trends of director's and manager's remuneration, with the aim to possibly adjust remuneration policy accordingly, to stimulate business operations for future progress and keep highly efficient people with the company.

8.5 Corporate Governance Committee

As of 30 September 2016, the Corporate Governance Committee comprises 3 members with 3 years term, as follows :

- | | |
|------------------------------------|--|
| 1. Mr. Prasit Kovilaikool | Chairman of the Corporate Governance Committee |
| 2. Mrs. Chaveevan Chandanabhumma | Director of the Corporate Governance Committee |
| 3. Police General Krisna Polananta | Director of the Corporate Governance Committee |

Authorities and Duties of the Corporate Governance Committee

1. Propose corporate governance (CG) guidelines to the Board.
2. Advise the Board on CG matters.
3. Ensure that the duties and responsibilities of directors and the management conform to CG principles.
4. Revise guidelines for SFP's CG against those of international organizations and present its recommendations to the Board.
5. Delegate corporate governance policies to the Corporate Governance Task Force.
6. Monitor the CG and report its findings to the Board.

8.6 The Risk Management Committee

As of 30 September 2016, the Risk Management Committee comprises 3 members with 3 years term, as follows :

- | | |
|--------------------------------|---|
| 1. Mr. Siripol Yodmuangcharoen | Chairman of the Risk Management Committee |
| 2. Mr. Chai Jroongtanapibarn | Director of the Risk Management Committee |
| 3. Mr. Graeme Anthony Cox | Director of the Risk Management Committee (Being appointed to instead of Mr. Charnvit Subsanyakorn on 1 March 2016) |

Authorities and Duties of the Risk Management Committee

1. Provide the policies and guidelines of risk management and submit to the Board of Directors to grant consideration, opinions and approval.
2. Consider and give opinions to provide the acceptable risk level i.e. Risk Appetite or deviation of the Risk Tolerance of the organization as well as the risk level, which affects against the company and affiliate company on the strategy, finance and work performance before submitting to the Board of Directors in order to grant consideration, opinions and approval.
3. Acknowledge, consider and give opinions on the risk assessment result, guidelines and measures of risk management and action plan to manage the remaining risks of the company to ensure that the company has the adequate and proper risk management.
4. Maintain and support the risk management, successful organization, suggest the prevention and reduction of the risk level to be acceptable, follow up the action plan to reduce the risks continuously and suitably for the business circumstance, to ensure that the risk is managed adequately and suitably.
5. Recommend the risk management in the organizational level as well as support and encourage the improvement and development of the risk management system within the organization continuously and regularly.
6. Support and encourage the examination and review of the policy and risk management framework of the organization at least every year.
7. Report the important risk of the organization as well as the status of the risk, guidelines for the risk management, progress and result of the risk management to the Board of Directors.

8. Communicate and exchange the data, provide coordination about the risks and internal control with the audit committee at least 1 time per year.

8.7 Management

The Management Team

As at 30 September 2016, the Company's current management team are as follows:

1. Mr. Graema Anthony Cox	Director and President
2. Mr. Kiartisak Lertsiriamorn	Executive Vice President
3. Ms. Sutiporn RungsisiriKul	Executive Vice President
4. Mr. Wiboon Suk-ouichai	Senior Vice President
5. Mr. Pattana Chuatong	Vice President Raw Material
6. Mrs. Chaniya Jantrakasemwat	Vice President QA
7. Mr. Chatchawan Powtong	Vice President Agriculture
8. Mr. Nopadol Thongprajiad	Vice President Manufacturing
9. Mr. Aphisith Sujittosakul	Vice President Logistics
10. Mr. Pakpoom Termpongpisit	Vice President International Marketing & Sale
11. Mrs. Tanaporn Nuntawowart	Vice President Finance & Accounting
12. Mrs. Wondee Kwan-on	Vice President-Ware House

Management refers to the individuals holding the next 4 management positions after Board of Executive Director, including all designations equivalent to the 4th management rank.

Authorities and Duties of the President

1. Control and oversee the company, and ensure that it is operated in such a way as to be of maximum benefit, in addition to being always aware of the company's up-to-the-minute situation. The President is also responsible for following the policy as laid out by the company's Board of Directors.
2. Set up a annual goal and business plan, by considering the various business risks, for the approval of the Board of Directors.
3. Manage the work of the management team to meet any established targets.
4. Find resources and select potential human resources to increase business competitiveness.
5. Consider new project investment that will benefit the company, for the approval by the Board of Directors.
6. Prepare a monthly financial status and operational performance report, for the consideration of the Executive Board.
7. Prepare an annual and investment budget for the Board of Executive Director's consideration, which is later sent to the Board of Directors for approval.
8. Support and create a corporate culture conducive for business growth.

9. Take command and perform in accordance with the command of the Executive Board of Directors for improvement and problem solving to meet the company's interests.

8.8 Company Secretary

The board of director has appointed Mr. Kiartisak Lertsiriamorn to be the Company secretary and also responsible for the secretary of Board of Directors with the Managing Director Office support function of the work of company secretary goes according to the principle of operating of a good company as well as to operate the company more efficiently.

Scope of power and duties of the company secretary

1. To contact and sing in document which must be inform SET.
2. Has the duties and responsibilities pursuant to the Security and Security Exchange Act, B.E. 2551 and as prescribed by the Capital Market Supervisory Board (CMSB).

Recruiting director, independent director, audit committee and executive

1) In case of the director, independent committee, audit committee and the executive is resign by rotation or substitute the position duly vacated by other reason, the Board of Directors' Meeting shall consider to recruit substitute director through the Compensation and Recruitment Board. The Board of Directors shall consider and recruit the qualified, knowledgeable, capable personal who is experienced in related work and duly qualified pursuant to Section 68 of Public Company Limited Act, B.E. 2535 and related Announcement of SEC for benefit in the efficient business operation of the company and then proposed to the Shareholders' Meeting for consideration the appointment according to the rules and methods as follows:-

1. One shareholder possesses one share / one vote.
2. Each shareholder must exercise all right to vote as mentioned in clause 1 to elect one or several persons as director but is prohibited to divide its more or less votes to any person.
3. The person who earned highest votes descending shall be elected as director equal to the number of director required in such election. In case of the descendant earned equal votes more than number of the required director, the chairman shall cast one final vote.

For recruitment of person to fill the management position, the Board of Directors shall arrange to follow up the progress of position succession that covering the position of managing director and high management position to ensure that the company selects the executive who is knowledgeable, capable to succeed the important position in the future.

2) Rules in selection the independent committee and audit committee

The company determines rules on selection of independent committee and audit committee from the qualification of the appointed person based on the following qualifications:

1. Holds share not less than 1% of paid up capital of the company, subsidiaries, affiliates and related companies. This shall include shares held by related persons.

2. Is not or never been the director who involved in management, employee, consultant who earned permanent wage nor person duly authorized to control the company, parent company, subsidiary, affiliate or minor company at the same rank, major shareholder or the person who has power to control unless such person is resigned from those statuses for not less than 2 years before being appointed.

3. Does not have or never had business relationship or provided professional service to any company, parent company, subsidiary, affiliate, major shareholder or the person who has power to control in the manner which may object the independent use of discretion and is not or never been the major shareholder or person who has power to control of any party who has business relation with the company subsidiary, affiliate, major shareholder or the person who has power to control unless such person is resigned from those statuses for not less than 2 years before being appointed. Such relations inclusively mean:-

3.1 Normal transaction, the matter related to the asset/service, to give or receive financial assistant that exceeding 20 m. baht or 3% of net tangible asset subject to whichever is lower.

3.2 Providing other professional services, such as, financial consultant, legal consultant, asset appraisal for exceeding 2 m. baht / year.

In this regard, in case of business relation or professional service is exceeding such prescribed value, approval must be firstly granted by the Board that such business relation and professional service do not impact the performance of assigned duties and independent expression of comment and such comment of the Board id disclosed in Form 56-1 / Annual Report / Invitation Letter (in case of extension of position).

4. Is not or never been the auditor of any company, parent company, subsidiary, affiliate, major shareholder or the person who has power to control or partner of the Auditing Office where such auditor is working for unless such person is resigned from those statuses for not less than 2 years before being appointed.

5. Does not have any relation by blood or by lawful registration, namely, no any relation as parents, spouse, relatives and children including spouse of the child of the executive, major shareholder, the person who has power to control or the person who is proposed as executive or the person duly empowered to control the company or subsidiary.

6. Not being the director who is elected as proxy of the company's director, major shareholder or the shareholder who is related to the major shareholder of the company.

7. Free from any character that prevent him to independently express comment about operation of the company.

8. In case of being authorized from the Board of Directors to make decision about business operation of the company, parent company, subsidiary, affiliate and minor company at the same rank, major shareholder or the person who has power to control based on collective decision, such independent director must not be the Audit Committee.

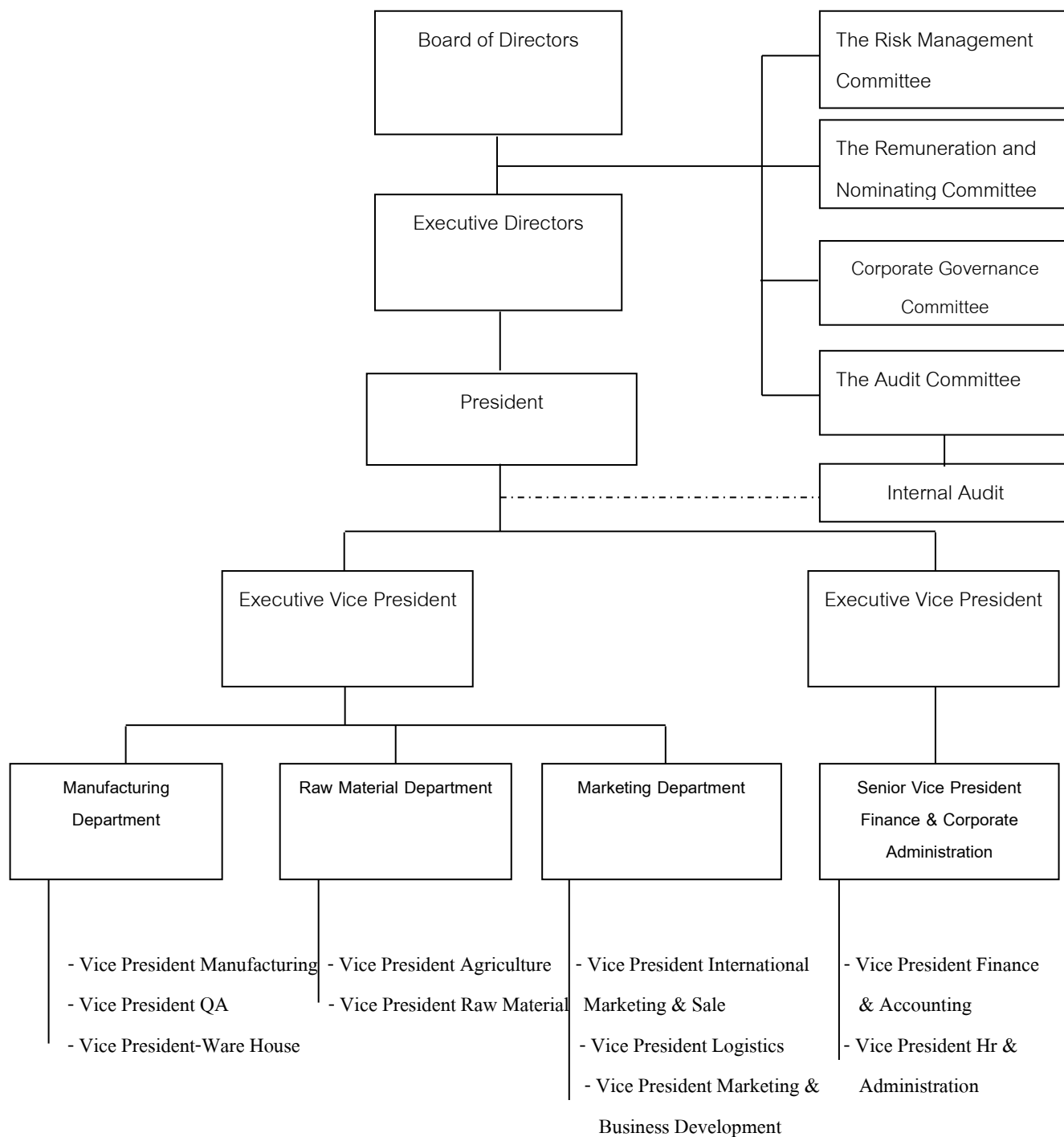
9. Able to assume the position of director who does not involve in management or independent director of the company in the group but is required to disclose information about assuming in the position of independent

director in the group and total compensation received from the group in form 56-1 and annual report (not necessary to disclose compensation separately by each company).

The policy on assuming the position of director for other company

The company determined the policy specifying the managing director to report in case of any company director would assume the position of director in any company other than the subsidiary and affiliates to the Board of Director immediately.

ORGANIZATION CHART



Remarks: The audit committee considers and assesses the yearly performance result of the Office of Internal Audit, so that the company has the good business supervision, and the Office of Internal Audit could work independently.

8.9 Remuneration of Directors and Executives

The Company has established a set of well-defined and transparent remuneration policies for directors. The Remuneration and Nominating Committee is responsible for reviewing these policies, taking into consideration the appropriateness of remuneration with respect to the scope of responsibilities of each director to ensure that the Company's remuneration is comparable to that of other commercial company, A director who is also a member of other Board Committees shall receive additional remuneration in accordance with the increased responsibilities, The Annual General Meeting of Shareholders approval of the remuneration as follows:

Remuneration	Remuneration (Baht/person/month)	Remuneration (Baht/person/time)
1. Monthly remuneration		
1.1 Chairman of the Board of Directors & Chairman of Executive Board of Directors	150,000	
2. Meeting allowance (monthly)		
2.1 Chairman of the Audit Committee and Chairman of the Remuneration and Nominating Committee	60,000	
2.2 Vice Chairman	45,000	
2.3 Vice Chairman of Executive Board of Director	45,000	
2.4 Executive Board of Director and Director of the Remuneration and Nominating Committee	40,000	
2.5 Director of the Audit Committee	30,000	
2.6 Directors	30,000	
3. Meeting allowance (time)		
3.1 Chairman of the Corporate Governance Committee		10,000
3.2 Chairman of the Risk Management Committee		10,000
3.3 Director of the Corporate Governance Committee		5,000
3.4 Director of the Risk Management Committee		5,000
4. Bonus for the year	Contributions	-
5. Other Benefit	-	

Except that the executive directors receive no remuneration for their membership in a Board Committee.

The Company evaluates the performance of executives of every year in the form of KPIs by comparing them with the objectives in the hiring, which will be connected to the rate received according to the Board of Directors.

Details of remuneration to directors and executives are shown as follows:

(1) Monetary remuneration

(a) Directors' remuneration

In 2016 period from January – September 2016 (9 months), the remuneration of the Board of Directors (12 persons) including the directors' responsibilities as following :

Unit : Baht

No.	Name	Position	The Director's fees (1)	Salary and Bonus (2)	Other benefits (3)	Total (1)+(2)+(3)
1	Mr. Thien Mekanontchai	Chairman and Chairman of Executive Director	-	1,350,000	-	1,350,000
2	Mr. Prasit Kovilaikool	Chairman of the Audit Committee , Chairman of the Remuneration , Nominating Committee and Chairman of the Corporate Governance Committee	550,000	-	-	550,000
3	Mr. Siripol Yodmuangcharoen	Director , Executive of Director and Chairman of the Risk Management Committee	300,000	-	-	300,000
4	Mr. Ananta Dalodom	Independent Director	270,000	-	-	270,000
5	Mr. Prasert Maekwatana	Director, Vice Chairman of Executive Director and Director of the Remuneration and Nominating Committee	405,000	-	-	405,000
6	Mr. Sithichai Chaikriangkrai	Director , Executive of Director and Director of the Remuneration and Nominating Committee	360,000	-	-	360,000
7	Mr. Chai Jroongtanapibarn	Independent Director , Director of the Audit Committee and Director of the Risk Management Committee	285,000	-	-	285,000
8	Mrs. Chaveevarn Chandanabhumma	Director , Executive of Director and Director of the Corporate Governance Committee	275,000	-	-	275,000

9	Police General Krisna Polananta	Independent Director ,Director of the Corporate Governance Committee and Director of the Audit Committee	275,000	-	-	275,000
10	Mr. Panot Sirivadhanabhakdi	Director and Executive of Director	270,000	-	-	270,000
11	Mrs. Nidda Theerawatanachai	Director and Executive of Director	270,000	-	-	270,000
12	Mr. Graeme Anthony Cox*	Director , Executive of Director , Director of the Risk Management Committee and President	-	-	-	-
13	Total		3,260,000	1,350,000	-	4,610,000

- Mr. Graeme Anthony Cox*, has been appointed to assume the position of director, member of the risk management committee and President, of the company since 1st March 2016.

(b) Management's remuneration

Remuneration for management, comprising the President ; Executive Vice President; Senior Vice President and Vice President

Unit : THB	2016		2015	
	No. of Executives	Jan-Sep	No. of Executives	Jan-Sep
Total Salaries	12	18,203,914	13	24,925,439
Total Bonuses	12	4,890,321	13	4,030,302
Grand Total		23,094,235		28,955,741

- **Other compensation** : Employee Provident Fund and Life Insurance Premiums.

(a) Other compensation of the Board of Directors

- Non-

(b) Other compensation of management team, comprising the President ; Executive Vice President; Senior Vice President. This amount does not include remuneration of the Vice President Finance & Accounting.

Unit : THB	2016		2015	
	No. of Executives	Jan-Sep	No. of Executives	Jan-Sep
Contributions to the provident fund	12	817,959	13	904,521

Life insurance premiums	12	19,838	13	23,993
Total		837,797		928,514

- Share-holding of the Board of Directors

The directors and Executives are required to report the possession of security of Siam Food Products Public Co., Ltd., of themselves, and spouses including children who still does not reach legal age to the following Board of Directors' Meeting after those directors are selected as company directors. Subsequently, should any Director, Executives and spouse and under legal age child shall cause transaction of security of Siam Food Public Co., Ltd., The company provides the policies that the Board of Directors and top executives should notify the committee of shares trade at least 1 day in advance before the trade by giving notice in writing to the Company's President. such director is required to report such transaction to the following Board of Directors' Meeting.

In this regard, shareholding of the Board of Directors and Executives as at 30 September 2016 were as follows:-

No.	Name	Position	Ordinary Share (Units)		
			30 September 2016	31December 2015	+ / (-)
1	Mr.Thien Mekanontchai Spouse and Minor child	Chairman and Chairman of Executive Director	-	-	-
2	Mr. Prasit Kovilaikool Spouse and Minor child	Chairman of the Audit Committee , Chairman of the Remuneration , Nominating Committee and Chairman of the Corporate Governance Committee	-	-	-
3	Mr. Siripol Yodmuangcharoen Spouse and Minor child	Director , Executive of Director and Chairman of the Risk Management Committee	-	-	-
4	Mr. Ananta Dalodom Spouse and Minor child	Independent Director	-	-	-
5	Mr. Prasert Maekwatana Spouse and Minor child	Vice Chairman of Executive Director and Director of the Remuneration and Nominating Committee	-	-	-
6	Mr. Sithichai	Director , Executive of Director	-	-	-

	Chaikriangkrai Spouse and Minor child	and Director of the Remuneration and Nominating Committee			
7	Mr. Chai Jroongtanapibarn Spouse and Minor child	Independent Director , Director of the Audit Committee and Director of the Risk Management Committee	-	-	-
8	Mrs. Chaveevarn Chandanabhumma Spouse and Minor child	Director , Executive of Director and Director of the Corporate Governance Committee	-	-	-
9	Police General Krisna Polananta Spouse and Minor child	Independent Director ,Director of the Corporate Governance Committee and Director of the Audit Committee	-	-	-
10	Mr. Panot Sirivadhanabhakdi Spouse and Minor child	Director and Executive of Director	-	-	-
11	Mrs. Nidda Theerawatanachai Spouse and Minor child	Director and Executive of Director	-	-	-
12	Mr. Graeme Anthony Cox Spouse and Minor child	Director , Executive of Director , Director of the Risk Management Committee and President	-	-	-
13	Mr. Kiartisak Lertsiriamon Spouse and Minor child	Executive Vice President – Corporate Administration	-	-	-
14	Ms. Sutiporn Rungsisirikul	Executive Vice President – Operation	-	-	-
15	Mr.Wiboon Sukouichai Spouse and Minor child	Senior Vice President - Finance & Administration	300	-	300
16	Mr. Pattana Chuatong Spouse and Minor child	Vice President Raw Material	-	-	-
17	Mrs. Chaniya Jantrakasemwat Spouse and Minor child	Vice President QA	-	-	-
18	Mr.Chatchawan Powtong	Vice President Agriculture	-	-	-

	Spouse and Minor child				
19	Mr.Nopadol Thongprajiad Spouse and Minor child	Vice President Manufacturing	-	-	-
20	Mr. Aphisith Sujittosakul Spouse and Minor child	Vice President Logistics	-	-	-
21	Mr. Pakpoom Termpongpisit Spouse and Minor child	Vice President International Marketing & Sale	-	-	-
22	Mrs.Tanaporn Nuntawowart Spouse and Minor child	Vice President Finance & Accounting	-	-	-
23	Mrs. Womdee Kwan-on Spouse and Minor child	Vice President-Ware House	-	-	-
	Total	-	300	-	300

Independent committee participation in any training course organized by Thailand Institute of Directors (IOD)

Training Courses

Name	Directors Certification Program (DCP)	Directors Accreditation Program (DAP)	DCP Refresher Course (DCP-Re)	Audit Committee Program (ACP)	Role of the Compensation Committee (RCP)	Finance for Non-Finance Director (FND)	Others
1.Mr. Thien Mekanontchai	-	/	-	-	-	-	MIR No.14/2013 MFR No. 17/2013 MIA No. 14/2013 MFM No. 9/2013
2.Mr. Prasit Kovilaikool	-	/	-	-	-	/	Corporate good governance
3. Mr. Siripol Yodmuangcharoen	/	/	-	-	-	-	-
4.Mr. Ananta Dalodom	-	/	-	-	-	-	-
5.Mr. Prasert Maekwatana	/	/	-	-	-	-	-
6.Mr. Sithichai Chaikriangkrai	/	-	-	-	-	-	
7.Mr. Chai Jroongtanapibarn	/	-	-	/	-	-	
8.Mrs. Chaveevarn Chandanabhumma	-	/	-	/	-	-	-
9.Police General Krisna Polananta	-	/	-	-	-	-	-
10.Mr. Panot Sirivadhanabhakdi	/	/	-	-	-	/	CMA.9
11. Mrs.Nidda Theerawatanachai	/	-	-	-	-	-	Company Secretary Program
12. Mr. Graeme Anthony Cox	-	/	-	-	-	-	-

8.10 Personnel

There were 1,952 employees as classified as monthly employees 402 persons and daily employees 655 persons, seasonal daily employees 895 persons, as classified by major working area as follows:-

Office	Monthly Employees	Permanent Daily Employee	Seasonal Daily Employee
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1	Head office	74	-	-
2	Factory office (Chonburi)	256	477	867
3	Farm office			
	Agriculture	62	176	28
	Raw material procurement	10	2	-

Total compensation of the employees are classified as follows:-

-	Salary / Wage	230.85 m. baht
-	Bonus	26.78 m. baht
-	Accumulated in Provident Fund	5.87 m. baht

Policies and practices relating to the safety and hygiene in the workplace

Siam Food Products Public Co., Ltd. is committed and plans to be the leader to manufacture the food with good quality, safety and environmental protection by considering the environment, hygiene and safety based on the international standard. All employees take participation for the satisfaction of the customer and world community by providing the following guidelines:

1. Focus on problem prevention and improvement of continuous environmental management by reducing the resources use and add the recycling.
2. Promote the good health, prevent the sickness and work disease as well as dangers from the risks of all activities of the employee and related parties with the risks in the intermediate level and higher as well as prevent any accident and incidents, which may cause the loss against the life, property and manufacturing process continuously.
3. To develop the management system as well as the capabilities on the environment, hygiene and safety suitably and consistently with the legal provisions and other requirements based on the company's agreement as well as the laws and requirements relating to the environmental problems of the activities or company's products within the scope of the environmental management as being provided.
4. To prepare and review the objectives and purposes consistently with the environmental problems and risks in the intermediate level and higher.
5. To promote and encourage the trade partners and contractual parties to provide the raw materials and service to show the responsibility for compliance with the environmental, hygienic and safety standard of the customer and seller.
6. To provide training and create the environmental, hygienic and safety awareness among the employees of all levels as well as encourage and stimulate everyone for the participation and suggest the company's activities and serious actions.
7. To give the resources support regarding the personnel, time and proper and sufficient training with the measurement and assessment as well as improvement of the environmental, hygienic and safety management system to be continuously efficient.

To achieve the above policies, the executives shall communicate to all employees for good understanding and serious actions as well as communicate to the public, concerned parties, sub-contractor and working staff on behalf of the company.

In addition, the company has appointed the work safety, hygiene and environment committee for the thorough supervision of all employees according to the ministerial decree regarding the standard on administration and management of work safety, hygiene and environment B.E. 2549 and acts as the representative of the employer to do activities relating to the safety, budget allocation, instruction for changes, improvement of the unsafe condition and punishment upon investigation, which is found that the offensive employee does not comply with the safety rules, as well as consider the policies and plans of work safety and safety outside the work facility to prevent and reduce the accidents, dangers, sickness or troubles from working or non-safety of work, report and suggestion of the measures or guidelines for improvement being submitted to the employer etc.

The work safety, hygiene and environment committee determines the targets to reduce the accidents, work leave rate and rate of sickness from working of the company's employees formally by gathering the statistics, causes of accident and solutions, so that the employees work safely and could achieve the provided targets.

Statistics of accidents in comparison with the working hours for retrospective 3 years

	2016 (Jan-Sep)	2015	2014
CASE	14	26	14
Day leave	80	601	211
Man hour	4,472,044.78	6,300,420.35	6,333,643.1
IFR (Injury Frequency Rate)	3.13	4.13	2.21
ISR (Injury Severity Rate)	17.89	95.39	33.31

Remarks: Injury Frequency Rate : IFR = Frequency rate of injury

Injury Severity Rate : ISR = Severity rate of injury

Policies and practices relating to the employee's compensation and welfares

The company manages the wage and compensation under the principles of fairness, which corresponds with the suitability for the duties, responsibilities and abilities of the individual employee as well as the fairness in comparison with the external industry for the competition in the leader's level with the external company in the same industry. The employee shall receive the work assessment and explanation regularly and sincerely for the development and self improvement.

In addition, the company has the policies to support the good health of its employees for the efficient work by providing the sport center for the employees, savings cooperatives and provident reserve for savings by the employees to be used upon retirement.

Employees Development Policy

Siam Food Public Co., Ltd. has well realized that personal resource is important management factor to build the competitive advantage and to bring our organization to meet international standards. To correspond with the vision and mission of the company, the company thus rapidly develop and build management and personnel resource development system and continuous employee development as summarized as personnel resource development of the company as follows:-

1. Promote organizational culture and environment that facilitates personnel resource development to have good moral, ethic, diligent, patient and active to develop oneself to lead the company as efficient organization and encourage all employees to fully commit to perform work under their responsibilities.

2. Develop personnel resource, arrange training according to the prescribed plan by training basic course of employee at each level.

3. Quality System according to the International Standard; on the job training (OJT); Specific Vocational Course to support growth of each occupation. Management Potentiality Course for each level of superior in order to develop the potentiality of employee at each level to correspond with growth of position and to build substitute personnel, Our staff will all be trained and developed an average of 6 hours / year. However, in 2016 (January – September) the company's employees have been trained on average 6.86 hours / 9 months.

4. In addition, the Total Productive Maintenance (TPM) to continuously develop personnel resource and working efficiency by providing opportunity to all employees at all levels to participate in development and improvement of working to reduce loss and manufacturing cost. Achievement-based project operation by determining KPI across the organization with objective to develop potentiality of employees and to maintain performance of all organization to correspond with the required goals of the company for efficient team work and measurable including to adapt result of such action to improve and develop personnel and better working system development.

9. Good Corporate Governance

9.1 Good governance policy

The Board of Directors has greatly emphasized on the compliance with good governance and good practice for the Board of Directors of the listed company according to the direction of SET and SEC, and the company has comply with the same of which in 2013, the Board of Directors had approved to improve the good governance policy of the company comply with the requirements of the post. In 2012 for Listed Companies To be consistent with the criteria ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) to be modern and consistent with the changes in the capital market society and upgrade the standard of business supervision to be higher and announced for acknowledgement and compliance of all executives and employees as the content thereof was classified into 5 sections, as follows:-

1. Rights of the shareholders

The Board of Directors realizes and focuses on the shareholders' rights, protection of shareholders' rights and encourages all shareholders to exercise their rights by covering the basic rights according to the law and not to do acts as the violation or derogation of the shareholders' rights.

The Board of Directors encouraged and focused on the shareholders' meeting. The Board of Directors as well as the audit committee and independent directors attended the meeting and invited the concerned person to attend the meeting i.e. auditor of the company in order to provide the information for the shareholders and consider the reports adequately.

The company recorded the data, date, time, place and agenda of the meeting by giving explanations and reasons in each agenda or support the resolution as being provided in the invitation for the shareholders' meeting in advance adequately and the Board of Directors gives opportunities to the shareholders to send questions in advance before the date of meeting by providing the criteria of sending questions in advance obviously and notified the shareholders as well as sent the invitation letter for the shareholders' meeting. The company propagated the criteria of sending questions in advance on the website of the company.

The Board of Directors encouraged the shareholders, who are inconvenient to attend the meeting themselves, to exercise rights of voting by authorizing other person to attend the meeting and vote instead. The company nominated at least 1 independent director as the option of authorization for attending the meeting and voting instead of the shareholder. The company encouraged the shareholders to use the power of attorney in form, which the shareholders could determine the direction of voting.

The Chairman of the Board or chairman of the meeting notified the shareholders about the criteria used on the meeting, procedures of voting for resolution, allotting the proper time and giving opportunities to the shareholders to exercise rights equally on inquiry, expressing the opinions or suggestions to the meeting according to the agenda of the meeting and submitted manner.

The Board of Directors encouraged the use of the voting card in the important agendas and provided the resolution individually for the appointment of director as well as designated the independent person to count or examine the votes on the shareholders' meeting and disclosed to the meeting.

The minutes of the shareholders' meeting, which recorded the data accurately and completely, has been sent to the Securities and Exchange Commission and the Stock Exchange, and the minutes of the shareholders' meeting has been propagated within 14 days since the date of shareholders' meeting. The resolution of the meeting and the voting result in each agenda have been disclosed on the next working day on the company's website.

In 2016, the company has held Ordinary Shareholders' Meeting for 2016, No. BorMorJor. 24, on 22 April 2016 as the company had assigned Thailand Securities Depository Co., Ltd. who is the share registrar of the company to deliver Invitation Letter to all shareholders 21 days before the Meeting date. In this regard, name list of shareholders are available in the section of follow with good corporate governance principles, item No. 9.7 The Board of Directors' Meeting.

2) Equal treat to the shareholders

The Board of Directors promoted the shareholder who is inconvenient to personally attend the Meeting to exercise its right to vote by its proxy. The company proposed at least the name of 1 independent director as alternative for attend the

Meeting and entitled to vote on behalf of the shareholder. In this regard, the company encouraged the shareholder to use Power of Attorney in the form where the shareholder could determine voting direction. However, should the shareholder may use other form of Power of Attorney as prescribed by Department of Business Development.

The invitation letter for the shareholders' meeting is done both in Thai and English language in order to give notice of the meeting schedule together with the agenda and opinions of the Board of Directors by means of propagation through the company's website at least 30 days before the appointed date for the shareholders' meeting.

The Board of Directors gives opportunity to the minority shareholders to add the agenda and nominate the individual to assume the position of Director as well as gives opportunity to the shareholders to send questions in advance before the date of shareholders' meeting by propagating the criteria and giving prior notice to the shareholders through the website of the company at least 3 months before the date of shareholders' meeting.

The Board of Directors held the shareholders' meeting based on the sequence of agenda being given in the invitation letter for the meeting and had the policies not to add the agenda in the meeting without prior notice to the shareholders, so that the shareholders have the opportunities to study the supporting data of agenda before making decision. For voting, the company provides the Scorecard in all agendas and could examine it in case of conflicts at later time.

The Board of Directors provides the policies about the prevention of internal data use and provides the measures to ensure that the policies are acknowledged and practised.

The Board of Directors provides the policies that the directors and executives have the duties to prepare and disclose the report of securities holding in his own company, of the spouse and of the minor children at least 1 day in advance before the trade by giving notice in writing to the company president in order to report the securities trade to the meeting of the Board of Directors on the next meeting.

The Board of Directors determined policy stipulating the directors and executives to prepare and disclose report of benefit of themselves including the persons related to the directors and executives to the company's secretary in order to further submit copy of such report to the Chairman of the Board and Chairman of the Audit Committee within 7 days commencing from such report is received by the secretary.

3) Roles of Stakeholders

The Company recognizes the importance of all parties with interests in the Company by protecting their rights and ensuring equal, fair treatment for all. The Company addresses the rights of persons with interests in the business as follows.

Customers : the Company dedicates to install the production process at world class standard for food safety to improving the efficiency of its services; fair pricing; as well as honesty and integrity when entering into contracts.

The company products are accredited according to the following standards: GMP, HACCP, BRC, ISO 9001, ISO 14001, OHSAS 18001 and TLS 8001-2553 to provide good quality and satisfaction to our customers forever.

Trading partners : A manual has been compiled which clearly specifies operating procedures for the procurement of products and services and procedures to select the trading partners. The Company observes the conditions of trade and

contracts of which it is a party to; payments are promptly arranged; and full cooperation is provided to the sellers of products and services regarding essential information.

Competitors : The rules for fair competition are strictly observed and involvement.

Banks : The Company complies with the lending conditions specified in its agreements and its obligations to business banks. The company provides the framework on approval for the shareholding list, and the guarantee must be subject to approval from the Managing Director. In addition, the company has the policies of strict fund management to prevent any defaulted payment to the financial institute in whatever cases.

Employees : The importance of employees at every level of the organization is emphasized, irrespective of nationality, religion or gender. All employees have equal rights and receive equal treatment. Appropriate remuneration and benefits are provided to all employees, comprising a salary, employees provident fund, social security, medical expense coverage and life insurance. An employee benefits committee has also been established to oversee the rights of personal in a just manner.

Society : The company gives focus and respect on the lifestyle of the community, supports and participates into the activities of environment protection and social and public interests support. The company's policies, taking consideration of the concerned parties, have been announced to the employees and generally observed as follows:

- Policy of social responsibility (CSR)
- Policy of no human rights violation
- Policy of no intellectual property or copyright violation
- Policy of anti-corruption and no bribery for the business interests of the company
- Policy of environment, hygiene and safety
- policy of energy conservation

Acceptance of the whistleblower or complaint: The company allows the interested parties both internally and externally to act as the whistleblower or complainant about the acts in contrary to the law and ethical rules and as the violation against the corporate governance. The company provided channel to accept and manage the complaints of the interested parties through the audit committee of the company directly at Siam Food Products Public Company Limited No. 1, 43rd Floor, Empire Tower, Sathon Tai Road, Yannawa Sub-District, Sathon District, Bangkok Metropolis 10120 or at the email address: Auditcommittee@siamfood.co.th as well as provided the opinions box within the company. The company has the procedures of audit and complaint investigation to ensure that the complaints shall be considered carefully, correctly and fairly and reported to the committee respectively by announcing the policy of whistleblower and measures of protection of the whistleblower for the employees and to be observed thoroughly as well as propagating the data into the company website: www.siamfood.co.th

If the employee is complained that he commits offense, the company has the policies and guidelines to provide fairness to the employee and the whistle blower not to affect against the individual rights according to the law of all parties.

The company explains the details about the policies, operation and activities with the interested parties in Clause 10: Company's Social Responsibility (CSR).

4) Disclosure of data and transparency

The Board of Directors had policy to disclose data and information both the monetary and non-monetary information related to business operation and result of operation of the company which was true, complete, sufficient, regular, in time and indicate the operating status and actual financial status of the company including the future of company's business.

The Board of Directors had duties to supervise the disclosure of company's data to be strictly in accordance with law, rules and regulation related to disclosure of data and transparency and also assigned the company secretary to equally communicate with the shareholders, investors and general security analyst as contactable at the company office, e-mail address: Kiertisak.l@siamfood.co.th or Tel. 0-2287-7003 and at www.siamfood.co.th. So that the investors and the concerned persons as the shareholders and prospective shareholders could use the data to support the investment decision i.e. preparation of the Management Discussion and analysis or MD & A) to support the disclosure of the financial statements of all quarters. The investors could acknowledge the data and understand the changes occurring to the financial status and operation result of the company in each quarter better in addition to the figures data in the financial statement only.

The Board of Directors had assigned the Audit Committee which was consisted of independent director as the caretaker who is responsible for the quality of financial report and internal control system. The comment of Audit Committee about this matter was shown in report of the Audit Committee as shown in annual report.

The Board of Directors had duties and responsibilities to report their responsibilities toward financial report as shown with the auditor report in annual report.

The company has disclosed the roles and duties of the Board of Directors and sub-committee, frequency of the meeting and number of times to attend the meeting in the past year and opinions from performing the duties as well as training and continuous development of professional knowledge of the committee in the Form 56-1 and in the annual report of the company as well as propagated the certificate and company's rules in addition to the policy of good business supervision in the website of the company.

The company disclosed duties of the minor Board of Directors in Form 56-1 and annual report.

5) Responsibilities of the Board of Directors

The roles, duties and responsibilities of the Board of Directors shall be as being provided by law, Memorandum of Association, Articles of Association and resolution of the shareholders' meeting. The Board of Directors must perform the duties faithfully (Fiduciary Duties), supervise the business management of the company carefully (Duty of Care) with skills by adhering to the reasons, ethical principles, focusing on the benefits and value addition for the company. Therefore, it is necessary to supervise the management efficiently to cause the effectiveness for the company.

The Board of Directors plays important roles to provide the policies of the company jointly with the top executives, plan the short-term and long-term working as well as provides the financial policies, risk management and perspective of the organization with important roles of supervision, examination and assessment, operation of the company and performance result of the top executives to correspond with the plan systematically.

In addition, the Board of Directors appoints the sub-committee, so that the shareholders ensure that the company operated the business and did review carefully i.e. Audit Committee, Compensation & Recruitment Committee, Risk Management Committee and Good Business Supervision Committee to perform the specific duties and submit to the Board of Directors for consideration or acknowledgment.

5.1) Board of Directors' Structure

The company consists of the Board of Directors by selecting from the persons, who have the knowledge, abilities, multiple qualifications, skills and experiences of business operation.

The Board of Directors authorized the compensation and recruitment committee to select the suitable person to assume the position of director from the persons, who have knowledge, abilities, professionalism, specific expertise and necessary skills in the committee by requiring the qualifications to be consistent with the business strategies of the company without restriction of sex and with qualification as being provided in the criteria of the Stock Exchange of Thailand based on the varied policy in the structure of the Board of Directors (Board Diversity).

The directors are elected from the shareholders' meeting, who determines the number of Board of Directors, 12 persons, consisting of:

- | | |
|-------------------------|--------------------------------|
| - Independent Directors | 4 persons |
| - Executive Directors | 8 persons (2 female directors) |

The independent Directors are the Audit Committee, and some of them are the Remuneration and Nominating Committee which is also in compliance with the requirements of The Stock Exchange of Thailand.

The Board of Directors has the agenda for assuming the position of 3 years each and could be re-elected. The company could not determine the agenda to assume the position or number of the companies, of which each director assumes the position in other company. Because the company believes that the business-related abilities and skills of the Board of Directors do not depend on the number of agendas or number of the companies assuming the position in other company because the company believes that the business abilities and skills of the company directors do not depend on the number of agendas or number of companies assuming the position, but depend on the abilities to provide the policies of business operation, consultations and solutions based on the standard expected by the company and as far as the directors could devote time for the company completely. The power of decision to elect the person to assume the position of director belongs to the rights of direct shareholders, who shall select them to perform the duties instead to provide the policies and control the company owned by them. However, the company specified the number of years to assume the position of director of each director in the annual report and on the website of the company.

5.2) Independence of the Board of Directors

The directors must have independence to express the opinions, voting and have power to make decision. In case of decision on any matter, if any director is involved, the company shall notify such director to omit voting and leave the meeting room, so that the Board of Directors could grant consideration and give opinions independently.

The independent director has the qualifications according to the announcement of the Securities and Exchange Commission of Thailand (SEC) and Stock Exchange of Thailand, so that the independent directors could be in charge of the benefits of the shareholders and the involved persons independently in proportion as 1 of 3 of the number of all directors. Most independent directors assume the positions of audit director. It results in counterbalance, and the management could be reviewed independently.

- **Gathering or separation of the position**

The President and Managing Director of the company are not the same person, and could divide the duties between the supervision of policies and duties of regular management obviously, and the Board of Directors determines the scope of power and responsibility of the President and Managing Director differently and obviously, so that they have no unlimited power by determining the scope of power of the director as follows:

Scope of power and duties of the Chairman

1. Being responsible as the leader of the committee on the supervision, follow-up, being in charge of management of the executive committee and other sub-committee to achieve the purposes based on the provided plan.
2. Acting as the chairman of meeting of the Board of Directors and shareholders of the company.
3. Acting as the final voter if the meeting of the Board of Directors does voting and the votes of 2 parties are same.

With the scope of power and duties of the President in the management structure.

- **Company secretary**

The board of director has appointed Mr. Kiartisak Lertsiriamorn to be the Company secretary and also responsible for the secretary of Board of Directors with the Managing Director Office support function of the work of company secretary goes according to the principle of operating of a good company as well as to operate the company more efficiently.

The company discloses the qualifications of the company secretary from the meeting of the Board of Directors in the annual report and on the company's website.

The company encourages the company secretary to receive the training and develop the knowledge regularly as being disclosed in the annual report of the company.

5.3) Roles, Duties and Responsibilities

The Board of Directors spearheads company growth and the making of important decisions in several areas with the scope of power as specified in the management structure.

- **Business supervision policy of the company**

The Board of Directors provides the business supervision policies of the company in writing and grants approval for the policies and compliance with the policies regularly at least 1 time per year.

- **Business Ethics**

The company recruited the Board of Directors and executives, who have knowledge, abilities and experiences on the business with the policy of faithful management, ethics, fairness and morality. The company plans to operate the business continuously, has the relationship with all concerned parties, good understanding and responsibility for the public.

The Board of Directors encourages for preparation of the business ethics in writing, so that the directors, executives and all employees understand the ethical standard used by the company on the business operation and follow up the serious compliance with the ethics.

The company prepared the ethical principles and practices of employees and gave notice to its employees to be used as the guideline to be observed. The Management is responsible to supervise all subordinates to observe the requirements strictly.

- **Conflict of benefits**

The Board of Directors focuses on the management about the conflict of benefits and related particulars. The Board of Directors and the audit committee have the duties to consider the suitability of the particulars carefully by paying attention to the benefits of the company as well as observe the criteria of the Stock Exchange of Thailand. The price and conditions are compared as if the transaction were done with the third parties. The involved parties should not be involved with the decision, and the Board of Directors provides the supervision to comply with the requirements about the work procedures and data disclosure of the particulars with possible conflict of benefits correctly and completely and discloses the detailed value of the particulars, contractual parties, reasons and necessity in the annual report and Form 56-1.

The company prepares the following report to prevent the possible conflict of benefits.

- Report Form of involvement of the directors and executives

As the Act of Securities and Stock Exchange (Vol. 4) B.E. 2551 requires the directors and executives to report to the company about the involvement of themselves and of the related persons as the involvement relating to the business management of the company and affiliate company. Therefore, company prepares the report of involvement of the directors and executives based on the criteria required by law, so that the directors and executives report to the company at all times of change. The company secretary sends the copy of the minutes to the President of Board of Directors and chairman of the audit committee as the follow-up to require the directors and executives to perform the duties faithfully.

- **Internal Control and Internal Audit**

The company's Board of Directors places great importance on the setting of internal control

systems at all levels, from the management level to the operational level. The Board of Directors set the duties and operational authority of each employee and had them put in writing. The working group and evaluation group were completely separate to ensure fairness and balance, and allow for the appropriate cross investigation between the two groups.

The audit committee was set up by the Board to consider the appropriateness of the company's internal control system and to review the results of any actions performed by both the internal auditors and the company's certified public accountant. In addition, the internal auditors met every quarter to exchange ideas and present the results of their audit. Such reports considered the relevance and effectiveness of the company's systems and operational plan as well as any limitation of responsibility. The results were later presented to the company's Board of Directors for review and approval.

The Board of Directors jointly with the audit committee assessed the adequacy and suitability of the internal control and the risk management system based on the assessment form provided by the Office of the Securities and Exchange Commission (SEC) by disclosing in the annual report of the company.

- **Risk management system**

The Board of Directors focuses on the risk management of the organization by providing the policy of risk management covering the work performance of the whole organization by assigning the Management to comply with the policy and report to the Board of Directors regularly as well as do the system review or assessment of the efficiency of the risk management 1 time per year. If the risk level is found to be in higher level, the Operational Section must analyze the causes and provide the guidelines for solution as well as do close and continuous follow-up. The company discloses it in the annual report and Form 56-1 of the company.

- **Mechanism in charge of the subsidiary company and joint venture**

The Board of Directors focuses on the management in the subsidiary company and joint venture, in order to maintain the benefits in the investment of the company by assigning the qualified committee for management based on the company policy, law, announcements and criteria of the Stock Exchange of Thailand.

5.4) Subsidiary Committee

The Board of Directors' emphasis on Good Corporate Governance is in line with the standards and policies of The Stock Exchange of Thailand. Assigned of the company's board members and management personnel, the Independent Committee was given ample opportunity to study the details and refine the works in order to come up with a highly suitable solution. Independent Committee comprises :

- Audit Committee**

Established on 30 March 1999 which would assume the position 3 years per rotation. The Audit Committee was consisted of chairman and at least 2 members of which all were appointed by the Board of Directors' Meeting or Shareholders' Meeting with the scope of power as specified in the management structure.

In the year 2016 between January – September 2016, the Audit Committee had held 3 Meetings during the year, and the Audit Committee joined the meeting with the External Auditor without attendance of the Management another 1 time in the year 2016.

- The Remuneration and Nominating Committee

Established on 29 November 2002, to assume the position 3 years / rotation who were appointed from at least 3 company directors consist of 1 independent directors and 2 director as the executive, with the scope of duty as prescribed in the management structure.

So that the duty performance of the Compensation and Recruitment Committee is done efficiently and achieves the purposes towards the duties and the assigned responsibility from the committee. Therefore, the meeting is held at least 2 times per year to consider, consult and fulfill any acts based on their duties and responsibilities.

In the year 2016 between January – September 2016, the Remuneration and Nominating Committee had held 1 Meeting.

-Risk Management Committee

Established on 30th September 2003, and the Board of Directors No. 212 on Wednesday, 6th August 2014, resolved to restructure the Risk management Committee by appointing from the Board of Directors at least 4 persons, including the managing Director ex officio. The Risk Management Committee assumes the position for 3 years each time with the scope of power as specified in the management structure.

In the year 2016 between January – September 2016, the Risk Management Committee had held 3 Meetings.

-Corporate Governance Committee

Established on 24th February 2014, assume the position for 3 years each time by appointing from the Board of Directors, at least 3 persons with the scope of power as specified in the management structure.

In the year 2016 between January – September 2016, the Corporate Governance Committee had held 1 Meeting.

5.5) The Board Meeting

The dates of the board meetings, which are usually held on 1 – 3 months per time basis, are fixed annually, to give the board members and management sufficient notice. Normally, each meeting lasts between an hour and a half to two hours. They are usually held at the company's head office. The company recorded details of the minutes in writing, filed the report of the meeting which was approved by the board, and submitted to the board and concerned parties for an examination.

The Chairman of Board of Directors and the President jointly consider the selection the matter to enter into the agenda of the meeting of the committee by giving opportunity to each director to have freedom to submit the useful matter for the company to enter into the agenda of the meeting.

The management sent out the invitation letter, agenda and other relevant documents not less than seven days before the date of the meeting, to give the Board of Directors enough time to study, analyses and consider all the relevant information. Should more information be required, they were encouraged to contact either the President or the company secretary.

The Board of Directors determined the Meeting between independent committee and non-executive director regularly at least once a year to independently debate or express comment about the management of interested matter.

On meeting of the Board of Directors, the Managing Director and top executives shall join the meeting to give additional details as being directly related to the problem.

From the continuous improvement of the shareholders' meeting, in this year, the company receives the assessment for the quality of the ordinary shareholders' meeting full 100 points in the "excellent" criteria in the quality assessment project of the ordinary shareholders' meeting (Annual General Meeting – AGM) of the year 2016 as being held by the Thai Investors Association.

5.6) Assessment of the work performance of the directors and the President

To comply with the principles of good business supervision, the Board of Directors required to prepare the work assessment form of the Board of Directors at least 1 time per year to be used as the guideline to consider the achievement, know the problems to do improvement and increase the work efficiency of the Board of Directors. In the year 2016, the Board of Directors held the additional assessment of the sub-committee.

Therefore, in the year 2016, the committee made the work assessment through 4 assessment forms: 1) Self-assessment form of the individual committee, 2) Self-assessment form of the individual sub-committee, 3) Assessment form of the individual committee and sub-committee and 4) Assessment form of adequacy of the internal control system (based on the COSO System). The company secretary shall deliver and gather the assessment results and submit to the meeting of the Board of Directors for consideration to be used as the data to improve the company's work procedures.

The assessment result of the Board of Directors could be summarized as follows:

- Individual assessment: The criteria being used for assessment are in 6 topics i.e. 1. Structure and qualifications of the Board of Directors, 2. Roles, duties and responsibility of the Board of Directors, 3. Meeting of the Board of Directors 4. Duty performance of the directors, 5. Relationship with the Management 6. Directors' and Management ability development. In summary, the assessment result is the average points of 87.81 percent as the good criteria.
- Self-assessment form of the individual sub-committee applied the assessment criteria in 3 topics as follows: 1. Structure and qualifications of the committee are proper to cause the efficient work procedures of the committee. 2. The meeting of the sub-committee has done, so that the committee performs the duties on the meeting efficiently. 3. The roles, duties and responsibilities of the sub-committee focus, take time for the consideration, review and compliance adequately. The assessment is summarized with the average points of 93.35 percent, which meet the criteria in the excellent level.

- Assessment form of the individual committee and sub-committee applied the assessment criteria in 3 topics: 1. Structure and qualifications of the committee, 2. Meeting of the committee, 3. Meeting of the sub-committee. The assessment could be summarized with average points of 89.09 percent, which meet the criteria in the good level.

- Assessment of the adequacy of the internal control system of Siam Food Products Public Company Limited. With the assessment criteria in 5 points i.e. 1. Organization and environment, 2. Risk management, 3. Work control of the Management 4. Information technology and data communication system 5. Follow-up system. In summary, the assessment result is in average points of 91.76 percent as the excellent level.

5.7) Remuneration to Directors and Management

The company provides the policy of the director's compensation obviously and transparently by considering the operation result, responsibility of the director, financial status of the company or as being suitable and comparing the compensation of the similar industry to be good enough to attract and maintain the qualified director at that time and obtain approval from the shareholders about the paid compensation and disclose it.

- **Director Remuneration**

The company's remuneration policy is clear, with remuneration for the Board of Directors being based on performance and responsibilities as well as the financial well-being of the company. Also considered is the appropriateness of the remuneration package as compared to those given to directors in similar industries, so as to attract well-qualified directors to serve on the Board. The company also seeks the approval of the shareholders on this matter, before revealing the sum to the public.

- **Management Remuneration**

The management's remuneration is based on the policies set by the Board of Directors, taking into account both the company's performance and that of each executive, in addition to the achievement of any goals set beforehand. Also taken into consideration was the performance of other companies in the same field.

Remuneration details for the year 2016 can be found in the Remuneration Section in this document, under the sub-heading, Organization Structure. This is followed by the announcement of The Securities and Exchange Commission.

5.8) Directors' and Management knowledge

- **Directors' and Management knowledge and ability development**

The company supported the directors and high executives to attend the seminar in the course benefiting their performance both the course arranged by the training unit of the company and arranged by government or independent organization, such as, the course of Thai Institute of Directors which SEC had prescribed that the directors of listed company must successfully passed at least one course, such as, Director Certification Program (DCP); Director

Accreditation Program (DAP) and Audit Committee Program (ACP) in order to apply knowledge and experience to further develop the company onwards.

- **Orientation of new directors**

The Board of Director provides the orientation of all new company directors, so that the new company directors being appointed have the opportunities to cause the knowledge and understanding of the company's business, company's policies as well as the roles, duties and responsibilities of the Board of Directors in details by providing the orientation of new directors as the explanatory document of the training, seminar and visit of the place of operation of the projects of the company, so that the company directors could experience the actual business condition of the company.

- **Succession Plan**

The Board of Directors required the Managing Director to develop the personnel of the organization to be prepared to take over the position if they could not perform the duties.

9.2 Recruiting director, independent director, audit committee and executive

1) In case of the director, independent committee, audit committee and the executive is

resign by rotation or substitute the position duly vacated by other reason, the Board of Directors' Meeting shall consider to recruit substitute director through the Compensation and Recruitment Board. The Board of Directors shall consider and recruit the qualified, knowledgeable, capable personal who is experienced in related work and duly qualified pursuant to Section 68 of Public Company Limited Act, B.E. 2535 and related Announcement of SEC for benefit in the efficient business operation of the company and then proposed to the Shareholders' Meeting for consideration the appointment according to the rules and methods as follows:-

1. One shareholder possesses one share / one vote.
2. Each shareholder must exercise all right to vote as mentioned in clause 1 to elect one or several persons as director but is prohibited to divide its more or less votes to any person.
3. The person who earned highest votes descending shall be elected as director equal to the number of director required in such election. In case of the descendant earned equal votes more than number of the required director, the chairman shall cast one final vote.

For recruitment of person to fill the management position, the Board of Directors shall arrange to follow up the progress of position succession that covering the position of managing director and high management position to ensure that the company selects the executive who is knowledgeable, capable to succeed the important position in the future.

2) Rules in selection the independent director and audit committee

The company determines rules on selection of independent director and audit committee from the qualification of the appointed person based on the following qualifications:

1. Holds share not less than 1% of paid up capital of the company, subsidiaries, affiliates and related companies. This shall include shares held by related persons.

2. Is not or never been the director who involved in management, employee, consultant who earned permanent wage nor person duly authorized to control the company, parent company, subsidiary, affiliate or minor company at the same rank, major shareholder or the person who has power to control unless such person is resigned from those statuses for not less than 2 years before being appointed.

3. Does not have or never had business relationship or provided professional service to any company, parent company, subsidiary, affiliate, major shareholder or the person who has power to control in the manner which may object the independent use of discretion and is not or never been the major shareholder or person who has power to control of any party who has business relation with the company subsidiary, affiliate, major shareholder or the person who has power to control unless such person is resigned from those statuses for not less than 2 years before being appointed. Such relations inclusively mean:-

3.1 Normal transaction, the matter related to the asset/service, to give or receive financial assistant that exceeding 20 m. baht or 3% of net tangible asset subject to whichever is lower.

3.2 Providing other professional services, such as, financial consultant, legal consultant, asset appraisal for exceeding 2 m. baht / year.

In this regard, in case of business relation or professional service is exceeding such prescribed value, approval must be firstly granted by the Board that such business relation and professional service do not impact the performance of assigned duties and independent expression of comment and such comment of the Board is disclosed in Form 56-1 / Annual Report / Invitation Letter (in case of extension of position).

4. Is not or never been the auditor of any company, parent company, subsidiary, affiliate, major shareholder or the person who has power to control or partner of the Auditing Office where such auditor is working for unless such person is resigned from those statuses for not less than 2 years before being appointed.

5. Does not have any relation by blood or by lawful registration, namely, no any relation as parents, spouse, relatives and children including spouse of the child of the executive, major shareholder, the person who has power to control or the person who is proposed as executive or the person duly empowered to control the company or subsidiary.

6. Not being the director who is elected as proxy of the company's director, major shareholder or the shareholder who is related to the major shareholder of the company.

7. Free from any character that prevent him to independently express comment about operation of the company.

8. In case of being authorized from the Board of Directors to make decision about business operation of the company, parent company, subsidiary, affiliate and minor company at the same rank, major shareholder or the person who has power to control based on collective decision, such independent director must not be the Audit Committee.

9. Able to assume the position of director who does not involve in management or independent director of the company in the group but is required to disclose information about assuming in the position of independent director in the group and total compensation received from the group in form 56-1 and annual report (not necessary to disclose compensation separately by each company).

9.3 The policy on assuming the position of director for other company

The company determined the policy specifying the President to report in case of any company director would assume the position of director in any company other than the subsidiary and affiliates to the Board of Director immediately.

9.4 Control of the operation of the subsidiary company or joint ventures

The Company controls the operation of its subsidiary company and joint ventures by authorizing the company's directors and executives to attend as directors to determine the policies and manage the affiliates and joint ventures as follows:

Quality Pineapple Products Co., Ltd. "Subsidiary"

1. Mr. Thien Mekanontchai	Chairman
2. Mr. Prasert Maekwatana	Director
3. Mr. Sithichai Chaikriangkrai	Director
4. Mr. Graeme Anthony Cox	Director
5. Mr. Kiartisak Lertsiriamorn	Director and The company secretary
6. Mr. Vira Sirimunja	Director and President

Siamfood (2513) Co., Ltd. "Subsidiary"

1. Mrs. Chaveevan Chandanabhumma	Chairman
2. Mrs. Nidda Theerawatanachai	Director
3. Mr. Kiartisak Lertsiriamorn	Director and The company secretary

Eastern Seaboard Industrial Estate (Rayong) Co., Ltd. "Joint venture"

1. Mr. Thien Mekanontchai	Chairman
2. Mr. Sithichai Chaikriangkrai	Director
3. Mr. Panot Sirivadhanabhakdi	Director

9.5 To Oversee the Use of Internal Information

The company regularly revealed information that were both accurate and reliable to the shareholders, investors, securities analysts and the public. Whenever executives initiated a change in the company's securities trading portfolio, a report was sent out to The Securities and Exchange Commission. This is considered ethical business practice.

To oversee the use of the company's internal information, the company established regulations for staffs at all levels, under the section, Discipline and Punishment. In this section, it is stated that : "Any member of the staffs who reveals company confidential information to others is breaking the company rules, and he or she will be punished according to his / her crime."

In this regard, the Board of Directors also determined important policy to prevent the directors, executives and employees to use the opportunity or data for their own benefit nor conduct in any related business nor use internal information for their benefit and other persons in transaction of company's shares. In this regard, the company determined punishment in case of breach thereof.

9.6 Auditor's fee

- In 2016, to determine the remuneration for the auditor including the quarter review for 2 quarters for the 9 months financial statement ended September 30, 2016 was Baht 1,016,000 and service fee for observation to destroy the obsolete goods amount of Baht 10,000. The total sum of the fee was Baht 1,026,000.

9.7 Compliance with good corporate governance principles in other matters.

The Board Meeting

The dates of the board meetings, which are usually held on 1 – 3 months per time basis, are fixed annually, to give the board members and management sufficient notice. Normally, each meeting lasts between an hour and a half to two hours. They are usually held at the company's head office.

Distribution of Documents

The management sent out the invitation letter, agenda and other relevant documents not less than five to seven days before the date of the meeting, to give the Board of Directors enough time to study, analyses and consider all the relevant information. Should more information be required, they were encouraged to contact either the President or the company secretary. Throughout the years, the company's Board of Directors arranged a total of 5 meetings. Details on the attendance of the directors can be found as follows :

Name	Meeting						
	Board of Directors	The Audit Committee	Executive Directors	The Remuneration and Nominating	Corporate Governance Committee	Risk Management Committee	2016 Annual Ordinary Shareholders
1. Mr. Thien Mekanontchai	5/5	-	10/10	-	-	-	1/1
2. Mr. Prasit Kovilaikool	5/5	3/3	-	1/1	1/1	-	1/1
3. Mr. Siripol Yodmuangcharoen	5/5	-	9/10	-	-	3/3	1/1
4. Mr. Ananta Dalodom	4/5	-	-	-	-	-	1/1
5. Mr. Prasert Maekwatana	5/5	-	8/10	-	-	-	1/1

6. Mr. Sithichai Chaikriangkrai	4/5	-	8/10	1/1	-	-	1/1
7. Mr. Chai Jroongtanapibarn	5/5	3/3	-	-	-	3/3	1/1
8. Mrs. Chaveevan Handanabhumma	4/5	-	8/10	-	1/1	-	1/1
9. Police General Krisna Polananta	5/5	3/3	-	-	1/1	-	1/1
10. Mr. Panot Sirivadhanabhakdi	3/5	-	6/10	-	-	-	1/1
11. Ms. Nidda Theerawatanacha	5/5	-	10/10	-	-	-	1/1
12. Mr. Graeme Anthony Cox*	4/4	-	7/8	-	-	2/2	1/1

- Mr. Graeme Anthony Cox*, has been appointed to assume the position of director, member of the risk management committee and President, of the company since 1st March 2016.

In addition, based on the guidelines and principles of good business supervision, The company recorded details of the minutes in writing, filed the report of the meeting which was approved by the board, and submitted to the board and concerned parties for an examination.

The Board of Directors determined the Meeting between independent committee and non-executive director regularly at least once a year to independently debate or express comment about the management of interested matter.

In 2016, the Committee had held 1 Meetings.



Message from President

At Siam Food Products, caring, fairness and equity are at the heart of our business operations. We etch this into our DNA. We commit to run our business with high standards of governance, sharing value with fairness to all stakeholders; customers, shareholders, employees, farmers, subcontractors, the community and society.

We commit to produce high quality and safe food products. We act with integrity to improve the quality of life of our employees and farmers and we participate widely in the local community. We always comply with national laws and regulations and we always strive to comply with the standards demanded by our customers.

At Siam Food Products we achieve prosperity in an ethical way in harmony with the land and in mindful partnership with the farmers and people that touch upon our business. This is the mindset throughout our organization.

Siam Food's operation is based on the Corporate Social Responsibility (CSR) concept of balance among economics, society, and environment. Our CSR programme has been in operation since 2011 and our Code of Conduct is for all employees to practice and follow. We this is place we are confident our business is sustainable and will grow in the long term.

(Mr. Graeme Anthony Cox)

President

CSR DIW Continuous Award 2016

This is the reward to the company which has operation continuous follow The Standard of Corporate Social Responsibility, which is the standard of Department of Industrial Work, Ministry of Industry. The standard is closely to international standard ISO 26000 - Social Responsibility.

CSR-DIW standard is base on 7 principles; Accountability, Transparency, Ethical behavior, Respect for stakeholder interest, Respect for the rule of law, Respect for international norms of behavior, Respect for human right.

CSR-DIW standard requirement has 7 cores; Organizational governance, Human rights, Labour practices, The environment, Fair operating practices, Consumer issues, Community involvement and development



CSR-DIW Practice follow 7 cores

1. Organizational governance

Siam Food Products commit to produce quality and safe food, compliance with international standard. We run business with good governance, transparency, accountability and comply with regulation of The Stock Exchange of Thailand.

As Anti-corruption policy since 2014 and Channel of corruption data communication policy since 2015, in June 2016 company attend to be member of Partnership Against Corruption for Thailand (PACT) establish by Thai Improvement Association (TIA) and run business follow the guidance.

2. Human rights

Siam Food Products respects for human rights. We identify and assess the risk and impact on human rights from our business and operation both present and in the future, cover all stakeholders. We hire disabled people for work, no child labour. All best practice has mention in Code of Conduct.

3. Labour practices

Siam Food Products commit to run business compliance with Thai Labour Standard and social standard.

We identify and risk assessment for all activity of employees, sub-contractor to protect and reduce the accident in the company. Employees select their representative to be coordinator and work with management team to support their work in company.

Not only government to assess our facility to certify TLS 8001 certificate as mention, but we also be assess by customer, external auditor to verify our labour practice such as BSCI and Issara institute.

We set the hot work permit system for the risk area to protect the accident.

We provide annual health check for workers whose working contact with chemical, high noise.



We inspect the environment around working area annually to confirm the safe place.



4. The environmental

We identify and assessment for environmental aspect to find the significant aspect to set the program for reducing. The environmental programme for reducing, reused, recycling as our policy such as:

- Collect bio gas from waste water pond to run boiler, can reduce the usage of coal which is natural resource.

โครงการลดมลพิษA นำแก๊สชีวภาพมาใช้งาน



- We recycle the used water after treat for watering ground around factory.



5. Fair operating practices

Siam Food Products identify and risk assessment of corruption from company activities. Set transparency and accountability such as, purchasing procedure, committee of non-used material or asset, P/R approval authorized person, budget approval authorized person.

We support through supply chain, set the audit team to improve them comply with social standard.

6. Consumer issues

Siam Food Products communicate to customer by Product Specification, Order Confirmation, label with detail of product.

We have process to handling claim and complaint, Corrective Action Procedure.

7. Community involvement and development

Siam Food Products join the activities with the community, dialogue with them to find out the problem and help to solve and support as we can.



- Join the community on Buddha day, donate the drinking water.





- Planting on Mother Day 12 Aug 2016 with community.



- Provide knowledge how to look after themselves to prevent sick and illness.





Activities with stakeholders

1. Set priority of stakeholders by compare with impact and value which stakeholders received from Siam Food.

The two priorities are employees and the community.

2. **Work together with employees**

We dialogue with employee and found they would like to make hair ribbon. **37** employees attend the programe. They can sell 1,315 baht.



ผลการดำเนินงาน

1.ประดิษฐ์ดอกไม้จากดินญี่ปุ่น	327 เสียง
2.ทำโบว์รัดผมจากผ้า	81 เสียง
3.ทำสบู่หอมเพื่อเป็นของขวัญ	68 เสียง
และมีผู้ไม่ออกเสียง	153 เสียง
รวม	<u>629</u> เสียง

ขอเชิญพนักงานทุกท่านร่วมโครงการส่งเสริมอาชีพ

" ทำที่รัดผมจากผ้า "



เปิดรับสมัครสมาชิกตั้งแต่วันที่ - 11.00 น. วันเสาร์ที่ 27 ก.พ. 59

ท่านที่สนใจ สามารถสมัครได้ที่ คุณอภินันท์ ไกร 111 หรือ

คุณจุฑามาส ไกร 210 คุณสุคนธา 230

โดยจะมีการสอนช่วงเช้าวันอาทิตย์ที่ 28 กุมภาพันธ์ 2559

ณ อาคารหอพักหญิง วิทยาการโดย คุณจุฑามาส กันทวงศ์

ฝึกสอนฟรี!! อุปกรณ์ฟรี!!

อย่าลืม
มาด้วยนะ



By CSR กลุ่มแรงงาน





3. Working with the community

■ Information of the community



We dialogue with the community. Their need 2 project. One wanted to improve the broadcast system of community Bann Tan Dham, budget 50,000 baht and second wanted to improve playground for student at Bann Tan Dham School, budget 5,000 baht.

11. Internal control and audit

The audit committee made review of the suitability of the internal control system from the audit result of the Internal Audit Section, supervision and follow-up, so that the audited unit did improvement and gave suggestions to the management to do improvements, solution and reasonable preventions as the case maybe and followed up the progress of the continuous improvements.

The Internal Audit Office under the direct supervision of the audit committee summarized the audit results for the audit committee quarterly. During the past year 2016, the Internal Audit office reported to the meeting of the audit committee that no defects are found relating to the internal control system in substantial matter.

Chief of the Internal Audit office

Mrs.Duangduen Kanjanopas, Internal Audit Superintendent

The audit committee expressed the opinions that Mrs. Duangduen Kanjanopas has the educational qualification, experiences and qualified to assume the position of the Chief of the Internal Audit office and could perform the duties efficiently. The appointment, removal and transfer of the chief of the audit must be granted approval from the audit committee. The record data of the Chief of the Internal Audit was shown in the data schedule of the directors and executives, Clause 8: Management Structure.

12. Connected Transaction

Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with an associate and subsidiary are described in notes 11 and 12. Relationships with key management and other related parties which have transactions with the Group, were as follows:

<u>Name of entities</u>	<u>Country of incorporation/ nationality</u>	<u>Nature of relationships</u>
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Plantheon Co., Ltd.	Thailand	Major shareholder and common directors
Thai Agro Products Co., Ltd.	Thailand	Subsidiary of major shareholder
Variety Asset 3 Co., Ltd.	Thailand	Common group of major shareholder
Indara Insurance Public Company Limited	Thailand	Common group of major shareholder
Concept Land 2 Co., Ltd.	Thailand	Director's relative is indirectly principal shareholder
Thai Commercial Investment Freehold and Leasehold Fund	Thailand	Director's relative is indirectly principal unit holder
Asset World Synergy Co., Ltd. (Formerly: Evergreen Land Property and Loan Fund)	Thailand	Common directors
Lake View Golf and Yacht Club Co., Ltd.	Thailand	Common directors
Golden Wealth Co., Ltd.	Thailand	Common directors
T.C.C. Technology Co., Ltd.	Thailand	Common directors
Deesermkit Co., Ltd.	Thailand	Common directors
Terragro Fertilizer Co., Ltd.	Thailand	Common directors
Thip Sugar Kamphaengphet Co., Ltd.	Thailand	Common directors
Thip Sugar Sukhothai Co., Ltd.	Thailand	Common directors
Pornpattanasin Co., Ltd.	Thailand	Common directors
United Winery and Distillery Co., Ltd.	Thailand	Common directors
Southeast Capital Co., Ltd.	Thailand	Common directors
Southeast Insurance Public Company	Thailand	Common directors

<u>Name of entities</u>	<u>Country of incorporation/ nationality</u>	<u>Nature of relationships</u>
Limited		
Bang Pa-In Paper Mill Industry Co., Ltd.	Thailand	Common directors
Cristalla Co., Ltd.	Thailand	Common directors

The pricing policies for particular types of transactions are explained further below:

<u>Transactions</u>	<u>Pricing policies</u>
Revenue from sale of goods	Market price
Sale of packaging	Mutually agreed prices
Land rental income	Contractually agreed price
Sale of assets	Mutually agreed prices
Dividend income	In accordance with the resolution of shareholders' meeting
Interest income	Interest rate 2.00-2.50% per annum / MLR-0.5%
Other income	Mutually agreed prices
Purchase of raw materials	Market price
Purchase of goods	Mutually agreed prices
Purchase of assets	Mutually agreed prices
Operating lease expense	Contractually agreed price
Distribution expense	Contractually agreed price
Director remuneration	In accordance with the resolution of shareholders' meeting
Other expenses	Mutually agreed prices

Significant agreements with related parties

Land rental agreement

On 1 September 2016, the Company entered into a land rental agreement with Pornpattanasin Co., Ltd., its related company. The lease term of the said agreement was 1 year and 7 months commencing from 1 September 2016 to 31 March 2018. The said related company is committed to pay a rental fee at the rate as stipulated in the agreement.

Land lease agreements

On 22 April 2016, the Company entered into a land lease agreement with Concept Land 2 Co., Ltd., its related company. The agreement was for a period of 2 years and 10 months commencing from 1 March 2016 to 31 December 2018. The Company is committed to pay a rental fee at the rate as stipulated in the agreement.

On 30 December 2014, the Company entered into a land lease agreement with Variety Asset 3 Co., Ltd., its related company. The agreement was for a period of 3 years commencing from 1 January 2015 to 31 December 2017. The Company is committed to pay a rental fee at the rate as stipulated in the agreement.

On 1 January 2014, the Company entered into a land lease agreement with Asset World Synergy Co., Ltd., (Formerly: Evergreen Land Property and Loan Fund) its related party. The agreement was for a period of 3 years commencing from 1 January 2014 to 31 December 2016. The Company is committed to pay a rental fee at the rate as stipulated in the agreement.

On 10 November 2015, Quality Pineapple Company Limited, its subsidiary, entered into a land lease agreement with Deesermkit Co., Ltd., its related company. The agreement was for a period of 3 years commencing from 10 November 2015 to 9 November 2018. The said subsidiary is committed to pay a rental fee at the rate as stipulated in the agreement.

Building lease and service agreements

On 26 December 2014, the Company entered into a building lease and service agreements with Thai Commercial Investment Freehold and Leasehold, its related company. The lease term of the said agreements was 3 years commencing from 26 December 2014 to 25 December 2017. The Company is committed to pay a rental and service fees at the rate as stipulated in the agreements.

Telephone manage hosting service agreements and computer equipment agreements

The Company and its subsidiary entered into telephone manage hosting service agreements and computer equipment agreements with T.C.C. Technology Co., Ltd., their related company. The agreements were for a period of 1 year to 5 years and the agreements expire during 2016 to 2020. The Company and its subsidiary are committed to pay service fees at the rate as stipulated in the agreements.

Car rental agreements

The Company and its subsidiary entered into car rental agreements with Southeast Capital Co., Ltd., their related company. The agreements were for a period of 5 years and the agreements expire during 2017 to 2020. The Company and its subsidiary are committed to pay rental fees at the rate as stipulated in the agreements.

Area lease for server computer agreement

On 1 September 2016, the Company entered into area lease for server computer agreement with T.C.C. Technology Co., Ltd., its related company. The agreement was for a period of 1 year commencing from 1 September 2016 to 31 August 2017. The Company is committed to pay a service fee at the rate as stipulated in the agreement.

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Approval Policy and Procedure for interrelated transaction.

Interrelated transaction of the company typically follows normal business practice that brings the most profits to the company. However, if it involves very important matters or potentially be a long term liabilities to the Company. The company will put this case to the Audit Committee or independent expertise considers and obtains their comments with the suitable of pricing and reason. the connected transaction ,Acquisition and disposition of assets. The Company's Board of Directors should act according to action SEC rules and regulations and notification or rule of SET, also the rule of disclosure the connected transaction ,Acquisition and disposition of assets.