

Part 2

Management and corporate governance

1. Securities and Shareholder information.

1.1 Register capital securities and paid-up capital securities

- The Company's registered capital is 381,146,251 bahts, paid up of 381,145,725 bahts, divided into 381,145,725 common shares and each with par value of 1 baht.
- The company has no other securities such as preference share, warrant, debenture share chiefly.

1.2 Shareholders

- Names of main shareholders at the day of closing register book to suspend transferring shares for the right in attending Ordinary Shareholder Meeting are as follows:

The first ten major shareholders	As at March 14, 2014		As at March 14, 2013	
	Shares	%	Shares	%
1. Nornern Agricultural Co., Ltd.	66,755,700	17.51	66,755,700	17.51
2. Itochu Corporation	50,440,665	13.23	50,440,665	13.23
3. Itochu (Thailand) Ltd.	25,789,335	6.77	25,789,335	6.77
4. Nomura Securities Co., Ltd.	19,057,313	5.00	19,057,313	5.00
5. Mr. Lan Mu Chiou + spouse	18,030,830	4.73	18,030,830	4.73
6. Mr. Prapas Pholpipattanaphong + spouse	15,346,200	4.03	16,066,200	4.22
7. Thai and VDR Co., Ltd.	13,318,695	3.49	14,225,707	3.73
8. Miss Chang, Min - Fang	8,837,730	2.32	8,837,730	2.32
9. Miss Ninjarat Saharattanachaiwong	6,261,750	1.64	6,261,750	1.64
10. Mr. Lu, Yu – Chin	6,105,309	1.60	6,105,309	1.60
Total	229,943,527	60.32	231,570,539	60.75

Remark: at December 26, 2013, Itochu Corporation and Itochu (Thailand) Ltd. have sold all holding shares.

Items	As at March 14, 2014			As at March 14, 2013		
	No. of holders	Shares	%	No. of holders	Shares	%
Thai nationality	2,332	227,268,181	59.63	1,553	222,368,313	58.34
Foreign nationality	39	153,877,544	40.37	43	158,777,412	41.66
Total shareholders	2,371	381,145,725	100.00	1,596	381,145,725	100.00
- Japanese	12	79,981,282	20.98	12	78,747,470	20.66
- Taiwanese	10	52,480,878	13.77	11	52,480,978	13.77
- English	5	19,281,701	5.06	6	19,281,801	5.06
- Swiss	2	1,756,950	0.46	3	6,598,150	1.73
- American	3	330,876	0.09	4	1,623,156	0.43
- German	1	29,040	0.01	1	29,040	0.01
- Others	6	16,817	-	6	16,817	-

- The company holds the share in Agrifood Processing Co., Ltd., (subsidiary company) by holding the shares 100%.
- The company has no agreement between main shareholders that will impact toward issuance and selling propose of securities or work execution of the company.

Names of Institution Shareholders of the company

Name		As at March 14, 2014		As at March 14, 2013	
		Shares	%	Shares	%
1	Nomura Securities Co., Ltd.	19,057,313	5.00	19,057,313	5.00
2	Bank Julius Baer and Co., Ltd.	1,738,800	0.46	6,500,000	1.71
3	Rothschild Bank AG	-	-	80,000	0.02
4	Commerz Bank Aktiengesellschaft	29,040	0.01	29,040	0.01
5	Land and House Bank PCL.	18,150	-	18,150	-
6	The Securities Srimite PCL.	330	-	330	-
Total		20,843,633	5.47	25,684,833	6.74

Rights and equality of shareholders

Board of Company have fully realized an important of shareholders by intending the shareholders to be treated equally on the process of good corporate governance. The Company then opens a chance for the shareholders to participate by presenting the subject that think it important to put in the agenda of Ordinary Shareholder Meeting and presenting person name of knowledgeable, competent and appropriate qualified for receiving consideration of electing as company director and enable to send the question concerning agenda of meeting to the Board of Director in advanced before meeting day and the company is still aware of the right of shareholders in receiving the company information with correct, sufficient, in time and equal to make decision in Shareholder Meeting. Therefore, in every Shareholder Meeting, the company will send a letter of convening meeting with document information for meeting that contains full details and sufficient inclusive Board of Company comments in every agenda toward securities registrar of the company in order to reach in hand of the shareholders before meeting 21 days as fixed by law and the shareholders are still able to study an information for meeting in advanced through website of the company at least 30 days before Shareholder Meeting day to open a chance to the shareholders having time to study such information in details. Besides, the company has still given facilities to the shareholders in participating the Shareholders Meeting by fixing day, time and venue to reach convenient and having appropriate size for serving meeting attendant sufficiently and in case the shareholders are unable to attend the meeting by themselves then able to delegate other persons or Independent Director of either of their company to attend and cast a vote by proxy.

Shareholders' Meetings

Board of Company manage to have Shareholder Meeting and it is Annual Ordinary Meeting within 4 months from the date of cycle year of account and extraordinary shareholder meeting in case of asking special resolution from shareholders. The Company pays an important to every shareholder both institution shareholders and small shareholders, the company then invites and supports institution shareholders and small shareholders to join the meeting in order to inquire suspicion express one's thought and give various advise that will be useful toward conductive business in which the company is ready to give facilities to every shareholders equally and uses the rights to vote transparently, justice by providing to have the meeting set in agenda order that formulated in an invitation letter. For electing agenda of directors, the company has separated the matter to allow the shareholders use the rights to vote for electing directors individually along with arrange to have an representative of the shareholders in counting the vote for correction and make disclosure of the shareholder meeting resolution with voting result at time 09.00 a.m. of the next working day from the date of shareholder meeting and arrange completely of meeting report and diffuse meeting report toward the Securities and Stock Exchange of Thailand and report through the company website within 14 days from the date of shareholder meeting.

Basis and method of casting a vote in electing director are as follows:

1. One shareholder has a vote equal to one share/one vote.
2. Each shareholder must use all existing vote as 1 to elect one person or many persons as director but can't share the vote to anyone more or less.
3. A person which receives maximum vote respectively shall be elected as director equal to number of available director as it must be and must elect in that time. In case a person

which is elected respectively by having equal vote exceed number of director that must have or must elect in that time, let the Chairman vote for arbitrating.

1.3 Other securities issuance

The company issues the securities as ordinary share only, not issues other securities such as preference share or warrant or debenture share chiefly.

1.4 Dividend payment policy

Normally, the company has a policy to pay dividend not less than 60% of net profit except in case there is a plan to expand investment, then will consider to pay dividend as financial appropriate.

Record of Dividend

Year	Rate (Baht/share)	Amount of shares (Shares)	Date of closing register book for the right of dividend	Dividend payment dates
2010	0.35	381,145,725	May 12-13,2011	May 27,2011
2011	0.14	381,145,725	Mar.13-14,2012	May 11,2012
2012	0.28	381,145,725	Mar.13-14,2013	May 10,2013
2013	0.31	381,145,725	Mar.19-20,1014	May 12,2014

Items	Unit	2013	2012	2011	2010
Net profit Consolidated	,000bahts	135,818	174,062	55,796	158,188
Amount of shares	,000shares	381,146	381,146	381,146	381,146
Par value	Baht/share	1.00	1.00	1.00	1.00
Profit per shares	Baht/share	0.36	0.46	0.15	0.42
Book value	Bahts/share	3.48	3.41	3.07	3.33
Annual dividend	,000bahts	118,155	106,721	53,360	133,401
Annual dividend	Baht/share	0.31	0.28	0.14	0.35
Payout ratio	%	87.00	61.31	95.63	84.33

Remark: Ratio of dividend payment and dividend payout date from an operation result of the year 2013 are still uncertain. It depends on the resolution of Ordinary Shareholder Meeting for annual 2014.

2. Management structure

2.1 Board of company

Board of Company

Names	Position	Type of director
1. Mr. Prayoon Pholpipattanaphong	Chairman	Executive director
2. Mr. Prapas Pholpipattanaphong	Managing Director	Executive director
3. Mr. Suwat Phongphasura	Director	Executive director
4. Mr. Prayuth Pholpipattanaphong	Director	Executive director
5. Mr. Ankoon Pholpipattanaphong	Director	Executive director
6. Mr. Lan Mu Chiou	Director	Non-executive director
7. Mr. Kenichi Tai	Director	Non-executive director
8. Mr. Santichai Suakanonth	Director	Independent director
9. Mr. Amnuay Yossuck	Director	Independent director
10. Mr. Ampon Ruayfupant	Director	Independent director
11. Dr. Phusit Wonglorsaichon	Director	Independent director
By Mr. Ankoon Pholpipattanaphong as Secretary to the Board of Company		

Board of Audit Committee

Names	Position	Type of director
1. Mr. Santichai Suakanonth	Chairman	Independent director
2. Mr. Amnuay Yossuck	Director	Independent director
3. Mr. Ampon Ruayfupant	Director	Independent director
Mr. Santichai Suakanonth – Certified Public Account No. 422 is a person of knowledgeable in accounting and experience in auditing financial statements. By Mr. Suphot Sutthiprapa as Secretary to the Board of Audit Committee		

Board of Executive Directors

Names	Position	Type of director
1. Mr. Prayoon Pholpipattanaphong	Chairman	Executive director
2. Mr. Prapas Pholpipattanaphong	Managing Director	Executive director
3. Mr. Suwat Phongphasura	Director	Executive director
4. Mr. Prayuth Pholpipattanaphong	Director	Executive director
5. Mr. Ankoon Pholpipattanaphong	Director	Executive director
By Mr. Ankoon Pholpipattanaphong as Secretary to the Board of Executive Director		

Board of Nomination and Remuneration Committee

Names	Position	Type of director
1. Mr. Amnuay Yossuck	Chairman	Independent director
2. Mr. Santichai Suakanonth	Director	Independent director
3. Mr. Ampon Ruayfupant	Director	Independent director
4. Mr. Prapas Pholpipattanaphong	Director	Executive director
5. Mr. Wanchandr Sivaboonyawongs	Director	Legal Advisor
By Mr. Wanchandr Sivaboonyawongs as Secretary to the Board of Nomination & Remuneration Committee		

Board of Corporate Governance Committee

Names	Position	Type of director
1. Mr. Prayuth Pholpipattanaphong	Chairman	Executive director
2. Mr. Ankoon Pholpipattanaphong	Director	Executive director
3. Mr. Ampon Ruayfupant	Director	Independent director
4. Dr. Phusit Wonglorsaichon	Director	Independent director
5. Mr. Sakda Phimmuang	Director	Accounting Manager
By Mr. Sakda Phimmuang as Secretary to the Board of Corporate Governance Committee		

Board of Risk Management Committee

Names	Position	Type of director
1.Mr.Prapas Pholpipattanaphong	Chairman	Executive director
2.Mr.Suwat Phongphasra	Director	Executive director
3.Mr.Ankoon Pholpipattanaphong	Director	Executive director
4.Mr.Prayuth Pholpipattanaphong	Director	Executive director
5.Mr.Wanchandr Sivaboonyasongs	Director	Legal advisor
6.Mr.Sakda Phimmuang	Director	Accounting manager
By Mr.Sakda Phimmuang as Secretary to the Board of Risk Management Committee		

Directors - Subsidiaries Company (Agrifood Processing Co., Ltd.)

1. Mr. Prayoon Pholpipattanaphong
2. Mr. Prapas Pholpipattanaphong
3. Mr. Suwat Phongphasura
4. Mr. Prayuth Pholpipattanaphong
5. Mr. Ankoon Pholpipattanaphong

Biography of the Directors

1. Mr. Prayoon Pholpipattanaphong

Type of director	Executive director (Chairman of Board of Director)
Age	80 years
Education	Accounting profession
Other qualifications	Honorary Doctor, Agricultural, Maejoe University
Director training program/year	DAP-15/2004
Experience	Chairman of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-present
Positions in other listed companies	None
Positions in non-listed companies	Chairman of Agrifood Processing Co., Ltd., from Jun. 6, 2003-present
Positions in rival companies / related companies	None
Meeting attendance in 2013	Board of Director Meeting 4 / 4 times Board of Executive Director Meeting 2 / 2 times
Date and no. of years on the board	November 3, 1988, 26 years
CM Shareholding on Dec. 31'2013	306,517 shares or 0.08%

2. Mr. Prapas Pholpipattanaphong

Type of director	Executive director (Managing Director)
Age	65 years
Education	High school certificate
Director training program/year	DAP-8/2004

Experience	Managing Director of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-present
Positions in other listed companies	None
Positions in non-listed companies	Director of Agrifood Processing Co., Ltd., from Jun. 6, 2003-present
Positions in rival companies / related companies	None
Meeting attendance in 2013	Board of Director Meeting 4 / 4 times Executive Director Meeting 2 / 2 times Board of Nomination & Remuneration Meeting 1 / 1 time Board of Risk Management Meeting 1 / 1 time
Date and no. of years on the board	November 3, 1988, 26 years
CM Shareholding on Dec. 31'2013	Private 10,007,830 shares or 2.63% Spouse 5,338,370 shares or 1.40% Total 15,346,200 shares or 4.03%

3. Mr. Suwat Phongphasura

Type of director	Executive director
Age	72 years
Education	High school certificate
Director training program/year	DAP-12/2004
Experience	Executive director of Chiangmai Frozen Foods PCL., from Nov. 3, 1988-present Authorized director of Chiangmai Frozen Foods PCL, from Mar. 25, 1997 – present.
Positions in listed companies	None
Positions in non-listed companies	Director of Agrifood Processing Co., Ltd., from Jun. 24,2005-present
Positions in rival companies / related companies	None
Meeting attendance in 2013	Board of Director Meeting 4 / 4 times Board of Executive Director Meeting 2 / 2 times Board of Risk Management Meeting 1 / 1 time
Date and no. of years on the board	November 3, 1988, 26 years
CM Shareholding on Dec. 31'2013	2,450,250 shares or 0.64%

4. Mr. Prayuth Pholpipatanaphong

Type of director	Executive director
Age	67 years
Education	Bachelor of Science, Chulalongkorn University
Director training program/year	None
Experience	Business Development Manager-Chiangmai Frozen Foods PCL., from Jan. 2, 2003-present Executive director-Chiangmai Frozen Foods PCL., from Apr. 30, 2010-present Director- Esso Thailand(2000-2001)
Positions in listed companies	None
Positions in non-listed companies	Executive Director- Agrifood Processing Co., Ltd., from Jun. 6, 2003-present
Positions in rival companies / related companies	None
Meeting attendance in 2013	Board of Director Meeting 4 / 4 times Board of Executive Director Meeting 2 / 2 times Board of Corporate Governance Meeting 3 / 3 time Board of Risk Management Meeting 1 / 1 time
Date and no. of years on the board	April 30, 2010, 4 years
CM Shareholding on Dec. 31'2013	None

5. Mr. Ankoon Pholpipattanaphong

Type of director	Executive director (Asst. Managing Director, Secretary)
Age	44 years
Education	Master of Business Administration- Colorado University Bachelor of Communication, Bangkok University
Director training program/year	DAP-12/2004, UFS-10/2005
Experience	Executive director & Marketing Manager of Chiangmai Frozen Foods PCL., from Apr. 27, 2000-present Assis.Managing Director of Chiangmai Frozen Foods PCL., from Feb. 1, 2007-present Company's Secretary of Chiangmai Frozen Foods PCL., from Feb. 28, 2008-present
Positions in listed companies	None
Positions in non-listed companies	Authorized director of Agrifood Processing Co., Ltd., from Jun. 6, 2003-present

Positions in rival companies / related companies	None
Meeting attendance in 2013	Board of Director Meeting 4 / 4 times Board of Executive Director Meeting 2 / 2 times Board of Corporate Governance Meeting 3 / 3 time Board of Risk Management Meeting 1 / 1 time
Date and no. of years on the board	April 27, 2000, 14 years
CM Shareholding on Dec. 31'2013	Private 3,702,600 shares or 0.96% Spouse 181,500 shares or 0.05% Child 363,000 shares or 0.10% Total 4,247,100 shares or 1.11%

6. Mr. Lan Mu Chiou

Type of director	Non-executive director
Age	66 years
Education	High school certificate
Director training program/year	None
Experience	Director of Chiangmai Frozen Foods PCL., from Nov. 3,1988-present
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2013	Board of Director Meeting 3 / 4 times
Date and no. of years on the board	November 3,1988, 26 years
CM Shareholding on Dec. 31'2013	Private 12,886,724 shares or 3.38% Spouse 5,144,106 shares or 1.35% Total 18,030,830 shares or 4.73%

7. Mr. Kenichi Tai

Type of director	Non-executive director
Age	48 years
Education	Bachelor-Economy, Keio University
Director training program/year	None
Experience	Executive-Itochu Corporation (1989-2010) Executive-Itochu (Thailand) Ltd., from Aug. 2010-present Director-Chiangmai Frozen Foods PCL., from Aug. 13, 2010-present Is a person who has working experienced that related with

	company business.
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2013	Board of Director Meeting 4 / 4 times
Date and no. of years on the board	August 13, 2010, 4 years
CM Shareholding on Dec. 31'2013	None

8. Mr. Santichai Suakanonth

Type of director	Independent director (Chairman of Board of Audit Committee)
Age	80 years
Education	Bachelor of Commercial, Thammasat University Bachelor of Accounting, Thammasat University
Other qualification	Certified Public Accountant Registration No. 422
Director training program/year	DAP-15/2004, ACP13/2006
Experience	Manager of Krungsriyudhya Bank, Pernchit Office (1993-1995) Independent Director-Chiangmai Frozen Foods PCL., from Nov. 20, 1992-present
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2013	Board of Director Meeting 4 / 4 times Board of Audit Committee Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 1 / 1 time
Date and no. of years on the board	November 20, 1992, 22 years
CM Shareholding on Dec. 31'2013	45,738 shares or 0.01%

9. Mr. Amnuay Yossuck

Type of director	Independent director (Audit Committee)
Age	77 years
Education	Master of Economic (Agriculture), Arisona University Bachelor of Economics, Thammasat University

Other qualification	Honorary Doctor, Cooperative Agricultural, Maejoe University
Director training program/year	DAP-15/2004
Experience	Deputy Minister, Ministry of Public Health(1981-1983) Deputy Minister, Ministry of Finance (1983-1985) Deputy Minister, Ministry of Commerce (1985-1986) Prime Minister Adviser (1988-1990) Deputy Minister, Ministry of Foreign Affairs (1985-1986) Independent Director-Chiangmai Frozen Foods PCL., from Mar. 12, 1993-present
Positions in listed companies	None
Positions in non-listed companies	Chairman of Board of Director of PiriyaPol International (1986-present) President of Mae Joe University Council (1999-present)
Positions in rival companies / related companies	None
Meeting attendance in 2013	Board of Director Meeting 4 / 4 times Board of Audit Committee Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 1 / 1 time
Date and no. of years on the board	March 12,1993, 21 years
CM Shareholding on Dec. 31'2013	667,920 shares or 0.18%

10. Mr. Ampon Ruayfupant

Type of director	Independent director (Audit Committee)
Age	45 years
Education	Master of Business-Finance, Cornell University Bachelor-Business Administration, Assumption University
Director training program/year	None
Experience	Risk Management Manager of GE Capital(1994-1996) Independent Director-Chiangmai Frozen Foods PCL., from Apr. 26, 2006-present
Positions in listed companies	None
Positions in non-listed companies	Executive director of Pilot Knit Sport Wear Co., Ltd. (2000-present)
Positions in rival companies / related companies	None
Meeting attendance in 2013	Board of Director Meeting 4 / 4 times Board of Audit Committee Meeting 4 / 4 times Board of Nomination & Remuneration Meeting 1 / 1 time

	Board of Corporate Governance Meeting 2/2 times
Date and no. of years on the board	April 26,2006, 8 years
CM Shareholding on Dec. 31'2013	71,874 shares or 0.02%

11. Dr. Phusit Wonglorsaichon

Type of director	Independent director
Age	43 years
Education	Ph.D - Business Administration Nova Southeastern University. Master of Business Administration (Honor) Indianapolis University. Bachelor - Material Science, Ceramics Chulalongkorn University
Director training program/year	None
Experience	Lecturer, University of the Thai Chamber of Commerce -started Jun. 1, 2005-present Director of D.B.A. (Management), University of the Thai Chamber of Commerce.-started Jul. 23, 2011-present Director of MBA Online (Management), University of the Thai Chamber of Commerce.-started Sep. 28, 2012-present Independent Director-Chiangmai Frozen Foods PCL., from Apr. 30, 2010-present
Positions in listed companies	None
Positions in non-listed companies	None
Positions in rival companies / related companies	None
Meeting attendance in 2013	Board of Director Meeting 4 / 4 times Board of Corporate Governance 2 / 2 times
Date and no. of years on the board	April 30, 2010, 4 years
CM Shareholding on Dec. 31'2012	None

Change on holding securities of company director in the cycle year of 2013

Names - Surname			Position	Hold the share, beginning of the year	Hold the share, end of the year	Change
1	Mr.Prayoon Pholpipattanaohong		Chairman	306,517	306,517	-
2	Mr.Prapas Pholpipattanaphong	Private	Managing Director	10,077,830	10,077,830	-
		Spouse		6,058,370	5,338,370	(720,000)
		Total		16,066,200	15,346,200	(720,000)
3	Mr.Suwat Phongphasura		Executive Director	2,450,250	2,450,250	-
4	Mr.Prayuth Pholpipattanaphong		Executive Director	1,052	-	(1,052)
5	Mr.Ankoon Pholpipattanaphong	Private	Executive Director	3,702,600	3,702,600	-
		Spouse		181,500	181,500	-
		Child		363,000	363,000	-
		Total		4,247,100	4,247,100	-
6	Mr.Lan, Mu-Chiou	Private	Director	12,886,724	12,886,724	-
		Spouse		5,144,106	5,144,106	-
		Total		18,030,830	18,030,830	-
7	Mr.Kenichi Tai		Director	-	-	-
8	Mr.Santichai Suakanonth		Independent Director	45,738	45,738	-
9	Mr.Amnuay Yossuck		Independent Director	667,920	667,920	-
10	Mr.Ampon Yuayfupant		Independent Director	71,874	71,874	-
11	Dr.Phusit Wonglorsaichon		Independent Director	-	-	-

Limit of duty authority of Board of Company and Board of Executive Directors(Management Division)

Authority of Board of Company	Authority of Board of Executive Directors
<ol style="list-style-type: none"> 1. Board of Company have an authority according to the regulation of the company which include supervision and management the company in accordance with laws, objective, regulation and resolution at the shareholder meeting. 2. To formulate visibility, direction and tactics of the company. 3. To give approval for important tactics and important policy including 	<ol style="list-style-type: none"> 1. Formulate execution policy and operating direction to coordinate with the policy and objective of the company by intending to build up security and maximum advantage to the company. 2. Oversee the management to proceed work as formulated policy strictly. 3. Authorize in approving and making juristic act under the frame

<p>objective, financial target and company plan also follow up, supervise to have practice as planned.</p> <ol style="list-style-type: none"> 4. To manage having account system, financial report and auditing inclusive supervise for having an internal control system and internal audit to be efficiently and effective. 5. To investigate supervising and manage to amend problem of conflicts of interest that may arise inclusive related subject. 6. To formulate line of risk management and supervise executive for having system or efficiently process in risk management. 7. To supervise in having system or mechanism of paying suitable remuneration to the high rank of executive to create inducement power both in short-run and long-run. 8. To supervise for having appropriately channel of communication with each group of shareholder and stakeholder of the company. 9. Allow to have disclosure of correct information, clear, transparent, reliably and high standard. 10. To be a leader and good example in practice. 	<p>formulated by the Board of Company.</p> <ol style="list-style-type: none"> 4. Any other acts as assigned by the Board of Company.
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Balance of power for Non-executive Directors

Board of Company consist of 11 Directors as follows:

- 5 Executive Directors
- 2 Non-executive Directors
- 4 Independent Directors

The Chairman of the company though is having blood relations with Managing Director but having a view in freely operation. Also Board of Company structure consist of directors represented from two main shareholders group which would incur balance of power and 4 Independent Directors can freely verify and upright. Therefore it convinces that the Chairman and Managing Director have served their duty extremely in the capacity as representative of shareholders and having appropriate balance of power.

Aggregation or segregation of positions

The Chairman and Managing Director are not the same person so as to make the role separated clearly.

Board of Directors' Meeting

1. The Company formulates advance table of the Board of Director Meeting yearly by formulating to have a regular meeting at least one time/quarter and each director acknowledges of it.
2. The Chairman and Managing Director joint in consideration for agenda meeting.
3. To manage in sending invitation letter for meeting, agenda of a meeting and document for meeting to the directors in advanced at least 7 days before meeting enable to have time for considering information sufficiently.
4. To formulate in having the directors attend the meeting with quorum when having considered to resolve in important matters such as list of obtained or distributed assets of the company and subsidiary company that affect to the company, expansion of investment project, formulate work level of executive power, formulate financial management policy and risk management above all.
5. In the meeting, if any director who is a stakeholder in the considering agenda, must depart from the meeting before begin considering in that agenda.
6. Every director has a right to present the subject to the agenda of a meeting, examine document for meeting and other important documents. If any doubt, other directors and management must operate for answering that doubt.
7. Company Secretary or one who has assigned must manage minutes of the Board of Director Meeting completely within time formulated by the laws.

Meeting attendance of each director concludes as follows:

Name list	Period of rank hold	Attending meeting / total meeting (times)		
		Normal meeting	Special meeting	Total
1.Mr. Prayoon Pholpipattanaphong	3 years	4 / 4	-	4 / 4
2.Mr. Prapas Pholpipattanaphong	3 years	4 / 4	-	4 / 4
3.Mr. Suwat Phongphasura	3 years	4 / 4	-	4 / 4
4.Mr. Prayuth Pholpipatanaphong	3 years	4 / 4	-	4 / 4
5.Mr. Ankoon Pholpipattanaphong	3 years	4 / 4	-	4 / 4
6.Mr. Lan, Mu-Chiou	3 years	3 / 4	-	3 / 4
7.Mr. Kenichi Tai	3 years	4 / 4	-	4 / 4
8.Mr. Santichai Suakanonth	3 years	4 / 4	-	4 / 4
9.Mr. Amnuay Yossuck	3 years	4 / 4	-	4 / 4
10.Mr. Ampon Ruayfupant	3 years	4 / 4	-	4 / 4
11.Dr. Phusit Wonglorsaichon	3 years	4 / 4	-	4 / 4

Meeting attendance of each sub-committee concludes as follows:

Remark: BED=Board of Executive Directors, BAC=Board of Audit Committee, BNR=Board of Nomination & Remuneration Committee, BCG=Board of Corporate Governance Committee, BRM=Board of Risk Management Committee

Name list	BED	BAC	BNR	BCG	BRM
1.Mr. Prayoon Pholpipattanaphong	2 / 2				
2.Mr. Prapas Pholpipattanaphong	2 / 2		1 / 1		1 / 1
3.Mr. Suwat Phongphasura	2 / 2				1 / 1
4.Mr. Prayuth Pholpipattanaphong	2 / 2			2 / 2	1 / 1
5.Mr. Ankoon Pholpipattanaphong	2 / 2			2 / 2	1 / 1
6.Mr. Santichai Suakanonth		4 / 4	1 / 1		
7.Mr. Amnuay Yossuck		4 / 4	1 / 1		
8.Mr. Ampon Ruayfupant		4 / 4	1 / 1	2 / 2	
9.Dr. Phusit Wonglorsaichon				2 / 2	
10.Mr.Wanchandr Sibaboonyawongse			1 / 1		1 / 1
11.Mr. Sakda Phimmuang				2 / 2	1 / 1

Board of Company's Report

Board of Company is responsible toward separate financial statements and consolidated financial statements of the company and subsidiary company and financial information that appeared in the form of annual data (type 56-1) and/or 2013 annual report. Such financial statements have managed according to the generally accepted auditing standards in Thailand by selecting to use appropriate account policy and holds practice regularly. The Company used carefully discretion and reasonably estimated in management of financial statements inclusive having disclosed important data sufficiently in notes to financial statements.

Board of Company are fully aware an important of work execution under business ethics principle and good corporate governance, the company then appoints Board of Director (small board), consists of Board of Audit Committee, Board of Nomination and Remuneration Committee, Board of Corporate Governance Committee and Board of Risk Management Committee in order to allow these small boards to perform duty of corporate governance, advise management section to execute work under the laws frame, basis, discipline and practical point that are present of an organization that perform duty of corporate governance and arrange to have internal inspection section and efficient internal control system to ensure that accounting data is correct, having usage the company resources efficiently and capable to know its weak point in order to protect not to raise

corruption and damage toward the business, having efficient management system under appropriate risk on business for sustainable and securely growth.

Board of Company realizes fully to an important of corruption protection in organization, therefore, the resolution in the Board of Company Meeting No. 4/2013 on November 11, 2013, then resolve the company to show spirit as cooperative in resistance of corruption.

Board of Company still pay an important toward good practical on society, community, environment and stakeholders equally. Therefore, Board of Company then formulate the role, duty burden and responsibility of executive directions and company officials that have to treat the shareholders, customers, co-trader, debtors, creditors, officials, competitors, society, community and environments in the business ethics principle of the company in order to allow the directors, executives and officials of the company to hold for practice to incur equality, transparent, justice and help together to promote development of society, community and environments to have strongness, live together in sustainable and happy.

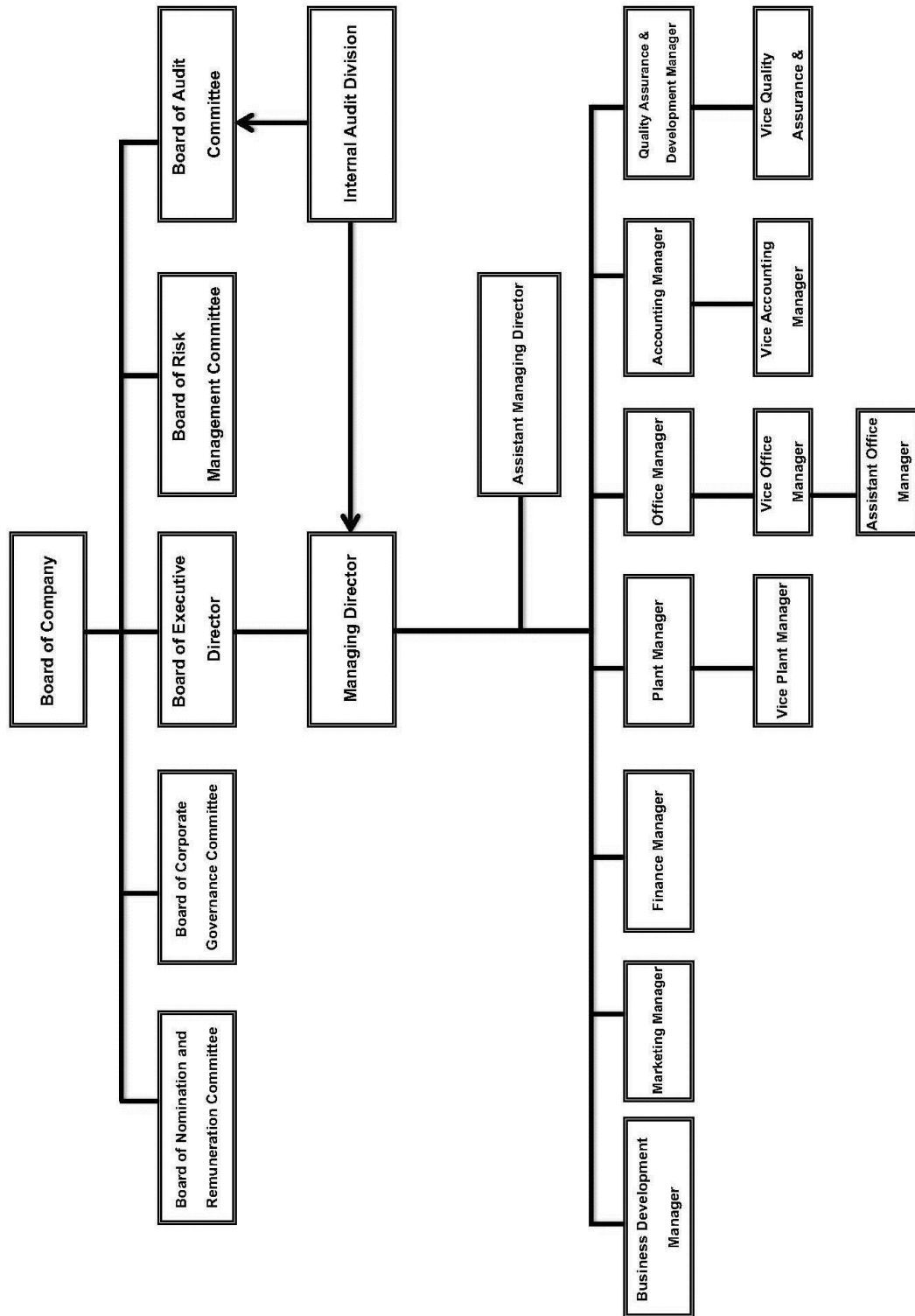
In the cycle year of 2013, Board of Company had gather 4 times of Board of Director Meeting and had performed duty completely in its capacity as director and realize fully on efficient renovation in performing duty to get better and better continuously, then had made self-assessment of Board of Director which was an assessment of yearly result. For result assessment of annual 2013, sum up the results overall that effective in performing duty of Board of Company were in a good basis.

8.2 Executive officers and Manager

Management , Executive Officers and Manager

Names	Position	Education
1.Mr.Prayoon Pholpipattangphong	Chairman Authorized Director	Accounting profession, Honorary Doctor, Agricultural, Maejoe University
2.Mr. Prapas Pholpipattanaphong	Managing Director Authorized Director	High school certificate
3.Mr. Suwat Phongphasura	Executive Director Authorized Director	High school certificate
4.Mr. Prayuth Pholpipatanaphong	Executive Director Business Development Manager	Bachelor of Science, Chulalongkorn University
5.Mr.Ankoon Pholpipattanaphong	Executive Director, Assistant Managing Director, Marketing Manager and Company Secretary	Master of Business Administration, Colorado University Bachelor of Communication, Bangkok University
6.Mr.Sakda Phimmuang	Accounting Manager	Bachelor of Accounting, MBA
7.Miss Piyalak Chuapoodee	Plant Manager 1	Bachelor of Food Science
8.Mr. Tummarat Charoensanti	Plant Manager 2	Mechanical Engineer
9.Mr. Rangsit Ojaroen	Office Manager	Bachelor of Art in Economic
10.Miss Warissara Kangkanka	Office Manager	Diploma
11.Miss Chanita Tiparadee	Vice Accounting Manager	Bachelor of Accounting
12.Miss Thanarat Thepyothin	Vice Office Manager	M.S.-Art in Industrial Psychology
13.Mr.Piyaraj Koonprayong	Vice Plant Manager	Bachelor of Food Science
14.Mr. Boonmee Saman	Vice Plant Manager	Bachelor of Plant Science (Agronomy)
15.Mr. Thanom Chaiwong	Vice Quality Assurance & Development Manager	Master of Food Science
16.Mr. Chanwit Suwannarat	Vice Quality Assurance & Development Manager	Bachelor of Food Science
17.Mr. Sairung Boontom	Assis.Office Manager	Agricultural Education Horticulture

Management Structure of the Company



Organization chart

8.3 Company's secretary

The Company manages to have company secretary to perform duty of governance activity of the Board of Company inclusive to cooperate in the following various matters:

- To give primary advice to the directors concerning provision, rule, discipline and various regulations of the company and follow up to act properly and regularly inclusive alteration report of important point to the directors.
- To manage shareholder meeting and Board of Director Meeting in accordance with laws, regulation of the company and various practices.
- To record the proceedings of Shareholder Meeting and Board of Company Meeting inclusive follow up to act as resolution at the Shareholder Meeting and resolution at the Board of Company.
- To governance in having disclose information and report news in responsible part in accordance with discipline and provision of Securities and Stock Exchange of Thailand and Securities and Exchange Commission.
- To contact and communicate with General Shareholders to learn about various right and information of the company.
- To governance activity of the Board of Company.

8.4 Remuneration for directors and executives

The Company has fixed clearly and transparently the remuneration for Directors and Executives in the appropriate basis to uphold as Directors and Executives with required qualification. The Directors that assigned as Audit Committee will receive additional remuneration according to the volume of work.

Remuneration amount: In the year 2013, the company has paid various remuneration to the Directors and Executives as following details:

Remuneration in value

Directors

(Unit : Baht)

Names	Position	2013	2012
1.Mr. Prayoon Pholpipattanaphong	Chairman	400,000	400,000
2.Mr. Prapas Pholpipattanaphong	Managing Director	400,000	400,000
3.Mr. Suwat Phongphasura	Executive Director	400,000	400,000
4.Mr. Prayuth Pholpipatanaphong	Executive Director	400,000	400,000
5.Mr. Ankoon Pholpipattanaphong	Executive Director	400,000	400,000
6.Mr. Lan, Mu-Chiou	Director	400,000	400,000
7.Mr. Kenichi Tai	Director	400,000	400,000
8.Mr. Santichai Suakanonth	Independent Director	400,000	400,000

9.Mr. Amnuay Yossuck	Independent Director	400,000	400,000
10.Mr. Ampon Ruayfupant	Independent Director	400,000	400,000
11.Dr. Phusit Wonglorsaichon	Independent Director	400,000	400,000
Other remuneration such as meeting fee, bonus, insurance premium etc.	Directors 11 persons	None	None
Total		4,400,000	4,400,000

Audit Committee

(Unit : Baht)

Names	Position	2013	2012
1.Mr. Santichai Suakanonth	Chairman	480,000	480,000
2.Mr. Amnuay Yossuck	Director	240,000	240,000
3.Mr. Ampon Ruayfupant	Director	240,000	240,000
Other remuneration such as meeting fee, bonus, insurance premium etc.	Audit Committees 3 persons	None	None
Total		960,000	960,000

Executive Directors and Executives

Particular	Year 2013		Year 2012	
	No. of person	Total amount (baht)	No. of person	Total amount (baht)
Salary	7	18,484,680	7	18,214,920
Bonus, remuneration	7	6,271,535	7	6,246,285
Cost of living	7	54,600	7	54,600
Social security fund	7	50,400	7	44,100
Provident fund	7	549,140	7	541,047
Sub total	7	25,410,355	7	25,100,952
Grand total		30,770,355		30,460,952

Other remuneration not in value

- Director: none (such as meeting fee, bonus, insurance premium etc.)
- Executive Directors and Executives: Provident fund 3% of payroll, office car.

Personnel

Particular	Male	Female	Total
Management/Administration Department	25	40	65
Manufacture/Technical Engineering Department	87	21	108
Daily employees	429	1,172	1,601
Total	541	1,233	1,774

- No change shall be made on number of employee or an dispute in labor during the passed three years.

- The remuneration of the employees amount 284,023,268.-bahts comprises salary, wages, remuneration, bonus, overtime, diligent cowries, hospital charge, cost of insurance group, cost of living, provident fund 3% of salary.

- The development on employee has made every year by inviting outside scholar to train and provide knowledge both in practical, safety on working and to cooperate in developing association. Besides, the company has sent them for training in various training institute regularly.

9 Corporate governance

9.2 Policy of Corporate Governance

Board of Company have realized the important of Good Corporate Governance for clearness, to add limit of ability in work racing and add confident to the Shareholders, investors and every concerned, then have formulated the operation policy for cooperating governance by covering the following keystones:

1. The Company will serve the shareholders and stakeholders in equal manner with justice for everyone.
2. Board of Company are intended to build up lasting growth of the company in long-run, to execute the company activity with careful and caution under regulation frame of law and business morality. All this Board of Company will perform duty with full capability in order to produce maximum advantage toward the shareholders, and other stakeholders, also take care of not having conflict of interest arises and responsible toward decision and self-performance.
3. The Company will operate with transparency, able to check and disclose sufficiently information to every party concern.
4. The Company will conduct the business with always thinking of risk and will execute risk appropriately.
5. The Company has formulated an important policy that will be the operation direction of the company in advance every year. Board of Company will pay an important toward internal control and inspection system by governance executive section to proceed as efficiency policy.
6. The Company has managed business morality to let directors, executives and every officer practice.

Leadership and Vision

Board of Company have participated in formulating Policy of Corporate Governance, visibility, mission, tactics, objective and business plan of the company, also governance the management to operate as per formulated business plan efficiently and effectively as to add maximum value in economic to the business and maximum security to the Shareholders.

Conflict on interest

Board of Company have executed carefully and cautiously to prevent conflict of interest when incur any matter that may cause conflict of interest. Board of Audit Committee will learn about the subject that get conflict of interest and related subject and have considered the suitability thoroughly every time by formulating to have practice according to the basis of Securities of Stock Exchange in which prices and conditions as if doing subject with outsiders and disclose details, subject value, partnership, reason/necessity in the annual report and type 56-1 also have disclosed in notes to Financial Statements heading, general information and account with related person.

Various groups of stakeholders

Board of Company acknowledge and aware of the right of concerned stakeholders and have a policy to support in incurring a cooperation between the company with every group of stakeholders in creating advantage among themselves and take care firmly that all stakeholders have received well protected and served by the company pay important toward the right of every group of stakeholder such as officers, customers, co-partners, competitors, shareholders and whole society with formulate a practical line for directors, executives and officers clearly in business morality inclusive provide a channel that stakeholders will claim to the company in case not receive justice from the performance of the company whether by directors, executives or officers of the company. All this, the company gives a word that complaint would receive safeguard and keep in secret. The company will inspect and find a remedy way quickly by the stakeholders can send their complaint directly to the Board of Director by sending to

Send letter to	Chairman of Board of Audit Committee or Chairman of Board of Corporate Governance Committee Chiangmai Frozen Foods Public Company Limited
Telephone, Fax	Tel.: 662-238-4091 Fax.: 662-238-4090
E-mail address	cg@cmfrozen.com or info@cmfrozen.com

Business Morality

Board of Company have permitted discipline of business morality to promote the directors, executives and every rank of officers to hold in practice regularly as usual which the directors, executives and every officers have signed for document concerning such discipline and confirmed in practice which regards as practical standard frame of the company, also all Board of Company have assigned one who responsible to follow up result of practice continuously and always revise such discipline appropriately.

Corporate Governance

Board of Company Director have an intently to build up the process of Good Corporate Governance that standardizes and allow scatter the practice to every rank of the officers of the whole company to create real culture of Good Corporate Governance, so wish the directors, executives and every officer to hold in practice according to the policy of Good Corporate Governance 2nd revise edition which has received permission to modify from the Board of Company Meeting no. 1/2013 dated February 26, 2013 (policy of Good Corporate Governance obtained first permission from the Board of Company Meeting no. 1/2004 Dated March 25, 2004).

Corruption resistance

The Company pays much important concerning corruption and regards as partly of the policy in conduction business which the company formulates in the business ethics heading: Conflict of interest management in order to allow the directors, executives and every officials to hold for practice and in the Board of Company Meeting No. 4/2013 on November 11, 2013, Board of Company had resolved to allow the company announce to show the spirit as cooperative of Thai Public sector in resistance of corruption.

9.3 Sub Committees

The Board of Company have appointed Board of Sub-committee to help in governing the activity of the company as follows:

Board of Executive Directors

Established on January 4, 2000 consist of 3 Executive Directors, appointed more 1 person on March 22, 2005 and more 1 person on August 13, 2010 total 5 persons by formulating authority as follows:

1. To formulate an executive policy and operation direction to coordinate with policy and company objectives with intends to create security and maximum advantage to the company.
2. To governance the management to proceed as policy that formulate with efficiently and effectively.
3. To have authority to consent in buying assets investment, other expenditures and/or borrow money in amount not exceed 30 million bahts per time. In case amount exceed 30 million bahts, let ask approval from the Board of Company meeting first, except in necessity urgent case, let give consent prior payment and inform Board of Director later.
4. To act others as assigned by Board of Company.

“Mr. Prayoon Pholpipattanaphong, Chairman or Mr. Prapas Pholpipattanaphong, Managing Director or Mr. Suwat Phongphasura gives signature and stamp of the company”

Board of Audit Committee

Established on August 28, 1998 with holding term each time 3 years, consist of 3 directors which are all Independent Directors and one Independent Director namely: Mr. Santichai Suakanonth is knowledgeable in accounting and financial which names are as follows:

1. Mr. Santichai Suakanonth Chairman
2. Mr. Amnuay Yossuck Audit Committee
3. Mr. Ampon Ruayfupant Audit Committee

By Mr. Suphot Sutthiprapa as Secretary to the Board of Audit Committee

Audit Committee hold regular meeting. In the year 2013, they held total 4 times meeting and reported to the Board of Company. Audit Committees have a duty to consider and proceed as follows:

1. To verify report of company financial before propose to the Board of Director.
2. To provide advice concerning appointing and fixing remuneration of company auditor to join together with auditor concerning objectives, limit, guide line and inspection plan including problem find during inspection and the point that auditor thinks it has important essence.
3. To join together with company interior audit concerning objectives and inspection planning, an assessment effective of internal control system of the company and adequacy of resources that use in internal inspection include report of inspection result and problem find during inspection.
4. To provide consultation and consider reviewing inspection result and proposal both independent auditor and internal audit section include follow up the operation of management to such proposal in order to propose to the Board of Company for acknowledgement.
5. To governance in having acted according to the law and provision of the section that governance the company.
6. To governance in having important risk management of the company.

Board of Nomination & Remuneration Committee

Established on August 13, 2009 with holding term each time 3 years. There are 5 Directors, consist of 3 Independent Directors, 1 Executive Director and 1 Legal Advisor in which Independent Director performs duty as Chairman, having an authority to select appropriate qualified person to be director as provision of the company and qualified as the provision of Securities and Stock Exchange of Thailand and Securities and Exchange Commission to present toward Board of Company to consider for approval and present to the Shareholder Meeting for appointing and have an authority to consider the style and basis of paying remuneration of directors to recommend an opinion toward Board of Company and Board of Company will present in the Shareholder Meeting for approval.

Report of Board of Nomination and Remuneration Committee

In the year 2013, Board of Nomination and Remuneration Committee had gathered one time meeting. Board of Director had attended meeting and looked for the director to replace completed term director in which Board of Director were of the same opinion that those completed term directors were of knowledgeable with capable, experience in agriculture industry business management and excellent financial statement, had devoted in performing duty of company directors continuously which were much useful to the company, then it is of opinion that should propose those completed term directors namely: 1) Mr. Suwat Phongphasura, executive director and 2) Mr. Amnuay Yossuck, independent director to turn into company director once again and the company is on the way to nominate one more independent director which will inform the shareholders within April 9, 2014, altogether, remuneration for these directors had already considered with a views that remuneration received at present is appropriated with the duty performed in their capacity as company directors.

Board of Nomination and Remuneration Committee had performed the duty with always thinking of company benefits, to make reviewing the Charter to be up-to-date and review performance by using data bases in the same industry level and Board of Nomination and Remuneration Committee had made self-assessment which were annual assessment result. For the result of assessment in the year 2013 which sum up overall that Board of Nomination and Remuneration Committee performed duty with attainable as target.

Board of Corporate Governance Committee

Appointed on November 12, 2012, having holding period of each 3 years. There are five directors consisting of Board of Company, executives and/or other qualified persons. At least one director of corporate governance must come from Independent Director which have an authority in arranging policy of corporate governance under the frame of laws, basis, discipline and regulations that are current issue of organization that perform duty on corporate governance such as The Stock Exchange of Thailand, Securities and Exchange Commission and related units through the guide line in good corporate governance that are international standard and provide advice to the directors, executives, officials of the company in performance duty as frame and basis of corporate governance policy so as to allow performance duty of directors and management of executive section to be in good manner, good resulting in performance and having appropriate continuation to be in accordance with expectancy of the shareholders and every group of stakeholders.

Report of Board of Corporate Governance Committee

In the year 2013, Board of Corporate Governance Committee had gathered 3 times meeting in order to renovate, modify the policy of Corporate Governance, Business ethics through the Charter of Board of Director and small board for appropriate and always up-to-date and perform duty with corporate governance to the directors, executives and officials to acknowledge the policy of Corporate Governance and business ethics for holding practice and found from assessment that the directors, executives and officials all well-acknowledge and held practice with satisfactory.

Board of Corporate Governance Committee had renovated, modified the policy of Corporate Governance, Business ethics and the Charter of Board of Corporate Governance

Committee through oversee the directors, executives, officials to hold practice according to the policy of corporate governance and business ethics that company formulated and Board of Corporate Governance Committee had made self-assessment which were assessment annual result. For the result of assessment in the year 2013 with sum up overall that Board of Corporate Governance Committee had performed duty with attainable as target.

Board of Risk Management Committee

The company manages to have Board of Risk Management Committee comprise 4 Executive Directors, 1 Executive and 1 Legal Adviser to consider formulating the policy and system of risk management, follow up result in risk management from the process of pointing out, analyze, management assess, follow up and report in system inclusive to provide supporting by managing to have advisory of risk management process to various internal sections through follow up to have continuously and regularly practice to the whole company.

Board of Risk Management Committee Report

In the year 2013, Board of Risk Management Committee had gathered one time meeting in order to make assessment of risk management in each side, that were: producing side, business performance side, exchange rate side, goods quality side, management side, financial side and investor side. From assessment result found that the company could manage the risk in each side with very satisfactory made the company was still in good performance and acceptable of risk level.

Board of Risk Management had managed the risk of the company in many sides in order the company to have the least as possible on business risk and Board of Risk Management Committee had made self-assessment which were annual result assessment. For the result of assessment in the year 2013 with sum up overall that Board of Risk Management Committee had performed duty with attainable as target.

9.4 Selection of directors and executives

Board of Nomination and Remuneration Committee perform duty in selecting appropriate qualified person to be director as provision of the company to present toward Board of Company to consider giving approval and present to the Shareholder Meeting to resolve in electing.

Portion of the directors representing the shareholder of each group 5 Thais : 2 Foreigners (Except Independent Directors) due to Thai group, Taiwan group and Japan group held the shares total exceed 60%, so nomination of company directors can't be done if without receive consent from such shareholder group.

In the Shareholder Meeting must have shareholders and proxy from shareholders (if any) to attend meeting not less than 25 persons and must hold the shares total not less than one third of 381,145,725 shares to be as quorum.

Each shareholder has to use all theirs vote to elect one person or many persons as director but can't share the vote to either of them more or less.

To nominate director must receive approval from the Shareholder Meeting. The person who gets highest vote respectively will be elected as director according to the number of available directors or election that time. In case of the elected respective person who has equal vote exceed quota, final vote will be made by Chairman for arbitration.

The Company formulates to have the descent plan of high rank executives to maintain conviction with the investors and officers that the operation of the company would receive continuation in proper time.

9.5 Operation on corporate governance of subsidiary company

The Company is a shareholder of Agrifood Processing Co., Ltd. (subsidiary company) at portion 100%, then having management policy in the subsidiary company as follows:

- The subsidiary company manages work under the same policy of Corporate Governance and business ethics with the company.
- The directors and executives are all represented from the company.
- Practical discipline and any provision of the subsidiary company have received resolution for approval from the company.
- To disclose financial status and operation result, related subject between the subsidiary company with related person, procurement or distribution of assets use the same basis of the company.
- The subsidiary company has appropriate and enough tightened of internal control system.
- Corporate Governance, approval on capital increase, reduce capital or dissolve activity must receive approval from the company.

9.6 Usage control of inner information

The Company has a policy and method of governing the executives in taking the company information to use for personal interest as follows:

- Provide knowledge to the directors including executives concerning the duty that must report of self-holding securities, married couple and child of un-attain majority and lesson of penalty formulation according to Royal Act of Securities and Stock Exchange of 1992 and according to the provision of Securities and Stock Exchange of Thailand.
- Formulate the executives to report changing of holding securities toward Securities and Exchange Commission as clause 59 of Royal Act of Securities and Stock Exchange of 1992 and manage to dispatch this copy report to the company in the same day of dispatching report toward Securities and Exchange Commission.
- The executives are prohibited to use internal information that not yet disclosed for making buying-selling of company securities before that information would disclose to the public and are prohibited to disclose the information that are important essence to the outsider with is regarded as one of the rule concerning with the working of the company as well.
- If the directors, executives violate usage in internal data of the company, it would receive punishment as formulated in the company regulation.

9.7 Audit fee

- The Company and Subsidiaries paid audit fees for 2012 amount 680,000 baht.
- Other service: none

9.8 To act in accordance with the Code of best practices of SET.

The Company has acted in accordance with the Code of best practices very well in which the company has made self-assessment of the Board of Director every year

and has tried to improve to allow administration to be according to the practical of Securities and Stock Exchange of Thailand, business ethics and Corporate Governance policy in which the company has received selecting consideration to accept good prominent award type register company award in the field of operation result for annual 2013 and the company has still received better points from CG and AGM assessment as follows:

Subjects	Year			
	2013	2012	2011	2010
Average point by adding up of CG assessment	-	87	81	82
AGM assessment point result	100	93.75	-	-

10 Social responsibility

Board of Company pays an important toward the development of community, society and environment to have strongness and live together with sustainable and happy. The company then formulates the role, duty and responsibility of the directors, executives and officials of the company that have to treat toward community, society and environment in the business ethics principle of the company in order to allow the directors, executives and offices of the company to hold for practice.

In the year 2013, the company has proceeded various projects for development of community, society and environment as follows:

- Justice employment, no restrict on sex, nation, religion
- Pay important with health and officials safety
- Develop and promote officials
- Provide rights and participation of officials
- Well-being and activity to build up relationship within an association
- Activity on energy saving
- Take care and safeguard the consumers
- Environmental maintenance
- Development cooperate on community and society

In the year 2013, the company arranged to make report of responsibility on society and environment separated from annual report and can see information from website: www.cmfrozen.com heading : Investor Relations

Protection on related with corruption

- At the Board of Company Meeting No. 4/2013 on November 11, 2013 resolved the company to join in showing spirit as cooperation line in corruption resistance.
- The Company pays an important concerning corruption protection then to formulate in the company business ethics heading: Conflict of Interest Management in order to allow the directors, executives and officials to hold practice.
- The Company is under proceeding to be according to the spirit of cooperation line in corruption resistance.

Relations with investors

Board of Company realize that company information both concern and not concern with financial are entirely effected to the decision of investor and stakeholders of the company. Board of

Company then have a policy to let the executives section disclosing complete information to correspond with truth, reliable, regular and in time which the company has paid an important and kept throughout practicing. With regard to work in investment relation, the company has not set up this section owing such activity is not much but has assigned **Mr. Ankoon Pholpipattanaphong - Company Secretary** or **Mr. Sakda Phimmuang - Accounting Manager** to contact and communicate with institution investors, shareholders, analyst and state concerned which the investors can see the company information at Website : www.cmfrozen.com or contact at phone : (662) 238-4091 or at E-mail address : cg@cmfrozen.com or info@cmfrozen.com.

11 Internal control

The Company pays an important on internal control system with efficiently both in executive level and practical level, then has formulated duty, operation power of proceeding and executives in writing, having control usage of company assets to incur advantage and available development of good internal control system in regard to financial and accounting include effective report system.

The Company has an internal inspection section which are appointed by Board of Executive Director with an approval of Board of Audit Committee to perform inspection duty to ensure that the main practical and important financial activity of the company have proceeded as estimated way with efficiently inclusive inspection practice as laws and provision of the company as per work chains.

Risk Management

Board of Company are aware of the important risk management and see that such process is one of the most important component of good corporate governance. So it manages to have risk management process which is standard system and more efficiently by assigning the Board of Risk Management Committee to formulate the policy, objectives, tactics in risk management and risk level that the company acceptable inclusive notify these matters to everyone in association to acknowledge for aware an important and is to make culture in risk management to incur in every rank of the company enabling to bring for continuously practice to overtake changed situation for being as practice on background of risk management inclusive take care of having formulate to follow up method of risk management result appropriately owing it is an important final step that effect toward success of risk management and formulate for reporting to the Board of Company.

12 Interrelated transactions

Conflict of interests

Board of Company have executed carefully and cautiously to prevent conflict of interest when any matter that may cause conflict of interest. Board of Audit Committee will learn about the subject that get conflict of interest and related subject and have considered the suitability cautiously every time by formulating to have practiced according to the basis of Securities and Stock Exchange of Thailand in which prices and conditions are as if doing subject with outsider and have already disclosed details, subject value, partnership,

reason/necessity in the annual report and type 56-1 also have disclosed in notes to Financial Statements heading : general information and account with related person.

The Company has a policy to fix the selling price of the products to the related company as trade agreement in the same manner with sages should do with general partners under same circumstances.

The necessity of listing among themselves, owing the company established from business cooperation between investor Thai, Taiwan and Japan to Manufacture and Export Frozen Vegetables to Japan. Also Japan and Taiwan investors have their own customer bases make the company has an advantage that able to produce goods by having their market served. There the company uses their customer bases as good export base. Meanwhile, the company has tried to look for further new customers. For domestic sale, the company has sold through P.P. Foods Supply Co., Ltd., which the executive has a good relationship with main shareholder of the company. With reason that Thailand is the land with plenty of fresh vegetables in season, able to buy throughout the year with cheap price cause popularity of frozen vegetables in domestic declined and the important is that price is expensive, also very few customers in Thailand, so the company is necessary to distribute through such company to have more channels of distributing and to release the products that cannot export. However, the company is in position to accept every new customer which intends to sell our product by fixing the sale price as per market same with everyone.

For the step of making list among themselves will be in accordance with the business mechanic in all respects both in fixing the price, provide discount and credit by the authorized officer who responsible directly with an approval of the executives. For the shareholders who have common interest, take no part in such approval. However, to fix the price, provide discount and credit shall be in accordance with the market mechanic which the company has treated in the same way with every customer of the company.

In future this making list among themselves shall have to continue further with thinking of the company maximum advantage that the company would receive as main.

Itochu Corporation

Itochu Corporation does a buying and selling business in Japan. Itochu is a major shareholder of the company which holds 13.23% of the company's shares. It is represented by Mr. Kenichi Tai as a director of the company. Itochu's sales value in 2013 was 128.0 million bahts or come to 9.1% of the total sale.

Agrifood Processing Co., Ltd. (Subsidiary)

In 2013, AFP is having total buying value 246.6 million bahts or come to 17.5% of the total sale and has rented an office building from Chiangmai Frozen Foods Public Company Limited, 4th floor No. 149/32-34 Soi Anglo Plaza, Surawongse Road, Kwaeng Suriyawongse, Khet Bangrak, Bangkok with number of area 102 square meters, monthly rental 25,500.00bahts by making year by year contract.