



PART 2 MANAGEMENT AND GOOD CORPORATE GOVERNANCE

7. Securities and Shareholder Information

Company Security

7.1 The Registered Capital and Paid-up Capital

As of December 31, 2013, the company has registered capital in Stock Exchange of Thailand in amount 1,400,000,000 Baht. The paid-up capital was 1,253,821,000 Baht, comprising 1,253,821,000 shares at the par value of 1 Baht per share.

7.2 Major Shareholders

(a) At the closing date of registrar book dated on October 31, 2013, the top ten major shareholders are as follows:

Name of shareholders	No. of shares (shares)	%
1) Sirimongkolkasem Family ⁽¹⁾	704,023,240	56.15%
2) THAI NVDR CO., LTD.	59,342,149	4.73%
3) NICHIREI FOODS INC.	56,716,050	4.52%
4) Mr. Anucha Kittanamongkolchai	41,860,000	3.34%
5) SOMERS (U.K.) LIMITED	38,153,500	3.04%
6) Mr. Somkiat Limsong	25,065,200	2.00%
7) Mrs. Piangjai Chayawiwatkul	20,000,000	1.60%
8) NORBAX INC., 79	15,818,982	1.26%
9) NORTRUST NOMINEES LTD.	10,577,400	0.84%
10) K STAR EQUITY FUND	8,889,400	0.71%
Top 10 Shareholders	980,445,921	78.19%

Remark:

- (1) Sirimongkolkasem family have 17 members (as acting in concert Re: Acting in concert as a result of the nature of a relationship or behavior and requirements under Sections 246 and 247)



List of Sirimongkolkasem Family are as follow:

Name of shareholders	No. of shares (shares)	%
1) Mr. Sujin Sirimongkolkasem	222,795,100	17.77%
2) Mr. Prasit Sirimongkolkasem	220,000,000	17.55%
3) Mr. Virach Sirimongkolkasem	180,000,000	14.36%
4) Mr. Pisanu Sirimongkolkasem	22,794,100	1.82%
5) Mrs. Pranee Parksook	11,391,930	0.91%
6) Ms. Wannee Sirimongkolkasem	10,100,000	0.81%
7) Ms. Warisara Sirimongkolkasem	6,368,100	0.51%
8) Ms. Nisa Sirimongkolkasem	6,031,600	0.48%
9) Ms. Wiwanya Sirimongkolkasem	5,982,700	0.48%
10) Ms. Jutamas Ingpochai	5,000,000	0.40%
11) Mr. Pongsathorn Ingpochai	4,390,000	0.35%
12) Dr. Anan Sirimongkolkasem	4,134,080	0.33%
13) Mrs. Somsiri Ingpochai	2,979,930	0.24%
14) Ms. Papinya Sirimongkolkasem	2,000,000	0.16%
15) Mr. Napol Sirimongkolkasem	54,500	0.00%
16) Mr. Jedsada Sirimongkolkasem	1,000	0.00%
17) P. Chareonphan Produces Co., Ltd. *	200	0.00%
Sirimongkolkasem Family	704,023,240	56.15%

Remark: * P. Chareonphan Produces Co., Ltd. Operates real estates for rent. The shareholders are Sirimongkolkasem family.

(b) As of October 31, 2013, the major shareholders who have significant influences on the Company's management policy or operation are:

No.	Name of shareholders	No. of shares (shares)	%
1	Mr. Prasit Sirimongkolkasem	220,000,000	17.55
2	Mr. Virach Sirimongkolkasem	180,000,000	14.36
3	Dr. Anan Sirimongkolkasem	4,134,080	0.33
	Total	404,134,080	32.24



(c) Shareholders' agreement

-None-

7.3 The issuance of other securities

-None -

7.4 Dividend Payment Policy

7.4.1 Dividend Payment Policy of GFPT Public Company Limited

The dividend policy of GFPT Public Company Limited is “to pay dividend at the rate of not more than 50% of net profit of the Company’s separate financial statement after all deductions as required by law or by the Company, subject to the Company’s cash flow, liquidity, future investment plans of the Company and its subsidiaries, and economic situation.”

Dividend Payment Information

Year	2008 ⁽¹⁾	2009 ⁽¹⁾	2010	2011 ⁽²⁾	2012 ⁽²⁾
Earnings per Share – separated financial statement (THB/share)	0.47	0.33	0.33	0.38	(0.31)
Dividend per Share (THB/share)	0.25	0.25	0.30	0.33	-
Dividend Payout Ratio – separated financial statement (%)	53.14%	75.17%	91.71%	85.89%	-

Remarks:

- (1) Earnings per share and dividend per share for fiscal 2008 and fiscal 2009 were restated due to stock splits from THB 10 per share to THB 1 per share on May 17, 2010
- (2) Separated dividend payout ratio for fiscal 2011 and fiscal 2012 were restated due to the adoption of Thai Accounting Standard No. 12 on Income Taxes

7.4.2 Dividend Payment Policy of Subsidiaries

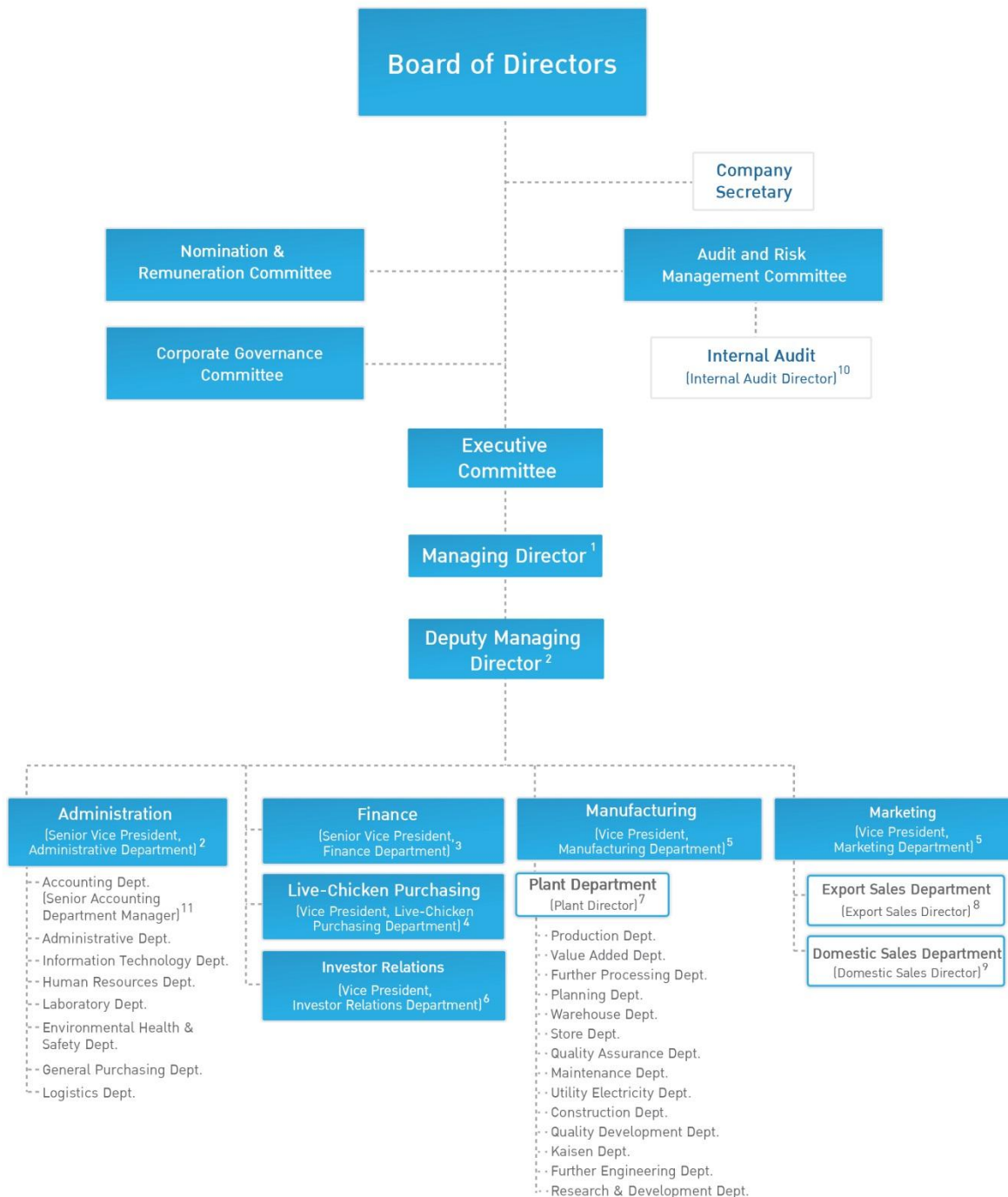
The dividend policy of subsidiaries and joint ventures is “to pay from net profit after deduct legal reserves requirement, and subject to the Company’s cash flow, liquidity, future investment plans of each company.”

As of December 31, 2013, the Company received the dividend from subsidiaries in amount of THB 30 million and a joint-venture company in amount of THB 34.30 million.



8. Management Organization

Organization Chart (as of 31 December 2013)



Note: ¹⁻¹¹ are the executives as the definition of the Security and Exchange Act with the Company's criteria



Management

In 2013, the management structure of GFPT Public Company Limited composes of (1) the Board of Directors, (2) the Audit and Risk Management Committee, (3) the Nomination and Remuneration Committee, (4) the Corporate Governance Committee, and (5) the Executive Committee.

8.1 Board of Director and Sub-Committee

Board of Directors

As of 31 December 2013, the Board of Directors of GFPT Public Company Limited comprised of 9 directors as follows:

Name - Surname		Title
1. Mr. Prasit	Sirimongkolkasem ⁽¹⁾	Chairman
2. Mr. Virach	Sirimongkolkasem ⁽¹⁾	Vice Chairman Managing Director
3. Dr. Anan	Sirimongkolkasem ⁽¹⁾	Chairman of Executive Committee Deputy Managing Director Member of Nomination and Remuneration Committee Member of Corporate Governance Committee
4. Dr. Sathit	Karanes	Independent Director Chairman of Audit and Risk Management Committee Chairman of Nomination and Remuneration Committee Chairman of Corporate Governance Committee
5. Mr. Paramet	Hetrakul	Independent Director Member of Audit and Risk Management Committee Member of Nomination and Remuneration Committee
6. Mr. Thanathip	Pichedvanichok	Independent Director Member of Audit and Risk Management Committee Member of Nomination and Remuneration Committee
7. Mrs. Somsiri	Ingpochai	Executive Director
8. Ms. Wannee	Sirimongkolkasem	Director
9. Mr. Sujin	Sirimongkolkasem	Director Member of Nomination and Remuneration Committee

Note: - Ms. Jutamas Ingpochai is a Secretary of the Board of Directors.

- ⁽¹⁾ Being authorized directors of the Company. The Company requires at least 2 directors are authorized to sign on behalf of the Company with the Company's seal.
- Information of Directors and Authority Persons of the Company and the subsidiaries are shown in the attachment 1
- Information of the subsidiary's directors are shown in the attachment 2

**Sub-Committees****Audit and Risk Management Committee (ARC)**

As of 31 December 2013, the Audit and Risk Management Committee comprised of 3 directors as follows;

Name - Surname		Title
1. Dr. Sathit	Karanes	Chairman of Audit and Risk Management Committee
2. Mr. Paramet	Hetrakul ⁽¹⁾	Member of Audit and Risk Management Committee
3. Mr. Thanathip	Pichedvanichok ⁽²⁾	Member of Audit and Risk Management Committee

Note : - Mr.Chatchai Ratanawalai is a Secretary of the Audit and Risk Management Committee

- ⁽¹⁾ Audit committee who has extensive knowledge and experiences in reviewing financial statement.

- ⁽²⁾ Audit committee who has extensive knowledge and experiences in legal aspect

Nomination and Remuneration Committee (NRC)

As of 31 December 2013, the Nomination and Remuneration Committee comprised of 5 directors as follows;

Name - Surname		Title
1. Dr. Sathit	Karanes	Chairman of Nomination and Remuneration Committee
2. Mr. Paramet	Hetrakul	Member of Nomination and Remuneration Committee
3. Mr. Thanathip	Pichedvanichok	Member of Nomination and Remuneration Committee
4. Dr. Anan	Sirimongkolkasem	Member of Nomination and Remuneration Committee
5. Mr. Sujin	Sirimongkolkasem	Member of Nomination and Remuneration Committee

Note : Mr.Chatchai Ratanawalai is a Secretary of the Nomination and Remuneration Committee

Corporate Governance Committee (CGC)

As of 31 December 2013, the Corporate Governance Committee comprised of 7 directors as follows;

Name - Surname		Title
1. Dr. Sathit	Karanes	Chairman of Corporate Governance Committee
2. Dr. Anan	Sirimongkolkasem	Member of Corporate Governance Committee
3. Mr. Sujin	Sirimongkolkasem	Member of Corporate Governance Committee
4. Ms. Jutamas	Ingpochai	Member of Corporate Governance Committee
5. Mr. Thiti	Wanachate	Member of Corporate Governance Committee
6. Mr. Theerasak	Piamsuphakphong	Member of Corporate Governance Committee
7. Mr. Noparat	Srichan*	Member of Corporate Governance Committee

Note: Mr. Noparat Srichan is a Secretary of the Corporate Governance Committee



8.2 Executives

In 2013, the Executives of GFPT comprised of 11 executives as follows:

Name - Surname		Title
1. Mr. Virach	Sirimongkolkasem	Vice Chairman and Managing Director
2. Dr. Anan	Sirimongkolkasem	Chairman of Executive Committee Deputy Managing Director and Senior Vice President, Administration Department
3. Mrs. Pranee	Parksook	Senior Vice President, Finance Department
4. Mr. Sujin	Sirimongkolkasem	Vice President, Live-Chicken Purchasing Department
5. Mr. Kittichai	Sirimongkolkasem	Vice President, Manufacturing Department and Vice President, Marketing Department
6. Ms. Jutamas	Ingpochai	Vice President, Investor Relations Department and Company Secretary
7. Mr. Thiti	Wanachate	Plant Director
8. Mr. Artorn	Uapopol	Export Sales Director
9. Mr. Danai	Booncharoensukpisarn	Domestic Sales Director
10. Mr. Theerasak	Piamsuphakphong	Internal Audit Director
11. Ms. Ratchaneegorn	Pavitrpok	Senior Accounting Department Manager

Note: - Definition of Executives is according to the Security and Exchange Act with the Company's criteria

- Information of the Executive Committee of the Company and the subsidiaries are shown in the attachment 1

8.3 The Company Secretary

The Board of Directors has appointed Ms. Jutamas Ingpochai as the Company Secretary on 16 October 2008, under Section 89/15 of the Act. Securities and Exchange Commission Securities and Exchange Act B.E. 2535 amended by Act No. 4 in B.E. The information of the company secretary is in the attachment 1

The details of management structure, qualification, duties, responsibilities, meeting attendance and the remuneration of Board of Director, Sub-Committees, Executive Committee and Company Secretary are shown in the Good Corporate Governance Report, Chapter 5 Responsibilities of the Board of Directors.



8.4 Remuneration of the Board of Directors and Executives

8.4.1 Monetary Remuneration

Monetary Remuneration of directors and executives is shown in the Good Corporate Governance Report, Chapter 5 Responsibilities of the Board of Directors.

8.4.2 Non-monuneration Remuneration

-None-

8.5 Personnel

In 2013, The Company employs a total of 4,467 persons with a total benefits in amount of THB 952.75 millions. The benefits paid to employees were salary, overtime payment, cost of living subvention, bonuses, special subvention, social security payment etc. Furthermore, the subsidiaries paid similar benefits as the Company in amount to THB 993.24 millions. The details of personnel and benefit are shown in the following table:

2013	GFPT (Chicken Evisceration, Processed Chicken Food Products)	The subsidiaries				
		KT (Feed Mill and Parent Chicken Farm)	GP (Grandparent Chicken Farm)	FKT (Parent Chicken Farm)	MKS (Broiler Farm)	GFF (Processed Food)
Staff in Line Operation / Service (Persons)	4,308	1,068	136	1,124	1,431	333
Staff in Management level (Persons)	49	13	4	19	-	23
Staff in Headquarter Office (Persons)	110	339	5	24	26	133
Total (Persons)	4,467	1,420	145	1,167	1,457	489
The Benefits (million THB)	952.75	537.49	26.40	113.83	216.33	99.19

In the past 3 years, The Company has no labour legal dispute. The HR policy for training and development is shown in the Corporate Social Responsibility Report, Chapter 4. Workforce Equality and Fairness.



9. Good Corporate Governance

Good Corporate Governance Policy

GFPT Public Company Limited (the “Company”) realizes the importance of good corporate governance and believes that good management system; the Board of Directors and management with a vision and responsibility; implementation of control mechanism and balance of power for transparency and verification; equitable treatment of shareholders; and responsible for all stakeholders are key factor in adding value and maximum return to the shareholders of the Company in the long run.

The Company’s Good Corporate Governance Principles are in accordance with the Criteria of Corporate Governance of The Organization for Economic Co-Operation and Development (OECD) under regulation of the Stock Exchange of Thailand, to be a guideline for directors, executives, and employees of the Company, thus, we review and revise the principles of Good Corporate Governance annually to be appropriate with the changes that may occur from the operation, environment, situation, or laws

The Board of Director has regularly monitor compliance with corporate governance policies and best practice. The Company’s corporate governance policy is announced to all employees through the Company’s intranet system and also to public through the Company’s Home Page (www.gfpt.co.th) under the “Corporate Governance” section.

Compliance to the Good Corporate Governance Policies in the year 2013

Chapter 1 Rights of Shareholders

1.1 Policy to protect the rights of shareholders

The Board values the rights of shareholders and encouraging shareholders to exercise their rights. It covers the basic rights of the shareholders by law namely the right to sell, buy, or transfer shares; the right to allocate the dividend equally; the right to receive sufficient information; the right to attend shareholders’ meetings; the right of shareholders to propose agenda; the right to vote at shareholders’ meeting to appoint and dismiss of directors; determine remuneration of directors; appointment of auditor and determine audit fee; and issues that affect the fundamentals of the Company, which include the articles of association, memorandum of associations and decrease or increase share capital and approve special items.

The board of director also determined the best practice for shareholders more than legal basic rights by providing the right to get significant information on a timely and sufficient basis such as the results of operations, analysis of its operations, the credit ranking or newsletter to shareholders, via the company’s Home Page and the Home Page of the Stock Exchange of Thailand that can be easily accessible and convenient.

In addition, the board of director will not act on any violation or deprivation of the rights of shareholders.



1.2 Shareholders' Meeting

The Company has scheduled its Annual General Meeting of Shareholders 1 time within 4 months after the fiscal year. If there is an urgent matter that relates to certain conditions, rules or applicable law that needs shareholders approval, the Company will call an Extraordinary General Meeting of Shareholders.

The Board has a policy to support and encourage all shareholders, including institutional shareholders attending the shareholders' meeting by requiring the invitation letter of Annual General Meeting of Shareholders to clarify on details about registration procedures and documents used to register for each type of shareholders including three types of proxy consisting of Form A, Form B and Form C and provide download channels for documentation of the meeting through the Company's Home Page at least 30 days before the meeting. The Company will facilitate the shareholders to exercise their rights to attend and vote at the meeting fully and will not take any action to limit the opportunity to access information of the Company.

The Company has complied with the law and the best practices of the AGM Checklist of the SEC. Also, considers the rights of shareholders and equitable treatment of shareholders by the principles of good corporate governance.

1.2.1 Proceedings before the Shareholders' Meeting

1) The Company has an opportunity for shareholders to propose agenda of the meeting and nominate qualified persons for appointment as a director. Shareholders can also send questions related to the agenda prior to the Annual General Meeting of Shareholders under the method identified by the board of directors. The information are disclose to shareholders thorough SEC's News and published on the Company's Home Page.

2) The Company has distributed the resolution of the board of directors including the date of the Annual General Meeting of Shareholders, the record date to attend the meeting and to receive dividends, the closing date of the share registration book and dividends payment to the shareholders on the same date of the board of directors' meeting through the news on Stock of Exchange.

3) The Company has prepared the notice to attend the Annual General Meeting of shareholders and related documents in both Thai and English language (for the convenience of foreign shareholders) with complete details, including information about the date / time / location of the meeting, meeting agenda by separate each item with a statement indicating the reasons and opinion of the board of directors, issues to take into consideration, proxy forms as set by the Ministry of Commerce, rules and procedures in attendance and the process of voting on each agenda.

4) To permit shareholders to have adequate time to study the information associated with the meeting, the Company announced the notice to shareholders and enclosures through the news of the Stock of Exchange and Company's Home Page at least 30 days before the meeting. The notice and enclosures, which is the same set that



was published on the Home Page, will be sent to the shareholders by registered mail 21 days in advance of the meeting date which over the time period prescribed by law. The notice of meeting advertised in the daily newspapers in the English version and Thai version for 3 consecutive days and 8 days before the meeting.

1.2.2 Conducted at the meeting of shareholders

- 1) The date, time and place of the meeting of shareholders are taking into account the convenience of the shareholders to attend the meeting by providing a place of sufficient size and can be easily accessible (accessible by public bus)
- 2) The Company invites shareholders to register for the meeting 2 hours before the meeting starts and organizes easy inspection system.
- 3) The Company encourages the use of the proxy form by shareholders who are unable to attend the meeting to appoint a person to attend the meeting and cast votes on their behalf. Shareholders may appoint one independent director or other persons as their proxy holder. The Company provides all proxies including Proxy Form A., Proxy Form B., and Proxy Form C (for custodian) together with the notice and also clearly indicates the evidence for proxy and directions. In addition, shareholders can download the proxy through the Company's Home Page.
- 4) The Company uses information technology (computer systems and bar code) and the ballot (every agenda) at the shareholders' meeting. IT was also use for the registration of shareholders; vote counting and; vote result for fast, accuracy, reliability of information.
- 5) The Company determined that the chairman, directors, chief executive officer, managing director, Chairman of various committees, the highest level of financial executives, and auditors attend the shareholders' meeting to answer questions on subjects related.
- 6) The Company has volunteers from the meeting of shareholders (independent parties) acting on behalf of the meeting to witness in counting or checking out the vote in the Annual General Meeting or the Extraordinary General Meeting of shareholders.
- 7) The Company provides voting for each item on the agenda such as the election of directors, the shareholders can vote each director individually.
- 8) The Company gives guidelines in conducting the meetings of shareholders. The process of casting vote includes the right to vote. Inform from the start, the right of shareholders to vote on a one share for one voice to shareholders meetings.



9) Chairman of the meeting allocate sufficient time and opens opportunity for the shareholders to independently comment and ask questions on matters relating to the agenda or related to the Company in the shareholders meeting.

10) The Company held clear and transparent the voting and disclosure of voting results in each agenda in the meeting of shareholders.

11) The Company will take no agenda other than that specified in the notice of meeting and no significant changes during the meeting.

1.2.3 After the shareholders' meeting

1) The Company published the resolutions of the shareholders' meeting and voting results of each agenda item through the Stock Exchange of Thailand and the Company's Home Page on the date of the Annual General Meeting.

2) The Company prepares minutes of shareholders that is accurate and complete for submission to the Stock Exchange of Thailand and on the Company's Home Page within 14 days from the date of the meeting.

3) The Company has published a recording with sound in the webcast separate by agenda to ensure transparency and verification.

The General Meeting of Shareholders for the year 2013, the Company has an opportunity for shareholders to propose agenda items and names in advance for 3 months before the end of the year during 1 October to 31 December 2012. And at the end of such period, there were no shareholders to propose agenda or candidates or submit questions in advance of the meeting.

The Company held the Annual General Meeting of Shareholders for the year 2013 on Friday, 5 April 2013 at 9:30 AM at GFPT Building, No. 312, Rama 2 Road, Kwang Bangmod, Khet Jomthong, Bangkok 10150. There were 221 shareholders attending the Meeting in person and by proxy, accounted for 789,859,258 shares representing 63.00% of the shares sold.

For the Annual Ordinary General Meeting of Shareholders for the year 2013, the Company has assessed the quality of the Annual Ordinary General Meeting of Shareholders (AGM Assessment) by Thai Investors Association with over 100 points in "excellent" level.

The Company also held the Extraordinary General Meeting of Shareholders No. 1/2013 on Thursday, 12 December 2013 at 9:30 AM at GFPT Building, No. 312, Rama 2 Road, Kwang Bangmod, Khet Jomthong, Bangkok 10150. There were 294 shareholders attending in person and by proxy accounting for 912,517,140 shares representing 72.78% of the shares sold.



Chapter 2 Equitable Treatment of Shareholders

The Company recognizes the importance to treat all shareholders equally and fairly both major and minor shareholders and no shareholder has any special privileges over other shareholders. By doing the following:

2.1 Measures to prevent the use of inside information

The Company has measures to prevent the use of inside information. The directors, management, employees and stakeholders will not allow the use of inside information to benefit themselves or others. The Company set up written data holding policies of inside information and the securities trading of the Company's directors, executives and employees in the Company's Code of Ethics that will be granted to directors, executives and employees on the job. It can be summarized as follows:

- Directors, management and employees at all levels must keep critical business information as well as the confidential information about the Company and the various stakeholders of the Company. The information will not be disclosed to those not involved, both inside and outside the Company, or to seek benefits for themselves and others in wrongful way. This also applies to the retirement, resignation or termination of work from the Company, unless the information is already required by law to disclose to third parties involved.
- The Company's regulations on the security of computer systems and information technology need to be very strict in order to prevent the important information being revealed in the case that directors, executives, employees of the Company use inside information.
- Third party with an opportunity to get involved or have inside information need to sign an agreement to keep the information confidential (Confidentiality Agreement) to ensure that they will take precautions to maintain the confidentiality of inside information in the same manner of the employees of the company.
- Disclosure of key business information must be made by authorized personnel of the Company. When unauthorized personnel were asked about the business information that he/she has no duty to disclose that information, it should be recommended to contact the authorize persons.
- The directors, management, employees and related persons (spouse and minor children) cannot use inside information that are undisclosed to public or Stock Exchange of Thailand. The information includes financial statements or other finformation that affect the share price of the Company.
- The directors, management, employees and related persons (spouse and minor children) who have inside information prohibit trading of securities of the Company during the period of 1 month before disclosing information to the public and within 24 hours after disclosure (Blackout Period).



- In the case that the director, executive or employee who have inside information breach the code of conduct or behave in a way that will damage the Company, they will be punished ranging from a warning to cutting wages, suspension without pay or termination.
- Directors and executives (as defined by the SEC and SET) and related persons (spouse and minor children) are required to report holdings of securities of the Company to the SEC under Section 59 of the Securities Exchange Act of B.E. 2535 within 3 days from the date of changing ownership. Also, the change in ownership will have to be notified to the Company Secretary to record the changes and summarize the securities held by each directors and executive officers individually. The changes will be informed to the Board of Directors in the next meeting and shall be disclosed in the annual report and Annual Registration Statement (Form 56-1).

For the year 2013, the Company has no events that directors, management, employees, and related persons traded in securities by using inside information.

2.2 Governance on the conflict of interest

The Company has established an important policy that the directors, executives, managers, and employees must not exploit their relationship with the Company for personal gain. For the best interest of the Company, the following guidelines regarding the conflict of interests are stipulated as follows:

2.2.1 Receiving Money or Other Remuneration

The Company's directors, executives, managers, and staff members at all levels shall not personally receive any money or benefits from the Company's customers or business partners, or from any other persons when working on behalf of the Company.

2.2.2 Giving Gifts, Entertainment and Gratuities

The Company has no policy on offering money, incentives or other special benefits to its business partners, suppliers, customers, creditors or any other person they are dealing with on behalf of the Company in order to influence, or in exchange for, business deals, except for providing normal business entertainment, trade discounts or promotional campaigns. Such practices could be applied as a basis for the anti-corruption policy of the Company.

2.2.3 Outside Directorships

In the case that the Company's director, executive, manager, or employee participates as a shareholder or the management of the Company's competitors, which may cause a conflict of interest, shall notify to the Board of Directors in writing except being the director of the non-profit organization. Being such the



directorship does not infringe on any related laws or regulations governing the business of the Company. In addition, the person involved shall not use his or her position in the Company to promote the business outside of the company.

2.2.4 Engaging in Other Business Outside of the Company and the Subsidiary Companies

Directors, executives, managers and staff members at all levels shall not engage in any other business that affects their performance, duties and working hours in the Company and are prohibited from participating in any other business which is in competition with the companies in the group, regardless of whether directly or indirectly benefiting from that business.

2.2.5 Engaging in Business with Companies within the group

The directors, executives, managers and employees, who may have a conflict of interest, shall disclose his or her relationship and relevant information about the transaction to the Company prior engaging in the connected transaction. No director, manager or employee, who may enter into connected transactions, participates in consideration or approval of the related transaction. The authorized person who acts on behalf of the Company shall investigate and review whether the Company's directors, executives, managers, or employees have any relationship and conflicts of interest on such transaction. The definition of relationship shall be in accordance with "the Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions" set by the Stock Exchange of Thailand and The Office of The Securities and Exchange Commission.

2.2.6 Related Transactions within the Group

In the event of a related transaction, all connected transactions will be submitted for consideration and approved by the Audit Committee and the Board of Directors, respectively, the Company will ensure that the transactions with related parties of the Company are in accordance with the conditions and procedures under the Notification of the Board of Governors of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC) and shall be dealt on a fair and arm's length basis and taking into account the Company's best interests. The stakeholders that will have conflict of interest will not approve or consider the transaction. The related transactions will be disclosed in the annual report and Annual Registration Statement (Form 56-1)



2.3 Conflict of interest of Directors

The Company has stipulated that the directors and management, including their related persons including spouse and minor children, must prepare and submit a report on interests, connected transactions and acquisition or disposal of assets to the Company in accordance with the regulations of the Capital Market Commission and the Stock Exchange of Thailand prior to the Board of Directors' or shareholders' approval. The directors at stake will not participate or vote on the agenda related to their own interests. The Company Secretary is responsible for collection and delivery of copies of the report on interests to the Chairman of the Board of Directors and Chairman of the Audit Committee within 7 working days from the date of the receipt of the report.

Chapter 3 Roles of Stakeholders

3.1 Policy on practice to the stakeholders

The Board of Directors commit on providing the stakeholders equal rights by law or as agreed with the Company by having a policy on practice to the stakeholders as follow:

Shareholders : The Company is committed to creating sustainable growth and returns to shareholders. Taking into account the current and future risks to achieve added value for our shareholders over the long term.

Employees : The Company is committed to treating employees fairly, respectfully, equitably, and professionally so that its employees will have a reasonable salary, personal career development, good quality of life, and safeguard at work and respecting the privacy rights of all employees.

Customers : The Company is committed to gain highest customer satisfaction through continuously improve product and service quality and to ensure that our customers shall get good quality products and services at reasonable prices. As well as to develop and maintain a sustainable relationship. It also provides a system for monitoring the implementation of the work that was provided to the customers.

Business Partners : The Company is committed to fair and equal treatment of its suppliers and business partners to establish mutual trust and provide monitoring systems that will not allow disclosure of the business partners' information and use it by illegal means. The Company also has transparent and fair selection process of suppliers.

Creditors : The Company intends to strictly comply with the terms of the contract and financial obligations especially in terms of guarantee and the event default payment.



Competitors : The Company is committed to comply with the international trade rules and promote fair competition. The Company shall not perform any illegal or unethical transaction. The Company shall not allege its competitors in disgrace without real information.

Communities, Social and Environment: The Company is committed to conduct business that benefits the economy, society and consciously preserved and protect the environment together with sustainable development of the Company. The Company promotes a spirit of social responsibility in its employees at all levels. The Company welcomes feedback and suggestions from all parts of society to achieve a common approach in the implementation of sustainable business alongside the development of community and society. In 2013, The environmental, social and community activities of the Company are shown in the Corporate Social Responsibility Report.

3.2 Whistle-Blowing Service

Board of Directors develop processes and provide a channel for receiving and dealing with complaints of stakeholders through various channels as follows:

Contact Independent Directors

Email : independentdirectors@gfpt.co.th

Facsimile : 0 2473 8398

Mail : Independent Directors

GFPT Public Company Limited

GFPT Tower, 18th Floor

No. 312 Rama 2 Road, Bangmod,

Jomthong, Bangkok 10150

Contact Board of Directors

Email : boardofdirectors@gfpt.co.th

Facsimile : 0 2473 8398

Mail : Directors

GFPT Public Company Limited

GFPT Tower, 18th Floor

No. 312 Rama 2 Road, Bangmod,

Jomthong, Bangkok 10150

Corporate Governance committee

Email : cgcommittee@gfpt.co.th

Facsimile : 0 2473 8398

Mail : Corporate Governance committee

GFPT Public Company Limited

GFPT Tower, 18th Floor

No. 312 Rama 2 Road, Bangmod,

Jomthong, Bangkok 10150

For employees, the Company has a process for dealing with complaints from the employees. The Company will consider which case is wrong and the level of the wrong conduct in order to impose a fair and accurate penalty for the offense itself. The employees can report complaints or feedback directly through the Company's email.

The Company discloses the process and channels on its Home Pages and annual reports to enhance the confidence of the person that report complaints, the Company strictly keeps all complaints confidential and the process of acceptance of the complaint or investigation procedures is set out. The information regarding complaints is accessible only to the persons assigned and involved. The management division will collect any complaint and present to the audit and risk management committees to consider.

In the year 2013, the Company did not receive a complaint of fraud or ethical misconduct or any case about negative reputation of the Company due to the administration of the Board of Directors and non-executive directors never resigned due to any mistake about corporate governance of the Company as well as any legal disputes concerning labor, consumer rights, and conducting trades.

Chapter 4 Disclosure and Transparency

4.1 Disclosure Policy

The Board of Directors discloses all important information relevant to the Company, both financial and non-financial, correctly, accurately, on a timely basis and transparently in accordance with "The Securities and Exchange Commission" (SEC) and "The Stock Exchange of Thailand" (SET) and other state agencies.

In the year 2013, the Company has complied with the principles of good corporate governance. No record of delayed sending report under section 56 for both forms 56-1 and form 56-2, including quarterly and yearly financial statements.



4.2 Channel Disclosure

The company provides a wide variety of channels to disseminate information so that users can equally access the information. The information is distributed both in Thailand and English language through the following channels:

- 1) SET's news
- 2) Annual Report and Annual Registration Statement (Form 56-1)
- 3) Company's Home Page (www.gfpt.co.th)

4.3 Information Disclosure Policy or Interview with the Press or Public

The Company has policy to provide information, advertise or public release in a clear and correct manner without misinterpretation with a focus to communicate complete, timely and fair understanding about the Company to all stakeholders.

4.4 Investor Relations Department

The Company established an IR (**Investor Relations**) as the representative of the Company and responsible for the information disclosure and any activities of the Company to its shareholders, investors, analysts and the general public. The channels include the Company's Home Page, announces of the quarterly results of operations, analysts meeting, conference call, road show in Thailand and abroad, etc. The Company has prepared the Management Discussion and Analysis (MD&A) on a quarterly basis to provide investors with information and understand the performance of the Company. Any information disclosure about the Company must be based on informations which are true, accurate and treated with caution. Anyone who does not get involved or assigned cannot provide information or interviews to the media or the public in any way which may affect the reputation and business operations of the Company.

Investors may contact Investor Relations by phone at 02 473 8000 or www.gfpt.co.th or email ir@gfpt.co.th .

In the year 2013, the Company had investor relations activities for the Company's information disclosures to investors continuously throughout the year and arranges an evaluation of the effectiveness of the information disclosure, which has been evaluated by analysts. The evaluation results are at a good level. Investor relations activities shall be summarized as follows:

Investor relations activities in the year 2013	No. of time
Analyst Meeting	4
Plant Visit	3
Roadshow	4
Local Roadshow	4
One on One Meeting	46



Chapter 5 Responsibilities of the Board of Directors

The Board of Directors has an important role in corporate governance that will most benefit the Company. The Company has established the following guidelines.

5.1 Structure of the Board of Directors

5.1.1 Component of the Board of Directors

- 1) The Board of Directors shall consist of at least 5 and not more than 12 people.
- 2) The Board of Directors shall consist of not less than one-half of the directors must be resident in the Kingdom of Thailand.
- 3) The Board of Directors shall consist of at least three independent directors and the proportion is not less than one-third of the entire Board of Directors (according to the rules set forth in the Notice No. TorJor. 4/2552).
- 4) The Board of Directors shall have various skills, experience and knowledge and capability that benefit the Company regardless of gender, racial, religious, age or other specific qualifications. At least three of the directors must have knowledge and expertise in the Company's business. At least one of the directors must be knowledgeable in law. At least one of the directors must be knowledgeable in accounting and finance. At least one independent director must have experience in the Company's industry.
- 5) The Chairman shall not hold office as President or members of sub-committees and not the same person as the Managing Director.

As of 31 December 2013, GFPT Public Company Limited has a total of 9 directors consisted of:

- Non-Executive Director 3 persons (representing 33.33% of the number of Board of Directors)
- Executive Committee of 3 persons (representing 33.33% of the number of Board of Directors)
- Independent directors of 3 persons (representing 33.33% of the number of Board of Directors)

5.1.2 The Qualifications and Criteria for Selection of Director

- 1) The qualifications for a director shall have and shall not possess qualities defined in section 68 of Public Limited Company Act B.E. 2535, section 89/3 of Securities and Exchange Act B.E. 2535 amended by Securities and Exchange Act (No.4) B.E. 2551, Notification of the Securities and Exchange Commission No. KorJor. 8/2553 concerning stipulation on distrustful characters of company's director and executive and the Company's Article of Association.



- 2) The Board of Director of the Company shall have the knowledge, skills and understanding of the nature of business and industry and also good reputation and ethics, honest and good moral principals.
- 3) Directors must not serve on more than 3 other boards of Thai listed public companies.
- 4) If the directors are appointed as directors or executives in other companies that are not subsidiaries or affiliates, shall report to the office for information.

5.1.3 The Qualifications of Independent Directors

The qualifications of Independent Directors of the Company shall be as prescribe in the Notification of the Capital Market Supervisory Board and other future amendments except for the percentage of shareholding that will be more strict than the SEC's definition of Independent Directors (SEC imposes a 1 percent).

- 1) Hold share in total not more than 0.5 percent of total voting share of GFPT or its subsidiaries or associated companies or related companies which may have conflict of interest which shall be inclusive of shares held by his/her related person.
- 2) Not participate in the management and not an employee or staff or an advisor receiving regular salary or have control over GFPT, its subsidiaries, associated companies, or related companies that may have conflict of interest both at present or prior to being nominated for at least 2 years.
- 3) Not being a related person by blood or legal registration, such as father, mother, spouse, sibling and child, Including spouse of the children with the executives, major shareholders, top management or any nominator to be executive or top management of GFPT or its subsidiaries.
- 4) Not having any business relationship with GFPT, its subsidiaries, associated companies, related companies or major shareholders who may have conflicts of interest, in the manner that may interfere with his/her independent judgment. In addition, he or she must not be a major shareholder or an executive officer of the Company that having business relationship with GFPT, its subsidiaries, associated companies, related companies at present and prior to be nominated for at least 2 years. The "business relationship" aforementioned includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, or grant or receipt of financial assistance in the amount of 3 percent or more of the net tangible assets of the Company or more than 20 million Baht which is lower. The transaction amount shall be calculated according to the calculation method for transaction value of connected transactions under the Notification of the Capital Market Advisory Board concerning the Connected Transaction. The transaction amount includes any amount incurred during 1 year prior to the date on which the business relationship with the person commences.



- 5) Not being an auditor of GFPT, its subsidiaries, associated companies, related companies or any juristic person who may have conflicts of interest and must not be a major shareholder (hold more than 10% of total shares including related persons), executive director, top management or partner of an audit firm which employs auditors of GFPT, its subsidiaries, its associated companies or a juristic person who may have conflicts of interest unless the foregoing relationship has ended for not less than 2 years.
- 6) Not being any professional advisor including legal advisor, financial advisor, or asset appraiser who receives an annual service fee exceeding 2 million Baht from GFPT, its subsidiaries, associated companies, related companies or any juristic person who may have conflicts of interest and must not be a major shareholder, executive director, top management or partner of the professional advisor unless the foregoing relationship has ended for not less than 2 years.
- 7) Must not be a director nominated to be a representative of major shareholder or a shareholder who is related to GFPT's major shareholder.
- 8) Must not participate in a company operating in the same business and being a competitor of GFPT or its subsidiaries. He or she must not be partner, executive director, employee, staff member, advisor who receives regular salary or hold share more than 1% of total voting share of the company operating in the same business and being a competitor of GFPT or its subsidiaries.
- 9) Must not have any characteristics that make him or her incapable of expressing independent opinions with regard to GFPT's business. However, after being nominated to be an independent director of GFPT, he or she may be assigned by the Board of Director to take part in the business decision of GFPT, its subsidiaries, its associated companies, same-level subsidiaries, major shareholder, top management or related companies which may have conflicts of interest on the condition of collective decision.

5.1.4 The Qualification of the Chairman

The Chairman should have the following qualifications

- 1) Be the senior member
- 2) Be knowledgeable and having a good understanding of the Company's business
- 3) Be accepted by the other directors

5.1.5 Term and Election of Director

One-third of the total number of members of the Board of Directors must retire by rotation at every annual ordinary general meeting of shareholders. The directors who have held office longest shall retire. If the number of directors to retire is not a multiple of three, the number of directors closest to one-third shall retire. However, any retiring director may be re-elected to continue his/her office.



For the appointment of Directors, anyone who has been proposed to be the directors must pass the process of nomination by the Nomination and Remuneration Committee, consisting of 3 independent directors out of 5 Nomination and Remuneration Committee. The Nomination and Remuneration Committee will propose a list of those who qualified to the Board of Directors in amount of not less than the amount of directors in replacement of those who complete their terms by rotation and the Board of Directors will propose to the Annual General Meeting for the appointment. The Company has proposed that shareholders can vote to appoint the Board of Directors individually. Anyone who receives the highest number of votes will be appointed as the Board of Directors. The amount of the nominated directors is equal to the number of directors to be elected at that time. In the case of anyone who receives the votes equally which exceed the number of directors to be elected at that time, The Chairman of the Meeting will receive additional vote as the decisive vote.

In case of the Board of Directors' seat is vacant for reasons other than retirement by rotation, the Board of Directors shall elect a person who is qualified and not prohibited by law to be a director unless the available term is less than two months. The term of the newly appointed directors will equal to the remaining term of the former director. The appointment must be approved by a majority vote of at least three-fourth of the remaining directors.

5.1.5 Segregation of duties and responsibilities between the Board of Directors and the Executives.

The Company has segregation of responsibilities between the board and executives clearly as follow:

- 1) The Board is responsible for setting policy and overseeing the operations of the executive in policy.
- 2) Executives are responsible for management of the company in various fields. The Chief Executive Office and other executives will lead the team to manage business in accordance with the policies that cover the following areas:
 - Manage and control the operations related to the general management of the company in order to meet the objectives, policies, rules and regulations of the company.
 - Consider investment plan in businesses and present it to the Executive Committee and Board of Directors for consideration and approval.
 - Have authority to bind the Company to the extent set out in the policies and regulations on “authorize approval”
 - Perform any tasks assigned by the Board of Directors and / or the resolution of the shareholders meeting of the Company.



Delegation of authority and responsibility to the Chief Executive Officer shall not authorize or mandate the Chief Executive Officer or attorney of the Chief Executive Officer to approve connected transactions or any transactions that may incur conflict of interest to the Company's group unless the approval is in accordance with the policies and regulations of the Board of Directors. The connected transactions will be submitted to the Board of Directors and/or the meeting of shareholders for approval as set out by the Stock Exchange of Thailand's or Office of the Securities and Exchanges Commission's regulations or other related laws.

5.1.6 Segregation of duties and responsibilities between the Chairman and Managing Director

The Company is clearly distinct the position of Chairman and position of Managing Director as follow:

1) Chairman

- The Chairman takes the role of leader for the Board to define the policies, the direction of business operations as well as support the management and sub-committees to perform the duties in accordance with the Company's plan and policies.
- Act as chairman of the Board of Directors' meeting and chairman of shareholders' meeting of the Company.
- Cast vote in the event that the votes in the Board of Directors' meeting are equally divided (no majority vote).

2) The Managing Director is responsible to implement the Board of Directors' policies.

Therefore, the Chairman and Managing Director is not the same person. In order to select the most suitable persons for the two positions, it must be appointed by the Board of Directors.

5.2 Roles, Duties and Responsibilities of the Board of Directors

Roles, Duties and responsibilities of the Board shall cover the following:

- 1) Perform duties in compliance with the laws, objectives and regulations provided by the Company and take action according to the resolutions of the shareholders' meeting with loyalty, care, accountability and ethically and most beneficial to the Company based on the Principle of Good Corporate Governance, taking into account the interests of all shareholders equally.
- 2) Consider and approve matters relating to the operations of the company, such as vision, mission, strategies, goals, business plans, financial plans and funding, risks, plans and budgets etc.
- 3) Give direction of business operations of the Company including funding, capital management, risk management and governance.
- 4) Monitor the management to effectively and efficiently implement the plan and policies.



- 5) Consider and approve important matters such as approving the credit line from the financial institutions, borrowing, pledging, new investment project, sale and purchase of assets, inter-transaction, and any conflicts of interest between the Company and the subsidiary companies to be in accordance with the regulations of the Office of the Securities and Exchange Commission (SEC), and Stock Exchange of Thailand (SET), and laws and regulations of the Company.
- 6) Approve financial statements prior to submission to the Stock Exchange of Thailand.
- 7) Set up reliable accounting system and financial reports.
- 8) Set up adequate and effective internal control system and risk management, both operational and financial reporting that can be assessed, monitor and manage significant risks.
- 9) Supervise the disclosure of financial reporting and other important information in a correct, timely and transparent manner and set up a channel of communication properly for each group of shareholders and stakeholders of the Company.
- 10) Consider and appoint sub-committee such as the Audit and Risk Management Committee, the Nomination and Remuneration Committee, Corporate Governance and Business Ethics Committee, Executive Committee, management, define the segregation of duties and responsibilities of other sub-committees. The sub-committees will assist the Board of Directors in governing the Company's business to achieve the Company's objectives. The members of the sub-committee mainly consist of independent directors.
- 11) Assess the Company's compliance to the Good Corporate Governance policy and consistently review such policy.
- 12) Provide succession plan and human resource development plan for employee, directors and executives.
- 13) Define and amend the list of authorized directors.
- 14) Authorize one or more directors, or any other persons, to take any action on their behalf within the authority approved by the Board of Directors and clearly define the authority of the authorized person.

5.3 Sub-Committees

The Company has set up sub-committees to assist in the study and screening of relevant issues requiring fair judgment and has defined the scope, authority and responsibility of each committee. The majority members of each committee must be independent directors and the Chairman of the committee should be an independent director.



At present, GFPT has the following sub-committees:

- 1) Audit and Risk Management Committee
- 2) Nomination and Remuneration Committee
- 3) Corporate governance Committee

5.3.1 Audit and Risk Management Committee

Structure and Qualifications

- 1) The Board of Directors has appointed the Audit and Risk Management Committee.
- 2) The Audit and Risk Management Committee consists of 3 independent directors, at least one person must be knowledgeable in accounting and finance.
- 3) The Board of Directors will appoint one independent director as Chairman of the Audit and Risk Management Committee.
- 4) The Audit and Risk Management Committee can appoint an employee to act as Secretary of the Audit and Risk Management Committee.

Term of office

- 1) The Audit and Risk Management Committee has term of office of 3 years. The members of the Audit and Risk Management Committee, whom retired from office by rotation, may be appointed by the Board of Directors for another term.
- 2) The Audit and Risk Management Committee shall hold office for a period equal to the tenure of directors. The term of office will end at the Annual General Meeting of Shareholders, same as the term of being a director.
- 3) If the Audit and Risk Management Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibit by law to become a Member of Audit and Risk Management Committee. The term of the newly Member of Audit and Risk Management Committee will equal to the remaining term of the former director.

The Audit and Risk Management Committee has the following duties and responsibilities:

Financial reporting, disclosure and auditing

- 1) Review the Company's financial reports to be accurate, complete, and reliable. The financial reporting and disclosures should be prepared in accordance with the accounting standards, laws and other standards.



- 2) Consider the disclosure of the Company in case of the related transactions or the conflict of interest to be accurate, complete, and in accordance with the regulations of Stock Exchange of Thailand (SET) to ensure that the aforementioned are reasonable to the Company and correctly maintain accounting records to be complete and transparent.
- 3) Prepare and publish an Audit and Risk Management Committee Report in the Company's Annual Report and give opinion on the following:
 - An opinion on the accuracy, completeness and creditability of the Company's financial report.
 - An opinion on the adequacy of the Company's internal control system and risk management system.
 - An opinion on the suitability of an auditor.
 - Comment about compliance with the law on securities and exchange, the Exchange Act, regulations or laws relating to the Company's business.
 - Comment on the transactions that may have potential conflicts of interest and related party transactions.
 - Comment or make observations under the Charter.
 - Comment about other transactions that shareholders and investors should be aware under the scope of duties and responsibilities assigned by the Board of Directors.
- 4) Consider, select and nominate an independent auditor to serve the company including the proposed of dismissal of the auditor.
- 5) Consider the remuneration of the auditors of the Company.
- 6) Promote independence and provide comments on the suitability of an auditor.

Internal audit

- 1) Review the Company's internal control system and internal audit to be adequate and effective.
- 2) Supervise the internal audit department in both policy and operational level by approving a charter, independence and the scope and audit plan of the internal audit.
- 3) Provide review of internal control system by an independent assessor from outside the organization (Independent Quality Assessment Review) at least every 5 years.
- 4) Approve the annual internal audit plan and budget for the internal audit process toward efficiency and effectiveness of activities.
- 5) Select the appropriate person to work for auditors including consideration of rotation, dismissal of the internal auditor.

**Risk Management**

- 1) Propose risk management policy and guideline to cover risks that may affect the Company's business such as price risk, market risk, exchange rate risk, liquidity risk, and operational risk to the Board of Directors for consideration.
- 2) Monitor, audit, and evaluate the risk management according to the risk management policy
- 3) Review the adequacy and efficiency of the policy and risk management system as a whole.
- 4) Review and revise risk management manual to be up-to-date and appropriate for the business environment and propose to the Board of Directors for approval annually.

Others

- 1) Review and amend the Charter of the Audit and Risk Management Committee to be up-to-date and appropriate to the environment of the organization and propose to the Board of Directors for approval.
- 2) Review the Company's compliance with the law on securities and exchange, the regulations of the Stock Exchange, and laws relating to the Company's business.
- 3) Perform any other duties as assigned by the Board of Directors.
- 4) Conduct meeting at least 4 times a year.

5.3.2 Nomination and Remuneration Committee**Structure and Qualifications**

- 1) The Board of Directors appointed the Nomination and Remuneration Committee
- 2) The Nomination and Remuneration Committee consisting of not less than 5 members and at least 3 members must be independent directors.
- 3) The Board of Directors will appoint one independent director as Chairman of the Nomination and Remuneration Committee
- 4) The Nomination and Remuneration Committee of the Company can appoint an employee to act as Secretary of the Nomination and Remuneration Committee.

Term of office

- 1) The Nomination and Remuneration Committee has term of office of 3 years. The members of the Nomination and Remuneration Committee, whom retired from office by rotation, may be appointed by the Board of Directors for another term.



- 2) The Nomination and Remuneration Committee shall hold office for a period equal to the tenure of directors. The term of office will end at the Annual General Meeting of Shareholders, same as the term of being a director.
- 3) If the Nomination and Remuneration Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibit by law to become a Member of Nomination and Remuneration Committee. The term of the newly Member of the Nomination and Remuneration Committee will equal to the remaining term of the former director.

The Nomination and Remuneration Committee have the following duties and responsibilities:

- 1) Review the organization structure to be appropriate to the strategic needs of the company.
- 2) Establish rules and procedures for recruitment and selection to the position of director, member of the sub-committees, president and the executive and company secretary to propose to the Board of Directors or shareholders for approval.
- 3) Review, select and screen names and profiles of those to be nominated as directors, member of committees, president and the executive and company secretary in the event of a position vacancy and propose to the Board of Directors for approval.
- 4) Disclosure policies and details of the recruitment process in the annual report of the Company.
- 5) Set out clear and transparent criteria and policy of the remuneration package for the directors, sub-committees, and executives to propose to Board of Directors and/or the shareholder meeting for approval.
- 6) Recommend appropriate remuneration of the Board of Directors, sub-committee and management as compare to their duties and responsibilities.
- 7) Disclose remuneration policy and the various type of remuneration in the Annual Report of the Company.
- 8) Propose the criteria of succession of executive's position for further consideration by the Board of Directors.
- 9) Prepare succession plan and continuity management right for the position of Chief Executive Officer, Managing Director, Authorized Management, and high level executives and propose to the Board of Directors for approval.



- 10) Determine criteria for evaluating the performance of the Board of Directors annually and report to the Board of Directors.
- 11) Conduct annual performance evaluation of the Board of Directors and Chief Executive Officer and report to Board of Directors.
- 12) Provide an annually self-assessment evaluation of the performance of duties of the Nomination and Remuneration Committee and report to the Board of Directors.
- 13) Any other action with respect to the nomination and remuneration assign by the Board of Directors.
- 14) Conduct meeting at least 2 times a year.

5.3.3 Corporate Governance Committee

Structure and Qualifications

- 1) The Board appointed the Corporate Governance Committee
- 2) The Corporate Governance Committee consisting of 7 members and at least 3 members must be director of the Company and at least 2 members from employees.
- 3) The Board of Directors will appoint one independent director as Chairman of the Corporate Governance Committee. The Corporate Governance Committee of the Company can appoint an employee to act as Secretary of the Corporate Governance Committee.

Term of Office

- 1) The Corporate Governance Committee has term of service of 3 years. The members of the Corporate Governance Committee, whom retired from office by rotation, may be appointed by the Board of Directors for another term.
- 2) The Corporate Governance Committee shall hold office for a period equal to the tenure of directors. The term of office will end at the Annual General Meeting of Shareholders, same as the term of being a director.
- 3) If the Corporate Governance Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibit by law to become a Member of Corporate Governance Committee. The term of the newly Member of the Corporate Governance Committee will equal to the remaining term of the former director.



The Corporate Governance Committee has the following duties and responsibilities:

Corporate Governance

- 1) Set the policy and direction of the Corporate Governance and propose to the Board of Directors for approval.
- 2) Regulate advice and monitor compliance with the Company's Corporate Governance Policy and Code of Conduct and related laws.
- 3) Consistently review and improve corporate governance policies to be more appropriate.
- 4) Recommend corporate governance requirements of the business to directors, management and employees.
- 5) Promote information about the corporate governance policies and best practices for employees in the Company.
- 6) Annually issue report on the corporate governance of the Company.

Business Ethics

- 1) Prepare code of business ethics handbook and propose to the Board of Directors for approval.
- 2) Regulate, advice and monitor the compliance with the Company's code of business ethics and related laws.
- 3) Regularly review and update code of business ethics handbook to be more appropriate.
- 4) Recommend the code of business ethics requirements to directors, management and employees.
- 5) Accept complaints on actions that may violate business ethics and conduct investigation to clarify facts, questions, and interpretations of suspicious cases.
- 6) Create awareness and train employees to understand business ethics and promote employees to practice and follow the code of business ethics.
- 7) Annually issue report on the Company's business ethics to the Board of Directors for information. In the case of significant matters that may affect the Company, Corporate Governance and Business Ethics Committee will comment on the practice and suggest appropriate action.



5.4 Board of Directors' Meeting

5.4.1 Attendance of the Meeting

The Board of Directors shall have regular meetings every month. The meeting schedule is set out in advance since January of each year and designated to be last Thursday of each month (not less than 6 times per year). The Company Secretary shall notify each director of the schedule and agenda in advance. However, the schedule of meetings can be changed based on the significance of the agenda items to be considered.

The Company will submit reports on operational performance to the Board of Directors if no meeting was held in that month. The Board of Director, therefore, can consistently and timely monitor, administer and supervise the operation of the management.

Annual Report



For the year 2013, the directors attended the meetings are as follow:

	Name	Position	Meetings in the 2013				
			Board of Directors	Audit and Risk Management Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Shareholders Meeting (Ordinary and Extraordinary)
			Total 11 times	Total 4 times	Total 2 times	Total 2 times	Total 2 times
1	Mr. Prasit Sirimongkolkasem	- Chairman	11/11	-	-	-	2/2
2	Mr. Virach Sirimongkolkasem	- Vice Chairman - Managing Director	11/11	-	-	-	2/2
3	Dr. Anan Sirimongkolkasem	- Chairman of Executive Committee - Deputy Managing Director - Member of Nomination and Remuneration Committee - Member of Corporate Governance Committee	11/11	-	2/2	2/2	2/2
4	Dr. Sathit Karanes	- Independent Director - Chairman of Audit and Risk Management Committee - Chairman of Nomination and Remuneration Committee - Chairman of Corporate Governance Committee	11/11	4/4	2/2	2/2	2/2
5	Mr. Paramet Hetrakul	- Independent Director - Member of Audit and Risk Management Committee - Member of Nomination and Remuneration Committee	11/11	3/4	2/2	-	2/2
6	Mr. Thanathip Pichedvanichok	- Independent Director - Member of Audit and Risk Management Committee - Member of Nomination and Remuneration Committee	11/11	4/4	2/2	-	2/2
7	Mrs. Somsiri Ingpochai	- Executive Director	11/11	-	-	-	2/2
8	Ms. Wannee Sirimongkolkasem	- Director	11/11	-	-	-	2/2
9	Mr. Sujin Sirimongkolkasem	- Director - Member of Nomination and Remuneration Committee - Member of Corporate Governance Committee	11/11	-	2/2	2/2	2/2



5.4.2 Meeting Agenda

The chairman, chairman of executive committee and managing director will together determine the agenda to ensure that all significant matters are included. The directors have the opportunity to freely propose agendas that will benefit the Company.

5.4.3 Meeting Documents

The Board of Directors assigns the Company Secretary to prepare and send the Board documents to directors so that they will have enough time to study and consider the issues on the agenda at least 5 working days before the meeting.

5.4.4 The Meeting

The Chairman will allocate enough time to consider the issues in each agenda of the meeting.

5.4.5 Invite management to attend the Meeting

The senior executives shall be invited to attend the Board's meetings to provide additional insights into the agenda items being discussed because of their personal involvement in these areas and gives opportunity to the management to know the Board of Directors.

5.4.6 Access to Information

The Board of Directors will have access to additional necessary information from the Managing Director, the Company Secretary and any other assigned executive management within the scope of the policy and, if necessary, independent opinion from external consultants or specialists can be provided at the cost of the Company.

5.4.7 Meeting with Non-Executive Directors

The Board of Directors encourages non-executive directors to independently meet and discuss interested matters among themselves without the management participation. The results of the meeting should be notified to the Managing Director (not less than 3 times per year).

5.5 Remuneration of the Board of Directors and Executives

5.5.1 Remuneration for Directors

The Board of Directors has delegated to the Nomination and Remuneration Committee for considering the appropriateness of the directors' remuneration for each year. Then, the directors' remuneration shall be proposed to the Board for Directors and the General Meeting of Shareholders for final approval.



The Nomination and Remuneration Committee determines the remuneration policies and guidelines comparable to the practices of industry, experience, duties and accountability and responsibilities of the role, fair and in accordance with the result of operations.

The Nomination and Remuneration Committee consider director's remuneration by conducted remuneration survey to assess reasonableness and compatibility.

As of December 31, 2013, the total remuneration for 9 persons is 4,225,000 baht in the form of monthly remuneration and bonus in compliance with the approval of the shareholder's meeting. In addition, some directors received remuneration from subsidiaries of the Company in total amount of THB 0.52 million. The details of monetary remuneration of each director are shown as follow:

Unit: Baht

No.	Name-Surname	Remuneration		
		Director and Independent Director of GFPT	Director of Subsidiaries	Total
1.	Mr. Prasit Sirimongkolkasem	520,000	130,000	650,000
2.	Mr. Virach Sirimongkolkasem	455,000	130,000	585,000
3.	Dr. Anan Sirimongkolkasem	455,000	130,000	585,000
4.	Dr. Sathit Karanes	520,000	-	520,000
5.	Mr. Paramet Hetrakul	455,000	-	455,000
6.	Mr. Thanathip Pichedvanichok	455,000	-	455,000
7.	Mrs. Somsiri Ingpochai	455,000	130,000	585,000
8.	Ms. Wannee Sirimongkolkasem	455,000	-	455,000
9.	Mr. Sujin Sirimongkolkasem	455,000	-	455,000

5.5.2 Remuneration for Executives

The Board of Directors has delegate the Nomination and Remuneration Committee to be responsible for considering the appropriateness of executive compensation each year and propose to the Board of Directors for consideration and approval in determining reasonable compensation as compared to experience, roles and responsibilities of the scope of work. Under the transparent criterias, the remuneration for executives should be consistent with the results of operations of the Company, individual performance and comparable to the agricultural and food industry and the leading companies in Thailand.



As of December 31, 2013, the Company had 10 executives and paid 32,436,122 baht for salary, bonus, and other remuneration (excluding accounting manager).

5.6 Performance Evaluation of the Board of Directors and the Chairman of Executive Committee

The Nomination and Remuneration Committee set up evaluation of the Board of Directors and Chief Executive Officer at least once a year and the disclose criterias, procedures, and result of the evaluation in the annual report.

5.6.1 Performance Evaluation of the Board of Directors

Criteria

The Nomination and Remuneration Committee provide annual performance evaluation of the Board of Directors at least 1 time per year based on the self-assessment guideline provided by the Stock Exchange of Thailand and adapt it to fit the Company's structure. The self-assessment serves as a framework to monitor the performance of the duties of the Board of Directors, promote collaborative consideration of the operational results and problems, create good corporate governance and disclose criterias, procedures, and evaluation result in the annual report.

Criteria in performance evaluation of the Board of Directors are as follow:

- 1) Structure and qualifications of the Board
- 2) Roles and responsibility of the Board
- 3) Meeting of the Board
- 4) Act of duties of directors
- 5) Relationship with the management
- 6) Self-development of directors and development of executives
- 7) Thai Institute of Directors' assessment of the Corporate Governance of listed companies

Procedures

The Board of Directors shall arrange the annual performance evaluation of the Board of Directors in January of each year to evaluate the previous year operation. The Company Secretary will distribute the evaluation form to each director and present it to the Nomination and Remuneration Committee and propose it to the Board of Directors to consider. As for the recommendations on the performance evaluation, the Company will use it to improve effectiveness of the Board's operation and maximize the benefits of corporate governance.



On January 30, 2013, the Committee held an annual evaluation of the operation of the Board both on a collective and individual basis. The result has reached to the satisfactory level based on an assessment of the Stock Exchange of Thailand. The result and recommendations are presented to the Corporate Governance and Business Ethics Committee and Board of Directors to enhance the work of the Board.

5.6.2 Performance evaluation of the sub-committee

Criteria

The Board of Directors provides annual evaluation of the performance of the Chief Executive Officer at least 1 time per year on leadership, roles and responsibilities, policy and practice, Board meeting, management and relationships with those involved.

Procedures

The Company has annually evaluated the performance of each of the committees in January of each year to evaluate the previous year operation. The Company Secretary will distribute the evaluation form to Chief Executive Officer to evaluate the performance of each sub-committee and present it to the Board of Directors to consider.

5.6.3 Performance evaluation of the Chief Executive Officer

Criteria

The Board of Directors provides annual evaluation of the performance of the Chief Executive Officer at least 1 time per year on leadership, set up and implementation of strategy, planning and financial result, relationship with the Board of Directors, relationship with outsiders, operational management and relationship with employees, succession plan, knowledge on product and service, risk management and internal control, corporate governance and business ethics, personal characteristics based on the assessment guideline provided by the Stock Exchange of Thailand.

Procedures

The Company has annually evaluated the performance of Chief Executive Officer in January of each year to evaluate the previous year operation. The Company Secretary will distribute the evaluation form to independent directors or non-executive directors or Nomination and Remuneration Committee to evaluate the performance and present it to the Board of Directors to consider.



5.7 Development of Directors and Executives

5.7.1 Orientation

The orientation will be held every time new director is being appointed. This orientation will include Director's Handbook and other useful information in being a director. The Company has assigned the Company Secretary to make orientation for new directors to be informed of their duties and responsibilities as director. This orientation will include presentations by senior management on the Company's information about business operations.

5.7.2 Succession Plan and Knowledge Development

- 1) The Board of Directors has determined that management is responsible for the development of succession plan for the Company's uninterrupted operation in case of the executives cannot work as usual.
- 2) Chief Executive Officer is responsible to regularly report to the Board of Directors on the succession plan to ensure that the Company has a good human resource management for any level of management.
- 3) The Board of Directors has encouraged the training and provision of knowledge for directors, Audit and Risk Management Committee members, company secretary, and senior executives about corporate governance principle, duties, and knowledge development to allow on-going improvement of performance of duties and enhance efficiency.

5.8 Internal Audit Department

The Board of Directors established the internal audit department that directly reports to the Audit and Risk Management Committee. The internal audit activities include administrative and operational activities of the business. The internal audit department and the auditor will attend meeting of at least 4 times with the Audit and Risk Management Committee.

The Audit and Risk Management Committee has appointed Mr. Theerasak Piamsuphakphong to be as director of internal audit department. The duties and responsibilities are as follows:

- 1) Report on the review of internal control system and related transactions of the Company.
- 2) Consider the nomination and appointment of the auditors and qualified through the approval of SEC.
- 3) Review financial reports.
- 4) Oversee compliance with regulations and company policies.
- 5) Prepare both short and long term internal audit plan.



- 6) Control of internal audit to ensure compliance with the audit plans and standards.
- 7) Review the internal audit plan.
- 8) Prepare and review the annual budget of the internal audit.
- 9) Training and Development Agency audit.
- 10) Perform other tasks as assigned.

Note: Information of Internal Audit Director is shown in Attachment 3

5.9 The Company Secretary

The Board of Directors has appointed Ms. Jutamas Ingpochai as the Company Secretary on 16 October 2008, under Section 89/15 of the Act. Securities and Exchange Commission Securities and Exchange Act B.E. 2535 amended by Act No. 4 in B.E. 2551. Ms. Jutamas Ingpochai graduated with a doctoral degree in business management and participated in training courses regarding Company Secretary Role such as Company Secretary Program and Fundamental Practice for Company Secretary. The roles and responsibility include:

- 1) Provide necessary basic advice to the directors on memorandum of association, laws and rules and regulations of the relevant authorities
- 2) Arrange and coordinate the Board of Directors' meeting, sub-committees' meeting and the shareholders' meeting in accordance with the objective, memorandum of association, Board's resolution, Shareholders' resolution and other rules and regulations.
- 3) Prepare minutes of the shareholders' meeting and the board of directors' meeting and monitor the implementation of the resolutions.
- 4) Prepare and file documents, including the directors register, notice of the meeting and minute of the board of directors / shareholders and the Annual Report of the Company.
- 5) Retain report on conflict of interest that prepared by the directors and executives and report to the Chairman and Chairman of the Audit and Risk Management Committee within 7 days from the receipt date.
- 6) Ensure that the disclosure and reporting information to the regulatory agencies comply with laws and regulations.
- 7) Provide training and necessary information to the newly appointed directors.
- 8) Provide advice and coordinate with the secretary of the various committees.
- 9) Perform other duties as assigned by the Capital Market Supervisory Board or the Board of Directors.

Note: Information of the Company Secretary is shown in Attachment 1

**Fee of the auditor**

In the fiscal year 2013, The auditor of the Company and the subsidiaries is Mr. Ampol Chamnongwat, CPA No. 4663 from Sam Nak – Ngan A.M.C. Company Limited.

The Audit Fee in the fiscal year 2013 was as follows:

1. Audit fee

The Company and the subsidiaries paid the total fee 2,480,000.00 Baht

The Company's audit fee	in the amount of	805,000.00	Baht
The 5 subsidiaries' audit fee	in the amount of	1,675,000.00	Baht

2. Non-audited fee

-None-



10. Corporate Social Responsibility Report

GFPT disclosed this Corporate Social Responsibility Report (CSR Report) as an integrated annual report. The information in this report covers our social responsibility activities relevant to our communities, societies, and environment during the period of 1 January 2013 – 31 December 2013.

This CSR Report is prepared according to the SEC's Guidelines for Social Responsibility (B.E. 2555).

GFPT is planning to prepare and upgrade this report to the Sustainability Report to convey information on our operations and activities on various dimensions, including economic, social, environmental, and governance performance. The information will be clearly and timely disclosed in accordance to the framework of Global Reporting Initiative (GRI) in order to generate sustained value of the Company and to build confidence of all stakeholders.

Ethical and Fair Business Practice

Policy on Ethical and Fair Business Practice

The Company has established guidelines practice of its stakeholders in the Company's Code of Conduct in regard to the stakeholders' responsibility including shareholders, employees, contractors, customers, suppliers, communities, and the environment. We also promote free competition. The Company shall avoid any activity that relates to conflict of interest, violation of intellectual property, and all kinds of corruption. We promote social responsibility at every step of our production chain. (Details can be found in the Company's Code of Conduct)

Business Policies

The Company sets business policy to be the leader of the integrated further production of livestock and agriculture. The Company undertakes to provide food safety products and traceability. The Company is committed to operating the business with environmental friendliness and contributing to society.

Corporate Governance Policy

The Company recognizes the importance of the good corporate governance and believes that good management system, the board of directors and executives with vision and responsibility, the control mechanism and the balance of power for the transparent administration, accountable, respect the equality of shareholders, and responsible to stakeholders shall be an important factor to add value and maximize returns to shareholders of the Company in the long run.



Corporate Social Responsibility Policy

The Company sets the Corporate Social Responsibility Policy (CSR) under the ethical principles to be fair for all stakeholders and apply the principle of good corporate governance practices to maintain the stability of the community, social and economic environment that led to the development of sustainable business success.

Business Ethics Policy

The Company follows principle to operate business with honesty, integrity and ethics, including compliance with the laws, rules and regulations by equally taking into account the rights of stakeholders such as the shareholders, employees, customers, suppliers, creditors, competitors, community, society and the environment. The Company defines and encourages business ethics to the directors, management and employees in the Code of Business Ethics.

Management and Maintain Business Ethics

- Directors, management and employees should understand and strictly follow a code of business ethics, if found to have violated or acted upon on the contrary to the company's business ethics, appropriate process will be considered. In the event that such action is contrary to regulations and Memorandum of Association, the Company will consider appropriate punishment or penalty to the case.
- Directors, management and employees have signed acknowledgment of business ethics once employed and when changes are made.
- Managers and supervisors have to be role model in practicing business ethics and responsible for monitoring and encouraging subordinates to follow the business ethics.
- Corporate Governance and Business Ethics Committee has been appointed by the Board of Directors and is responsible for reviewing the Business Ethics Handbook to be in accordance with the Company's business, laws and regulations. Corporate Governance and Business Ethics Committee must arrange a meeting at least 2 times per year and reports to the Board of Directors.

Report on non-compliance of business ethics

- Directors, management and employees have obligation to report conduct that may violate the Code of Business Ethics. If witness, pressured or forced to act in contrary to the business ethics, report to the supervisor or the executive or Corporate Governance and Business Ethics Committee ethics case
- The company has a policy to maintain confidentiality and protect those who report, the whistle blower will not be punished if it is good intention.

**Compliance with laws, rules and regulation policy**

The Company emphasizes on compliance to laws and regulations that follows the international business ethics. The directors, management and employees must perform within the framework of laws, rules and regulations and will not participate in any action that will violate the law, rules or regulations.

In 2013, the Company has not found guilty or not done any violation on the laws, the public company laws, the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand.

Intellectual Property or Copyright Policy

The Company has policy to comply with applicable laws or regulations relating to intellectual property rights, including patent, copyright, trademark, trade secret and other aspects of intellectual property law, such as the use copyright computer software. All computer software must be audited and installed by the Information Technology Department. Encourage employees to review their work or information that will not infringe the intellectual property of others.

Safeguarding of Assets Policy

Assets of the Company include tangible and intangible assets i.e. movable properties, properties, technology, production formula, rights, patent, copyright and confidential information such as business plan, financial forecast and personnel information.

Directors, management and employees at all levels shall have responsibilities for safeguarding, maintaining and maximizing the use of property and fixed assets that belong to the Company in the best interests of the Company and not for their own or other's benefits.

No director, manager or employee may disclose material inside information to the public or gain benefit from the Company's confidential information.

Resources Utilization Policy

The Company encourages directors, management and employees at all levels in the organization to use resources efficiently and maximize efficiency and effectiveness. The Company communicates, educates, supports, and creates awareness to employees and related parties to fully utilize and manage the resources for the benefit of the Company.



Anti-corruption

Anti-corruption Policy

The Company has policy prohibits directors and employees of the Company to accept corrupt in any form, either directly or indirectly, which covers all businesses in every countries and all agencies involved. The Company consistently monitors the compliance with policies against corruption, revise guidelines and regulations in the business operation in order to comply with the changing regulations and the requirements of the law by the Audit and Risk Management Committee and the Board of Directors annually. The framework is as follows:

- The Company will assess the risks associated with corruption and make recommendations to employees and directors in the business in the fight against corruption.
- The Company prohibits bribery in all its forms in all activities under the control and monitoring to ensure that donations to charities, raising funds, gifts, entertainment and other expenses are transparent and will not be for the purpose of attempting to bribe whether with a public or private organization.
- The company has published its policy in the Code of Business Ethics as guideline for the director, management and employees to follow and stated the penalty if violated.
- The Company provides training to our employees to know about the policies and practices against fraud, as well as promoting moral, honesty, responsibility and their obligations to conduct business according to business ethics.

In 2013, the Company has no issue or deficiency in relation to the litigation charges involving anti-competition, discredit, monopoly trading, discrimination, and corruption. The Company has no fine or non-monetary penalty due to the illegal action, not comply with the applicable law, or violation of business ethics.



Human Rights

Human Rights Policy

The Company has a policy to support and respect the protection of the human rights. The business of the Company will not be involved with forced labor or child labor, fair treatment to all stakeholders on the common practical principles by taking into the consideration human dignity, non-discrimination, equal treatment without prejudice regardless of their origin, ethnic, gender, age, color, religion, disability or family status. Promote human rights compliance within the Company and subsidiaries and among its joint venture partners, suppliers and all stakeholders based on international standards. Protect the rights of stakeholders that have been violated by the Company's business operations and compensate at a minimum rate of not less than the rate specified by law.

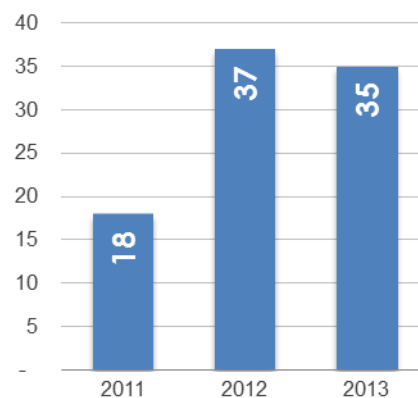
Employment of Disabilities Policy

The Company recognizes to improve the quality of life of people with disabilities. Encourage disabilities to have the opportunity to earn income, self-reliance and reduce the burden on families and society, as well as, encouraging people with disabilities, especially for the working age group, to be a part in strengthening their own family's financial status and the country's economy. According to the Persons with Disabilities Empowerment Act B.E. 2550 that aims to promote and improve the lives of people with disabilities includes provisions to adopt measures concerning the promotion and protection of the employment of the disabled.

In 2013, the Company has employed 35 people with disabled workers in accordance with the legal requirement of 1:100 ratios of disabled workers to normal workers re: The Persons with Disabilities Empowerment Act B.E. 2550 section 35. The Company provides several job functions for disable workers in 14 retail shops inside the factory.

Employing disabled people

(person)





Workforce Equality and Fairness

GFPT sets employment policy and practice toward equality and fairness to its employees at all level including remuneration, transfer of employee, training, skill development, career advancement, promotion, wellness, health, safety, and labor protection. We set up a Labor Relations unit to responsible for planning, monitoring, and evaluating labor relations activities and also coordinating with other relevant departments.

Labor Relations Policy

The Company is committed to treat its employees equally, to provide decent working conditions, to offer appropriate benefits, and to provide fair treatment to its employees at all level. Supervisors must be good role model and dependable to its subordinates. The Company also promotes employee engagement activity to establish good relationships.

Employees' compensation and benefit policy

The Company has a policy of paying fair compensation as well as strengthens the vocational and career advancement opportunities; provide welfare for employees as required by law, such as Social Security and apart from the law, such as the health and accident insurance to employees in the sales, information technology department and employees working in other provinces. Provide other support including uniform for employees, financial aid, such as support for the funeral of staff's parents and education scholarships for employees' children.

Human resources training and development policy

The Company has a policy of promoting human resources development by supports staff to develop in various areas including expertise, capabilities, positive attitude, moral values, business ethics and teamwork through training, seminars or study trips. The Company focuses to promote the employees from within the organization and assess their performance regularly. This is considered to be an important factor for strong business expansion.

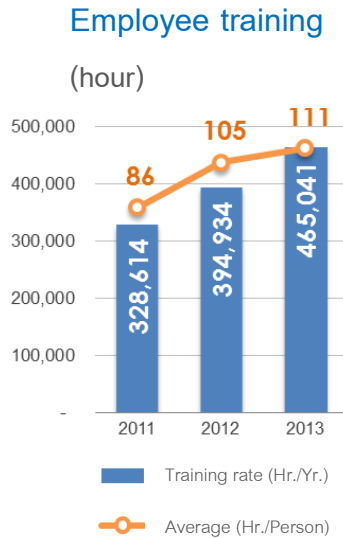
The Company also emphasizes on organizational development and human resources management by focusing on production efficiency, clear roles and job responsibilities, appropriated employee's remuneration, competitive pay structure, and employees' evaluation. The Company has provided various training programs such as company orientation to new employee, leadership, total production system etc.

Training

The Company has designed and updated its training courses to facilitate its short-term and long-term objective and direction. We focus on the development of employees' skill, competences, experiences, technical know-how, managerial knowledge, and other relevant knowledge for new potential business opportunity. In addition, the Company provides information about human rights including the Labor Protection Act B.E. 2551 (amended) Section



11/1 re: the policy change, as well as labor laws. We also support our employees to join external training and seminar; thus, our employees can share and exchange knowledge and experience with other organizational and applied in the Company.



In 2013, the Company provides trainings in total of 465,041 hours, equivalent to an average of 111 hours of training hours per person per year. We offer a wide range of essential training programs such as executive development program, senior executive program, safety workplace to task force level, defensive driving, corporate social responsibility through sustainable development, corporate governance (CG), risk management, safety and health program, environmental conservation, and so on.

Safety and Working Environment Policy

The Company sets occupational health and safety policy to encourage employees to work safely and to have good hygiene in the workplace. The Company shall prevent any possible accidents at its full capacity and to build the safety awareness of its employees and encourage employees to have strong health (and not act in harmful to the health of customer) as well as to maintain a safe and hygienic workplace

Fatal Diseases Prevention

The Company shall prevent illness of employees that arise from working environment. We provide knowledge, consulting advice, expert training, publicity through media and activities to our employees and community. We also implement disease preventive program through encourage employee to get vaccination every year.

Safety policy

The Company encourages all employees to participate in the risk analysis and assessment of the workplace to create preventive plan for accident occurred from operation as well as to identify the root-cause to prevent the repetitive accident.

In 2013, the accident rate of the Company was 125 times increased from 2012 because the Company employed higher number of low skill foreign workers (MOU contract). However, the Company has implemented the preventive action and increased number of training to new workers in order to reduce the accident rate.

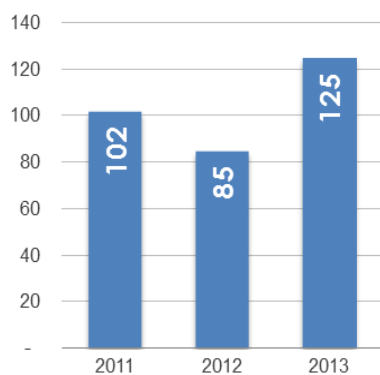


In 2013, the Company organized several activities to raise awareness of safety in the workplace as follows:

- **NEARMISS Project:** to prevent accident from operation based on finding causes to prevent repeat incidents and encouraging all employees to participate in the risk analysis and assessment at workplace.
- **5S Project:** to encourage employee to participate in workplace maintenance and cleanliness.
- **Safety Week Exhibition Project:** to provide event publicity about safety every year in order to educate employees about possible accidents in the workplace.
- **Safety training Project:** to provide training program on safety issue regarding how to use safety equipment and what to do in an unexpected incident.
- **Safety Journal Project:** the Company provides a monthly journal to promote knowledge about safety standards and preventive method on the unexpected events. The safety journal is available as hard-copy and online version to all employees.

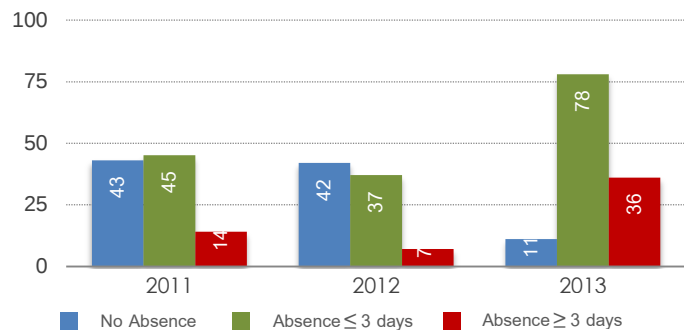
Accident rate

(Times)



Absence from injury

(Times)



Complaint Channel and Process after receive the compliant

We provide a channel for complaints to our employees. We set the process to perform when receiving a complaint as well as provide protection and confidentiality of the complainants and informants.

Complaint Channel

The complainant can report a complaint by providing details of the complaint with name and contact information.

The complaint can be submitted to the Audit and Risk Management Committee by two channels:

1. Complaint box installed at designed location in the factory; and
2. Intranet site of the Company at [GFPT-Intranet-ส่งข้อร้องเรียน](#) in which, this complaint will be sent directly to the Human Resource Manager of the Company for forward to the Audit Committee.

**Action after Receive the Complaint**

Once received the complaint, the Audit and Risk Management Committee will consider the complaint and inform the relevant parties to investigate facts about the complaint and resolve the complaint appropriately. The Audit and Risk Management Committee will periodically monitor the progress of complaint. The relevant parties will notify the result to the complainant within a reasonable period. The Audit and Risk Management Committee shall report to the Board of Directors.

Protection and Confidentiality of the Complainant

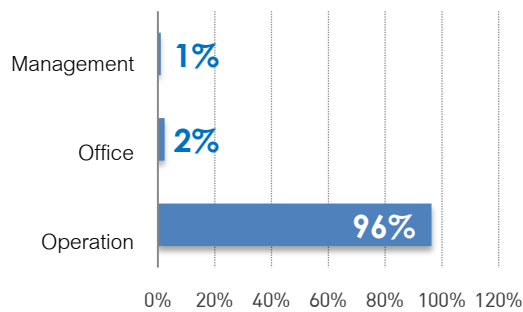
To protect the rights of complainant and relevant informants who acts in good faith, the Company shall keep all information of complainants and informants in confidentiality. Only the persons who are responsible in conducting inspection about the complaints can have access to such information. The assigned persons to handling the complaint are responsible for keeping all information regarding the complaint, relevant documents as confidential and shall not disclose such information to other persons unless the disclosure is required by laws.



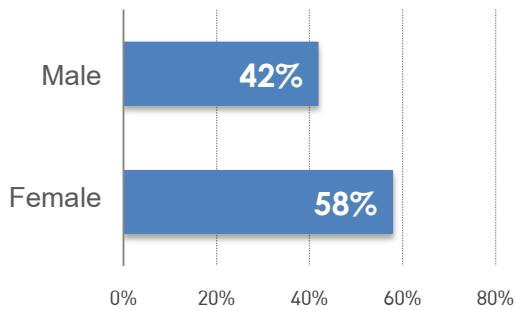
Diversity Employment

As of December 31, 2013, GFPT employs a total of 4,467 people with diversity of gender, age, level of education, race, work task, and work level. We provide equality and support diversity among genders, races, religions and cultures.

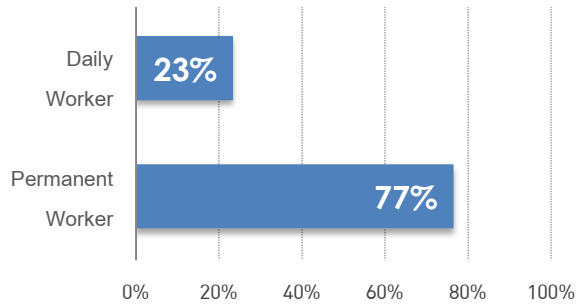
At the end of 2013, there are 4,467 employees (person)



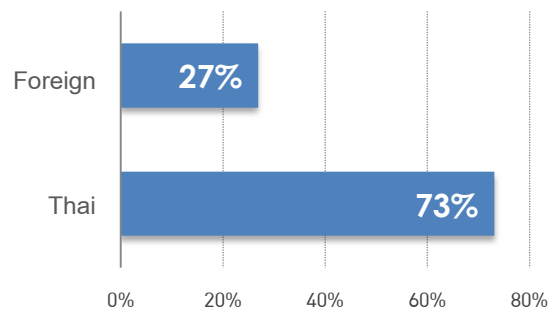
Employment by sex (person)



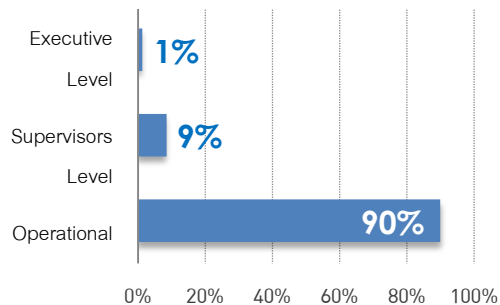
Employment by Type (person)



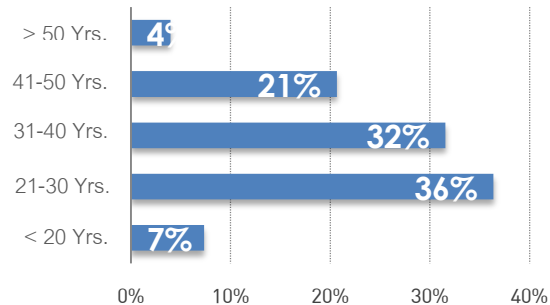
Employment by Race (person)



Employment by Level (person)



Employment by age (person)





Responsibility to Customers

As a leading integrated chicken producer, GFPT proactively emphasizes on “food safety and food quality” throughout our food chain as it is essential to our business operations. We demonstrate our commitment to food quality and safety through various dimensions including knowledge and capable personnel, and rigorous quality assurance measures at every step of the food chain starting from feed materials to finished products. We also communicate with responsibility in order to promote healthy diet and proper nutrition as follows:

Food Quality and Safety throughout our Food Chain

GFPT emphasizes on food quality and safety of our feed ingredients and finished products. We implement rigorous feed-to-food quality system in our integrated chicken production starting from feed mill, chicken farm, and chicken processing. We set stringent quality measures on both physical and biological at every steps including sourcing feed materials, feed production, chicken raising, chicken processing, further processing, transportation, and distribution, in order to assure that our chicken meat products are safe. The quality control measures of the key operations are as follow:

Feed Mill

The origin of our food quality and safety starts at the feed mill. We set up “**Feed Laboratory**” in both locations of our feed mill facilities to test and certify the quality of feed materials, feed productions, and feed products. The feed laboratories endorse the quality standard of the feed products, test feed nutrition, and identify chemicals or residues in feed ingredients in accordance to law and regulations. Our feed laboratories have passed ISO 17025 (the general requirements for the competence of testing laboratories) by the Department of Science Service, Ministry of Public Health.

Chicken Farm

Chicken farm is a key process of our integrated chicken production as chicken is the most important assets. Our chicken shall get healthy and high nutritious feed, have sufficient water, be treated with decent animal welfare, be reared in good environment, and free of diseases. In addition, we set up “**Chicken Veterinarian and Technical Team**” to monitor animal welfare practice, set measures to control disease prevention, and regulate the use of drugs and vaccines, in accordance with the laws and international standards. Our Chicken Veterinarian and Technical Team pass ISO 9001:2008. The team is responsible in making chicken health check planning, sharing knowledge about animal health and disease preventive protocol to chicken raising operators.





Chicken Processing Plant

Chicken meat processing plant is ultimate as it is the last step of production to deliver our chicken meat products to customers and consumers. Therefore, the safety and quality of chicken meat has been strictly controlled at every stage of production before shipping products to customers. In addition to the international standards of quality systems such as GMP, HACCP, etc., we also provide a “**Chemical Laboratory**” to test pesticide residues, nutrition, and various chemicals and “**Microbiological Laboratory**” to test microbes, pathogens, and residues of antibiotics in order to reassure the food quality and safety.

Our laboratory is certified by the Department of Livestock Development and received the Award for excellence in Laboratory Agricultural and Food in 2013 from The National Bureau of Agricultural Commodity and Food Standards (ACFS) and the golden awarded for excellence in Medical and Public Health Laboratory from Department of Medical Sciences, the Ministry of Public Health. These awards represented success in developing and maintaining standards and eventually to gain the trust of customers and consumers.

Standards for Quality Management

Each year, our meat processing production has been certified by internal audit, customer audit, and third party audit to assure customers' confidence that the quality of our products including feed, live chicken, chicken meat, and fully cooked chicken products meet international quality standards.

In 2013, the Company has certified the following quality system certification:

- GMP (Good Manufacturing Practice)
- HACCP (Hazard Analysis Critical Control Point)
- BRC Global Food Safety Standard
- ISO 9001 (Quality Management System)
- ISO 14001 (Environmental Management System)
- ISO 17025 (Competence of Testing and Calibration Laboratories)
- ACP (Assure Chicken Production)
- HALAL (Food Permitted under the Islamic Law)
- SQMS (McDonald's Supplier Quality Management System)



Traceability from Feed to Food

Traceability system is the essential mechanism to meet the expectation of customer and consumer and to ensure that our products are safe and meet quality standard. Our products can be traced back to every stage of production with the linkage of production information from feed production, farm operation, and food processing. Thus, we can trace back our product to all stages of production as well as its origin of raw materials.

Meanwhile, the information is linked together from the meat processing plant to transportation, to distribution, and to consumers, thus, we can track product status at any point in the food chain. In case of there is any problem occurred with customer and consumers, we can accurately and timely recall our products. Thus, customers can be assured that our products are 100% safe for consumption.

Animal Welfare

We recognize the importance of animal welfare. Our chicken farms have followed the standard practices for agricultural animals (Good Agriculture Practices: GAP) as well as standard for agricultural products in regards to animal welfare practice.

We have also been certified for the animal welfare practices in accordance to the Red Tractor Assurance (RTA), which is the standard for the meat production for export throughout the chicken supply chain. Under these standards, the Company has taken all steps in regard to the happiness of chickens throughout the raising period.

For example, chicken must be free from hunger and thirst, the system shall provide enough food and water, environment shall be free from discomfort, free from pain, injury or illness (a preventive system and Capturing each chicken is tender), are free to live naturally, Free from fear and worry (with parenting conditions does not cause any distress, for instance, catching chickens before slaughter).

In compliance with regulations and standards of the Department of Livestock Development, of Agriculture and animal welfare standards, GFPT's animal welfare protocol is very strict covering chicken raising farm, feeding system, health management, disease and illness protection, catching live bird, animal welfare, recorded information, and staffs' and workers' training.

The Company is confidence and assurance that the Company's products are high quality, hygienic, antibiotics and residue free and safe for consumption in both domestic and international market.



Bio-Security System

GFPT focuses on the implementation of biosecurity system in our key operations in order to use as a preventive measure for animal disease outbreak. Our strict bio-security system covers many steps of operations, for example:

- **Feed:** We have nutritionist experts to research and develop high quality feed formula. Our feed mills operate with modern feed production systems and control by computerized system. Our feed products are safe and meet with the dietary requirement of different chicken's aging.
- **Chicken:** Our farm facilities are closed evaporative cooling system with ventilation system to prevent any disease carrier. All chicken houses are equipped with mechanical systems to deliver feed and water automatically. The CCTV systems have been set up in the chicken houses to closely monitor the chicken welfare.
- **Personnel and Vehicles:** We have set strict regulations for personnel and vehicles entering into the farm area. Only farm workers and farm vehicles are authorized to enter into the farm area. The authorized person must shower, shampoo, disinfect, and change clothes when entering into the farm house. All vehicles must be washed and disinfected to prevent dust, contamination, or any carrier from outside that may cause disease within the farm.

Poultry Compartmentalization

In order to mitigate the risk of avian influenza outbreak, GFPT has implemented the poultry compartmentalization according to guideline of Department of Livestock Development as follow:

- Set a biosecurity management principle based on Hazard Analysis and Critical Control Point (HACCP) for avian influenza;
- Set the surveillance protocol for avian influenza at the farm site and buffer zone in a radius of 1 km.;
- Set the controlled protocol for avian influenza at the farm site and buffer zone in a radius of 1 km.;
- Set a traceability system



Environment Policy

The Company committed to operate business together with control pollution and protect the environment. The Company's environment policy is as follow:

"Efficiently utilize resources and energy,

Prevent pollution, operates by law,

Consistently create awareness"

In addition, the Company has established an environmental management structure to effectively support the implementation and also required all departments to perform their activities in accordance with the laws.

The Company has been accredited for the environmental management standard including ISO14001 and OHSAS 18001 by the independent auditor. The Company communicates its activities on the environmental management through various internal and external channels.

In 2013, the Company carried out activities and projects related to environmental management as follows:

Resource and Environmental Management

The Company focuses on the use of resources effectively with maximum benefits as it is a significant cost of the integrated production process. Effective uses of resource also produce less impact on environment and climate change.

Water Resource

Water resource is an important component in our chicken production. We set appropriate measures for water usage in every production process. We use information system to analyze and control water consumption. We also focus on production improvement, process development, and production technology to reduce water consumption and efficiently use of water resources.

In 2013, our water consumption was in amount of 1.75 million cubic meter, decreased 9.4% from last year.

Energy

The Company continuously focuses on efficient energy consumption and energy conservation by using information system to analyze and control energy consumption in the production process; meanwhile, the machines, equipment, and production process are designed for maximum efficiency with minimal energy consumption.

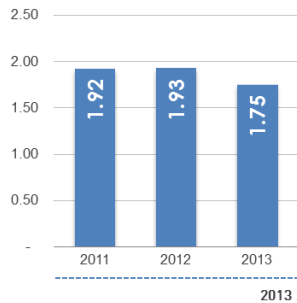
In addition, the Company promotes energy-saving activities such as automatic lighting system in office building and VDO Tele-Conference, which will save electricity and expenses as well as reducing the environmental impact which caused by transporting as well.



In 2013, the electricity utilization was in amount of 80.85 million kilowatt, increased 6.3% from last year, being 64% use in cooling system and 11% use in production process.

Water Consumption

(Unit : Million Cubic metre)

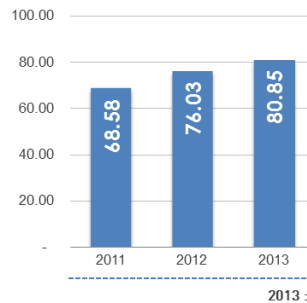


9.4% Reduce

from previous year

Electricity consumption

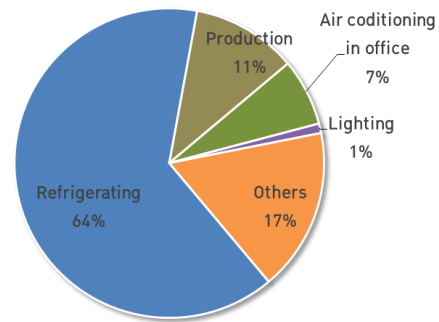
(Million kilowatt-Hr./Yr.)



6.3% Increase

from previous year

The proportion of electricity consumption in 2013



Energy Conservation

The energy conservation policy is set as a guideline for the implementation of energy consumption to effectively utilization and maximizes benefit. The Company set the energy conservation policy as part of the operation. We continue to improve the efficiency of energy usage by setting energy conservation measure annually, and communicating to all employees to understand and practice properly. The Company supports the energy conservation in terms of human resources, budget, training, and others to improve the energy management. The policy and implementation plan of the energy conservation is annually reviewed and updated.

Pollution and Waste Management

Air pollution

The Company uses pollution elimination system before releasing the pollution outside the plants and monitors level of pollution in applicable to the laws. The pollution level is monitored and measured twice a year by the authorized person of the Department of Industrial. In 2013, the level of contaminants in the air such as dust, nitrogen oxides, sulfur dioxide, carbon monoxide, and the opacity of all units, was lower than the standard required by law.



Water Pollution

The wastewater treatment of the Company complies with the standard defined by law. The Company uses high technology of wastewater treatment technology and closely monitors the level of wastewater before releasing to outside. The level of wastewater release to outside is comply with the law and does not affect the overall ecosystem. In addition, we focus on recycling treated wastewater within the plant.

Wastes

The Company has classified wastes in accordance with the law and sets up the protection system of environmental contamination starting from wastes storage, wastes transportation, and wastes displacement, hazardous wastes management, and wastes segregation. The Company sets up the internal wastes management system to collect the amount of wasted generated in a monthly basis. The wastes data is properly gathered and submitted to the authorized Wastes Management Company registered to the Department of Industrial, Ministry of Industry. The wastes data can be traced back for the whole system as follows:

- Hazardous wastes such as used solvent, decadent bulbs, contaminated container, used lubricant, sent to the Wastes Management Company.
- General waste (not hazardous wastes) such as plastic bags, paper, steel scrap, stainless steel scrap, sent to the wastes recycling company.

4 Rs Project

The Company has established guidelines for the waste management within the plant by using the concept of **4Rs** (**Reduce/ Reuse/ Recycle/ Repair**) to apply in the chicken production process. The Reduce, Reuse, Recycle, and Repair (Total Productive Management: TPM) can be applied to minimize the impact on the environment and efficient utilization of resources. GFPT's Plant has operated the 4 Rs Project as follows:

- **Reduce** to reduce the use of wood pallet by reuse with regular monitor the quality
- **Reuse** to reuse one-side used paper
- **Recycle** to use the water from wastewater treatment for cleaning roads and washing the machines outside the production line
- **Repair** to perform machine maintenance program annually



The Initiative Projects on Youth, Community, and Society

In 2013, the Company has implemented projects and activities for the community and society as follows:

1. Promoting youth for the quality of society

The Company believes that “youth are the pillars of tomorrow’s society”. The Company recognizes the importance of children and youth. In addition to supporting its cooked chicken products, the Company provides educational tools and equipment to youth. The Company also encourages social activities for local communities and remote communities by focusing on the knowledge development of youth to be the quality person in the society as well as encouraging the youth to express themselves creatively through various projects.



Student Luncheon Activity



Bike-Donation Activity



Children's Day Activity

2. Create a good society

The Company set a policy to support the disadvantaged in the rural society, basic, and those affected by disasters through its own activities, government agencies, charitable organizations, and non-profit organizations. In 2013, the Company has initiated several activities to promote the quality of life in local and remote communities.



Doing Good for the Mother and Father Road Reparation to the Community Activity Blood Donation by GFPT Staff

3. Promote religion and Thai culture

Religion and culture are important institutions in the society which have strong influence in people's beliefs, values and behaviors as a way of life of the individuals in society. The Company recognizes that Thai society has influenced by the religion, therefore, focusing on the commitment and preservation of Buddhism as well as continuously supported Thai arts and culture.





11. Internal Control and Risk Management

Board of Directors and management of the Company emphasize on having strong internal control system and risk management in order to ensure that the risk will be reduced and prevent damage that may occur to the Company. The Company has set goals and action plans as guidance for operations and it can be measurable. The organization structure was set up to support the management to operate efficiently and effectively in accordance with the regulations and policies and encourage continuous development. The organization structure is divided into divisions where the Chief Executive Officer is responsible for overseeing the operations. Written policies and procedures are maintained. Training courses are provided to employees to improve skills and understanding, so that employees understand and can perform correctly and efficiently. The Company also provide employee handbooks and code of conduct to employees in order to work more efficiently.

The Company also authorize the Audit and Risk Management Committee to oversee appropriateness of internal control system and risk management of the Company and its subsidiary companies. The Audit and Risk Management Committee reviews work of internal audit department, risk management department and auditors. Monitor the operation of the Company and its subsidiaries in order to prevent conflicts of interests as well as related transactions to safe guard the Company's assets. Review the effectiveness of operational control of the Company in various aspects. The Company provides independent internal audit department, evaluate operational efficiency and adequacy of the internal control system and risk management based on COSO (The Committee of Sponsoring Organizations of the Tread way Commission) framework and enterprise risk management framework.

Summary of the Company's internal control system and risk management:

1. The Company gave importance on risk management whereby the management will analyze and assess risk and inform the purpose of risk management policies to each department. In order to provide basis for risk assessment such as identifying the type of risk, measuring risk, controlling risk, reducing risk, monitoring and evaluating risk in order for the company to manage risks more efficiently.
2. The Company has defined the duties and powers of the executives and employees in written policy. Implement segregation of duties, the persons that have control is not the same persons that evaluate, therefore, promotes check and balance, transparency and prevent fraud. The Company defines operational procedures by considering the benefit of the Company.
3. The Company recognizes the importance of developing an information system that provide updated, correct and sufficient information to the executive and Board of Directors to make decisions.
4. The Company has compared actual operational performance to the quarterly target. In the case that the actual is significantly below target, the management will assign internal audit to check for the reason of the performance below target and make suggestions to find solutions and report to the Board accordingly.



Audit and Risk Management Committee

The key activities of the Audit and Risk Management Committee during the year 2013 under the duties and responsibilities assigned by the Board of Directors are summarized as follows:

1. Reviewed the quarterly financial statements and audited financial statements for the accounting period which covers the review of the compliance of accounting standards. The selection of accounting policies and disclosures in the financial statements.
2. Reviewed the transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2013.
3. Reviewed the independence of the internal audit department and result of the internal audit that carried out during the year including reviewed the adequacy and appropriateness of internal controls and risk management.
4. Reviewed legal compliance with the rules and regulations related to Securities and Exchange, regulations of the Stock Exchange and other laws related to the business of the Company.
5. Reviewed appropriateness of the transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2013. The transactions had to be justified and adhere to guidelines published by the Capital Market Supervisory Board.
6. Reviewed policies and practices of the Company to ensure compliance with good corporate governance of the Company as guideline given by The Stock Exchange of Thailand.
7. Reviewed independence, result and opinion of the auditor. Also, propose an appointment of the auditor of the Company and related audit fees to the Board of Directors to propose to the shareholders' meeting for consideration.
8. Meetings with the auditors without any executives of the company to enable the auditor to report freely on events and information about the Company. This include opinion on the internal control system and risk management.
9. Reviewed internal audit charter to be consistent with the practices and laws once a year.

For enterprise risk management, the Company categorized the risks that may affect the business directly into 5 areas:

1. **Strategic Risk** is the risk of strategy and policy of the Company, which result from inappropriate strategic plan and inappropriate implementation of strategy. This also include inconsistencies between policy, goals, strategies, organizational structures, competitive environment, resources, implementation of plan and environment. The Company constantly monitor significant strategy and policies that may effect the business operation in order to achieve the strategic goals.



2. **Operational Risk** is the risk arising from operation, covering every step of the factors related to process, equipment, information technology and personnel that may affect the performance of the organization. The Company has set clear procedure and measures to oversee the operation of each department that may cause damage to the organization. To ensure that the work is correct and appropriate.

3. **Financial Risk** is the risk of insufficient budget, financial problems, including the risks that affect the operating results and financial position of the organization. The Company has to take into account the source of fund that will be both sufficient and obtainable on a timely basis in order to minimize the risks that may affect the Company's investments.

4. **Compliance Risk** is the risk of not following the rules, regulations or related laws. As well as, the existing rules or laws that are not practical and may obstruct the business operations. The Company strictly complies to rules (both inside and outside of the Company) and related laws by constantly monitoring and reviewing the operations.

5. **Hazard Risk** is the risk that may affect the safety of the employees and assets of the Company. This can be caused by both internal and external factors which the Company has a policy and strict security measures to prevent such risk that may damage the Company.

After reviewed the risks discussed above, the Audit and Risk Management Committee has an opinion that the Company and its subsidiaries provided and maintained appropriate and effective internal control system and risk management. Therefore, the Audit and Risk Management Committee reasonably believes that the financial statements of the Company are reliable and present fairly, in all material respects. The related transactions that may have conflicts of interest were reasonably executed. The related transactions that are considered being normal business or supporting normal business with general commercial conditions were performed in accordance with the principles approved by the Board of Directors. The related transactions that are considered not being normal business or not supporting normal business were executed under the regulations and guidelines of the Securities and Exchange Commission and the Stock Exchange of Thailand. The information of the related transactions is disclosed in the notes to the financial statements of the interim and annual financial statements. For compliance with various laws, there was no material breach or non-compliance. The Audit and Risk Management Committee can perform their duties independently.

The scope of internal control as follow

- **A controlled environment** - the Company had set up a good internal control environment by defined clear and appropriate organizational structure and organization lines as well as set up business goals and Key Performance Indicators (Key Performance Indicators: KPI) to evaluate the efficiency of operational performance to be in line with the Company's goals. The Company had written working manual as guideline for the business operations. In addition, the Company encouraged management and employees of the Company and its affiliates to



recognize the importance of good corporate governance by having business ethics and ethics for directors, executives and employees, as well as, encourage training to educate employees on an annual basis. As a result, the operation will be fair and transparent to all stakeholders.

- **Risk assessment** - The Company's risk management policies are determined by the Risk Management Committee. The Risk Management Committee oversees the implementation of the Company's risk assessment to identify and analyze risk factors according to the target level and at a level that is acceptable to the Company. The risk factors include strategic, operational, financial compliance and hazard. The result of the assessment is reported regularly to the Audit and Risk Management Committee and the risk factors are being reviewed on an annual basis.

- **Control Activities** - The Company had segregation of duties and responsibilities of each position clearly stated. The Company also had working manual or operational guideline that suit the operational structure of the Company. The current practices included review of performance to be in accordance with the rules, regulations, article of associations and authorization and working manual. This is to ensure that the performance had adequate internal control system and operational efficiency.

- **Information Technology (IT) and communication system** - the Company with a realized the importance of the IT and communication system and always encouraged the improvement of the system to ensure that all information was accurate and up-to-date. An efficient and modern IT system was adopted to guarantee the safety of the information and to bring such information to management work of the executive members and interested parties. This process should be carried out as a complete, accurate method and within an appropriate time so that it could be used in the business decision makings. Intranet function is initiated as a communication channel within the organization to broadcast policy, regulations and working manual and other bulletins.

- **Tracking system and evaluation** - The board of directors conducts an internal system that covers all fields such as accounting and finance, operation, compliance to laws and regulations and safe guard of assets. The internal audit department was assigned to be in charge of this duty.

From the scope of internal control system, the Audit and Risk Management Committee has submitted to the Board of Director Meeting no. 1/2557, held on 23 January 2014 for the considering the internal control system. The Board of Directors has an opinion that the Company and its subsidiaries have sufficient and internal control system and risk management that appropriate to the business operations. Also, the internal control system and risk management is effective enough to minimize business risk and protect the Company's assets from the executives' wrongful conduct or without authorization. The Company assessed the adequacy of internal controls system and risk management annually to be in accordance with the Office of the Securities and Exchange Commission (SEC). The internal audit department also reviewed the operations of various departments of the Company to ensure that those departments had followed the predetermined internal control system and risk management. In the case that



significant deficiencies are found, it will be reported to the Executive Committee and the Audit and Risk Management Committee for consideration and action.

In addition, SAM NAK-NGAN A.M.C. Co., Ltd., the Company's auditor who audited the quarterly and annual financial statements for fiscal 2013, assessed the Company and its subsidiaries and had an opinion that no material deficiency found to be impact on the results of the Company.

For investment in various projects of the Company and its subsidiaries, the Audit and Risk Management Committee evaluates the risks prior to obtaining approval from the Board of Directors in order to mitigate the investment risks. However, the Company still continues to monitor the risk management on a regular basis. In every level there will be a report on risk management on a regular basis. This is to minimize the risk level to an acceptable level and reviewed risks to be in accordance with the situation every year.

The Board of Directors has appointed Mr.Theerasak Piamsuphakpong to be Director of Internal Audit Department of the Company since January 1, 2011 because he has extensive experience in performing the internal audit and had been trained in courses related to the practice of internal audit together with an understanding of the activities and operations of the Company. Therefore, the Company considers it to be appropriate to appoint him to perform such duties. The detail of the Director of Internal Audit Department of the Company is shown in attachment 3.

However, the Company continues to appreciate the recommendations and comments from the auditor and the Audit and Risk Management Committee to improve the internal controls system and operational risk management to be more efficient and effective.

In addition, the Audit and Risk Management Committee had commented that from the hard work of executives and employees of the Company, the Company will grow satisfactorily, which will allow all stakeholders to receive high and sustainable returns.



12. Connected Transactions

Inter-transactions of the Company and its subsidiaries

The Company and its subsidiary companies had the inter-transactions within the group which are normal business transactions of the Company and subsidiary companies in accordance with the general trading condition.

Procedure for Approval of Inter-Transactions

The Board of Directors considers the potential conflict of interest or related transactions properly under the ethical framework and moderated by the Audit Committee in order to comply with the requirements of the Securities and Exchange Commission and The Stock Exchange of Thailand, including the accounting standards set by the Federation of Accounting Professions and consider the disclosure of the transaction that may have a conflict of interest to the public with accuracy and completeness. The management can execute such transactions, as a general trading. The transactions are undertaken without the influence of their status as being director, executives, or related persons. The transactions are carried out as normal business transaction. The pricing methods are fair and reasonable similarly

Reason for Inter-Transactions

In the approval process of executing the inter-transaction, the Company shall execute the inter-transaction similarly to other normal business transaction done with other parties. As normal, the Company sets the authorized person and specifies the amount of credit limit for the inter-transaction. Moreover, the Audit Committee is responsible for reviewing the inter-transactions of the Company, its subsidiaries and related persons quarterly to eliminate conflicts of interest for the best interest of the Company. For the inter-transactions that occurred in 2013, the term and condition of the inter-transactions were fair and reasonable which were approved by the management or the Board of Directors before the transaction occurred. For the year ended December 31, 2013 and 2012, the Company and its subsidiaries had the inter-transactions were disclosed in the notes to audited financial statements by the Company's auditor. As reviewed by the Audit Committee, the audit committee had opinion that all transactions were carried out as normal business transaction with normal terms and conditions.

Inter-Transactions in the Future

In the future, the inter-transactions of the Company shall be carried out as normal business transactions in compliance with the regulations of the Stock Exchange of Thailand or other related organizations strictly and consider the reasonableness, appropriateness in commercial terms for the equitable treatment of the shareholders and any stakeholders according to the "Good Corporate Governance Policy". However, the inter-transactions, that may be carried out in the future, shall be executed according to the approval process as mentioned above.



Inter-transactions in the past year and the current year

For the year 2013 and 2012, the Company and its subsidiaries had the inter-transactions disclosed in the notes to audited financial statements note. 6. Inter-transactions with related companies. The details are as follows:

Related Companies/ Relationship among the Companies	Type of transactions	Value of Inter- Transactions for the year ended December 31, 2013 (Million Baht)		Value of Inter-Transactions for the year ended December 31, 2012 (Million Baht)		Reasons and Necessity of the Transactions/ Pricing Condition
		Separated Financial Statements	Consolidated Financial Statements	Separated Financial Statements	Consolidated Financial Statements	
1. P. Charoen Phan Feedmill Co., Ltd. / Common Management	1. Sales	-	223.39	-	-	- Providing rental office building / Pricing by Independent Appraiser. - Selling of Chicken Meat Products / Pricing by Contract Price based on Market Price
	2. Purchases	-	221.97	-	-	
	3. Other Income	0.09	17.31	-	6.72	
	4. Rental Income	7.05	15.30	6.65	14.42	
	5. Other Expense	2.55	78.80	2.39	71.89	
2. P. Charoen Phan Produce Co., Ltd. / Common Management	1. Rental Income	1.04	2.54	1.02	2.52	Providing rental farms / Pricing by Contract Price
3. Panalab Co., Ltd. / Common Management	1. Other Income	-	0.06	-	0.13	Selling on plant drug / Pricing by Market Price
	2. Rental Income	-	0.08	-	0.12	
	3. Other Expense	-	0.01	-	0.02	
4. P.Vet. Co., Ltd. / Common Management	1. Sales	-	0.23	-	0.44	Selling on animal drug / Pricing by Market Price
	2. Other Income	-	0.02	-	0.02	
5. P. Charoen Phan G.P.Farm Co., Ltd. / Common Management	1. Rental Income	-	0.48	-	0.48	Providing land lease for broiler farms / Pricing by Contract Price



Related Companies/ Relationship among the Companies	Type of transactions	Value of Inter- Transactions for the year ended December 31, 2013 (Million Baht)		Value of Inter-Transactions for the year ended December 31, 2012 (Million Baht)		Reasons and Necessity of the Transactions/ Pricing Condition
		Separated Financial Statements	Consolidated Financial Statements	Separated Financial Statements	Consolidated Financial Statements	
6. Krungthai Aqua-Culture Co., Ltd. / Common Management	1. Purchases	-	2,241.54	-	3,022.79	Expertise in Corn Supply for Feed Production / Pricing by Market Price
7. M.K.S. Condotown Co., Ltd. / Common Management	1. Other Income	1.35	1.35	1.28	1.28	Providing Rental Accommodations / Pricing by Market Price
	2. Rental Income	0.35	0.35	0.34	0.34	
	3. Other Expense	0.91	0.91	0.85	0.85	
8. Nichirei Food Inc. / Related Companies by Major Shareholding	1. Sales	1,294.18	1,294.18	683.72	683.72	Producing and Selling of Chicken Meat Products / Pricing by Market Price
	2. Other Income	0.31	0.31	0.27	0.27	
	3. Other Expense	-	-	0.05	0.05	
9. KEYSTONE FOODS (AP) LTD. / Related to the Associated Company by Shareholding with the Associated Company	1. Sales	268.96	268.96	317.78	317.78	Producing and Selling of Chicken Meat Products / Pricing by Market Price
10. Surapon Foods Public Co., Ltd. / Related to the Associated Company by Shareholding of Surapon Nichirei Foods Co., Ltd.	1. Sales	4.30	4.30	4.64	4.64	Producing and Selling of Chicken Meat Products / Pricing by Market Price
11. Surapon Nichirei Foods Co., Ltd / Related to the Associated Company by Joint Venturing with the Associated Company	1. Sales	378.50	378.50	654.35	654.35	Producing and Selling of Chicken Meat Products / Pricing by Market Price



Related Companies/ Relationship among the Companies	Type of transactions	Value of Inter- Transactions for the year ended December 31, 2013 (Million Baht)		Value of Inter-Transactions for the year ended December 31, 2012 (Million Baht)		Reasons and Necessity of the Transactions/ Pricing Condition
		Separated Financial Statements	Consolidated Financial Statements	Separated Financial Statements	Consolidated Financial Statements	
12. Related Persons / Directors and Shareholders and Related Persons with Directors and Shareholders	1. Interest Expenses	41.50	119.97	41.65	120.33	According to the Minute of Extraordinary General Meeting No.1/2009 dated January 29, 2009, it was approved that the Company and its subsidiaries to receive financial assistance from related persons to help the Company has more liquidity. The amount of credit line was not exceeding Baht 2,000 million with annual interest rate is not over 6.00%