



## PART 2 MANAGEMENT AND GOOD CORPORATE GOVERNANCE

## 7. Securities and Shareholder Information

## Company Security

## 7.1 The Registered Capital and Paid-up Capital

The Company's registered capital with the Stock Exchange of Thailand as of December 30, 2014, was 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 December 30, 2014, the top ten major shareholders are as follows:

Name of shareholders	No. of shares (shares)	% Shareholding
1) Sirimongkolkasem Family <sup>(1)</sup>	696,417,940	55.54%
2) THAI NVDR CO., LTD.	79,924,624	6.37%
3) NICHIREI FOODS INC.	56,716,050	4.52%
4) Mr. Anucha Kittanamongkolchai	44,600,000	3.56%
5) STATE STREET BANK AND TRUST COMPANY	29,891,800	2.38%
6) STATE STREET BANK EUROPE LIMITED	27,081,178	2.16%
7) Mr. Kongphob Limsong	25,065,200	2.00%
8) Mrs. Piangjai Chayawiwatkul	20,000,000	1.60%
9) NORBAX INC., 79	20,000,000	1.60%
10) NORTRUST NOMINEES LTD. - CL AC	13,812,821	1.10%
<b>Top 10 Shareholders</b>	<b>1,013,509,613</b>	<b>80.83%</b>

## Remark:

- (1) Sirimongkolkasem family have 21 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)



Lists of Sirimongkolkasem Family are as follows:

Name of shareholders		No. of shares (shares)	% Shareholding
1) Mr. Prasit	Sirimongkolkasem	220,000,000	17.55%
2) Mr. Virach	Sirimongkolkasem	180,000,000	14.36%
3) Mr. Sujin	Sirimongkolkasem	132,236,280	10.55%
4) Mr. Pisanu	Sirimongkolkasem	80,000,000	6.38%
5) Mr. Jarongkij	Sirimongkolkasem	12,279,410	0.98%
6) Mr. Jarongkorn	Sirimongkolkasem	12,279,410	0.98%
7) Ms. Wannee	Sirimongkolkasem	10,100,000	0.81%
8) Ms. Warisara	Sirimongkolkasem	9,049,500	0.72%
9) Ms. Wiwanya	Sirimongkolkasem	5,350,000	0.43%
10) Ms. Nisa	Sirimongkolkasem	5,196,100	0.41%
11) Mr. Win	Parksook	5,100,000	0.41%
12) Mr. Worapath	Parksook	5,100,000	0.41%
13) Ms. Jutamas	Ingpochai	5,000,000	0.40%
14) Mr. Pongsathorn	Ingpochai	4,869,930	0.39%
15) Dr. Anan	Sirimongkolkasem	4,134,080	0.33%
16) Mrs. Somsiri	Ingpochai	2,500,000	0.20%
17) Ms. Papinya	Sirimongkolkasem	2,000,000	0.16%
18) Mrs. Pranee	Parksook	1,191,930	0.10%
19) Mr. Jedsada	Sirimongkolkasem	31,000	0.00%
20) P. Chareonphan Produces Co., Ltd. *		200	0.00%
21) Mr. Wongsakorn	Sirimongkolkasem	100	0.00%
<b>Sirimongkolkasem Family</b>		<b>696,417,940</b>	<b>55.54%</b>

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



(b) As of December 30, 2014, the major shareholders who have significant influences on the Company's management policy or operation are:

No.	Name of shareholders	No. of shares (shares)	% Shareholding
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%
	<b>Total</b>	<b>404,134,080</b>	<b>32.24%</b>

(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 payment 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	2009 <sup>(1)</sup>	2010	2011 <sup>(2)</sup>	2012 <sup>(2)</sup>	2013
Earnings per Share – separated financial statement (THB/share)	0.33	0.33	0.38	(0.31)	0.43
Dividend per Share (THB/share)	0.25	0.30	0.33	-	0.35
Dividend Payout Ratio – separated financial statement (%)	75.17%	91.71%	85.89%	-	82.14%

Remarks:

- (1) Earnings per share and dividend per share for 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 and Joint Ventures

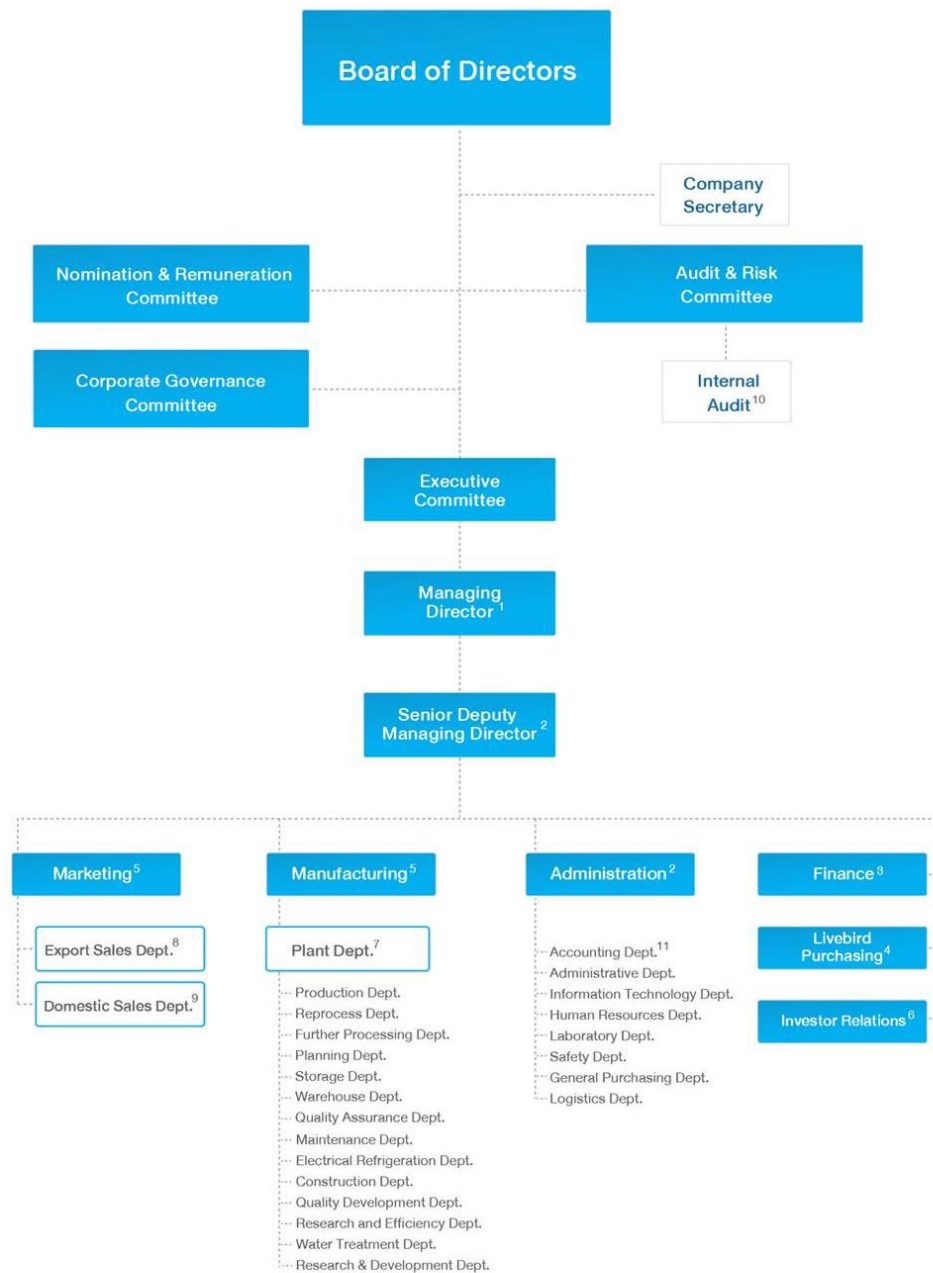
The dividend payment policy of subsidiaries and joint ventures is to pay from net profit after deduct legal reserves requirement, and subject to the Company's cash flow, liquidity, future investment plans of each company, without designated dividend payout ratio.

As of December 31, 2014, the Company received the dividend from a joint-venture company in amount of THB 29.40 million.



## 8. Management Organization

Organization Chart (as of 31 December 2014)



Note: <sup>1-6</sup> are the executives as the definition of the Security and Exchange Act

<sup>7-11</sup> are the executives as the Company's criteria



## Management

In 2014, 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) GFPT's Executives.

### 8.1 Board of Directors and Sub-Committees

#### Board of Directors

As of 31 December 2014, the Board of Directors of GFPT Public Company Limited comprised of 9 directors as follows:

Name - Surname		Title
1. Mr. Prasit	Sirimongkolkasem <sup>(1)</sup>	Chairman
2. Mr. Virach	Sirimongkolkasem <sup>(1)</sup>	Vice Chairman
		Managing Director
3. Dr. Anan	Sirimongkolkasem <sup>(1)</sup>	Chairman of Executive Committee
		Senior 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
		Member of Corporate Governance Committee

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

- <sup>(1)</sup> Being authorized directors of the Company. The Company requires at least 2 out of 3 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 and information of the subsidiary's directors are shown in the Attachment 2

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

As of 31 December 2014, 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 <sup>(1)</sup>	Member of Audit and Risk Management Committee
3. Mr. Thanathip	Pichedvanichok <sup>(2)</sup>	Member of Audit and Risk Management Committee

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

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

- <sup>(2)</sup> Audit committee who has extensive knowledge and experiences in legal aspect

**Nomination and Remuneration Committee (NRC)**

As of 31 December 2014, 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 2014, 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 GFPT's Executives

In 2014, GFPT has 11 executives as follows:

Name - Surname		Title
1. Mr. Virach	Sirimongkolkasem	Vice Chairman and Managing Director
2. Dr. Anan	Sirimongkolkasem	Chairman of Executive Committee Senior 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-Bird 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 GFPT's Executives of the Company and its subsidiaries are shown in the Attachment 1



Securities Holding Report of Directors and Executives as of 30 December 2014

Name – Surname		Amount (Shares)					
		As of 30 December 2013		As of 30 December 2014		Increase / Decrease	% Shareholding
		Direct	Indirect	Direct	Indirect		
1. Mr. Prasit	Sirimongkolkasem	220,000,000	-	220,000,000	-	-	17.55%
2. Mr. Virach	Sirimongkolkasem	180,000,000	-	180,000,000	-	-	14.36%
3. Dr. Anan	Sirimongkolkasem	4,134,080	-	4,134,080	-	-	0.33%
4. Dr. Sathit	Karanes	-	-	-	-	-	-
5. Mr. Paramet	Hetrakul	50,000	-	50,000	-	-	0.004%
6. Mr. Thanathip	Pichedvanichok	-	-	-	-	-	-
7. Mrs. Somsiri	Ingpochai	2,979,930	-	2,500,000	-	-479,930	0.20%
8. Ms. Wannee	Sirimongkolkasem	10,100,000	-	10,100,000	-	-	0.81%
9. Mr. Sujin	Sirimongkolkasem	222,795,100	-	132,236,280	-	-90,558,820	10.55%
10. Mrs. Pranee	Parksook	11,391,930	-	1,191,930	-	-10,200,000	0.10%
11. Mr. Kittichai	Sirimongkolkasem	-	-	-	-	-	-
12. Ms. Jutamas	Ingpochai	5,000,000	-	5,000,000	-	-	0.40%
13. Mr. Thiti	Wanachate	-	-	-	-	-	-
14. Mr. Artorn	Uapopol	1,000	-	1,000	-	-	0.0001%
15. Mr. Danai	Booncharoensukpisarn	1,000	-	1,000	-	-	0.0001%
16. Mr. Theerasak	Piamsuphakphong	1,000	-	1,000	-	-	0.0001%
17. Ms. Ratchaneegorn	Pavitrpok	-	-	-	-	-	-
Total		656,454,040	-	555,215,290	-	-101,238,750	44.28%

**Note:** Indirect means number of share hold by the spouse and minor children of directors and executives



### 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. 2551. 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-Monetary Remuneration

-None-

### 8.5 Personnel

In 2014, the Company employs a total of 4,759 persons with a total benefits in amount of THB 1,067.91 million. 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 1,026.64 million. The details of personnel and benefit are shown in the following table:

Year 2014	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)	4,582	1,013	153	1,172	2,266	245
Staff in Management level (Persons)	71	96	6	21	26	21
Staff in Headquarter Office (Persons)	106	267	3	17	25	131
<b>Total (Persons)</b>	<b>4,759</b>	<b>1,376</b>	<b>162</b>	<b>1,210</b>	<b>2,317</b>	<b>397</b>
<b>The Benefits (million THB)</b>	<b>1,067.91</b>	<b>484.71</b>	<b>31.39</b>	<b>129.15</b>	<b>270.88</b>	<b>110.51</b>

In the past 3 years, the Company has no labor legal dispute and there is no significant change in staff number. The HR policy for training and development is shown in the Corporate Social Responsibility Report; Human Resources Training and Development Policy.



## 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 has constructed the Good Corporate Governance policy under the criteria of the Stock Exchange of Thailand<sup>1</sup> and the regulations of the Organization for Economic Co-Operation and Development (OECD)<sup>2</sup> as guidance in conducting business for directors, executives, and employees of the Company. The Company will review and revise the principles of Good Corporate Governance policy annually so as to be appropriate with any changes that may occur from the operation, environment, situation, or laws.

The Board of Directors regularly monitors compliance with Good Corporate Governance. 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 website ([www.gfpt.co.th](http://www.gfpt.co.th)) under the “Corporate Governance” section.

To abide by the Company's CG policy, the Company received the rating of “Very Good” level for Corporate Governance Report of Thai Listed Companies (CGR) in 2014, organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC). The Company has maintained the “Very Good” level for Corporate Governance Report since 2006.

### Compliance to the Good Corporate Governance Policies in the year 2014

#### Chapter 1 Rights of Shareholders

##### 1.1 Shareholders' rights protection policy

The Board of Directors values the rights of shareholders and encourages shareholders to exercise their rights including basic rights of the shareholders by law namely the right to sell, buy, or transfer shares; the right to receive the dividend equally; the right to receive sufficient information; the right to attend shareholders' meetings; the right to propose an agenda; the right to vote at shareholders' meeting to appoint or dismiss directors; the right to determine the remuneration of directors; the right to appoint auditor and determine the audit fee; and the right to determine issues that fundamentally affects the Company, which may include any

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<sup>1</sup> The Principles of Good Corporate Governance for Listed Companies 2012, Corporate Governance Center, the Stock Exchange of Thailand

<sup>2</sup> The Principles of Corporate Governance of The Organization for Economic Co-Operation and Development (OECD) 2004



changes to the articles of association, memorandum of associations and the decrease or increase share capital and the approval of any special items.

The Board of Directors also set the best practice to look after the interest of shareholders beyond their basic legal rights by providing the right to get any significant Company information on a timely and sufficient basis such as the results of operations, analysis of its operations, the credit rating, and newsletter to shareholders via the Company's Home Page that is accessible and convenient.

In addition, the Board of Director shall not act in any way which violates or deprives the rights of the 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 of Directors has a policy to support and encourage all types of shareholders, including institutional shareholders to attend 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 3 types of proxy consisting of Form A., Form B. and Form C. Meeting documents can be downloaded through the Company's website at least 30 days before the meeting. The Company will facilitate the shareholders to exercise their rights to attend and to vote at the meeting 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, as well as, considered the rights of shareholders and the equitable treatment of shareholders according to the principles of Good Corporate Governance.

### **1.2.1 Pre-proceeding of the Meeting**

- 1) The Company gives an opportunity to shareholders to propose agenda of the meeting, nominate qualified persons for appointment as a director, and send questions related to the agenda, prior to the Annual General Meeting of Shareholders under the criteria set by the Board of Directors and disclosed to shareholders through SEC's News and the Company's Home Page.
- 2) The Company discloses the resolution of the Board of Directors on the meeting date through SET's news. The resolution includes the date of the Annual General Meeting of Shareholders, the record date, the closing date of the share registration book and dividends payment.
- 3) The Company prepares the Notice of the Annual General Meeting of Shareholders and related documents in both Thai and English languages (for the convenience of foreign shareholders) with



complete details, including information about the date, time, and location of the meeting, meeting agenda 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) The Company discloses the Notice of Annual General Meeting of Shareholders to shareholders and enclosures through SET's news and the Company's Home Page at least 30 days before the meeting. The Company sends the Notice and enclosures to the shareholders by registered mail at least 21 days before the meeting, which over the time period set by law. The Notice of Annual General Meeting of Shareholders will be advertised in the daily newspapers in English version and Thai version for 3 consecutive days and 8 days before the meeting.

#### 1.2.2 Proceeding of the Meeting

- 1) The Company sets date, time, and place of the meeting with consideration to the convenience of shareholders. The place of the meeting is adequate and easy access (accessible by public bus).
- 2) The Company allows shareholders to register for the meeting 2 hours before the meeting starts and organizes easy document checking system.
- 3) The Company provides the use of a proxy form by shareholders who are unable to attend the meeting to appoint a person or an independent director to attend the meeting and cast votes on their behalf. Shareholders can use the Proxy Form A., B., or C. (for Custodian) as specified by Department of Business Development or the Proxy forms provided in the Company's website. The Company encourages shareholders to use Proxy Form B., which send together with the Notice of the AGM, the required documents/evidence, and the proxy instruction to shareholders. In addition, shareholders can download proxy forms via the Company's website.
- 4) The Company uses information technology (computer systems and barcode) and the ballot (every agenda) at the meeting for the registration of shareholders, vote counting, and vote result for fast, accurate, and reliable information.
- 5) Chairman, directors, Chief Executive Officer, managing director, Chairman of various committees, and auditors are required to attend the meeting to provide answers to any questions related to their scope of work.
- 6) Volunteers from the meeting (independent parties) act on behalf of the meeting to count or check the votes at the Annual General Meeting of Shareholders or the Extraordinary General Meeting of Shareholders.



- 7) Voting is separated for each matter. For example, for the election of directors, shareholders can vote for each director individually.
- 8) The Company notifies the guideline of the procedure of the meetings, including the procedure of casting vote and the right to vote (which shareholders have 1 vote for 1 share), to shareholders at the beginning of the meeting.
- 9) The Chairman of the meeting allocates sufficient time and provides opportunities for shareholders to independently comment and ask questions on matters related to the agenda or to the Company in the meeting.
- 10) The Company holds clear and transparent vote counting and discloses voting results in each agenda at the meeting.
- 11) Agenda other than those specified in the Notice must not be raised and no significant changes may be made to the agendas specified without prior notice to shareholders.

#### **1.2.3 Post-proceeding of the Meeting**

- 1) The Company publishes the resolutions of the 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 of Shareholders.
- 2) The Company prepares minutes of shareholders that are accurate and complete for submission to the Stock Exchange of Thailand and publish on the Company's Home Page within 14 days from the date of the meeting.
- 3) The Company publishes record of each agenda in the webcast to ensure transparency and accountability.

#### **Annual General Meeting of Shareholders 2014**

The Annual General Meeting of Shareholders for the year 2014, the Company provided opportunities to shareholders to propose agenda items, nominate candidates for director appointment, and send questions in advance for 3 months before the end of the year during 1 October to 31 December 2013. At the end of such period, there were no shareholders proposing agenda, candidate, or submit question in advance of the meeting.

On 18 February 2014, the Company published the resolution of the Board of Directors regarding the Annual General Meeting of Shareholders via SET's news and the Company's website and scheduled the 2014 Annual General Meeting of Shareholders on 4 April 2014 at 9.30 AM. The Company set the record date, on which shareholders have the rights to attend and to cast vote in the 2014 AGM on 4 March 2014 and collected the



names of shareholders pursuant to Section 225 of the SEC Act B.E. 2535 (Amended B.E. 2551) by means of closing the share register book on 5 March 2014.

The Company published the Notice of the 2014 Annual General Meeting together with the meeting's supporting documents in both Thai and English languages via SET's news and the Company's website on 4 March 2014 or 31 days before the meeting. Thailand Securities Depository Company Limited (TSD) was appointed to be registrar to send the Notice of the 2014 Annual General Meeting to shareholders through registered mail since 11 March 2014, or 23 days before the meeting.

The Company held the Annual General Meeting of Shareholders for the year 2014 on Friday, 4 April 2014 at 9.30 AM at GFPT Building, No. 312, Rama 2 Road, Bangmod, Jomthong, Bangkok 10150. There were 446 shareholders attending the meeting in person and by proxy, accounted for 928,425,866 shares representing 74.05% of the shares sold. The Company published the resolution of the meeting and the voting results of each agenda on 4 April 2014. The minutes of AGM 2014 and the video recording are disclosed through SET's news and the Company's website on 11 April 2014.

For the Annual General Meeting of Shareholders for the year 2014, the Company was assessed the quality of the Annual General Meeting of Shareholders (AGM Assessment) by Thai Investors Association and received 100 full score categorized in the "excellent" level for the 3th consecutive years since 2012.

## **Chapter 2 Equitable Treatment of Shareholders**

The Company realizes the importance of equitable treatment of shareholders both major and minor shareholders. No shareholder shall have any special privileges over other shareholders. The Company undertakes the following actions:

### **2.1 Measures to prevent the use of inside information**

The Company has measures to prevent the use of inside information. The directors, executives, employees and stakeholders are not allowed to the use inside information to benefit themselves or others. The Company has set the privacy policy, inside information policy and securities trading of directors, executive, and employees in the Company's Code of Conduct that will be granted to directors, executives and employees on the job. It can be summarized as follows:

- Directors, executives and employees at all levels must keep important business information confidential as well as confidential information about the Company and the stakeholders of the Company. The information will not be disclosed to those who are not involved, both inside or outside the Company, or must not be used to seek benefits for themselves and others. This also applies in



cases of retirement, resignation or termination of work from the Company, unless the information is already required by law to be disclosed to third party involved.

- The Company's regulations on the security of computer systems and information technology need to be very strict in order to prevent important information from being revealed in the case that directors, executives, and employees of the Company use inside information.
- Third party with an opportunity to get involved or obtain inside information needs 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 are asked about the Company's information, they should recommend the enquirer to contact the authorized persons.
- The directors, executives, employees and related persons (spouse and minor children) cannot use inside information including the Company's financial statements or other information that may affect the share price of the Company that is undisclosed to the public or to the Stock Exchange of Thailand for their own personal benefit or for the benefit of related persons.
- The directors, executives, employees and related persons (spouse and minor children) who have inside information are prohibited to trade securities of the Company during the period of 1 month before disclosing information to the public and within 24 hours after disclosure (Blackout Period).
- Any directors, executives or employees who have inside information and breach the Code of Conduct, or behave in a way that will damage the Company, will be punished whether by a warning, cutting wages, suspension without pay or termination.
- Directors, 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 director and executive 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 2014, the Company has no events that directors, executives, employees, and related persons violated rules of the use of inside information or traded securities by using inside information.



In addition, directors and executives have strictly complied with the Company's Code of Conduct in regard to reporting the purchase and sale of securities of the Company at least 1 day before and after the actual trading date and the changes in the holding securities of the Company to the SEC under Section 59 of the Securities Exchange Act of B.E. 2535.

## **2.2 Governance on the conflict of interest**

The Company operates business which may occur a conflict of interest with its directors, executives, managers, and employees. Such conflict of interest may appear in different forms. Therefore 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 any other special benefits to its business partners, suppliers, customers, creditors or any other people in exchange for business deals, except for providing normal business entertainment, trade discounts or promotional campaigns. Such practices have been applied in setting the anti-corruption policy of the Company as shown in CSR report.

### **2.2.3 Outside Directorships**

Any directors, executives, managers, or employees who 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 for a directorship of the non-profit organization. Nevertheless, such directorship must not infringe on any related laws or regulations governing the business of the Company. In addition, the involved person shall not use his or her position in the Company to promote any outside businesses.

### **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 businesses that affects their performances, duties and working hours in the Company and are prohibited from participating in any other businesses which are in competition with the companies in the group, regardless of whether they get direct or indirect benefit from that business.

### **2.2.5 Engaging in Business with Companies within the group**



For connected transactions where directors, executives, managers and employees may have a conflict of interest, such persons shall disclose any conflict of interest to the Company prior to engage in the connected transaction. Directors, managers or employees, who have conflict of interest, may not participate in the consideration or approval of the connected transaction. The authorized persons who act 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 transactions. The definition of relationships 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 Securities and Exchange Commission.

#### **2.2.6 Related Party Transactions amongst Companies within the Group**

The consideration of related party transactions shall be taken under the conditions and procedures of the Notification of the Board of Governors of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC). The connected transactions shall be dealt on a fair and arm's length basis and taking into account the Company's best interests. The stakeholders who have conflict of interest must not participate in the approval or consideration of the transaction. The related party 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 executives, including their related persons<sup>3</sup> must prepare and submit a report on the interests, connected transactions and acquisition or disposal of assets belonging to themselves or their related persons to the Company under the Capital Market Commission's and the Stock Exchange of Thailand's regulations. Then the report will be proposed to the Board of Directors' or shareholders' meeting for approval. The directors will not participate or vote on the agenda related to their own interests. The Company Secretary is responsible for collecting and delivering copies of the report on interests to Chairman of the Board of Directors and Chairman of the Audit and Risk Management Committee within 7 working days from the date of the receiving of the report.

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<sup>3</sup> Report of Conflict of Interest of Directors



## Chapter 3 Roles of Stakeholders

### 3.1 Policy on Practice to the Stakeholders

The Board of Directors is committed to providing stakeholders with equal rights as stipulated by law or as agreed with the Company by having a policy on practice towards the stakeholders as follows:

- 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 respect of privacy rights of all employees.
- Customers :** The Company is committed to gaining highest customer satisfaction through continued improvements of product and service quality and to ensuring that our customers receive 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 work that is committed to the customers.
- Business Partners :** The Company is committed to treating suppliers and partners fairly and equally to establish mutual trust and to provide monitoring systems that will prohibit the disclosure of the business partners' information or any use of its information by illegal means. The Company also has a transparent and fair selection process of suppliers.
- Creditors :** The Company intends to strictly comply with the terms of contracts it enters into and any financial obligations it may have especially regarding guarantees and event of default payments.
- Competitors :** The Company is committed to complying with international trade rules and to promoting fair competition. The Company shall not perform any illegal or unethical transaction nor shall it allege any defamation towards its competitors without real information.
- Communities, Society and Environment:** The Company is committed to conducting business that benefits the economy, society and consciously preserve 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.



### 3.2 Whistle-Blowing Service

The Board of Directors has set out processes and provided channels for receiving and dealing with complaints of stakeholders through various means as follows:

#### Contact Independent Directors

Email : [independentdirectors@gfpt.co.th](mailto:independentdirectors@gfpt.co.th)  
Facsimile : 0 2473 8398  
Mail : Independent Directors  
GFPT Public Company Limited  
GFPT Tower, 18<sup>th</sup> Floor  
No. 312 Rama 2 Road, Bangmod,  
Jomthong, Bangkok 10150

#### Contact Board of Directors

Email : [bod@gfpt.co.th](mailto:bod@gfpt.co.th)  
Facsimile : 0 2473 8398  
Mail : Directors  
GFPT Public Company Limited  
GFPT Tower, 18<sup>th</sup> Floor  
No. 312 Rama 2 Road, Bangmod,  
Jomthong, Bangkok 10150

#### Contact Corporate Governance Committee

Email : [cg@gfpt.co.th](mailto:cg@gfpt.co.th)  
Facsimile : 0 2473 8398  
Mail : Corporate Governance committee  
GFPT Public Company Limited  
GFPT Tower, 18<sup>th</sup> Floor  
No. 312 Rama 2 Road, Bangmod,  
Jomthong, Bangkok 10150

The Company has a process in place for dealing with complaints from employees by considering whether the complaint concerns a wrongful act and how serious the offense is in order to impose a fair and accurate penalty. The employees can report complaints or feedback directly through the Company's email.

The Company discloses the process and channels on its Home Page and Annual Report. To provide confidence for the person who report complaints, the Company strictly keeps all complaints confidential and establishes a process of receiving a complaint and an investigation procedure where the complaints will only



be disclosed to the relevant people. The management division will collect complaints and present them to the Audit and Risk Management Committee for its consideration.

In the year 2014, the Company had no complaint in relation to fraud or ethical misconduct or any incident that may cause negative reputation to the Company as the result from the administration of the Board of Directors. Non-executive directors of the Company did not resign due to any CG misconduct. There is no legal dispute on labor issue, consumer right, or business trading activity.

The practices of the Company to its stakeholders in year 2014 are shown in CSR report, page 98 - 125.

## **Chapter 4 Disclosure and Transparency**

### **4.1 Disclosure Policy**

The Board of Directors discloses all important information including both financial and non-financial information<sup>4</sup> correctly, timely, and accurately in accordance with regulations of the “Securities and Exchange Commission” (SEC), the “Stock Exchange of Thailand” (SET) re: Rules, Conditions and Procedures Governing the Disclosure of Information and Other Acts of a Listed Company (Bor.Jor./Por.23-00) and the Guidelines on Disclosure of Information of Listed Companies (Bor.Jor./Por.11-00), and other state agencies.

In the year 2014, the Company has complied with the principles of Good Corporate Governance. There is no record of delayed report submission under section 56 for both Form 56-1 and Form 56-2, including quarterly and yearly financial statements.

### **4.2 Channel Disclosure**

The Company provides a wide variety of channels for users to access fairly. The information is published both in Thai and English languages through the following channels:

- 1) SET's news
- 2) Annual Report and Annual Registration Statement (Form 56-1)
- 3) The Company's website ([www.gfpt.co.th](http://www.gfpt.co.th))

### **4.3 Information Disclosure Policy or Interview with the Press or Public**

The Company has policy to provide information, media advertisement, or public release in a clear and correct manner without misinterpretation. The disclosure information is intended to create better understanding about the Company to all stakeholders based on the aspects of completely, timely, and fairly communication.

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<sup>4</sup> Minimum data specified in the principles of good corporate governance for listed companies in B.E. 2555, Section 4, Clause 2,



#### 4.4 Investor Relations Department

The Company has established an IR Department (Investor Relations) to be responsible for the disclosure of information and any activities of the Company to its shareholders, investors, analysts and the general public. The channels include the Company's Home Page, quarterly performance meeting, analysts meeting, conference call, road show in Thailand and abroad, and etc. The Company also prepares the Management Discussion and Analysis (MD&A) on a quarterly basis and IR Newsletter, which published on SET's website and the Company's website, to provide investors and general public for better understanding of the Company's performance. Unauthorized persons are not allowed to provide information to the media or the public in any way which may affect the reputation and business operations of the Company.

Investors may contact the Investor Relations Department at 02 473 8000 or [www.gfpt.co.th](http://www.gfpt.co.th) or email [ir@gfpt.co.th](mailto:ir@gfpt.co.th).

In the year 2014, the Company had investor relations activities to disclose the Company's information to investors continuously throughout the year. The Company evaluated the effectiveness of the information disclosure, which has been assessed by analysts attended the Company's analyst meetings. The results of the information disclosure from the Company's analyst meeting were satisfactory. In addition, investor relations activities of the Company in the year 2014 are summarized as follows:

Investor Relations Activities in the Year 2014	No. of time
Analyst Meeting	4
Plant Visit	2
Roadshow	5
Local Roadshow	3
One on One Meeting	34

### Chapter 5 Responsibilities of the Board of Directors

The Board of Directors plays a major role in Corporate Governance to create the highest benefit to 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 people but not more than 12 people.
- 2) At least one half of the Board of Directors shall be Thai.
- 3) The Board of Directors shall consist of at least 3 independent directors, and the independent directors' proportion shall be at least 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, knowledge and capability that benefit the Company regardless of gender, race, religion, age or other specific qualifications. The Board of Directors shall consist of at least 3 experts in the Company's business, at least 1 expert in law, at least 1 expert in accounting and finance, and at least 1 independent director expert in the Company's industry.
- 5) The Chairman shall not be a President or members of sub-committees or the Managing Director.

As of 31 December 2014, GFPT Public Company Limited has a total of 9 directors consisted of:

- 3 Non-Executive Directors (representing 33.33% of Board of Directors)
- 3 Executive Committees (representing 33.33% of Board of Directors)
- 3 Independent Directors (representing 33.33% of Board of Directors)

#### **5.1.2 The Qualifications of Director and The Criteria for Director Selection**

- 1) The director shall have qualifications and shall not have qualifications as defined by the Section 68 of Public Limited Company Act B.E. 2535, the Section 89/3 of Securities and Exchange Act B.E. 2535 amended by Securities and Exchange Act (No.4) B.E. 2551, the Notification of the Securities and Exchange No. KorJor. 8/2553 concerning stipulation on distrustful characters of company's director, and the Company's Article of Association.
- 2) The director shall have knowledge, skills and understanding of the nature of the Company's business and industry as well as good reputation, ethics, honesty and moral.
- 3) The director shall not take a position of director in more than 3 Thai listed companies.
- 4) If the directors are appointed as directors or executives in other companies that are not subsidiaries or joint ventures, they shall report to the Company.

#### **5.1.3 The Qualifications of Independent Directors**

The qualifications of Independent Directors of the Company shall be as defined in the Notification of the Capital Market Supervisory Board and other future amendments (stricter than the SEC's definition of independent directors).

- 1) Hold share in total not more than 0.5 percent of the total voting share of the Group, GFPT, its subsidiaries, associated companies, or related companies which may have any conflict of interest. The shares held by related persons are also included.
- 2) Not an executive director or an employee or staff or an advisor receiving salary or have control over GFPT, its subsidiaries, associated companies, or related companies that may have conflict of interest at present and prior to being nominated for at least 2 years.



- 3) Not a related person by blood or legal registration, such as father, mother, spouse, sibling, child, spouse of children of the executives, major shareholders, top manager or any nominator to be executive or top manager of GFPT or its subsidiaries.
- 4) Do not have 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. Not a major shareholder or an executive officer that has business relationship with GFPT, its subsidiaries, associated companies, related companies at present and prior to being nominated for at least 2 years. The “business relationship” aforementioned includes any normal business transaction, rental or lease of immovable property, transaction related 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. 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 an auditor of GFPT, its subsidiaries, associated companies, or any juristic person who may have conflicts of interest, a major shareholder (hold more than 10% of total shares including related persons), executive director, top manager 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 more than 2 years.
- 6) Not 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. Not 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 nominated to be a representative of a director, a major shareholder, or a shareholder who is related to a major shareholder of the Company.
- 8) Must not participate in a company operating in the same business and being a competitor of GFPT or its subsidiaries. Not a partner or executive director or employee or staff member or advisor who receives 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 about GFPT’s business.



After being nominated, 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, and top manager on the condition of a 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 Board of Directors who has been in office the longest must be retired by rotation at every annual ordinary general meeting of shareholders. If the number of directors to be retired is not a multiple of three, the number of directors closest to one-third shall be retired. However, any retired 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 qualified candidates to the Board of Directors in amount of not less than the amount of retired directors by rotation. The Board of Directors will propose to the Annual General Meeting of Shareholders for the appointment which 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 2 months. The term of the newly appointed directors will be 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.

#### **5.1.6 Separation of Duties and Responsibilities between the Board of Directors and Executives.**

The Company has divided responsibilities between the board and executives clearly as follows:

- 1) The Board is responsible for setting policy and overseeing the operations of the executive in accordance to the policies.



- 2) Executives are responsible for managing 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 objectives, policies, rules and regulations of the Company.
  - Consider investment plan and present it to the Executive and the Board of Directors for approval.
  - Have authority to act for the Company in accordance with “the authorized approval” in the Company’s policy and procedure.
  - 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 and its subsidiaries 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 the Securities and Exchanges Commission’s regulations or other related laws.

#### **5.1.7 Separation of Duties and Responsibilities between the Chairman and Managing Director**

The Company clearly separates the duties of Chairman and Managing Director as follows:

- 1) Chairman is responsible for the followings:
- Be a leader of the Board of Directors to set out the Company’s policies and director for business operations as well as monitor the management of sub-committees and executives to perform their duties in accordance with the Company’s plan and policies.
  - Act as Chairman of the Board of Directors’ meeting and a Chairman of shareholders’ meeting of the Company.
  - Cast a decisive vote in the event that the votes in the Board of Directors’ meeting are equally divided (no majority vote).
- 2) Managing Director is responsible to implementing the Board of Directors’ policies.

Therefore, Chairman and Managing Director must not be the same person. These 2 positions 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 relevant laws, objectives and regulations of the Company, and the resolutions of the shareholders' meeting with loyalty, care, accountability and ethic. Protect the Company's best interests based on the principle of Good Corporate Governance, and protect all shareholders' interest equally.
- 2) Consider and approve matters relating to the operations of the Company, such as vision, mission, strategies, goals, business plans, financial plans, funding, risks, plans, budgets, etc. including setting up its subsequent annual review for a revision.
- 3) Set the direction of business operations including funding, capital management, risk management and governance.
- 4) Monitor the management to effectively and efficiently implement 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, connected transactions, and any transactions that may create conflicts of interest between the Company and the subsidiary companies. These matters shall comply with the regulations of the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET), other relevant laws, and the regulations of the Company.
- 6) Approve financial statements prior to submission to the Stock Exchange of Thailand.
- 7) Set up a 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, monitored and managed.
- 9) Supervise the disclosure of financial reporting in a correct, timely and transparent manner. 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, the Corporate Governance Committee, GFPT's Executives, and the management. Define duties and responsibilities of other sub-committees clearly to achieve the Company's objectives. The members of the sub-committees shall mainly consist of independent directors.
- 11) Evaluate the Company's compliance with the Good Corporate Governance policy and consistently review such policy.
- 12) Provide a succession plan and human resource development plan for employees, directors and executives.



- 13) Have authority to define and amend the list of authorized directors.
- 14) Have authority to 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. Such power of attorney must contain a clear scope of authority of the authorized person.

### 5.3 Sub-Committees

The Company has set up sub-committees to assist in screening relevant issues requiring fair judgment. The Company also defines the authority, duties, and responsibilities of each committee. The majority members of each committee must be independent directors and the Chairman of the committee should be an independent director as well.

GFPT has the following sub-committees:

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

#### 5.3.1 The 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 1 person must be knowledgeable in accounting and finance.
- 3) The Board of Directors will appoint 1 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) Each term of office of the Audit and Risk Management Committee consists of 3 years. The members of the Audit and Risk Management Committee, who retire from office by rotation, may be reappointed 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 the Company's directors. Therefore the term of office will end at the Annual General Meeting of Shareholders at the same time as the end of the director's term of office.



- 3) If a position in the Audit and Risk Management Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibited by law to become a Member of Audit and Risk Management Committee. The term of the newly appointed member of Audit and Risk Management Committee shall be 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 relevant standards.
- 2) Consider the disclosure of the Company's information in case of related transactions or the conflict of interest to be accurate, complete, and in accordance with the regulations of the Stock Exchange of Thailand (SET) to ensure that the aforementioned transaction is reasonable towards the Company's interests and correctly maintains 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 provide comments 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.
  - An opinion about the Company's compliance with the law on securities, the SEC regulations or other laws relating to the Company's business.
  - An opinion on transactions which may have potential conflicts of interest and related party transactions.
  - A general opinion or observations of the ARC while carrying out its duties.
  - Comment about other transactions that shareholders and investors should be aware within the scope of duties and responsibilities assigned by the board of directors.
- 4) Consider, select and nominate an independent person to serve as the financial auditor of the Company including any proposal for the auditor's dismissal.
- 5) Consider the remuneration of the financial 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, appropriate 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) Ensure that a review of the internal control system by an independent assessor outside of the Company's organization (Independent Quality Assessment Review) is conducted at least every 5 years.
- 4) Approve the annual internal audit plan and budget for the internal audit process to ensure efficiency and effectiveness of conducted activities.
- 5) Select the appropriate person to work as the internal auditor including the consideration of a rotation or a dismissal of internal auditors.

#### **Risk Management**

- 1) Propose risk management policies 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 its consideration.
- 2) Control, monitor, and evaluate the risk management according to the risk management policy
- 3) Review the adequacy and efficiency of the risk management system and the policy as a whole.
- 4) Review and revise risk management manual to be up-to-date and appropriate for the business environment and propose such manual to the Board of Directors for its 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 to ensure that the Company's is in 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 from time to time.

**Meeting(s):** at least 4 times a year



### 5.3.2 Nomination and Remuneration Committee

#### Structure and Qualifications

- 1) The Board of Directors appoints the Nomination and Remuneration Committee
- 2) The Nomination and Remuneration Committee consists of not less than 5 members and at least 3 members must be independent directors.
- 3) The Board of Directors shall appoint 1 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 the secretary of the Nomination and Remuneration Committee.

#### Term of office

- 1) Each term of office of the Nomination and Remuneration Committee consists of 3 years. The members of the Nomination and Remuneration Committee, who retire from office by rotation, may be reappointed 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 the Company's directors. Therefore the term of office will end at the Annual General Meeting of Shareholders at the same time as the director's term of office.
- 3) If a position in the Nomination and Remuneration Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibited by law to become a member of Nomination and Remuneration Committee. The term of the newly appointed member of the Nomination and Remuneration Committee shall be equal to the remaining term of the former director.

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

#### Recruitment

- 1) Review the organization structure to be appropriate to the strategic needs of the Company.
- 2) Establish rules and procedures for recruitment and selection of directors, members of the sub-committees, president, executive and secretary of the Company and to propose such rules and procedure to the Board of Directors or as an agenda at the shareholders meeting for its approval as the case may be.



- 3) Review, select and screen names and profiles of those to be nominated as directors, member of committees, president, executive, and secretary of the Company in the event of a position vacancy and to further propose to the Board of Directors for its approval.
- 4) Disclosure policies and details of the recruitment process in the annual report of the Company.
- 5) Provide criteria for the succession of into the position as the Company's executive and to further propose it for the Board of Directors' consideration.
- 6) Prepare an appropriate succession plan and the continuity of the management for the position of Chief Executive Officer, Managing Director, Authorized Management, and high level executives and to further propose it to the Board of Directors for its approval.
- 7) Determine criteria to evaluate and evaluating the performance of the Board of Directors annually and to report the result to the Board of Directors.
- 8) Conduct an annual performance evaluation of the Board of Directors and the Chief Executive Officer and to report the result to Board of Directors.
- 9) Provide an annually self-assessment evaluation of the performance of the Nomination and Remuneration Committee and to report the result to the Board of Directors.
- 10) Any other duties regarding recruitment as assigned by the Board of Directors.

#### **Remuneration**

- 1) Set out a clear and transparent criteria and policy of the remuneration for the directors, sub-committees, and the executives and to further propose it to the Board of Directors and/or at the shareholders' meeting for an approval.
- 2) Recommend the appropriate remuneration for the Board of Directors, sub-committees and the executives as compare to their duties and responsibilities
- 3) Disclose the remuneration policy and the various types of remunerations in the Annual Report of the Company.
- 4) Any other duties regarding selection and remuneration as assigned by the Board of Directors.

**Meeting(s):** at least 2 times a year



### 5.3.3 Corporate Governance Committee

#### Structure and Qualifications

- 1) The Board appoints the Corporate Governance Committee.
- 2) The Corporate Governance Committee consists of 7 members and at least 3 members must be the directors of the Company.
- 3) The Board of Directors will appoint 1 independent director as Chairman of the Corporate Governance Committee.
- 4) The Corporate Governance Committee can appoint an employee to act as the secretary of the Corporate Governance Committee.

#### Term of Office

- 1) Each term of office of the Corporate Governance Committee consists of 3 years. The members of the Corporate Governance Committee, who retire from office by rotation, may be reappointed by the Board of Directors for another term.
- 2) The Corporate Governance Committee shall hold office for a period equal to the tenure of the Company's directors. Therefore the term of office will end at the Annual General Meeting of Shareholders at the same time as the director's term of office.
- 3) If a position in the Corporate Governance Committee becomes vacant, the Board of Director shall elect a person who is qualified and not prohibited by law to become a member of Corporate Governance Committee. The term of the newly appointed member of the Corporate Governance Committee shall be 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 of the Company's operation and to propose such policy to the Board of Directors for its approval.
- 2) Regulate, advise, and monitor the Company's compliance towards Corporate Governance Policy, the Code of Conduct, and other related laws.
- 3) Regularly review and update Corporate Governance policies to ensure appropriateness.



- 4) Recommend the requirements of Corporate Governance principles to the Company's directors, management and employees.
- 5) Promote information about Corporate Governance policies and best practices towards the Company's employees.
- 6) Annually issue report on Corporate Governance of the Company.

#### **Business Ethics**

- 1) Prepare a Code of Conduct handbook and propose to the Board of Directors for approval.
- 2) Regulate, advise and monitor the Company's compliance towards the Code of Conduct and related laws.
- 3) Regularly review and update Code of Conduct handbook to ensure appropriateness.
- 4) Recommend the requirements under Code of Conduct to the Company's directors, management and employees.
- 5) Handle complaints of any violation of business ethics and to conduct an investigation to clarify facts or doubts in the event of a suspicion of violation.
- 6) Create awareness and train employees to understand business ethics and promote employees to practice and follow the Code of Conduct.
- 7) Annually prepare a report on the Company's business ethics to the Board of Directors for their consideration in the event of significant matters that may affect the Company, including providing an opinion on the Company's practice and to suggest actions to appropriately correct such matter.

**Meeting(s):** at least 2 times a year

### **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.



For the year 2014, the directors attended the meetings as follows:

	Name-Surname	Position	Meetings in 2014				
			The Board of Directors	The Audit and Risk Management Committee	The Nomination and Remuneration Committee	The Corporate Governance Committee	Annual General Meeting of Shareholders
			Total of 9 times	Total of 4 times	Total of 2 times	Total of 2 times	Total of 1 times
1	Mr. Prasit Sirimongkolkasem	- Chairman	9/9	-	-	-	1/1
2	Mr. Virach Sirimongkolkasem	- Vice Chairman - Managing Director	9/9	-	-	-	1/1
3	Dr. Anan Sirimongkolkasem	- Chairman of Executive Committee - Senior Deputy Managing Director - Member of Nomination and Remuneration Committee - Member of Corporate Governance Committee	9/9	-	2/2	2/2	1/1
4	Dr. Sathit Karanes	- Independent Director - Chairman of Audit and Risk Management Committee - Chairman of Nomination and Remuneration Committee - Chairman of Corporate Governance Committee	9/9	4/4	2/2	2/2	1/1
5	Mr. Paramet Hetrakul	- Independent Director - Member of Audit and Risk Management Committee - Member of Nomination and Remuneration Committee	8/9	3/4	2/2	-	1/1
6	Mr. Thanathip Pichedvanichok	- Independent Director - Member of Audit and Risk Management Committee - Member of Nomination and Remuneration Committee	8/9	4/4	2/2	-	1/1
7	Mrs. Somsiri Ingpochai	- Executive Director	9/9	-	-	-	1/1
8	Ms. Wannee Sirimongkolkasem	- Director	9/9	-	-	-	1/1
9	Mr. Sujin Sirimongkolkasem	- Director - Member of Nomination and Remuneration Committee - Member of Corporate Governance Committee	9/9	-	2/2	2/2	1/1



#### **5.4.2 Meeting Agenda**

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 at the meeting that will benefit the Company.

#### **5.4.3 Meeting Documents**

The Board of Directors assigns the Company Secretary to prepare and send the supporting documents for the meeting to the directors for their consideration at least 5 working days prior to the meeting.

#### **5.4.4 The Meeting**

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

#### **5.4.5 Invite management to attend the Meeting**

The Board of Directors encourages the invitation of senior management 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 to give the opportunity to meet the Board of Directors for their further consideration of a succession plan.

#### **5.4.6 Access to Information**

The Board of Directors will have access to additional necessary information from 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 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 the matter of considering the appropriateness of the directors' remuneration for each year. The directors' remuneration shall be proposed to the Board for Directors and the Annual General Meeting of Shareholders for a final approval.



The Nomination and Remuneration Committee shall determine the fair remuneration of directors according to policies and guidelines to be comparable to the practices of the industry, experience, duties, accountability and responsibilities of the role and to be fair and in accordance with the result of their operations.

The Nomination and Remuneration Committee shall also consider director's remuneration by conducting and considering a remuneration survey to assess a reasonable and competitive remuneration.

In 2014, total remuneration for 9 directors was THB 5,395,000 being 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 520,000. The details of monetary remuneration of each director are shown as follows:

(Unit: Baht)

No.	Name-Surname	Remuneration		
		Director and Independent Director of GFPT	Director of Subsidiaries	Total
1.	Mr. Prasit Sirimongkolkasem	650,000	130,000	780,000
2.	Mr. Virach Sirimongkolkasem	585,000	130,000	715,000
3.	Dr. Anan Sirimongkolkasem	585,000	130,000	715,000
4.	Dr. Sathit Karanes	650,000	-	650,000
5.	Mr. Paramet Hetrakul	585,000	-	585,000
6.	Mr. Thanathip Pichedvanichok	585,000	-	585,000
7.	Mrs. Somsiri Ingpochai	585,000	130,000	715,000
8.	Ms. Wannee Sirimongkolkasem	585,000	-	585,000
9.	Mr. Sujin Sirimongkolkasem	585,000	-	585,000

#### 5.5.2 Remuneration for Executives

The Board of Directors has delegated the Nomination and Remuneration Committee to be responsible for considering the appropriateness of executive remuneration as compared to their experience, roles and responsibilities of the scope of work each year, and to subsequently propose to the Board of Directors for their consideration and approval under transparent criteria. The remuneration for executives should be consistent with the results of operations of the Company, individual performance



and comparable to normal standards in the agricultural and food industry and leading companies in Thailand by using the result of the survey conducted by the Nomination and Remuneration Committee. In 2014, the Company made a remuneration of THB 34,906,250 to 10 executives for their salary, bonus, and other remunerations (excluding senior accounting department manager).

#### **5.6 Performance Evaluation of the Board of Directors, Sub-Committee and the Chairman of Executive Committee**

The Nomination and Remuneration Committee set up evaluation of the Board of Directors, Sub-Committee and Chief Executive Officer at least once a year and the disclose criteria, 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 shall set up an annual performance evaluation of the Board of Directors at least once a year based on the self-assessment guideline provided by the Stock Exchange of Thailand<sup>5</sup> and to 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 analysis of the operational results and problems which occurred in the operation of business, create Good Corporate Governance and to subsequently disclose the criteria, procedures, and the evaluation result in the Annual Report.

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

- 1) Structure and qualifications of the Board
- 2) Roles and responsibilities 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

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<sup>5</sup> Self-evaluation committee (Group), Corporate Governance Center, November B.E.2550.



#### **Procedures**

The Company shall arrange the performance evaluation of the Board of Directors annually 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 to propose it to the Board of Directors for its consideration. The Company shall also use any recommendations on the performance evaluation to improve effectiveness of the Board's operation and maximize the benefits of Corporate Governance.

#### **5.6.2 Performance Evaluation of the Sub-Committee**

##### **Criteria**

The Board of Directors shall evaluate the performance of each sub-committee at least 1 time per year on their leadership, roles and responsibilities, and to set its policy, practice, meeting, management, and relationships with involved persons.

##### **Procedures**

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

#### **5.6.3 Performance evaluation of the Chief Executive Officer**

##### **Criteria**

The Board of Directors shall evaluate the performance of the Chief Executive Officer at least once a year on their leadership, set up and implementation of strategy, planning and financial performance, relationship with the Board of Directors, outsiders, and employees, operational management and relationship with other personnel, 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.<sup>6</sup>

##### **Procedures**

The Company has evaluated the performance of Chief Executive Officer annually to analyze 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 to subsequently present it to the Board of Directors for its consideration.

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<sup>6</sup> Evaluation form of the CEO. Corporate Governance Center, B.E.2555



For the year 2014, the Company performed the annual performance evaluation of the Board of Directors (as a group and individual), sub-committees, and the CEO. The results of performance evaluations were reviewed and discussed in the Board of Directors' meeting to improve the effectiveness of the Board's operation.

## 5.7 Development of Directors and Executives

### 5.7.1 Orientation

The orientation will be held every time a new director is being appointed with each new director<sup>7</sup> presented with a Director's Handbook and other useful information in being a director, such as the nature of the Company's business and the direction of the business operation. The Company has assigned the Company Secretary to be in charge of the orientation for new directors.

The orientation will also include presentations by senior management on the Company's information and business.

### 5.7.2 Succession Plan and Knowledge Development

- 1) The Board of Directors has determined that management is responsible for the development of a succession plan for the Company's uninterrupted operation in case an executive cannot work assume his/her role.
- 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 convene in at least 4 meetings per year with the Audit and Risk Management Committee to report on the review of internal

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<sup>7</sup> Board Orientation Guideline B.E. 2556, The Stock Exchange of Thailand



control system, related transactions of the Company, consideration of the nomination and appointment of the auditors, review financial reports, oversee compliance with regulations and policies, and conclusion / opinion of the Audit and Risk Management Committee towards various operations to the Board of Directors.

The Audit and Risk Management Committee has appointed Mr. Theerasak Piamsuphakphong to be a 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 independent auditors qualified in accordance to SEC's rules.
- 3) Review financial reports.
- 4) Oversee compliance with regulations and company policies.
- 5) Prepare both short-term and long-term internal audit plan.
- 6) Control 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 as is shown in Attachment 3

#### 5.9 The Company Secretary

The Board of Directors has appointed Ms. Jutamas Ingpochai as Company Secretary on 16 October 2008, under Section 89/15 of the Act of 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 basic advice to the directors on the Company's memorandum of association, laws and rules and regulations of the relevant authorities.
- 2) Manage 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 any report on conflict of interest that prepared by the directors and executives and to 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 complies with the relevant 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**

Mr. Ampol Chamnongwat, the authorized auditor No. 4663 from SAM NAK-NGAN A.M.C. Co., Ltd. was the auditor of the Company and its subsidiaries for the accounting period of the year 2014.

The Company and its subsidiaries paid the audit fee to SAM NAK-NGAN A.M.C. Co., Ltd. for the accounting period of the year 2014. The detail is shown as follows:

#### **1. Audit fee**

The Company and its subsidiaries paid the audit fee for the accounting period of the year 2014 in amount of 2,480,000.00 Baht, as shown in the following detail:

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

#### **2. Non-audited fee**

-None-



## 10. Corporate Social Responsibility Report

Corporate Social Responsibility Report (CSR Report) is prepared annually according to the SEC's Guidelines for Social Responsibility (B.E. 2555); the Guidelines for CSR Report organized by Thaipat Institute and the SET; and the guideline for Sustainability Report of the Global Reporting Initiatives Guideline (GRI) Version 3.1. The information in this report contains information during the period of 1 January 2014 – 31 December 2014. This CSR report conveys information about our operations, striving to operate and grow our business on the ground of good moral and ethical principles, Good Corporate Governance, and protecting the interests of all stakeholders including the economy, society, and the environment in order to generate shared benefit in both the short and long term and to create sustained growth for the Company.

GFPT has started the process of planning for sustainable development by taking into consideration the framework of the existing businesses and adjusting the business strategy which the Board of Directors established. In order for the organization to achieve its goals, it sets out its corporate vision, mission, strategy, and business policy as aforementioned in Part 1 Business Operation Page 2 - 3.

### **Creating Shared Benefits between the Company and its Stakeholders**

The Company believes that to achieve sustainable growth; the Company and its stakeholders must be able to match their interests, reduce problem factors, and strive to achieve improvements to the environment, to create shared benefits to both the Company and its stakeholders. The Company has therefore formulated a sustainable growth plan between the Company and its stakeholders by taking into consideration the interests of all stakeholders as set out below:









## Creating Shared Benefits between the Company and its Stakeholders

Stakeholders	 <b>Customers</b>	 <b>Employees</b>	 <b>Shareholders</b>	 <b>Business Partners</b>	 <b>Community and Society</b>	 <b>Environment</b>
Issues	<ol style="list-style-type: none"> <li>1. Good product quality, safe for consumption, and meet international standards</li> <li>2. Fair pricing policy</li> <li>3. On-time delivery</li> <li>4. Maintain customers' satisfaction</li> <li>5. Building confidence in the Company's products</li> </ol>	<ol style="list-style-type: none"> <li>1. Reasonable remuneration (Wage, salary, and other benefits)</li> <li>2. Working environment is in good condition and safe</li> <li>3. Provide training and improve employee's competences</li> <li>4. Career plan and job advancement</li> </ol>	<ol style="list-style-type: none"> <li>1. Shareholders' wealth maximization</li> <li>2. Financial return (dividend and capital gain)</li> <li>3. Operate business with good governance</li> </ol>	<ol style="list-style-type: none"> <li>1. Trade with fairness, honesty, and transparent.</li> <li>2. Fair pricing policy</li> <li>3. Strictly act according to terms of transactions and payment obligations</li> <li>4. Cooperate in protecting and eradicating all forms of corruption</li> </ol>	<p>Operate business with consideration to improve welfare of nearby community and society as a whole</p>	<p>Operate business with environmental awareness and creating minimal pollution</p>
Policy and Practice	<ol style="list-style-type: none"> <li>1. Develop quality and safety throughout our food chain constantly with traceable and eco-friendly production process</li> <li>2. Control cost for fair price</li> <li>3. Develop and maintain sustainable relationship with customers and keep customer commitment</li> </ol>	<ol style="list-style-type: none"> <li>1. Respect human rights to employees and workers with fairness</li> <li>2. Set appropriate and equitable benefits to employees and workers</li> <li>3. Frequently provide training program to develop employees' competency</li> <li>4. Provide and support employees and workers to show their competencies and opinions</li> <li>5. Provide good and safe workplace and environment to support employees' and workers' living standard</li> <li>6. Respect and understand private rights and basic needs of employees and workers to create good relationship among the organization</li> </ol>	<ol style="list-style-type: none"> <li>1. Operate business with good governance</li> <li>2. Operate with integrity and on the basis of good ethics</li> <li>3. Treat all shareholders equally</li> </ol>	<ol style="list-style-type: none"> <li>1. Operate business with good corporate governance and comply with Code of Conduct</li> <li>2. Set anti-corruption policy</li> <li>3. Set internal control and comply with anti-corruption policy</li> <li>4. Share, exchange, and provide technology to create reliability and trustworthiness under eco-friendly basis</li> </ol>	<ol style="list-style-type: none"> <li>1. Set Corporate Social Responsibility Policy</li> <li>2. Establish procedures and responsible department for receiving complaints, monitoring issues, and reporting progress of complaint handling to management.</li> </ol>	<ol style="list-style-type: none"> <li>1. Set the environmental policy</li> <li>2. Establish an environmental management procedure and responsible department in order to study the root-causes of the problem and preventive action in handling activities that may affect the environment.</li> <li>3. Set compliant channel, procedure, and responsible team to handling complaint and report to management.</li> </ol>



## Creating Shared Benefits between the Company and its Stakeholders

Stakeholders	 Customers	 Employees	 Shareholders	 Business <sup>1</sup> Partners	 Community and Society	 Environment
Communication Channels	1. Conduct customer satisfaction survey 2. Establish complaint channel and receive feedback 3. Set up customer visit by management to discuss about customer's problem and create good relationship	1. Establish complaint channel and receive feedback 2. Provide trainings, skill development, and personnel's improvement programs 3. Organize labor relations activities i.e. safety-week event, fire evacuation, and new year party 4. Provide standard work operation procedure and code of conduct of the Company 5. Provide announcements to employee	1. Organize shareholders' meeting 2. Disclose the Company's information according to the laws and regulations 3. Provide channel to communicate with the Company Secretary and Investor Relations 4. Provide information through authorized financial analysts regularly 5. Organize investor relation activities including plant visit, local and foreign roadshows, analyst meeting, and one-on-one meeting.	1. Provide complaint channels and receive feedback 2. Disclose business partners policy and practices 3. Executives hold meeting with business partners to create sustainable good relationship and discuss best solution	1. Set up complaint channels and receive feedback 2. Organize activities to improve welfare of nearby community in order to reach in local community, create good relationship, and gain mutual understanding through information exchange. 3. Establish a community relation team to handling complaints, provide solution, and report to management; as well as organize activities with local communities.	Complaint channels and receive feedback from stakeholders including customer, community, society, government agencies, and private sectors, who concern about environmental issues
Progress	In 2014, the Company conducted customer satisfaction survey. The result showed that customers are highly satisfied with the Company's products and sales services with the satisfaction rate of 91% and 90%, respectively. Customers are willing to repeat the sales and also refer others to purchase the Company's products.	In 2014, the Company employed total of 4,759 people, increase about 292 people or 6.54% from 2013. The 2014 turnover rate was 4.78% reduced 0.78% from 2013. The Company provided good welfare, good quality of work-life, continuously training program, safety and occupational health work environment, drug-free environment, equality employment and treatment. The Company received certificate of "servicing persons with disabilities and being negotiator of disabled persons discrimination" from National Office for Empowerment of Persons with Disabilities	In 2014, the Company had net profit in amount of THB 1,779.59 million or equal to THB 1.42 per share, increased about 17.40% from year 2013. The Company was evaluated under the Corporate Governance Corporate Governance Report of Thai Listed Companies (CGR) program and obtained "Very Good" ranking.	In 2014, the Company has no complaint from business partners or complaint relating to its business operations. The Company has announced its intention to be a signatory of the Collective Action Coalition: CAC of Thailand's private sector in fighting against corruption. The Board of the Company set the anti-corruption policy and announces to all employees	In 2014, the Company organized 171 activities relating to community and society. The details of these activities are shown in topic "the Initiative Projects on Youth, Community, and Society" in page 118.	In 2014, the Company started to construction of a new wastewater treatment plant with a capacity of 7,000 cubic meters per day in order to have more effective and modern sewage system.

<sup>1</sup> Supplier including of goods or service, Debtor, joint venture and operators with both public and private.



### Stakeholder's Analysis

From a survey conducted to provide an opportunity to stakeholders to comment and provide their views through various means of communication such as interviews, questionnaires, dealing with complaints, and attending to queries or other problems, which directly affected the stakeholders, including analysis of information gained from the Company's daily operation. The demands of each stakeholder were obtained by assessing the importance of factors which contributed to shared sustainable growth between the organization and the stakeholders as follows:



### Summary of Substantial Issues of Stakeholders

- |   |   |  |
|---|---|--|
| <b>1 Customers</b> <ul style="list-style-type: none"><li>1.1 Good product quality, safe for consumption, and meet international standards</li><li>1.2 Fair pricing policy</li><li>1.3 On-time delivery</li><li>1.4 Maintain customers' satisfaction</li><li>1.5 Building confidence in the Company's products</li></ul>       | <b>2 Employees</b> <ul style="list-style-type: none"><li>2.1 Reasonable remuneration (Wage, salary, and other benefits)</li><li>2.2 Working environment is in good condition and safe</li><li>2.3 Provide training and improve employee's competences</li><li>2.4 Career plan and job advancement</li></ul> | <b>3 Shareholders</b> <ul style="list-style-type: none"><li>3.1 Shareholders' wealth maximization</li><li>3.2 Financial return (dividend and capital gain)</li><li>3.3 Operate business with good governance</li></ul> |
| <b>4 Business Partners</b> <ul style="list-style-type: none"><li>4.1 Trade with fairness, honesty, and transparent.</li><li>4.2 Fair pricing policy</li><li>4.3 Strictly act according to terms of transactions and payment obligations</li><li>4.4 cooperate in protecting and eradicating all forms of corruption</li></ul> | <b>5 Community and Society</b> <ul style="list-style-type: none"><li>5.1 Operate business with consideration to improve welfare of nearby community and society as a whole</li></ul>  | <b>6 Environment</b> <ul style="list-style-type: none"><li>6.1 Operate business with environmental awareness and creating minimal pollution</li></ul>  |



By assessing the most important factors to stakeholders, the Company has developed, encouraged and re-evaluated to improve its business direction and management approach to place high consideration to the importance of each group of stakeholders including customers, employees, shareholders, business partners, communities, and the environment in order to lead to a sustainable development both economically and environmentally.

#### **Procedure for Sustainability**

##### **1. Operation of Vertical Integrated Chicken Production**

GFPT's core business is to produce chicken meat products; therefore, we believe that delivering good quality products, meeting international standards, and satisfying the customers' needs are the core values and the fundamental factors in achieving the Company's sustainable growth. Over the past 30 years, the Company has improved its chicken meat production process in multiple aspects including: expanding backward integration to become a fully vertical integrated chicken producer, utilizing modern machinery in the production process to increase production efficiency, using nutritious feed in order to obtain nutritious chicken meat, improving feed formula and having effective chicken farming system in order to lower production costs, setting the quality measurement and audit system in every step of production, and having a traceability system in place in order to be able to retrace from the origin of raw materials to the end product sold to customers so that the customers can have greater confidence in the quality of our chicken meat products. The Company's past improvements has been focused on creating greater confidence for customers and consumers that GFPT's chicken meat products are good quality, safe for consumption, and also environmentally friendly.

#### **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 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 and calibration 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*

The chicken processing plant is the most importance as it is the last stage of the production before the products end up with customers and consumers. Therefore food safety and the quality of the chicken meat are strictly controlled in all stages of production before delivering to customers and consumers. In addition to the international standards of food quality inspection systems such as GMP, HACCP, etc., the Company also set up laboratory facilities including a “**Chemical Laboratory**” to test for pesticide residues, nutrition, and various chemicals; and a “**Microbiological Laboratory**” to test microbes, pathogens, and residues of antibiotics in order to reassure the food quality and safety of its products.

Our laboratories are accredited with ISO / IEC 17025, which is the international standard certifying the competence of testing and calibration laboratories, being first accredited in 2004. In continually expanding our



operations, further accreditation were gained and recently in November 2014, the Company's laboratories were accredited for 64 tests and calibration focusing on the testing method with fast results in order to reduce storage time. In addition, testing methods which uses fewer chemicals have been developed to minimize handling of chemicals and environmental damage but at the same time maintaining the quality of the test and its accuracy.

Moreover, the Company's laboratories have been registered as competent facilities under the ISO / IEC 17025 issued by the National Bureau of Agricultural Commodity and Food Standards (ACFS). The laboratories have also been registered as approved laboratories for the analysis of livestock products for the Department of Livestock Development, Ministry of Agriculture and Cooperatives, which allows the Company to utilize analysis of the Company's products conducted by its laboratories as approved supporting documents for the application for a Health Certificate from the Department of Livestock Development. Furthermore the Company has also received certification and awards such as:

- Certificate of Excellence for laboratory quality for medical and public health for the year 2011 "Silver" level from the Department of Medical Sciences, Ministry of Public Health
- Certificate of Excellence for laboratory quality for medical and public health for the year 2013 "Gold" level from the Department of Medical Sciences, Ministry of Public Health
- Certificate for medical and health cooperation laboratory year 2013 from the Department of Medical Sciences, Ministry of Public Health
- Commemorative plaque for the Analysis Laboratory of Agricultural Products and Food of the Year 2013 from the National Bureau of Agricultural Commodity and Food Standards (ACFS).

These awards reflects the Company's development and the maintenance of standards and has continually built our customer's and consumer's trusts.

#### **Standards for Quality Management**

Each year, our chicken processing plant 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. 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 products 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 customers 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 catching chicken with care), free to live naturally, free from fear and anxiety (the raising conditions do not cause any distress, for instance, chickens catching process).

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 bio-security 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:

##### **➤ Chicken 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 Farming:**

Our chicken farm houses 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.

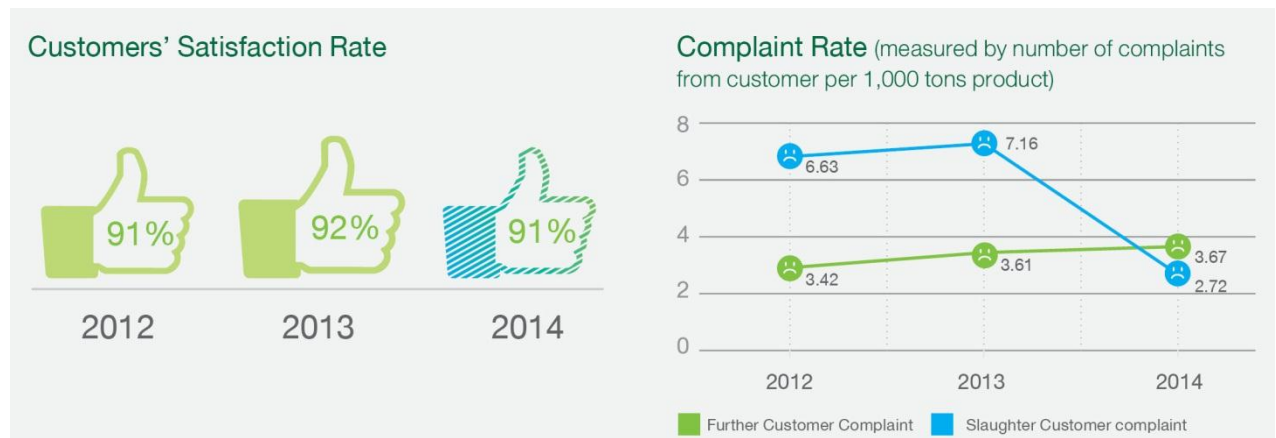


### Poultry Compartmentalization

In order to mitigate the risk of avian influenza outbreak, GFPT has implemented the poultry compartmentalization according to guideline of the Department of Livestock Development re: the Compartmentalization in Poultry Industry in Thailand B.E. 2554 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

By being determined and attentive in all stages of production in order to meet international standards, in 2014, the Company received good response from both local and foreign customers which is reflected in the continual growth in its revenues and profits (details as shown under the topic “Management’s Discussion and Analysis”) together with the high satisfaction of the customers and the reduced number of complaints from customers.



## 2. 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 are shown in the Company's Code of Conduct)



### **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.

The Company has constructed the Good Corporate Governance policy under the criteria of the Stock Exchange of Thailand and the regulations of the Organization for Economic Co-Operation and Development (OECD) as guidance in conducting business for directors, executives, and employees of the Company. The Company will review and revise the principles and guidelines of its Good Corporate Governance policy annually so as to be appropriate with any changes that may occur from the operation, environment, situation, or laws.

In 2014, the Company's Corporate Governance was evaluated under the Corporate Governance Report of Thai Listed Companies (CGR) program and obtained "Very Good" ranking and received 4 stars from the National CG Committee with a score of 85% from the Thai Institution of Directors (IOD), the Stock Exchange of Thailand, and the Securities and Exchange Commission. It was also evaluated for the quality of the Annual General Meeting for the year 2014 by the Thai Investors Association, the Thai Listed Companies Association, and the SEC with a full score of 100.

In addition, the Company also received the "Best Company Performance Awards" at the SET Awards 2014, organized by the Stock Exchange of Thailand and the Banking and Banking Magazine, and the Company was further nominated for the "Best CEO Awards" and the "Best Investor Relations Awards" reflecting the wide range of quality of the organization which exceeds the nomination requirements.

### **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 2014, the Company did not commit any offense or act which violated the provisions of the Public Company Limited Act or the regulations of governing bodies such as the SEC or the Stock Exchange of Thailand.



## 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 as follows:

### 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.



### **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.

### **Workforce Equality and Fairness**

GFPT sets employment policy and practice toward equally 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.

### **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.

In 2014, the Company did not receive any complaints regarding a violation of human rights in the course of the business operations of the Company whether from inside or outside of the organization. The Company did not have any legal disputes regarding labor laws, consumer rights, or the operation of the Company's business.

### **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 2014, the Company employed a total of 48 disabled workers in compliance with the Persons with Disabilities Empowerment Act B.E. 2550 section 33 and section 35, which requires a ratio of disabled to normal persons of 1 to 100 pursuant to the law.

The Empowerment of Persons with Disabilities (person)

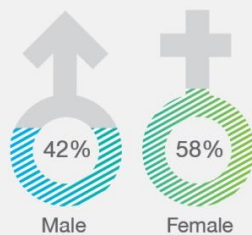


## Employment

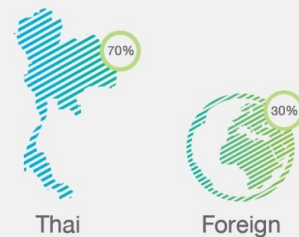
The Company has a policy on equality and diversity employment without any discrimination on gender, race, religion and culture.

In 2014, GFPT employed a total of 4,759 people with a diversity of age, gender, level of education, and work tasks.

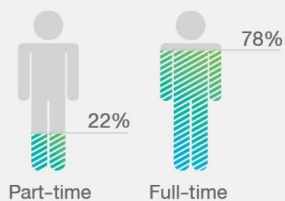
Employment by Gender



Employment by Nationality



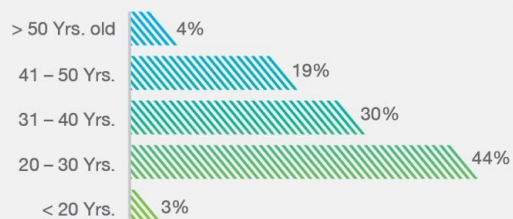
Employment by Type of Worker



Employment by Gender and Type of Worker



Employment by Age Group



Employment by Year of Services





#### Return to Work after Maternity Leave Rate

In 2014, a total number of 64 out of 2,748 female employees had taken maternity leave, of which 57 employees return to work after their maternity leave representing 89% of total female employees who took maternity leave.



#### 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.

#### 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.

### 3. Human Resources Policy

#### 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 as follows:



In 2014, the Company received a certificate approving the protection and prevention of drug addicted in the workplace (White Factory) on August 27, 2014 and effective until August 26, 2017.

#### 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 have awareness of safety in the workplace by providing information, training, encouraging all employees to participate in risk analysis and evaluation of the workplace to create a plan to prevent accidents at work, to identify the root of the cause of accidents to prevent repetitive accidents, and to continually encourage projects which promotes safety awareness

In 2014, the Company organized several activities to raise awareness of safety in the workplace as follows:

- **NEAR MISS 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.
- **Workplace Safety Week Project:** To organize a safety week event every year to educate employees and encourage awareness about possible accidents in the workplace such as the 14<sup>th</sup> Workplace Safety Week event held on 20-21 November 2014.
- **Safety Training Project:** to provide a training program on safety regarding how to safely use equipment during work and what to do in an unexpected event such as the training for basic firefighting skills and evacuation for the year 2014, safety committee training program, safety at work training, etc.
- **Safety Journal Project:** To provide 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.

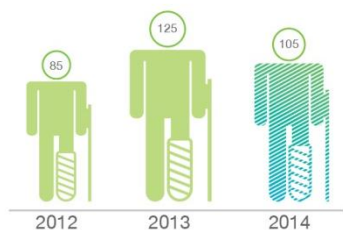




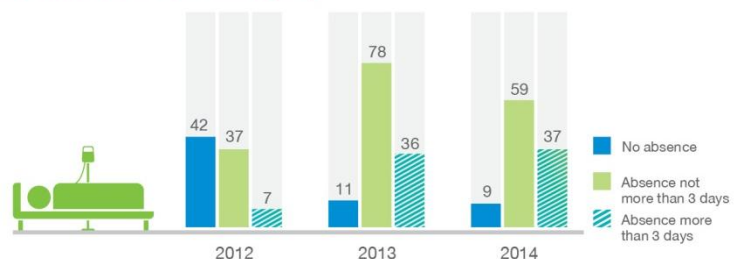
### Absence Rate from Injury

In 2013, the Company employed a higher number of foreign workers (MOU contract) causing a higher number of accidents. The Company has therefore implemented a preventive policy against workplace accident and increased the number of hours of training for new workers in order match the increased number of workers. The results were reflected in 2014 where the accident rate and the absence from injury rate dropped.

Accident Rate (times per year)



Absence Rate from Injury



### Complaint Channel and Procedure

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.

### 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.

Moreover, the Company also places importance on the well-being of employees outside of working hours. The Company has provided 3 accommodation projects near the workplace with a total of 22 buildings and more than 1,750 rooms to provide convenience, safety, and other amenities including providing an approved day nursery which meets regulatory standards to accommodate the employees' children during working hours.





## 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 2014, the Company's total number of training hours was 521,804 hours which is an average of 110 hours per employee per year. The curriculum of training included a wide array of skills such as the Executive Development Program, Senior Executive Program, Workplace Safety Training for Management, Defensive Driving, Corporate Social responsibility for sustainable growth, Corporate Governance, Risk Management, Safety, Sanitary, Environmental training and etc.





#### 4. Corporate Social Responsibility

##### 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, society, economy, and environment that led to the development of sustainable business success.

##### Anti-Corruption

The Company has announced its intention to be a signatory of the Collective Action Coalition: CAC of Thailand's private sector in fighting against corruption. The Company has also conducted risk management in corruption, and set out an anti-corruption policy and proposed to the Directors of the Company for their consideration. In this regard, the Company announces its policy to all employees from their induction as well as set out plans for the development of anti-corruption policies to possible related persons of the Company in the future.

##### Anti-Corruption Policy

"No board of directors, executives or employees of the GFPT Public Company Limited and its subsidiaries shall commit or approve of fraud and corruption in all its forms, both directly and indirectly, to gain personal benefits or the benefits of their family, friends, acquaintances, either as recipients or provider, or offer bribes whether with money or non-monetary forms.

This anti-corruption policy applies to all businesses and all sectors whether inside or outside of GFPT Public Company Limited and its subsidiaries. An assessment of employees' conducts in accordance with the policy shall be conducted on a regular basis, as well as regular reviews of practices and work regulation to be in accordance with any changes in the Company's business and the relevant laws."

Details, definition, practices, and communication channels are published on [www.gfpt.co.th](http://www.gfpt.co.th)

In 2014, 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.



### The Initiative Projects on Youth, Community, and Society (CSR after process)

In 2014, 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 with a total of 53 activities such as the National Children's Day on 18 January 2014 at Condo Bangsaotong, The Generous Senior treating Junior Event – Lamoonrordsiri School, the bike donation project "from GFPT to children for a dream ride to school," to pupils of Lamoonrordsiri in Samutprakarn, book donation to the project “Encourage juniors to read with GFPT” for local schools and around the borders of the 3 southern provinces with a total of 26 schools, provided scholarships, Medicine Alumni of Ramathibodi, supported activities of donations to orphans at the Alkawthar foundation building etc.

#### 2. Creating a good society

The Company has a policy of supporting the disadvantaged in the rural and challenged areas and those affected by disasters. The Company also has a policy of improving the quality of life of the surrounding community and also those further away to have a good quality of life, protecting the environment, and therefore the Company has through its own activities, government agencies, charitable organizations, and non-profit organizations, a total of 64 activities such as the support for the Royal project of house repairs charity, support for the project of building the Police Hospital Center in the south, donated dialysis machines to the Kidney Foundation of Thailand, support the education of veterinary science at the Faculty of Veterinary Medicine, Chulalongkorn University, organized the National Labour day at Condo Bangsaotong, support the sterilization of dogs around waste waters behind the Company’s factory, Earth Day (Throwing EM Ball to increase oxygen in the communal canal with the village and community in the vicinity of the plant), the project to promote dialogue for reconciliation (in Bangsaotong and Srisa Charakae Yai), the activity to celebrate the birthday of Queen Sirikit of 2014 at Bang Pla, etc.



### 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 individual in the society. The Company recognizes that Thai society is influenced by the religion, and therefore, places importance on the support and preservation of Buddhism as well as the continuous support for Thai arts and culture. The Company has organized activities related to promoting religion and Thai culture through government agencies, charities, and non-profit organization with a total number of 54 activities.

#### Earth Day Activity



#### National Children's Day Activity

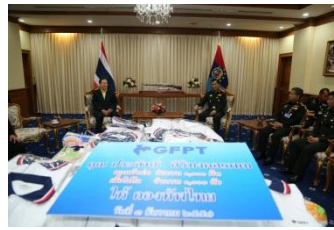
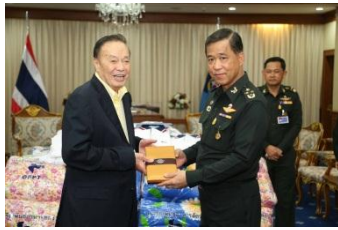


#### GFPT to children for a dream ride to school Project



#### The Generous Senior treating Junior Event



Blanket and Cloths Donation with Royal Thai Armed ForcesMother's Day ActivityProject to promote dialogue for reconciliationReligion Activity**5. Environmental Responsibility****Environmental 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"



## 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.

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 2014, the Company carried out activities and projects related to environmental management as follows:

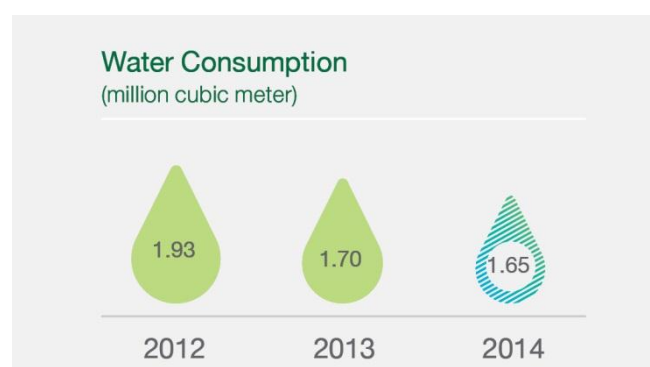
### Resource and Environmental Management

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 2014, our water consumption was in amount of 1.65 million cubic meter, decreased 2.8% from last year.



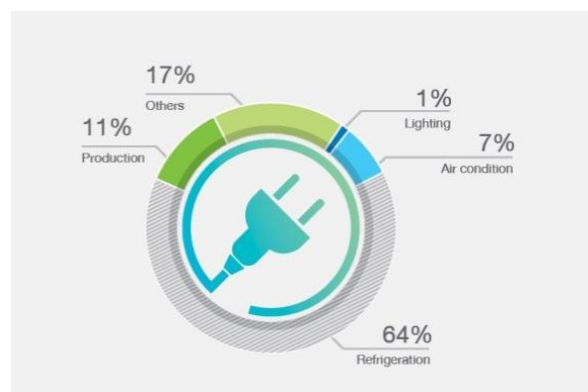
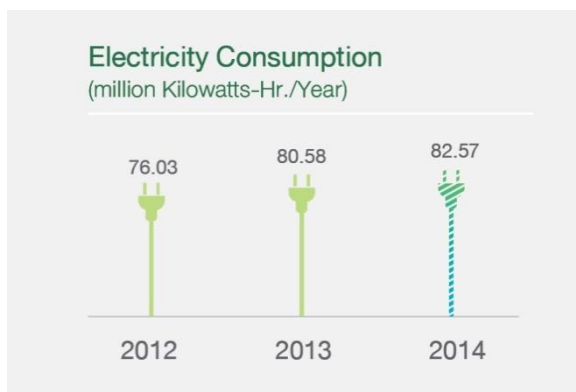


## Energy

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 using the LED 19,20W lights in the production line replacing the fluorescent light 36W, replaced the evaporative condenser used in refrigeration systems for a higher performance to allow a reduction in the use of electricity of the compressor, the introduction of automatic lighting system in the office building, and VDO Tele-Conference, which will save electricity and electricity expenses as well as reducing the environmental impact which is caused by transportation.

In 2014, the electricity utilization was in amount of 82.57 million kilowatts, increased 2.5% from last year, being 64% use in cooling system and 11% use in production process.



## Electricity consumption

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 2014, 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.

The result of air quality test at various check points.

	Particulate (mg/m3)	Sulfur dioxide (ppm)	Oxide of Nitrogen (ppm)	Carbon monoxide (ppm)	Opacity (%)
Test results	1.641 - 234.520	3.053 - 5.642	4.410 - 9.711	2.055 - 3.013	1.3 - 5.9
Standard Measure	320.00	60.00	200.00	690.00	10.00

### 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.

The wastewater from the production and consumption per day, is at an average of 4,500 cubic meters per day and the capacity of the Company's water treatment plant can treat up to 5,000 cubic meters per day of wastewater with an average volume of 4,000 cubic meters per day of treated water, which passes the regulatory standard, is released and an average of 500 cubic meters per day is recycled.

In 2014, the Company began the development of a 7,000 cubic meters per day water treatment plant to have a modernized sewage system, be more effective, and to be able to match the increased usage of water for future expansions of the Company's business.



### Noise Pollution

The Company measured the voice quality in the atmosphere (Ambient noise measurement) to measure the 24 hours a weighted Equivalent Continuous Sound Level and Annoyance noise. The level of noise must be in accordance with the law and shall be assessed by the authorized person from the Department of Industry. In 2014, the result of the measurement found that the 24-hour average noise level at measurement points is below legal thresholds.

Site: Chicken Processing Factory	Average Volume in 24 hours. (Leq)	Standard	Noise level (dBA)	Standard
Entrance area	64.5	70.0	7.7	10.0
Back area	69.4	70.0	6.1	10.0

### 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.



In 2014, the Company had no legal disputes in regard to emissions and waste or environmental impact from their operations, including not being fined for violating any environmental laws and regulations.

#### 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 reusing with regular monitor the quality
- **Reuse:** to reuse one-sided 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



### 11. Internal Control and Risk Management

Board of Directors and executives of the Company emphasize on having strong internal control system and risk management in order to mitigate business risks and prevent possible damage. The Company has set measurable goals and action plans as guidance for operations. The organization structure is set up to support and encourage the management to operate efficiently and effectively in accordance with the regulations and policies. 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. The Company also provides employee handbooks and code of conduct to employees in order to work efficiently.

The Company also authorizes the Audit and Risk Management Committee to oversee appropriateness of internal control system and risk management of the Company and its subsidiaries. The Audit and Risk Management Committee regularly reviews work of internal audit department, risk management department, and auditors; monitors 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; reviews the effectiveness of operational control of the Company in various aspects. The Company sets up an independent internal audit department to evaluate operational efficiency and adequacy of the internal control system and risk management based on COSO (The Committee of Sponsoring Organizations of the Treadway 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. Each department can use as a guideline for risk assessment such as identifying type of risk, measuring risk, controlling risk, reducing risk, monitoring and evaluating risk. Thus, the Company can manage risks more efficiently. The operational result can achieve to the goals and objectives. And, the Company's resources are effectively utilized.
2. The Company has defined the duties and authority of the executives and employees in written policy. The separation of duties and line of authorities among workers and supervisors as well as evaluation process can promote check and balance system, enhance business 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 provides update, correct, and sufficient information to the executives and Board of Directors to make decisions.
4. The Company reviews its actual operational performance to the target in a quarterly basis. In case that the actual is significantly below target, the management will assign the internal audit team to investigate for possible causes, provide suggestions, and report to the Board.

#### **Audit and Risk Management Committee**

The key activities of the Audit and Risk Management Committee during the year 2014 under the duties and responsibilities assigned by the Board of Directors are summarized as follows:

1. Review 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. Review the transactions and disclosures on related transactions between the Company and the related parties that may have conflict of interest during the year 2014.
3. Review 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. Review 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. Review 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 2014. The transactions had to be justified and adhere to guidelines published by the Capital Market Supervisory Board.
6. Review 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. Review 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. Meeting with the auditors without any executives of the Company to enable the auditor to report freely on events and information about the Company. This includes opinion on the internal control system and risk management.
9. Review 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**

Strategic risk is the risk arising from strategy and policy of the Company, which result from inappropriate strategic plan and inappropriate implementation of strategy. This also includes inconsistencies between policy, goals, strategies, organizational structures, competitive environment, resources, implementation of plan and environment. The Company consistently monitors significant strategy and policies that may affect the business operation in order to achieve the strategic goals.

#### **2. Operational Risk**

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**

Financial risk is the risk arising from 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 that the source of fund must sufficient and obtainable on a timely basis in order to minimize the risks that may affect the Company's investments.

#### **4. Compliance Risk**

Compliance risk is the risk arising from not following the rules, regulations or related laws that may obstruct the business operations. The Company strictly complies with rules (both inside and outside of the Company) and related laws by constantly monitoring and reviewing the operations.

#### **5. Hazard Risk**

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 reviewing the risks discussed above, the Audit and Risk Management Committee has an opinion that the Company and its subsidiaries 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 presented fairly. 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. 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.

Internal Control System of the Company covers the following areas:

- **A controlled environment** - the Company had set up a good internal control environment by defining clear organizational structure, business goals, and 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 encourages management, employees, and its affiliates to recognize the importance of Good Corporate Governance by having business ethics for directors, executives and employees. The Company also encourages 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 risk assessment to identify and analyze risk factors according to the target level and acceptable level of 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 reviewed annually.
- **Control Activities** - The Company clearly separates duties and responsibilities of each position. The Company also had operational guideline that suits its operational structure and current practices. The operational performance is regularly reviewed in compliance 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 realizes the importance of the IT and communication system and continuously encouraged the improvement of the system to ensure that all information is accurate and up-to-date. An efficient and modern IT system is adopted to



guarantee the safety of the information. Therefore, the information will be used to make business decisions properly and accurately. 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 with laws and regulations and safe guard of assets. The internal audit department was assigned to be in charge of this duty.
- **Internal audit of the Company** – The Company monitors and evaluates the effectiveness of the internal control process of each department. Each department is appraised by consultant and the results of each department will be officially reported to the management for improvement and monitoring.

From above internal control system areas, the Audit and Risk Management Committee proposed to the Board of Directors meeting No.1/2015 on 22 January 2015 to consider the Company's internal control system in which the Board of Directors approved that the internal control and risk management system of the Company and its subsidiaries is sufficient and appropriate with the Company's operation. The system is satisfactory and effective to minimize business risk and prevent Company's assets from misuse of executives. The sufficiency of internal control and risk management system is evaluated annually in compliance with the regulations of the Securities and Exchange Commission. In addition, the internal control department reviews and monitors the operations of each department within the Company to ensure compliance with the internal control and risk management practices. In case that the significant error is found, the internal control department will report to the executive committee and the Audit and Risk Management Committee for resolutions.

In addition, SAM NAK-NGAN A.M.C. Co., Ltd., the Company's auditor audited the quarterly and annual financial statements of the Company and its subsidiaries for fiscal 2014 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 obtain the 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. This is to minimize the risk level to an acceptable level and review 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 attended training courses related to the internal control practices. He has good



understanding in Company's business and operations. He also passed the selection process by the Audit and Risk Management Committee. Therefore, the Company considered it to be appropriate to appoint him to perform such duties.

However, the Company appreciates 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 which moderated by the Audit and Risk Management Committee in order to comply with the requirements of the Securities and Exchange Commission, The Stock Exchange of Thailand, and the accounting standards set by the Federation of Accounting Professions. The Board of Directors also considers 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 directors, executives, or related persons. The transactions are carried out as normal business transaction with fair and proper price as if they are undertaken with other third party.

### Reason for Inter-Transactions

In the approval process of the inter-transaction, the Company shall execute the inter-transaction similarly to other normal business transaction which allows the authorized persons to approve within the credit limit. Moreover, the Audit and Risk Management 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 2014, 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, 2014 and 2013, the Company and its subsidiaries had the inter-transactions which were disclosed in the notes to audited financial statements by the Company's auditor. As reviewed by the Audit Committee and Risk Management, the Audit and Risk Management Committee had opinion that all transactions was 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. The inter-transactions shall be considered under the reasonableness and commercial appropriateness to treat shareholders and stakeholders equally 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 2014 and 2013, the Company and its subsidiaries had the inter-transactions disclosed in the notes to audited financial statements note 5.2 Inter-transactions with related companies' 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, 2014 (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 2. Purchases 3. Other Income 4. Rental Income 5. Other Expenses	- - 0.09 7.05 2.55	223.39 221.97 17.31 15.30 78.80	- - 0.30 7.05 2.62	631.54 844.57 20.58 15.30 76.28	- Providing rental office building / Pricing by Independent Appraiser. - Selling broiler / Pricing by Contract Price based on Market Price
2. P. Charoen Phan Produce Co., Ltd. / Common Management	1. Rental Income	1.04	2.54	1.07	2.57	Providing rental farms / Pricing by Contract Price
3. Panalab Co., Ltd. / Common Management	1. Other Income 2. Rental Income 3. Other Expenses	- - -	0.06 0.08 0.01	- - -	- - -	Selling plant drug / Pricing by Market Price
4. P.Vet. Co., Ltd. / Common Management	1. Sales 2. Other Income	- -	0.23 0.02	- -	0.11 0.05	Selling animal drug / Pricing by Market Price
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, 2014 (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	-	2,040.00	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	2.23	2.23	Providing rental accommodations / Pricing by Market Price
	2. Rental Income	0.35	0.35	0.35	0.35	
	3. Other Expenses	0.91	0.91	0.37	0.37	
8. Nichirei Foods Inc. /Major Shareholder of joint venture	1. Sales	1,294.18	1,294.18	977.29	977.29	Purchasing Chicken Processing Products / Pricing by Market Price
	2. Other Income	0.31	0.31	1.35	1.35	
9. KEYSTONE FOODS (AP) LTD. / Shareholding by Keystone Foods Inc.	1. Sales	268.96	268.96	186.37	186.37	Purchasing Chicken Processing 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	5.10	5.10	Purchasing Chicken Meat Products / Pricing by Market Price
11.Surapon Nichirei Foods Co., Ltd / Shareholding by Nichirei Foods Inc.	1. Sales	378.50	378.50	19.18	19.18	Purchasing Chicken Meat Products / Pricing by Market Price
	2. Other Income	-	-	0.05	0.05	



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, 2014 (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	38.03	110.53	<p><u>In 2014</u>, according to the Minutes of Extraordinary General Meeting No.1/2013 dated December 12, 2013, the Company and its subsidiaries were approved to receive financial assistance from related persons to help the Company's liquidity. The amount of credit line was not exceeding Baht 2,000 million with annual interest rate of not over 5.50%, maturity at January 2024.</p> <p><u>In 2013</u>, according to the Minutes of Extraordinary General Meeting No.1/2009 dated January 29, 2009, the Company and its subsidiaries were approved to receive financial assistance from related persons to help the Company's liquidity. The amount of credit line was not exceeding Baht 2,000 million with annual interest rate of not over 6.00%, maturity at January 2014.</p>