

Corporate Governance

Stock and Shareholder Information

Company Shares and Capital

As of December 31st, 2017, the company has registered shares capital of 542,730,702 baht and paid up of 542,727,549 Baht. All of those are common stocks at par value of 1 baht per share.

Shareholders

| Name of Shareholder | No. of share as of Dec 31 st 2016 | Share- holding portion (%) | No. of share as of Dec 31 st 2015 | Share- holding portion (%) | Change Increase / (Decrease) in 2016 |
|-----------------------------------|--|-------------------------------------|--|-------------------------------------|---|
| 1.Mr.Somsak Amornrattanaichai | 272,784,471 | 50.26 | 180,385,314 | 49.86 | 92,399,187 |
| 2.Mr.Somchai Amornrattanaichai | 71,415,000 | 13.16 | 47,610,000 | 13.16 | 23,805,000 |
| 3.Miss Siripat Amornrattanaichai | 28,767,000 | 5.30 | 14,075,100 | 3.89 | 14,691,900 |
| 4. Thai N V D R Co.,Ltd. | 26,708,339 | 4.92 | 10,116,024 | 2.80 | 16,592,315 |
| 5. Mrs. Jiranya Amornrattanaichai | 13,114,250 | 2.42 | 13,009,500 | 3.60 | 104,750 |
| 6. Mr.Preecha Angkumsup | 7,300,000 | 1.35 | - | - | 7,300,000 |
| 7. Mr.Setha Yuwatanon | 5,150,000 | 0.95 | - | - | 5,150,000 |
| 8. Mr. Somkiet Limsong | 4,956,600 | 0.91 | 3,304,400 | 0.91 | 1,652,200 |
| 9. Mr.Ekapol Sittikornmethakul | 4,088,200 | 0.75 | - | - | 4,088,200 |
| 10. Mrs.Lawal Wanglee | 3,815,000 | 0.70 | - | - | 3,815,000 |
| 11. Mr.Boonchai Pana-sakulkarn | 3,000,000 | 0.55 | - | - | 3,000,000 |
| 12. NORBAX, INC. | 2,462,850 | 0.45 | - | - | 2,462,850 |
| 13. Miss Ajchara Mak-ratree | 1,888,000 | 0.35 | - | - | 1,888,000 |
| 14. Mr.Kajornkiat Ung-Aram | 1,413,200 | 0.26 | - | - | 1,413,200 |
| 15. CHASE NOMINEES LIMITED | 1,395,900 | 0.26 | - | - | 1,395,900 |
| 16. Other shareholders | 94,468,739 | 17.41 | 93,320,130 | 25.79 | 1,148,609 |
| | 542,727,549 | 100.00 | 361,820,468 | 100.00 | 180,907,081 |

หมายเหตุ -Amornrattanaichai hold shares in total of 386.11 million shares, which is 71.15%
 - Thai Nationality Shareholder is 99.08%
 - Other Nationality Shareholder is 0.92%

Others Stock Issued within a Year

On 20 September 2017, the Extraordinary General Meeting of Shareholders No. 1/2017 approved the increase of the Company's registered share capital by Baht 180,910,234, from the existing registered share capital of Baht 361,820,468 to Baht 542,730,702, by issuing 180,910,234 newly issued ordinary shares, with a par value of Baht 1 each, to accommodate the stock dividend payment.

The Company allotted 180,907,081 shares as the dividend to the shareholders as mentioned in Note 29 to the financial statements. Then, the company paid up shares capital increased to 542,727,549 baht. The Company registered the resulting change in its paid-up capital with the Ministry of commerce on 17th October 2017

Dividend Payment Policy

AsianSeafoods Coldstorage PLC. has a dividend payment policy at around 50% of net profit after tax and legal reserve. However, the Board of Directors have authorized to propose such a policy each year considering its future investment plan, its financial covenants, and every other obligation with the financial institutions, including the company liquidity by mean to sustain the company potential to deal with the changing economic environment, financial situation, and the company growth target.

In 2017, The Board of Director considered Statement of financial position of the company as of 31st December 2016 and found out that there are 849.63 retain earning. This, including with high performance of the company in the 1st half of the year, resulted in rapid share price increase. Board of Director saw the opportunity to increase shares volume in order to generate more floating to maintain investor interest, which will be good for future fund-raising plan. The Board of Director, then, resolved to propose to the Extraordinary General Shareholder's Meeting No.1/2017 to pay share and cash dividend from retain earning at the rate of 0.556 baht per share. The dividend will pay out as stock dividend at the rate of 0.50 baht per share, at the ratio of 2 existing share to 1 dividend share, and pay out as cash dividend at the rate of 0.056 baht per share. The dividend payment in total will be 180.91 million shares and 20.26 million bahts cash. The EGM approved the proposal on 20th September 2017.

Moreover, the Board of Director resolve to propose to the Annual General Shareholder's Meeting of 2018 to consider and approved dividend payment of 0.25 baht per share from Non-BOI operation result, which is around 32.45% of its 2017 performance.

Management

Organization Chart



Board of Directors

Directors

1. Mr. Somsak Amornrattanachaikul Chairman of the Board
2. Mr. Somchai Amornrattanachaikul Director
3. Mr. Suriya Prasatbuntitya Director
4. Mr. Aekarat Punnasung Director
5. Mrs. Suree Jangsawat Director
6. Mr. Somsak Sathidthumrong Director
7. Mrs. Sunanta Tiasuwan Independent Director
8. Mrs. Yaowanee Kruo-ngarjnkool Independent Director
9. Mr. Somboon Paobunjong Independent Director
10. Mr. Kittichai Laokurkulpong Independent Director

Directors' Information

See also in the section of Directors and management information.

Responsibilities and Authorities of the Board of Directors

See also in the corporate governance policy.

Incumbency of the Directors

See also in the corporate governance policy.

Audit Committee

Committees

1. Mrs. Sunanta Tiasuwan Chairperson of Audit Committee
2. Mrs. Yaowanee Kruo-ngarjnkool Audit Committee
3. Mr. Kittichai Laokurkulpong Audit Committee
4. Mr. Somboon Paobunjong Audit Committee

Committees' Information

See also in the section of Directors and management information.

Responsibilities and Authorities of Audit Committee

See also in the corporate governance policy.

Incumbency of Audit Committee

See also in the corporate governance policy.

Executive Committee

Committees

1. Mr. Somsak Amornrattanachaikul Chief Executive Officer
2. Mr. Somchai Amornrattanachaikul Senior Managing Director
3. Mr. Hendrikus Van Westendorp Executive Vice President and Chief Financial Officer
4. Mr. Suriya Prasatbuntitya Executive Vice President
5. Mr. Panop Svetarundra Executive Committee
6. Mr. Aekarat Punnasung Executive Committee
7. Mrs. Suree Jangsawat Executive Committee
8. Mr. Wallop Lormlimp Executive Committee
9. Mr. Yasuto Togashi Executive Committee
10. Mr. Somsak Sathidthumrong Executive Committee
11. Ms. Sirirat Wongmethavee Executive Committee
12. Mr. Chitsanucha Puangsuda Executive Committee

Committees' Information

See also in the section of Directors and management information.

Responsibilities and Authorities of Executive Committee

See also in the corporate governance policy.

Executive Committee Appointment

See also in the corporate governance policy.

Credit Control Committee

Committees

| | | |
|--------------------------------|---------------------|-----------------------|
| 1.Mr. Suriya | Prasatbuntitya | Chairman |
| 2.Mr. Somchai | Amornrattanachaikul | Committee |
| 3.Mr. Hendrikus Van Westendorp | | Committee |
| 4.Mr. Aekarat | Punnasung | Committee |
| 5.Mrs. Suree | Jangsawat | Committee |
| 6.Mr. Wallop | Lormlimp | Committee |
| 7.Mr. Yasuto | Togashi | Committee |
| 8.Mr. Chitsanucha Paungsuda | | Committee & Secretary |

Committees' Information

See also in the section of Directors and management information.

Responsibilities and Authorities of Credit Control Committee

See also in the corporate governance policy.

Credit Control Committee Appointment

See also in the corporate governance policy.

Risk Management Committee

Committees

| | | |
|---------------------------------|---------------------|-----------------------|
| 1. Mr. Suriya | Prasatbuntitya | Chairman |
| 2. Mr. Somboon | Paobunjong | Committee |
| 3. Mr. Somsak | Amornrattanachaikul | Committee |
| 4. Mr. Somchai | Amornrattanachaikul | Committee |
| 5. Mr. Hendrikus Van Westendorp | | Committee |
| 6. Mr. Panop | Svetarundra | Committee |
| 7. Mr. Aekarat | Punnasung | Committee |
| 8. Mrs. Suree | Jangsawat | Committee |
| 9. Mr. Wallop | Lormlimp | Committee |
| 10. Mr. Yasuto | Togashi | Committee |
| 11. Mr. Bundit | Pichetpongsa | Committee |
| 12. Ms. Varanratch | Assanupong | Committee |
| 13. Mr. Chitsanucha Paungsuda | | Committee & Secretary |

Committees' Information

See also in the section of Directors and management information.

Responsibilities and Authorities of Risk Management Committee

See also in the corporate governance policy.

Risk Management Committee Appointment

See also in the corporate governance policy.

Company Secretary

Company Secretary Information

| | |
|----------------------------|---|
| Name | : Mr. Chitsanucha Puangsuda |
| Position | : Company Secretary |
| Date of Appointment | : 1 st March 2017 |
| Education | : Bachelor of Laws, Ramkhamhaeng University |
| Percentage of Shares Hold: | None |
| Work Experience | : |
| 2016 – Present: | Assistant Managing Director, Asian Seafoods Coldstorage PLC. |
| 2016: | Deputy manager of Legal, Metro Systems Corporation PLC. |
| 2005 – 2015: | Audit, Metro Systems Corporation PLC. |
| 1997 – 2015: | Committee Investigating Corruption, Metro Systems Corporation PLC. |
| 1994 – 2016: | Lawyer, Metro Systems Corporation PLC. |

Responsibilities of Company Secretary

See also in the corporate governance policy.

Board Remuneration Policy and Remuneration of 2017

The Company has a policy allowing the board to screen and nominate directors and consider their remunerations themselves, the board consider their remuneration which were competitive to the ones of a similar type of industry and the same size of business, including business expansion and profitability. In 2017, The board has considered and proposed to the shareholders to approve the directors' remuneration in amount of not exceeding 2,000,000 baht. The details are as follow:

- 1) Meeting Allowance: To pay the directors who are not the employee of the company, which are Chairman of the Audit Committee pay 25,000 baht per meeting, the members of the Audit Committee pay 15,000 baht per meeting, independent directors pay 15,000 baht per meeting and risk committee pay 5,000 baht per meeting.
- 2) Annual Bonus: to be considered and paid according to the company's performance.

Directors' remuneration of 2017

| Directors | Directors' Meeting Allowance (Baht) | Risk Committees' Meeting Allowance (Baht) | Audit Committees' Meeting Allowance (Baht) |
|--|-------------------------------------|---|--|
| 1.Mr.Somsak Amornrattanachakul (Chairman of the Board) | - | - | - |
| 2.Mr.Somchai Amornrattanachakul (Committee) | - | - | - |
| 3.Mr.Suriya Prasatbuntitya (Committee) | - | - | - |
| 4.Mr.Aekarat Punnasung (Committee) | - | - | - |
| 5.Mrs.Suree Jangsawat (Committee) | - | - | - |
| 6.Mr.Somsak Sthidthummarong (Committee) | - | - | - |
| 7.Mrs.Sunanta Tiesuwan (Independent Director & Chairperson of Audit Committee) | 75,000 | - | 125,000 |
| 8.Mrs.Yaowanee Kruo-ngarjnuakool (Independent Director & Audit Committee) | 75,000 | - | 75,000 |
| 9.Mr.Somboon Paobanjong (Independent Director & Audit Committee) | 75,000 | 35,000 | 75,000 |
| 10.Mr.Kittichai Laokurkulpong (Independent Director & Audit Committee) | 75,000 | - | 75,000 |

The Company Manpower and the subsidiaries'

Manpower of the company and its subsidiaries

As of December 31st

(Unit:man)

| Company | Monthly Employee | | Daily Employee | | Total | |
|--------------|------------------|--------------|----------------|--------------|--------------|--------------|
| | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 |
| ASIAN | 347 | 280 | 1,432 | 1,351 | 1,779 | 1,640 |
| SURAT | 234 | 243 | 1,241 | 1,233 | 1,475 | 1,476 |
| AAI | 369 | 464 | 1,207 | 2,780 | 1,576 | 3,244 |
| Feed | 163 | 180 | 11 | 30 | 174 | 210 |
| Total | 1,113 | 1,176 | 3,891 | 5,394 | 5,004 | 6,570 |

Notes : Factory workers working 8 hours per shift and may have to work overtime according to the company's regulation.

Salary and Wages paid

(Unit : Million baht)

| Company | Monthly Employee | | Daily Employee | | Total | |
|--------------|------------------|---------------|----------------|---------------|---------------|---------------|
| | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 |
| ASIAN | 102.26 | 101.05 | 152.42 | 151.25 | 254.68 | 252.30 |
| SURAT | 58.03 | 49.98 | 94.27 | 131.16 | 152.30 | 181.14 |
| AAI | 109.63 | 118.75 | 99.91 | 374.43 | 209.54 | 493.18 |
| Feed | 41.16 | 40.59 | 1.46 | 3.28 | 42.62 | 43.87 |
| Total | 311.08 | 310.37 | 348.06 | 660.12 | 659.14 | 970.49 |

Notes:

ASIAN refer to Asian Seafoods Coldstorage PLC.
SURAT refer to Asian Seafoods Coldstorage (Suratthani) Co., Ltd.
AAI refer to Asian Alliance International Co., Ltd.
FEED refer to Asian Feed Co., Ltd.

Corporate Governance Policy

Asian Seafoods Coldstorage Public Company Limited's Board of Directors realizes duties and responsibilities to maximize benefits to shareholders and impacts on society, communities, environment, the country and other stakeholders including customers, trade partners, creditors, employees and competitors, Board of Directors has set out policies for the Company's Corporate Governance to be strictly followed by Directors, Executive Management and employees, and create transparency and fairness to stakeholders. Important corporate governance's policy has been set out in the following five elements.

Section 1: Shareholders' Rights

The Company's shareholders can exercise their ownership rights in controlling the Company through appointments of directors to act on behalf of them and they have rights to make a decision concerning the Company's major changes as following:

- 1) Rights to register as the Company's shareholders
- 2) Rights to transfer shares. However, such share transfer that causes foreign ownership in the Company exceeding 20% of total paid-up shares is not permitted.
- 3) Rights to obtain the Company's material news and information regularly and adequately
- 4) Rights to attend meeting to cast vote in the Company's shareholder meeting
- 5) Rights to appoint or remove the Company's Directors
- 6) Rights to consider remuneration for the Company's Directors
- 7) Rights to appoint auditor and consider auditor's remuneration
- 8) Rights to consider profit allocation and receive a share of the Company's profit
- 9) Rights to participate in making decision and acknowledge results of the Company's decision-making concerning changes in the Company's fundamentals as following
 - Divestment or transfer of the Company's entire business or some significant parts to other persons
 - Acquisition or being recipient of business transfer from other companies
 - Entering, amending or terminating contracts concerning rental business of the entire company or some significant parts, assigning others to manage the Company's business, or amalgamating business with others with an aim at sharing profit and loss
- Amendments to the Company's Articles of Association or the Company's rules and regulations
- Capital increases or decreases
- Merger and acquisition or company's closure
- Debenture issuance
- Extra items which are not transactions on normal course of business

The Company opens up full opportunities for all groups of shareholders including institutional shareholders to equally participate and cast vote in shareholder meeting. The Company refrains from any actions which limit rights to access to the Company's information or attend shareholder meeting. The Company shall proceed the following matters related to shareholder meeting

Before Shareholder Meeting

- 1) Preparing invitation letter to shareholder meeting and supporting documents which contain complete and clear details of important information in both English and Thai languages
- 2) Disseminating invitation letter to shareholder meeting and supporting documents at least 14 days prior to the meeting date through the Stock Exchange of Thailand's information system and the Company's website
- 3) Dispatching invitation letter to shareholder meeting and supporting documents including the proxy form (in case that shareholders do not attend the meeting by themselves) to shareholders at least 14 days ahead of the meeting date to provide shareholders enough time to study information for making decisions on voting
- 4) Providing channels for shareholders to ask about agenda in shareholder meeting or submit questions in advance to the Company Secretary via e-mail: Asian-secretary@asianseafoods.co.th

On Shareholder Meeting Date

- 1) Setting date, time and venue for shareholder meeting held in area in which headquarters are located or neighboring provinces in order to be convenient for shareholders who will attend the meeting
- 2) Employing computer system for shareholder registration process and providing sufficient time for registration
- 3) Encouraging shareholders to use ballots in casting vote in every agenda
- 4) In case of shareholders unable to attend meeting, they can appoint a proxy to participate in the meeting and cast vote

- 5) Informing shareholders about a clear criteria in voting at the start of meeting
- 6) Do not add agenda other than those stated in shareholder meeting's invitation notice or change important information without advance notice
- 7) The Company's Directors and Executive Management participating in shareholder meeting and opening opportunities for shareholders to raise questions and opinions and ask for clarification from Directors, Executive Management or Auditor in related agenda before voting
- 8) Opening opportunities for shareholders to vote directors on individual basis.
- 9) Counting vote and disclosing outcome in each agenda to shareholders clearly and transparently by soliciting shareholders' representatives as witness to observe the vote count

After Shareholder Meeting Date

- 1) Reporting meeting resolutions and vote result of each agenda through the SET's news system and the Company's website by the following business day
- 2) Arranging shareholder meeting's minutes which contain complete details of important matters to submit to the SET and disseminate through the Company's website by 14 days after the meeting date
- 3) Disseminating shareholder meeting minutes through the Company's website and informing through the SET's news system

Section 2: Equitable Treatment to Shareholders

The Company has policies to treat all shareholders—individual investors and local and foreign institutional investors—equally and fairly. The Company's policies as following

Giving information ahead of shareholder meeting

- 1) Informing shareholder meeting's schedule, agenda and Board of Directors' opinions to the SET and disseminating such information in both English and Thai versions through the Company's website at least 14 days prior to the meeting date
- 2) Informing criteria for the meeting, voting procedures and voting rights of each type of share class to shareholders before the meeting and disseminating in the Company's website

Minority shareholder right protection

- 1) Refraining from adding agenda other than those stated in shareholder meeting's invitation notice or changing important information without advance notice
- 2) Opening opportunities for shareholders to cast vote in appointing directors on individual basis
- 3) Shareholders who collectively hold at least 5% of the Company's total voting rights have rights to sign in a single letter and submit to the Company Secretary via e-mail Asian-secretary@asianseafoods.co.th to request to add agenda items in Ordinary Shareholders' Meeting.
- 4) Shareholders who collectively hold at least one-fifth of the issued shares or no less than 25 shareholders who collectively own at least one-tenth of the issued shares can sign in a single letter to be eligible to nominate director candidates. They also must submit information to be used for qualification consideration and consent letter of the nominated candidates to the Company's Board of Directors through the Company Secretary at Asian-secretary @asianseafoods.co.th – at least 120 days prior to a date which set shareholder meeting.

Prevention of Insider Trading Activities

- 1) Directors, Executive Management and all employees are absolutely prohibited from using the Company's inside information which is a significant matter and has not been disclosed to public for personal or others' gains.
- 2) Directors, Executive Management and all employees are refrained from disclosing a significant business information as well as material information concerning the Company's stakeholders to either insiders or outsiders even they retired, resigned or are employment terminated, it is exceptionally permitted when such information disclosure is to comply with regulations prescribed by laws or resolution of the Company's Board of Directors.
- 3) Directors, Executive Management and all employees must always bear in mind that information which are important to business operations must be disclosed only by the Company's authorized personnel. When they are queried about material information and are not in charge to disclose such information, they should suggest inquirers to contact to those who have duty in disclosing information.

Directors, Executive Management and all employees have rights to trade the Company's shares, but personnel at all levels, their spouses and children who do not come of age are required to arrange and disclose shareholding report, and any changes in shareholding

to the Company's Secretary to submit to the Company's director meeting at least 14 days before the meeting date to safeguard against a conflict of interest

Directors' Conflict of Interests

- 1) Directors, Executive Management and employees are barred from engaging in business which directly and indirectly competes with the Company.
- 2) Directors, Executive Management and employees shall avoid making connected transactions with related persons and juristic persons as such transactions could cause conflict of interest with the Company.
- 3) Directors are in charge of overseeing the Company to strictly follow criteria, procedures, and disclose information concerning connected transactions as prescribed by laws or regulations required by regulators.
- 4) Persons who have vested interest must refrain from taking part in consideration of items they have conflict of interest.
- 5) In case that connected transaction is essential, such transaction must be done in a normal course of business, accordance with principles approved by Board of Directors, and in a transparent and fair manner. Besides, the Company's optimal benefits must be taken into account and the connected transactions are executed in a similar manner to outsider transactions.
- 6) Connected transactions which do not fall into usual course of business in line with general principles approved by the Company's Board of Directors and could lead to conflict of interest are subject to auditing and opinion given by the Audit Committee before seeking approval from the Company's Board of Directors or shareholders.
- 7) Connected transactions of which characteristics and size are beyond Executive Board's approval limit are subject to auditing and opinions of Audit Committee before seeking approval from the Company's Board of Directors or shareholders.

The Company's directors and executives have duties to report vested interest of themselves and related persons who have vested interest in the Company's business management in compliance with criteria, conditions and procedures required by Capital Market Supervisory Board. The Company's Secretary takes responsible for gathering and submitting copy of reports concerning vested interest to inform the Chairman of the Board and Chairman of Audit Committee in the earliest Board and the Audit Committee after date of receiving the report and before the agenda is considered. The directors who have vested interest must be prohibit from taking part in meeting when the agenda is considered.

Section 3: Stakeholders' Rights

The Company has set out practice policy for each group of stakeholders by largely taking rights of stakeholders as prescribed by laws and mutual benefits between the Company and the following groups of stakeholders into account.

Shareholders The Company offers good and sustainable returns to shareholders by efficiently managing and striving to deliver robust operating performance and operating business with transparency, honesty and fairness. The Company respects to shareholder rights to obtain necessary information accurately and equally.

Customers The Company continuously creates innovative products and manufacturing procedures to produce quality and safety products at a low cost, offer the best services, and provide complete and accurate product information to satisfy customers and consumers.

Trading partners The Company is concerned about equitable treatment of trading partners, mutual benefits, developing and sustaining relationship in capacity of business alliance. The Company treats all trading partners in accordance with procurement procedures which stipulate process and practices clearly.

Creditors The Company honors payment in both principal and interest to all types of creditors in a complete and timely manner, and follow borrowing obligations completely.

Employees The Company appropriately takes care of and treats employees at all levels, provide adequate resources for working, improve employees potential, transparently and fairly consider compensation, promotion and rotation, maintain working environment to be safe for employees' life and assets in line with international standards, and open to employees' suggestion and opinions to build positive attitude at workplace and organization for business sustainability.

Competitors The Company is committed to business competition with integrity. It shall not violate intellectual property of others or competitors and acquire confidential information of competitors by improper means.

Society, Community and Environment

The company complies with laws and/or relevant regulations. The Company is concerned about energy conservation and activities for the sake of society and environment in order to create good reactions, improve quality of life of people in communities, support education and protect environment.

Government sector

The Company provides collaboration and support state policies for the sake of the nation under laws and related criteria.

Independent and other organizations in society

The Company coordinates and exchanges information with independent and other organizations in society to jointly develop social and the country.

To express the Company's determination to apply Code of Business Conduct to operations in order to build a good conscience, transparent management, integrity and justice, the Company has set out the anti-corruption and complain-receiving policy and protection rights of those who make complaints for suggestions and complains related to the Company's operations to be in line with the Company's motto "We r the Right Choice".

Section 4: Disclosure and transparency

Disclosure and the person in charge of disclosing

The Company has focused on disclosure of both financial and non-financial information in an accurate, complete, transparent, thorough and timely manner to allow investors and all stakeholders to steadily access to reliable information which is sufficient for decision making through the Company's website and the SET's in compliance with regulations set by the Securities and Exchange Commission (SEC) and the SET. The material information includes the annual registration statement (Form 56-1), annual report (Form 56-2), financial information, shareholders' structure, Directors and sub-committees, dividend payment policy, Corporate Governance, Code of Conduct, other activities of the Company, etc.

The Company has authorized CEO and those whom assigned by CEO to disclose the Company's information. The Company secretary takes responsible to disclose material information to the SET, the SEC, shareholders and investors, and coordinate with high-ranking executives overseeing financial issues to provide information and answer shareholders', investors', securities analysts' and general people's questions about financial information, operating performance, nature of business, policies, planning, investment and factors that could significantly affect operating performance. Information disclosure adheres to principles of accuracy, completeness, on-time and equality.

Accounting Auditor and Financial Report Arrangement

The Company's Directors must conduct operating performance report, disclose material information transparently and adequately in financial statements of the Company and subsidiaries, and regularly submit to the SEC and the SET for shareholders' and investors' interests. The Company's and subsidiaries' financial statements must be audited by accounting auditors who are independent, knowledgeable, skillful, possess full qualifications, and are appointed by shareholders at general meeting to ensure that the Company's and subsidiaries' financial statements are conducted in compliance with standards and Generally Accepted Accounting Principle, and on the basis of appropriate accounting policy, prudence concept, accuracy and completeness to reflect the Company's true financial position and operating performance.

Besides, the Company requires the Audit Committee to audit reliability and accuracy of financial report, and adequate and appropriate internal control system to ensure the Company's financial statements are reliable.

Section 5: Board's Responsibilities

Structure of the Company's Board of Directors

- Board of Directors comprises of at least 5 but not exceeding 12 members and Independent Directors account for at least one third of all directors or at least 3. At least a half of Board of Directors' members must be domiciled in the Kingdom.
- Board of Directors elects the Company's Chairman from directors and may select Vice Chairman, Managing Director and other positions as deemed appropriate.

Appointment of Directors and Remuneration

- Appointment of new directors or directors who replace the retiring directors is subject to shareholders' resolution. Persons who are appointed as directors must receive a majority vote from shareholders who attend the meeting and cast vote. Chairman at the meeting shall have mandate to elect directors in case that candidates receive the equal vote.
- Board of Directors appoints persons who are qualified and their characters are not prohibited under Public Limited Companies Act as directors to fill the vacancy resulted from reasons other than retirement upon term completion. The appointed directors serve the remaining term of directors whom are replaced. The appointment takes into effect from the next meeting with exception that the remainder of term is less than

2 months. The appointment of directors in this case requires votes of at least three-fourths of the remaining directors.

- Directors' Pension and Remuneration are determined by shareholder meeting and they are reviewed annually. The approval requires at least two-thirds of shareholders attending the meeting.

Director Qualifications

- Must be a natural person and
 - 1) Come of age
 - 2) Do not go bankrupt, or are ruled by court as incompetent or quasi-incompetent person
 - 3) Never been sentenced imprisonment by court's verdict which reaches its finality on charge of fraudulent
 - 4) Never been fired or dismissed by government offices, organizations or state agencies on charge of fraudulent
 - 5) No untrustworthy characteristics as prescribed by Section 89/3 of the Securities and Exchange Act B.E. 2535 (amendments) and Notification of the Securities and Exchange Commission Kor Chor. 8 / 2 5 5 3 Re: Determination of Untrustworthy Characteristics of Company Directors and Executives
- Must be capable person, and has experience, which benefits to business operations, and adequate time to fully dedicate to perform duties of director. Each person shall not serve as director of more than 5 listed companies at the same time.
- Enable to be director of other companies which do not operate with the similar nature to and competition with the Company. However, it is exceptionally permitted if shareholders are informed ahead of the appointment.
- Independent Director must not hold a significant stake in any partnerships or be director who has taken part in management, worker, employee, advisor who receive salary, or shareholder who own exceeding 1% of voting shares of company with the similar nature to and significant competition with the Company or subsidiaries. A person in this category cannot be appointed as a director even in the case that shareholders are informed prior to the appointment.

Incumbency of the Directors

- In each year of Annual General Meeting, at least one-third of the total directors must retire by rotation. In case that number of directors cannot be divided into three parts, a number nearest to one-third is required to retire.
- Retiring director is eligible to re-elect.

- Apart from retirement upon term completion, directorship can be terminated when
 - 1) Died
 - 2) Resigned
 - 3) Disqualified or has prohibited characteristics prescribed by Public Limited Companies Act
 - 4) Shareholder meeting has a resolution to remove. To approve the resolution, it requires vote from three-fourths of attending shareholders who have voting rights and collectively hold at least a half of shares owned by attending shareholders who have voting rights.
 - 5) Revoked by court as the director acts or malfeasances which causes or probably causes damages to the Company
- Director who intends to resign must tender a resignation letter to the Company. Resignation comes into effect when the Company receives the letter.

Duties and Responsibilities of Board of Directors

- 1) Be responsible for all affairs of the Company and has authority to perform duties under scope of laws, the Company's objectives and regulations, resolutions of shareholder meetings.
- 2) Determine policies and management direction, and oversee performance of sub-committees, Executive Directors in particular, to act in accordance with policies set under two major criteria – maximizing benefits to the Company and complying with laws and relevant requirements.
- 3) Bound to conduct information disclosure to shareholders and all groups of stakeholders accurately, completely, transparently and reliably as prescribed by laws.
- 4) Arrange appropriate and efficient risk management process, and efficient and standardized internal control and audit systems to be able to evaluate major risks and manage risks.
- 5) Arrange appropriate corporate governance policy in compliance with Good Corporate Governance Principles.
- 6) Appoint the Company's Secretary to help overseeing the Board of Directors' activities and facilitate the Company and Board of Directors to comply with laws and relevant requirements.
- 7) Provide Code of Business Conduct for Directors, Executive Management and employees to be guidelines for the Company's business operations.
- 8) Carrying out business to be compliance with Good Corporate Governance and encourage all

person in the Company to acknowledge and strictly follow through communication.

- 9) Arrange a clear and transparent process concerning connected transactions.
- 10) Arrange a clear reporting process of the Audit Committee to the Board of Directors when suspicious transactions or actions which could a significant effect on the Company's financial position and operating performance are found, and the Board of Directors must address the problems within duration Audit Committee deemed appropriate.
- 11) Arrange to review and improve important policies and plans to be updated and suitable for business circumstance regularly.
- 12) Perform other duties associated with the Company's business as assigned by shareholders.

Authorities of the Board of Director

- Consider and approve material transactions under scope of duties of Board of Directors as prescribed by laws and the Company's requirements, and investment in other business, joint venture, incorporation of new companies and investment divestment.
- Consider and approve borrowing, lending, seeking credit facilities from financial institutions or becoming guarantor for amount exceed 300 million baht per contract.
- Consider and approve investment transactions worth more than 3 million baht under normal course of business with aims at expanding business and improving business operations.
- Consider and appoint/remove sub-committees to support the works of The Company's Board of Directors as deemed appropriate and necessary, and supervising and evaluating performances of sub-committees regularly.

Appointment of Sub-Committees

Audit Committee

● Duties of Audit Committee

- 1) Review the Company's financial reporting process to ensure that it is accurate and adequate.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, consider an internal audit unit's independence, as well as approve appointment, transfer and dismissal of head of internal audit unit or any other unit in charge of internal audit tasks.

- 3) Review the Company's compliance with Securities and Exchange Act, the SET regulations, and laws related to the Company's business.
- 4) Review Connected Transactions, or transactions that may cause conflict of interest to be compliance with laws and the SET's regulations to ensure that such transactions are reasonable and for the highest benefit of the Company.
- 5) Arrange report of the Company's audit committee and disclose in the Company's annual report. Audit committee's report consists of the SET's criteria and regulations and is signed by Audit Committee's Chairman.
- 6) Perform any other duties as assigned by the Company's Board of Directors with consent of Audit Committee.

● Authorities of the Audit Committee

- 1) Consider, select and nominate the Company's accounting auditor and propose such person's remuneration, as well as attend a non-management meeting with the auditor at least once a year.
- 2) Comments on the Internal Auditor Manager nomination, transfer, or termination, or other function relevant to internal auditor responsibilities.

● Appointment of Audit Committee

Audit Committee must not involve in daily operation of the company and must be appointed by the Board of Director. Currently, Audit Committee of the company has 4 members.

● Incumbency of Audit Committee

- 1) Audit Committee member serves the remaining term of member in the Company's Board of Directors. Audit Committee members who retire upon term completion may be re-elected.
- 2) In case of vacancy due to reasons other than retire upon term completion, the Company's Board of Directors has duty to appoint qualified persons as Audit Committee to at least meet a minimum number required by the SET. Those who fill the vacancy serve the remaining term of members in the Company's Board of Directors.

Executive Committee

● Duties of Executive Committee

- 1) Formulate the Company's business plan and working guidelines, and oversee performance to be in accordance with the Company's policies and plans.
- 2) Supervise, oversight and examine performance of Managing Director and executives to ensure

that it is in accordance with policies and business plans.

- 3) Perform any other duties as assigned by the Company's Board of Directors.

- **Authorities of the Executive Committee**

- 1) Consider and approve matters related to the Company's normal business operations, or seek an approval from the Company's Board of Directors for matters which significantly affect the Company.
- 2) Consider and approve annual budget.
- 3) Consider and approve borrowing, lending, seeking credit facilities from financial institutions or becoming guarantor for amount not exceeding 300 million baht per contract
- 4) Consider and approve delegating a particular or several persons the authority to sign documents related to money withdrawal of each transaction as well as limit amount those persons are authorized to approve for each withdrawal.

- **Appointment of Executive Committee**

Executive Committee consists of Directors and high-ranking Executives whose roles are related to routine management and/or authorized signatory directors who are appointed by Board of Directors' meeting.

Credit Committee

- **Duties of Credit Committee**

- 1) Steer the related unit to uphold policies or guidelines approved by the Company's Board of Directors to improve efficiency in managing the group of companies' debtors.
- 2) Review domestic debtors credit data on monthly basis in order to report to the Company's Board of Directors at meeting and propose solutions.

- **Authorities of Credit Committee**

- 1) Consider, determine, and announce policies and procedures to access to new customers who are local customers of the group.
- 2) Consider and determine policies of credit line, and control credit ceiling.

- **Appointment of Credit Committee**

Members of Credit Committee are appointed by a resolution of Board of Directors' meeting.

Risk Management Committee

- **Duties of Risk Management Committee**

- 1) Control and support risk management in according with the company strategy, target, and changing in business environment
- 2) Recommend, follow up and evaluate risk management and internal control.
- 3) Report work under risk management issues and recommendations, including with appropriate procedure in order to control risk efficiently.

- **Authorities of Risk Management Committee**

- 1) Determine and review Risk management policy and framework.

- **Appointment of Risk Management Committee**

Risk Management Committee consists of Directors and high-ranking Executives whose roles are related to routine management and one independent director who are appointed by Board of Directors' meeting.

Company Secretary

- **Duties and Responsibilities of the Company's Secretary**

The Company's Secretary is obliged to perform duties as prescribed by Section 89/15 and Section 89/16 of the Securities and Exchange Act (No. 4) B.E. 2551, which has been implemented since August 31, 2008, with responsibility, prudence, honesty and integrity and compliance with laws, the Company's objectives and regulations, and resolution of Board of Directors and shareholders. The Company's Secretary has the following statutory functions:

- 1) Prepare and Keep the following documents
 - a) Statutory register of directors
 - b) Notice of Board of Directors' meeting, minutes of Board of Directors' meeting and annual report
 - c) Notice of shareholders' meeting and minutes of shareholders' meeting
- 2) Keep Directors and Executives' vested interests reports
- 3) Dispatch copy of vested interests reports of Directors, Executives and related persons to Board of Directors' and Audit Committee's chairmen within 7 days after the Company obtains such reports.
- 4) Oversee information disclosure and report in part that Secretary takes responsibilities to compliance unit which are in charge to oversee the applicable rules and regulations prescribed by state agencies

- 5) Carry out other matters as set by Capital Market Supervisory Board
- 6) Perform other duties delegated by the Company

Vision and Mission

Vision

To be a food and pet food manufacturer worldwide with quality, safety, social responsibility and environmental sustainability.



Mission

- Provide good return for stakeholders and maintain a good relationship with business partners to grow sustainably together
- Cultivate good society and good health among Asian Group's people and their families
- Serve global standard quality products with competitive prices
- Never stop innovating in both new products and processes to satisfy the needs of our customers and increase efficiency
- Create educated and experienced workforce with the right attitude toward their duties
- Supply sufficient information technology in overall management and communication.
- To be lawful organization with licit labor condition and anti-corruption.
- Responsible to society and sustainable environment.

Code of Conduct

Asian Seafoods Coldstorage Public Company Limited believes that Code of Business Conduct will lead to security and sustainable growth and development. Therefore, "Code of Asian Conduct", a good practice guideline for conducting business, is mandatory and applied to the Company's Directors, Executives and all employees in order to make all sections to perform duties in the same direction with ethics, honesty and integrity, transparency which can be examined, and ensure quality of people and learning. The Company sets out Code of Conduct as following

Code of Conduct for Directors and Executives

1. Performing duties as prescribed by laws, objectives, rules and regulations, related policies and resolutions of shareholders' meeting.
2. Performing duties with honesty and integrity, caution and prudence for optimal benefits of the Company and all stakeholders with a concern about fairness and justice in accordance with human rights both at present and in the future, as well as the Company's good image.
3. Carrying out business in a politically neutral manner, and not supporting any particular party or faction and be under influence of any specific political party
4. Avoiding or not getting involved in accepting and offering inappropriate assets or benefits to those who have vested interests in the Company, leading to conflict of interests with the Company, for personal and family's benefits. For examples, not accepting entertainment, gifts, tickets, other tickets for recreation, accommodation or proposals that exceed custom or tradition.
5. Not exploiting authorities for personal gains both directly and indirectly.
6. Not becoming director of the Company's competitors and not have vested interests in business of which nature directly and indirectly competes with the Company in order to avoid conflict of interests and ensure that business is managed with full capability and efficiency.
7. Refraining from performing any actions in manner that manages or handles affairs of other companies which can undermine the Company's benefits or is in favor of any persons or juristic

persons regardless that such acts are for personal or others' benefits.

8. Not using the Company's secret in an inappropriate manner and keeping confidential information of the Company and stakeholders to prevent leaking to others who are not related. The Aforesaid confidentiality obligation does not terminate when employee leaves job, but it is exceptionally permitted when the information disclosure is abide by laws or obligation.
9. Dedicating time to perform duties to the best of capability for the Company's utmost benefits.
10. Upholding their own honor to be accepted by social and behaving to be suitable for roles, duties, and time and place.
11. Action with care and respect to others rights and honor.
12. Not acquiring, divesting, transferring and receiving transfer of the Company's securities by taking advantage of insider information which are not disclosure for their own and others' benefits

Code of Conduct for Employees

1. Performing duties in compliance with laws, objectives, rules and regulations, and relevant policies as well as good custom and tradition, regardless of whether it is written.
2. Upholding honesty and integrity, fairness and ethics in performing duties
3. Taking responsibilities, prudence and dedication. The Company's optimal benefit is important factor that must be taken into account.
4. Seeking knowledge and experience to upgrade as knowledgeable person, and regularly finding out ways to improve efficiency and effectiveness of works under responsibilities.
5. Making optimal use of the Company's assets, preventing damages or loss of assets and not using such assets for personal benefits.
6. Upholding honor to be accepted by society and behaving abstaining from all vices and drugs and not behaving in a manner that disgrace and taint reputation of oneself and the Company.
7. Treating others with kindness, respecting others' rights and dignity, and honoring each other.
8. Listening to others' opinions with reason and without bias.
9. Building unity and helping one another for the sake of works, society and the country as a whole.
10. Abstaining from immorality or any acts of sexual harassment of other employees as such actions contribute to annoyance or hostile environment in workplace which erode morale, trigger emotional adversary or aggressive behavior, and annoy other employees without reason. Such behaviors include sexual assault, obscenity, woo, or indecency either verbally or physically.
11. Not using the Company's secret in an inappropriate manner and keeping confidential information of the Company and stakeholders to prevent leaking to others who are not related. The Aforesaid confidentiality obligation does not terminate when employee leaves job, but it is exceptionally permitted when the information disclosure is abide by laws or obligation.
12. Not exploiting information obtaining from performing duties for improper benefits of oneself and others both directly and indirectly.
13. Not taking part in any acts or concealing any actions which may lead to conflict of interests with the Company or failure to perform duties with fairness, or getting involved in concealing any illegal actions.
14. Not making career or profession, or doing any acts which affect carrying out duties or reputation of oneself and the Company.
15. Avoiding any acts or to express opinions in any issues which may hurt organization's reputation or image to outsiders, media, social media or any forms of social network.
16. Not taking credit for works of others who are both insider and outsider.

Code of Conduct for Stakeholders

The Company realizes an importance of all groups of stakeholders to success of the Company's operations, Code of Conduct for stakeholders then applies to Directors, Executives and all employees. Practice guidelines are as follows

Treatment to Shareholders

1. Determining to be shareholders' representative by conducting business transparently with reliable accounting and financial system.
2. Performing duties with honesty and integrity for benefits of all related parties as a whole and strictly pursuing shareholder meeting's resolutions. In case that shareholder meeting's

resolutions cannot be followed, shareholders shall be informed of this without delay or shareholder meeting shall be called to consider and approve carrying out material matters which Board of Directors and Executive Board have no authority to make decision.

3. Taking care of and protecting all shareholders to be treated equally under basic rights.
4. Determining to create quality and stable growth to ensure that shareholders will receive sustainable returns from the Company's efficient performance and good operating results.
5. Disclosing information to shareholders in a complete, accurate and timely manner.

Treatment to Customers

1. Satisfying customers by delivering quality products and services with safety in health and sanitary, life and assets.
2. Complying with customers' contracts and agreements with fairness. Negotiation in advance with customers must be held in a rapid manner, in case that it fails to abide by contracts and agreements, to jointly seek solutions and protect damages.
3. Not asking, accepting or offering improper benefits to customers.
4. Committing to equal and fair treatment for all customers without bias.
5. Disclosing accurate, complete and adequate information about products to customers without concealing, distorting content, giving false information and misleading communicated information.
6. Committing to strictly keep customers secrecy and not exploiting such information for improper benefits of oneself and others.
7. Not using pictures or contents that causes negative attitude, social segregation and inappropriate value, sexual and morale in particular, in the Company's promotion activities.
8. Maintaining environment, and internal and surrounding areas of property under the Company's management in safety conditions for health, sanitary, life and assets.
9. Providing communication channels for customers in making complains about product quality and responding customer demand swiftly.

Treatment to Trade Partners

1. Complying with trade partners' contracts and agreements with fairness. Negotiation in advance with trade partners must be held in a rapid manner, in case that it fails to abide by contracts and agreements, to jointly seek solutions and protect damages.
2. Keeping long relationship with trade partners and building co-operation in aspects of economy, society and environment.
3. Overseeing transparency in procurement system for goods and services by treating every trade partners equally and fairly in compliance with the Company's regulations.
4. In procurement process, goods and services shall not be specified for a particular trade partner or deliberately acts in favor of particular products and services, but it is exceptionally permitted if necessary in case that it has enough reasons to support.
5. Providing the same details, information and conditions to every trade partners.
6. Not asking, accepting or offering improper benefits for trade to trade partners.
7. Inspecting goods and works, and paying goods and services on-time and correctly.

Treatment to Creditors

1. Strictly fulfill contracts or agreements signed with creditors. Promptly negotiate with creditors in advance in case of inability to meet obligations in order to find out resolutions and prevent any damages.
2. Conducting works to assure creditors that the Company's financial position and debt-servicing ability are sound.
3. Utilizing proceeds arising from borrowing to be in accordance with objectives and not using the proceeds in a way that could damage the Company.
4. Disclosing information to creditors in an accurate, complete and timely manner.
5. Not requesting, accepting or offering improper benefits to creditors.

Treatment to Employees

1. Providing fair employment conditions to ensure employees receive appropriate compensation based on their ability, potential, work performance and the Company's operating results.

Compensation is also in line with what other companies in the same industry is offering.

2. Providing transparent, fair and integrity, and accountable process of consideration, selection, appointment and reshuffle, welfare offering, rewards, employment termination and punishment.
3. Strictly complying with laws, rules and regulations related to employees.
4. Encouraging employees to develop and exchange knowledge and ability thoroughly and regularly.
5. Guarding working environment to be regularly safe for employees' health, sanitary, life and assets.
6. Encouraging discussions and cooperation between the Company and employees and proposing information about improvement of working life quality to those who have authorities in making decisions for mutual development.
7. Respecting equal and equitable rights of employees at all levels in showing opinions without intervention and providing appropriate and fair hearing and complaint processes.

Treatment to Trade Competitors

1. Not using improper means in obtaining trade secrets of trade competitors.
2. Behaving and complying with framework of fair competitions, prohibiting from ruining trade competitors' reputation by using false information or inappropriate means.
3. Enhancing and supporting exchanging useful information for business to strengthen business and help sustainable development of economy, social, environment and the country.

Treatment to society, communities and environment

1. Adhering to laws, rules and regulations, and orders strictly and striving to upgrade compliance to the higher standards if it is useful to society, communities, environment and the nation.
2. Preventing society, community and environment from being damaged by the Company's operations.
3. Instilling conscience to the Company's personnel at all levels and stakeholders to make them realize about responsibilities toward society, community and environment.
4. Operating business with a concern about efficient use of resources and an appreciation of value.

5. Carrying out business in parallel to making society, community and all stakeholders conduct good practices and have culture and morale, supporting educational activities and public benefits, saving energy and protecting environment.
6. Applying knowledge from experiences in executing works related to social responsibility to develop and create new innovations to add value to business and society.
7. Cooperate with public sector and departments related to any incidents stemmed from the Company's operations and affected society, community and environment.
8. Adhering to democratic regime of which the King is head of state and prompting the Company's personnel to exercise their rights under the Kingdom's constitution. The company has no policy to provide both directly and indirectly financial or activity supports to any politicians or political parties.
9. Setting up complaints system for any matters which may affect communities in order to examine, find out causes, improve and address problems, and inform progress to complainants in an appropriate period.

Treatment to Public Sector

1. Coordinating with public sector by strictly complying with laws, rules and regulations related to business operations and not using forced and child labor
2. Supplying information about relevant laws in order to use as a reference, regularly updating information, and facilitating employees to easily access to information.
3. Cultivating conscience of responsibilities to the pursuit of laws and the Company's rules and regulations to employees at all levels continuously.
4. Committing to carrying out projects which are a boon to public regardless they are policy assigned by public sector or initiated by the Company.

Treatment to independent and other social organizations

1. Disclosing and exchanging information about economic, social and environment with independent and other social organizations.
2. Supporting activities held by independent and other organizations in order to enhance sustainable development and response to social expectations.
3. Taking impacts on economic, social and environment into account when joining force with independent and other social organizations.

Corporate Governance Best Practice Report

The Company has formulated corporate governance policy consisting of five sections as described in the topic “Corporate Governance Policy”. The Company’s Board of Directors has put emphasis on corporate governance best practice, complied with the set policy, and entrenched good ethical practices in operating business, as well as stipulated measures in work practice control. Report on compliance with each section is summarized in following.

● Shareholders’ rights

The Company’s shareholders have ownership rights and control the Company through an appointment of the Board of Directors to perform duties in shareholders’ capacity. In 2016, shareholders exercised rights defined in the Company’s corporate governance policy. The Company holds the annual general meeting of shareholders (AGM) as prescribed policy in compliance with the Stock Exchange of Thailand (SET)’s rules and regulations, and the Securities and Exchange Commission (SEC)’s requirements as follows:

1. Prior to shareholders’ meeting, the Company sent notification of shareholders’ meeting, provided them documents which contain a completely important information and proxy forms in both Thai and English languages, and disseminated it through the company’s website and sent the copies by mail.

- The AGM 2017, held on April 19th, 2017, disseminated through the company’s website on March 16th, 2017, and copies were sent on April 4th, 2017.
- The EGM No.1/2017, held on September 20th, 2017, disseminated through the company’s website on August 22nd, 2017, and copies were sent on September 5th, 2017.

2. The meeting was held at the Company’s headquarters, and the Company’s shuttle bus service was available at two locations to facilitate convenience to shareholders who wanted to attend the meeting;

First: at the SET’s building

Second: at a parking lot in front of Central Plaza Rama 2,

3. Computer system was used for registration, and ballots were available for shareholders and proxy in casting votes in each agenda.

4. Criteria for casting vote were informed apparently before the meeting started. To ensure transparency in vote count, shareholders’ representatives were invited to be witnesses in the vote count process on voluntary basis and vote results in each agenda were clearly disclosed.

5. No agenda in additional to those stated in the meeting notice was proposed.

6. In AGM 2017, 18 members of Board of Directors and management attended the meeting, one was absent. All members of Board of Directors and management attended the EGM No.1/2017. Board allowed shareholders to ask questions, express opinions and sought clarifications from the Company’s Board of Directors, management or auditor in relevant agenda before casting vote.

7. Board members were elected with an individual vote count.

8. Resolution and vote count results in each agenda were informed through the SET’s information disclosure system on April 19th, 2017.

9. The meeting minutes which contained significant matters completely were arranged, submitted to the SET on the date and posted on the Company’s website.

● Equitable treatment to shareholders

The Company’s policy is geared towards equitable and fair treatment to all shareholders - retail and both local and foreign institutional investors - in exercising their rights as stipulated in corporate governance policy. Such treatments include providing information prior to meetings, minority shareholder rights protection, and measures against insider trading and board members’ vested interest.

● Stakeholders’ rights

The Company has set out policy in treating each group of stakeholders by taking stakeholders’ rights as prescribed by laws into account and abiding by mutual benefits between the Company and stakeholders as mentioned in corporate governance policy is the important issue.

Moreover, the Company has operated business based on a principle that all employees must perform duties for the Company’s maximum benefits, so they must act

and make any decisions without influence of demand of their own, family, cousins and persons who are personally known by complying with the Company's rules and regulations with the same standard.

- **Information disclosure and transparency**

Internal control and internal audit systems

Internal audit office has laid down control system and suggested what should be revised to units which had been inspected to improve efficiency of internal control in guarding against risks which could damage the Company and adding value to the inspected systems.

Relations with investors

The Company has launched a website www.asianseafoods.co.th and disclosed financial statements and information through online system of the SET to investors and they can contact the Company at the Company's secretary unit at telephone number (034) 845575 ext. 5356 and e-mail address Asian-Secretary@asianseafoods.co.th or investors' relations via the Company's website.

- **Board of directors' responsibilities**

The Company has clearly specified duties and responsibilities, and approval authority of Board of Directors, the Executive Board, the Audit Committee, the Risk Management Committee, the Credit and Debt Collection Committee and other sub-committees in the Company's corporate governance policy, and assigned the Executive Board to monitor performance of management on a monthly basis. The Company has set up meeting to consider business operation plans of both the Company and subsidiaries to set guidelines for business operation harmonization.

The Company's Board of Directors has been appointed in accordance with AGM's resolutions, and passed consideration of Board of Directors as stipulated in the Company's regulations and elected by the AGM.

The Company's Board of Directors consists of up to 12 members, 8 of which are executive directors and the remaining 4 are non-executive directors. In 2017, the Company's Board of Directors had 10 members, 6 of which were executive directors and 4 were non-executive directors.

Even though non-executive directors accounted for only 4 persons (representing to 40%), they all are

knowledgeable and capable directors who have full of freedom in expressing opinions.

A member of Board of Directors is also served as Chairman of the Board of Directors and Chief Executive Officer as he is knowledgeable and capable persons particularly in this business.

Board of Directors Meetings

The Company regularly organizes Board of Directors meeting every three months by setting date, time, place and the meeting's agenda, and dispatched an invitation letter and meeting documents in advance to provide the Board of Directors sufficient time and information for a careful consideration.

In 2017, the Company held 4 Board of Directors meetings, average meeting time around 4.0 hours per meeting. Each meeting, Chief Financial Officer, each subsidiaries' Managing Directors, and Chief of Internal Auditor were attended to provide essential information. There also one meeting of the Independent Directors only before Audit Committee meeting on February 28th, 2017 to discuss general issues on management and corporate governance of the company, and inform Chief Executive Officer to manage the issues. 4 Audit Committee meetings were conducted in 2017. Directors who attended the meetings are summarized as follows:

| Name of the Directors | Number of meetings attended (times) | |
|-----------------------------------|--|----------------------------|
| | BOD Meeting | Audit Committee Meeting |
| 1.Mr.Somsak Amornrattanachaiikul | 4 | Not an Audit Committee |
| 2.Mr.Somchai Amornrattanachaiikul | 4 | Not an Audit Committee |
| 3.Mr.Suriya Prasartbunditya | 4 | Not an Audit Committee |
| 4.Mr.Aekarat Pannasung | 3 | Not an Audit Committee |
| 5.Mrs.Suree Jangsawat | 4 | Not an Audit Committee |
| 6.Mr.Somsak Satittumarong | 4 | Not an Audit Committee |
| 7.Mrs.Sunanta Tiasuwan | 4 | 4 |
| 8.Mrs.Yaowanee Kruo-ongarjnukool | 4 | 4 |
| 9.Mr.Kittichai Laokurkulpong | 4 | 4 |
| 10.Mr.Somboon Paobanjong | 4 | 4 |

The Company's Board of Directors agreed with the Company' and subsidiaries' financial statements

and operating performances, and the important market situation in 2016 as approved by the certified auditor.

Other Sub-Committees

In 2017, 18 Executive Committee's Meeting were held with 9 Risk Management Committee's Meeting and 6 Credit Control Committee's Meeting. Committees who attended the meetings are summarized as follows:

| Name of Committee | Number of meetings attended (times) | | |
|----------------------------------|-------------------------------------|-----------------|------------------|
| | Executive Committee | Risk Committee | Credit Committee |
| 1.Mr.Somsak Amornrattanachaikul | 17 | 9 | Not a Committee |
| 2.Mr.Somchai Amornrattanachaikul | 16 | 9 | 6 |
| 3.Mr.Suriya Prasartbunditya | 17 | 9 | 6 |
| 4.Mr.Hendrikus Van Westendorp | 15 | 8 | 6 |
| 5.Mrs.Suree Jangsawat | 14 | 9 | 6 |
| 6.Mr.Aekarat Pannasung | 17 | 8 | 6 |
| 7.Mr.Wallop Lomplim | 18 | 9 | 6 |
| 8.Mr. Yasuto Togashi | 14 | 7 | 6 |
| 9. Mr.Chitsanucha Puangsuda | 15 | 9 | 6 |
| 10.Mr.Panop Svetarundra | 13 | 7 | Not a Committee |
| 11.Mr.Somsak Satittumarong | 16 | Not a Committee | Not a Committee |
| 12.Ms.Sirirat Wongmetavee | 14 | Not a Committee | Not a Committee |
| 13.Mr.Somboon Paobanjong | Not a Committee | 7 | Not a Committee |
| 14.Mr.Bundit Pichetpongsa | Not a Committee | 6 | Not a Committee |
| 15.Ms.Varanratch Assanupong | Not a Committee | 9 | Not a Committee |

Self-Evaluation of Directors and Committee

Criteria

The Company address self-evaluation of each directors and conclude the result in each committee every year, including Chief Executive Officer and Chief Financial Officer. The evaluation form used has adjusted from the SET guideline.

Procedure

The Company Secretary submit self-evaluation form to each directors, Chief Executive Officer, and Chief Financial Officer at the end of the year. The company secretary will follow up and conclude the evaluation result, then inform in the first BOD meeting of the year for consideration and discuss.

Self-evaluation Results

Summarize of Self-evaluation of Directors, Chief Executive Officer and Chief Financial Officer of 2017

| Directors/Committee | Avg. Score | Lowest Score | Highest Score |
|---------------------------|------------|--------------|---------------|
| Board of Directors | 93% | 86% | 100% |
| Executive Committee | 91% | 86% | 98% |
| Audit Committee | 93% | 89% | 100% |
| Credit Control Committee | 91% | 84% | 100% |
| Risk Management Committee | 90% | 86% | 95% |
| Chief Executive Officer | 81% | - | - |
| Chief Financial Officer | 91% | - | - |

Succession Plan

The succession plan of the company and its subsidiaries, for the management positions are still under consideration.

Executive Remuneration

The total remuneration of top 5 Executive of Asian Seafoods Coldstorage PLC. (Managing Director and Up) for the year 2017 are 20.52 million baht, including salary, bonus, providence funds and others.

Internal control and Risk management

Opinions of the Company's Board of Directors on internal control system

The Company realizes the importance of good internal control and risk management, so it emphasizes on appropriately sufficient and efficient internal control in consistent with risk management of the Company's Board of Director to minimize risk to the acceptable level in order to achieve business operational goals and add value to stakeholders by adhering to good corporate governance principles. The Company's Board of Directors delegates the Audit Committee and Internal Audit Department to regularly review and follow up outcomes to be in line with situation and the changing risks, and ensure that the Company's internal control system has business efficiency and effectiveness.

Control Environment

- The Company sets the clear and measureable goals for business operations, and defines the Company's corporate governance policy and code of ethics in writing to safeguard against conflicts of interest with concerns over fairness to all stakeholders.
- The Company identifies the clear organization structure and line of command to set up checks and balances, and create a written handbook for scope of authority of all parties to be guideline for practices with respect to duties and responsibilities, and internal control system.

Risk Assessment

- The Company has set up a working panel on risk management consisting of representatives from the Company and subsidiaries to be tasked with setting an annual risk management plan, under which specifies risks that hamper achievement of the Company's objectives, risk management strategy in each level and measures in evaluating efficiency of risk controls in various aspects to reduce chances and impacts that may arise. A meeting of the Company's Board of Directors held on November 9, 2016 resolved to form the Risk Management Committee tasked with putting risk management into the apparently concrete practices, and defining roles and duties of all level personnel related to risk management.

- The Company communicates risk management policy to responsible management and employees in each line of business to acknowledge and comply with the plan, and regularly report performance and problems to the Risk Management Committee.

Control Activities

- The Company sets control standards as seemed appropriate to risks in each operational system by taking the proper types of control activities either preventive or detective controls into a consideration.
- The Company sets policy in approving transactions or other items with concerns over the maximum benefits and transparency as importance matters.

Information & Communication

- The Company has an appropriate and effective information and communication system and communication channels for both internal and external stakeholders to facilitate carrying out internal controls as specified.
- The Company has an effective control system for accessibility and usage of information system, and regularly reports material information to management and the Company's Board of Directors for making any decisions. Besides, the Company has invested in information system or SAP to improve effectiveness of the Company's information system and make internal control more stringent.

Monitoring Activities

- The Company appropriately and regularly sets monitoring system, performance and code of business conduct evaluation system, in order to achieve the specified goals via regularly Risk Management Committee meeting.
- The Company requires internal control office to coordinate with internal audit company in inspecting systems with respect to risk factors, and report inspection results and progress of monitoring to the Audit Committee and the high-ranking management.

- The Audit Committee reviewed and assessed the Company's internal control system, and opined that the Company's internal control system is appropriate and sufficient for carrying out business to meet objectives and goals efficiently. The Audit Committee also found no significant shortcomings.

Responsibilities associated with internal control system

- 1) The Company's Board of Directors sets out policy and oversees to have good and appropriate internal control system, as well as requires regular monitoring and evaluation.
- 2) The Audit Committee, in capacity of the Company's Board of Directors, performs duties and responsibilities concerning oversights of a review of internal control system, and report performances to the Company's Board of Directors and shareholders.
- 3) Management has duties and responsibilities in overseeing and inspecting working system under supervisions that it is effective and accurate in accordance with regulations governing working by reviewing performing functions in accordance with the existing internal control system and tightening internal control system, as well as instilling good disciplines and consciousness concerning internal control to subordinates.
- 4) Personnel at all levels must continuously and constantly comply with rules, regulations, instructions, measures and internal control system which set by the Company.
- 5) Internal audit office directly takes responsible for an evaluation of adequacy, effectiveness and efficiency of internal control system, and inspects practices to be in line with the system to improve internal control measures to be appropriate to the changing situation, environment and risk factors so that effectiveness and efficiency of the Company's performance are increased.

Opinions of the Company's Audit Committee on internal control system.

Views details in topic "Report of the Audit Committee".

Risk Factors

In late 2016, the company started its Risk Management Committee and determined to analyze and evaluate risks, including communicate risks information continuously throughout the organization. The Risk Management Committee, which be appointed by the Board of Directors, comprises of many managerial staff of each business and be authorized to establish procedures and measurements to manage risks, including specified events of risk level to warn the operating staff to implement such a procedure. Every business has to set up its own plan to manage risks and report to the committee every quarter. The committee needs to monitor and evaluate efficiency of risks preventive and control continuously.

The company assigns the Risk Management Committee to response for company's risk management, in terms of evaluate and analyze risks factors, chance to occur, level of its affect, including setting up the appropriate procedures for the key risks factors. Such the procedures will be proposed for BOD's approval. In risks management, each department will point out its risk factors and create plan to manage that factors. Risk Management Committee, then, will evaluate chance and severity of its effect to point out if that factors are at the level of organization risks. The Risk Management committee will set up the procedure to manage organization risk factors.

Risk Management Policy

1. Every employee, including Management, is risk caretaker, which will have their own role and contribution in the company risk factors control. Every employee must understand their duty and responsibility relevant to risk management.
2. Risk management procedure must be applied in every process of the business under the principle of Good Corporate Governance, using appropriate information technology to reduce chance of occurrence or its effect, which, in the other way, increase chance of success.
3. Operate and support risk management throughout the organization by efficiently using the available resources to identify, evaluate, and manage risk.
4. Urge and support risk management, so that every employee realize how importance of risk management, lift its to be the organization culture.

Duty and Responsibility

1. Risk Management Committee

- Set up risk management policies, targets, and strategies.
- Develop efficient risk management system throughout the company.

- Support and urge of cooperation of employee in risk management control in every level of the company risk factors.
- Monitor risk management system to be appropriate and efficient.

2. Audit Committee

- Build up such confidence in internal control that it was appropriate for risk management.
- Monitor and control risk management independently.
- Communicate with Risk Management Committee to understand the company key risk factors so that those will be link to the internal control system.

3. Chief Executive Officer

- Monitor key risk factors and ensure that appropriate plan was implemented.
- Support risk management policy and ensure that risk management was implemented throughout the organization.

4. Internal Audit Department

- Ensure that there is appropriate internal control to manage risks and all risk management plan was really operated.
- Communicate with Risk Management Committee to understand risk factors and audit internally using Risk-based Internal Control and report quarterly to the Audit Committee.

Objectives of Risk Management Plan

1. To ensure that the company set up risk management plan which link to goals and objectives of the company.
2. To acknowledge key risk factors which will affect to key success factors of the company and add value to the company.
3. To have plan to deal with future risks.
4. To reduce chance and impact of risk that the company will not achieve its goals and objectives.
5. To set up good management information systems which link to risk management monitoring to ensure that the risk management plan will achieve its goals and objective.
6. To realize risk management as one of organization culture so that every employee will always pay their attention to.

Implementation Procedure

1. Appoint Risk Management Committee to study risk factors for the company in overview and set up committee's objectives and authorization.
2. Arrange the meeting among the committee to address risk factors and reasons using Brainstorming, past data, and checklist of audit.

3. Analyze risk factors.
 - 3.1. Likelihood: High, Medium and Low
 - 3.2. Impact:
 - 3.3. Prioritize all risk factors using its Likelihood and Impact.
4. Evaluate risk factors, plan, and available resources.
5. Treat Risk using evaluation result and manage the one with high risk results first. Plan for an appropriate internal control system to reduce that risk.
6. Monitor risk factors in Risk Management Committee Meeting. Plan and progress must be updated.

In 2017, Risk Management Committee operated as plan and address the key risk factors for the company as follows:

Manpower Risk

The company realize that employees are the important and valuable factor of success, advancement and stable growth, and address this issue as one of its sustainability issues. The company plan its manpower carefully and has its own internal function to monitor changes of relevant laws and regulations to ensure that those were strictly follows.

The company concluded the implementation of our sustainability and labor conditions policy to ensure that fair labor conditions and compliant is always the company first priority. With the recruitment of daily workers, the use of agents will be shifted out in order to better supervise conditions and working hours.

Moreover, the Company focuses on excelling employees' capability by improving academic performance of human resources, enhancing work culture, providing adequate modern instruments for working, offering compensation and welfare which are comparable to other companies' in the same industry, creating good working environment and ensuring the maximum life safety.

Raw Material Costs Risk

The Company and subsidiaries have determined on developing new products under value-added production line and manage to increase sales of these products continuously and reduce fluctuations of raw material prices. The Company, however, still relies on raw materials related to commodity and agricultural products which are raw materials - cost around 80% of its costs of goods sold.

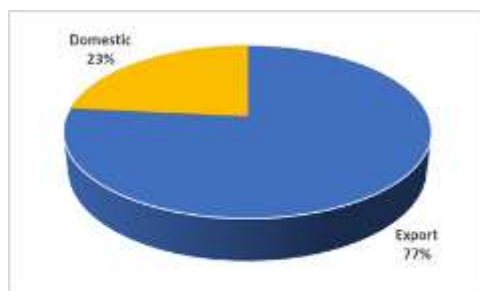
The Company's and subsidiaries' important raw materials include fish, shrimp, squid and tuna – agricultural products of which prices fluctuate in line with demand and supply in the market. Prices of these raw materials change rapidly if there is speculation on these products, so efficiency in raw

material procurement, storage management and control of flows of raw material inventory will allow the Company to take advantage of rivals in both local and internal markets – in particularly countries where have cheaper labour costs and higher abundance of raw material sources than Thailand such as China, Vietnam, India, Indonesia and the Philippines.

The Company has set the following guidelines for raw material procurement, storage management and control of flows of raw material inventory, with an aim at conducting business efficiently.

- **Monitoring news and information:** The Company has assigned staffs to base in domestic raw material sources to closely procure and monitor news and information concerning market situation of raw materials. Besides, the Company can anticipate and make decisions immediately when the situation changes, thanks to over 30 years' experience and expertise in frozen seafood business.
- **Raw material reserves:** The Company procures and produces to reserve raw materials in following.
 - 1) Sillago fish. The Company will purchase sillago fish for a reserve purpose when its price falls dramatically to prevent uncertainty in production outputs as sillago fish (or so-called sillago sihama fish) is a marine animal in sand bank habitats and cannot be farmed, while its supply in natural resource is uncontrollable.
 - 2) Frozen shrimp. The Company in a normal course of business will purchase the raw material when orders are obtained. However, the Company will partly reserve shrimp supply when price tumbles significantly.
 - 3) Frozen squid. The Company will reserve squid supply in the same case as sillago fish.
- **Seeking raw material sources directly from farmers** to cover the country's areas without advance purchase contracts. The Company relies on good relationship built from being an aquatic animal feed distributor to these farms. Relationship is also created as the Company provides advice and assistance regarding raising technique, and purchases raw materials if quality meets the Company's requirements.
- **Importing raw materials.** The Company will import raw materials in case of high prices of local raw materials relative to those in overseas markets, or lack or shortfall of raw material supply in domestic market.

Foreign Exchange Risks



In 2017, the company's and subsidiaries' revenue contributed from exporting products accounted for 77% of the total revenue, and the US dollar accounted for the majority of the revenue. Yen and Australian dollar made up for the rest. With high foreign currency exposure, the Company carries risks associated with foreign exchange. However, such risks are limited by raw material imports as the Company has used foreign currency earned from exports to pay for the raw materials, hedging using foreign currency forward contracts and close monitoring of foreign currency movement.

Financial and Leverage Risk

The company's strategy is to finance our business with long term funding for half to two-third and to reduce the number of short term facilities in order to increase efficiency. The company also set up its internal target to improve its balance sheet ratios to maintain its capability to expand the business in the future.

In 2017, the Company's long-term credit and debentures were as follows:

| Type of Loans (million baht) | Total Facilities | Approval Dates | Outstanding as of Dec 31 st , 2017 | Current Portion |
|---------------------------------|---------------------|-------------------|---|--------------------|
| Long Term Loan | 850.0 | Jul 2014 | 310.0 | 240.0 |
| Long Term Loan | 1,500.0 | Jul 2017 | 1,500.0 | 280.0 |
| 2-year Debenture | 150.0 | Mar 2016 | 150.0 | 150.0 |
| 2-year Debenture | 200.0 | Sep 2016 | 200.0 | 200.0 |

For the long-term credit facilities, the company agreed to the covenant with financial institutions, requiring the company's debt to equity (D/E) ratio not to exceed 2.5 times in 2015 and 2016 and 2.0 times since 2017 till maturity date, and maintain current ratio at least 1.2 times since 2015 to the payment due date. If the company fails to meet the financial ratio requirements, lenders could call the debt ahead of the due date and it will take a toll on the company's financial liquidity. Under the restrictive covenants of the long-term credit facilities, the company is also required to maintain a minimum debt service coverage ratio of 1.2 times. Otherwise, the company is unable to pay dividend or any other benefits to shareholders.

For the debenture covenants, the Company's net D/E is limited at 3 times and the Company's dividend payout ratio is set at no more than 60% of consolidated net profit.

In 2017, the company managed to maintain D/E, net D/E and debt service coverage ratio as required.

In 2017, the company has no fund raised from bill of exchange (B/E) and on outstanding balance. The company has enough short-term facilities which are lower cost compare to the year before while the money market situation during the year was not quite comfort. However, the company closely monitors and analyzes the debt instrument market situation and other factors to ensure that the financial cost of the company is reasonable.

Anti-Corruption Risk

Asian Seafoods Coldstorage Public Company Limited has taken part in declaring intention in "Thailand's Private Sector Collective Action Coalition Against Corruption" to combat all types of corruptions and set appropriate responsibilities, practice guidelines in operating business and developing towards sustainable organization.

Risk Management Committee assess the overall procedures for Anti-Corruption Risk, and addressed 3 issues, including solutions and monitoring procedure as follows

- **Corruption in Procurement.** In general, procurement is one of issue risk to corruption. The company need to monitor all process precisely, including additional procedure from the Risk Management Committee.

Solutions:

1. Adding new suppliers in the Approve Vendors List, the document must be added, including review by Procurement Manager and approve by Managing Director. Approve Vendor List must be updated constantly.
2. All vendor payment must be paid via Financial Department with receipt.
3. Procurement officers and Financial Officers must not have personnel relationship.
4. Vendor Evaluation must be done every 6 month or at least once a year.

Corruption with Thai Customs Officers on Importing Raw Material. In some case, the importing raw material may not match the details in Packing List received from procurement department and course the problem.

Solutions:

1. Procurement Department must confirm with both the buyer and the seller in all details of importing material and coordinate with Logistic Department in all importing process to ensure the accuracy.
2. The Logistic Manager must review document before importing process.
3. Develop emergency procedure in the case that the material could not go through importing process, such as document correction, contact procurement department.

4. All importing expense must have receipt and must be reviewed.

- **Corruption with Thai Customs Offices on Exporting Goods.** In some cases that the goods could not go through the exporting process.

Solutions:

1. Address strictly quality standard to all company's products.
2. Train quality control officers to be specialist.
3. Address appropriate procedures to deal with exporting issues, such as returns all products to the factory to analyze the problems, reserve stock.
4. Train Logistic officers to specialize in accuracy, problem-solving, and communications.
5. All exporting expenses must have receipt and must be reviewed

Risk Associated with Trade Barriers in Overseas Market

Exports contribute to the major source of revenue to the Company and subsidiaries, and customers of all business segments with exception of aquatic animal feed business are diversified almost across the world, so the Company and subsidiaries have received impacts from both tariff and non-tariff barriers to trade from time to time. The Company and subsidiaries has set guidelines to address the problem as follows:

- **Trade liberalization.** Thailand has lost competitiveness relative to rivals in the global trade market. The material adverse effect in 2014 took a toll on shrimp product business and such effect in 2015 included the lifting of Generalized System of Preferences (GSP) privileges for Thailand's fishing industry by the European Union starting from January 1, 2015. The GSP cut dealt a blow to the Company's export sales in the first quarter of that year, and frozen squid products were hit hard as main customers of the products are in Italy.

Solution: Given that quality of the Company's and subsidiaries' frozen squid products has been recognized by the market, the products have been produced under their own trademarks and the Company at that time had the raw material reserves in a certain level, the Company managed to negotiate with customers and sales then bounced back rapidly.

- **The US anti-dumping duty against Thailand's shrimp** raised costs in importing shrimp there, however, the rates have continuously declined.

Solution: The Company and subsidiaries reduce sales proportion of products which are imposed the anti-dumping tariff and other taxes such as raw and boiled shrimp but raise that of pre-fried and deep fried battered shrimp, and other value-added products which are not levied by the anti-dumping duties and have higher profit margin.

- **Stringent measures for inspection of diseases and drug residues in marine animal products** have been taken by the EU and several import markets as well as new standards have been implemented to control exports.

Solution: The Company and subsidiaries have adopted inspection, and quality and food safety control systems, as well as quality control systems that meet international standards and recognized by food industry in production process to control quality of products to the levels that gain acceptance of customers in every regions of the world (sees additional details in topic "Sustainable Development").

- **The EU has issued a yellow card to Thailand over Illegal, unreported and Unregulated (IUU) fishing** and the US has lowered Thailand's human trafficking ranking to tier 3.

Solution: The Thai government and associations related to the industries have put a lot of effort into eliminating problems concerning IUU fishing activities and human trafficking in fishing industry and manufacturing plants. In January 2016, the EU extended the yellow card status as it has satisfied with Thailand's measures but it requested Thailand to tighten and put more effort into enforcement in period ahead. The issue is the first priority of all related parties, the Company and subsidiaries determine to jointly solve the problem to make Thailand gain acceptance from other countries. To confirm the clear intention, the Company and subsidiaries are among operators which signed the **Memorandum of Understanding (MOU) with state agencies, pledging not to engage in illegal fishing, buy, import, export, transfer or distribute aquatic animals and related products derived from illegal fishing, forced labor and human trafficking.** The Company is committed to fully comply with the MoU either alone or through coordination with other parties to maintain transparent operation standards which can be inspected throughout processes and encourage sustainable fisheries. The Company promises not to involve in illegal fishing, buy, import, export, transfer or distribute aquatic animals and related products derived from illegal fishing, forced labor and human trafficking, and not to use these materials in production process of the aquatic animal processing industry and sell as seafood, and strictly comply with laws governing fisheries, labor and human trafficking.

Risk Factor Associated with The Lease Contract Renewal of The First Plant

The Company leases the space from the Port Authority of Thailand to be a location for a frozen seafood manufacturing plant which is the Company's first factory. At present, the plant is the main production base for frozen sillago fish products. The Port Authority of Thailand has already renewed the lease agreement with the Company.

Related Party Transactions

Definition of Related Party Transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the company, whether directly or indirectly, or which are under common control with the company. They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the company that gives them significant influence over the company, key management personnel, directors, and officers with authority in the planning and direction of the company's operation.

The related company and relationship

| Company Name | Type of Business | Relationship |
|---|--|--|
| Asian Seafoods Coldstorage (Suratthani) Co., Ltd. | Frozen Food Processor | The company's subsidiary. |
| Asian Alliance International Co., Ltd. | Tuna Frozen and Canning Processor and by-product such as Canned Pet Food and Fishmeal. | The company's subsidiary. |
| Asian Feed Co., Ltd. | Aquaculture Feed Processor Chemical. | The company's subsidiary. |
| Asian Seafoods Coldstorage (Sriracha) Co., Ltd. | Frozen fish and processing frozen fish. | Asian Feed Co., Ltd.'s subsidiary. (Registration of cessation completed since May 30 th , 2014. The subsidiary is pending liquidation process.) |
| Asian Food Co., Ltd.- | Frozen Food for Domestic Distribute. | The company's subsidiary. |

To consider if one is related party, details in actual relation must be considered rather than just legal relation.

Transfer pricing policy

| | |
|-----------------------------|--|
| Sales | Cost plus margin |
| Cold storage service income | Contract price |
| Rental income | Contract price |
| Management fee income | Mutually agreed price |
| Interest income | 4.20 – 4.50 % per annum |
| Other income | Cost plus margin and mutually agree price |
| Purchases of raw materials | Cost plus margin |
| Purchases of services | Cost plus margin and mutually agreed price |
| Interest expense | 4.06 – 4.35 % per annum |
| Other expense | Cost plus margin and mutually agreed price |

During the year, the company had business transactions with its subsidiaries. Such transactions, which are summarized below, were concluded on commercial terms and bases agreed upon between the company and its subsidiaries.

| Revenues from its subsidiaries | Separate Financial Statements | |
|--------------------------------|-------------------------------|--------------------|
| | 2017 | 2016 |
| | baht | baht |
| Sales | 41,018,836 | 11,542,270 |
| Cold storage service income | 92,545,641 | 96,586,969 |
| Rental income | 19,200,000 | 15,600,000 |
| Management fee income | 41,880,000 | 25,713,588 |
| Interest income | 21,058,604 | 17,159,853 |
| Other income | 6,675,177 | 8,890,295 |
| | <u>222,378,258</u> | <u>175,492,975</u> |
| Expenses to its subsidiaries | Separate Financial Statement | |
| | 2017 | 2016 |
| | baht | baht |
| Purchased of raw materials | 163,748,026 | 196,628,308 |
| Interest expense | 3,632,750 | 2,571,871 |
| Other expenses | 5,052,416 | 2,536,742 |
| | <u>172,433,191</u> | <u>201,736,921</u> |

| Related parties receivables | Separate Financial Statement | |
|--------------------------------|------------------------------|-------------------|
| | 2017 | 2016 |
| | baht | baht |
| Trade receivable | 8,480,443 | 16,382,772 |
| Accrued interest receivable | 1,899,954 | 2,109,174 |
| Others receivable | 14,966,458 | 9,476,189 |
| | <u>25,346,855</u> | <u>27,968,135</u> |

| Loan to related parties | Separate Financial Statement | |
|-------------------------------------|------------------------------|--------------------|
| | 2017 | 2016 |
| | baht | baht |
| Short-term loan | 572,200,000 | 654,700,000 |
| deduct Allowance for doubtful debts | (41,836,226) | (41,836,226) |
| | <u>530,363,774</u> | <u>612,863,774</u> |

Short-term loan to its subsidiaries mature at call with no collateral. Interest rate were 4.20% to 4.50% (4.29% to 5.06% in 2016).

| Related parties payables | Separate Financial Statement | |
|---------------------------|------------------------------|------------------|
| | 2017 | 2016 |
| | baht | baht |
| Trade payables | 8,823,087 | 3,227,457 |
| Accrued interest expenses | 7,293 | 70,434 |
| Other payables | 406,257 | 500,154 |
| | <u>9,236,636</u> | <u>3,798,045</u> |

| Loan from Subsidiaries | Separate Financial Statement | |
|------------------------|------------------------------|-------------------|
| | 2017 | 2016 |
| | baht | baht |
| Short-term loan | <u>12,800,000</u> | <u>16,000,000</u> |

Short-term loan from its subsidiaries was mature at call with no collateral. Interest rate were 4.29% to 5.06% (4.82% to 5.14% in 2015)

Legal Dispute

Claim against Asian Alliance International Co., Ltd.

1. In March 2011, Asian Alliance International Co., Ltd. (subsidiary) received an arbitration from the German Arbitration that the subsidiary had to pay the debts on a breach of contract amounting to USD 1.21 million with interest at 2% per annum and the legal costs amounting to EUR 0.03 million.

In December 2012, Central Intellectual Property and International Trade Court ordered to insist the arbitration and in May 2013, the subsidiary filed an appeal to the Supreme Court. The case was finalised on 26 January 2016 that the Court judged the subsidiary has to pay according to the arbitration.

As at 31 December 2016, the subsidiary had recorded provision for litigation costs of this case of Baht 28.8 million in the consolidated financial statements after it reached the settlement with its claimant. Subsequently, in February 2017, the subsidiary has made the payment to claimant in full.

2. In October 2016, Asian Alliance International Co., Ltd. received an arbitration claim lodged by a Claimant via the American Arbitration Association. The Claimant represented an insurer of one of the subsidiary's customers that conducted a voluntary recall of certain products produced by the subsidiary in 2015. The Claimant filed a subrogation claim amounting to USD 3.15 million, asserting the subsidiary and the importer of the products were liable for the expenses of the recall. The subsidiary denies liability.

In September 2017, all parties agreed to settle the case. In doing so, the subsidiary agreed to pay the Claimant USD 625,000 and received USD 243,256 for its unpaid bills and USD 531,744 for its undelivered cargoes. Unpaid bills and undelivered cargoes were booked as allowance for doubtful debts and non-conforming stock, respectively; therefore, there was no negative impact on the consolidated financial statements.

The settlement agreement was distributed and settled; therefore, the case was closed.

Asian's Sustainability

Policy in overview

To attain mission and business sustainability in accordance with our motto **"We R the Right Choice"**, Asian Group has outlined strategy and important policies in the following 4 aspects

1. Delivering quality and safety products to customers

Given that the Company operates in food industry and it is a production base for exports to other countries across the world, the Company always realizes that consumer confidence and business sustainability directly rely on food quality and safety. Food quality, safety control and inspection systems, which have been internationally recognized standards by food industry, have been adopted to control quality throughout all production processes of every company in the group. (See also the details of quality standard and certificate that the company and its subsidiaries acquires in the company website.)

Moreover, all packaging company used are non-toxic which can be dispose normally or even be able to re-cycle.

2. Developing quality human resources who have job skills and knowledge, and positive attitude at work

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries realize that employees are the most important and valuable factor of success, advancement and stable growth. The Company then focuses on excelling employees' capability by improving academic performance of human resources, enhancing work culture, providing adequate modern instruments for working, offering compensation and welfare which are comparable to other companies' in the same industry, creating good working environment and ensuring the maximum life safety. Employees should perform duty with responsibility, honesty and integrity, determination and dedication, and compliance with rules and regulations for the Company's interests.

Human Resource Management Policy

1. The Company provides job security for employees by taking necessity of job positions based on human resource plan into account, opening opportunities for the current employees whose competent are suitable for vacancies before hunting outsiders, and giving fairness in promoting competent persons who have knowledge and positive attitude to vacancies needed by the Company without barriers of gender, age, race, religion, political ideology, and trade union and labor unions.
2. The Company is committed to develop knowledge and capability of workforces by supporting training, job rotation and information, and offering alternatives to be appropriate with workers' skills and knowledge to maximize their potential which will lead to the Company's growth and employee's advancement.
3. The Company offers compensation and welfare which are comparable to other companies' in the same industry or other leading industries. It regularly surveys and compares salary and welfare as reference. Different salary rates depend largely on job positions and responsibilities. The increment is based on merits and the Company's financial position.
4. The Company pays overtime in line with its regulations and the overtime payment must not lower than rate required by laws.
5. The Company has a fair performance evaluation practice to motivate employees to maximize their efficiency. Annual salary increment is based on job performance, while ability and performance of employees who get promoted determine salary increase.
6. The Company employs the two-way communication channel, especially when discussing with employees' representatives in any issues related to their works, to learn their attitudes and opinions.
7. The Company strictly complies with laws and regulations governing safety and will implement reliable work safety standards in case that there are no laws and regulations stipulated on those issues.
8. All levels of supervisors take responsible for overseeing safety in workplace to workers by arranging safety workstations and equipment to employees, and outlining guidelines to keep them safe at work.
9. The Company has tried to prevent any accidents, injuries and illness to which is work-related. With a serious cooperation from all employees, the Company will limit and manage safety risks resulted from business operations.
10. The Company provides safety equipment and training to employees to educate them how to work safely.
11. All employees have duties to learn about safety at work, comply with the set guidelines, use available safety equipment and inform supervisors when they spot situations which could

lead to dangerous in order to address the problems.

12. Supervisors must treat themselves in a manner that earns respect from employees and employees must not act in a manner that does not respect supervisors.
13. The Company will pay compensation and benefits that employees deserve to receive as stipulated in the Company's regulations when their jobs are terminated but not less than rights required by laws.

Legal and Human Rights Compliance Policy

The Company and subsidiaries are committed to treat all employees with equal honor and dignity. Its practice principles are as follows:

1. The Company's workforces must thoroughly understand laws related to their direct duty and responsibilities, and strictly comply with the applicable laws. They must ask for advices from supervisors if there is any question.
2. During working abroad, employees should study laws, custom, traditions and cultures of countries for where they must work before doing anything related to the Company's business to prevent breaching those countries' laws, customs, traditions and cultures.
3. The Company supports and respects human rights protection, and avoids getting involved in any human rights violations such as usage of forced and child labor.
4. The Company respects and treats all stakeholders fairly on the basis of human dignity, equal treatment and non-discrimination of origin, race, gender, age, color, religion, physical condition, and social and family status.
5. All management and employees must not act in a way that harms or threatens not only verbally but also physically others on the basis of race, gender, religion, age, and psychological and physical disability.
6. The Company encourages surveillance on compliance with the Company's internal regulations concerning human rights and enhances all stakeholders to comply with the international standards on human rights principles.

Progress of Training Plan for the year 2017

| Type of Courses | Target | Performance | |
|--------------------|----------------------------------|----------------------------|--------|
| | | % of Employee Trained 2016 | 2017 |
| Outsource Training | Train Employee according to plan | 100% | 97.20% |
| In-house Training | Train Employee according to plan | 91% | 82.14% |

The company's employee development plan was set up via training plan, both for monthly employees and daily workers. The training was set up at least 6 hours for each employee, which were compliance with the workforce development plan of the Employment Department of Thailand. The training courses, both outsourcing and in-house training, were set up as the employee requirement.

- In-house training mostly due to the basic need for the job which every employee must be trained, including both new staff and review for the current staff.
- Outsourcing training is the training aim to improve specific employee to develop work skill and specialization.

Moreover, Human Resource Department focus on improving target employees who have potential to promote to be junior, medium, and top management level in the organization to ensure that they can increase their potential and growth with the company.

In the next 2 years, the company set up replacement plan and target potential employee and plan to develop them with better management skill to further improve the organization.

3. Avoiding illegal fishing, and purchasing, importing, exporting, transiting and distributing aquatic animals and related products obtained through illegal fishing and labour, and human trafficking.

Asian Group is the manufacturers of foods of which natural resources, including tuna, sillago fish, shrimp, squid and other aquatic animals, are the main raw material sources, the group of companies are then well aware of environmental importance, conservation of marine sources in particular. The Thai government together with associations related to the industry has put all attempts to eradicate illegal, unreported and unregulated fishing (IUU) activities and slavery labor problems in both fishing industry and manufacturing

plants. The Company and subsidiaries are seriously determined to address these problems to help Thailand regain international acceptance. To confirm a clear intention, the Company and subsidiaries have been among fishing operators who signed a Memorandum of Understanding (MoU) with state agencies to fight against illegal fishing activities and deny procuring, importing, exporting, transiting and distributing aquatic animals and products obtained from illegal fishing. The MoU is also extended to illegal labor and human trafficking. The Company and its subsidiaries will strictly comply with the agreement individually and jointly with other parties in order to maintain transparent operating standards, enable to examine all processes and attain sustainable fisheries. To honor the agreement, the Company and subsidiaries will not get involved in illegal fishing, procure, import, export, transit and distribute aquatic life and products obtained from illegal fishing and labor, and human trafficking. The Company and subsidiaries will not process aquatic animals obtained from illegal fishing and labor, and human trafficking in the industry and sell these seafood, and they will strictly adhere to laws regulating fisheries, labor and human trafficking.

All parties which jointly signed the MoU have agreed to provide collaboration in knowledge exchange, conferences, activities, academic seminars and training, research study on the appropriate topics and projects, and support related issues to state agencies.

4. Shunning getting involve in corruption

Anti-Corruption Policy

Asian Seafoods Coldstorage Public Company Limited is committed to conducting ethical business practices by adhering to responsibilities towards society and all stakeholders in accordance with Good Corporate Governance practice. The Company has taken part in declaring intention in "Thailand's Private Sector Collective Action Coalition Against Corruption" to combat all types of corruptions.

To make sure that the Company has policy to set appropriate responsibilities, practice guidelines and requirements to protect all of the Company's business activities from getting involved in corruptions, and the Company cautiously considers and conduct business activities which could risk of corruptions, it has launched a written anti-corruption policy to be a clear practice guidelines in operating business and developing towards sustainable organization.

Definition of anti-corruption policy

Corruption definition covers committing bribes by proposing, promising, asking and requesting to offer, or receive inappropriate assets or benefits to let particular persons perform or refrain from performing duty to obtain or retain business benefits with exception in cases that they are permitted by laws, announcements, rules and regulations, local customs and traditions or trade usages.

Anti-Corruption Policy

Board of Directors, Executive Management, and employees of Asian Seafoods Coldstorage Public Company Limited and subsidiaries are prohibited from committing or accepting corruptions in all forms both directly and indirectly with coverage of entire business in every country and all related departments. The group of companies will regularly inspect practices and review policies and practice guidelines of anti-corruption to catch up with the changes in business, rules and regulations, and law obligations.

Political Supporting Policy

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries have supported practices in compliance with laws under democratic form of government with the King as Head of State, and have political neutrality. Board of Directors, Executive Management, and employees of the Company and its group have rights to freedom of taking part in political activities under the constitution.

Charitable Donation Policy

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries have policy to promote engaging in community participation through donation for charity. Offering or receiving donation for charity can be done through activities that apparently shows that it is for public charity and it must ensure that donation is not used as excuse for giving bribery.

Financial Support Policy

Asian Seafoods Coldstorage Public Company Limited has policy to provide financial supports only to activities of which objectives are for business or the Company's good reputation and image without hidden intention of business benefits or trade advantage.

Policy Associated with Obtaining and Giving Gifts, and Entertainment and Other Expenses.

Asian Seafoods Coldstorage Public Company Limited and its subsidiaries' Board of Directors, Executive Management and employees are prohibited from obtaining or giving gifts, and paying higher

entertainment or other expenses than necessary and beyond traditions.

Directors' Duties and Responsibilities on Anti-Corruption Policy

1. The Company's Board of Directors has duties and responsibilities in approving policies and overseeing to create efficient system that supports anti-corruption to ensure that executive management is well realized and pays attention to counter corruption and cultivates it as company culture.
2. Audit Committee has duties and responsibilities in auditing financial reporting and accounting, internal control, internal audit and risk management systems to ensure that the systems are in compliance with international standards, concise, appropriate and efficient, and free from breaching the anti-corruption policy.
3. Executive Board of Directors must act as a leader in pursuing anti-corruption measures and giving recommendations concerning practices in line with the anti-corruption policy to workforces under a chain of command.
4. Private Sector Collective Action Coalition Against Corruption Council has duties and responsibilities in proposing policies and guidelines of practices to the Company's Board of Directors and requiring to set up a system, promote and support the anti-corruption policy in order to communicate to employees and all related parties. The council also shall review the appropriateness of the system and measures to be in line with changes in business, and rules, regulations and legal requirements.
5. A working panel on Private Sector Collective Action Coalition Against Corruption has duties and responsibilities in setting out measures, practice rules and regulations, channel to report tips, investigation and punishment, and proposing to Private Sector Collective Action Coalition Against Corruption Council. The panel also takes responsible to set out communication method and trainings to employees and all related parties, and practice methods in assessing risks of corruption on business operations.
6. Internal Audit Department has duties and responsibilities in examining and auditing whether working process is accurate and in line with policies, practice guidelines, authorities, regulations and laws to ensure that control system is appropriate and sufficient for risks concerning corruptions which may arise. The department's duties and responsibilities are also extended to investigate in case that any tips are given and report to Audit Committee.

Practice guidelines

1. Directors, Executive Management, and employees at all levels shall pursue the anti-corruption policy by not directly or indirectly engaging into any act of corruption.
2. Directors, Executive Management and employees at all levels must not ignore and be negligent when any acts of corruptions related to the Company and subsidiaries are detected and they must report the issue to supervisors or responsible persons. They shall provide cooperation in investigation. Should they have any questions or doubts, they can consult their supervisors or responsible persons through established channels.
3. The Company and subsidiaries shall provide justice and protect employees who deny getting involved in corruptions or report any acts of corruptions related to the Company by adopting measures to protect whistleblowers or those who cooperate in reporting the corruption as specified by the Whistleblowing Policy.
4. Those who violate the anti-corruption policy are deemed as breaching the Company's regulations, and shall be considered for disciplinary punishment as stipulated, and law punishment may be imposed if such actions violate laws.
5. The Company and subsidiaries have determined to build and maintain corporate culture that corruptions are unacceptable, and give importance to disseminate, educate and create understanding to other persons who must perform duties relevant to the Company and subsidiaries to be compliance with the anti-corruption policy.

Whistleblowing and Whistleblower Protection Policy

Asian Seafoods Cold storage Public Company Limited is committed to good corporate governance, and accurate, fair, transparent and accountable business operations. Therefore, the Company opens opportunities for stakeholders from both inside and outside the organization to notify or lodge complaints about suspected acts of breaching laws, Good Corporate Governance principles, the Company's rules and regulations, policies, and Code of Business Conduct, false financial statements or shortcomings of the Company's internal control system. The Company sets up channels, methods, procedures, and rights protection of complainants and whistleblowers as follows:

Notifications and Complaints

In case that employees and stakeholders from both inside and outside the organization have any questions

or detect suspected acts of breaching laws, Good Corporate Governance principles, the Company's rules and regulations, policies, and Code of Business Conduct, false financial statements or shortcomings of the Company's internal control system, they can ask questions, give tips or file complaints, and submit evidences to responsible persons or units through the following channels:

Complaints against the Company's units and such complaints have nothing to do with Chief Executive Officer or Chairman can be made at hot line for complaint receipts (24 hours), the Company Secretary, Internal Audit Office, Chief Executive Officer or Audit Committee.

Complaints against Chief Executive Officer or Chairman can be filed at Audit Committee.

Channels for reports and complaint receipts

1. Hot line for complaint receipts (24 hours) Tel: 095-372-0144
2. The Company Secretary of Asian Seafoods Coldstorage Public Company Limited.
 - Telephone: 034-845575 ext. 5356
 - Email: Asian-secretary@asianseafoods.co.th
 - Mail: The Company's Secretary
Asian Seafoods Coldstorage Public Company Limited
55/2 Rama II Road, Bangkachao,
Muang, Samudsakorn 74000
3. Internal Audit Office of Asian Seafoods Coldstorage Public Company Limited
 - Telephone: 034-845575 ext. 5350
 - Email: Asian-secretary@asianseafoods.co.th
 - Mail: Internal Audit Office's manager
Asian Seafoods Coldstorage Public Company Limited
55/2 Rama II Road, Bangkachao,
Muang, Samudsakorn 74000
4. Chief Executive Officer of Asian Seafoods Coldstorage Public Company Limited
 - Telephone: 034-845575 ext. 5102
 - Email: Asian-secretary@asianseafoods.co.th
 - Mail: Chief Executive Officer
Asian Seafoods Coldstorage Public Company Limited
55/2 Rama II Road, Bangkachao,
Muang, Samudsakorn 74000
5. Audit Committee of Asian Seafoods Coldstorage PCL
 - Email: Auditcommittee@asianseafoods.co.th
 - Mail: Audit Committee
Asian Seafoods Coldstorage Public Company Limited
55/2 Rama II Road, Bangkachao,
Muang, Samudsakorn 74000

Whistleblower Protection Policy

1. The Company ensures that complainant or whistleblower will be protected from any types of unfair treatment, which constitute changes in positions, job descriptions and workplace, annoyance, threats, employment termination or any other unfair practices by virtue of his/her having reported a Protected Disclosure under this Policy. Employee who unfairly or inappropriately treats others or cause damages to others who are protected under this policy, is considered to have committed a disciplinary offence and shall be liable for disciplinary punishment. He/she may be penalized as the law stipulates if such action is deemed an illegal offence.
2. Complainant or whistleblower or those who deny involving in committing corruptions will be protected from position downgrade, employment termination, negative effects from punishment or any malicious actions to them.
3. Complainant or whistleblower can maintain anonymity if they are concerned about safety and damages. However, disclosing his or her identity can help the Company report progress, clarify or alleviate damages more conveniently and rapidly.
4. Complainant or whistleblower can request the Company to provide appropriate protection measures. The Company itself can put protection measures in place without request if considered that such complaints may cause damages and danger.
5. Conditions, and tips and complaint consideration

Conditions and Criteria in Complaint Consideration

The complaint shall be deemed top secret. The complainant may file complain through more than one channel, and does not need to disclose his/her identity. However, if he/she does disclose his/her identity, this will allow the Company to report him/her outcome and progress of the investigation, request additional information concerning the matter of complaint, or alleviate damages in a faster or more convenient manner. The Company reserves rights to only investigate the following complaints or tips

1. Details of complaints, information or tips must be clear or adequate to prove that there is ground for investigation.
2. The Company will keep name, surname, address, picture or other information that can identify complainant, informant or whistleblower secret. If it needs to circumvent to this guideline, the Company will disclose only so much of it as necessary to ensure the safety and prevent damages even in the case that revealing identity is their requests.
3. Rights of complainants, informants, or whistleblowers will be protects regardless they are either the Company's employees or outsiders.

Related persons

The Company assigns Corporate Legal Department to take responsible for receiving complaints from related persons during process of notification (complaints, informants and complaint receivers) and complaint receipt, and handling complaints by itself or forwarding to Scrutiny Commission.

1. Corporate Legal Department or Scrutiny Commission are in charge of gathering facts concerning suspected acts of violating laws, Good Corporate Governance Principles, the Company's rules and regulations, policies, Code of Business Conduct, inaccurate financial report or shortcomings of internal control system in order to evaluate, screen information to consider process and appropriate course of actions in handling each complaint. The Department may either handle complaint or send to Scrutiny Commission appointed by Chief Executive Officer, Executive Board or Board of Directors.
2. Human Resources oversee disciplinary matters.
3. Chief Executive Officer is the company's top executive.
4. Executive Committee
5. Audit Committee
6. Board of Directors
7. Scrutiny Commission contains those who are appointed by the Company's Chief Executive Officer, Executive Committee or Board of Directors.

Procedures

1. Register of complaints and forwarding

- 1.1. All channels that receive tips or complaint will inform to Corporate Legal Department to open the case and gather information within 24 hours.
- 1.2. Corporate Legal Department registers to receive complaint and keep it confidential, and sets schedule to inform such complaint to related persons as following
 - In case of an adverse impact on the Company's reputation, it must be processed immediately and urgently (within 24 hours).
 - It must be processed in a fast manner for other cases (48 hours as the latest).
- 1.3. Corporate Legal Department records information in document file (confidential) by identifying following information from complainant.
 - Name of complainant, with exception of anonymous request
 - Date of complaint
 - Name of person or event
 - Other relevant information
- 1.4. Corporate Legal Department or Scrutiny Commission investigate, garner facts and send a copy to Chief Executive Officer. Corporate Legal Department seeks Chief Executive Officer's orders to either assign Corporate Legal Department to be in charge of investigation or set up Scrutiny Commission to conduct investigation, with exception of the following cases
 - 1.4.1. In case that Chief Executive Officer is allegedly involved in complaint, Scrutiny Commission will be formed by Audit Commission and a copy of investigation details must not submitted to Chief Executive Officer.
 - 1.4.2. In case that complaint is important matters such as impacts on the Company's image and reputation, financial position or conflicts of interest from business operations, or complaint involves the Company's Chief Executive Officer, Chairman or high-ranking executives, it will be forwarded to Audit Committee to hold a meeting to discuss the issue within 5 business days.

2. Investigation of Facts and Chain of Command

- 1.1 Corporate Legal Department or Scrutiny Commission investigate to find facts and provide recommendation to those involve in complaint to conduct or behave in an appropriate manner. If disciplinary punishment is imposed, they can consult with Human Resources Department to ensure that such penalty is in line with standards and send investigation outcome, opinions, and practice guideline or punishment, depending on each case, to Executive Directors to consider for further actions.
- 1.2 Corporate Legal Department or Scrutiny Commission, in case that complaint is filed by anonymous source and it does not have sufficient information, report investigation result and opinions to Executive Directors to seek a proper practice guideline. If Executive Directors decides that the complaint cannot be processed further, the case will be closed and forwarded to Corporate Legal Department to send a copy to inform Scrutiny Commission and person who receive the complaint.
- 1.3 If Corporate Legal Department or Scrutiny Commission decide that accused does not commit any wrongdoing, the complaint results from misunderstanding, or accused or those who are involved in the complaints are already advised to conduct appropriate behavior and the complaint case is considered to be closed without any punishment, Corporate Legal Department has duty to report to Executive Directors to seek an approval for closure of the case and send a copy to report the final solution to Scrutiny Commission and person who receive the complaint.
- 1.4 In case that complaint involved with the Company's violation of laws, rules and regulation, Code of Conduct and such action causes damages to any persons, Corporate Legal Department or Scrutiny Commission will propose the complaint, opinions and practice guidelines to Executive Directors to take actions.
- 1.5 In case that complaint is important matters such as impacts on the Company's image and reputation, financial position or conflicts of interest from business operations, or complaint involves the Company's Chief Executive Officer, Chairman or high-ranking executives, Corporate Legal Department will propose the Company's Board of Directors to permit Scrutiny Commission to carry out investigation.

3. Reporting summary findings to complainant and adjustment

- 3.1. Corporate Legal Department immediately follows decision of the Company's Executive Board or Board of Directors (depending on case) by coordinating with relevant persons and Human Resources Department.
- 3.2. Corporate Legal Department reports final solution to persons who receive the complaint and complainant, record it and propose to Audit Committee for acknowledgement on quarterly basis.
- 3.3. Corporate Legal Department follows up adjustment (if any), report to the Company's Executive Directors and Board of Directors (depending on each case) and inform persons who receive the complaint and Audit Committee.

4. Filing false complaint or wrong channels.

The Company's and subsidiaries' employee who files complaint and gives tips, testimony and information with a mala fide intention or wrong channels shall be liable to disciplinary penalty as prescribed by the Company's rules and regulations, and policies. In case that it is filed by outsider and causes the Company's damages, the Company will consider filing lawsuit against him/her as deemed appropriate.

5. Responsibilities of Corporate Legal Department

Corporate Legal Department is warrant disciplinary action if it ignores or fails to pursue this policy.