

Part 2 Management and Corporate Governance

7. Structure of Securities holding and management

7.1 Securities of Company

(1) The Company has paid up capital of 383.125 million Baht and fully paid up, divided into 76,625,000 ordinary shares each of baht 5 per share.

(2) Other Share

- None

7.2 Shareholders

(1) Major shareholder list

(A) Top ten shareholders as at the last closing book date June 9, 2015.

Shareholder Name	Number of Share (Share)	% of holding
1.Stanley Electric group	23,737,250	30.98
- Stanley Electric Holding Asia-Pacific PTE	23,402,750	30.54
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,625,496	29.53
- Mrs.Porndee Lee-issaranukul	7,695,876	10.04
- Mr.Apichart Lee-issaranukul	4,500,036	5.87
- Mr.Thanong Lee-issaranukul	3,208,920	4.19
- Mrs.Pimjai Lee-issaranukul	2,175,670	2.84
- Mrs.Pornthip Sethiwan	2,162,670	2.82
- The Sittipol (1919)	2,556,074	3.34
- Sopa-Kanok International Co.,Ltd.	326,250	0.43
3.BNP Paribas Securities Services, London Branch	2,460,500	3.21
4.The Hongkong and Shanghai Banking Corporation Limited	1,970,600	2.57
5.Thai NVDR Co.,Ltd.	1,914,910	2.50
6. Aberdeen Growth Fund	1,550,100	2.02
7.AIA Company Limited, AIA-D-PLUS	1,540,000	2.01
8. Aberdeen Small Cap Fund	1,499,100	1.96
9.Aberdeen Long Term Equity Fund	1,424,400	1.86
10.Mr.Kenneth Rudy Kamon	1,303,800	1.70

The currently shareholders list , the investor can see in company website (www.thaistanley.com) before the Annual General Meeting.

(B) Major Shareholders to participate in its operations by sending member to be a committee

Shareholder Name	Number of Share (Share)	% of holding
1.Stanley Electric group	23,737,250	30.98
- Stanley Electric Holding Asia-Pacific PTE	23,402,750	30.54
- Asian Stanley International Co.,Ltd.	334,500	0.44
2. Lee-issaranukul Family	22,625,496	29.53
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- Mrs.Pornthip Sethiwan	2,162,670	2.82
- The Sittipol (1919)	2,556,074	3.34
- Sopa-Kanok International Co.,Ltd.	326,250	0.43

* Stanley Electric , Japan holding 100% in Stanley Electric Holding Asia-Pacific PTE , Singapore and holding 67.50% in Asian Stanley International Co.,Ltd.

** Lee-issaranukul Family is the major shareholder and executive management in Sittipol 1919 (holding 81%) and Sopa Kanok International (Holding 80%)

7.3 Other Securities

-None

7.4 Dividend payment policy

The dividend payment policy of the company is that the rate of dividend payment of the Company is not less than 30 per cent of the net profits deduction of tax. (The Company Only)

Fiscal Year	2010	2011	2012	2013	2014
Earning Per Share (Baht)	18.63	9.48	21.18	19.41	15.11
Dividend Per Share (Baht)	6.50	3.00	6.75	6.00	4.80
Dividend Ratio (%)	36.37	36.61	33.72	32.51	34.53

8. Management Structure

8.1 Board of Director and Meeting

Name	Position	Board of Director Meeting	
		Number of Meeting	Number of Attend the Meeting
Mr. Apichart Lee-issaranukul*	Executive Chairman	5	5
Mr. Koichi Nagano *	President	5	5
Mr. Thanong Lee-issaranukul *	Director	5	4
Mr. Katsumi Sumiya*	Director	5	5
Mrs. Pimjai Lee-issaranukul	Director	5	4
Mrs. Pornthip Sethiwan	Director	5	4
Mr.Krisada Visavareeranon	Independent Director and Chairman Audit Committee	5	5
Mr. Chokechai Tanpoonsinthana	Independent Director and Audit Committee	5	5
Mr. Suchart Phisitvanich	Independent Director and Audit Committee	5	5
Mr. Picharn Sukparangsee	Independent Director	5	5
Mr.Katsutoshi Iino ***	Director	5	2 (by TV Conference)
Mr. Toru Tanabe ***	Director	5	2 (by TV Conference)

Remark * Authorized directors , condition is Mr.Apichart Lee-issaranukul or Mr.Thanong Lee-issaranukul sign with Mr.Koichi Nagano or Mr.Katsumi Sumiya and company seal

*** Director worked at Japan.

Board of directors meeting must be held at least once every 3 months and all directors are required to attend. There might be additional meeting if necessary. The director having interests has no right to vote for that agenda. The procedure of the meeting has been described in the rules of board of directors meeting.

Meeting schedule and key agenda have been set for the whole year in advance in order to make sure the adequacy of time and the availability of the board members. The invitation letter is sent out at least 14 days in advance both in Thai and in English. TV conference is also set up for the board member who is on overseas business trip to join the meeting from abroad.

In the board of directors meeting, chairman of the board of directors and executive chairman shall set the agendas together and screen the agendas proposed by directors. As there has not been any one being appointed to replace the former chairman of the board; hence, executive chairman and corporate secretary together shall set the meeting agendas. Every time in the meeting, each director is required to report sale/holding of securities to the meeting.

For the normal business transactions, executives will report to the board meeting on the quarterly basis.

Total numbers of Board of Directors meetings held in 2015 are 5 times. At every meeting, adequate details in the form of supplementary documents will be sent out to the board members to study in advance. According to attendance record, 10 out of 12 members that working in Thailand had attended meeting every time (100%) 7 person or 70% , attended meeting 4 time (80%) are 3 person (25%) , attend the meeting 2 times (40%) are 2 person (17%) that who stay in oversea had attended the meeting via TV Conference .

8.2 The Executive Board

The executive directors meeting will be held 4 times a month and there might be additional meeting if necessary. Management or involved person might be invited to give information directly to the meeting . On March 31,2016 the executive board name list are 6 persons as follows

1. Mr. Apichart Lee-issaranukul	Executive Chairman and Executive General Manager Administration Division
2. Mr. Koichi Nagano	President
3. Mr. Katsumi Sumiya	Director and Executive General Manager Lighting Equipment Division
4. Mr. Hideki Matsui	Executive General Manager - Marketing Division
5. Mr. Nobuhiro Takahashi	Executive General Manager - Die & Mold Division
6. Mr. Koji Kobayashi	Executive General Manager - R&D Center

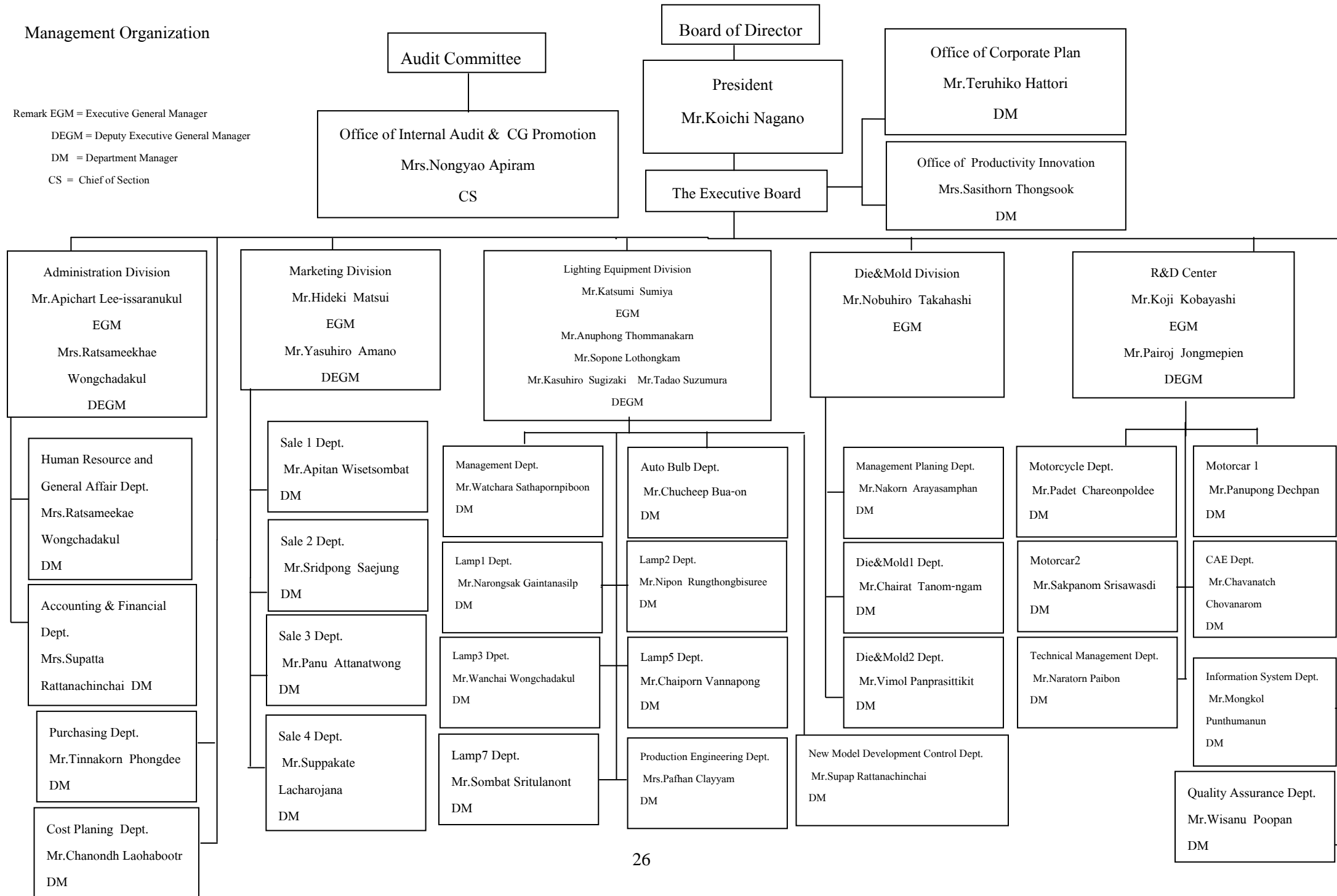
Management Organization

Remark EGM = Executive General Manager

DEGM = Deputy Executive General Manager

DM = Department Manager

CS = Chief of Section



8.3 Company Secretary

The Board of Directors has appointed Mrs. Sudjai Srifuengfung. Held the position of company secretary Since July 4, 2008 by the properties of the incumbent secretary of the Company is as attached document 1

8.4 Remuneration for the company's management

(1) Remuneration in cash

The company setting the remuneration policy for director on the appropriate consideration and comparing with the remuneration for the directors paid by the companies listed in Stock Exchange of Thailand with the same size of business or the same industry, and approved by shareholders' meeting.

The policy of remuneration for executives shall be considered from their roles and responsibilities as well as performance

(A) The Board of director remuneration for 2015 , details as follows

Name	Position	Director Fee (Baht)		
		Director	Audit Committee	Total
Mr.Apichart Lee-issaranukul	Executive Chairman	205,000		205,000
Mr.Koichi Nagano	President	205,000		205,000
Mr.Thanong Lee-issaranukul	Director	200,000		200,000
Mr.Katsumi Sumiya	Director	205,000		205,000
Mrs.Pimjai Lee-issaranukul	Director	200,000		200,000
Mrs.Pornthip Sethiwan	Director	200,000		200,000
Mr.Krisada Vissavateeranon	Independent Director and Audit Committee Chairman	205,000	405,000	610,000
Mr.Chokechai Tanpoonsinthana	Independent Director and Audit Committee	205,000	285,000	490,000
Mr.Suchart Phisitvanich	Independent Director and Audit Committee	205,000	285,000	490,000
Mr.Picharn Sukparangsee	Independent Director	205,000		205,000
Mr.Katsutoshi Iino *	Director	190,000		190,000
Mr.Toru Tanabe	Director	190,000		190,000
Total		2,415,000	975,000	3,390,000

Remark Company only has Audit Committee

The executive board remuneration

In year 2015 the company paid the remuneration for executive board as salary and bonus to 6 person amount 44.52 million baht

(2) Other remuneration

-None

8.5 Personal

Total employees as at March 31st , 2016 were 3,055 persons . The company paid for employee's remuneration in year 2015 were 1,274.70 Million Baht as salary , bonus , provident fund and other welfare such as Public transportation , Shift expense and Medical expense , details as follows;

Division	Male	Female	Total
Administration	51	59	110
Marketing	17	25	42
Production	1,568	1,308	2,876
Japanese	27	-	27
Total	1,663	1,392	3,055

The number of employees decreased 4% from last year, during 3 year the number of employee are in this level that not any significant changing .

Policy of personal ' s development

The company policies in employee training and development plans to all levels of employees about knowledge and skills to work , Foreign language , Mind development , and internships to study abroad, such as Japan, the U.S.A regularly.

That for 3 years ago, the Company does not have any conflict or dispute with employees and the company was awarded the Outstanding Labor and Welfare Labor 10 years continuously since 2007 – 2015 certification system and standard of Thai workers. (MRT. 8001-2546) complete level from the Ministry of Labor.

9. The Corporate Governance

9.1 The corporate governance policy

The board has developed the corporate governance policy with details as follows:

1. Develop Business Ethics or Ethics and Code of Conduct for the board and employees to comply with, ensure the compliance, together with review and update it.
2. Define structure, role and responsibility of the board and the executive clearly and appropriately
3. Require the board conduct performance self-evaluation
4. Create, maintain, and review the control system in respect with finance and operation, ensure the operational effectiveness and compliance with law and ethics, and manage risks by paying attention to red flag warning and unusual transaction.
5. Ensure that disclosure information is accurate, complete, in time, and in equitable manner for shareholders and stakeholders.
6. Develop reliable financial reporting procedure and inspection process, and assess the sufficiency of internal control, risk management, and effective monitoring system
7. Assure that the rights of shareholders and stakeholders are protected and treated in an equitable manner.
8. Resolve the conflict of interest with discretion and transparency
9. Develop environmental and social care system

9.2 Director

(1) Director Structure , The company has had director 3 groups as follows

The Board of Directors

Board of Directors consists of competent, capable, skilled, and experienced people who are qualified for the position.

Board of Directors as of 31 March 2015 consists of 12 members as follows:

1. Executive Directors: involving in managing day to day operations or have authority to sign and bind the company, total 4 peoples or 33.33% of total members.

2. Non-Executive Directors including independent directors totaling 8 people accounting for 66.67% of the total Directors. Four independent directors are accounted for one-third of the Board's total numbers which is in accordance with the provision of Securities and Exchange Act (No. 4) B.E. 2008.

All directors are qualified in terms of knowledge and experience required for company business operation and focus on performing their role. Independent directors meet the qualification as required by Securities and Exchange Commission.

Authority of the Board of Directors

From the company's regulations, the authority of the Board of Directors are to take responsible for the company's business management, making decision and to supervise the business within the scope and law, as well as the company's objective and regulations, except the following topics that have to get approval from shareholders' meeting.

1. Anything that has been stated by law has to get the shareholders' conclusion.
2. Conduction of any related items that meet the criteria of getting permission from shareholders' meeting.

The Executive Board of Directors

Consist of 3 directors and 4 executives , The role and responsibility is to develop policy and direction and inspect the implementation

Authority of the Executive board

To specify the company's business management policy and direction, as well as to audit the company's business result.

Audit Committee

Consisting of 3 independent directors; one of those has enough knowledge and adequate experience to review the reliability and accuracy of financial statement. Role and responsibility is clearly stated in the audit committee charter, amended for additional roles on 24 October 2008 to be in accordance with the notice from Stock Exchange of Thailand subject: Qualification and scope of work for audit committee B.E.2551.

Authorities of audit committee are as follow

1. To review the Company's financial reports for their accuracy and completeness.
2. To review that the Company has effective and suitable internal controls and internal audit systems, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
3. To review that the Company will perform in compliance with the law governing Securities and the regulations of the Stock Exchange of Thailand and any relevant laws concerning the Company's business.
4. To Consider, select, nominate and independent person to be the Company's auditor and propose such person's remuneration, as well as to attend a non-management meeting with an auditor as 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 Exchange's regulations, and are reasonable and for the highest benefit of the Company.
6. To prepare report and disclosure in the annual report of the company. Such a report shall be signed by the chairman of the Audit Committee and consist of at least the following information
 - Opinions concerning the accuracy, completeness and reliability of the company's financial reports.
 - Opinions on the sufficiency of the company's internal control systems.
 - Opinions concerning the company's performance in compliance with the law governing Securities and the regulations of the Stock Exchange of Thailand and any relevant laws concerning the company's business.
 - Opinion on the suitability of an auditor.
 - Opinion on the transactions that may lead to conflicts of interests.
 - The number of audit committee meeting, and the attendance of such meetings by each committee member.
 - Any other reports that the shareholders and general investors should know within the scope of the duties and responsibilities assigned by the Board of Directors.

7. To perform any other functions as assigned by the Board of Directors with the consent of The Audit Committee.

(2) The Audit Committee who adequate expertise and experience to audit creditability of the financial reports

Mr.Chokechai Tanpoonsinthana

2003 - Present Independent Director and Audit Committee Chairman

Advance Information Technology PCL.

2013 - Present Independent Director and Audit Committee Witcorp Co.,Ltd.

2004 - 2008 Independent Director and Audit Committee United Securities PCL.

2008 - 2011 Audit Committee Chairman United Securities PCL.

2007 - 2011 Independent Director, Audit Committee Nomination and Remuneration Committee Thai Agro Energy PCL.

Audit committee performs its duty by having the support from internal audit as an operation unit and report to audit committee. Also, the committee can asks for advices from independent advisor its expense is absorbed by the company.

The audit committee meeting must be held at least once every 3 months and there might be additional meeting if necessary. Executive or involved person might be invited to give information directly to the meeting. Meeting with auditor without executive attending must be held at least once a year.

Total numbers of audit committee meetings held during fiscal year 2015 are 9 times. Details of meetings are as follows:

- 5 meetings are among auditors, executives, and internal audit
- 4 meetings are only with auditors, no executive attended.

Name	Position	Board of Director Meeting	
		Number of Meeting	Number of Attend the Meeting
Mr.Krisada Visavareeranon	Independent Director and Chairman Audit Committee	9	9
Mr. Chokechai Tanpoonsinthana	Independent Director and Audit Committee	9	9
Mr. Suchart Phisitvanich	Independent Director and Audit Committee	9	9

9.3 Nomination and appointment of directors and Top management

(1) Independent Director

The Company's setting definition of Independent Directors to be on a level of the Capital Market Supervisory Board's definitions No. TorChor. 14/2552 No.16 details as follows:

1. Hold not more than 1% of the voting shares in the company, its subsidiaries, associates, or related companies, major shareholder or person with controlling power over the company, whilst the number of shares held by any related person of such an independent director must also be counted.

2. Have not been or are not involved in the management, employees, wage earners, advisors on the payroll of the company , its subsidiaries , associates , or equivalent companies , major shareholder or person with controlling power over the company except when such qualifications have ended for more than two years, provided that such restriction or prohibition shall not apply to an independent director who has been a government authority , which is the major shareholder of the company or the person having controlling power over the company.

3. Are not related by blood or registration as parents, spouses, siblings, or children, spouses of any of the children to members of the management, major shareholders, those exercising control, or those about to be nominated as members of the management or those exercising control over the company or subsidiaries.

4. Do not have and have not any business relationship with the company, subsidiaries, associated companies, major shareholders or those exercising control over the company in the manner

in which independent discretion might be affected, and not be and have not been a substantial shareholder of or a person having power to control the person that has business relationship with the company subsidiaries, associated companies, major shareholders or those exercising control over the company unless such an independent director has not been a person referred to above for at least two years.

Business referred to in the first paragraph above shall meant to include any ordinary course of business or trade for business engagement purpose , any lease taking or lease out of any property , any transaction relating to asset or service , any financial support or acceptance of financial support by way of either borrowing , lending , guaranteeing or collateral providing or any other manner similar thereto that could result to an obligation required to be performed by the applicant or the party thereto in an amount of three percent or more of the net tangible asset value of the applicant or twenty million baht or more, whichever is lesser. In light of this , the method for calculating the value of connected transaction pursuant to the Capital Market Supervising Committee's Notification, Re: Regulations in respect of an Entering into a Connected Transaction shall be applied mutatis mutandis for the purpose of calculation of such amount of debt of the applicant, provided that the amount of the debt incurred during the past one year prior to the date on which such a business relationship with such a business relationships with such person exists;

5. Is not and has not been an auditor of the company, subsidiary, associated company, major shareholder or those with controlling power over the company and not be and have not been a substantial shareholder of , a person having power to control over , or a partner of any auditing firm or office in which the auditor of the auditor of the company , subsidiary , associated company , major shareholder or those with controlling power over the company unless such an independent director has not been a person referred to above for at least two years.

6. Is not and has not been a professional advisor , including legal or financial advisor who obtains fee more than 2 million baht a year from the company , subsidiary , associated company , major shareholder or those with controlling power over the company and is not and have not been a substantial shareholder of , a person having controlling power over , or a partner of any of such

professional service provider firm or office , unless such an independent director has not been a person referred to above for at least two years.

7. Is not a director appointed as a representative of a director of the company , a representative of a major shareholder of the company , or a representative of a shareholder of the company which is a related person of the major shareholder of the company.

8. Does not engage in any business with similar nature as that of the company and is competitive with the business of the company , subsidiary or is not a substantial partner in a partnership , a director participating in any management role , an employee or officer , an advisor obtaining regular salary from , or a shareholder holding more than one per cent of the voting shares of accompany engaging in any business with similar nature to the company or subsidiary.

9. Does not have any characteristics which will inept the ability to provide independent comment or opinion on the operation of the company.

Process of recruiting independent directors

The appointment independent director not yet approve by nomination committee because of in considering process to setting but the board of director considered the qualification due to their knowledge and capability will benefit to the company.

Business relationship of independent directors - Have , 1. The company paid for law service to Bangkok Global Law Offices that Mr.Picharn Sukparangsree be director in amount 0.46 million baht , this transaction was not over than the company 's definition .

(2) The Nomination of Directors and top management

The election of directors through at the shareholders meeting , as follows

1. Provide that shareholders vote for the election of directors by shareholders or other person who is not a shareholder. Each shareholder shall have one vote for each share

2. Each shareholder shall exercise all votes applicable under (1) for the appointment of one or more Director, provided that the votes of any shareholder shall not be divisible and shareholder voted one by one for one director.

3. Persons who obtain the highest vote and the next highest vote appoints (in descending order) shall be appointed as directors in order to fill the number of position of director required to be appointed at that time. In the case where more than one person obtains equal votes , and the number of directors with such vote exceeds the remaining number of directors positions to be appointed, the chairman shall have a casting vote in respect of those with equal votes.

4. In the case there is vacancy among the Directors which has occurred other than a retirement by rotation, the Board of Directors shall elect a person who is qualified and not being prohibited by the Public Company Law to fill the vacancy in the next Board of Directors' meeting except in the event that the period of time the Director is entitled to remain in office is less than 2 months.

The person who is elected shall remain in office only for such period of time as the Director he replaces was entitled to remain in office.

The resolution of the meeting of the Board of Directors as specified in the first paragraph shall consist of votes of not less than three-fourth of the remaining Directors.

The selection not approve by Nomination Committee because of not yet setting but the Board of Director considered the qualification due to their knowledge , experience and expertise material to the Company's business , be a visionary leader able to express opinions independently of management or any group of stakeholders , work morally and ethically with an unblemished work record and be able to dedicate enough time to working as the Company's director and not be a director or executive of any entity that has a conflict of interest with the company that belong to The Board's Charter in item Selection and Appointment.

9.4 The operations of the subsidiaries and associates company control.

(1) To corporate governance in subsidiaries and associates company .

The company appoint representatives to the company's executives are directors of subsidiaries, associates and the company holds. The policies acknowledge involvement in the management of these companies . Counseling and assistance as appropriate and approved by the Board of Directors. Not intended to interfere with or dominate these affairs.

(2) An agreement with other shareholders in the management of subsidiaries and associated companies.

- None

9.5 Internal information controlling

The Company published the Code of Conduct to Directors and Employees to take the way of implement a good appropriate which covers the use of inside information that non-profit for themselves and others. Based on inside information of the company and set the time to employees and directors not to trade the company's assets within 1 month before the financial statements are disclosed or general corporate information to publish and within 24 hours after disclosure of financial statement and general corporate information .The Directors and Executives will report to the Secretary trading company and report to the Board Meeting every time and in addition.

The company announced the information system security policy. To control the company's information that cover on customer information. Information System Department , is response to control all information , equipment and license computer programs and all department manager to review , checking and evaluation at least 1 time per year and report to the risk management committee and the executive board meeting and the office of internal audit will annual audit too.

In 2015, the Company increased its information security by prohibiting the visitors to the Company from photographing within the Company's premise without approval. Furthermore, no audio recorders, communication devices, and cameras shall be allowed in tight security areas such as Research and Development Department, New Product Development Department, and Production Engineering Department

9.6 Auditor's remuneration

A. Audit fee

The last year company paid for the audit fee 2.05 million bath.

B. Other service fee

Reviewing compliance with conditions of BOI promotion certificate amount 0.23 million baht.

9.7 Other practice from the corporate governance

The board of director has developed the company vision and code of conduct for the board members and employees as a best practice in order to maintain the dignity and values of the company and to prevent potential loss due to the misbehavior of internal people. It is published in the form of booklet providing to the board members, executives employees to be aware and adhere to. The content of company vision and code of conduct are put into orientation course for new board member, executive, and employee. The details are also disclosed on the company's website (www.thaistanley.com) as well.

The board of director has complied with the corporate governance policy; the summary of those sections are as follows:

1. Rights of Shareholders

The company is committed to ensuring that the basic right of the shareholders is protected and treated in an equal manner as regulated by law. The company gives the right to shareholders to independently buy, sell, or transfer the securities that they are holding. The shareholders are eligible to receive dividend, participate in the shareholder meeting, freely express opinion in the meeting, and can take part in making key decision such as board election, key business transaction approval, and key company letters amendment. In addition, the company promotes the right of shareholders and facilitates as follows:

1.1 The right to receive important and necessary information to make sure that the disclosed information is accurate, complete, transparent, and in timely to shareholders and stakeholders as required by related regulations. Such information will also be posted on the website as another information channel for shareholders, including other key information such as investment structure, shareholders, management policy, members of the board of directors and so on, as well as other financial information and the information disseminated to the public so that the shareholders and the stakeholders will receive the same information.

Individual shareholder shall be provided with necessary and adequate information about the Shareholders' meeting which includes the date, time, venue, and agenda, together with supplementary details for each agenda in advance. The company posts such information on the company's website 1 month before distributing the documents.

1.2 The right to participate in the shareholder meeting and the right to vote

The Invitation Letter

The company shall send the invitation letter to the shareholders at least 14 days in advance of the shareholder meeting. The letter shall include complete and adequate details of the meeting, agenda, together with supplementary documents which will be both Thai and English language for foreign shareholders.

Details about the right to participate and vote, what documents needed to bring along will be advised. In case of being unable to attend in person, that shareholder can appoint any independent director or any person to be a proxy for him by presenting any proxy form which the company attached together with the invitation letter. The proxy form can be downloaded from the company's website.

Facility

The company will arrange commuting transportation as facilitation for shareholders.

Staffs to welcome and provide service to participating shareholders will be standby 2 hours in advance.

For institutional shareholders facilitate to checking number of shareholding and a name list of the various funds in advance.

For voting process, poll cards will be collected in case of disagree vote in order to use for processing the data of each agenda. Investigation can be done upon request from shareholders.

The following persons are required to attend the shareholders' meeting:

- Every member of executive directors and audit committee
- Auditors to provide information in case of having inquiries from shareholders or lawyers
- Lawyers from the third party company will act as a middleman for voting inspection
- Interpreters to ensure the content be understood for shareholders and committee
- Employee representatives such as the chairman of welfare committee and elected members from welfare committee
- Community representatives from Ban-Klang Municipality

Voting one share one vote , Shareholder has votes equal to the number of shares held. Can not cumulative voting (Cumulative Voting) that from The Articles of Association setting.

1.3 The right to freely express opinion in the meeting

Every shareholder has an equal right to express opinion or make an inquiry with an adequate time providing for each agenda before resolution. In the shareholders' meeting, all members of the boards and executives are required to attend the meeting to answer any inquiries to the meeting.

1.4 The right to consider remuneration for board members

In the agenda of remuneration for board members, the criteria and details of remuneration for each member will be notified.

1.5 The right to appoint and nominate the board members and then have shareholders to vote individually

1.6 The board allows shareholders to propose agenda for the annual shareholder meeting. To ensure the fair and equitable treatment to shareholders, the company sets the criteria and Procedure for shareholders to propose agenda to the board to consider it to be the agenda in the annual shareholders' meeting. The details of right, criteria, and procedure are posted on the company website. The company shall notify such dissemination through SET news for shareholders to know in advance.

In year 2015 the company invited the shareholders to proposed the agendas in advance for the 2015 Annual General Meeting since January 15 to April 16, 2015 that there was no any proposal from the shareholders.

2. Equitable Treatment of Shareholders

The company pays attention to an equitable treatment to every shareholder whether or not , they are major or minor shareholder, institutional investor, or foreign investor. The implementation includes:

2.1 Every shareholder has right to vote depending on number of shares they are holding; one vote per share .The company have only common stock.

2.2 The board has developed prevention measure of using internal information as follows: None of director, executive, or employee can use internal information for the sake of personal benefits. Employees working in department involving with internal information, executive, and director are prohibited from trading the company securities for 1 month before the disclosure of financial statement or information to public and within 24 hours after the disclosure hereof. This rule is described in the code of conduct for the board and employees. The rule also specify that director, executive, and

accounting manager is obliged to declare the number of shares they own to the board of directors every time during the board of directors meeting.

2.3 For the shareholders' meeting; the proxy forms approved by Ministry of Commerce together with the meeting invitation letter, documents, and instruction about proxy assignment will be sent to shareholders so that they can appropriately prepare themselves for the meeting.

2.4 The company agrees to give the right to vote for shareholder who is late in attending the meeting; however, only for the agendas on discussion and have not been reached the resolution yet. That share will be counted for quorum starting from the agenda that he attends as well as votes onwards, unless otherwise instructed by the meeting.

2.5 Besides Thailand Securities Depository Co., Ltd., the share registrar of the company, who will be responsible for sending out the notice for attending shareholders' meeting for 14 days in advance of the meeting, the notice will also be posted on the company website for 30 days in advance of the meeting and published on the daily newspaper in Thai for at least 3 consecutive days and at least 7 days before the meeting date.

2.6 The Minutes of Shareholders' Meeting will be posted on the company website within 14 days after meeting , so that the shareholders who did not attend the meeting being able to know the same information.

3. Role of Stakeholders

The company is aware of the rights of each group of stakeholders such as customers, suppliers, employees, shareholders, government sectors, and other related parties as well as community as specified by law and make sure that their rights are properly protected and treated.

3.1 Customers , Most of the company products are sold to automaker; therefore, the company's customers mean the purchasers of the products and the end-users as well. Customer policy is as follows:

Management : Consider customer satisfaction as the first priority by improving every function; quality control, costing, delivery, development, security, and relationship through Planning – Doing – Checking process cycle.

Quality : Aim to develop international standard on quality assurance system; delivering the products with the confidence in gaining satisfaction and trust from customers.

The company sets up the Quality Assurance to be responsible for assurance product quality , giving advices on products, providing consultations, and receiving complaints, to make sure the customers will satisfy with the quality of products and services.

In the competition , The Company has policies and practices to fair competition and on normal business.

3.2 Suppliers , Supplier is one of business partners. The company have policy that strictly complies with agreement or contract made with the suppliers by adhering to operating business with integrity to self and to other parties in accordance with law and related rules and regulations. The supplier selection is according to purchasing policy that consider cover to company documents , performance , environmental , employee practical and human rights.

Meeting with business partner is also held with the purpose to keep partner updated about the company movement and to hear opinions; for example, for bank or creditor; the company will invite them to the meeting together with securities analyst so as to be informed about the company quarterly performance, or for the case of suppliers; supplier meeting is held every year through purchasing department in order to inform about annual purchasing policy and confer QCD award to the suppliers who delivered the good products and being punctual.

For construction contractor, a separate meeting will be held by occupational health and safety officer and invite the staff who is responsible in the field of repairing, construction, or expansion of the company properties to the meeting in order to ensure that safety measure is extended to the involved parties.

Since 2009, the company initiated the project of developing raw material suppliers to be quality suppliers by delivering goods on time, being competitive which leads to quality raw material with reasonable price. The project has been carried on until present, divided into 2 activities as follows:

1. Supplier SNAP , The company extends productivity improvement activity to suppliers and sends SNAP (Stanley New Approach for higher Productivities) team together with purchasing officer to the supplier company in order to educate and conduct productivity improvement activity in an periodical manner during 6 month period.

2. Supplier Improvement Project , The company will choose the suppliers to help them to identify problems and give advices on manufacturing efficiency.

The company also provides customer support and encourage vendors to be certified to international standards as quality assessment to provide a quality of supply chain.

3.3 Employees , The company realizes that the company is growing because of the cooperation of every employee so the employees are valuable resource of the company. The company policy are cover employee sustain in respect with safety, welfare, privilege for employees and the company have certified for Thai Labor Standard, TLS800-2003 (since June 2008 until present) from Ministry of Labor and Social Welfare.

3.4 Shareholders

The company policy is to protect shareholders' rights in an equitable manner as required by law. The policy is set that dividend paid to shareholders will not be less than 30% of net profit (Financial Statement - The company only), and allow shareholders to visit the company after finishing Shareholders' Meeting or the next available time

3.5 Society and Community

The company recognizes the importance of society and local communities that the company have become a part of society , so from founding to the present the company has met with representatives of local communities, Banklang Municipality and participation in support of local activities regularly

The company has been doing social activities under the name of Stanley Thailand Foundation. And reported the foundation activities on Annual Report

In addition, the company has developed the policy about the right of stakeholders and put in corporate governance policy and code of conduct for directors and employees of the company. Stakeholders can communicate or complain with the company via the company website. The company has set the specific process and section for these matter and the company always focuses on social and community activities and strictly complies with laws and regulations.

4. Disclosure and Transparency

The company and the executive committee focuses on managing and operating business under the principle of good governance and being aware of information disclosure with accuracy and in timely fashion as specified by regulatory agencies. Therefore, the company sets the policy and practice regarding information disclosure as follows:

4.1 Information Policy

- Disseminating information about the company must be aligned to disclosure policy and under the scope of laws, provisions, and related regulations.
- Disseminating information about the company must be clear, accurate, complete, transparent, and reliable. The information must be explained clearly, easy to understand, and promptly to stakeholders.
- The information must be fair to all parties by treating all parties in an equitable and consistent manner under the scope of operation practice, also avoid causing conflict of interest.
- Ensure that such dissemination will not cause negative impact on relationship between the customers and the company or violate the privacy of customers, shareholders, or other stakeholders.
- Performing duty about disseminating confidential information must be complied with the company rules and regulations specified in the code of conduct for the board and employees.

4.2 Communication

Chairman of the Board of Directors, Executive Chairman, and Vice Executive Chairman have authority to notify key information of the company and can delegate to management to give information about its own function through responsible department or person in charge of investor relation.

Company information is available for customers, shareholders, investors, or interested persons or requesting for more information via the company website (<http://www.thaistanley.com>).

In addition, the company has appointed Investor Relations officer; in charge of providing general news and respond to inquiries, coordinating with staff or involved person to provide news and answer to inquiries, monitoring financial and information reporting system notified to various regulatory agencies. To contact Investor Relations, please call 02 581 5462 ext.1164 or info@thaistanley.com.

4.3 Communication Standard and Channel

Company performance and general information will be periodically communicated to shareholders, investors and public through media of Stock Exchange of Thailand and company website.

Meeting with securities analysts is held in a quarterly basis. Information that is revealed to analysts in the meeting will be posted on the company website. The company has no policy to meet analyst, fund manager, investor, or any person interested in investing with company individually.

News and information about the company is available on the company website

(<http://www.thaistanley.com>) which includes:

- Vision, Management Policy, Governance Policy
- Disclosure policy consists of information policy, communication channels to the company, authorized spokesman, type of communication and information disclosure to public
- Financial information such as financial statement, key financial information, financial ratio, rate of dividend and so on.
- Company information such as type of business, board of directors, executive directors, and shareholder structure.
- Shareholders' Meeting information such as Minutes of Meeting, pictures from the meeting, VDOs presented in the shareholders' meeting.
- Annual Report and other reports submitted to Stock Exchange of Thailand and Securities and Exchange Commission
- Web board
- Investor Relations activities such as quarterly meeting with securities analysts

5. Board Responsibilities

5.1 Directors and Executives Development

The board of directors set the policy to provide an orientation course for new director in order to educate them about role and responsibility, business operation so as to efficiently support the company. In case of new directors, the company will take orientation course on the date of appointment; the content provided in the class such as the company's regulations, vision, governance policy, code of conduct for directors and employees, as well as rules and regulations of the Stock Exchange of Thailand and SEC about roles of director and code of conduct for the listed companies. The directors had visited the factory for better understanding about the company operation.

The existing members of the Board are also educated by attending the training courses arranged by each function. Any change of information or rules will also be informed to the board in the board of directors meeting.

In year 2014 , Mr.Suchart Phisitivanich , Independent Director and Audit Committee attend the seminar ‘ The Challenge of Audit Committee with finance and non financial data arranged by The Securities and Exchange Commission on February 11 , 2015

5.2 Self-evaluation of the Board of Directors.

In 2014, the board has done self- performance evaluation , in overall, covering all roles and responsibilities of the committees, since 2007 until end of accounting period as of 31 March 2015, based on May 2015 evaluation, the result is Very good and the result, notices, and suggestions shall be taken into account to improve the performance of the board in the future.

10. Social Responsibility

10.1 Policy Overview

The Company's policy is to achieve business goals effectively , be the entrepreneurship to the society by one of the company's vision is to be a priority and uphold the values that support complementary Stanley sincerely. The Company considers that the underpinning and is involved in all aspects of the employees, shareholders, customers, suppliers, sellers, local community and society.

Each year the company targets including the implementation of environmental and social. The top management will monitor and evaluate the various monthly continuously.

10.2 Operation and report

In social responsibility of the company , each division is involved in environmental and social issues to focus and perform with caution and evaluate the impact by the operational and top management, such as product design to using materials that are environmentally friendly , produced with carefully in security and impact of other pollutants.

The company disclose Social Responsibility report from eight principles of sustainability and social responsibility guidelines of the Company that issued by the Stock Exchange of Thailand. The

issues revealed through consideration of the management that show on this annual report page and company website www.thaistanley.com

In 2015 The company operation of social responsibility is as follows.

1. Fair Business Operations

The Company conducts its business with honesty and integrity and in accordance with moral and ethical principles. The Company has adopted the Code of Conduct for directors and employees at every organizational level to use as a guideline in carrying out their duties with honesty and integrity and in compliance with applicable laws and regulations.

The Company has printed and distributed moral and the code of conduct to directors and employees, including via internal communication; moreover, the ethical code of conduct for directors and employees is included in the annual new employee orientation course.

In 2015, in order to ensure the Company's business ethics, the Stanley Group also established the Stanley Group Code of Conduct for our employees to abide by.

Fair competition

The Company complies with the rules of fair competition. Although not many companies have operated automotive lighting business, the Company will exercise considerable care to avoid any act that may lead the Company to gain market monopoly, reduce competition, or eliminate competition.

The Company provides training for employees who are directly involved with this matter i.e. marketing, purchasing etc. whereas other general employees are informed via internal communication and the Office of internal audit are examined concerning these aspects on a yearly basis.

Respect for proprietary rights of other entities

The Company takes its customers' secrets seriously. The customer owns the exclusive rights of the product designed and developed together by the customer and the Company. The Company shall assign a responsible person for each product to oversee its design, production, and delivery.

The Company has adopted the Information Security Policy to ensure the protection of the Company's information and customers' secrets. The Company's IT manages information access and computer equipment and programs. The policy is reviewed and evaluated at least once every year by the IT manager to present to the Risk Management Committee and Board of Directors. Additionally, the Internal Audit Office will also conduct an audit on information security every year.

In 2015, the Company increased its information security by prohibiting the visitors to the Company from photographing within the Company's premise without approval. Furthermore, no audio recorders, communication devices, and cameras shall be allowed in tight security areas such as Research and Development Department, New Product Development Department, and Production Engineering Department.

Social Responsibility Promotion among Stakeholders within the business chain

The Company supports and participates with stakeholders, including customers and suppliers, in activities related to CSR. Presently, Company stakeholders prioritize and increasingly implement CSR activities i.e. environmental activities, application to ISO14001 standards etc. The Company actively participates in such activities and promotes stakeholders' news to employees.

Responsible Political Involvement

The Company has established policies that forbid political involvement; however, the Company does not limit the rights of its employees but enables the use of legally permitted political rights. The Company permits employees to request leave in advance for election rights without deducting working hours.

During 2015, the Company has neither been accused nor penalized for violation of various laws or regulations.

2.Anti – Corruption

The Company has established the following Anti-Corruption policies which are considered business ethics: All forms of corruption are strictly forbidden among directors, executive management, and employees including entities relevant to company operations; this covers offering, promising, soliciting, demanding, and giving or accepting bribes and other forms of incentives including assigning other parties to give or receive bribes or incentives on behalf of oneself concerning company interests and operations. Over the past year, the Company has provided training courses in business ethics as part of the general business knowledge course provided by the Company to all new employees.

The Department manager of each department has a duty to assess and test matters in this regard together with matters concerning risk in various areas and to duly notify the Risk Management Committee once per year at the minimum; furthermore, internal audit agencies assess this matter

annually and present the results at the meetings of Audit Committee and Board of Directors respectively.

The Company imposes severe penalties for corruption in the line of duty by termination of employment without compensation following consideration by the Award & Punishment Committee; during the past year, upon corruption risk assessment, the Company has not found any significant risk. The Company has declared its intention to join Thailand's Private Sector Collective Action Coalition Against Corruption. It is currently preparing the necessary documents to submit for certification, which is expected to be granted in 2016.

3.Respect for Human Rights

The Company has created the Guide to Managing Human Resources in accordance with Thailand's labor standards as follows:

- Citizen and Political Rights

Discrimination The Company has declared its strong intention to prevent discrimination at work including employment, pay and other remunerations, benefits, training and development opportunity, promotion and transfer, dismissal, and retirement based on national origin, race, religion, language, age, sex, marital status, personal view on gender, physical or mental disability, HIV or AIDS status, political interest, and other personal views.

Child Labor The Company has never employed children under 15 years of age or supported any person related to the Company or any organization to employ children under 15 years of age. It has no policy to employ or promote to employ children in any dangerous work or to work in an unhealthy and unsafe environment.

Pregnancy The Company shall not employ pregnant women in any dangerous and unhealthy work as prescribed by laws. Pregnant employees shall be provided with safe working environment and shall not be dismissed, demoted, or lose any benefit due to their pregnancies.

The Company has informed all of its suppliers of these regulations in order to promote respect for human rights.

Freedom of Association and Collective Bargaining The Company grants its employees the rights to freely join any committee, to bargain collectively, and to select or elect their representatives.

Today, many representatives elected by the employees have served as members of the Welfare Committee and Occupational Safety and Health Committee.

Since the Company was founded, we have never had a labor union or labor dispute.

- Economic, Social, and Cultural Rights

The Company is determined to improve the life quality of its employees. It provides annual salary increment and welfares such as traveling allowance, uniform and laundry service, birthday and New Year gift, meal allowance when working overtime or outside the Company, hospital expense for employee and family, and low interest loan program. The Company also increases its employee welfares annually.

The Company has carried out various activities to promote good health including employee sport games such as badminton and volleyball, sport day in November, and outdoor trips. It has also organized festival activities to promote Thailand's social and cultural tradition including sprinkling water onto Buddha image during Songkran festival, candle procession during the Buddhist Lent, and New Year's food offering to Buddhist monks.

In September, 2015, the Company was awarded Outstanding Workplace for Labor Relations and Welfare by the Ministry of Labor for the 10th consecutive year.

4.Treatment of labor

The Company has established policies according to Thai labor standards considered as CSR in labor aspects whereby the Company is determined to comply according to Thai labor laws and standards including other related regulations and standards. The Company strives to develop the quality of life of its employees including workplace environment and to review the sufficiency and suitability of policies annually. In addition to applying Thai labor laws within the Company throughout the entire organization, the Company extends coverage to its suppliers and sub-contractors accordingly.

The Company discloses all aspects concerning respect for rights at work according to human rights principles and grants protection to working conditions under human rights guidelines.

The Company implements the STARs Plan as principles aimed at human development within the Company categorized under the following 6 systems:

1. Qualification: The Company has established hierarchies to reflect the ability to perform duties among employees and to determine fair compensation rates .

2. Position: The Company has explicitly established duties, roles, authority, and accountability within agencies for each position.

Promotions occur following assessment according to criteria set forth by the Promotion Committee.

3. Rotation: Interdepartmental changes occur to rotate the nature of duties among staff for the purpose to build and develop competencies and ultimately achieve promotion.

4. Evaluation: The Company schedules performance evaluation to assess increase in wages, bonuses, and promotions and to identify strengths and weaknesses of employees to ultimately achieve further development of competencies; assessment criteria are based on principles of justice, suitability, and acceptance.

5. Wages: Compensation structure is comprised of base salary, competency wages, position wages, and various support i.e. overtime pay, holiday pay, food allowance, diligence allowance, shift allowance etc. The Company increases wages annually according to the pay raise index i.e. the minimum increase required by government and inflation which is an index that indicates increases in living expenses and industry conditions.

6. Competency development: To enhance the competencies of its employees, the Company has established policies to develop capabilities by training programs according to position or rank, strategic training, function-specific training, and self-training. Such training includes both internal and external programs, additionally employees are sent to undergo training and apprenticeship at companies in the Stanley group overseas.

In 2015, the Company has provided 37 internal training courses for a total of 1,787 employees at an average of 12 training hours per person and external training courses for 385 persons i.e. opportunity and crisis in the ASEAN economic community, planning and goal-setting, systematic thinking, skills enhancement and development by coaching etc. Additionally, the Company has sent 32 employees to Japan for training and skills development.

The Company is accredited with Thai Labor Standards 8001 – 2553 from the Ministry of Labor and is evaluated annually.

Health and safety in the workplace

The Company has established policies and operational guidelines in areas of safety, sanitation, and workplace environment alongside regular duties of its employees and is considered a primary responsibility during operations; the Company has been accredited with OHSAS18001 standards since 2011.

The safety policies implemented by the Company include the following duties:

- Stringent compliance with laws, rules, regulations, and standards relevant to safety, sanitation, and workplace environment.
- Continuous support and promotion for improvements rendered to the environmental conditions and safe methods of operations; this includes use appropriate use of hazard prevention equipment and maintenance of good sanitation among all employees.
- Support and promotion for various safety activities to evoke safety consciousness among all employees, both directly involved in the operations and external members i.e. training, motivation, public relations, and safety competitions.
- All superiors at every level must be a good example in leadership, training, coaching, motivation, and invoking consciousness for employees to conduct operations with safe methods. Furthermore, all employees must maintain personal safety and safety of colleagues including company assets as a priority during operations.
- Strictly adhere to 5S (Seiri, Seiton, Seiso, Seiketsu, Shitsuke) operational principles in the workplace to prevent accidents and illness caused by work operations.
- Campaign and promote participation among all employees in safety and sanitation projects launched by the Company; all employees are entitled to present their opinions aimed at continuously improving work conditions and safety methods.
- Promote human resources and budget for management of safety, sanitation, and workplace environment to ensure safety among company employees and third parties.
- Continuously promote policies with CCCF (Completely Check – Completely Find Out) activities to achieve zero accident goals both internally and externally.
- Regularly conduct operational evaluation according to established policies.

In 2015, the Company set the following occupational safety and health objectives: zero lost time injury and zero severe fire accident, 8,000,000 hours free of lost time injury, zero fatal accident outside work, and reducing lost time machinery accidents and lost time illness incidence by 50% from last year. Except for the 8,000,000 hours free of lost time injury, the Company has achieved all other objectives.

In 2015, the Company opened the Safety Dojo to build and promote understanding and awareness on safety among the employees. The Safety Dojo is a full safety learning and training center, with station simulations showing various accidental risks.

Furthermore, the Company has established the 7 Ways to Create a Traffic Safety Culture Project, which included:

1. Speed limit 20 km/hour while driving in Company area
2. Always wear a helmet
3. Drivers and passengers must wear seat belt all the time
4. Driving under the rules of the Company and according to the law
5. Don't driving in manner danger (Don't slice off , don't overtaking)
6. Don't racing
7. Physically not ready (Don't drive) (Don't call , sleepy, drink, tired)

This project, which continued from last year, provided education and training to all employees to ensure safety driving practice.

The Company continues to implement other safety-related activities i.e. safety training, daytime and nighttime fire drills, emergency drills and preparation, weekly expo for safety, environment, and energy conservation.

In July 2015, the Company was awarded Outstanding Workplace in areas of Safety, Sanitation, and Workplace Environment for the 12th consecutive year.

5. Responsibility toward Consumers

The Company prioritizes product research and development and designs lighting products aimed at providing maximum benefits to automotive users to ensure safety of drivers and commuters, aesthetics, illumination, durability, and environmentally-friendly qualities.

The Company has arranged for the Quality Assurance department to examine the quality of all products both prior to, and following, distribution. Moreover, this department handles complaints from customers and product users.

In areas of Bulb product, the Company actively collaborates with The Sittipol groups in organizing events to meet and greet distributors nationwide where comprehensive and accurate knowledge concerning automotive lighting is increasingly provided to users.

6. Environment and Energy Conservation

The Company has founded the following philosophy concerning environmental aspects:

“Determined to sustain the environment and use natural resources wisely through all activities performed by the Company to further maintain and ensure the natural integrity of this world”

To achieve the environmental philosophy, the Company has established the following environmental policies:

1. The Company drives various activities aimed at environmental conservation, pollution prevention, minimal environmental impact, and continuous improvement in every process from the design phase to development, production, and industrial waste management; whereby the Company is determined to comply with relevant environmental laws, rules, and regulations and request cooperation from parties with activities aligned with the Company.

2. The Company implements training and communication of the fundamental philosophy, environmental policies, and various environmental activities to all employees and relevant parties to enhance understanding and knowledge and to create good environmental consciousness.

3. The Company is prepared to publicly disclose the fundamental philosophy, including environmental policies and activity status.

In 2015, the Company had the following environmental objectives:

1. Reducing water consumption by 1% from year 2014 as measured by water use rate per product and per employee

Operations , To included recycling water to be used in water spray, toilet, and plant watering systems and promoting water preservation via various media such as wire broadcasting programs Monday Meeting and environmental education. – Objective had been achieved.

2. Reducing waste to be disposed of by landfilling by 1% from year 2014

Operations , To included promoting waste separation and improving waste treatment focusing on reuse and recycle, auditing waste management by the Environment Committee quarterly, training on waste management to build environmental conscious, and encouraging every office to create at least one waste reduction project per office. – Objective had been achieved.

3. Reducing the use of paper by 1% from year 2014

Operations , To included improving evaluation of compliance to focus on using Excel program, developing operational system on non-used materials via information system, and promoting at least one paper reduction project per office. . – Objective had been achieved.

The Company continues to implement environmental operations i.e. monitoring and follow-up by senior management, expansion of green areas within the Company premises, recycle of treated water to further use as water curtain during painting operations, to flush toilets, and to water plants and lawn without any wastewater released outside the Company.

In areas of waste disposal, the Company focuses on separation of waste into various categories, destruction of waste and further sales to private recycle entities. Moreover, the Company prioritizes 5S activities to ensure cleanliness within all areas.

In 2015, the measurement of pollution within the Company including noise, waste water, heat, and are quality showed standard results.

Energy conservation activities:

The Company has established the following energy conservation policies:

1. The Company drives all production processes, including other activities relevant to energy use, to conserve energy and maximize efficient energy usage which is considered a core part of Company operations.

2. The Company strives to enhance energy usage efficiencies within the organization as appropriate to the characteristics and volume of actual energy used as aligned with industrial attributes and suitable technology; furthermore, the Company continuously applies best practices as appropriate.

3. The Company is determined to properly manage and conserve energy according to relevant energy conservation laws, rules, and regulations.

4. The Company considers energy conservation a primary duty and responsibility; all management and employees in every level are required to participate and cooperate in compliance with energy conservation measures, and to regularly monitor and report to the Energy Conservation Committee to express intent to continuously enhance energy usage efficiency.

5. The Company sufficiently and suitably allocates resources relevant to energy management and conservation to enable achievement of all goals and objectives set forth concerning energy management.

6. The Company strives to seek and obtain renewable energy sources including alternative energy to ensure sustainable energy conservation. The Company is prepared to reveal, relay, and broadcast all its energy conservation activities to relevant parties and the general public.

In 2015, the Company had three objectives on energy preservation:

1. Reducing electricity consumption by 1% from year 2014 as indicated by electricity use rate per one product for the lamp factory, electricity and LPG use rate per 100 products for the bulb factory, electricity use rate per working hour for indirect offices, and electricity use rate per production volume (for public utility offices)

Operations , To included encouraging employees to participate in electricity saving activities via SNAP Kaizen Sheet, improving energy saving monitoring by adding more monitoring and operation result collecting methods, and improving the use of power meter to measure electricity consumption and energy saving activities. - Objective had been achieved.

2. Developing computerized electricity consumption monitoring and control system for factories

Operation , The system will be completed by the end of 2015. - Objective had been achieved and analysis has been conducted to improve the equipment and other shortcomings.

3. Promoting participatory energy saving through Car Pool Program and Shutting off Electricity on the Third Sunday of Every Month Campaign

Operations , To included creating a campaign to promote turning off electricity for one day every month (Sunday), promoting energy saving via media such as wire broadcasting program Monday Meeting, Energy Committee Patrol one a month, and Energy Holiday Patrol once every three months.

– Objective had been achieved. The electricity consumption was reduced by 1,534,671.72 kWh and Co2 emission was reduced by 867.69 Ton.Co2.

Additionally, the Company continues to promote and campaign reducing energy use via various media i.e. voice programs and Energy Committee Cross Check Patrol activities organized once a month.

The Executive Board of Management continues to monitor and provide guidance to energy conservation activities on a quarterly basis; the Company opened the PQC multi-purpose building with cafeteria, library, fitness center, an area for engineering works that support production, and simulation training for production staff prior to actual manufacturing. This building applies environmental conservation concepts with LED lighting system and dimming switches; moreover, some recreation areas use natural light.

7.Participation in Community and Social Development

The Company is located at Ban Klang sub-District, Muang District, Pathum Thani; since the Company is not based within an industrial estate, the Company is cautious not to affect the nearby communities. Nevertheless, the Company has never had a dispute with the local community. The Company coordinates and cooperates with the Ban Klang municipality, a representative of the community, in organizing various community activities i.e. candle parade during the Buddhist lent, dry food for alms during the New Year period, use of local community snacks and products during the shareholder meeting etc.

Community development efforts applied by the Company primarily take the form of hiring since 80% of Company employees comprise of Pathum Thani residents of which a major portion are locals. Additionally, the Company offers opportunities for state-owned higher education institutes to visit the factory works to gain additional industry knowledge and understanding.

8.Innovations, and Communication of Innovations, obtained from Operations with Corporate Social and Environmental Responsibility and Stakeholders

Presently, LED (Light Emitting Diodes) technology provides an energy-efficient and long lifetime source of lighting; companies within the Stanley Group continue to manufacture and develop LED lighting across a wide range of applications i.e. street lights and a source of light and warmth for vegetable cultivation etc. The Company continuously promotes and supports the use of this technology to customers, partners, and the community.

10.3 The company operation that have an impact on social responsibility

- None

10.4 The social and environment activity (after process) by Stanley Thailand Foundation

The Stanley Group has founded the Stanley Thailand Foundation since 1993 to conduct social activities generally within the Pathum Thani province which is considered the local community of Thai Stanley. The 2015 activities were launched by Stanley Thailand Foundation , as follows:

1.Education activities:

1.1 Scholarships for year 2015 awarded to 1,418 students from 28 schools within Pathumthani province and 8 schools in Nakorn Ratchsima that donated with Sirivit-Stanley .

The Foundation provides support for personal education expenses to cover high school levels until bachelor degree and has selected 2 students to enter the project with 1 student graduating with bachelor degree; presently, 28 students are enrolled in the program.

1.2 Sponsor to the 15th Stanley Science Project Contest at the primary and junior high school levels

1.3 Donated bicycle 300 set to 30 school in Ladlumkaew , Thanyaburi , Lamlookka and Nhongsua District and donated with Lao Stanley Co.,Ltd. to give stationaries and sport equipment to 2 school in Laos.

1.4 Donated computer and accessories to Watsadet School , Suanprikthai , Muang , Pathumthani.

1.5 Library books donated to 83 schools in Pathumthani and Nakorn Ratchsima.

2.Environmental activities include garbage bins donated to local communities via the Ban Klang Municipality, Khu Kwang Municipality, and Suan Prik Thai Administrative Organization at Pathumthani.

3. Social Activities to support charitable organizations include items for everyday use donated to AIDS victims at Wat Prabatnamphu, Lopburi Province and mentally impaired children at Ruampanya Person Lane Association, Nonthaburi.

11.Internal Control and Risk Management

11.1 The board of director comment on internal control

The three members of Audit committee has meeting with the Board of Directors meeting No. 2/2016 on 27th May 2016. The Board of Directors have evaluated for the internal control system from Office of Internal report and reviewing the progress of internal control of Working System that approved in the past year that cover to reviewing the financial report , the company operations are in compliance with the law on securities and exchange , the Stock Exchange of Thailand regulations and laws relevant to the company's business , reviewing of the connected transactions or the transactions that may lead to conflicts of interests as well as the disclosure of such transaction , reviewing the risk management that relate to internal control system . In fiscal year 1st April 2015 – 31st March 2016 , there were 9 audit committee meeting that with auditor but without management 4 times and meeting with the auditor , the management and Internal Audit 5 times.

The Audit Committee has reviewed the internal audit system and had considered the evaluation of internal control in accordance with the guidelines established by The Securities and Exchange Commission (SEC), it was found that there were no significant faults and there was appropriate attention and maintenance of the activities and accurate ,so the audit committee has the opinion that the company's activities in fiscal year 1st April 2015 – 31st March 2016 has been according to the appropriate internal control system and accordance to internal control framework of COSO , the finance report is accurate , complete and reliable. Operations are concordant with adequate , transparent and reliable Corporate Governance standards and there is continuous improvement for better quality of the business operating system report and the disclosure information were care in accordance with the appropriate internal control of the company.

Ms.Varaporn Vorathitikul , PricewaterhouseCoopers ABAS Limited ,the Auditor of company was no serious concerns about the internal control.

11.2 The opinion of the Audit Committee in the event of a different opinion of the board of the activities of the company.

The audit committee not any different opinion with the Board of Directors. There was also a report of the Audit Committee. As Attachment 3-1 in the report 56-1

11.3 Chief of Office of Internal Audit

(1) The Executive Board has appointed Mrs.Nongyao Apirum was the chief of office of internal audit in year 2012 that has experience working in Accounting and Finance department for 17 years and used to attend the training course related to the audit such as Fundamentals for New Internal Audit course 1 and 2 from The Federation of Accounting Professions – Under the Royal Patronage of His Majesty the King , Audit Report Writing , Risk Based Audit , Certified Professional Internal Auditor of Thailand (CPIAT-18), The Corporate risk management - COSO-ERM , Internal controls on financial reporting from The Institute of Internal Auditor of Thailand

Chief of Internal Audit have an understanding of the operations of the company as well. It is appropriate and sufficient to perform such duties.

(2) The Audit Committee 's opinion that taking care of the Chief Audit qualification experience with adequate training and proper operation.

(3) The appointment, removal and transfer of the incumbent Chief of Office of internal audit according to the personnel management system of the company. Through the approval of the Executive Board and acknowledged and approved by the Audit Committee.

12. The related transactions

Since last 3 years, there was no event of spending the income from stock sales for any of the shared interest person.

The company has the significant trade with the related company by purchasing and sales items. The company's auditor gave the explanation in the Note 26 Page 41 - 43 of the financial statement on 31st March 2016. The purchasing items from the related company are those particular raw materials or merchandise from the same production source at the great quantity to reduce the production cost. The company received the confirmation report from the related company about the sales of raw materials as the regular trading business. The sales items are mostly exporting by set up the sales price from cost fee plus the profit. Royalty fee to a related company at the rate of 3% of sales minus the cost of importing raw materials from that related company, and specified as the regular trading business, details as follows:

1. Related party transaction by way of the shareholder or common directors.

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2016	The reasonable of transactions
1. Stanley Electric Co.,Ltd.	1. Major shareholder of Stanley Electric Holding Asia-Pacific PTE, holding 30.54% 2.Common Director 2 person - Mr.Katsutoshi Iino - Mr.Toru Tanabe	1. Purchasing in raw materials , goods and equipment 2. Selling goods, 3.Royalty Fee is charged at 3% of sales less materials cost imported from the related party in accordance with the agreement	Purchased 680.62 million baht Balance 197.34 million baht Sold amount 34.31 million baht Balance 2.47 million baht Amount 255.21 million baht	Specifically products or materials and material which are manufactured on a large scale at one source for cost saving benefit. Pricing are charged in the normal course of business and same practice with the outsider. Specifically products or materials and material which are manufactured on a large scale at one source for cost saving benefit.

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2016	The reasonable of transactions
		<p>4. Designed and Development Fee is charged in case design and development product for Thai Stanley's products</p> <p>5. Technical Fee is charged for the specialist come for assistance in production technics.</p> <p>6. Training fee is charged for send Thai Stanley ' employee to training and practice.</p> <p>7. Commission is charged for an agent to connected with customers</p> <p>8.Other Income</p>	<p>Amount 137.50 Million baht</p> <p>Amount 6.43 million baht</p> <p>Amount 14.37 million baht</p> <p>Amount 20.03 million baht</p> <p>Amount 1.70 million baht</p>	<p>In the normal course of business and same practices in Stanley Group</p> <p>In the normal course of business and same practices in Stanley Group, pricing are charged same as outsider.</p> <p>In the normal course of business and same practice in Stanley Group</p> <p>In the normal course of business and same practice in Stanley Group</p>
2 .Lao Stanley Co.,Ltd.	<p>1. Thai Stanley holding 50%</p> <p>2. Common Director 2 persons</p> <p>- Mr.Apichart Lee-issaranukul</p> <p>- Mr.Koichi Nagano</p>	<p>1. Selling goods</p> <p>2.Other Income</p>	<p>Sold amount 333.77 million baht</p> <p>Balance 69.96 million baht</p> <p>Amount 0.44 million baht</p>	<p>Specifically products Pricing are charged in the normal course of business and same practice with the outsider.</p> <p>In the normal course of business and same practice in Stanley</p>

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2016	The reasonable of transactions
		3.Royalty Income	Amount 0.32 million baht	Group In the normal course of business and same practice in Stanley Group
3. Vietnam Stanley Electric Co.,Ltd.	1.Common major shareholders as Stanley Electric Co.,Ltd. Holding 50% 3. Common director 3 persons as - Mr.Apichart Lee-issaranuku -Mr.Katsumi Sumiyal -Mr.Toru Tanabe 3. Thai Stanley holding share 20%	1. Purchasing goods 2.Selling goods	Purchased amount 195.14 million baht Balance 42.13 million baht Sold amount 25.21 million baht Balance 2.80 million baht	Specifically products Pricing are charged in the normal course of business and same practice with outsider. Specifically products Pricing are charged in the normal course of business and same practice with the outsider.
4.Asian Stanley International Co.,Ltd	1.Common major shareholder as Stanley Electric Holding Asia-Pacific PTE Holding 67.5% 2.Common Director 2 persons - Mr.Apichart Lee-issaranukul - Mr.Toru Tanabe 3.Thai Stanley holding 15% 4. Holding Thai Stanley 0.44%	1. Purchasing raw material 2.Selling goods	Purchased amount 671.94 million baht Balance 71.98 million baht Sold amount 2.49 million baht Balance 0.09 million baht	Specifically products Pricing are charged in the normal course of business and same practice with the outsider. Pricing are charged in the normal course of business and same practice with the outsider.

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2016	The reasonable of transactions
5. PT.Indonesia Stanley Electric	<p>1. Common major shareholder as Stanley Electric Co.,Ltd. Hoding 60 %</p> <p>2. Common director 3 person as</p> <ul style="list-style-type: none"> - Mr.Apichart Lee-issaranukul - Mr.Koichi Nagano - Mr.Toru Tanabe <p>3.Thai Stanley holding 10%</p>	<p>1. Purchasing raw material</p> <p>2.Selling goods</p> <p>3.Other Income</p>	<p>Purchased amount 79.42 million baht Balance 0.02 million baht</p> <p>Sold amount 354.55 million baht Balance 36.90 million baht</p> <p>Amount 0.26 million baht</p>	<p>Specifically products Pricing are charged in the normal course of business and same outsider.</p> <p>Pricing are charged in the normal course of business and same practice with the outsider.</p> <p>In the normal course of business and same practice in Stanley Group</p>
6. Sirivit Stanley Co.Ltd.	<p>1.Thai Stanley holding 15%</p> <p>2.Common director 2 persons as</p> <ul style="list-style-type: none"> -Mr.Apichart Lee-issaranukul - Mr.Koichi Nagano 	<p>1. Purchasing raw material</p> <p>2. Selling raw material</p>	<p>Purchased amount 327.38 million baht Balance 38.04 million baht</p> <p>Sold amount 10.84 million baht Balance 2.22 million baht</p>	<p>Specifically products Pricing are charged in the normal course of business and same outsider.</p> <p>Pricing are charged in the normal course of business and same outsider.</p>
7. Inoue Rubber (Thailand) Public Company Limited	<p>1.Thai Stanley holding 0.02%</p> <p>2.Common director 4 person as</p> <ul style="list-style-type: none"> - Mr.Apichart Lee-issaranukul - Mr.Thanong Lee-issaranukul - Mrs.Pimjai Lee-issaranukul - Mrs.Pornthip Sethiwan 	<p>1. Purchasing raw material</p>	<p>Purchased amount 16.44 million baht Balance 2.91 million baht</p>	<p>Pricing are charged in the normal course of business and same practice with the outsider.</p>

Name of Company	Related ties	Related transaction details	Transaction Amount and Balance at 31 March 2016	The reasonable of transactions
8. The Sittipol 1919 Co.,Ltd.	1.The shareholders holding 3.34% 2.Common director 2 persons as - Mr.Thanong Lee-issaranukul - Mrs.Pornthip Sethiwan	1. Selling goods,	Sold amount 160.47 million baht Balance 43.00 million baht	Pricing are charged in the normal course of business and same practice with the outsider.
9. Lumax Industries Co.,Ltd.	1.Thai Stanley holding 1.73% 2. Common major shareholder as Stanley Electric Co.,Ltd. Holding 26.31 % 3.Common Director 1 person - Mr.Toru Tanabe	1. Purchasing goods 2. Selling goods 3.Other Income	Purchased amount 1.29 million baht Balance - million baht Sold amount 65.08 million baht Balance 3.72 million baht Amount 2.63 million baht	Pricing are charged in the normal course of business and same practice with the outsider. Pricing are charged in the normal course of business and same practice with the outsider In the normal course of business and same practice in Stanley Group
10. Bangkok Global Law Offices Limited	1. Common director 1 person as - Mr.Picharn Sukparangsee	1. Law service	Purchased amount 0.46 million baht Balance - million baht	Pricing are charged in the normal course of business and same practice with the outsider.

2.Transaction with the company whose Stanley Electric Co.,Ltd. Is the major shareholders of Stanley Electric Holding Asia-Pacific PTE , LTD (holding 100%) major shareholder of the company, the transaction are purchasing and selling in raw material or goods that are specific materials which are manufactured on a large scale at one source for cost saving benefit. Pricing are charged in the normal course of business and same practice with the outsiders, details as follows :

Company Name	Transaction Amount in 2014		Balance as at 31 March 2015	
1. Guangzhou Stanley Electric (China)	Purchased amount	187.22 million baht	44.70	million baht
	Sold amount	2.38 million baht	0.47	million baht
	Other Income amount	0.17 million baht	0.07	million baht
2. Stanley Electric (Asia Pacific) (Taiwan)	Purchased amount	2.68 million baht	-	million baht
	Sold amount	1.28 million baht	0.02	million baht
3. Shenzhen Stanley Electric Co.,Ltd.	Purchased amount	61.18 million baht	7.13	million baht
	Sold amount	- million baht	-	million baht
4. Stanley Electric US Inc. (U.S.A)	Purchased amount	6.47 million baht	0.45	million baht
	Sold amount	134.65 million baht	109.28	million baht
	Other income	0.14 million baht	-	million baht
5. Tianjin Stanley Electric Co.,Ltd. (China)	Purchased amount	3.67 million baht	0.04	million baht
	Sold amount	0.19 million baht	0.12	million baht
6. II Stanley Co.,Inc (America)	Purchased amount	- million baht	-	million baht
	Sold amount	0.02 million baht	-	million baht
7. Shanghai Stanley Electric	Purchased amount	8.91 million baht	1.22	million baht
	Sold amount	- million baht	-	million baht
8. Stanley Electric Hungary	Purchased amount	- million baht	-	million baht
	Sold amount	0.04 million baht	-	million baht
9. Stanley Electric Do Brazil LTDA	Purchased amount	0.50 million baht	-	million baht
	Sold amount	94.87 million baht	4.14	million baht
10. Stanley Iwaki Works Ltd.	Purchased amount	- million baht	-	million baht
	Sold amount	1.92 million baht	0.05	million baht
11. Stanley Electric (Asia Pacific) HongKong	Purchased amount	0.15 million baht	0.07	million baht
	Sold amount	- million baht	-	million baht
12. Wuhan Stanley Electric Co.,Ltd.	Purchased amount	- million baht	-	million baht
	Sold amount	3.05 million baht	0.50	million baht
13. Chongqing Hua Yu Stanley	Purchased amount	- million baht	-	million baht
	Sold amount	0.11 million baht	-	million baht
14. Tianjin Stanley Electric Technology Co.,Ltd.	Purchased amount	4.04 million baht	3.97	million baht
	Sold amount	- million baht	-	million baht

The approval for the related transactions

In Year 2015 , the related transactions was the normal course of business and same practice with the outsider , such as price comparison , selling price is determined based on manufacturing cost plus a certain margin. The related transaction controlling by the management director.

Policy or Trend towards Potential the related transaction

The related transaction to be continued, because of the raw material or goods are specifically and used only in Stanley Group. The selling price is determined based on manufacturing cost plus a certain margin that the normal course of business. Whatever these transaction are belong to The Purchasing and Selling products and assets policy , that announcement since year 2004 and for others transaction will consideration belong to The rule of The Stock Exchange of Thailand.

The related transaction Report from Audit Committee

The Audit Committee considered the related transaction in year 2015, that have transaction may cause conflict of interest, that transaction with related parties company and normal course of business.