

Part 2

Management and corporate governance

7. Stock and Shareholder Information

7.1 Number of Authorized Capital and Paid-up Capital

The Company has a total of 681.48 million baht with 681.48 million baht of Authorized Capital, divided into 681,479,688 ordinary shares at 1 baht par value.

7.2 Shareholders

List of Major Shareholders as of book closing date (September 28, 2018)

- Top 10 Shareholders

Name	Shares Hold	Share Ratio (%)*
1. Mr. Vorathep Wongsasuthikul's Group	153,433,941	22.51%
2. Mr. Paiboon Waraprateep's Group	108,837,432	15.97%
3. Mr. Prachnon Temritikulchai's Group	35,336,179	5.19%
4. Mr. Kiet Srichomkwan	15,000,000	2.20%
5. Thai NVDR Company Limited	11,892,539	1.75%
6. Mr. Kansinan Pongnaruesorn	9,600,000	1.41%
7. Mr. Nan Krittayanuttakul	7,439,700	1.09%
8. Mr. Wichapon Sincharoenkul's Group	7,108,000	1.04%
9. Mr. Rudee Khankaew	5,000,000	0.73%
10. Mr. Nurak Mahattanaanon	5,000,000	0.73%
Total	347,428,073	50.98%

- Major Shareholders with Important Roles in Setting Management Policies

Name	Shares Hold	Share Ratio (%)
1. Mr. Vorathep Wongsasuthikul's Group	153,433,941	22.51%
2. Mr. Paiboon Waraprateep's Group	108,837,432	15.97%
3. Mr. Prachnon Temritikulchai's Group	35,336,179	5.19%
Total	294,641,752	43.67%

7.3 Dividend Payment Policy

The company has a policy to pay dividends by no less than one-third of annual net profit after deduction of accrued losses (if any) according to business-specific financial

statements. As for subsidiaries, a policy is in place for dividends to be paid by no more than 100 percent of net profit.

8. Management Structure

8.1 Board of Directors

The names of members of the Board of Directors are as follows:

Names of Members of the Board of Directors

Director Name	Board of Directors	Audit Committee	Risk Management Committee	Remuneration Committee
1. Mr. Vorathep Wongsasuthikul ^{*1}	Chairman		Director	Chairman
2. Mr. Paiboon Waraprateep ^{*1}	Director		Director	
3. Mr. Prachnon Temritikulchai ^{*1}	Director		Director	
4. Mr. Suchart Charoenpornpanichkul ^{*2}	Director		Director	
5. Mrs. Suchada Sodthibhaphkul ^{*3}	Director	Director	Chairman	
6. Mr. Yanyong Tawarorit	Director	Chairman		
7. Mr. Chayut Sueptrakul ^{*4}	Director	Director	Director	
8. Mr. Pakhawat Kovithvathanaphong ^{*5}	Director	Director		Director
9. Mr. Rachai Wattanakasaem ^{*6}	Director	Director		
10. Mr. Surabhon Kwunchaithunya ^{*7}	Director	Director		
11. Mr. Pattarapol Wongsasuthikul ^{*8}	Director			
12. Miss Chalangkwan Wongsasuthikul	Director			
13. Mr. Prawit Waraprateep	Director			

Remarks:

1. Appoint Mr. Vorathep Wongsasuthikul , Mr. Paiboon Waraprateep , Mr. Prachnon Temritikulchai as member of the Risk Management Committee since May 1, 2018.
2. Mr. Suchart Charoenpornpanichkul expire from term the Board of Directors since April 20, 2018.
3. Appoint Mrs. Suchada Sodthibhaphkul as member of the Audit Committee between June 1 – August 31, 2018
4. Appoint Mr. Chayut Sueptrakul as member of the Audit Committee since May 1 , 2018
5. Mr. Pakhawat Kovithvathanaphong resignation of the Board of Directors and Remuneration Committee since April 20 , 2018
6. Mr. Rachai Wattanakasaem resignation of the Board of Directors since May 31 , 2018

7. Appoint Mr.Surabhon Kwunchaithunya as Board of Directors and member of the Audit Committee since September 1, 2018.

8. Appoint Mr. Pattarapol Wongsasuthikul as Chief Executive Officer since Mar 1, 2018

Director Name	Position	2018 Board of Directors' Meeting No. in Attendance/No. of Meetings	2018 Audit Committee Meeting No. in Attendance/No. of Meetings	2018 Risk Management Committee Meeting No. in Attendance/No. of Meetings
1. Mr. Vorathep Wongsasuthikul	- Chairman - Executive Director - Chairman of the Remuneration Director - Member of the Risk Management Committee	6/6	-	3/4
2. Mr. Paiboon Waraprateep	- Vice Chairman - Executive Director - Member of the Risk Management Committee	6/6	-	3/4
3. Mr. Prachnon Temritikulchai	- Vice Chairman - Executive Director - Member of the Risk Management Committee	6/6	-	3/4
4. Mr.Suchart Charoenpompanichkul ^{*1}	- Director - Member of the Risk Management Committee	3/6	-	1/4
5. Mrs. Suchada Sodthibhaphkul	- Independent Director - Chairman of the Risk Management Committee - Member of the Audit Committee (1 June–31 August 2018)	6/6	1/7	4/4
6. Mr. Yanyong Tawarorit	- Independent Director - Chairman of the Audit Committee	6/6	7/7	-



Director Name	Position	2018 Board of Directors' Meeting No. in Attendance/No. of Meetings	2018 Audit Committee Meeting No. in Attendance/No. of Meetings	2018 Risk Management Committee Meeting No. in Attendance/No. of Meetings
7. Mr. Chayut Sueptrakul	- Independent Director - Member of the Risk Management Committee - Member of the Audit Committee	6/6	3/7	4/4
8. Mr. Pakhawat Kovithvathanaphong	- Independent Director - Member of the Audit Committee - Remuneration Director	3/6	4/7	-
9. Mr. Rachai Wattanakasaem	- Independent Director - Member of the Audit Committee	3/6	5/7	-
10. Mr. Surabhon Kwunchaithunya	- Independent Director - Member of the Audit Committee	0/6	1/7	-
11. Mr. Pattarapol Wongsasuthikul	- Chief Executive Officer	5/6	-	-
12. Miss Chalangkwan Wongsasuthikul	- Director	6/6	-	-
13. Mr. Prawit Waraprateep	- Director	6/6	-	-

Remarks:

1. Mr. Suchart Charoenpornpanichkul expires from term the Board of Directors since April 20, 2018.

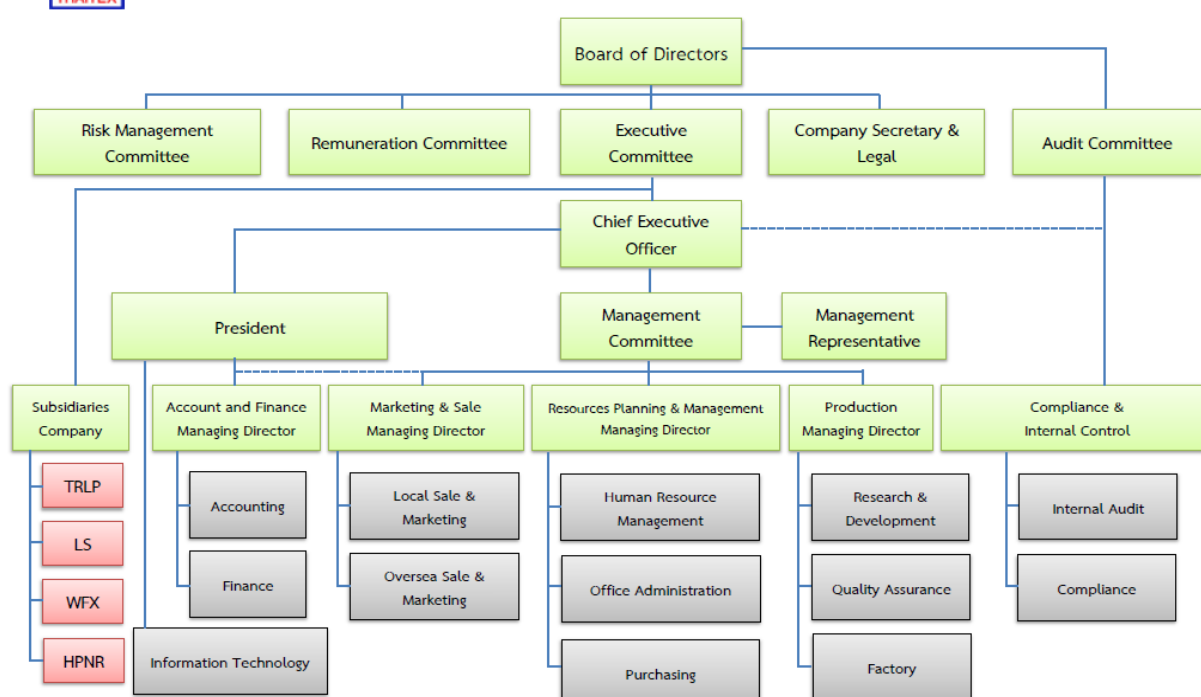
8.2 Executives

As of December 31, 2018, the company had the following nine executives:

Executive Name	Position
1. Mr. Vorathep Wongsasuthikul	Chairman
2. Mr. Paiboon Waraprateep	Vice Chairman
3. Mr. Prachnon Temritikulchai	Vice Chairman
4. Mr. Suchart Charoenpornpanichkul	Director / Member of the Risk Management Committee
5. Mr. Pattarapol Wongsasuthikul	Director / Chief Executive Officer
6. Mr. Vanchai Sriherunrusmee	Chief Executive Officer of Operations
7. Mr. Suwasit Deewan	Managing Director of Marketing & Sale
8. Miss Chalongkwan Wongsasuthikul	Director / Managing Director Resource Planning and Management
9. Mr. Prawit Waraprateep	Director / Managing Director Compliance & Internal Control



Organization Structure Thai Rubber Latex Corporation (Thailand) Public Company Limited



8.3 Company Secretary

The company has Miss Chalongkwan Wongsasuthikul, the Director and Managing Director Resource Planning and Management, as the company's secretary.

8.4 Remuneration for Directors and Executives

(1) Monetary Remuneration

- Remuneration for directors is composed of salaries and meeting attendance fees as approved by the annual general meeting of shareholders of 2018, which equals a budget of 8,000,000 baht per year. In 2018, the actual remuneration paid to directors was 5,577,200 baht.

Name	Position	Director's Remuneration in 2018
1. Mr. Vorathep Wongsasuthikul	Chairman and Chairman of the Remuneration Director	669,625
2. Mr. Paiboon Waraprateep	Vice Chairman and Executive Director	511,125
3. Mr. Prachnon Temritikulchai	Vice Chairman and Executive Director	1,206,750
4. Mr. Suchart Charoenpornpanichkul	Director and Member of the Risk Management Committee	120,000
5. Mrs. Suchada Sodthibhaphkul	Independent Director and Chairman of the Risk Management Committee	377,000
6. Mr. Yanyong Tawarorit	Independent Director and Chairman of the Audit Committee	436,000
7. Mr. Chayut Sueptrakul	Independent Director and Member of the Risk Management Committee	395,000
8. Mr. Pakhawat Kovithvathanaphong	Independent Director and Member of the Audit Committee and Remuneration Director	180,000
9. Mr. Rachai Wattanakasaem	Independent Director and Member of the Audit Committee	205,000
10. Mr. Surabhon Kwunchaithunya	Independent Director and Member of the Audit Committee	95,000
11. Mr. Pattarapol Wongsasuthikul*	Chief Executive Officer	490,000
12. Miss Chalengkwan Wongsasuthikul	Director / Managing Director Resource Planning and Management	473,000
13. Mr. Prawit Waraprateep	Director / Managing Director Compliance & Internal Control	418,450
Total		5,577,200

Remarks:

* Appoint Mr. Pattarapol Wongsasuthikul as Chief Executive Officer since Mar 1, 2018
- Remuneration for executives are composed of salaries, bonuses and transportation fees. In 2018, the total amount of remuneration for executives for the company and subsidiaries amounted to 41 million baht.

(2) Other Remuneration

- Other directors' remuneration

-None-

- Other executives' remuneration includes the provident fund. The company established a provident fund in which the company provides 3 and 5 percent reimbursements based on employee work age (as stipulated by the company's regulations) of the employees' salaries. In 2018, the company and subsidiaries paid provident reimbursements to four executives for a total of 945,996 baht.

8.5 Personnel

The company has a total of 130 employees and executives. The main line of work is the factory department with 740 employees. Total remunerations for personnel in 2018 amounted to 221 million baht, covering salary, daily wages, overtime fees, bonus and others.

Human Resources Management Policy

The company has policy concerning human resources management for the mutual benefit of employees and the company as follows:

1. Activities are carried out firmly in line with the business philosophies, vision, mission and values of the company.
2. Priority is given to employees who are recognized as valuable resources contributing to the growth and sustainability of the company.
3. Knowledgeable and competent personnel with potential and good outlooks are sought to become a part of the company's business.
4. The knowledge, abilities and skills of employees are constantly promoted for improvements in line with the required duties, responsibilities and necessities of the company. Furthermore, conscience, attitudes and values in being a part of "THAITEK" are continuously fostered.
5. Employee satisfaction is promoted with consideration to administrative feasibility and reasonable and fair payment of benefits and remunerations.
6. Good relations are promoted between co-workers and between employees and the company in order to ensure lasting contentment in employees and the company.

Labor Relations Policy

Under the human resources management policy, the company has set in place a labor relations policy covering the following cases:

1. Strictly adhere to the laws and regulations of the government and the company.
2. Respect the rights of employees under various laws and regulations in order to ensure peace and order in the company's business as well as the peace and order of society.
3. Promote activities that facilitate good co-worker and employee-company relations built on good understanding, generosity and reason.
4. Promote social responsibility in employees and the company in regards to environmental conservation and regular participation in social activities, religious activities and community activities.

The company considers the company's employees to be highly valued, essential resources for the success of the company. Thus, the company continuously focuses on the development of the company's personnel in order to provide employees with knowledge, skills and abilities that are suitable for their assigned work duties and responsibilities for the achievement of maximum effectiveness. Employees are developed in terms of knowledge and abilities in work and work processes, while good conscience and morals in their treatment of colleagues, the company and trade partners are fostered.

In 2018, the company engaged in activities to develop and increase work knowledge, skills and abilities by providing training inside the company and regularly sending employees for outside training, as necessary, based on the suitability of personnel in each agency and at every level and line of work.

9. Corporate Governance

The company systematically organizes operational and management structures and processes in regards to corporate governance with separation of duties and responsibilities based on knowledge, abilities and experience in business and products in each work unit of the company and its subsidiaries in order to boost competitive capacity and achieve growth with long-term added value for shareholders and consideration of all stakeholders.

9.1 Corporate Governance Policy

The company invests in a total of 6 companies as follows:

- | | |
|--|------------------------|
| 1. Thai Rubber Latex Group Company Limited* | 99.99 % share-holding. |
| 2. Thai Rubber Land and Plantation Company Limited | 99.99 % share-holding. |
| 3. Thai Rubber HPNR Company Limited | 99.99 % share-holding. |
| 4. World Flex Public Company Limited | 99.99 % share-holding. |
| 5. Latex Systems Public Company Limited | 56.16 % share-holding. |
| 6. Myanmar Thai Rubber Joint Corporation Limited | 64.00 % share-holding. |

Remarks:

* Thai Rubber Latex Group Company Limited. Completion of liquidation on December 4, 2018

The company has sent knowledgeable, skilled and experienced people to oversee the management of each subsidiary, and subsidiaries are required to hold meetings to report progress to the company at least once monthly as follows:

1. Executive directors are to hold joint meetings with the parent company and subsidiaries at least once monthly.
2. Executive directors and managers of factories, sales, marketing and finance are to hold a joint video conference every Monday morning.
3. Executive directors in the parent company tracks progress by regularly visiting each factory as deemed fit.

9.2 Sub-committees

The company has set in place a management structure composed of five sub-committees as follows:

- | | |
|----------------------------------|-------------|
| 1. Board of Directors | 13 members. |
| 2. Board of Executives Committee | 3 members. |
| 3. Audit Committee | 3 members. |
| 4. Remuneration Committee | 2 member. |
| 5. Risk Management Committee | 6 members. |

The Board of Directors has appointed highly knowledgeable and experienced as Chief Executive Officer and Directors. These people are as follows:

1. Mr. Pattarapol Wongsasuthikul
2. Mr. Prawit Waraprateep
3. Miss Chalangkwan Wongsasuthikul

Furthermore, the company has appointed two additional high-ranking executives to relieve the burdens of the Chief Executive Officer. They are named as follows:

1. Mr. Vanchai Sriherunrusmee, Chief Executive Officer of Operations responsible for support work and operations.
2. Mr. Suvasitthi Dewan, Managing Director of Marketing & Sale responsible for marketing and sales.

(1) Board of Directors

The Public Company Limited Act, B.E. 2535 (A.D. 1992), Section 6 regarding the company directors, Section 67-Section 97, indicates the number of the members of the Board of Directors, qualifications, election, meeting, dismissal from office, and the power and

duties of the Board of Directors under Section 77 to ensure that the company management meets the objectives, articles of associations and resolutions of the shareholders' meeting, and Section 85 indicates the duties in relation to the company management that the Board of Directors must perform their duties according to the law, objectives and articles of associations of the company as well as the shareholders' meeting resolutions with integrity, honesty, and precaution to maintain the company's benefits.

In addition to the power and duties in management, prohibited practices as well as the liability for damage incurred to the company have also been determined.

Scope of the Board of Directors' power and duties

1. Determine the policies and directions of the company's operation in accordance with the law, objectives, articles of associations of the company as well as the shareholders' meeting resolutions
2. Control and take care of the management to ensure the efficient and effective compliance with the determined policies to maintain the benefits of the company, shareholders, policyholders, and other stakeholders
3. Coordinate between the shareholders and the management and prevent conflicts of interest between the company and the management
4. Supervise the investment, business expansion, provision, sale or transfer of assets which have material effects on the company
5. Take part in the Board of Directors' meetings, appoint and dismiss the executive management, select and propose the persons for election of the members of the Board of Directors by the shareholders
6. Propose the auditors for the consideration of nomination by the shareholders and disclose accurate information under the legal provisions
7. Have any power indicated in the memorandum of association, articles of association and legal provisions

Except for the following issues for which the Board of Directors must seek an approval from the shareholders prior to operation

1. The issues which are indicated by the law that the shareholders' resolutions must be obtained.
2. The making of connected transactions of which values are equal to or higher than 20 million Baht or 3% of NTA, whichever is higher
3. The purchase or sale of material assets of which values are 50% of the total assets of the listed company or more
4. The provision of financial assistance to related persons of which values are equal to or higher than 100 million Baht or 3% of NTA, whichever is lower

Remark: NTA (Net Tangible Assets)

= Total assets – total liabilities – intangible assets – minority shareholders' equity (if any)

(2) Board of Executives Committee

The Board of Directors appoints as Executive Committee consisting of at least 3 directors. In 2018, the 3 members of the Executive Committee include:

1. Mr. Vorathep Wongsasuthikul
2. Mr. Pailboon Waraprateep
3. Mr. Prachnon Temritikulchai

The company has made the regulations of work and operational power as the framework for management according to the following power and duties:

Scope of the Management Committee's power and duties

1. Consider the determination of goals, policies, planning, and allocation of annual budgets as proposed by the management before proposing it to the Board of Directors for approval. This includes the consideration of approval of change or addition of annual budget while there is no Board of Directors' meeting and proposes it to the Board of Directors for acknowledgement in the next meeting.
2. Have the chief of each department who is responsible for business and activities report the results of their operations to the Management Committee on monthly basis.
3. Approve the expenditure according to the company's plans
4. Approve the expenditure for investment as indicated in the annual budget or as approved by the Board of Directors in the annual budget or as approved by the Board of Directors in principle
5. Approve the investment principles for business expansion as well as joint venture with other business operators and propose it to the Board of Directors for approval in the next meeting
6. Approve the appointment of authorized signatories for cheques or money order documents of the company
7. Be the consultants for the management regarding the policies on production, marketing, finance, personnel, and other operations
8. Approve the appointment, transfer and dismissal of employees
9. Perform any action as assigned by the Board of Directors

(3) Audit Committee

The company directors have selected the Audit Committee consisting of 3 independent directors and at least 1 director who is an accounting and financial expert as follows:

1. Mr. Yanyong Tawarorit
2. Mr. Pakhawat Kovithvathanaphong Resigned from the Audit Committee
since April 20, 2018
3. Mr. Rachai Wattanakasaem Resigned from the Audit Committee
since May 31, 2018
4. Mr. Chayut Sueptrakul Appoint to replace Mr. Pakhawat Kovithvathanaphong
since May 1, 2018
5. Mrs. Suchada Sodthibhaphkul Appoint to replace Mr. Rachai Wattanakasaem
between June 1 – August 31, 2018
6. Mr. Surabhon Kwunchaithunya Appoint to replace Mrs. Suchada Sodthibhaphkul
since September 1, 2018

The Internal Audit Manager acts as the secretary. The Audit Committee has made the Audit Committee Charter which has been proposed to the Board of Directors for approval and enforced it on the related persons as assigned by the Board of Directors.

Scope of the Audit Committee's power and duties

1. Review that the company has correct, complete and reliable financial reports and disclose sufficient information
2. Review that the company has appropriate and effective internal control system, risk management system and internal audit system
3. Review that the company effectively and appropriately performs the policy on good corporate governance and business ethics
4. Review that the company complies with the law on securities and the Stock Exchange of Thailand, provisions of the Stock Exchange of Thailand and other laws related to the company's business
5. Consider appointing and dismissing the company's auditor and propose the auditor's remuneration
6. Consider whether the connected transactions have been conducted in compliance with the laws and provisions of the Stock Exchange of Thailand to ensure that they are reasonable and beneficial for the company
7. Supervise the operations of the Internal Audit Department at the policy level and the internal audit operations by approving the Charter, independency and the scope and the audit plans of the Internal Audit Department

8. Consider the appointment, transfer, dismissal of the chief of the Internal Audit Department as well as evaluating the performance of the chief of the Internal Audit Department and approving the remuneration of the chief of the Internal Audit Department considered by the executive management of the company
9. Consider and review the results of audit and recommendations of the auditor and the Internal Audit Department as well as following up to ensure that the management take appropriate action in response to such recommendations efficiently and in timely manner
10. The Audit Committee can invite the management or the employees of the company to report or present their information, attend the meeting or submit the documents as deemed appropriate and necessary.
11. If necessary, the Audit Committee may seek advice from the external consultants or professional experts regarding the audit operation of which costs will be borne by the company
12. Review and revise the Audit Committee Charter at least once a year or as necessary to update and adjust it to suit the organizational environment and propose it to the Board of Directors for approval
13. Prepare the reports of the Audit Committee which consist of the information, opinions of the Audit Committee on each issue which should be disclosed in the company's annual reports. The reports must be signed by the President of the Audit Committee.
14. Any other actions assigned by the Board of Directors under the approval of the Audit Committee. The management must prepare the reports or present the related information and documents to support the operations of the Audit Committee in order for them to achieve the assigned duties.

(4) Remuneration Committee

The Board of Directors has appointed the Remuneration Committee who is two of the company director as follows:

1. Mr. Vorathep Wongsasuthikul Chairman of the Remuneration Committee
2. Mr. Pakhawat Kovithvathanaphong*

The Secretary to the Company Directors acts as the secretary of the Remuneration Committee.

Remark :

* Mr. Pakhawat Kovithvathanaphong resignation of the Remuneration Committee since April 20, 2018

Scope of the Remuneration Committee's power and duties

1. Determine the policies, criteria and methods for nomination of the directors and the executive management to be proposed to the Board of Directors for approval
2. Determine the policy on remuneration and other benefits including other remuneration and benefits for the directors and the executive management. The policy must contain clear and transparent criteria for being proposed to the Board of Directors for approval. Also, the policy must be submitted to the competent authorities upon request.
3. Determine the guidelines for evaluation of performances of the directors and the executive management in consideration of annual adjustment of remuneration on the basis of related duties, responsibilities and risks and consider adding value of the shareholders' equity as part of evaluation
4. Perform other actions as assigned by the company directors

(5) Risk Management Committee

The Board of Directors have appointed the Risk Management Committee by selecting 3 member of the Board of Directors and 4 management, making a total of the following 7 members:

1. Mr. Chayut Sueptrakul
2. Mr. Suchart Charoenpornpanichkul Expire from term the Board of Directors since April 20, 2018.
3. Mrs. Suchada Sodthibhaphkul
4. Mr. Vanchai Sriherunrusmee
5. Mr. Vorathep Wongsasuthikul
6. Mr. Paiboon Waraprateep
7. Mr. Prachnon Temritikulchai

Chief Executive Officer of Operations acts as the secretary of the Risk Management Committee.

The main missions of the Risk Management Committee are determination of the scope of work system used to control the material risks which can affect the company's operations and preparation of the preventive strategies which can be implemented appropriately and proposed it to the Management Committee as well as improving and supporting essential tools used for better risk control.

Scope of the Risk Management Committee's power and duties

The Risk Management Committee work independently and directly report to the Management Committee. Their power and duties are as follows:

1. Determine the policies and plans on risk management of the business group to be proposed to the Management Committee for consideration of the overall risk management. The policies and plans must cover all kinds of material risks such as credit risks, market risks, liquidity risks, foreign exchange risks, price risks, and any risks which may affect the reputation of the business group.
2. Determine strategies in accord with the risk management policies. Be able to assess, monitor and take care of the amount of risks of the business group at an appropriate level
3. Control, monitor, examine, assess the risk management results, and ensure that the companies under the business group comply with the determined the risk management policies
4. Review the appropriateness of the policies and the risk management system including the efficiency of the system and its compliance with the determined policies

9.3 Nomination and appointment of directors and executive management

The company has 2 methods of nomination and appointment of directors and executive management as follows:

Method 1: The number of the members of the Board of Directors depends on the shareholders' resolution and suitability for management; however, there must be at least 5 directors according to the law on public company limited.

Method 2: The Board of Directors will act as the Nominating Committee to nominate experienced, knowledgeable and skillful persons who have the backgrounds and qualifications as indicated by the law on public company limited to replace the retired or resigned directors or to add or to reduce the number of directors as deemed appropriate for the expanded or downsized business. The nomination will be presented to the shareholders' meeting for further consideration.

9.4 Governance of the operations of the subsidiaries and associated company

The company governs the operations of the subsidiaries and associated company systematically as follows:

- 1) The company has appointed the knowledgeable and skillful persons to be the company directors and executive officers in each subsidiary to determine the policies and manage it. The authorized persons have to report and attend the meetings with the Management Committee of the holding company at

least once a month. The executive officers at other levels will have the meetings together occasionally.

- 2) Regarding the results of operations, the subsidiaries must submit the financial report on monthly basis to make the consolidated financial statements with the holding company for monitoring and analyzing the monthly results of operations of the subsidiaries.
- 3) In each month, after the financial statements have been added to the consolidated financial statement of the holding company, they must be sent to the Internal Audit Department for analysis and examination of each transaction or issue before reporting them to the Audit Committee who will examine whether the financial status contains the connected transactions prior to proposing them to the Board of Directors' meetings.
- 4) The directors in the subsidiaries who have been appointed for management and control of the subsidiaries do not have the power to reduce the capital, increase the capital, cease or expand the business without an approval of the Board of Directors of the holding company.
- 5) The company and the other shareholders in the management of the subsidiaries and the associated company who do not have any written agreement must attend the shareholders' or Board of Directors' meeting only.

9.5 Control of the use of internal data

The company prohibits the management or the division which are aware of the internal data to disclose it to the third parties or irrelevant persons.

9.6 Remuneration of the auditor

The company and the subsidiaries have selected the auditor from KPMG Phoomchai Auditing Co., Ltd. to audit the financial statements of the year 2018. The audit fee is as follows:

(1) Audit fee

Unit: Baht

No.	Paying company	Name of auditor	Audit fee
1	- Thai Rubber Latex Corporation (Thailand) PCL. - Thai Rubber Latex Group Co., Ltd.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	3,000,000
2	World Flex PCL.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	880,000
3	Thai Rubber Land and Plantation Co., Ltd.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	680,000
4	Thai Rubber HPNR Co., Ltd.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	170,000
5	Wang Sombun Rubber Plantation Co., Ltd.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	100,000
6	Latex Systems PCL.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	1,600,000
Total remuneration from the audit fee			6,630,000

(2) Non-Audit fee

9.7 Compliance with other principles of Good Corporate Governance

-None-

10. Corporate Social Responsibilities (CSR)

Throughout the period of its business operation, Thai Rubber Latex Corporation (Thailand) Public Company Limited and the subsidiaries have intended to express responsibilities, supports, assistance for the local community where the company has entered or established its office for business operations. The company supports the public health, environmental and educational activities, assists the victims of crisis, participates in religious activities, and creates profession to the local residents. As a private organization, the company wishes to see the nearby communities full of happiness by allowing them to create happiness with the company through the following projects:

10.1 Youth and educational development

The project titled “Thai Rubber reduces hardship. The society is happy. The environment is fresh.” has been initiated by the company’s idea that schools should be able to generate their own income which can be used for improvements of their lives and education as well as increasing the green space in the community. Each school was asked to find the area of up to 20 rai which can be either the school area or community area for rubber planting. The company would have taken care of the planting and treatment of the rubber trees for at least 6 years or until the rubber tapping is possible. All expenses incurred by this project were borne by the company. In addition, the company has cooperated with the community in taking care of the plantation and purchased all products. The income obtained from the sale would belong to the schools and they could manage it by themselves.

Objectives

1. To promote the sustainable good living of the local residents
2. To help the schools be able to generate their own income for development without awaiting the government’s subsidies
3. To promote learning of complete rubber planting and caring to teachers, students and local residents
4. To expand the green area to the local communities, which may help curve the global warming
5. To promote the living quality of students, teachers and communities in the long run

Project period

- At least 6 years, commencing from 2009 or until the rubber trees are ready for tapping

Participants

- Thai Rubber Latex Corporation (Thailand) Public Company Limited and the subsidiaries
- Participating schools by teachers and students
- Local communities where the schools are located
- The government authorities where the communities are located

Project places

- | | | |
|------------------------------|-----------|--|
| 1. Ban Mareua School | Location: | Village No. 1, Ban Maelua Village,
Tha Khaoplueak Sub-district, Mae Chan
District, Chiang Rai Province
Area of rubber planting 10 rai |
| 2. Ban Maephaeng School | Location: | Village No. 5, Banden-Tha Khaoplueak Road,
Mae Chan District, Chiang Rai Province
Area of rubber planting 20 rai |
| 3. Ban Tubkumanthong School | Location: | Village No. 8, Ban Tubkumanthong
Khaoplueak Sub-district, Mae Chan
District, Chiang Rai Province
Area of rubber planting 20 rai |
| 4. Mae Lak Neon thong School | Location: | Village No. 6, Tha Khaoplueak Sub-
district, Mae Chan District, Chiang Rai
Province
Area of rubber planting 6 rai |

Results of the operations

- | | |
|------------------------------|--|
| 1. Ban Mareua School | started operation from 2009 to present |
| 2. Ban Maephaeng School | started operation from 2009 to present |
| 3. Ban Tubkumanthong School | started operation from 2009 to present |
| 4. Mae Lak Neon Thong School | started operation from 2009 to present |

10.2 Promotion and development of the disabled's quality of life in 2018 under Section 35

The company realizes the importance of social responsibilities of all sectors, and the company always takes these responsibilities into consideration along with the business operations. While having to contribute the funds to the government agencies as required by the law, the company has come up with an idea to create the project "Promotion and development of the disabled's quality of life in 2018 under Section 35" to

provide direct assistance to the disabled people so that they can spend the funds gained from the company to generate more income and take care of their families without reliance on the society.

Objectives

1. To express the company's social responsibilities
2. To help the disabled people to be able to earn a living and take care of their families without reliance on the society
3. To assure that the income will be directly received by the disabled persons without passing through any agents, which will benefit themselves the most
4. To help the government to provide assistance to the society

Project period

- January – December 2018

Participants

- The company and the subsidiaries
- The disabled people selected by the project
- Social Innovation Foundation

The method of providing funds (for one year)

The company will provide the funds to the disabled people who have registered as legal disabled. Social Innovation Foundation acts as the coordinator in selecting 4 disabled persons to receive the funds. Each of them receives 112,420 Baht, making a total of 449,680 Baht. The funds will be given directly to the selected disabled persons by the company.

10.3 Projects food raising and support for the underprivileged

The company is committed to social responsibility and in all sectors that the company will provide assistance or support to the underprivileged society as appropriate as the company can operate. This is a part of creating and promoting a livable society by raising food and providing necessities and consumer goods that are needed to disadvantaged nurseries every year

Objectives

1. To support, help alleviate social burden from the public sector.
2. Supporting to underprivileged Living happily.
3. Promote and sharing the creation of a livable society.

Project period

- once a year

Procedures

The company will consider selecting a location to carry out the project each year. In 2018, the company chose to be an underprivileged child protection facility, which the company has contacted with the said place. To feed and provide the necessities for consumption and consumption According to the needs of that place in order to suit the needs and suitable for the age of the person who is in the coverage of that place, which will be carried out every year at the right time for each operation

Results of the project

2018, Project luncheon and give consumer goods.

At Home for Children with Disabilities Nontapum, Nonthaburi Province

11. Internal control**11.1 Summary of the opinions of the company directors on the company's internal control system internal control**

The company realizes the importance of the internal control system as it acknowledges that the internal control is an essential mechanism which can drive the company to achieve the goals of its business effectively and efficiently, the use of resources and maintenance of assets, financial report, compliance with the laws, regulations and provisions as well as preventing or reducing the risks of any action which may jeopardize the company. The Board of Directors have determined the roles and duties of each committee and the management. In addition, they will monitor the operations to ensure the compliance with the assigned duties. The organizational structure and chain of command have been created to balance the power and for appropriate internal control. The business goals and key performance indicators have also been indicated for performance evaluation and comparison of the results of operations with the determined goals.

The company has also determined the policies on good corporate governance, business ethics and the code of conduct of the directors, the management and the employees of the company, the anti-corruption policy and the written complaint policy. Furthermore, the employees are encouraged to be aware of the policies and comply with them strictly. The training is provided to the employees on annual basis to ensure transparency of work and fairness to all groups of stakeholders. The monitoring processes and penalties have been arranged, and the written power manual and operation manual are reviewed and prepared to be used as the guidelines for operations of the employees of all

levels and for the business liquidity based on the scope of their duties and responsibilities and appropriate internal control system.

The Board of Directors have determined that the Audit Committee supervises the internal control system, the risk management system, and the corporate governance system of the company to ensure appropriateness and efficiency. Also, the Audit Committee will examine whether the company complies with the related laws and regulations, prevent conflicts of interest, monitor the making of connected transactions and the maintenance and utilization of assets to prevent corruption or misconduct. The company has the mechanism for examining and balancing by having the internal audit who works independently and reports directly to the Audit Committee to inspect and assess the effectiveness and appropriateness of the internal control system, risk management system and corporate governance system in the operation of each unit in the company and the subsidiaries. The internal control system applies the COSO (The Committee of Sponsoring Organizations of the Tread Way Commission) standards, the framework of Enterprise Risk Management, and the principles of good corporate governance indicated by the Stock Exchange of Thailand and Thai Institute of Directors (IOD) and Organization for Economic Co-operation and Development (OECD) in the internal control system for more complete risk management and good corporate governance to ensure the most effective and efficient operations of the company.

In addition, the company evaluates the appropriateness of the internal control system on annual basis according to the guidelines of the Office of the Securities and Exchange Commission under the framework of the internal control of the Stock Exchange of Thailand which refer to 5 elements and 17 sub-principles of COSO (The Committee of Sponsoring Organizations of the Tread Way Commission). 2018, the company did not find any significant errors in its internal control system. The details are as follows:

- Risk assessment

The company realizes the importance of the management of external and internal risk factors which may affect the company's business. Therefore, the Risk Management Committee (RMC) has been appointed to oversee the company's risk management to ensure that it is in accordance with the goals and at acceptable level. It is also important to assure that all employees comply with the risk management policy which has been made on the basis of assessment and management of internal and external risk factors and covers all kinds of risks including strategic risks, operational risks, financial risks, compliance risks, and other risks derived from corruption to find the most proper measures to address these risks. The quarterly report is submitted to the Risk Management Committee and the annual

report is sent to the Board of Directors. Also, the external and internal risk factors which may affect the company are reviewed annually.

- Control Activities

The company has the internal control measures which are in accord with the risks and the types of business. The duties and responsibilities of each position are identified clearly, and the power manual and operation manual are reviewed and prepared as the guidelines for employees' operations to ensure their conformity to the organizational structure and the current operations. Each employee can balance their power with each other, and there is a mechanism to trace back to the origin of operations, especially for the high risky operations, to reduce errors in financial transactions, sale, procurement, and asset maintenance. The Internal Audit Department audits the results of the operations to ensure compliance with the regulations, rules, power and operational manuals and to make sure that the internal control system is effective and practical. The information and communication system has also been implemented to facilitate employees' operations.

In addition, the company has indicated the clear policies, regulations, rules on making transactions with the related parties including the majority shareholders, directors, management, and related persons to affirm accuracy, transparency and fairness in consideration with the highest benefits of the company according to the principles of SET and SEC.

- Information and communication system

The company realizes the importance of information and communication system, so the system has been continuously promoted and developed to ensure accurate and updated information. The company has implemented modern and efficient information and communication system which can guarantee safety and of the data from the stage of data collection, data processing, data storage, and monitoring to facilitate the use of data by the directors, the management and the employees in timely manner when making business-related decisions. Moreover, the policy on security of information and communication system and data usage has been determined.

The company has arranged internal and external communication channels for which the data can be accessed quickly and conveniently through the internet. These communication channels will be used for announcing the company's policies, regulations, manuals/procedures of operations, and news.

- Monitoring Activities

The company conducts the assessment and monitoring of the internal control system which covers all aspects including accounting and finance, operation, compliance

with the laws/regulations, asset maintenance, and corruption, which may significantly affect the company's reputation for prompt correction. The Audit Committee audits the internal control system through the Internal Control Department which monitors and assesses the performances to ensure that the errors detected during the examination or audit processes have been rectified in timely manner. Regarding the accounting and financial control assessment by the CPA, the results will be submitted to the Audit Committee for consideration on quarterly and annually basis. The results of the audit by the CPA and the internal auditor suggest that there was no significant error.

12. Connected transactions

12.1 Connected transactions with the persons who may have the conflicts of interest in 2018

In 2018, the company had significant connected transactions with the companies and the persons who have certain common shareholders or the management. The transactions were normal trading transactions as follows:

Description of symbols

Listed company

TRUBB = Thai Rubber Latex Corporation (Thailand) Public Company Limited

Subsidiaries

THAITEK = Thai Rubber Latex Group Co., Ltd (99.99% of shares held by TRUBB)

LS = Latex Systems Public Company Limited. (56.16% of shares held by TRUBB)

TRLP = Thai Rubber Land and Plantation Co., Ltd. (99.99% of shares held by TRUBB)

WFX = World Flex Public Company Limited (98.4% of shares held by TRUBB)

Associated company

WSB = Wang Somboon Rubber Estate Co., Ltd. (48.43 % of shares held by TRLP)

Related companies

SDR = Soi Dao Rubber Estate Co., Ltd.

(1) Connected sale-purchase transactions related to normal trading

Name and relationship	Transaction description	Value (million Baht)	Necessity and reasonability
LS 56.16% of shares held by TRUBB)	TRUBB sold concentrated latex to LS for production of rubber mattresses and pillows.	246	<ul style="list-style-type: none"> - LS bought concentrated latex from TRUBB because of its good quality. - TRUBB sold at the same price as other customers did (market price).
SRIT 100% of shares held by TRUBB)	TRUBB sold concentrated latex to LS for trade	31.7	<ul style="list-style-type: none"> - SRIT is a trading company in China. Buy latex from TRUBB to store expand the market. - TRUBB sold at the same price as other customers did (market price).
WSB (99.99% subsidiary of TRUBB and 48.43 % of shares held by TRUBB)	TRUBB brought field latex from WSB for production of concentrated latex.	8	<ul style="list-style-type: none"> - WSB plantation and TRUBB factory are located in the East of Thailand, the purchasing is convenient and the transportation cost is lower. - TRUBB bought at the same price as other suppliers (market price).
SDR (Group of shareholders who collectively hold 35.39% Shares in TRUBB and hold 80.42% shares in SDR)	TRUBB brought fresh latex from SDR for production of concentrated latex.	15	<ul style="list-style-type: none"> - SDR plantation and TRUBB factory are located in the North-East, the purchasing is convenient and the transportation cost is lower. - TRUBB bought at the same price as other suppliers (market price).

(2) The policy on determination of connected transaction prices

The details of the policy are disclosed in the note to the consolidated financial statements in Clause 4 Significant Transactions with Related Persons or Companies in the annual financial statements report of 2018 which have been audited by the CPA.

12.2 Necessity and reasonability of the transactions

The company has explained the necessity and reasonability of the transactions in the above tables. The Board of Directors and the Audit Committee certified the transactions on 22 February 2019.



12.3 Policy or possibility of connected transactions in the future

The company has no policy to make new transactions; however, if necessary, the transactions will be decided based on the maximum benefits of the shareholders. The transactions occurred in 2018 will continue to 2019.