

PART 2 CORPORATE MANAGEMENT AND GOVERNANCE

7. Capital and Shareholder

7.1 Registered and paid-up capital

The Company has its registered capital as at December 31, 2019, totaled 1,754,148,354 Baht, of which 1,754,142,204 Baht paid up, classified as ordinary shares at 584,714,068 shares, valued at 3.00 Baht per share.

7.2 Shareholder

Top Ten of Shareholders as of March 12, 2019

	Company	Number of Shares	%
1	Sojitz Corporation Group*	487,993,273	83.46
	1.1 Sojitz Corporation / 256,833,457		
	1.2 ISTS (Thailand) Co., Ltd. / 231,159,816		
2	Metro Co., Ltd. Group**	52,287,433	8.94
	2.1 Metro Co., Ltd. / 13,180,850 shares		
	2.2 Bangkok Steel Public Company Limited / 20,497,742 shares		
	2.3 Metrophos Co., Ltd. / 16,614,500 shares		
	2.4 Srikrungwattana 21 Co., Ltd. / 1,994,341 shares		
3	Central Glass Co., Ltd.	12,617,141	2.16
4	Bangkok Bank PCL.	11,292,800	1.93
5	Ms. Samamongkol Kanchanaporn	2,162,719	0.37
6	Mr. Phirawat Thammapirom	1,922,100	0.33
7	Mr. Suparoek Mongkolsamai	1,090,000	0.19
8	Trans – Asia Pacific Ltd.	1,000,000	0.17
9	Makaranant Co., Ltd.	670,000	0.11
10	Mr. Pin Ditsayabut	627,000	0.11

Remark: * Sojitz Corporation is the related person with ISTS (Thailand) Co., Ltd. pursuant to Section 258 of the SEC Act B.E. 2535 by holding the shares at 49% of the registered capital and has 6,370 votes rights out of 11,470 votes.

** Metro Co., Ltd. is the related person with the following persons pursuant to Section 258 Securities and Exchange Act B.E. 2535

- Bangkok Steel Public Company Limited as Metro Co., Ltd. holds the share of Three Mitr Marketing Co., Ltd. at 33.3% and Three Mitr Marketing Co., Ltd. holds the share of Bangkok Steel Public Company Limited at 69.48%.

- Metrophos Co., Ltd. as Metro Co., Ltd. holds the share of Metrophos Co., Ltd. at 99.8%.

- Srikrungwattana 21 Co., Ltd. as Metro Co., Ltd. holds the share of Srikrungwattana 21 Co., Ltd. at 37%.

7.3 Issuance of others securities

None

7.4 Policy on dividend payment

The Company's policy on dividend payment

Thai Central Chemical Public Company Limited will allocate dividend payment to shareholders at the rate approximately 60% of the Net Profit for the year of the separate financial statement after legal reserved, taxed and cumulative loss (if any) derived from normal business operation. However, each dividend payment will be subjected to change depending on the Company's investment plan, necessity as well as other justification and consideration as the Board of Directors may deem appropriate.

The Subsidiaries' policy on dividend payment

The Subsidiaries do not have the policy on dividend payment in particular. However, in general, the Subsidiaries consider paying dividend based on performance and profit. In the year 2019, the Company has received the dividend in the total of THB 21,124,976 from the Subsidiaries.

8. Structure of management

8.1 The Board of Directors

Composition of the Board of Directors

The Board of Directors comprised of high competent and experienced professionals and to balance the authority of management, The Company's Director structure has been set up with the Executive Directors, Non-Executive Directors and Independent Directors, who are appointed to be the Audit Committee. All Directors shall possess qualifications in accordance with the requirements provided under Public Limited Companies act B.E. 2535 (1992) (and amendments), Securities and Exchange Act B.E. 2535 (1992) (and amendments) and relevant Notifications of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand. The Company's Article of Association states that the Board of Directors shall consist of at least 7 directors and there shall be at least 1 in 3 of the total member of the Board but not less than 3 directors must be independent directors. There are 3 members of Independent Directors at present, which is calculated as 1 of 3 of all directors.

The Board of Directors comprised of 9 directors as follows.

Three Executive Directors

Six Non-Executive Directors in which Three directors are Independent Directors and the Audit Committee.

List of the Board of Directors

1. Mr. Toshiaki Miyabe	Corporate Board Chairman
2. Mr. Yoshihiro Tamura	Director & President
3. Mr. Takayuki Tohei	Director & Executive Vice President
4. Mr. Jiro Nishiyama	Director & Senior Vice President
5. Miss Kanokporn Aungsoontornsarid	Director
6. Mr. Suvij Suvaruchiporn	Director
7. Mr. Suvat Suebsantikul	Independent Director & Audit Committee Chairman
8. Mr. Opas Sripornkijachorn	Independent Director & Audit Committee Member
9. Mr. Kasemsak Masayavanich	Independent Director & Audit Committee Member

For more information, please see the Attachment 1.

Details of the 2019 Board of Directors Meeting Attendance

In 2019, the company held 5 Board of Directors Meetings. Details of the Meeting Attendance are as follows.

No.	Name	Position	Meeting No.				
			1	2	3	4	5
1.	Mr. Kyosuke Sasaki*	Corporate Board Chairman	✓	✓	-	-	-
2.	Mr. Toshiaki Miyabe**	Corporate Board Chairman	-	-	✓	✓	✓
3.	Mr. Yoshihiro Tamura	Chief Executive Officer & President	✓	✓	✓	✓	✓
4.	Mr. Shigetsugu Fukuda***	Chief Financial Officer & Executive Vice President	✓	✓	-	-	-
5.	Mr. Takayuki Tohei****	Chief Financial Officer & Executive Vice President	-	-	✓	✓	✓
6.	Mr. Jiro Nishiyama	Executive Officer & Senior Vice President	✓	✓	✓	✓	✓
7.	Ms. Kanokporn Aungsoontornsarid	Director	✓	✓	✓	✓	✓
8.	Mr. Suvij Suvaruchiporn	Director	✓	✓	✓	✓	✓
9.	Mr. Suvat Suebsantikul	Independent Director & Audit Committee Chairman	✓	✓	✓	✓	✓
10.	Mr. Opas Sripornkijachorn	Independent Director & Audit Committee Member	✓	✓	✓	✓	✓
11.	Mr. Kasemsak Masayavanich	Independent Director & Audit Committee Member	✓	✓	✓	✓	✓

Remark 1. ✓ means Attended, X means Absent, - means Resigned/not in position

Remark * Mr. Kyosuke Sasaki vacated from the position of Corporate Board Chairman since March 28, 2019.

** Mr. Toshiaki Miyabe has been appointed as Corporate Board Chairman on March 28, 2019.

*** Mr. Shigetsugu Fukuda vacated from the position of Chief Financial Officer & Executive Vice President since March 28, 2019.

**** Mr. Takayuki Tohei has been appointed as Chief Financial Officer & Executive Vice President on March 28, 2019.

8.2 Executive Board

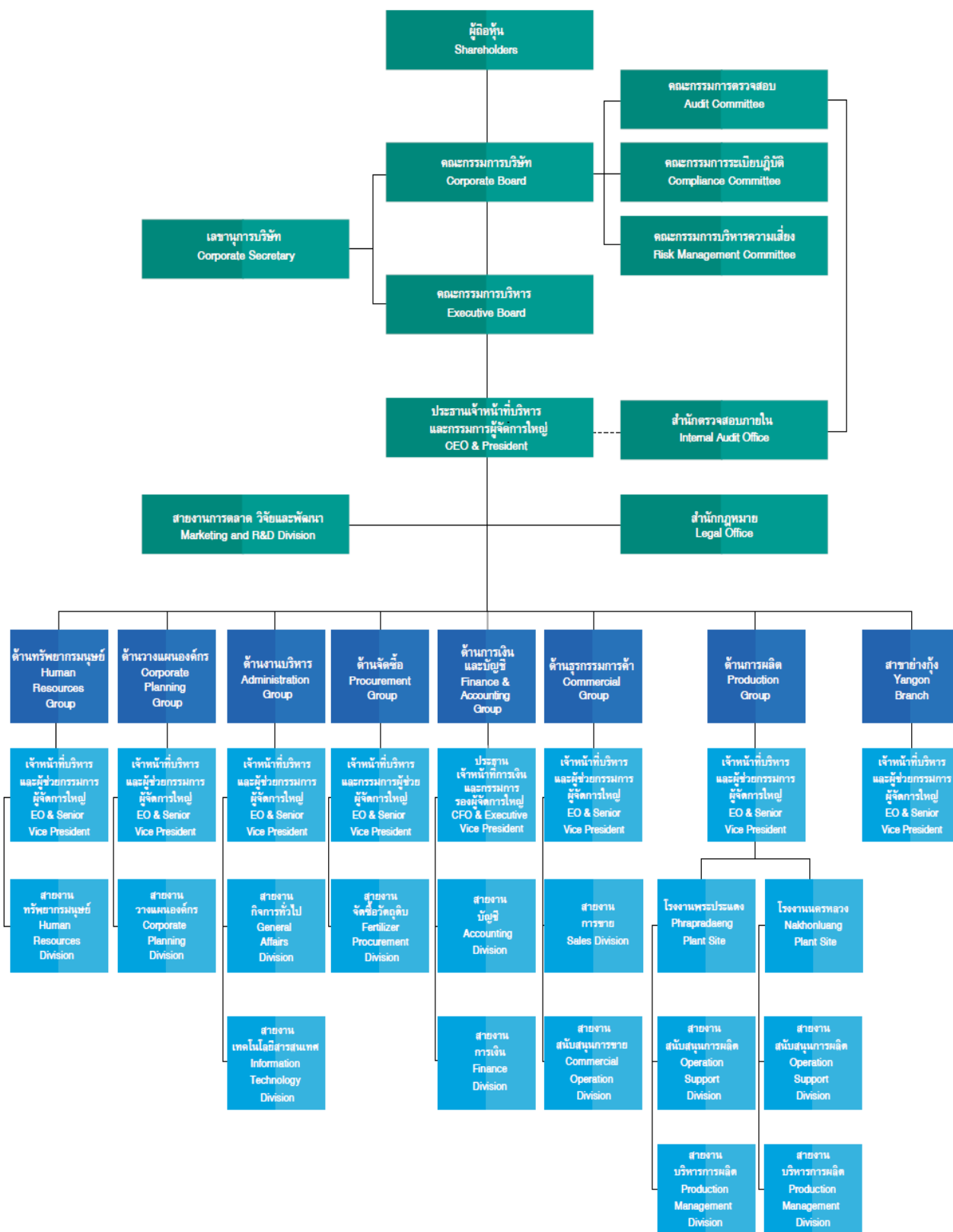
The Executive Board performs management of internal affair of the Company. There are 8 members of the Executive Board as follow;

- | | |
|--------------------------------|---|
| 1. Mr. Yoshihiro Tamura | Chief Executive Officer & President |
| 2. Mr. Takayuki Tohei | Chief Finance Officer & Executive Vice President - Finance & Accounting Group |
| 3. Mr. Jiro Nishiyama | Executive Officer & Senior Vice President – Procurement Group |
| 4. Mrs. Montha Kasadesinchai | Executive Officer & Senior Vice President Human Resource Group |
| 5. Mr. Watchara Pingsuthiwong | Executive Officer & Senior Vice President – Commercial Group, Marketing and Research & Development Division |
| 6. Mr. Somruk Likitcharoenphan | Executive Officer & Senior Vice President – Production Group |
| 7. Mr. Ryosuke Hori | Executive Officer & Senior Vice President – Corporate Planning Group and Administration Group |
| 8. Mr. Ko Tojima | Executive Officer & Senior Vice President - Yangon Branch |

For more information, please see the Attachment 1.



TCCC Organization Chart



8.3 Corporate Secretary

To comply with the Securities and Exchange Act, the Company appointed Mr. Photchara Wattanawinij to be a corporate secretary to take care the Corporate Board of Directors meeting and the Executive Board meeting, prepare and maintain important documents including notice of the Corporate Board of Directors meeting, Annual Report, notices of shareholders meeting, minutes of shareholders meeting and Report on Interest of Directors and Executives, including providing advice on law, rules and regulations to support compliance of the Corporate Board of Directors and the Executive Board.

Mr. Photchara Wattanawinij holds the law degree from Thammasart University and the University of Sydney, Australia. He passed the training on Fundamental Practice for Corporate Secretary (FPCS) #23 held by the Company Secretary Club, Thai Listed Companies Association.

8.4 Remuneration of Directors and Executives

8.4.1 Remuneration of Directors

Monetary remuneration: Remuneration of The Board of Directors in the year 2019 amounted to a total of THB 5.5 million, which included (1) Monthly remuneration (2) Director Bonus remuneration and (3) Audit Committee Meeting Allowance (for Audit Committee). Details of these are given below:

(Unit : THB)				
No.	Name	Position	Directors	Audit Committee
1	Mr. Kyosuke Sasaki*	Director & Corporate Board Chairrman	363,000	-
2	Mr. Toshiaki Miyabe**	Director & Corporate Board Chairman	54,000	-
3	Mr. Yoshihiro Tamura	Director & Chief Executive Officer & President	675,000	-
4	Mr. Shigetsugu Fukuda***	Director & Chief Financial Officer & Executive Vice President	562,000	-
5	Mr. Takayuki Tohei****	Director & Chief Financial Officer & Executive Vice President	36,000	-
6	Mr. Jiro Nishiyama	Director & Executive Officer & Senior Vice President	514,400	-
7	Ms. Kanokporn Aungsoontornsarid	Director	222,000	-
8	Mr. Suvij Suvaruchiporn	Director	222,000	-
9	Mr. Suvat Suebsantikul	Independent Director & Audit Committee Chairman	422,000	700,000
10	Mr. Opas Sripornkijkachorn	Independent Director & Audit Committee Member	342,000	540,000
11	Mr. Kasemsak Masayavanij	Independent Director & Audit Committee Member	342,000	540,000

Other remuneration : None

8.4.2 Remuneration of Executive

Monetary Remuneration : Remuneration of The Executives in the year 2019 for 9 persons amounted to a total of THB 33.8 million, which included (1) monthly salary (2) other benefits

Other remuneration : None

Remark : * Mr. Kyosuke Sasaki retired from the position of Chairman since March 28, 2019.

** Mr. Toshiaki Miyabe has been appointed as Chairman on March 28, 2019.

*** Mr. Shigetsugu Fukuda retired from the position of Chief Financial Officer & Executive Vice President since March 28, 2019.

**** Mr. Takayuki Tohei has been appointed as Chief Financial Officer & Executive Vice President on March 28, 2019.

8.5 Personnel

The Company has in the total of 609 employees. In year 2019, the Company has paid the remuneration to all employees in the total of THB 416,102,401. The remuneration is consisted of salary, overtime, allowance, bonus, social security, pension fund, etc. The Company's subsidiaries have also paid the remuneration to all their employees in the total amount of THB 94,378,660.

Year 2019	Thai Central Chemical PLC.
Employee of Head Office	156 Persons
Employee of Phrapradaeng Plant Site	284 Persons
Employee of Nakhon Luang Plant Site	166 Persons
Employee of Had Yai Warehouse	3 Persons
Total	609 Persons
Total of Remuneration	416,102,401 Baht

Year 2019	Subsidiaries Company/Associated Company
Employee of MC-Agro Chemicals Co., Ltd.	87 Persons
Employee of N.I.M. Co., Ltd.	64 Persons
Employee of Central Pacific (Thailand) Corp., Ltd.	-
Employee of TCCC Myanmar Limited	163 Persons
Total	314 Persons
Total of Remuneration	94,378,660 Baht

9. Corporate Governance

9.1 Corporate Governance Policy

Thai Central Chemical Public Company Limited (“ TCCC”) is well aware that good corporate governance and transparent management will increase the company’ s competitive capability and management efficiency, which will be the key to long-term success and growth of the organization. TCCC thereby arranges the management system with ethical principles of having competent Board of Directors and management equipped with vision, accountability, explainable rationale, responsibility, fairness and integrity, transparency as well as the creation on control mechanism and balance of power. The Company’ s Board of Directors will jointly take care, recommend and improve every system to operate according to the set policy and strategies, the respect for rights of all shareholders and stakeholders with equitable treatments, which would be the key factor maximizing the Company’ s value and the returns to shareholders.

The Company duly applies Corporate Governance Code for listed companies 2017 issued by the Securities and Exchange Commission for its operation. The Company’ s compliance with CG Code covers these following five topics:

1. Rights of Shareholders
2. Equitable Treatment to Shareholders
3. Concern of Stakeholders’ Roles
4. Disclosure and Transparency
5. Responsibilities of the Board

1. Rights of Shareholders

The company is highly aware of and always place importance on the rights of shareholders in order to encourage their trust and confidence in investing with the Company. Therefore, the Company has issued policies and guidelines to maintain the equal basic rights to every shareholder in compliance with the Articles of Association of the Company and related laws. For example, the shareholders have the right to receive profits/ dividends equally, the right to attend the Annual General Meeting of Shareholders, the right to appoint a proxy to attend and vote on their behalf at the Annual General Meeting of Shareholders, the right to express their opinions and ask questions to the Board, and the right to receive sufficient and up-to-date information, and the right to be treated in equitable when buy back shares is conducted by the Company. Moreover, the Company has implemented the suitable management in effective manner.

In conducting the shareholders meeting, the Company sufficiently disseminated meeting notices and relative meeting documents to every shareholder in advance and has provided assistance to shareholders in the shareholders meeting. Moreover, the Company has posted the meeting’ s information on the Company’ s website for the shareholders to rapidly access to it, and this includes the minutes of the meeting within reasonable time. In addition, the meeting notice was specified each agenda with its reason, objective, and the directors’ opinion clearly. Besides, the Company provided opportunity to the shareholders to submit questions or propose additional agendas to be considered in the meeting in advance by sending such question or additional agenda directly to the Company or via the Company’ s website.

For the 47 Annual General Meeting of 2019, it was held on 28 March 2019 at The Banyan Ballroom, the Banyan Tree Bangkok Hotel, South Sathorn Road, Bangkok, located in the city of major transportation zone; thus, the shareholders could conveniently travel to. Moreover, snack breaks were also provided to the shareholders.

In the meeting, directors including Chief Executive Officers attended the meeting, which presided by the Corporate Board Chairman, and had the lawyer of external law firm count and check the vote. Before the meeting had begun, the Chairman had informed the method of voting and vote counting, and, during the meeting, the Chairman gave the opportunity in reasonable and sufficient time to the shareholders to ask any questions to the Board.

For election of directors in the meeting, the Company proposes directors to be elected individually; thus, give chance to the shareholders to actually elect director whom they wish.

The Company recorded and noted the meeting thoroughly, and posted on the Company's website so that the shareholders could examine the correctness. Besides, the Company regularly disseminates information under the Regulations to shareholders in a timely manner in order to support their effective decision-making through the Stock Exchange of Thailand (SET)'s channel including the Company's website.

Moreover, the Company clearly discloses structure of revenue and shareholding in subsidiary and associated companies in the annual report and 56-1 Form, so the shareholders could be confident on the transparent and auditable operation. The Company has neither cross-holder structure nor pyramid-holder structure.

Last but not least, the Company appropriately arranged plant-site visit for interested investors and the Company's information can be obtained directly from Corporate Secretary.

2. Equitable Treatment to Shareholders

The Company places great importance on its shareholders and manages to treat all with equitability and fairness by arranging transparent and efficient Annual General Meetings of Shareholders by running the meeting and holding votes in accordance with the sequence of the meeting agenda as notified in the invitation letter, and ensuring one share for one vote to every shareholder. For a shareholder, who is unable to attend the meeting, they could appoint one of the Independent Directors, or any relevant person to attend the meeting and vote. In this regard, the Company sends the proxy form A, B and C with the clear requirement of documents, evidence for proxy appointment to the shareholders and instruction of filling up the proxy together with the invitation letter, and also they could be downloaded on the Company's website as well. Moreover, the invitation letter and related documents are also provided in English version, and are sent to the foreign shareholders as well.

Any minor shareholder who wishes to propose the candidate for election of director before the Annual General Meeting of shareholder can do so by sending the proposal with resume of the candidate to the Company by mail or via website. The Company has announced this message via the SET and on the Company's website.

In addition, for the benefit of the minor shareholders, the Company conducts the cumulative voting to give the minor shareholders the chance to actually elect director whom they wish.

To assure shareholders that directors, management, employees and relevant insiders would not use undisclosed inside information for their personal benefits, the Company has stipulated this issue in the Compliance Program and the Code of Conduct & Ethics under the category of The

Company Information as the guideline to prevent any misuse of inside information that would be unjustified to the shareholders by laying that such insiders shall not disclose inside information to any persons except for a person who needs to know, and shall not use the inside information for their own or for their relatives' benefit. The Company printed the Compliance Program and the Code of Conduct & Ethics, and distributed to directors, management and employees, and they shall provide signatory evidence for acknowledgment. In this regard, the Company shall hold the training of the Compliance Program and the Code of Conduct & Ethics for directors and employees annually. The Company erects the measure to prohibit directors, managements, and employees, who acknowledge the Company's inside information not to buy or sell the Company's shares during the period of 30 days before publicly disclosure of financial statement or any important information which may affected to the share prices. Furthermore, the Company complies with the SET regulation that all directors and the management must report their TCCC shareholding when first appointed to the position and disclose on every change in shareholding according to rules and procedures set in the Securities and Exchange Act. B.E 2535 and by the Securities and Exchange Commission. The policy and measure taking care on the use of inside information for the directors and management has been stated in the Code of Conduct and Ethics under category: Use of Inside Information. In addition, they will strictly take the same procedures according to those set in the Securities and Exchange Act B.E. 2535.

In the event of connected transaction, the Company implements the term and conditions in the Company's schedule of authority, which complies with Tor.Jor. 21/2551 Re. Connected Transaction Regulation, announced by Capital Market Supervisory Board, by categorizing the transactions in type and value, and consider which procedure should be applied i.e. disclosure to the SET, approval from the Corporate Board or approval from the shareholders meeting. The transaction shall be fair and at arm's length. The Company also disclosure details of the related transaction in the Annual Report with clarification of its reason and necessity.

3. Concern of Stakeholders Roles

The Company conducts business by adhering to responsibility for the rights of both internal and external stakeholders for sustainable benefits which including shareholders, employees, suppliers, competitors, creditors, customers, including society and surrounding community on the basis of honesty, fairness and transparency. The Company will not seek any personal benefit which may cause conflict of interests with the Company's or the stakeholders. In order to ensure that fair treatment is provided for each group of stakeholders in accordance with their rights and agreements, the Company prescribed the measures for dealing with each group of stakeholders as follows:

3.1 Shareholders : the Company is committed to responsibility to create the highest satisfaction for shareholders on the basis of sustainable growth, continually suitable returns on investment and transparent action along with good corporate governance policy.

3.2 Employees : the Company values employees as the valuable resource and a key to success of the Company. Therefore, the Company endeavors to develop human resource continuously, and also ensure safety and benefit of employees by setting the policy upon these following fields.

Safety and Health: the Company has policy on work safety and security by setting safety standard operation procedure to create a safe and convenient working atmosphere that helps employees work effectively. Especially, at the plant sites, there are safety rules to regulate the

work mandatory, which they are superior to those stipulated by the laws. All employees, workers and subcontractors must acknowledge and comply with them strictly. In this regard, the Company also records accident, injury and leaves affected by works of all employees for making the statistic to be disclosed and improve the safety of the work place aiming at the maximum level.

Skill and Knowledge Improvement: The Company provides annual training courses and useful seminars to every employee in every division based on evaluation of their performance and need. Each employee is scheduled for training courses and seminars in specific average hours, and shall be evaluated for the result of training plan.

Remuneration and Benefits: Stated in the Work Rules, the Company provides a reasonable and fair remuneration and benefits, which it is referred to and based on the standard of its industry, to all employees such as salary rate, provident fund, medical allowances, annual physical check-ups, accident and life insurances, uniforms, canteen in the plant site, accommodation, transportation, scholarship, cremation funds of which covering to the member family of employees and others including bonus of which depending on the Company's performance in each year. The Company also established Welfare Committee which comprises of representative from employee and the Company. The committee shall consider welfare of the employee and propose any improvement (if any) to the Company for consideration.

Human Rights: Human rights and freedom is stipulated as the basic and fundamental rights in the Company's Code of Conduct & Ethics. It is essential to respect the rights and freedom; no discrimination on ethnics, colors, religious, Gender, orientation, age, and social status, etc. The Company strongly refuses to child labors, and opposes to all kinds of violations. Moreover, the Company pays attention to the opinions and suggestions of employees at every level to construct and improve the good cultural organization and working atmosphere.

3.3 Customers : the Company focuses on customers' satisfaction by assuring that customers would receive good quality product at reasonable price. Guideline on how to treat the customers is also stipulated in the Code of Conduct & Ethics such as product qualities and product liabilities; hence, the Company shall deliver the products with the best quality to the customers only, and the related product information and quality are warranted as well. Moreover, the Company has the policy to keep customers' information in confidential and will not use or disclose it without permission. This policy also strictly applies to all employees.

3.4 Suppliers / Creditors : Policy and procedure of selecting vendors and supply chain dealers is stipulated in the Code of Conduct & Ethics; therefore, the Company shall comply to such policy and procedure to undertake the due diligence for ensuring that vendors and supply chain dealers are in a good reputation, able to comply with contractual mandatory, and not on the government watched list. Moreover, the business transaction must not against or evade the laws and free from any conflict of interest. In addition, to protect the benefit of vendors and supply chain dealers, the Company shall make the non-disclosure agreement on personal information or any other information with them.

3.5 Competitors : the Company sets policy and procedures in the Code of Conduct & Ethics relating to free trade and fair competition according to international principles under competition practice legal frame of a fair trade competition, without any agreements that would obstruct the business competition or any market manipulation such as flood the market or price listed conspiracy.

3.6 Social, Community and Environment : the Company gives high priority towards social responsibilities by stipulating the policy related to construct and develop social, community and environment in the Code of Conduct & Ethics, and also make the annual plan of such scheme of

which appearing in the social responsibility report. In addition, the Company initiated various projects which help reduce pollution and consume natural resources effectively as stated in detail in CSR report which has been disclosure to the public. Moreover, the Company sets up “Community Relationship Committee” to co-ordinate regarding safety standard concerning health and environment including cooperate with government sector to support on social activities within the community.

The Company believes that the anti-corruption principal is the most crucial policy for the sustainability growth of business; thus, stipulating this policy in the Code of Conduct & Ethics. The Company protests to any bribery and any kind of corruption such as not offering or proposing any benefits to any officer or any person who uses the state power for any unlawful fruit in return including not to bribe any officer for any services. In the event that a transaction shall be conducted through agents or representatives, the Company shall review their qualification, and the value of such transaction shall not be higher than the market price, and all related document of such transaction shall be filed and recorded for the undertake of the Company’s internal audit. For the purpose of aforementioned, the Company shall provide the training course of the anti-corruption to all employees, which it is a part of human resource development plan.

Moreover, the Company opens for any interested parties to participate in monitoring the Company’s law compliance, good governance, Code of Conduct and Ethics compliance, or any complaints on unlawful action that may constitute corruption. In this regards, the Company provides channel for the stakeholder to submit or propose any complaints, opinions and recommendations to the Company as follows.

An employee can complain any misconduct of the Company’s rules and regulations, or express an opinion to their superior or General Manager or Executive Officer. If they feel uncomfortable or inconvenient to do so, they can complain or express to the President via the President Hotline. The Hotline is comprised of different channels such as email, letter and telephone, separately from other stakeholders, which shall be directly reached the Chairman of Compliance Committee or the President. Should the compliant or the opinion has been made, the Chairman of Compliance Committee shall deliberate it, and may call for the meeting among the Committee to investigate the evidence and further undertake any reasonable action.

Furthermore, employees and any other stakeholders could complain directly to the Board of Director via email: compliance@thaicentral.co.th, or telephone: 02-639-8888 or to the Company’s Secretary at the address of 21/35-46, Thai Wah Tower 1, 15 Floor South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120. The Secretary shall gather the complaint and all related details, and circulate them to the Compliance Committee or the Board of Directors for further processing.

The Company stipulated the guideline of procedure and punishment in the Code of Conduct and Ethics. The Company shall protect the employees or the stakeholders who make a complaint or expresses their opinion. Any information related to such employee or stakeholders and details of such case shall be kept in confidential and shall be destroyed when the investigation has been accomplished.

4. Disclosure and Transparency

The Company gives importance to the disclosure of information which shall be accurate, complete, transparent and comprehensive, in reports of both financial and general information, and including the essence of information which may effected to the Company's share price. Various information and news had been disseminated to investors and interested parties through various outlets and media of the Stock Exchange of Thailand (www.set.or.th) and the Company's websites; www.tcccthai.com, and call center 02-639-8888 Ext. 1411 or e-mail address: mailbox@thaicentral.co.th which Investor Relations and Public Relations provide services of information and news of the Company's activities to investors, analysts and general public.

4.1 The Company has disclosed detail of the Company's information in Annual Report and Form 56-1, such as, shareholding structure of the Company, name, biography, shareholding proportion, authority of the Board of Directors and the Audit Committee, the meeting attendance of the directors, policy and amount of director remuneration, the Company's financial position and performance, nature of business and competition, major risks, dividend policy, whistle blowing policy, connected transaction, auditor fee and other fee paid to the auditor.

4.2 The Company provides fair and equal opportunity for the shareholders and investors to access the Company information. For such purpose, the Company has prepared Annual Report, quarterly performance report provided on the Company's website. In addition, the Management occasionally meets the investment analysts.

4.3 The Company has stipulated policy that all directors shall report every purchase of the Company's share including Report of Interest of directors upon appointment as a director. In the first Board of Director meeting after the Annual General Meeting of shareholders, such policy shall be reminded to the directors for compliance.

4.4 Remuneration of Directors and Executives, the Company has defined clear policy with regards to the remuneration of Directors by having compared with the director remuneration in the same industry. The remuneration of Directors and Executives for the year 2019 has already been disclosed under the heading of Directors and Executives Remuneration.

4.5 The Board of Directors is responsible for the Company's financial statements, consolidated financial statements and the financial information appear in the Annual Report. These financial statements are prepared in accordance with generally accepted accounting principles recognized in Thailand. Suitable accounting policies have been chosen and applied consistently, with discretion used cautiously and the best estimates used. There has also been adequate disclosure of important information in the notes to the financial statements. The Board of Directors has the opinion that the Company's overall internal control systems are at a satisfactory level, and can give reasonable confidence in the credibility of the Company and its subsidiaries' financial statements as of December 31, 2019 that already been disclosed in Annual Report.

5. Roles and Responsibilities of the Board

The Company's Board of Directors is responsible for managing the business to create the maximum benefits for the Company. The roles, duties and responsibilities of the Board of Directors are to act within the laws, the Company's regulations, resolution of the Annual General Meeting of Shareholders and good corporate governance principles with honesty, integrity, responsibility and transparency. Furthermore, the Company's management performance to meet corporate goals, create the highest returns for shareholders and uphold benefits of stakeholders in order to implement the Company's good corporate governance more efficiency.

9.2 Sub – Committee

9.2.1 The Board of Directors

The Board of Directors comprised of high competent and experienced professionals and to balance the authority of management, The Company's Director structure has been set up with the Executive Directors, Non-Executive Directors and Independent Directors, who are appointed to be the Audit Committee. All directors shall possess the qualifications according to the Public Company Act B.E. 2535 (and amendments), the Securities and Exchange Act B.E. 2535 (and amendments) including rules and regulations of SEC and SET. The Company's Article of Association states that the Board of Directors shall consist of at least 7 directors and there shall be independent directors at least 1 in 3 of the total member of the Board but not less than 3 directors must be independent directors. At present, there are 3 members of Audit Committee, which is calculated as 1 in 3 of the number of directors.

The Board of Directors comprised of 9 directors as follows.

Three Executive Directors

Six Non-Executive Directors in which three directors are Independent Directors and the Audit Committee (1 in 3 of entire Board). List of the Board of Directors

1. Mr. Toshiaki Miyabe	Corporate Board Chairman
2. Mr. Yoshihiro Tamura	Director & President
3. Mr. Takayuki Tohei	Director & Executive Vice President
4. Mr. Jiro Nishiyama	Director & Senior Vice President
5. Miss Kanokporn Aungsoontornsarid	Director
6. Mr. Suvij Suvaruchiporn	Director
7. Mr. Suvat Suebsantikul	Independent Director & Audit Committee Chairman
8. Mr. Opas Sripornkijachorn	Independent Director & Audit Committee Member
9. Mr. Kasemsak Masayavanich	Independent Director & Audit Committee Member

The Board of Directors held the Board Meetings in accordance with the yearly advance planned schedule. The Company has sent the notice to all directors together with agenda and supporting documents at least 7 days prior to the meeting date. In the year 2019, the Board of Directors held 5 meetings which lasted about 3-4 hours each time. Each director expressed the opinion freely and the minutes of each meeting was proposed for adoption and kept for the concerned parties' inspection.

Roles and Responsibilities of the Board of Directors

1. The Board of Directors participates in setting direction of the Company's vision, mission, objective, business plans and budget as well as supervises the management to conduct operations according to the predetermined strategic plans and budgets, efficiently and effectively, to maximize the Company's value and shareholders wealth.

2. The Board of Directors has also established internal control system and monitoring their implementation in a consistent, ever manner. The Board of Directors has stipulated a strict segregation of operational responsibilities and duties amongst members of the Board and Management clearly defined each aspect of managerial authority, particularly financial authority.

3. To carry out duties in accordance with the laws, the objectives, the Articles of Association of the Company, and the resolutions of the shareholders' meetings in good faith and with care to preserve the interests of the Company.

4. To determine vision, policy, operational plan and budget of the Company as well as to oversee and superintend the management to be in line with the assigned policy. The Board of Directors also supervises the performance of the Company's management by requiring them to report on business progress and the Company's earnings on a monthly basis at the Board of Directors' Meeting. Furthermore, the Board is fully aware of pertinent laws and regulations and requires management to report every important issue related to the Company in order to run the business efficiently and correctly.

5. To consider and approve important transactions, such as new business investment project, asset acquisition or disposition and other transactions specified by the law specification.

6. To appoint or delegate any power to any other persons to conduct the Company's business subject to the control of and within the time as may be specified by the Board, whereby such appointment or delegation of power may, at anytime, be canceled, revoked, withdrawn or amended.

7. To approve or agree to the related transactions in compliance with the relevant notifications, regulations and guideline of the Stock Exchange of Thailand.

8. To consider transaction which may causes conflict of interest with care, reasonable transparency and independence under good corporate governance in order to avoid personal benefit or having any relation in financial and/ or in person with outsiders which may cause damage to the Company.

The Authorized Director to sign binding the Company

The directors and the number of them, whom are authorized to sign binding the Company, are from group A: Mr. Yoshihiro Tamura or Mr. Jiro Nishiyama, jointly sign with group B: Mr. Takayuki Tohei, in total of 2 directors, and seal of the company.

Training of Directors

The Board has the policy to promote and encourage all directors to attend or participate in the directors' knowledge and skills development program. In the year 2019, there was a director who attend the training as follows.

1. Mr. Opas Sripornkijachorn attended
 - DCP Series: 4/2019 - How to Develop a Winning Digital Strategy
 - Chairman Forum 2019 - Successful Corporate Culture Change from Policy to Practices
 - Audit Committee Forum 2019 - Strategic Audit Committee: Beyond Figure and Compliance Organized by Thai Institute of Director Association (IOD).
2. Mr. Takayuki Tohei attended
 - CFO Professional Development Program 5/2019, Thai Listed Companies Association (TLCA)
 - CFO Orientation course 2020, The Stock Exchange of Thailand (SET)

9.2.2 Audit Committee

The Audit Committee consisted of 3 directors from the Board whose fully qualified in accordance with the Public Company Act B.E. 2535 (1992) (and amendments), the Securities and Exchange Act B.E. 2535 (1992) (and amendments), the criteria under the Announcement of the Securities and Exchange Commission, the Announcement of Capital Market Supervisory Board No. Tor.Jor. 39/2559, and other relevant of Announcements of the Stock Exchange of Thailand. The term of Audit Committee will be same as the Company directors' term. The Audit Committee member is eligible for re-election. In the year 2019, the Audit Committee consisted of;

- | | |
|------------------------------|--------------------------|
| 1. Mr. Suvat Suebsantikul | Audit Committee Chairman |
| 2. Mr. Opas Sripornkijachorn | Audit Committee Member |
| 3. Mr. Kasemsak Masayavanich | Audit Committee Member |

Mr. Opas Sripornkijachorn is the well-knowledge and experienced in auditing the Company's financial statements.

In year 2019, the Audit Committee Meeting was held for 5 times, the details of the attendance are as follows.

- | | |
|------------------------------|----------------------------------|
| 1. Mr. Suvat Suebsantikul | Attended the meeting for 5 times |
| 2. Mr. Opas Sripornkijachorn | Attended the meeting for 5 times |
| 3. Mr. Kasemsak Masayavanich | Attended the meeting for 5 times |

Authorities and responsibility of the Audit Committee

1. To review the Company's financial reporting process to ensure that is accurate and adequate.

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine the internal audit office's independence, as well as to approve the appointment, transfer and dismissal of the chief of the internal audit office or any other unit in charge of the internal audit.

3. To review the Company's compliance with the law on securities and exchange, the Stock exchange of Thailand regulations, the laws relating to the Company's business, including review compliance with any rules and policies which have stipulated.

4. To consider, select, nominate and dismissal an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.

5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, follow up to the Stock Exchange of Thailand regulations, as well as to ensure that their transactions are reasonable and highest benefit of the Company.

6. Report on progress of the Audit Committee's operation frequently as deem appropriate.

7. To prepare and disclose in the Company's annual report, an audit committee's report which must be signed by the audit committee's chairman and consist of the following information:

7.1 The number of the audit committee meetings, and the attendance of such meetings by each committee member.

7.2 Opinion of audit committee as to the following,

1) The accuracy, completeness and creditability of the Company's financial report.

2) The adequacy of the Company's internal control system.

3) The compliance with the law on securities and exchange, the Stock Exchange of Thailand Regulations, or the laws relating to the Company's business

4) The suitability of an auditor.

5) The transactions that may lead to conflicts of interests.

6) An opinion or overview comment received by the audit committee from its performance

7) Other transactions which according to the audit committee's opinion, should be known to the shareholders and general investors.

8. Other assignments as resolved by the Board of Directors.

The Company has an Internal Audit Office reports directly to the Audit Committee. The Internal Audit Office works independently in auditing the operation of various departments. Furthermore, the Internal Audit duties are to inspect and review the accuracy and completeness of data including assessing an adequate and efficiency of the internal control systems. The Internal Audit Office will audit and monitor the procedures in compliance with the objectives to achieve the efficient and effective Company's operations. Mr. Pitoon Inuthai is the General Manager, who oversees the Internal Audit Office.

9.2.3 Executive Board

The Company's Executive Board is responsible for internal affair management and administration. The Executive Board has 9 persons as the executive officer. (Please see 8.2 Page 29.)

Roles and responsibilities of the Executive Board

1. Administrate the Company's affair to align with the Company's policy by having clear specific scope of authority in writing in the Schedule of Authority i.e. procurement, production and selling, accounting and finance and human resources according to plan or budget which is approved by the Corporate Board of Directors with strict compliance, honesty and considering the best interest of the Company and shareholders.

2. Provide advice and suggestion to the President & CEO in decision making of the important issues relating to strategy and direction of business operation, business plan, budget and resources allocation.

3. Initially consider the meeting agenda before proposal to the Corporate Board of Directors.

Segregation of the Chairman and the President & CEO Positions

The Chairman of the Board of Directors shall not be the Chief Executive Officer, in order to clearly segregate duties in setting corporate policy and daily management. Schedules of Authorities for the Board of Directors is setting for approve on major and material matters. The Company operating performance is reported to the Board of Directors Meetings, and the Board is able to review and question the operating performance and the management.

9.2.4 Compliance Committee

The Compliance Committee is set up in accordance with the Compliance Program to act for considering the contents and monitoring the application of the Code of Conduct & Ethics which is the fundamental policy covering and governing all business operation of the Company.

The Code of Conduct & Ethics shall apply to the Company, Directors and all employees; they shall strictly comply with the Code. The practice of the Code is based on moral, ethics, and honest principle aiming for all employees to adhere the highest standard of ethic and prevent any conduct which breach the law and the Company rules and regulations; thus, it will achieve the trustworthy of the shareholders and the investor. In addition, this will promote the sustainability growth of the Company. The content of the Code is categorized in 3 chapters: Our Employees, Our Business Conduct and Our Assets and Information. All employees have the duty to study and understand the contents, and shall apply it to any business conduct including keep monitoring any business conduct to prevent any violation to the Code.

Compliance Committee is comprised of:

- | | |
|-------------------------|---------------------------------------|
| 1. The President | The Chairman of Compliance Committee |
| 2. Executive Officers | The Member of Compliance Committee |
| 3. Head of Legal Office | The Secretary of Compliance Committee |

Roles and Responsibilities of the Compliance Committee

1. Plans the application and compliance of the Code of Conduct & Ethics in order to achieve the objective, and educate the Code to all employees including considers and approves the plan of application and compliance of the Code that proposed by the related divisions.

2. Provides and monitors the emergency hotline for using in reporting and complaining any unlawful act or any misconduct to the Company's rules and regulations or any doubtful act.

3. Set up the investigation team as deemed fit to finding facts of the illegal acts or the misconduct to the Company's rules and regulations, and deliberate the punishment for those acts including find the appropriate measure to deal with the case, and also prevent occurrence of such case in the future.

4. Educates and trains all employees to understand and acknowledge their duties and responsibilities under the Code of Conduct & Ethics.

9.2.5 Risk Management Committee

The Board of Directors have concerned of business risks therefore they have appointed the Risk Management Committee to establish the risk management policy for clear and proactive risk management systems which also support for effective decision making as well as reduce any possible loss. Risk Management Committee has adopted standard principles of enterprise risk management widely applied in listed companies for implementation in the Company.

Risk Management Committee comprises of the following:

1. Chief Executive Officer & President - Chairman of Risk Management Committee
2. Chief Financial Officer & Executive Vice President, Executive Officer & Senior Vice President – Members of Risk Management Committee
3. Head of Internal Audit Office – Secretary of Risk Management Committee

Roles and Responsibilities of the Risk Management Committee

1. Prescribe policies and suggest measures for the appropriate and efficient management of risks associated with the business operation of the Company.

2. Prescribe risk management and procedures to cover the entire organization.

3. Review risks and their mitigation measures as evaluated by the risk owners, and provide recommendation for improvement.

4. Follow up and evaluate the performance in accordance with the organization-wide risk management framework, and regularly review risk management policy.

5. Engage in any other duty as assigned by the Board of Directors.

Furthermore, Risk Management Committee has appointed the Risk Management Sub-Committee comprising of divisional heads of all business units to proceed with risk management in divisional-level, with facilitation and support by Internal Audit Office.

9.3 Recruitment and nomination of director and executive officer

9.3.1 Director

Appointment and Dismissal of Director

According to the Company's Article of Association, director shall be appointed by the shareholder meeting or the Corporate Board of Directors meeting. The Company's Board of Directors shall consist of at least 7 directors and at least half of which must have residence in the Kingdom. The Board of Directors must have independent directors at least 1 in 3 of the total number of the Board but not less than 3 directors must be independent directors.

The Company's Article of Association stipulates that the voting of directors shall be Cumulative Voting and the following rules and procedures apply:

(1) Each shareholder shall have votes equal to the number of shares held multiplied by number of Directors to be elected.

(2) Each shareholder may exercise all the votes he or she has under (1) to elect one or several persons as directors. In the event of electing several persons as directors, he may allot his votes to any such person at any number.

(3) Persons who gain the highest vote and the following order, equal to the number of directors to be appointed, shall be the Company's directors. If the number of the following orders of the same vote exceeding the number of directors to be appointed then the Chairman shall a casting vote.

At each Annual General Meeting, all members of the Board of Directors shall vacate their office, and the meeting shall vote for the new members of the Board of Directors according to the above mention voting. The Director retired on term may be re-elected. However, the former Board of Directors shall remain in office to carry on the business of the Company only as necessary until the new Board of Directors assumes office.

In addition, directors shall vacate office upon death, resignation, loss of qualifications or disqualification under Section 68 of the Public Company Act B.E. 2535 or unqualified according to the Securities and Exchange Act B.E 2535. For any vacancy in the Board of Directors as the previous mention, the Company's Article of Association stipulates that Board of Directors may select duly qualified person without disqualification under Section 68 of the Public Company Act to replace the vacating director at the next board meeting except where the remaining term of office of such director is less than two months. The person who becomes a director in place of the vacating director shall hold office only for the remaining term of the director whom he/she replaces.

The Company's Article of Association also states the mean of dismissal of director by having shareholders pass a resolution to remove any director prior to his/her end of the term by a vote of not less than three-fourths of the number of shareholders attending the meeting and entitled to vote and holding shares in an aggregate number of no less than half of the shares held by shareholders attending the meeting and entitled to vote.

Nomination of Director

In case of vacancy of Director(s), either by resignation or by term, the Corporate Board of Directors will select person(s) who is qualified without disqualification under the law, competent and suitable to fit the directorship and propose to the Corporate Board of Directors Meeting or Shareholder Meeting as the case maybe stipulated in the Company's Article of Association. The Company does not have the Nomination Committee for selection of Director(s).

If selection of director(s) has been conducted, the Company by the Corporate Secretary shall provide the orientation to the new director(s) with all information, rules and regulations related to the Company's business including the duty under the rules and regulations of a director in a listed company.

9.3.2 Independent Director

The independent director is not nominated by the Nomination Committee because the Company has no such a Committee. The nomination process has been conducted by consent of the Corporate Board meeting by selecting a person whose qualifications meets the Public Company Act B.E. 2535 (and amendments), the Securities and Exchange Act B.E. 2535 (1992) (and amendments), the Announcement of Capital Market Supervisory Board No. Tor.Jor. 39/2559 including the relevant of Announcement of the Securities and Exchange Commission and Announcement of the Stock Exchange of Thailand.

9.3.3 Executive Board

Nomination of the Executive Board

The Corporate Board of Directors will nominate the President and the Executive Officers after the Annual General Meeting. The term of the President and the Executive Officers is 1 year. The nominated Executive Officer is selected from the member of the Corporate Board of Directors, Senior Vice President or an outside person who is competent and well-knowledgeable. In the event of vacancy of Executive Officer, the President shall propose the nominated person to replace the vacancy to the Corporate Board of Directors for approval. The new Executive Officer shall serve its term for the remaining period of the former Executive Officer whom he/ she is replaced.

9.4 Supervision on operation of the subsidiary company and the associated company

The Company sent the representatives of the Company to hold the position of directors of the subsidiaries and the associated company for supervision on operation of those subsidiaries and associated company in accordance with shareholding proportion. The representatives shall participate in policy making and take part in significant decision regarding business operation. They also ensure that those subsidiaries and associated company comply with rules and regulation of the related regulators i. e. SEC and SET in regards to information disclosure, connected transaction, acquisition and sale of asset etc. as the same compliance as the Company. In addition, accounting system of the subsidiaries and the associated company shall comply with the same standard as the Company in order to be consolidated in the financial statement.

9.5 Internal information usage.

The Company has stipulated policy in regards to internal information usage as the guideline to prevent any misuse of inside information which is unjustified to the shareholders. This is to assure shareholders that directors, management, employees and any relevant insiders will not use undisclosed inside information for their personal benefits.

5.1 The Company prepared the Compliance Program and the Code of Conduct & Ethics which contains topic of Information of the Company and Insider Trading and distributed to directors, management and employees, and they shall provide signatory evidence for acknowledgment. In this regard, the Company holds training of such topic for directors, management and employees. These people shall not use information which they have acknowledged from working to seek for unlawful personal benefit.

5.2 Directors and Executives of the Company shall prepare the report on change of the Company's securities held and submit it to the SEC in accordance with Section 59 of Securities and Exchange Act B.E. 2535 and the directors and executives are prohibited to seek any benefit from substantial information which have not yet disclosed publicly including buy and sell the Company's securities. The directors and executives shall be prohibited from buy and sell the Company's securities within 30 days prior to disclosure to the public of the financial statements including any substantial information which may impact to the Company's securities.

5.3 The Company subsidiaries shall also comply with the Compliance Program and the Code of Conduct as they have announced these regulations as their internal regulation.

9.6 Remuneration of auditor

The Company's auditor is Mr. Manoon Manusook, Certified Public Accountant No. 4292 (affixed his signature on the Company's financial statement from 2015 to 2019) and/or Mr. Mongkol Somphol, Certified Public Accountant No. 8444 (never affixed his signature on the Company's financial statement) and/or Mr. Choopong Surachutikarn, Certified Public Accountant No. 4325 (never affixed her signature on the Company's financial statement) of Deloitte Touche Tohmatsu Jaiyos Audit to be the auditors of the Company for the financial year 2019 with the following details of remuneration:-

1. Audit Fee:

Year 2019	Unit:Baht
Annual Audit Fee include consolidated	1,480,000.-
Interim per quarter include consolidated	290,000.-
Total Remuneration	2,350,000.-

2. Non-Audit Fee:

Non-Audit Fee relating to liquidation of Thai Central Chemical Public Company Limited, Yangon Branch, namely, tax clearance, fee, legal consulting fee at 148,282 Baht

10. Corporate Social Responsibility

Corporate Social Responsibility Report

Corporate Social Responsibility : CSR is an important issue around the world that interested, particularly in the business sector who realizes that the business operation will impact on society and environment unavoidably. Therefore, CSR will become significant issue for all parties which are not to build the good corporate image for business purposes or solve the problems in order to gain social recognition only. But at the present, CSR is going to be very important issue and become the “Framework and Business Operation Method” to develop the efficacy of business operation, reduce risk factors and enhance competitiveness, including develop value chain which leads to corporate sustainable development.

Thai Central Chemical Public Company Limited strives to “ **The First Choice of Growers**”. We aim to be a top priority choice of agriculturalists by delivering excellent products and services that boost quality and productivity in farming, and emphasize to create values to stockholders by participating in activities in order to improve the quality of life, society and environment. The company has prepared the CSR report to publicize the CSR activities to public.

Vision

The first-choice of growers

“We aim to be a top priority choice of agriculturalists in Southeast Asia by delivering excellent products and services that boost quality and productivity in farming.”

Mission

To accomplish the vision, the Company has stipulated the mission as follows.

1. **We Strive to Create Values**

We are committed to bringing new values to farmers and agriculture, by providing superior quality products and services, continuously invented and developed to increase farming productivity. Our services will spread over to farmers in ASEAN countries and be even diversified further to enhance our value chain in agriculture industry.

2. **We Develop our People**

We are committed to growing our people, by providing learning opportunities and by creating a corporate culture where employees encourage each other to grow together. We will keep evolving our organization to accommodate changes in business environment.

3. **We Care for Society**

We are committed to making environmental friendly and sustainable business processes as well as creating positive influences to society, by integrating corporate citizenship and sustainable development concepts into our business practice.

Direction toward sustainability

“ To create the quality of life for agriculturalists by delivering the values of sustainable agriculture” is the commitment of Thai Central Chemical Public Company Limited that we prioritizes and adheres to do business.

To create the quality of life to agriculturalists are required many factors. On behalf of chemical fertilizer producer who related with agriculture sector directly, the company has responsibility to produce the quality products and high standard of quality control, including research and develop products continuously. As well as the company provides the advice on product application in order to increase productivity and efficiency to agriculturalists, and deliver the valuable and safe agricultural products to our consumer. In addition, the company focuses on taking care of community and environment that may be effected from our operation by pollution reduction, energy saving and development of community, society and environment. These are interdependent between company and community which lead to sustainable development for the future.

Framework of the report

This CSR report has been prepared in accordance with the Guideline for Sustainability Report, the Stock Exchange of Thailand by using the Integrated CSR Reporting Framework version 2, Thaipat Institute, as a framework. The material in the report covers only the activities of Thai Central Chemical Public Company Limited which excludes its subsidiaries.

Nature of Business Operation

The Company is a producer and distributor of high quality chemical fertilizer with production capacity of 1.2 million metric tons per year.

Stakeholders

The stakeholders are the concerning person with the company activities in many aspects and may affect from operation of the company. Therefore, the company shall take responsibility to control any activities for generating benefit and minimize any effect as much as possible. The stakeholder, moreover, is the important part for strategic planning on sustainable growth. In particular, the company will assess the risk of such activity and monitor any effect happening to the stakeholder including survey needs of the stakeholders, and then the company will plan the strategy, policy or any guideline to address such affect.

The company categorizes the stakeholder of the company into groups as follows.

1. Staff; Staff performs activities of the company in accordance with the company’ s policy. Benefit or effect, which will happen, is salary, welfare, job promotion, seminar or training and workplace environment.

2. Shareholder and investor; Shareholder and Investor buy share(s) of the company; hence, they share interest with the company performance. Benefit or effect which may happen is consideration in many forms, such as, dividend, profit, loss from the company performance and information disclosed by the company.

3. Farmer; Farmer is a direct stakeholder by consuming the company's product. Benefit or effect which may happen is quality of the product and services, product information disclosure, non-disclosure of the customer information and after sale service.

4. Dealer; Dealer is one of the significant stakeholder in distribution of the good to the farmers. Benefit or effect, which will happen, is commission from sales of goods, preparation and transportation of the goods to the dealer, marketing promotion and support, warranty in case damage of goods.

5. Business partner and Supplier; They play an important role in supply chain i.e. supply raw material or provide services in any work or project. Benefit or effect which may happen is price of the supply, auction of any project, knowhow or technology transferred.

6. Competitor; Competitor is a stakeholder in business competition. Benefit or effect which may happen is fair and legally trade or transparent and ethical business operation.

7. Creditor; Creditor relates to the company as it has the right to claim against the company. Benefit or effect which may happen is timely payment including any agreed consideration.

8. Community; Community relates to the company as it may obtain benefit or effect from the company's production, such as, pollution, employment in the community, distribution of local goods or community development.

Significant and focused issue for CSR

From analysis of the stakeholders considering the issue which is important to the stakeholders and the issue which is important to the company, the company has specified the significant issues, after that the company has processed CSR activity focusing on the below issues.

- Quality control of the products
- Development of Environmental friendly production process
- Labor practice and human resource development
- Providing correct information of product application to agriculturalists

CSR in Process

Responsibility to Customer, Society and Environment

The company has compiled our CSR activities to customer, society and environment related on operation as below.

1. Quality Control of the products

The company focuses on the quality and standard of production process to make customer's satisfaction and confidence in company products as "**Pui Tem Suit**". The company believes that the good fertilizer will enhance quantity yield, increase the income and improve the quality of life for agriculturalists.

- In production line, both plant sites have been certified ISO 9001 : 2015 Quality Management System for Manufacture of Fertilizer, Manufacture of Plastic Bag and Co-Generation of Electricity Steam and Hot Water from Gas Engine. The company strictly examines the quality of raw material and finishing goods by randomly examined for 3 stages. Firstly, the raw material will be randomly examined for quantity of nutrient before going through production line. Secondly, the fertilizer will be examined nutrient content after it has been produced and transported to the warehouse. Thirdly, before the fertilizer is packed, it will be examined the nutrient content again. In each stage of examination, the company's staff will randomly collect the sample every 15 minutes from the belt conveyor and once the staff gets 8 samples or every 2 hours, such samples will be sent to the company's laboratory for nutrient content analysis. If any sample does not meet the standard of quality, the fertilizer produced in such period will be separated and will be sent to reproduction process. This quality control procedure is one of the highest standards of quality control systems in the fertilizer industry.

- The company set up the laboratory for analysis of fertilizer quality at Prapadaeng plant site and Nakhon Luang plant site which are the most advance and highly efficient in nutrient content analysis. Both of the company's laboratory have been certified ISO/IEC 17025: 2017 Laboratory for fertilizer analysis from Department of Science Service, Ministry of Science and Technology. Hence, it can be assured that fertilizer examined by the laboratory will meet standard of industrial quality. Furthermore, the company laboratory is now certified as the certified laboratory for fertilizer analysis from Department of Agriculture, Ministry of Agriculture and Cooperatives. Any fertilizer traders can use the result of fertilizer analysis by the company's laboratory to register with Department of Agricultural for trading.

2. Development of Production Process

The company conducted the Internal Logistic Improvement at Nakhonluang plant site and Prapadaeng plant site, namely, transporting the products to the warehouse and transporting the products to customers or dealers.

- For Nakhon Luang plant site, the company has improved the logistic system to facilitate for customer as "One Stop Service" with Palletizer system and P-Sling which was controlled by the computer system. The improvement resulted decrease the customers' pick-up time in the warehouse by about 50%.

- For Prapadaeng plant site, the company has improved process of transporting the products to the warehouse and transporting the products to the customers or dealers by installing P-Sling system, which is packing sack equipment for moving the products 2 metric ton per time. In addition, the company has improved internal logistic system by management the parking point for loading process of goods, which increase internal transportation efficiently. Both improvements resulted decrease the customers' pick-up time in the warehouse by about 80%.

3. Environmental preservation

- The company has built the Co-Generation Power Plant which generates electricity and heat at the same time at Prapadaeng plant site. The electricity generated by the power plant will be consumed in the plant site internally and if there is excess of electricity, it will be sold to Metropolitan Electricity Authority (“MEA”). Heat, produced by the exhaust gas of the power plant in addition to electricity, can be used in fertilizer production process. Former days, heat was produced by separate gas firing boiler but the Co-Generation Power Plant can use such natural gas to produce both electricity and heat. This project, therefore, promotes the company decrease of energy consumption, production cost saving and income generating from sale of electricity to MEA. The operation of the power plant has begun since the end of 2013.

- The company has conducted Air Quality Control Project at Phrapradaeng plant site and Nakhon Luang plant site. Normally, in transportation process of raw material or finishing good into the plant site, micro dust can be released and it may affect the nearby community and environment, also it is loss of the company. In this project, the company has installed the dust protection equipment using Cyclone System to produce air circulation and makes dust sink to the bottom. After installation of the equipment, the quality of air complies with the standard of industry. The company has also installed additional dust protection equipment using Scrubber Tank System which can be able to trap dust with smaller size (smaller than 20 Micron) by using water. Moreover, the company has installed the information board showing air quality at the jetty of Nakhon Luang plant site for acknowledgement of nearby community in accordance with environmental governance principle. The air quality will be monitored every day and the result will appear on the information board accordingly.

- The company has initiative Garbage Separation Project. The objective aims to motivate our employees to separate the garbage before dump. The company will buy garbage which can recycle at the agreed price. After that, the recycling garbage will be sold to the purchaser of recycling garbage. This will align with the campaign “Turn garbage into money” initiated by the company. The revenue from the purchase of garbage will be circulated in the Project that is to buy garbage from staff again. In addition, the company has changed garbage containers to be appropriate and enough for the quantity of garbage in the plant site. At Prapadaeng plant site, the result shows that there is 177 tons of recycling garbage sold to the purchaser. At Nakhon Luang plant site the result shows that the general garbage by 80.10 tons or 28.61% of the normal quantity which decrease from the last year. And the recycling garbage sold to the purchaser by 80.82 tons or decrease by 7.54% of the normal quantity when compared in year 2018, although the recycling garbage reduction that will occur from waste separation and waste reduction by 7R method, the company aim to encourage staff to realize environmental issue.

- The company raised awareness of energy conservation and resource usage to staff in organization, held Save Energy Day 2019 at Phrapradaeng Plant Site and opened the opportunity for every staff in each Division to arrange exhibition and show the result of energy reduction and conservation which occurred from working process, including opened the opportunity for students in community to visit the exhibition. This activity is the part of organization culture to build the environmental culture for staff.

- Furthermore, the company emphasizes production process which considering sustainable business development to reduce the environmental and social impacts and both of plant sites have been certified ISO 14001: 2015 Environmental Management System and ISO 45001: 2018 Occupational Health & Safety Management System. Moreover, TCCC have been certified as a Green Industry “Green Culture” Level 4 by Ministry of Industry and the company is in the process of upgrading to level 5 in the near future. The green industry project has been set up by the Ministry of Industry that regulated 5 levels of “Green Industry” to evaluate the environmentally-friendly factories.

4. Ethical Labor Practices

The company acknowledges safety of the company’s employee as priority; therefore, having announced Work Instruction to be a guideline for working by having the safety standard not lower than the standard set by Department of Industrial Work. The company holds seminar on safety issue periodically and invites an outside speaker to give a lecture. In addition, the company has collected the statistic of accident which occurred in the plants including any injuries caused by work as the following details.

In 2019, there were 15 times of accidents occurred in the plant site. 10 employees and constructors were injured and took leave for 69 days. Such incidents were calculated as Injury Frequency Rate (IFR) of 4.33 per one million hours, and Injury Severity Rate (ISR) of 29.90 per one million hours.

- At Prapadaeng plant site, 7 employees and constructors were injured and took leave for 69 days. Such incidents were calculated as Injury Frequency Rate (IFR) of 8.69 per one million hours, and Injury Severity Rate (ISR) of 59.9 per one million hours.

- At Nakhon Luang plant site, 3 employees and constructors were injured and took leave for 0 days. Such incidents were calculated as Injury Frequency Rate (IFR) of 2.59 per one million hours, and Injury Severity Rate (ISR) of 0 per one million hours.

In this matter, every morning before start working, a short period of 10 minutes will be reserved for a supervisor to perform Safety Talk with their subordinates. The safety rules and other interesting matter will be briefed in this period. In working process, if there is any accident, investigation will be preceded and it will be reported to the Safety Health and Environment Committee for improvement of safety measure (if any). Statistic of injury caused by work will be also collected for improvement of safety standard of employee.

- The company initiated “White Factory Project” at Prapadaeng plant site and Nakhon Luang plant site which aims for a clean workplace from narcotic. With cooperation from the police and the Department of Administration officer, the company randomly tested employee’s urine without prior notice. If the result shows that any employee has narcotic in his/her body, the company will not immediately punish him/her. Such employee will be sent to the hospital for rehabilitation program. There will be several session of discussion with a therapist, medicine treatment and regular urine test until completion of the program. After that, such employee will be randomly tested in accordance with the project schedule. If the result still be the same, the company will terminate employment of such employee. Nevertheless, from statistic showed all

employees who completed rehabilitation program passed the random urine test in every case. At present, no employee found narcotic in the urine test anymore.

- The company attended “ Happy PVD Company” Project with objective of financial stability to retired employees by encouraging our employee to save money in company’s provident fund and motivating them save fully rate of benefit. The company always educates all employees through many channels and activities in order to motivate employee’s awareness of saving for retirement goals and choose appropriate investment program.

- The company gives priority to human resource development. The company believes that the company could sustainably grow; the employee shall be the quality and professional persons. In this regard, the company rendered the policy to develop the employees’ skills in related areas through the training both in fundamental skills and specific profession skills such as management, accounting and finance, information technology, creating motivation for increase efficiency of work, professional presentation skills, problem solving and analysis techniques, including safety at workplace, in total of more than 140 courses. The training course was designated to suit the necessity for developing the man powers’ skills and the company’s strategies. Furthermore, the company opened for the employees to provide opinions toward such trainings in order to design the most suitable course to meet requirement and desire of the employees and the company. Training statistic could be summarized as follows. The number of employees, who attended the training, was 86.37% of all employees. The total hours of trainings were 10,612.45 hours, or 20.18 hours per person per year in average. The training expense per person per year amounted to THB 7,232.26.

- In 2019, the company initiated the “Brand Ambassador Project batch #1” by the Brand Ambassador group to participate various activities such as training about products and services, visiting dealers, sub dealers and farmers. The objectives are to drive employees and build leaning process, make understanding about chemical fertilizer business and realize Thai Farmer needs, in order to apply information to develop the quality products and services which are able to meet the customer needs and company vision “The First Choice of Grower” in the future.

5. Providing information to farmers

- The company arranges the farmer meeting average every month through the year to provide the farmer knowledge relating agriculture in various topics. The meeting will be co-arranged by the dealer, university private sector and government agencies which will be responsible for finding the venue of the meeting and inviting the participants from 50-500 persons per session. The meeting will be arranged in different areas covering all parts of Thailand. The topic in the meeting will cover agricultural knowledge, such as, how to grow plants, soil fertility, treatment for plant decease, chemical fertilizer usage and etc.

- The company conducts the Demonstrating Plot Project which gives chance to the agriculturist to actually try plantation of rice, maize, fruit, para rubber, cassava and vegetables. The Demonstrating Plot is able to present the products to farmers by correct method for using the suitable fertilizer formula, show the comparison of old way of plantation which has been conducted previously. The company will select the leading agriculturist who is interested in the project and he/she shall allocate some area to be the demonstrating plot. Then he/she shall use the company' fertilizer with the demonstrating plot following advice of the company in 4 matters which are right formula, right time, right ration and right method. From the result, 100% of the participants agree that production yield of the demonstrating plot which follows instruction of the company and use the company's fertilizer has been increasing quantity and quality of productivity.

- The company quarterly publishes “ Puen Tae Kasetkorn Thai” (True Friend of Thai Agriculturist) Magazine distributed to agriculturist, governmental unit, dealer and any person who is interested in for free of charge and it also can be downloaded from the company website. The content in the magazine will relate to agriculture in various aspects, such as, the King's advice on agriculture, plantation of various plants, protection of plant decease, soil improvement etc. written by academic, agricultural expertise or the company staff. It also publishes details of much research in relation to appropriate fertilizer formula for each plants conducted by the company. In addition, there is a column of agricultural question answering which give chance to the agriculturist to ask the question and the company will have the expertise answer it accordingly.

- The company enhances children of the farmers to learn about knowledge by various projects, such as, Edible Garden Project having the objective to educate the children on preliminary agriculture knowledge regarding vegetable growing and how to use fertilizer correctly starting from seed selection, application of fertilizer and harvesting. The company hopes that the young generation shall be able to apply knowledge from this project to their plantation at home. This project also enhances the children to have discipline, cooperation, and most importantly, they shall have fresh and safe vegetable grown for eating. In this year, the company built the demonstration plot “The Edible Vegetable Garden” for Wat Samruan School and Watlay School (Thawepanya) at Nakhon Luang District in Ayutthaya Province, For the results of this project, the students are able to understand the cultivation and usage of chemical fertilizer correctly, including apply the knowledge which company educated to their demonstration plot and achievement. Moreover, they can also generate an income from surplus products which each schools use as a fund to continue the project, as well as reduce cost of raw materials for luncheon in the school. In the future, the company will expand this project to many schools in the region.

6. Innovation and distribution of innovation obtaining from CSR compliance

For the best interest of the agriculturist in usage of chemical fertilizer, the company cooperates with various leading educational institutes to conduct research in order to search for the appropriate fertilizer formulas with different economic crops. The agriculturist is also encouraged to use the outcome of research for their plantation. The examples of research are as follows.

Research Project	Cooperating with
1. Comparison of Off-season Longan Growth and Productivity with various fertilizer formulas on 3 rd year	Maejo University in Chiang Mai Province
2. Comparison of Maize Growth and Productivity with different fertilizer rates on 3 rd year	Chiang Mai University in Chiang Mai Province
3. Growth of Celery and Chinese Cabbage with various fertilizer formulas	Kasetsart University, Kamphaeng Saen Campus in Nakhon Pathom Province
4. Efficacy Test of fertilizer paper bag for slow release in oil palm, para rubber and fruit tree	Cooperating with farmer plot in Phitsanulok, Chumphon and Surat Thani Province

Anyhow, the company is sponsor for all expenditures in conducting the research. The outcome of research has been publicized for the agriculturist, fertilizer traders and any persons who are interested in by publishing in Puen Tae Kasetkorn Thai Magazine and in the seminar or meeting with the farmer.

CSR after Process

Furthermore, the company held the projects and activities for social and environment benefits as follows

1.The projects for social benefits

- Scholarships for farmers' children

The company initiated policy to support and encourage farmers' children who have an excellent academic record but financial limitation. Then, in the future, they become a decent and qualified person to the society. In addition, this activity will create positive perception and impression of the trademark "OX-Brand" to the farmers including good image of the company. In this matter, the company has arranged scholarships for farmers' children who are studying in the primary school and the secondary school and have an excellent academic result but financial limitation. The scholarship will be granted via schools in the northern part and northeast part of Thailand. For last year, the company had funded scholarship for THB 800,000.

- A-Math Genius Project

In addition, the company also held *A-Math Genius* Project which educated mathematic to children to enjoy practice and logical thinking by our employees who attended the training course as trainer for primary students. In this year, the company held this activity in community nearby Nakhon Luang plant site.

- The Project of Rice Camp by Thai Rice Foundation under the Royal Patronage

The company supported “Youth Farmers: The Future of Thai Rice” Rice Camp project in the Central region held by Thai Rice Foundation under the Royal Patronage. The objectives of the project are to educate and support the new generation farmers who have high potential to do sustainable agriculture, aim to build learning process in agricultural and technology for increasing product quality corresponds to market demand, which TCCC continues to support this project every year.

- The Project to support NPK compound fertilizer for community services.

The company supported NPK compound fertilizer to many organizations to increase productivity for society, community and public benefits, such as the rural school and Thai Red Cross (Ratchagarun Center) which used for tree planting activity on Mother’s Day every year.

-The Project to support the public activities with community

To make the company operation be successful, the company need the co-operation and support from nearby community. In this year, the company supported and joined the recreation activities with community such as Kathin Ceremony and Phapa Ceremony (offering of robes and other needs to monks), *the annual Children’s Day* and the big cleaning day nearby plant site area.

In addition, the company focuses on community development nearby plant site. In this year the company held The Development Voluntary Project at Wat Koo Sang Child Development Center, 43 Moo 9 Pak Khlong Bang Pla Kot, Phra Samut Chedi in Samut Prakan Province. The objectives are to improve the quality of life in safety, occupational health and environment, prevent risks of all kinds. The employees and technicians conducted this activity such as installation of water filter, installation of rain gutters, installation of sun-proof and water-proof awnings, electrical repairs and light, landscape improvement, painted building and campaign to raise awareness of waste separation.

2. The project for environmental benefits

- The Weir Project

The company focuses on the natural water resources for agriculturists which held the Weir Project for environmental restoration and water resource conservation to the ecology, save the water resources for Thai Farmer, prevent flood in rainy season and save water in dry season. In this year, the company held “2nd Year TCCC Weir Project” at Samlan Waterfall National Park in Saraburi Province. On this activity, the experts and officers of Samlan Waterfall National Park provided the knowledge and guidelines to construct the weirs correctly.

- The Project of Mangrove Reforestation

The project of mangrove reforestation is the prioritized activity of the company. In this year, the company held “2nd Year LuiLane Sangruk Pakkra Project, planted 1,500 mangrove trees at Ban Laem Sing (Chulachomklao Fort) , Samut Prakan Province. The objectives are environmental restoration and conservation to save the habitation of plants species, aquatic animal and terrestrial animal. In addition, mangrove forest will protect tidal waves, coastal soil erosion and prevent wind speed or storm which make severe damage for resident and village nearby mangrove forest.

11. Internal Control and Risk Management

1. Internal Control

Thai Central Chemical Public Company Limited has paid attention to continuous improvements of the internal control system in order to support a good corporate governance and in accordance with operations and changes that always affect fertilizer business. The Company focuses on value creation through control systems to increase effectiveness in operations, utilization of resources and assets, financial information report, as well as compliance with the laws and regulations. The Company's internal control system is designed as follows:

1.1 Governing Structure of Internal Control System

The Board of Directors has assigned the Audit Committee to review the Company's internal control, corporate governance, compliance with related laws and regulations, conflicts of interests, connected transactions, asset utilization, fraud or misconduct. The Audit Committee reports to the Board of Directors regarding sufficiency and appropriateness of the internal control system evaluated by Internal Audit Office on at least once a quarter. This responsibility also includes a review of the independence of the internal audit function.

1.2 Internal Control Process

The Company has structured the Internal Audit Office independently and directly reports to the Audit Committee. This is to ensure that the Company's internal control system remains active and efficient, The Internal Audit Office has duties to perform audit engagements to assess and monitor the Company's activities mainly planned as the risk-based audit planning approach approved by the Audit Committee. Audit results are reported directly to the Audit Committee on a quarterly basis, and also communicated to the Company's management for acknowledgement and correction of audit issues. The follow-up reports regarding the status of pending audit issues are also periodically presented to the Audit Committee.

During the year 2019, the Internal Audit Office had reviewed certain internal controls of the Company and subsidiaries, followed-up on improvements according to the recommendations, under the annual audit plan, and reported audit results and follow-up as recommendation mutually agreed on a quarterly basis.

1.3 The Board of Directors' opinion toward the Company's internal audit

The Board of Directors had quarterly meetings to acknowledge internal audit results through the report of the Audit Committee, with the management answering questions and ordering to appropriately improve internal control systems regularly consistent with changes in the business.

In summary, the assessment results of internal audit in the year 2019 that reported to the Board of Directors by the Audit Committee, the Board of Directors is in views that the Company's internal control has been implemented adequately and appropriately for the business operation.

1.4 Opinion of Independent Certified Public Accountants

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., as the independent certified public accountant, has audited the Company's financial statements as of 31 December 2018 and 31 December 2019. The independent auditors conducted their audit in accordance with the auditing standard and the ethical responsibilities, including planning and working on audit in order to obtain a reasonable assurance that financial statements are free from material misstatement. Their audit methods are under the auditors' discretion, including the risk assessment on the preparation of financial statements with material misstatement, whether due to fraud or error. In such risk assessment, the independent auditors consider internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effective of the Company's internal controls.

Based on the independent auditors' review, there were no significant deficiencies in internal control that would result in material misstatement, and the independent auditors did not issue any observation about the Company's internal controls.

2. Risk Management

Thai Central Chemical Public Company Limited is aware of risk management and aims to continuously develop risk management culture throughout the organization in order to handle with uncertainty and dynamic changes as well as reduce risk likelihoods and risk impacts.

The Company has adopted a standard risk management methodology consistent with Enterprise Risk Management: Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to implement through the risk management policy, objectives, framework, and structure in all levels from the Board of Director, management, and administration. In practice, risk management has been communicated and promoted through several channels such as training, announcement, meetings, etc.

The Board of Directors has appointed the Risk Management Committee comprising of executives from all business groups to formulate the policy, strategy, and criteria of risk management, as well as to provide an assurance that major business risks are regularly identified, assessed, and having efficiency control measures. Furthermore, the Company has formulated the Risk Management Sub-Committee to operate risk management process in divisional level to be in line with the acceptable risk level.

Regarding the raw material procurement, production, and sales of product which are the Company's core activities associated with market risks, the Company has weekly meetings to closely monitor changes in market and economic situations, under the direction approved by the management.

Boards' opinion toward the Company's risk management

The Board of Directors and the Executive Board are in opinion that such risk management tools and mechanism could be effectively implemented in the Company. The Risk Management Committee has identified and prioritized key risk factors in the year 2019 to be consistent with the business directions and objectives, as well as associated risks from local and/or international situations.

3. Head of Internal Audit Office

The Audit Committee considered and proposed to the Management to appoint Mr. Phaitoon Inuthai as General Manager of Internal Audit Office of the Company since 1 October 2007. His roles and responsibilities are to govern and supervise internal auditors in monitoring and evaluating the internal audit procedure of the Company and its subsidiaries to ensure the business operation would be effectively conducted and appropriately served to the business nature.

The Audit Committee deemed appropriate that Mr. Phaitoon Inuthai is well-educated and have enough experience in the internal audit field. In particular, he has been in the internal audit function of the Company for more than 18 years (as of 2019). Moreover, he had been trained with internal audit standards and related business administration. Therefore, he is qualified to take the aforementioned roles and responsibilities.

Recruitment, dismiss and remove a person in capacity of General Manager of Internal Audit Office is under the discretion and approval of the Audit Committee.

12. CONNECTED TRANSACTIONS

During 2019, the Company and its subsidiaries entered into the connected transaction with the connected persons and/or juristic persons who may have conflict of interest with the Company and its subsidiaries. The Auditor has specified the connected transactions in Notes of the 2019 Financial Statements as of 31 December 2019. Details are as follows.

1. Connected Transaction of the Company

Connected Person	Transactions	Amount (Baht)	Necessity/ Reason
1. TCCC Myanmar Limited (TCCCM)	1. The Company sold chemical fertilizer to TCCCM for its business which is import and distributing in Myanmar	156,427,870*	The price is at the market rate
	2. The company received the royalty fee from trademark licensing	602,660*	The fee calculated by the quantity of the product sold under the trademark at the rate of USD 1 per 1 Ton
	3. The Company received the service fee from TCCCM on providing technical service	1,177,542*	The service fee rate is at the market rate
	4. The Company received interest from TCCCM	22,957*	The interest rate is LIBOR + 1% which is in accordance with the market rate
	5. The Company received guarantee fee from TCCCM on loan guarantee and price of goods guarantee	727,362*	The guarantee fee rate is 1% per annum of quarterly average credit amount or the goods purchased amount
2. N.I.M Co., Ltd (NIM)	1. The Company let partial area in Phrapadaeng Plant Site to NIM to be a location of chemical tank and to be jetty for transportation by ship	13,229,310	The rental rate is the market rate appraised by the independent appraisal firm
	2. The Company provides service in relation to chemical storage tank i.e. electricity and water	1,283,120	The service rates are in accordance with the actual rate charged by electricity and water provider

Connected Person	Transactions	Amount (Baht)	Necessity/ Reason
3. MC Agro-Chemical Co., Ltd. (MC Agro)	1. The Company receives royalty fee from trademark licensing	30,374	The fee calculated by the quantity of the product sold under the trademark at the rate of THB 0.04 per 1 liter or 1 kilogram
4. Metro Systems Corporation Public Company Limited (Metro Systems)	1. The Company obtained the maintenance services of the back-up system for the company information from Metro Systems	2,215,600	The fee charged at the rate that the provider charges from the ordinary customers
5. Atlas Fertilizer Corporation (Atlas)	1. The Company sold chemical fertilizer to Atlas	4,549,578	The price is at the market rate

* The transaction amount between the Company and TCCCM is in accordance with the exchange rate at the transaction happened date.

2. Connected Transaction of N.I.M. Co., Ltd (NIM) which is the Company's subsidiary

Connected Person	Transactions	Amount (Baht)	Necessity/ Reason
1. Sojitz Corporation Group	1. Sojitz used storage service of NIM	3,690,425	The fee charged at the rate that the provider charges from the ordinary customers
2. Metro Systems Corporation Public Company Limited (Metro Systems)	1. NIM obtained the maintenance services of the back-up system for the company information from Metro Systems	222,000	The fee charged at the rate that the provider charges from the ordinary customers

3. Connected Transaction of MC Agro-Chemical Co., Ltd. (MC Agro) which is the Company's subsidiary

Connected Person	Transactions	Amount (Baht)	Necessity/ Reason
1. Sojitz Corporation Group	1. MC Agro purchases agro-chemical from Sojitz Group for many transactions during the year	9,622,067	The purchase price is at the market rate

Details of Connected Person

Name	Business	Relationship
1. Sojitz Corporation (Sojitz)	Produce, import, export and distribute goods in various industries, such as, machine, energy, mineral, chemical products and consumer goods	Major shareholder of the Company at 43.92% shareholding of the paid up capital
2. TCCC Myanmar Limited (TCCCM)	Import and distribute chemical fertilizer in Myanmar	The Company's subsidiary with the Company's 99.99% shareholding of paid up capital and has the same directors which is Mr. Yoshihiro Tamura and the Company's Executives, Mr. Ko Tojima, holds directorship of TCCCM
3. N.I.M Co., Ltd (NIM)	Rental service of chemical storage tank	Subsidiary of the Company with the Company's 51% of shareholding of the paid up capital and has the same director as the Company which is Mr. Yoshihiro Tamura and the Company's Executives, Mr. Somruk Likitcharoenphan and Mr. Ryosuke Hori, hold directorship of NIM.
4. MC Ago-Chemical Co., Ltd. (MC Agro)	Contain, mix and sell Agro-Chemical products	The Company's subsidiary with the Company's 99.99% shareholding of paid up capital and has the same directors which are Mr. Yoshihiro Tamura, Mr. Takayuki Tohei and the Company's Executives, Mrs. Montha Kasadesinchai and Mr. Ryosuke Hori, hold directorship of MC Agro
5. Sojitz Corporation Group (Sojitz Group)		Sojitz Group shall mean Sojitz Corporation which is a major shareholder of the Company with 43.92% shareholding of the paid up capital including Companies in its group
6. Metro Systems Corporation Public Company Limited (Metro Systems)	Computer system service provider	The Company and Metro Systems share the same director namely Mr. Suvij Suvaruchiporn
7. Atlas Fertilizer Corporation	Produce and distribute chemical fertilizer in the Philippines	The major shareholder is Sojitz Corporation which is the same as the Company

Conditions and prices policy

The aforesaid connected transactions are transactions which happened between the Company, its subsidiaries and the related companies under normal business and general trade condition. The prices policy and loan rate can be bargained according to the market condition and, as well, can be compared with prices and interest rate as using with outside persons. In case there is no reference of prices or rates, the Company will compare prices of goods and services with outside prices in the same or similar condition or use prices from an independent assessor to compare with in a crucial connected transaction.

Necessity and reasonability of connected transaction

The aforesaid connected transactions which happened between the Company including its subsidiaries and connected companies are under normal business and general trade conditions. Benefit which arises to the Company is confidence in quality of raw material and consistency of raw material procurement. In addition, the Company enjoys convenient and speedy services from expertise in such service field. For guarantee, the main purpose is to increase agility of the Company's operation. All transactions are made for maximum interest of the Company.

Measure or procedure in approval of connected transaction

In approval of entering into connected transaction, schedule of authority for each procedure has been specified clearly. There shall be approval from the Shareholder's Meeting or the Board of Directors or the Executive Board for specified amount of transaction and this will be revised regularly to ensure agility of operation. Moreover, the sufficient internal audit system is initiated to ensure that there is no leak of benefit or corruption.

In case there is the connected transaction in the future with conflicting person, the Company shall comply with measure and procedure according to notification and order of the Securities Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand strictly including proposal to the Board of Directors and/or shareholders by consideration of the Audit Committee. A director who has interest and/or director who is a related person shall not attend the meeting and shall have no right to vote in such transaction. In addition, the Company shall conduct accordingly in case there shall be information disclosure in related person transaction and obtaining or selling of important asset of the Company or its subsidiaries according to accounting standard specified by The Institute of Certified Accountants of Thailand. Measure and procedure in approval of connected transaction shall be conducted based on principle of necessity and reasonability including maximum of the Company's interest.

In addition, the Audit Committee shall verify the connected transaction in order to check and protect conflict of interest. The Company shall disclose connected transaction in Notes to the audited Financial Statement.



Policy or trend of entering into Connected Transaction in the future

Trend for entering into transaction happening between the Company including its subsidiaries and related company in the future shall be still in accordance with the normal business and general trade condition. However, if there is a connected transaction happening with the persons who may have conflict of interest or have interest and/or with related persons, the Company shall comply with measures and procedures specified by the Securities Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand