

7. Securities and Shareholders

7.1 The Company's Securities

(1) EGCO is a listed company on the Stock Exchange of Thailand (SET). Details of the registered capital as of December 31, 2014 were shown below.

- | | |
|-----------------------|---|
| 1) Registered Capital | : 5,300 million baht comprising 530,000,000 ordinary shares with the par value at 10 baht per share. |
| 2) Paid Up Capital | : 5,264.65 million baht comprising 526,465,000 ordinary shares with the par value at 10 baht per share. |

(2) Any commitment among major shareholders and the Company, which will affect the issuing and offering securities or the management of the Company.

- None -

7.2 Shareholders

The top 10 shareholders as of September 9, 2014, the closing date of shareholders' roster for the right to receive the interim dividend payment on September 19, 2014 were as follows.

No.	Shareholders	Shares	% of Total
1	Electricity Generating Authority of Thailand	133,773,662	25.41
2	TEPDIA Generating B.V.	126,054,178	23.94
3	Thai NVDR Company Limited	78,221,951	14.86
4	HSBC (SINGAPORE) NOMINEES PTE LTD	11,496,871	2.18
5	STATE STREET BANK EUROPE LIMITED	10,495,610	1.99
6	Bangkok Life Assurance Public Company Limited	9,000,000	1.71
7	Bualuang LTF	8,365,800	1.59
8	Social Security Office (Two-types)	6,387,300	1.21
9	Bualuang LTF 75/25	6,371,000	1.21
10	Mr. Suwan Aisuriyakornthep	4,193,000	0.80

The ultimate shareholders of EGCO's major controlling shareholders are as follows:

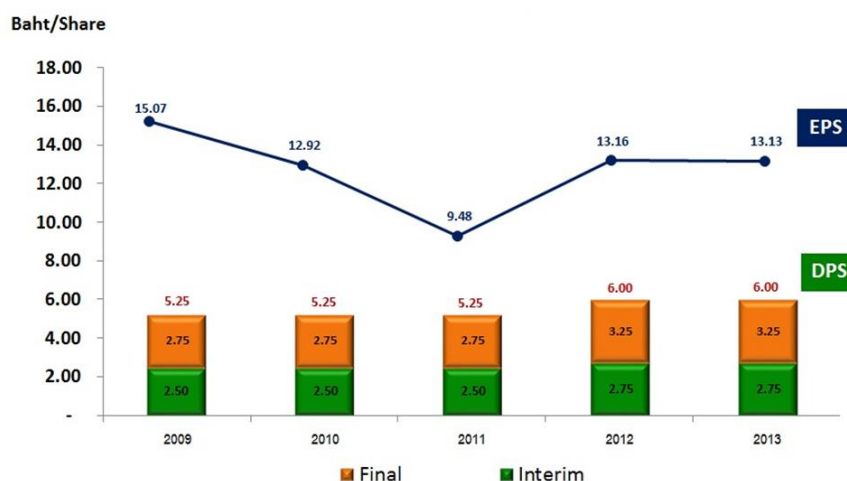
- Electricity Generating Authority of Thailand ("EGAT"):** EGAT is a state utility which has the mission in generating, acquiring and sales of bulk electric energy through its transmission network. EGAT also provides the operation and maintenance services and invests in electricity related business. EGAT holds 25.41% of EGCO's outstanding shares and has 4 representative directors out of 15 directors in EGCO.
- TEPDIA Generating B.V. ("TEPDIA"):** TEPDIA is established in order to invest in EGCO comprising 2 shareholders as follows:

2.1 DGA Thailand B.V. ("DGA Thailand"), a wholly subsidiary of Mitsubishi Corporation (MC), a global integrated business enterprise that develops and operates businesses areas virtually every industry, indirectly holds 11.97% of voting right of EGCO's outstanding shares via TEPDIA Generating B.V.. MC has 2 representative directors out of EGCO's 15 directors.

2.2 Tokyo Electric Power Company International B.V. (“TEPCO International”), a wholly subsidiary of Tokyo Electric Power Company (“TEPCO”) which is the largest electric power company in Japan and one of the largest privately owned electric utilities in the world. TEPCO’s generating capacity of more than 60 GW since its inception in 1951, supplied electricity to its service areas including the Tokyo Metropolitan which consumes around one-third of Japan’s domestic power demand. TEPCO indirectly holds 11.97% of voting right of EGCO’s outstanding via TEPDIA Generating B.V. TEPCO has 2 representative directors out of EGCO’s 15 directors.

7.3 Dividend Payment Policy

The dividend payment policy of the EGCO Group specifies that shareholders receive dividend twice a year at the rate of 40% of the net profits of the total financial statements after income tax is deducted or at the amount that gradually and consequently increases without necessary causes such as the future business expansion of the Company in other projects, or dividend payment substantially affecting the normal operations of the Company whereby dividend paid shall not exceed the accrued profits of separate financial statements.



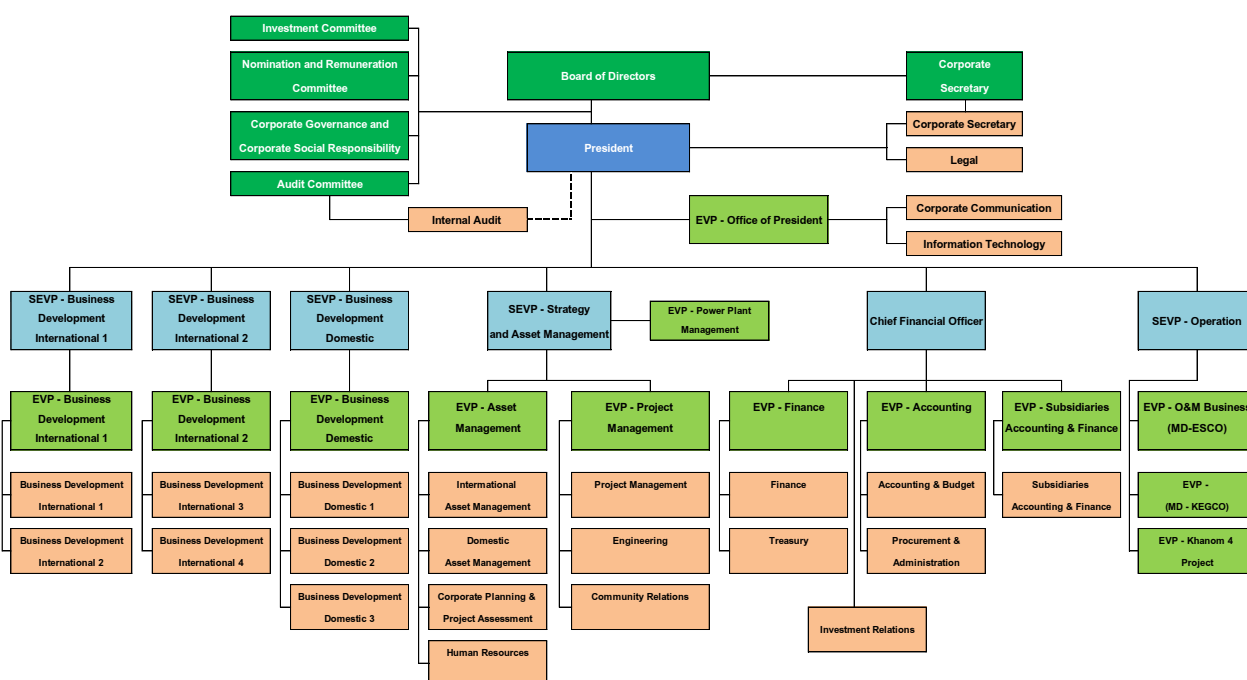
The comparison of the dividend payment between 2009 and 2013 is as follows:

Year	2009	2010	2011	2012	2013
Earnings per share (baht)	15.07	12.92	9.48	13.16	13.13
Dividend per share (baht)	5.25	5.25	5.25	6.00	6.00
Dividend payout Ratio (%)	35	41	55	47	46

Dividend payment policy of EGCO Subsidiaries

Since year 2007, the Board of Directors set the dividend payment policy for EGCO subsidiaries to dividend out 4 times a year at the rate of 100% of their net profits after income tax and legal reserve. The dividend payment should take into account their year-ended performance, normal operation and provision stated in the loan agreement.

8. Management



effective January 1, 2015

8.1 Structure of the Board of Directors

(1) Board of Directors

The Board of Directors has main responsibility to conduct business in a way that will benefit EGCO, shareholders and stakeholders including the employees and communities where EGCO operates its business. In this regard, the Board works with the Management in formulating EGCO's vision and policy and approving the corporate budget. The Board also monitors the Management's performance and suggests sound resolutions to problems.

Currently, EGCO's Board comprises not less than 5 and not exceeding 15 members as stipulated in the Company's Articles of Association. The appropriate number of the directors will be periodically reviewed to align with their responsibilities. The change in the number of directors needs the approval of the shareholders with the votes of not less than four-fifth of the shareholders present and entitled to vote.

As of December 31, 2014, EGCO's Board comprises 14 directors as follows:

- 13 non-executive directors accounting to 93% of total directors, comprising:
 - 6 independent directors or equivalent to 43% of total directors,
 - 7 directors or equivalent to 50% of total directors, and
- President, the only one executive member or equivalent to 7% of total directors.

The Board of Directors and their share ownership in EGCO as of December 31, 2014 are as listed below:

	Name	Appointment Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/ Decrease (Dec 31, 2013 - Dec 31, 2014)
1	Mr. Sombat Sarntijaree Chairman	Sep 29, 2014	-	-	-
2	Mr. Thanapich Mulapruk Independent Director	Apr 25, 2012	-	-	-
3	Mr. Pongstorn Kunanusorn Independent Director	Apr 25, 2012	-	-	-
4	Police Lieutenant General Pansiri Prapawat Independent Director	Apr 24, 2013	-	-	-
5	Mr. Chotchai Charoenngam Independent Director	Dec 1, 2013	-	-	-
6	Mr. Somphot Kanchanaporn Independent Director	Dec 16, 2013	-	-	-
7	Mr. Bandhit Sothipalalit Independent Director	Apr 23, 2014	-	-	-
8	Mr. Mongkol Sakulkao Director	Jan 1, 2014	-	-	-
9	Mr. Piboon Buacham Director	Jan 1, 2014	-	700	-
10	Mr. Toshiro Kudama Director	Apr 23, 2014	-	-	-
11	Mr. Satoshi Yajima Director	Apr 23, 2014	-	-	-
12	Mr. Shunichi Tanaka Director	May 1, 2014	-	-	-
13	Mr. Yasuo Ohashi Director	Apr 23, 2014	-	-	-
14	Mr. Sahust Pratuknukul President	Apr 24, 2013	1,890	-	-

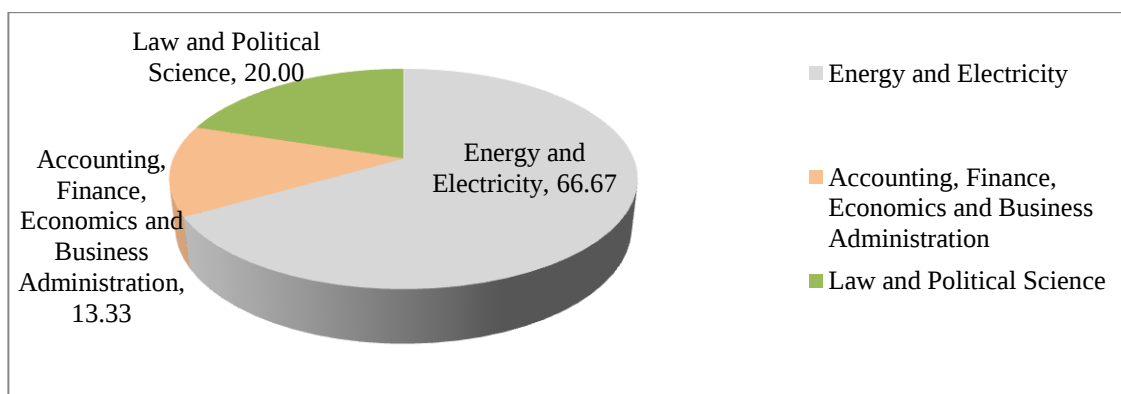
The Board of Directors appointed 3 new directors to replace the directors who resigned in 2014 with effect on January 1, 2015. The list of 3 new directors and their share ownership in 2015 are shown below:

	Name	Position	Appointment Date	No. of Shares	Remarks
1	Mr. Prapas Vichakul	Director	Jan 1, 2015	-	-
2	Mr. Kornrasit Pakchotanon	Director	Jan 1, 2015	-	-
3	Ms. Puangthip Silpasart	Independent Director	Jan 1, 2015	-	-

As at January 1, 2015, the Board of Directors comprises 15 directors, 14 of whom were non-executive directors accounted to 93% of total directors including 1 executive director, the President, accounted to 7% of total directors. From these outside directors, 6 were qualified as independent directors equivalent to 40% of total directors. The composition is based on the diversity of gender, individual's skills and experiences that would contribute to the balance of board composition, benefits to Company's business.

	Number	Percentage
Gender		
- Male	14	93.33
- Female	1	6.66
Total	<u>15</u>	<u>100</u>
Expertise and experiences		
- Energy and electricity	10	66.67
- Accounting, Finance & Economics and Business Administration	2	13.33
- Law and Political Sciences	3	20
Total	<u>15</u>	<u>100</u>

EGCO's Board of Directors Structure



The lists of directors who retired and resigned in 2014 – March 31, 2015 and their share ownership in EGCO are as shown below:

	Name	Resigning/ Retiring Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/ Decrease (Dec 31, 2013 - Dec 31, 2014)
1	Mr. Pornchai Rujiprapa Chairman	Aug 28, 2014	-	-	-
2	Mr. Phaiboon Siripanoosathien Independent Director	Apr 23, 2014	-	-	-
3	Mr. Shigeru Inano Director	Apr 23, 2014	-	-	-
4	Mr. Hideo Kuramochi Director	May 1, 2014	-	-	-
5	Mr. Kulit Sombatsiri Director	Sep 25, 2014	-	-	-
6	Mr. Mongkol Sakulkao Director	Jan 1, 2015	-	-	-

	Name	Resigning/ Retiring Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/ Decrease (Dec 31, 2013 - Dec 31, 2014)
7	Mr. Piboon Buacham Director	Jan 1, 2015	-	-	-

(2) Independent Director

Definition of EGCO's Independent Director's is set by the Board of Directors, in compliance with the notification of the Capital Market Supervisory Board. Currently, EGCO has 6 Independent Directors, more than one-third of the whole directors, which can schedule their own meeting as necessary.

Under such definition, EGCO independent director shall have the following qualifications:

1. Holding shares not more than 0.5% of the paid-up capital with the voting right of EGCO, parent company, subsidiary company, associated company or any legal entity that may have the conflict of interest (including the connected persons as stipulated in section 258 of securities laws),
2. Not being or been a director who takes part in the management (executive director, director who has the same responsibility as management and authorized director except the case of joint signing with other directors for transactions approved by the Board), employee, staff, advisor who receive regular salary, or controlling person of EGCO, its parent company, subsidiary, associate or fellow subsidiary (subsidiary of the same holding company) or any entity that may have a conflict of interest during the period of two years before his/her appointment,
3. No relationship by family or by law with the management, major shareholders, controlling persons of EGCO or its subsidiaries, or those being nominated.
4. No business relationship with EGCO, parent company, subsidiary, associate company and not being a major shareholder, non-independent director or management of any entity that may have a conflict of interest in a way that would affect the giving of independent opinions for at least two years before the filing date.
5. Not being an auditor or a major shareholder, director, management or partner of the audit firm that provides auditing services to EGCO, parent company, subsidiary company, associate company or any entity that may have the conflict of interest for at least two years before the filing date
6. Not being a professional service provider, including legal and financial consultancy to EGCO, parent company, subsidiary company, associate company or any entity that may have the conflict of interest, with the fee higher than 2 million baht per year, or being a major shareholder, non-independent director, management or partner of such company for at least two years before the filling date,
7. Not being EGCO's representative director of its director, majority shareholders or shareholders who are related to EGCO's majority shareholders, and
8. Not having any constraint that would affect the performance of giving independent judgment on EGCO.

Meanwhile, independent director can hold EGCO shares not more than 0.5%, which is stricter than the regulation of the Capital Market Supervisory Board which allows 1% shareholding.

Chairman

Mr. Sombat Samtijaree, a representative director of EGAT is the Chairman with his proven knowledge and experiences in energy sector for a long time as EGAT Governor and his leadership to lead EGCO towards the corporative vision and mission to benefit all shareholders. Although the Chairman is not an independent director, the Board remains independent and makes decisions on due care and responsible to all shareholders equally through the following mechanisms:

1. The Chairman is a non-executive director, not the same person as the President and has no relations with the management. His authorities are separated from those of the President. Also, there is a clear distinction between oversight and day-to-day business administrative roles. The Chairman takes the lead role in conducting board meetings to be effective and efficient by encouraging involvement by all directors and providing recommendations to Management via the President. The Board does not intervene in any routine activities under the President's responsibilities.
2. Most of the Board members are non-executive directors and the Board's seats are allocated to major shareholders who have expertise in Company's business comprising 4 EGAT representative directors, 4 TEPDIA representative directors, and 6 independent directors. This indicates a proper balance of power.
3. The Board has assigned the Board Committees to oversee tasks where there may be a potential for transactions with conflict of interest and to balance the need of each stakeholder. With respect to this, the Audit Committee is entrusted for the oversight and review of the accuracy of financial and non-financial report as well as related matters. The Nomination and Remuneration Committee is assigned to take care of selection of Board members and key executives and their remuneration on a transparent basis.

The result of the Board's performance appraisal in 2014 indicated that the Chairman was excellent in leading the meeting and encouraging directors to participate in the discussion around the Board table.

Authorized Directors

EGCO determines that the authorized directors comprise the Chairman or the President to sign and affix the company's seal independently, or any two directors to sign jointly and affix the company's seal. Such authorized directors shall exclude (1) independent directors to maintain their independence under the good corporate governance principle, (2) directors who are senior government officers, and (3) directors who are also directors of the financial institutions to avoid the limitation that such financial institutions cannot provide future financial service to EGCO.

Board of Directors' Duties and Responsibilities

The duties and responsibilities of the Board of Directors are as prescribed below:

1. Duties to EGCO

- Devote time to EGCO and conduct the business in compliance with the good corporate governance principles and EGCO's Code of Conduct.
- Demonstrate independent judgment in overseeing EGCO business.
- Perform duties for shareholders' ultimate benefits while taking into account the interests of other stakeholders.
- Recruit a competent key management who are ready to fully devote for the benefit of EGCO.

- Monitor EGCO's performance including the compliance with laws, regulations and contract provisions and manage that all significant matters are reported to ensure effective corporate performance.

2. Duties to the Shareholders

- Ensure that EGCO is financially viable, properly managed and constantly improved so as to protect and enhance the interests of the shareholders.
- Ensure that the information disclosure is materially correct, complete, transparent and timely.
- Ensure the equitable treatment of shareholders.
- Not report of fault information or avoid disclosure of the mandatory required information on the Company's operating results and financial position.

3. Duties to Creditors

- Ensure EGCO's full compliance with loan provisions and disclosure of EGCO's financial status.
- Promptly seek professional advice when in uncertain circumstance which might impact lenders such as unstable financial position or pending insolvency.

4. Duties to other Stakeholders

Ensure EGCO's compliance with the governing laws and regulations while taking into account the impact on employees, other stakeholders, community, society and environment.

5. Due Diligence

- Attend all Board meetings, or give apology in advance where meeting attendance is not possible.
- Acquire knowledge about EGCO business including statutory laws and regulations affecting the discharge of duties as director, and well aware of the business environment.
- Be provided substantial information in advance to allow adequate time to analyze, then make thorough judgment.
- Consider and make independent judgment. In case of dissent from Board's resolution, request for the record of objection in the Minutes of Meeting.
- Ensure that the communication system is established for directors to be provided regular and timely information to enable the thorough and careful judgment.
- Encourage the open communication between the Board and the auditors and that the auditor can work independently and efficiently with the full co-operation from management and the internal auditors.
- Ensure that EGCO complies with the governing laws, rules, regulations and business standard and ethics.
- As directors and committee members, to seek advise from EGCO's advisors or to engage independent advisors for the governance benefits such as legal advisors, financial advisors, HR advisors, other professional advisors on EGCO's expenses.

(3) Standing Committee

In order to well perform its responsibilities to the shareholders, the Board considers and puts in place essential business policy and schedule its meeting monthly except in some circumstances the Board shall call a meeting as a special case or assign the following 4 standing committees (1) Audit Committee, (2) Investment Committee (3) Nomination and Remuneration Committee, and (4) Corporate Governance and Social Responsibility Committee.

Each Board committee has its own charter which prescribes functions, composition, term of office, responsibilities and meeting conduct. The committee's charter, which is approved by the Board, would be reviewed as deemed appropriate. Each committee can retain outside counsels, experts and professional advisors, as deemed appropriate at EGCO's expense. All committees shall report their activities (if any) to the Board. In 2014, the Board has revised the Audit Committee Charter to be in line with the good corporate principles set by regulators.

Audit Committee: comprises 3 independent directors. Its mission covers the review of the financial statements, legal compliance, risk management policy, internal control and internal audit systems and appointment of external auditors. The Audit Committee also reviews the connected transaction or transaction with conflicts of interest to ensure that such transaction is in compliance with the SET's requirement, well-grounded and for the best interest of EGCO. The responsibilities of the Audit Committee are detailed below:

1. Review the accuracy and adequacy of EGCO's financial reporting,
2. Review the appropriateness and effectiveness of internal control systems, and internal audit functions and determine the Internal Audit Division's independence,
3. Approve the appointment, rotation and removal of the Chief Internal Audit,
4. Monitor EGCO's compliance with Securities and Exchange Acts and Regulations of the SET and any other laws relevant to EGCO's business,
5. Recommend to the Board of Directors the appointment and removal of an independent person to be EGCO's auditor, removal of the auditor and audit fees,
6. Consider non-audit services performed by the auditors which may lead to the auditors' non independence,
7. Consider and endorse the significant change in accounting policy of EGCO and subsidiaries prior to proposing to the Board of Directors for approval,
8. Meet with the auditor exclusively at least once a year.
9. Consider the connected transactions or any transactions that may cause conflict of interest complying with rules and regulations of SET to ensure that such transactions are reasonable and create highest benefit to EGCO,
10. Review EGCO's Regulation on Internal Audit prior to proposing to the Board of Directors for approval,
11. Approve the internal audit plan as well as budget and personnel,
12. Review the internal audit report of internal audit division,
13. Review with the Management the preparation of the Management's Discussion and Analysis or MD&A and the disclosure in Annual Report,
14. Review with the Management the risk management policy, the practice compliance with such policy, EGCO's risk management guidelines, as well as consider potential risks and preventive measures of relevant risks,
15. Prepare a report that describes the Audit Committee's activities and responsibilities. This report shall be signed by the Chairman of the Audit Committee and published in the annual report to the shareholders. The Audit Committee's Report shall consist of at least the following information:

- (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (b) an opinion on the adequacy of the Company's internal control system,
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflicts of interests,
 - (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member,
 - (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
 - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.
16. Inspect any suspiciousness reported by the company's auditor, that the President, the Management or any person responsible for the company's operation commits an offence under the Securities and Exchange Act (No. 4) B.E. 2551 and report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within thirty days after being informed by the auditor.
 17. Review the Audit Committee Charter at least once a year.
 18. Perform any other act as assigned by the Board of Directors with approval of the Audit Committee.
 19. Conduct the self-assessment at least once a year.

Reference to the above responsibilities, the Committee is directly accountable to EGCO Board of Directors whereas the Board of Directors remains responsible to third persons for the operation of the Company.

Nomination and Remuneration Committee: comprises 5 non-executive directors, 3 of whom are independent directors. NRC appointed Mr. Satoshi Yajima, representative from TEPDIA, the major shareholder, as the Chairman of the Committee for his knowledge and experiences in strategy and human resources management as well as international corporate governance. Although the NRC Chairman is not an independent director, the Board ensures that NRC has its due process of directors and senior management's selection which is in line with the best practices, taking recommendations from all shareholders. Directors and senior management's remuneration is considered under transparent and clear guidelines, comparable to those of peer companies and aligned with the long term benefit of EGCO and the shareholders. The responsibilities of the Nomination and Remuneration Committee are detailed below:

1. Propose for the Board's consideration the structure and composition of the Board of Directors and Committees together with the qualifications of their members ,
2. Recommend the director nominees for the approval of the Shareholders' Meeting and the Board in case of vacancies by rotation and casual vacancies respectively,
3. Appoint EGCO representative directors in subsidiaries and joint venture companies based on the equity proportion or shareholders' agreements.
4. Propose the prospective nominees for the President position in case of vacancy for the Board's consideration,
5. Appoint, promote, rotate and remove the Senior Executive Vice Presidents ("SEVP") and Executive Vice Presidents ("EVP") of EGCO,
6. Propose the prospective nominees to be the Corporate Secretary for the Board's approval,

7. Appraise EGCO President's performance and propose for the Board's approval,
8. Approve the President's proposal on the performance appraisal of SEVPs and EVPs,
9. Endorse the remuneration structure of the directors of EGCO and its subsidiaries including meeting allowances, bonus, welfare and other benefits for the Board's consideration,
10. Endorse the remuneration structure and other benefits of EGCO employees for presentation the Board's approval,
11. Recommend the remuneration structure and other benefits of the employees of EGCO's subsidiaries to the representative directors,
12. Consider the corporate performance indicators, evaluate and approve the corporate achievements to determine the bonus and annual salary increase,
13. Endorse the management succession plan of EGCO's EVP upward for the Board's approval,
14. Approve in principle of the early retirement program for the employees of EGCO and subsidiaries,
15. Review risks associated with human resource management and the preventive measures.
16. Consider other issues assigned by the Board.

Investment Committee: comprises 5 directors and has the responsibility to screen and consider the Management's proposals, especially on the investments, funding and relating activities for the Board's approval. However, medium and small sized transactions can be approved by Investment Committee itself after the Board's acknowledgement since this Committee is empowered to approve business decisions within its delegated authority. The Chairman of the Board is also appointed the Chairman of the Investment Committee. He has been proven to be an efficient chairman and conducted the meetings efficiently and has been attentive to other members' recommendations both at the Board's and the committee's meeting. The Investment Committee's responsibilities are described below:

1. Endorse EGCO's and wholly owned subsidiaries' reorganization (SVP upwards) for presentation to the Board of Directors for approval.
2. Endorse the increase or reduction in the registered capital for the Board's consideration prior to proposing for shareholders' approval.
3. Endorse the Company's regulations establishment and amendment for the Board's consideration.
4. Endorse the revision of the Company's Table of Authority for the Board's consideration.
5. Approve or endorse for the Board's consideration the acquisition, investment, divestment and funding of EGCO and its wholly owned subsidiaries as stated in the Company's regulations and Table of Authority.
6. Review risks associated with investment, financial and related issues as well as the preventive measures.
7. Approve or endorse for the Board's approval EGCO's and its wholly owned subsidiaries' financial management, profit allocation, financial risk management and financial transactions as stated in the Company's regulations and Table of Authority.
8. Approve the financial investment outside the Treasury Management Guidelines.
9. Endorse the Company's annual budget and manpower plan for the Board's approval.
10. Approve or endorse for the Board's approval the procurement and material disposal as stated in the Company's regulations and Table of Authority.

11. Consider other issues as delegated by the Board and as stipulated in the Company's regulations.

Corporate Governance and Social Responsibility Committee: comprises 5 members having 3 independent directors, 1 non-executive director and the President. The Chairman of the Committee shall be an independent director. The Corporate Governance and Social Responsibility Committee has the responsibility to endorse the corporate governance principles and the frameworks, policies relating to corporate social responsibility and environmental matters that affect shareholders and other key stakeholders.

The CC Committee is entrusted to the following responsibilities.

1. Corporate Governance
 - 1.1 Corporate Governance shall mean the governance practice which aligns with the SET's good corporate governance principles,
 - 1.2 Endorse the Company's corporate governance policy for approval by the Board,
 - 1.3 Monitor to ensure the company's compliance to such policy,
 - 1.4 Constantly review and recommend the improvement of the corporate governance to the Board.
2. Social Responsibility
 - 2.1 Endorse EGCO Group's CSR policy and activity framework for the Board's approval,
 - 2.2 Approve EGCO Group's CSR master plan and annual plan

Meeting Attendance

Name	Meeting Attendance in 2014 (number of times)				
	Board Meeting 12 times	Audit Committee 16 times	Investment Committee 11 times	Nomination and Remuneration committee 8 times	Good Corporate Governance and Corporate social Responsibilities Committee 3 times
1. Mr. Sombat Sarntijaree	4/4		4/4		
2. Mr. Thanapich Mulapruk	12/12	16/16			
3. Mr. Pongstorn Kunanusorn	12/12	16/16			
4. Police Lieutenant General Pansiri Prapawat	12/12			8/8	3/3
5. Mr. Chotchai Charoenngam	12/12			8/8	2/3
6. Mr. Somphot Kanchanaporn	12/12	16/16			
7. Mr. Bandhit Sothipalalit	9/9			4/4	2/2
8. Mr. Mongkol Sakulkao	12/12		11/11		
9. Mr. Piboon Buacham	11/12			8/8	

Name	Meeting Attendance in 2014 (number of times)				
	Board Meeting 12 times	Audit Committee 16 times	Investment Committee 11 times	Nomination and Remuneration committee 8 times	Good Corporate Governance and Corporate social Responsibilities Committee 3 times
10. Mr. Toshiro Kudama	11/12				
11. Mr. Satoshi Yajima	10/12		9/11	7/7	
12. Mr. Shunichi Tanaka	8/8				
13. Mr. Yasuo Ohashi	9/9		9/9		
14. Mr. Pornchai Rujiprapa ^{/1}	8/8		6/6		
15. Mr. Phaiboon Siripanoosatien ^{/2}	3/3			3/3	1/1
16. Mr. Shigeru Inano ^{/3}	3/3		2/2		
17. Mr. Hideo Kuramochi ^{/4}	4/4				
18. Mr. Kulit Sombatsiri ^{/5}	7/8				1/1
19. Mr. Sahust Pratuknukul	12/12		11/11		3/3

Remarks : /1 Resigned on August 28, 2014.

/2 and /3 Expired by the term of their directorships on April 23, 2014.

/4 Resigned on May 1, 2014.

/5 Resigned on September 25, 2014.

8.2 Management

Management Structure

EGCO's organization structure with the President as the head of management team, approved by the Board in the meeting no. 10/2014 with effect on January 1, 2015, comprises 7 groups as shown below:

1. Business Development – International 1: this group is headed by a Senior Executive Vice President – Business Development International 1 (SEVP-BDI1). Under the SEVP-BDI1, there is one Executive Vice President (EVP) supervising the international business development.
2. Business Development – International 2: this group is headed by a Senior Executive Vice President – Business Development International 2 (SEVP-BDI2). Under the SEVP-BDI2, there is one Executive Vice President (EVP) supervising the international business development.
3. Business Development – Domestic: this group is headed by a Senior Executive Vice President – Business Development Domestic (SEVP-BDD). Under the SEVP-BDD, there is one Executive Vice President (EVP) supervising the domestic business development.

4. Operation Group: this group is headed by a Senior Executive Vice President – Operation (SEVP-O) with 3 EVPs, namely an EVP seconded to be MD-Khanom, an EVP-O&M business seconded to be MD-ESCO, and EVP-Director of Khanom Power Plant Project 4.
5. Accounting and Finance Group: this group is headed by a Chief Financial Officer (CFO) with 3 EVPs to supervise accounting, finance and subsidiaries accounting and finance.
6. Strategy and Asset Management Group: this group is headed by a Senior Executive Vice President – Strategy and Asset Management (SEVP-SAM) with 3 EVPs supervising asset management, project management and power plant management.
7. President's Direct Report Group: an EVP-Office of President supervises Corporate Communications Division and Information Technology Division. Additionally, there are 3 divisions under the President's supervision, namely Internal Audit, Corporate Secretary and Legal. The Internal Audit reports directly to the Audit Committee, but functionally to the President. The Corporate Secretary Division reports directly to the Board, but functionally to the President.

The list of the Management team and their share ownership in EGCO in accordance with SEC notification as at January 1, 2015 is as follows:

Name	Appointment Date	No. of shares		
		Management	Spouse/ Minor Child	Increase/ Decrease (Dec 31, 2013 - Dec 31, 2014)
1. Mr. Sahust Pratuksukul	President	1,890	-	-
2. Mr. John Palumbo	Senior Executive Vice President-Business Development – International 1	-	-	-
3. Mr. Niwat Adirek	Senior Executive Vice President-Business Development – International 2	-	-	-
4. Mr. Voravit Potisuk	Senior Executive Vice President-Business Development - Domestic	-	-	-
5. Mr. Sakul Pochanart	Senior Executive Vice President-Strategy & Asset Management	-	-	-
6. Mr. Piya Jetasanon	Chief Financial Officer	-	-	-
7. Mr. Narong In-eav	Senior Executive Vice President - Operation	-	-	-
8. Mr. Suvapan Chomchalerms	Executive Vice President – Accounting	-	-	-
9. Ms. Somsiri Yoosuk	Executive Vice President –Finance	-	-	-
10. Mr. Thongchai Chotkajornkiat	Executive Vice President – Subsidiaries Accounting & Finance	-	-	-
11. Ms. Sirobon Danudomkit	Senior Vice President-Accounting and Budget	-	-	-

Name	Appointment Date	No. of shares		
		Management	Spouse/ Minor Child	Increase/ Decrease (Dec 31, 2013 - Dec 31, 2014)
12. Ms. Ploy Suksrisomboon	Senior Vice President- Subsidiaries Accounting & Finance	-	-	-

8.3 Corporate Secretary

The Board appointed Ms. Kulkanok Leongsoithong the Corporate Secretary with the duties and responsibility as prescribed in the Securities and Exchange Act (No. 4) B.E. 2551. Ms. Kulkanok also serves as the Board's secretary to support Board activities as well as to coordinate subsequent actions under the Board's resolution. The Corporate Secretary directly reports to the Board while the Nomination and Remuneration Committee is delegated to appraise the performance of the Corporate Secretary.

In 2014, the Corporate Secretary has attended training seminars and discussions in various topics, arranged by regulators which oversee listed companies and the Thai Institute of Directors Association (IOD), in order to improve and increase efficiency of the Corporate Secretary's performance and corporate governance.

8.4 Director and Management Remuneration

EGCO sets the policy to reward directors and management with appropriate remuneration. In this regard, the Nomination and Remuneration Committee is entrusted to review the appropriate rate that takes into account the responsibility and the company's financial status while being in line with the peer practices.

1. Director remuneration

Director remuneration is appropriately set at a rate comparable to that of peer companies. The remuneration comprises 3 parts: (1) monthly retainer fee to reflect directors' responsibilities, (2) meeting allowance to reflect time devotion and meeting attendance, and (3) bonus which is paid in accordance with the shareholder value creation. The Nomination and Remuneration Committee will endorse the director remuneration for the Board's endorsement before seeking the shareholders' approval on an annual basis. The guidelines are as follows:

- Retainer and meeting allowance will be set in accordance with peer practices, EGCO operating performance, business size, and responsibility, knowledge, competencies of the directors as required by the company.
- Bonus will be considered from the Company's profit or dividend paid to shareholders.

In 2014, the shareholders' Meeting resolved the directors' remuneration as shown below.

1. Monthly retainer fee of 30,000 baht and meeting allowance of 10,000 baht each. Members who do not attend the meeting will not receive the meeting allowance. The Chairman and the Vice Chairman of the Board received 25% and 10% additional remuneration respectively for both the retainer fee and the meeting allowance.
2. 2013 bonus of 20 million baht equaled to 2012's approved amount, taking into account the Company's growth, the recognition in terms of good corporate governance, the increasing share price, peer's director bonus, and dividend payout ratio. Such bonus payment accounted to 0.40% of the net profit and 0.72% of 2014 annual dividend payment.
3. Remuneration for Board's Committee being Investment Committee, Audit Committee, Nomination and Remuneration Committee, and Corporate Governance and Corporate Social Responsibility Committee as follows:

Committee	Retainer fee (baht)	Meeting allowance (baht)
Investment Committee	20,000	20,000
Audit Committee	20,000	20,000
Nomination and Remuneration Committee	20,000	20,000
Corporate Governance and Corporate Social Responsibility Committee	-	24,000

The chairman of each Board Committee would receive 25% additional remuneration both in retainer fee and meeting allowance.

The overall directors' remuneration for 2014 is summarized below:

Name	Board of Director	Standing Committee				Bonus	Total Remuneration
		AC	IC	NRC	CC		
1. Mr. Sombat Sarntijaree	165,000.00		174,236.56			-	339,236.56
2. Mr. Thanapich Mulapruk	480,000.00	700,000.00				1,403,508.77	2,583,508.77
3. Mr. Pongstorn Kunanusorn	480,000.00	560,000.00				1,403,508.77	2,443,508.77
4. Police Lieutenant General Pansiri Prapawat	480,000.00			400,000.00	72,000.00	1,403,508.77	2,355,508.77
5. Mr. Chotchai Charoenngam	480,000.00			400,000.00	60,000.00	119,202.11	1,059,202.11
6. Mr. Somphot Kanchanaporn	480,000.00	560,000.00				61,253.67	1,101,523.67
7. Mr. Bandhit Sothipalalit	337,500.00			245,333.33	48,000.00	-	630,833.33
8. Mr. Mongkol Sakulkao	480,000.00		460,000.00			-	940,000.00
9. Mr. Piboon Buacham	470,000.00			400,000.00		-	870,000.00
10. Mr. Toshiro Kudama	470,000.00					1,403,508.77	1,873,508.77
11. Mr. Satoshi Yajima	460,000.00		460,000.00	461,408.61		1,403,508.77	2,744,917.38
12. Mr. Shunichi Tanaka	320,000.00					-	320,000.00
13. Mr. Yasuo Ohashi	337,500.00		345,000.00			-	682,500.00
14. Mr. Sahust Pratumkukul	-					-	-

The summary of remuneration of retired and resigned directors during 2013-2014 is as follow:

Name	Retirement/ Resigning Date	Number of months in service		Meeting Attendance (12 times/ year)	Total Remuneration in 2014			Total Remuneration
					Monthly Retainer and Meeting Allowance		Bonus	
		2013	2014		Director	Standing Committee		
1. Mr. Sorajak Kasemsuvan	Oct 18, 2013	10	-	-	-	-	1,115,116.56	1,115,116.56
2. Mr. Pasan Teparak	Nov 8, 2013	11	-	-	-	-	1,195,866.38	1,195,866.38
3. Mr. Surasak Supavitipatana	Jan 1, 2014	12	-	-	-	-	1,403,508.77	1,403,508.77
4. Mr. Pithsanu Tongveerakul	Jan 1, 2014	12	-	-	-	-	1,403,508.77	1,403,508.77
5. Mr. Phaiboon Siripanoosatien	Apr 23, 2014	12	4	3	142,500.00	164,666.67	1,403,508.77	1,710,675.44
6. Mr. Shigeru Inano	Apr 23, 2014	12	4	3	142,500.00	115,000.00	1,403,508.77	1,661,008.77
7. Mr. Hideo Kuramochi	May 1, 2014	12	4	4	160,000.00	-	1,403,508.77	1,563,508.77
8. Mr. Pornchai Rujiprapa	Aug 28, 2014	12	8	7	395,161.29	346,774.19	1,745,385.96	2,496,321.44
9. Mr. Kulit Sombatsiri	Sep 25, 2014	12	9	8	334,000.00	24,000.00	1,403,508.77	1,761,508.77

^{1/} Standing Committees are (1) Audit Committee (2) Investment Committee (3) Nomination and Remuneration Committee (4) Corporate Governance and Corporate Social Responsibility Committee

^{2/} Bonus for Board of Directors in 2013 was paid in May 2014 as resolved by the Shareholders in the Annual General Meeting for year 2014.

2. Management Remuneration

The Management's remuneration which comprises both salary and bonus is designed to reflect the corporate and individual achievement based on the remuneration structure approved by the Board and the Key Performance Indicators (KPIs). EGCO periodically conducts the survey of the executive remuneration to ensure that the rate is comparable to their work and those of the peer companies. The summary of the Management's remuneration for 2014 is as follows:

Remuneration	2014	
	Management (7 persons) ^{/1}	Total Remuneration
Total Salary	42,636,600.00	42,636,600.00
Bonus ^{/2}	18,006,904.00	18,006,904.00
Total	60,643,504.00	60,643,504.00

^{/1} 7 executives are (1) President (2) SEVP – BDI1 (3) SEVP – BDI2 (4) SEVP – BDD (5) CFO (6) SEVP – SAM (7) SEVP - CO

^{/2} The 2013 bonus was paid in January 2014.

Total Remuneration of Core Subsidiaries' Management

In 2014, EGCO's core subsidiaries of which the revenues accounted to more than 10% of the consolidated revenue consists of EGCO Cogen and QPL. However, QPL has no permanent employees but has engaged Quezon Management Service Inc. Company Limited ("QMS") for the project management covering staff, general manager, and other significant positions with the Management Service Agreement of 25 years from the commercial operation date (COD) while the operation and maintenance works have been engaged to Pearl Energy Philippines Operating Inc. ("PEPOI") under the Operation and Maintenance Agreement for the same period of 25 years starting from COD. Likewise, in 2014 EGCO Cogen and EGCO entered into a service agreement under which EGCO provided service of general manager, finance, accounting and administration with EGCO's payroll.

Other Remuneration

In 2014, EGCO contributed their parts to the provident fund for their respective Management as follows:

Company	Year 2014	
	Member	Provident Fund
EGCO	7	3,351,660.00

(Unit : Baht)

8.5 Employees

EGCO and Core Subsidiaries' Employees

EGCO

As of December 31, 2014, EGCO has 314 headcounts which include the President, 6 Senior Executive Vice Presidents, 6 Managements assigned as Subsidiaries' Managements and 2 employees namely Managing Director-KEGCO and Managing Director-ESCO. The number of employees in each reporting line is as shown below:

Business Group	No. of Employees (person)
1. President	33
2. Business Development - International 1	7
3. Business Development - International 2	9
4. Business Development - Domestic	12
5. Strategy and Asset Management	83
6. Accounting and Finance	57
7. Operation	16
8. Rayong Power Plant	97
Total	314

Core Subsidiaries

EGCO Cogen

There is a permanent employee serving as an engineer of EGCO Cogen. Other employees including general manager are assigned from EGCO under the service agreement between EGCO and EGCO Cogen. The Operation and Maintenance staff of 33 headcounts are ESCO employees who work under the O&M service agreement between ESCO and EGCO Cogen.

There has been no significant turnover and no labor dispute during the past three years.

Employee Remuneration

EGCO has the policy that the employees in the Group have fair remuneration which is comparable to the peer companies. The remuneration of EGCO and subsidiaries' employees in year 2014 is as shown below.

(Unit : Baht)

Remuneration	Amount EGCO ^{/1}
Total Salary	172,241,448.33
Bonus ^{/1}	72,584,489.96
Provident Fund	15,567,311.49
Total	260,393,249.78

^{/1} The 2014 bonus was paid in January 2015.

Human resource development policy is disclosed in Sustainable Business Operation.

9. Corporate Governance

EGCO, the leading and sustainable power producer in Thailand, has strongly believed that business management with the good corporate governance is the key indicator of the efficiency, fairness, transparency as well as responsibility towards society, environment and every stakeholder. This, in turn, should promote trust and confidence among shareholders and investors towards the Company. Moreover, good corporate governance would lead to EGCO's sustainable growth in its financial investment and competitiveness to materialize such principle. The Board of Directors oversees and enforces the Company to follow the good corporate governance framework of the Stock Exchange of Thailand (SET) and the rules and regulations of Listed Company issued by the Securities and Exchange Commission (SEC) as well as the Capital Market Supervisory Board (CMSB) in accordance with the standards set by ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). The purpose is to raise the Company's corporate governance to the international standard. Eventually, this would result in the efficient management system and sustainable growth to achieve its vision to become the Thai leading company in power and energy related business both in Thailand and the Asia Pacific region with the strong determination to maintain environmental and social development as well as building a bright future for our next generations.

Establishment of the Corporate Governance Policies

The Board of Directors has established the written corporate governance policies that abide by SET's good corporate governance and the best practice framework as well as ASEAN CG Scorecard's standard for the Directors, Management and employees as a guidance. The Board annually reviews the Company's corporate governance policies to ensure its novelty, appropriateness and adherence with the changing situations as well as rules and regulations by emphasizing the following core issues:

- Policy setting with the fair and equitable treatment to all stakeholders
- Continuous improvement to enhance risk management efficiency
- Maintenance of trust and confidence of the public
- Enhancement of employees' loyalty and morale as well as improving the safety and health of employees
- Productivity improvement by considering environmental concerns, efficient resource management and waste reduction in the production process
- Business operation with loyalty and transparency as well as fostering sustainable development to enhance EGCO's long term benefits

The Board has emphasized its roles and responsibilities, monitoring stock trading of the Board and other relevant parties, encouraging investors to participate in the Annual General Meeting (AGM) including setting the anti-corruption policy. Therefore, in 2014, the Board has revised the corporate governance principal on the issues of the rights and equitable treatment of shareholders as well as the Board's structure and responsibilities.

Communication of the Corporate Governance Policies

The Board has disclosed the corporate governance policies as the practicing guidelines for Management, employees and shareholders on the Company's website: www.egco.com. Shareholders and investors who prefer a hard copy can submit the request form attached in the annual report to the Corporate Secretary. EGCO has also initiated communication channels and activities to further enhance employees' understanding of good corporate governance

principles, namely good governance as the framework, transparency, prompt development and sustainable growth. During the past year, main activities conducted were as follows:

- Release information to directors and employees to keep abreast of the news, information and guidelines on good corporate governance as well as news and updates about the Company relating to the resolutions of the Board of Directors and SET by EGCO Group intranet,
- Report to the Board on EGCO's practices of good corporate governance guidelines under SET's supervision and recommendations,
- Organize lectures and seminars on good corporate governance policies and ethical code of conduct for the new directors to attend,
- Conduct a good corporate governance training; in a new employees' orientation.

Compliance Monitoring

EGCO's Board of Directors, Management and employees have strictly complied with corporate governance policies and the progress has been monitored on a regular basis. As a result, there was no report on any breach to the corporate governance policies in 2014.

Based on EGCO's determination towards good corporate governance, in 2014, the Company was well recognized as an excellent showcase and awarded by various well-known institutions as follows:

- Investors' Choice Award for a listed company in the Stock Exchange of Thailand (SET) with an excellent 2014 annual general meeting, scoring 100 out of 100 for the sixth consecutive year, evaluated by Thai Investors Association,
- Best award for corporate social responsibility as an excellent listed company in integrating business operations with social responsibility, hosted by SET awards 2014 and the Finance and Banking Magazine,
- CSRI Recognition 2014 award for a listed company with the strong determination towards corporate social and environmental responsibility hosted by SET,
- Best Sustainability Report Award of the year 2014 to help elevate the listed companies' information disclosure hosted by CSR Club, Thai Listed Companies Association in cooperation with the Office of the Securities and Exchange Commission as well as Thaipat Institute,
- Excellent Corporate Governance Performance by the Thai Institute of Directors (IOD) with the score of 90 out of 100,
- Corporate Governance Performance in ASEAN based on ASEAN CG Scorecard, with the score between 80-89,
- Excellent Green Office Award for the company with the strong commitment to environmental friendliness and sustainable use of resources and energy.

In order to comply with the revised ASEAN CG Scorecard's principles, EGCO has improved good corporate governance policies as deemed appropriate and the Company has informed every shareholder, investor, stakeholder as well as other relevant parties of the best practices. The Board has then prepared this report according to EGCO's 2014 good corporate governance which can be summarized as follows:

1. Rights of Shareholders

EGCO values and respects the Shareholders as the investor and the owner of the company. Therefore, EGCO encourages all Shareholders to exercise their rights which include basic rights such as the right to share profits, the right to buy, sell and transfer the share, the right to receive adequate company's information and the right to attend and vote at the shareholders' meetings for significant matters including the appointment or removal of Directors, Directors' remuneration, appointment of auditors and their remuneration as well as considering other important issues which affect EGCO and inquires and comments in the Annual General Meeting (AGM)

Beyond such basic rights, EGCO endeavors to provide fair treatment and assistance to shareholders such as providing timely information and updates via the Company's website in both Thai and English as well as newsletters and Shareholders' site visit. It can be assured that EGCO must not, at any period of time, violate or deprive the Shareholders' rights.

1.1 Shareholders' meeting

The Board considers the Annual General Meeting (AGM) a very important event. AGM is held within 4 months from the company's closing date of accounting period to accommodate Shareholders' participation in monitoring the company's performance. An extra meeting of the Shareholders can be held by the Board on a case by case basis to consider a special agenda that affects the Shareholders' interests or involves the conditions that require the Shareholders' approval. In 2014, EGCO's AGM was held on April 23, 2014 at Vibhavadee Ballroom, Centara Grand Hotel at Centara Plaza Ladprao, Bangkok. There was no extra meeting of the Shareholders during the year. EGCO's AGM has been arranged in accordance with AGM Checklist issued by the Thai Investors Association, Listed Companies Association and SEC as follows:

Before the Day of the Shareholders' Meeting

EGCO provided Shareholders with complete and adequate meeting documents in advance to support their decision making. Shareholders were encouraged to attend the meeting and EGCO would strive to help facilitate the Shareholders' votes, in case, they could not attend the meeting as follows:

- Meeting schedule and agenda have been informed via SET portal and EGCO's website since March 12, 2014 before delivering the meeting documents; 43 days in advance of the AGM date to enable shareholders to plan their schedules for the meeting.
- Notice and agenda of the meeting were sent to Shareholders by clearly separating each agenda. The agendas of 2014 AGM included agenda for consideration as appeared in Article 4 of EGCO's Articles of Associations about the Shareholders' meetings. The appointment of directors and directors' remuneration were under separate agendas. Each agenda consisted of the objectives and rationale, the Board's opinions, conditions and procedures of attending the meeting. In addition, the annual report and 3 proxy forms (form A, B and C) as determined by the Department of Business Development, Ministry of Commerce have been delivered to shareholders since March 12, 2014, 43 days before the actual AGM date. Notices and supporting documents have been published for 3 consecutive days in Thai and English

newspaper each to notify shareholders in advance, so that they could have adequate information before attending the meeting. Also, other relevant details were published on EGCO website before the hard copies would be sent to shareholders to study and to assign the representative if shareholders were unable to attend the meeting in person. Contact number was also provided for further inquiries and proposing. Moreover, additional information relating to the appointment of the Board, in compliance with the best practice guidelines by SET and SEC.

- In order to encourage the institutional investors' attendance, the Investor Relations Unit coordinated with the institutional investors for their submission of registration documents to EGCO 7 days in advance for document checking so as to facilitate the administrative procedures on the actual meeting day.
- Providing communication channels for shareholders to forward their inquiries on meeting agendas in advance to directors@egco.com or facsimile number 0-2995-0956-7 ext.5020-5025 to ensure the shareholders' utmost benefits and legal rights.

On the Shareholders' Meeting Day

EGCO strongly encourages shareholders to exercise their rights by attending and voting at the Shareholders' meeting. The meeting is conducted in a fair and transparent manner in order not to violate the shareholders' rights. Inspection as well as shareholders' inquiries and opinions are always welcome and taken into consideration. The following are EGCO's standard practices:

- Directors, Executives and the external auditor have always been encouraged to attend the AGM altogether in order to answer shareholders' questions and acknowledge their opinions. For the AGM 2014, 15 directors including the Chairman and all Committees' members attended the meeting which accounted for 100% of the Board members. The Chairman and committees' members also presented information to shareholders and answered their questions regarding the meeting agendas.
- Shareholders and institutional investors' facilitation are EGCO's first priority. The direction of the meeting venue was attached to the AGM invitation letter and several registration counters were appropriately provided for Shareholders' convenience.
- Exhibition on EGCO's business was arranged and the completed details of the Company's business operations were provided to shareholders. Shareholders' inquiries were warmly welcomed by the Management, Investor Relations as well as Accounting and Finance Units.
- The TSD system was implemented to facilitate the meeting including shareholders' registration process, vote counting and data processing for transparency. One volunteered Shareholder was invited to observe the vote counting process.
- Shareholders, who registered after the meeting had already started, were allowed to vote for the ongoing and the remaining agendas.
- Shareholders' meeting was convened according to the order of the agenda. Each agenda presentation included the background, supporting rationale and recommendations. The significant information and details were included in the meeting notice delivered to shareholders; without any ad hoc agenda during the meeting.

- Shareholders were equitably treated and were allowed adequate time to raise their questions and present their opinions. All questions were addressed and clarified by the Chairman and subsequently recorded in the minutes of the meeting.
- Baker & McKenzie Co., Ltd. was hired as the inspector to audit Shareholders' or their representatives' registration document, meeting quorum, compliance of the voting and vote counting procedures with the Company's rules and regulations, as well as to inspect shareholders' voting card collection and voting results. In this regard, the inspector reported that the meeting and the voting procedure were transparent and complied with the governance laws, the articles of association and SET's best practices of good governance. In addition, the inspector reported that EGCO highly regarded the right of its shareholders to actively participate in the meeting and voice out their opinions.
- AGM quality assessment questionnaire was disseminated to gather feedbacks for future improvement. The result of the 2014 survey indicated shareholders' satisfaction for the quality of the meeting notice, the meeting arrangement as well as its conduct.

At the end of the 2014 AGM, there were reportedly 694 and 925 Shareholders presented in person and by proxy respectively, representing an amount of 390,214,128 shares which accounted for 74.120% of the total outstanding shares. The shareholders' attendance rate increased from the 2013 AGM, which had 548 and 821 shareholders attending the meeting both in person and by proxy, representing an amount of 417,696,490 shares or 79.340% of outstanding shares.

After the Day of the Shareholders' Meeting

- After the 2014 AGM, EGCO prepared minutes of the meeting with listed names of the Board and Executives with their titles presented at the meeting along with the voting process, voting card collection and vote counting, voting card instructions, the Board's recommendations, inquiries and recommendations from shareholders, including clarifications from the management. Details on the number of approvals, disapprovals, no votes and the resolution of each agenda were included and sent out for shareholders' review on EGCO website www.egco.com on May 6, 2014 which occurred within 14 days after the meeting date as required by SET. The minutes of the meeting were systematically kept for future inspection and reference.
- Shareholders' meeting atmosphere was properly recorded and later broadcasted on EGCO's website to facilitate shareholders who could not attend the meeting and the recorded CD would be provided upon Shareholders' request.
- EGCO announced the meeting resolution regarding dividend via SET portal. EGCO also coordinated with the registra to ensure that every shareholder received fair and correct dividend.
- Recommendations from shareholders and inspectors were taken for further consideration and continuous improvement of the AGM.

1.2 Shareholders' and Investors' Visits

One of the Board's policies was to organize shareholders' and investors' visits for better understanding of EGCO's business. In 2014, several shareholders' and investors' visits were consecutively arranged which would be described in details in Section 4.

2. Equitable Treatment of Shareholders

2.1 Equitable Treatment

The Board regularly monitors and reviews the corporate governance structure to ensure that every Shareholder including minor and foreign shareholders will be treated fairly and that EGCO's procedures in observing the shareholders' rights will not incur unduly difficulty and expenses. The Board encourages shareholders to participate in the decision making and ensures that they are well informed about any important decisions of EGCO as governed by laws and the articles of association as follows:

- EGCO preserves the rights of all shareholders and no agenda topic will be added at the shareholders' meeting without prior notice to ensure that the shareholders have adequate information ahead of time. Shareholders have the right to vote according to the number of shares on a "one share one vote" basis and no share has any privilege which overruns the rights of other shareholders.
- EGCO allows minor shareholders the right to propose meeting agenda topics and nominate the qualified director candidate by announcing on EGCO website and SET portal. The procedures must be clear, transparent and in line with additional guidelines on the minor shareholders' rights regulated by SET. The shareholders have the right to propose the qualified director candidate during September 1-December 31, 2014 (about 8 months prior to the AGM) The minimum share is fixed at 0.05% of the Company's total share (equivalent to 263,233 shares as of September 1, 2014) This is applicable for either a sole or combined shareholders which was beyond SET's recommendation of 5% shareholding. However, in the 2014 AGM, there was neither proposal of AGM agenda topic nor qualified director nomination.
- Voting cards are employed in vote counting for all agenda topics for transparency and easy audit. The appointment of directors is done by shareholders individually. Baker & McKenzie Co., Ltd. was invited as an inspector together with one volunteered Shareholder as an observer.
- Shareholders who cannot attend the AGM in person, can vote by proxy. The 3 proxy forms as introduced by the Department of Business Development, Ministry of Commerce are provided and 3 Independent Company's Directors who do not have the conflict of interests with the AGM agenda can be alternatively appointed as volunteer proxies. The proxy forms can be downloaded from EGCO's website to facilitate the shareholders' bid.
- Since most shareholders attending the AGM are Thai, the meeting is; therefore, conducted in Thai. However, in order to facilitate shareholders, EGCO prepares the meeting notice in both Thai and English versions. English interpreting service is also available at the meeting room.

- The Board is aware that some shareholders might not be able to access the minutes of the meeting on SET portal and EGCO's website; therefore, a hard copy of the minutes of the 2013 AGM has been mailed to each shareholder for revision.

2.2 Prevention of Improper Use of Internal Information

EGCO has established a code of conduct in a written document for Directors and employees in order to prohibit an improper use of internal information to illegally benefit oneself or others or cause any damages to shareholders. The principles regarding this matter are as follows:

- Directors must not make improper use of information acquired by virtue of the Directors' position.
- Directors must not disclose matters such as trade secrets or any sensitive business information to any outsiders.
- Directors as well as their spouses and minor children must not buy or sell EGCO's shares while possessing internal information, which if disclosed publicly, will affect EGCO's share price.
- Directors must not provide anyone with any information which is not made public and which will lead to the reservation, purchase or selling of EGCO's securities.
- Employees must, at all times, observe the rules and regulations issued by SET, SEC and other governing laws, including the equitable information disclosure to every Shareholder and/or public.
- Information disclosure to the public that will affect the business as well as EGCO's stock price must be approved by the President. The President or the assigned personnel will be solely authorized to disclose such information.
- The Corporate Communications Division, the Corporate Secretary Division and the Investor Relations Division are the central units responsible for disclosing EGCO's information while the unit owning such information will be responsible for providing necessary fact sheets.

EGCO also sets the policy that the Executives and employees who possess the internal information relating to financial statements must refrain from their own security trading within 45 days before and 24 hours after the information disclosure. As for other significant information, they must refrain from stock trading from the day of acknowledgement and 24 hours after disclosing information to SET. The Corporate Secretary will be responsible for sending e-mails to remind the Director, the Executive and relevant employees of the period prohibiting stock trading before every fiscal budget announcement. Furthermore, EGCO has put in place the internal control system to prevent leakage of any information before public disclosure. Such measure is considered a crucial part of risk management. Supervisors also have the responsibility to ensure effective measures so as to safeguard the internal information. Any employees using undisclosed internal information for one's own or others' benefits of stock trading will be considered violating the company's code of conduct.

The Board strongly emphasizes on the use of internal information which directly affects the stock price and incurs unfairness for outsiders. Therefore, in 2014, the Board has set the good corporate governance for Directors, Executives including their spouses and minor children who intend to trade Company's stocks to give at least a one-day notice to the Corporate Secretary prior to the actual trading.

2.3 Information Disclosure of Stakeholders

EGCO has set the guidelines on disclosure of Directors' and Management's interest to ensure transparency and to prevent conflicts of interest as follows:

- Directors will promptly notify EGCO if they or their family members involve or hold shares in any entity which may incur benefits or conflicts of interest with EGCO, acquire a direct or indirect interest in any contract made with EGCO or hold shares of EGCO or any of its affiliates. Directors or Management with potential conflict of interests shall refrain from discussing and voting on such agenda topic.
- Directors and the Management shall report their security holding on a regular basis at the Board meeting, with notification that Directors, Management including their spouses and minor children as well as person under section 258 of the Securities and Exchange Act have the responsibility to prepare and disclose any changes in the Company's shareholding to SEC within 3 days.
- The Directors and Executives shall prepare the report on their interests, including that of any related parties to comply with the notification of the CMSB no. Tor Jor 2/2552, effective from July 1, 2009 which indicates that Directors and Management shall submit the quarterly report on interests in EGCO business. In case there are any changes in the interests during the quarter, the Corporate Secretary should be informed promptly. In addition, the Corporate Secretary shall submit such report to the Chairman and the Chairman of the Audit Committee within 7 days after getting such report. In 2014, every Director and Management has completed the report on their interests and has informed the Chairman and the Chairman of the Audit Committee for their acknowledgement.

In 2014, there was no single report about the violation of the shareholders' rights or illegal use of the internal information by Directors and Management. This, in turn, shows the efficiency of the Board of Directors in handling this issue.

3. Role of Stakeholders

3.1 Right of Stakeholders

Apart from preserving the rights of shareholders, the Board also takes due regard of and deal fairly with all stakeholders and gives priority to issues that affect both business and corporate social responsibility matters. Therefore, the Board has established guidelines to respond to the requirements of each stakeholder in the corporate governance policy and "EGCO Group's Code of Conduct" in order that Directors, Management and employees shall be guided by the following principles in performing their duties.

Shareholders and Investors

The Company respects the rights of shareholders and strictly regards their rights at all times.

- Support shareholders to receive adequate and appropriate information
- Encourage shareholders to attend and vote in the shareholders' meetings
- Do not violate or deprive shareholders' rights

- Dedicated in building company's growth with genuine potential and capability to ensure shareholders' sustainable return from efficiency and good operating results

EGCO Group clearly stated its code of conduct and business ethics to continuously prosper with genuine competency and solid operation so that the shareholders will gain sustainable returns and benefits. EGCO respects the right of shareholders and investors to equally receive necessary information for their assessment of the company. The company is committed to disclose its operating results, financial status as well as other supporting information as required by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

Share price

The average share price in 2014 was 146.28 baht per share, an increase of 36.70% from 2013. The highest closing price was 174.50 baht on November 4, 6 and 18, 2014 while the lowest closing price was 120.50 baht on January 6 and 7, 2014. The price-earning ration (P/E ratio) as of December 30, 2014 was 11.49.

Employees

EGCO realizes the value of its human resources as the key success factor of the Company. The Company; therefore, put an emphasis on the selection and hiring employees with knowledge, expertise and potentials appropriate with their job description and responsibility. The Company also stresses on the employees' welfare and well-being ranging from health and hygiene matters, safety concerns, working environment, fair remuneration and appropriate benefit schemes. EGCO also supports employees' career development and organizes activities that promote employees' relations. Employees will be encouraged to participate in community and social development activities such as taking part in projects for communities surrounding power plants and society at large.

- We will treat our employees with respect and honor.
- We will take action to ensure that qualified applicants are given equal opportunity to be employed with regards to the required qualification, educational background, experience and other requirements on a non-discriminatory basis regarding gender, age, nationality or religion.
- We will fairly remunerate our employees in consistent with the job requirements and performance taking into account the Company's ability to pay.
- We will encourage our employees to enter into the development program to enhance the work efficiency and for career advancement.
- We believe that good communications will foster efficiency and good relations. As such, we will keep our employees informed and updated of the relevant information as much as we can.
- We will provide a communication channel for employees to submit questions and complaints relating to work which we will seriously consider and remedy the problem to benefit and to promote good relations among all concerned parties.

In 2014, there was no legal dispute between employees and EGCO and there was no serious accident occurred in any of the company's subsidiaries.

Customers

As the power generator, distributor and provider as well as tap water generator and distributor, EGCO is strongly committed to providing good quality and reliable services at a fair price to all customers. It is EGCO's policy to foster and sustain good business relationships with each and every customer.

- We will deliver reliable services in accordance with the trade agreements.
- We will deliver good quality services that meet the specifications with care and efficiency.
- We will provide advices to the customers on the measures to economically and efficiently use the energy.

In 2014, there was no dispute or lawsuit between EGCO and its subsidiaries and the customers. As for the power generating business, EGCO Group could generate the contracted electricity with higher Equivalent Availability Factors (EAF) than committed in the Power Purchase Agreement (PPA). For the maintenance business, EGCO Group's service was rated "very satisfactory" with the score of 94.61% from the customer's satisfaction survey.

Creditors

EGCO endeavors to ensure that it strongly complies with all of the loan provisions and that the company's true financial status is correctly disclosed to the public.

In 2014, there was neither dispute nor lawsuit between EGCO as well as its subsidiaries and the Creditors.

Suppliers and Contractors

EGCO treats suppliers and contractors fairly and transparently as well as not seeking undue benefit from them. The Company strongly complies with the conditions in the agreement in order to develop and secure the sustainable relationship with suppliers and contractors on the basis of value for money, technical quality and mutual trust.

- Competitive tendering with equal information,
- Objective evaluation of tenders and selection of suppliers and contractors
- Appropriate forms of contract
- Effective monitoring system and management control to ensure proper fulfillment of contractual obligations, to detect and prevent bribery, fraud or other malpractices throughout all stages of the procurement process
- Prompt payment consistent with the mutually agreed terms of trade

In 2014, there was no dispute or lawsuit between EGCO as well as its subsidiaries and the suppliers and contractors.

Competitors

EGCO conducts its business on a fair play basis. The Company will not employ a disgraceful or inappropriate approach to gain competitive advantage such as bribery in

order to get competitors' confidential information or attacking competitors' reputation with false allegations.

In 2014, there was neither dispute nor lawsuit between EGCO as well as its subsidiaries and the competitors.

Community and Society

It is EGCO's policy to operate its business with strong commitment to social contribution and environment preservation. The Company's code of conduct specifies that employees at all levels must perform their duties in a considerable manner to avoid any social and environmental impacts, especially in the communities surrounding its facilities. It is the employees' duty to disclose an up-to-date and truthful information as well as to create a benevolent working environment with respect to local norms, culture and traditions. Employees at all levels are also expected to cooperate and participate in creating good quality of life to make a local community and society a pleasant place to live. This will eventually lead to sustainable development of the society at large. EGCO has executed various social contribution projects and activities which can be categorized in 3 main areas; namely, the development of the quality of life for local communities surrounding the power plant, the promotion of energy and environmental study for a better understanding and the watershed conservation. The community and society participation policy comprises 2 parts as below.

1. Participation in the development of communities surrounding the power plants

- Support and develop the better quality of life of the communities surrounding power plants
- Foster and encourage employees as well as other relevant parties to operate their business with responsibility to the community
- Disseminate the company's operating results to community and public on a regular basis
- Seek opportunities to exchange and share experiences and information with other organizations for continuous improvement

2. Participation in social development policy

- Involved in social development projects or activities in alignment with the company's core competency
- Build employees' awareness, understanding as well as encourage employees and other relevant parties to participate in social development activities
- Implement long-term projects and activities to generate sustainable results for the society
- Seek opportunities to exchange and share experiences and information with other organizations for continuous improvement

In 2014, there was no dispute nor lawsuit between EGCO as well as its subsidiaries and people in the communities surrounding the power plants and NGOs. EGCO Group has incessantly developed 58 community and social contribution projects and has recently launched our quarterly newsletter "Sook Jai" as one of the communication channels to strengthen good relationship with the community surrounding its power plants.

Moreover, EGCO has continuously supported the operation of Thai Forest Conservation Foundation or Thai Rak Pa, the non-profit foundation initiated by EGCO to jointly promote watershed forest conservation with other business partners and NGOs. In 2014, Thai Rak Pa Foundation helped support a local community in Chiang Mai province in calling for the conservation of 70,000 rais of watershed forest and has recently expanded its operation to watershed forests in the southern as well as northeastern parts of the country.

Stakeholders' Expectations and Participation

EGCO Group has implemented several formal surveys relating to stakeholders' satisfaction such as satisfaction survey and complaint filing as well as informal formats such as non-scheduled meetings, company visits or acquiring information from various media channels in order to combine these survey results into the company's action plans to respond appropriately and adequately to a specific group of stakeholders.

stakeholders	expectation	participation
1. Shareholders & investors	• Sustainable return on investment • Good governance policy • Risk management policy • Equality of rights and fair treatment • Disclosure of genuine, completed and adequate information	• Shareholders' meeting • Annual report • Power plant visits • Quarterly meetings for analysts and investors • One on one meeting • Conference calls • Company's roadshow • Quarterly publication of LIFE magazine • Complaint filing through complaint submission channels
2. Employees	• Fair compensation and benefits comparable to other businesses in the same industry • Promotion of career path advancement consistent with employees' competency and knowledge • Competency development • Job security • Safe and pleasant working environment	• Communication day activities • Business update meetings • Communication channels such as intranet • Employee satisfaction survey with regard to the company's communication channels
3. Customers	• Generate and sell electricity specified in the Power Purchase Agreement (PPA) • Reliable power producer and generator • Appropriate price • Business operation	• Meetings with EGAT's staffs to exchange and share information and experiences • Activities with EGAT's staffs

stakeholders	expectation	participation
	with responsibility and concern towards community, society and environment	
4. Suppliers & Contractors	- Fair and transparent procurement - Acceptable payment period - Exchange of experiences and expertise	- Activities with EGAT group - Golf invitation activities with EGAT group and other related organizations
5. Creditors	- Compliance with loan provision - Debt-paying ability - Disclosure real financial status	meetings
6. Competitors	- Business operations under a fair play basis - Free and fair competition	Information from public forum
7. Community and Society	- Responsible business operations with concern on safety and environment - Full disclosure of information - Participation in developing people's quality of life	- Meeting with POWERFUND - Power plant visits - Projects to improve people's quality of life - Quarterly publication of "Sookjai" magazine - Complaints filing and complaints submission channels

3.2 Observation of Human Rights

EGCO requires that its Directors, Management and employees fully observe the following human rights.

- EGCO treats all employees with respect and honor.
- EGCO provides communication channels for employees to submit work-related inquiries, recommendations and complaints which will be seriously considered. The solution to the problem will then be given in order to benefit and to promote pleasant working relations among all concerned parties.
- EGCO encourages all employees to exercise their rights of citizenship in accordance with the constitution and relevant laws.
- Employees' personal information such as family background, health and employment records will be kept with discretion and confidentiality. Disclosure of such information to public without that employee's permission is considered a violation of the code of conduct and may result in some disciplinary actions except when it is done in accordance with the company's regulations or legal requirements

- EGCO does not support any business related to the violation of human rights and frauds.
- All employees must refrain from any deliberate discrimination or harassment both in words and actions against other people on the basis of race, gender, religion, age and physical or mental disability.

In addition, EGCO has defined clear guidelines for staff employment both for the Company and its business partners to strictly conform to the Labor Act of Prohibition of Child Labor or Abusive Hiring. Also, the working system is carefully designed to give priority on safety and occupational health issues. In the past, there has never been any report on the violation of human rights by EGCO.

3.3 Intellectual Property or Copyright

EGCO complies with the legal requirements on intellectual property and copyright. Careful checking is required before using the work or information that belong to the third party so as to prevent the violation of intellectual property.

3.4 Measures against Corruption and Bribery

EGCO has set the policy to work against corruption and bribery. Therefore, since 2010, EGCO has joined Collective Action Coalition (CAC) Project to fight against corruption in the private sector which is the collaboration between the IOD, the Thai Chamber of Commerce, International Chamber of Commerce and the Thai Listed Companies Association. This project is a national project supported by the government and the Office of the National Anti-Corruption Commission. In the Meeting no.10/2014 held on October 27, 2014, the Board had approved the revision of anti-corruption policy in order to prepare self-evaluation questionnaires concerning anti-corruption measures for submission to CAC committee for consideration and approval.

The Board of Directors in the Meeting no. 1/2015 held on January 26, 2015 approved EGCO Group's Anti-Corruption Policy, emphasizing on measures on the basis of preventing and prohibiting every form of bribery and corruption whether directly or indirectly. EGCO will not participate in any bribery or corruption to government officials, public as well as private sectors in order to gain competitive advantage. The approved Anti-Corruption Policy was signed by the Chairman as presented at the end of this part. The Management shall inform this policy to the Board, executives and employees at all level to recognize and comply with the policy afterwards.

EGCO realized that corruption and bribery would affect Company's performance and reputation as well as established trust from investors and stakeholders. The Company considered risk factors that may lead to corruption and bribery as well as set the measure to manage risk from such concerned issues as follows:

- Establishment of policies and guidelines: the company has established policies and guidelines in anti-corruption in a written document which will be regularly revised and updated to suit with changing situations. The Company shall promote such policies and guidelines to the Board, the Management and employees at all levels. The Board are in the process of the policies and guidelines improvement.

- Preventive measures: The Company must have a suitable organizational structure for the purpose of governing and managing business. The code of conduct must be in a written document as well as the compliance with the code shall be promoted. The internal control system is set up and appraised. The whistleblowing program must be put in place.
- Monitoring: Management in each level assumes responsibility to prevent and monitor fraud risks and operational errors. The Internal Audit Unit works independently from the Senior Management to review the compliance with the regulations and examine early warning signs.
- Fairness: The investigation of fraud actions shall be conducted by a panel to ensure fairness for the defenders while whistleblowers shall be appropriately protected.
- Lessons learned: case studies on fraud risks both happened in Thailand and overseas are well presented to educate Management on fraud prevention in the organization.

Due to the effective preventive measures mentioned above, there was neither claim nor fraud action found in EGCO Group in 2014.

3.5 Responsibility towards Environment and Sustainable Use of Resources

It is EGCO Group's determination to promote sustainability to the country's power generating system. The Company realizes the importance of preserving the environment, the community and the society along with its business growth and enhanced benefits to every shareholder. Consequently, EGCO consistently emphasizes on creating a well balance between environment, society and community to minimize the global warming effects. EGCO has constantly evaluated environmental impact resulted from our business conduct and has set measures to prevent and alleviate such impacts in compliance with local and international laws, regulations and relevant standards. These measures include the management of the value chain, the procurement enhancing the sustainable development of the environment, the efficiency improvement in energy consumption and conservation as well as the prevention and the restoration of biodiversity and the study of living harmoniously with the environment.

In 2014, EGCO Group expanded its investment in a renewable energy power plant abroad; namely, the Star Energy Geothermal power plant which is a commercial geothermal electricity generation plant in Indonesia. It generated the electricity of 45.4 MW equity. Currently, EGCO has overall generated electricity of 524 MW equity which is 10% increased from 2013. In addition, the current commercially operated power plants and the power plants under construction or under development of EGCO Group operates in fully compliance with regulations and environmental requirements. EGCO Group has discussed in details about its operations and activities with stakeholders as well as the business in compliance with social and environmental responsibility in the section of Sustainable Business Development.

3.6 Communication Channels

All stakeholders can direct their recommendations and concerns to EGCO via the following channels:

	Electronic mail	Telephone number
Board of Directors	directors@egco.com	-
Audit Committee	auditcommittee@egco.com	-

	Electronic mail	Telephone number
Corporate Secretary	cs@egco.com	0 2998 5020-5
Corporate Communications	corp_com@egco.com	0 2998 5130-7
Investor Relations	ir@egco.com	0 2998 5147-8

The mailing address is Electricity Generating Public Company Limited, EGCO Tower, 222 moo 5, Vibhavadi Rangsit Road, Tungsonghong, Laksi, Bangkok 10210.

The Corporate Secretary is responsible for sending documents directly to the Board and then forwarding them to relevant committees or directors. Issues and recommendations will be summarized and submitted to the Board on a quarterly basis, except for documents addressing the Audit Committee which would be directly forwarded to the Audit Committee without screening. Electronic mails sent to auditcommittee@egco.com can be accessed solely by the Audit Committee.

3.7 Whistleblowing Procedures and Whistleblower Protection

The Board has set the channels for the whistleblowing program at both Management and Director levels. For the Management channel, the reports on any suspected violation or crime shall be submitted to the supervisor of each level and the Corporate Governance Committee. For the Board's channel, such reports can be directed to either the Board or the Audit committee. It is the responsibility of the management at every level to coach their employees to perform their duties according to the requirements of relevant laws and regulations. EGCO has provided the channels for complaints, comments and suggestions as well as clues on wrongful acts or code of conduct, including claims for corruption by employees and stakeholders. Measures for whistleblower protection are also put in place so as to keep reported information confidential and will be acknowledged only by relevant parties. The whistleblowers can identify themselves or keep their identity anonymous but they must provide the company with adequate information to further investigate the claims.

4. Information Disclosure and Transparency

4.1 Channels for Information Disclosure

EGCO realizes the importance of disclosing completed, correct, update and transparency information on financial and other significant matters. The Company provides the following channels to disclose the information for shareholders' and stakeholders' acknowledgement in accordance with the requirements prescribed by SEC and SET:

1. Information disclosure on website

In order for Shareholders and investors to be able to promptly retrieve and disclose information to the public, EGCO constantly updated significant information on the Company's website as follows:

- A. SET portal system and SEC
- B. Company's website at www.egco.com for prompt retrieval of information disclosed to the public. The information, both in Thai and English version, encompasses the details below:
 - Corporate profile: including background, vision, mission and organizational structure

- Corporate governance: corporate governance principle that monitors the Company's business, Board of Directors, Board's committees and senior management
 - Information for investors: financial data, structure of investors and investor relations' calendar
 - Corporate news and activities: business news, news about EGCO's social and environmental contribution projects.
 - Corporate social responsibilities: business concepts and directions, existing social contribution activities
2. Public channels such as newspapers, magazines, newsletters and televisions
 3. Disclosure of information to analysts or investors who visit the Company and discuss with the Management
 4. Travel to present information to both domestic and overseas investors
 5. Analyst meeting
 6. EGCO newsletter and notices via mail

The President or the assigned staff is solely authorized to disclose the Company's and its subsidiaries' information. The central units for disclosure information to public and investors comprise of SVP Corporate Secretary, SVP Corporate Communications and SVP Investor Relations. In 2014, EGCO consistently provided information and details of activities based on the Company's strategy and business direction by considering the quality of disclosed information as its first priority. Correct and efficient information disclosure via Company divisions is designated as follows:

Investors Relations

The Investors Relations Division is responsible for equally and fairly communicating to all investors, shareholders as well as analysts and sets the annual investor relations plan. EGCO emphasizes information disclosure via activities of Investors Relations which the Management has participated to present information and meet with investors in order to create a good understanding toward the Company management and encourage a good relationship as well as continuous discussions. The main activities in 2014 are as follows:

- 4 Quarterly Analyst Meeting;
- 2 visits for investors and shareholders to Solarco, a solar power plant;
- A visit for analysts and institutional investors to Theppana wind power plant;
- Participation in the meetings with investors and analysts;
- Providing quarterly newsletter: Life, to be a channel of important activities and EGCO's performance for Shareholders.

In this regard, investors' and shareholders' activities were started in the 2014 highlight performance: activities for shareholders and investors.

Corporate Communications

The Corporate Communications Division is responsible for communicating to the media the Company's movements, activities and cooperative projects with other organizations for public disclosure. Major events in 2014 included 4 press conferences on corporate performance and business directions, 5 Executive's special interviews, a press outing activity at the Youth Camp as well as 23 press releases and public relations.

Corporate Secretary

The Corporate Secretary Division discloses information as required by SET and SEC in a correct and transparent manner. In 2014, 20 notifications were submitted to SET.

To ensure its full compliance on information disclosure, EGCO's website has regularly been updated. The information disclosure will be assessed after every meeting with shareholders, investors and business analysts for further improvement involving disclosure and investor relations. Along with the annual report and the AGM notice, EGCO also attached the feedback form for shareholders so that they can provide feedback on the quality of the annual report, additional documents requested and any inquiries for the Directors and Management to solve in the next AGM. All of these procedures have been well received by the Shareholders.

4.2 Financial Statement Preparation

EGCO aims at fostering the stakeholders' confidence and trust that its financial reports are accurate, complete, transparent and in line with acceptable accounting standards to protect its assets against fraud or abusive actions. With this in mind, the Board has entrusted the Audit Committee to assume important duties and responsibilities in reviewing the financial statements to ensure its correctness and compliance with the accounting standards and relevant laws and regulations. The Audit Committee organizes, at least once a year, the meeting with external auditors with the absence of the Management in order to ask questions and discuss significant issues with them. Apart from disclosing the Auditor Report in the annual report, the Board also prepares the report on the Board of Director's responsibility on financial statement which covers important topics as prescribed in SET's best practices for directors of the listed companies. In 2014, EGCO has appointed auditors from Pricewaterhouse Coopers ABAS Co., Ltd. as the company's auditor given that they have professional knowledge and have no conflicts of interest to affect their judgment. This is aimed at fostering the Board's and the Shareholders' confidence that EGCO's financial status and business performance are completely genuine.

EGCO also prepares the report on Management Discussion and Analysis to provide analytic information on the company's financial status, business performance and major changes to investors and securities analyst on a quarterly basis. This report is submitted via SET portal along with the Company's financial statements.

It should be noted that SEC has never demanded EGCO to restate the financial statements. In addition, the Company has disclosed the quarterly and annual financial statements to Shareholders and investors before the due date.

5. Responsibilities of the Board

5.1 Roles and responsibilities of the Board of Directors

Duties and responsibilities

All board members completely understand their duties and responsibilities as well as EGCO's business. They must serve the Company with honesty, prudence and care for the utmost benefits of the Company and for fairness to all shareholders. Directors shall exercise their independent judgment and devote considerable time in performing their duties in accordance with the corporate governance principle as follows:

- Set the corporate vision, target and business strategy including risk management policy, business plan, annual budget and follow up corporate performance, approve major investments, acquisition and disposal of assets
- Recruit, set the remuneration rate, monitor, and (if necessary), change the key Management personnel as well as set the Management succession plan
- Review the remuneration rate of Directors and senior Management and to ensure that the Director appointment procedure is transparent and made public.
- Monitor and resolve the conflict of interests which may incur among the Management, Directors and shareholders as well as to ensure the independent audit and appropriate internal control system with the focus on risk monitoring, financial control and legal compliance
- Monitor the effectiveness of the existing corporate governance techniques and implement changes if necessary
- Monitor the information disclosure and communication process
- Evaluate the Board's performance annually and announce its duties and responsibilities in the annual report

The Selection, the nomination and the termination of the Director's position

The Nomination and Remuneration Committee is entrusted to select and nominate prospective nominees, both for shareholders' representatives and Independent Directors for the Board's consideration, in case of a casual vacancy. Factors for consideration are as follows:

1. Gender, knowledge and expertise
2. Appropriateness of required skills and experience in compliance with the company's business strategy which, in turn, will strengthen the Board's efficiency in monitoring the company's performance
3. Qualifications as prescribed by SET, SEC and the Company's regulations
4. Working experience that is transparent, ethical, responsible and professional

The Board is responsible for reviewing the structure of Directors annually. Currently, the Board comprises not less than 5 Directors and not more than 15 Directors as stipulated in the articles of associations. It is also required that not less than half of the Directors must live in the Kingdom of Thailand. In case there is a casual vacancy from any other reasons besides the end of term, the Board will then select the qualified candidate in the next AGM with the three-fourth majority votes of Directors who are still in their position.

At each AGM, one-third of the Directors shall retire by rotation. If the total number of Directors cannot be evenly divided into 3 parts, then, the amount should be closest to the ratio of one-third. In case any Director intends to resign from the Company, he or she must submit the resignation letter which will be effective on the date that the Board receives the letter. In order to vote for the early retirement of any Director before the end of term, not less than four-fifth of the votes has to be taken into account.

Term and Age Limit

One-third of the directors shall retire by rotation at the AGM as prescribed in the Public Limited Company Act 1992. EGCO specifies the term of independent directors to be limited to 3 terms or not more than 9 years in order that the independent directors

should be independent from the Management and shareholders as conforming to the best practices with effect from the 2011 AGM date. As for the age limit policy, Director candidates will not participate in the election after the age of 72. Given such age limit on the election date, Directors will be able to serve as the Board until the expiry of their terms.

Delegation of Authority and Responsibility

The Board has delegated the authority and duties between corporate governance policy which is the Board's duty and the routine management which is evidently the responsibility of the Management. The Board; therefore, has set up the Table of Authority ("TOA") as the practical guidelines. The Board will not intervene in any routine activities under the President's responsibility. In addition, the Board has reviewed and improved the TOA in compliance with the revised structure of the Board and the organization. The current TOA has been updated in July 2013.

Policy and Code of Conduct in Holding Other Positions of Directors and Executives

To ensure that the Board emphasizes on the efficiency of the Directors so that they can devote adequate time in monitoring the Company's business, it is; therefore, EGCO's policy to limit the number of listed companies in which the Board and the Directors can participate. The Non-Executive Director can serve as a director in no more than 5 listed companies and the Executive Director can serve not more than 2 listed companies. Currently, all of the directors have complied with such policy and code of conduct. The board consider the directors' meeting attendance as one of the criteria for his or her re-appointment.

Leadership and Vision

The Board cooperates with the management in setting the vision, mission, strategies, goals and business plans for both short and long terms which will be revised annually. In 2014, the Plan and Strategic seminar was set together with the Management on August 22-24 at Springfield@Sea-Resort & Spa, Petchaburi Province. The corporate Key Performance Indicators (KPIs) are designed annually for each key area including growth, financial and organizational excellence. The Board also endeavors to ensure that significant working system such as the internal control and risk management are put in place. The Management performance is also monitored through the President's monthly report to guarantee that EGCO's business is carried out in an effective and efficient manner.

Code of Conduct

To maintain high ethical standards, the Board has identified a code of conduct as the guideline so that Directors, Management and employees perform their duties with regard to ethical values. Directors' code of conduct focuses on business conduct, the Board's ethics and commitment, duties and responsibilities, conflict of interest and the use of Company's information. Employees' code of conduct which will be revised annually covers the topics as follows: (1) Business principle (2) Preservation of the code of conduct (3) Treatment to Stakeholders (4) Company (5) Procurement and Transaction (6) Conflicts of interest (7) Employees (8) Safety, Health and Environment (9) Whistleblowing policy (10) Due duties.

EGCO continuously conducts trainings on adherence to the ethical code of conduct for employees as well as provides clarifications to the frequently asked questions. Directors, executives and employees must follow and respect the ethical code of

conduct at all times. Management at all levels are responsible for promoting the compliance with the code of conduct and act as a role model to encourage employees to fulfill their ethical code of conduct. Therefore, the President has required employees at all level to annually verify the ethical code of conduct before signing the compliance form and handing it to the respective supervisors. In 2014, employees at all levels had signed their compliance form and handed it to the respective supervisors which finally had been sent to the Chairman.

Internal Control and Internal Audit

Realizing the importance of having sufficient and suitable internal control at all levels, EGCO clearly determines responsibilities and authority of executives and employees in writing the segregation of duties to ensure check and balance and the safeguarding of Company's assets to be taken into account. EGCO also sets a correct and timely financial report system. Moreover, EGCO has also established the Internal Audit Division in order to guarantee its transparent audit process. In 2014, Mr. Nattanont Meesuksabai had been appointed to be the Internal Audit Division Manager and also acted as the secretary to the Audit Committee and entrusted for the audit work of EGCO and its subsidiaries. The internal audit functions include giving consultation to concerned units to prevent any possible shortcomings and enhance preventive internal auditing. The Internal Audit Division directly reports to the Audit Committee that, in turn, has a responsibility to approve the internal audit plan, endorse the appointment and performance appraisal of the Internal Audit Division Manager to ensure his/her independence and the audit report of the Internal Audit Division.

EGCO emphasizes on enhancing the capabilities of internal auditors regularly through in-house and outside seminars so that the employees can share their expertise and experiences. All internal auditors have attended the training courses for the professional certificate organized by the Certified Professional Internal Audit of Thailand (CPIAT). EGCO has also encouraged the internal auditors to have the professional certificate: Certified Internal Auditor (CIA).

Nomination and Remuneration of Auditors

The Audit Committee is responsible for selecting, nominating and withdrawing the company's auditor as well as setting the remuneration rates which afterwards have to be finalized and approved by the Board in the AGM. In 2014, both the Board and the Inspection Committee have agreed that the auditors from Pricewaterhouse Coopers ABAS Co., Ltd ("PwC"). performs their duties with professionalism, independence, fairness, expertise and efficiency as well as provides satisfactory advice and prompt service. Moreover, PWC has been known as one of the most famous and acceptable providers of the audit service; therefore, PWC is deemed the most appropriate candidate eligible for the Company's auditor. In 2014, EGCO Group has set the budget for auditor at the amount of 1,726,700 baht and for other expenses relevant to the audit executed in Thailand of no more than 123,600 baht. As for the expenses for the audit performed in the countries in which EGCO has invested in the business, the company will be responsible for the actual expenses as considered appropriate by the Board. In 2014 AGM, the Meeting mutually agreed on the nomination and remuneration of auditors according to the Board's proposal.

Risk Management

The Board of Directors entrusts the Audit Committee to review with the Executives the risk management policy, implementation and guidelines. The Audit Committee reports

the update on risk management issues to the Board at least twice a year. The Board then considers the adequacy and effectiveness of risk management system so that strategies, plans and measures can be adjusted to correspond to the changing situations. EGCO has established the risk management framework as follows:

- EGCO Risk Management Committee comprises of EGCO's Management, having the President as the Chairman of the Committee. The objectives are to determine the framework and to closely monitor the risk management of the Group and to report to the Audit Committee and the Board. In addition, the Risk Management Committee is set up at each power plant to determine the policy and monitor the risk management implementation so as to conform to the framework and the business conditions of each power plant.
- Risk Management Section is set up under the Corporate Planning Division to enhance the alignment of business plan and risk factors.
- Risk management process is embedded into the working process. The Management and employees are encouraged to participate in the process and to efficiently utilize the resources available to identify, appraise and manage risks.
- Risk management is implanted into the corporate culture. Employees at all levels must realize the importance of risk management.

EGCO Group has adopted the risk management policy and manuals as the Company's guidelines since 2001. Risk management implementation is also included as one of the elements for internal control assessment. The result of the 2014 assessment indicated that EGCO Group appropriately implemented risk management system. More details can be found under the topic of risk management.

Conflicts of Interest

It is the Board's policy to avoid the conflicts of interest between the personal interest and the corporate interest. Therefore, the policy on the code of conduct for Directors and employees is determined as follows:

- Directors and employees intended to perform as a director or advisor of other companies, organizations or business associations must not have any conflicts of interest with the business of EGCO. Acknowledgement by the Board must be sought before engaging in any organization.
- Directors must promptly notify the Board of any conflicts of interest (if any case) and must refrain from participating in the discussion or voting on such matter, must be absent from the meeting on such agenda, must not request documents relating to the meeting or in an extreme case, must resign from the Board.
- The list of major shareholders shall be disclosed. Directors and Management shall report any changes in their security holdings to the regulatory agency. The Corporate Secretary is assigned to report the security holdings of Directors and Management at the Board meeting.
- Employees must not borrow money from the company's business partners or individuals that have business with EGCO Group, except from the financial institutions as this may have an impact on the performance as a Company's representative.

- The steps for implementing interconnected transaction along with the approval authority and the disclosure of such transaction shall be executed as required by SET and SEC. The Corporate Secretary shall identify the type of transaction and the approval authority and then submit the reports to the Audit Committee for acknowledgement and later disclose the information in the annual report and annual registration form (form 56-1).

Directors and Management are required to prepare the report on their own interests and related parties to the company to enable the Corporate Secretary to ensure transparent practices. The Corporate Secretary shall submit a copy of such report to the Chairman and the Chairman of the Audit Committee.

Moreover, the Audit Committee is assigned to review the details and provide opinions on the interconnected transactions. The details of such transactions will then be compared to the dealings with outside parties. The report will be sent to the Board and/or shareholders for review as required by SET and SEC to foster trust among all concerned parties that the interconnected transactions are aimed at optimizing the benefits of EGCO and its shareholders.

Fraud Risk Management

With the view that fraud is a significant corporate risk, the Board has set the measures to manage fraud risk in written document which will be regularly revised and updated to suit with changing situation as well as emphasized monitoring the compliance with such policy and guideline.

5.2 Board Meeting

To ensure that the Board takes full responsibility to meet the expectations of the shareholders, the Board has reviewed significant business policies and corporate calendar. The Board has come to a mutual agreement to have a monthly Board meeting. An extra meeting can be organized if there is any major unplanned event. The Board can authorize the committee to screen or approve the Management's activities within the delegated authority. The Board can specify the report of business performance as one of the meeting agendas in the Board meeting in order that the Board can follow up with the business progress and give their recommendations in case of any deviation from the approved plan or budget.

The Board sets its meeting and agendas for the whole year in advance to enable directors to plan their schedules accordingly. The Chairman and the President cooperatively adjust the agenda for the Board's meeting while each Director can propose an agenda to the Chairman and discuss independently at the meeting. The notice for the Board meeting is submitted to the Board at least 7 days in advance except in an urgent case to preserve the rights and benefits of the Company. All meeting documents will be sent to the directors in advance to allow adequate time to contemplate on the information. The agenda is set according to the priority; namely, follow-up matters, matters for consideration and matters for acknowledgement to optimize the meeting time for the Board.

The Chairman shall allocate the Management adequate time to present their issues and for Directors to conduct extensive discussion on significant matters. The draft minutes of the meeting must be submitted for the Board's review within 14 days after the

meeting prior to the approval in the next meeting. It is the Board's responsibility to attend every meeting, unless they have valid reason for their absence. In 2014, the Board called for the total of 12 meetings. Each meeting lasted approximately 2.5 hours and the attendance rate was around 92 %.

Since some of EGCO's Directors do not reside in Thailand; therefore, the Group has established the policy to allow these Directors to attend meetings by teleconference so that EGCO and the Board will benefit from their opinions and recommendations. However, this type of attendance is not considered the meeting quorum and those who attend the meeting via teleconference do not have the right to vote.

The Board encourages the President to invite Senior Executive Vice President including other Managements to attend all meetings. Other Managements are also welcomed to join the meetings to provide insights and additional information. This; in turn, enables the Board to know each personnel better and subsequently can use this useful information for their succession planning. The Board can also requests for additional data from the President, the Corporate Secretary or other directors within the extent of the established policy. The Board and the subcommittee can hire independent advisors for the benefits of the business at the company's expenses.

5.3 Board Self-Assessment

The Board conducts self-assessment on a regular basis to consider their past year's performance and problems for further improvement. The Board has approved the use of self-appraisal form reviewed by the Nomination and Remuneration Committee. However, in 2014, the Board has approved the use of self-appraisal form revised in 2012 which is recommended by SET to cover all facets of the Board's performance and to fit the Company's business characteristics and conditions. The self-appraisal forms are divided into 3 parts; namely, the collective self-appraisal form, the committee appraisal form and the individual self-appraisal form. The following evaluation criteria is based on a total score for each item. The Board self-assessment will be sent to the Corporate Secretary to evaluate and summary a total score:

1. "excellent" for the score between 90-100
2. "very good" for the score between 80-89
3. "good" for the score between 70-79
4. "moderate" for the score below 69

The score results and the Board's recommendations for each evaluation criterion will be employed for further improvement.

Collective Self-Appraisal

The collective self-appraisal form comprises of 6 sections; namely, (1) The Board's roles, duties and responsibilities including risk management, internal control, ethical code of conduct and performance monitoring (2) Structure, composition and independence of the Board (3) The Board meetings and meeting participation (4) The relationship with the Management (5) Evaluation and compensation of the Board (6) The Management' evaluation, compensation and succession plan. The result can be concluded that the Board has performed its duties in compliance with the good corporate governance principles and the code of conduct. The Board has actively taken

part in establishing the company's policy, vision, business plan as well as annual budget. The structure and composition of the Board are appropriate and the board meetings were arranged efficiently with the average score of 97 which is considered an excellent level. The Board agreed on site visits at the shareholders' company or other businesses with similar characteristics for further improvement in EGCO Group's strategic planning and solutions to problems affecting the Company's targeted achievements, Directors' development plan, Management plan as well as succession and remuneration schemes.

Committee Appraisal

The Committee appraisal comprised of 4 committees; namely, the Audit Committee, the Investment Committee, the Nomination and Remuneration Committee and the Corporate Governance and Social Responsibility Committee. Their performance evaluation is a self-evaluation survey conducted in line with good corporate governance principles and their specific duties and responsibilities covering 4 areas as follows: (1) structure and composition of the committee (2) roles, duties and responsibilities (3) the committee meetings and meeting participation (4) the committee's performance. From the survey result, it can be concluded that the Nomination and Remuneration Committee, the Investment Committee and the Corporate Governance and Social Responsibility Committee have an appropriate structure and have deliberately performed their duties and responsibilities in accordance with the company's best practices. The details of their scoring are as follows:

- Investment Committee 95%
- Nomination and Remuneration Committee 98%
- Corporate Social Responsibility Committee 98%

As for the Audit Committee appraisal which is conducted annually, the collective self-appraisal approach has been employed. Their performance will be evaluated by a survey conducted in line with SEC's requirements which divided into 2 parts (1) the overall performance and (2) the specific tasks. The result of the Audit Committee self-appraisal in 2014 indicated that "NO" and "Have not done" were not found in the answers to any questions. The survey result was also reported in the Board's meeting for acknowledgement in the meeting no. 12/2014 on December 15, 2014. It could be concluded that the composition, qualifications and performance of the Audit Committee are in line with the requirements stated in, SET guidelines, international best practices and duties prescribed in the Audit Committee's Charter.

Individual Self-Appraisal

The individual self-appraisal form comprises of 5 topics as follows: (1) strategic thinking and corporate governance (2) experience and competence in Company's business and personal abilities (3) independence (4) self-preparation as a Director (5) Self-development as a Director. Most of the scores of the individual self-appraisal in all areas exceeded 99% which can be concluded that the Directors have appropriate qualifications, deliberately performed their duties and responsibilities in accordance with the Company's best practices and code of conduct.

5.4 Performance Appraisal of the President and Management

The President's performance is collectively appraised by non-Executive Directors against the corporate goals as well as the individual's competencies. Indicators for consideration include:

- Qualitative indicators such as leadership, relationship with the Board, risk management and internal control, human resources management, good corporate governance and business's code of conduct
- Corporate achievement based on the company's key performance indicators
- Capabilities to enhance business development

The Nomination and Remuneration Committee is responsible for endorsing the performance appraisal of Senior Executive Vice Presidents and Executive Vice Presidents based on their individual achievement against the specified performance indicators.

5.5 Remuneration for Directors and Management

EGCO has set Directors' remuneration at an appropriate rate which is comparable to that of the leading companies in the same business sector. The remuneration comprises of 3 parts: the regular retainer fee, meeting allowances and bonus which will be given once a year and tied to Shareholder's value to the company. The Nomination and Remuneration Committee is responsible for giving their recommendations on the remuneration scheme to be endorsed by the Board before proposing to the shareholders' annual meeting for approval. It is EGCO's policy to disclose each Director's remuneration. Directors who serve as a committee member are also entitled to earn extra remuneration to match their increased responsibilities. Executive director is not entitled to any director remuneration.

The non-executive directors are responsible for identifying the remuneration scheme for the President by taking into account the performance appraisal the remuneration of companies in the same industry and the Company's remuneration structure. EGCO periodically conducts the survey concerning the management remuneration to ensure that its payment rate is comparable to the market and adequate enough to attract and motivate the qualified executives.

The remuneration of Directors and Management has been explained in details under the topic of "the Remuneration of Directors and Management" in "Shareholding and Management Structure" section.

5.6 The Development of Directors and Management

The Board pays close attention to continuous development of Directors and Executives. In 2014, the following development plans have been implemented to foster Directors' efficiency and effectiveness.

The Development of Directors

The continuous development is encouraged for all Directors:

New directors: Directors' orientation is arranged to prepare new Directors with the first-hand information of the company together with the governing laws and regulations and the opportunity to meet the Management team for in-depth insight of the company's business. The Directors' manual is updated to equip newcomers with knowledge about EGCO Group. Directors are also encouraged to attend training programs hosted by the Institute of Thai Directors (IOD).

Existing directors: The Board encourages continuous development including attending outside trainings by the Institute of Thai Directors. In 2014, EGCO arranged a site visit at Khanom Power Plant 4 in Nakorn Si Thammarat and other renewable energy power plants abroad to enhance Directors' understanding in power business and future trend.

EGCO's Directors are; in fact, well-rounded and have distinguished knowledge on Company's business to perform their duties and responsibilities as Directors. The list of directors who attended the IOD courses as well as in-house training and outside institutes until the end of December, 2014 is shown in Table 2 "the Directors' training".

Management Development and Succession Plan

The Board oversees to ensure that EGCO has implemented the management development program to improve knowledge and skills to perform their duties more efficiently and to assign appropriate and challenging jobs.

The Board determines policies and criteria in selecting the President and his/her successor in the event of any emergency or the retirement of the President. The selection process is fair and transparent and the candidates will be assessed from their education, experience, competency, ethical values and leadership. The Nomination and Remuneration Committee is accountable for the President's nomination.

The President is entrusted to select the well-rounded, competent and experienced Executives in accordance with the qualifications identified by the Nomination and Remuneration Committee. The appointment of the executives follows the company's regulations on Work Rules 2007 and the resolutions of the Board were as follows:

- The Nomination and Remuneration Committee shall approve the appointment of Senior Executive Vice President, Executive Vice President and other Executive positions equivalent to EGCO's executive vice president level or higher in the company's subsidiaries and/or joint ventures that EGCO has the authority to do so.
- The President shall approve the appointment of the Division and Section Managers.
- The Board shall appoint the Corporate Secretary according to the recommendation of the Nomination and Remuneration Committee. In addition, the nomination of the Internal Audit Manager must be approved by the Audit Committee.

The Nomination and Remuneration Committee has assigned the Management to prepare the succession plan for 19 positions of senior executive vice president and executive vice president along with the executive development plan to guarantee the qualified employees will be ready for succession so as to facilitate the company's business expansion as well as reduce the risk related to quality employees. Employees at the managerial level and above are considered the target group of succession. After acquiring such employees, EGCO will proceed with the individual development plan

for executives; namely, improve weaknesses, strengthen strengths and promote growth in career path. Steps on the establishment of EGCO's succession plan are described as follows:

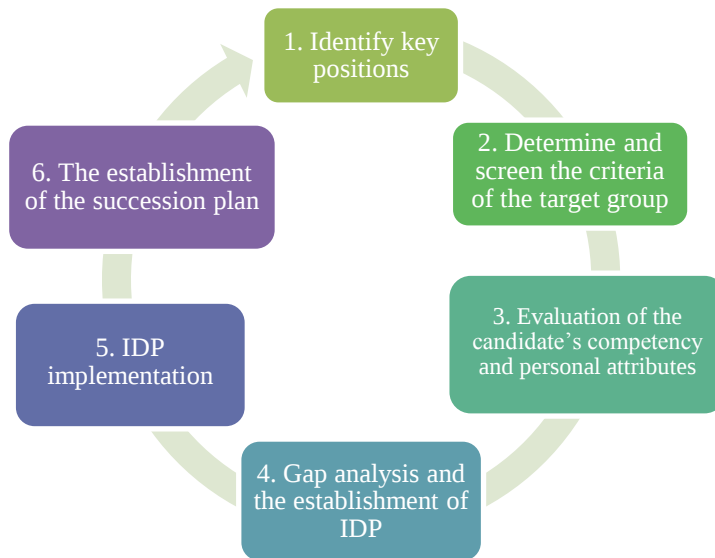


Table : List of Directors who attended the courses at IOD and outside institutes

Director	Courses													
	Role of Chairman Program	Directors' Certification Program	The Civil Service Executive Development Program	Audit Committee Program	Financial Instrument for Directors	Director Accreditation Program (DAP)	Audit Committee and Continuing Development Program	Monitoring the System of Internal Control and Risk Management	Monitoring Fraud Risk Management	Monitoring the Quality of Financial Reporting	Monitoring the Internal Audit Function	Risk it all	National Defence College	Anti-Corruption for Executive Program (ACEP)
Mr. Sombat Samtijaree Chairman	/	/												
Mr. Thanapich Mulapruk Independent Director		/				/	/	/	/	/	/	/		
Mr. Bandhrit Sotthipalalit Independent Director														
Pol.Gen. Pansiri Prapawat Independent Director		/												
Mr. Somphot Kanchanaporn Independent Director		/	/						/				/	
Mr. Pongstorn Kumanusorn Independent Director		/		/										
Mr. Chotchai Charoenngam Independent Director		/*												/*
Mr. Piboon Buacham Director		/												
Mr. Mongkol Sakulkao Director		/												/*
Mr. Kulit Sombatsiri Director		/												
Mr. Toshiro Kudama Director														
Mr. Satoshi Yajima Director														
Mr. Shunichi Tanaka Director														
Mr. Yasuo Ohashi Director														
Mr. Sahust Pratuksukul President		/			/							/		

* Attended in 2014

9.2 Standing Committees' Structure

For the Board utterly study and inspect significant issues and matters, the Board assigns directors with knowledge and expertise to be the members of the Board Committees namely Audit Committee, Investment Committee, Nomination and Remuneration Committee, and Corporate Governance and Social Responsibility Committee. The structure, duties and responsibilities as specified in the Charters of Board Committee are described in the Section 8: Management.

9.3 Nomination of Directors and Top Management

1) Director Selection and Appointment

EGCO endeavors to select capable directors to govern the company, designate the corporate policies and business plans for the benefit of EGCO and shareholders. With respect to this, EGCO puts an emphasis on the director nomination and selection process taking into account the following qualifications and experiences in considering each individual candidates.

1. Legal requirement and regulations and notifications of SET and SEC regarding the directors' qualifications,
2. Directors' qualifications prescribed in Directors' Code of Conduct namely honesty, virtue, initiative and achievement, excellence, accountability, justice, independence, equality of shareholder opportunity,
3. Knowledge and experiences beneficial to EGCO's business,
4. Trainings and experience in corporate governance and policy making,
5. Determination to represent the best interests of all shareholders, and
6. Willingness to devote time and effort to contribute to EGCO's development.

The Nomination and Remuneration Committee is responsible for the recommendation of prospective nominees, whether shareholders' representatives or independent directors, for the Board's approval, considering the appropriate mix of skills and experiences required by the Board, which shall periodically be reviewed to fit the situation. Appointment of directors to succeed the retiring directors must be individually approved at the shareholders' meeting according to the voting guidelines in the Articles of Association as follows.

1. Each shareholder shall be entitled to the number of votes equivalent to the number of shares held by him/her; one share shall have one vote.
2. Each shareholder shall elect one or more directors, provided that they shall not exercise their votes in excess of the number of directors required at such time.
3. In a case that a shareholder elects more than one director, s/he may exercise all the votes s/he has, provided that s/he may not split his votes among any such persons.
4. The persons receiving the highest number of votes in respective order shall be appointed directors depending on the requirements of directors set at such time. In the event that a number of persons receive an equal number of votes for the last directorship, the Chairman of the meeting shall have a casting vote.
5. Directors must be appointed by the vote not less than four-fifth of the shareholders present and having the right to vote.

To ensure that shareholders have adequate information to make their decision, EGCO provides details of director nominees including education background, occupation, directorship in other companies, relevant experiences, and illegal acts committed (if any) in the notice of shareholders' meeting. In case of the re-election, the attendance records and performance during the past year are also provided.

In the case of casual vacancies, the Nomination and Remuneration Committee will nominate qualified candidates for the Board's approval at the subsequent meeting. The directors who fill the vacancy shall retain the office for only the remaining term of office of the directors whom s/he replaces. The resolution of the Board in this respect shall be not less than three-fourth the votes of the remaining directors.

Right of Minority Shareholders

To ensure that EGCO treats shareholders equitably, the Board encourages minority shareholders to make recommendation on the director candidates and suggest AGM agendas between September 1 to December 31, 2013 with clear and transparent procedures as posted on EGCO website.

2) Management Selection and Appointment

The Board determines policy and guidelines for selection of the President as well as the position succession policy in the event of an emergency or the retirement of the President. Along with clear and transparent process, President's qualifications include educational background, experiences, capabilities, ethics and leadership. The Nomination and Remuneration Committee shall consider and propose the qualified candidates to the Board.

Meanwhile, the selection of other executives follows the qualifications and selection process stated in EGCO Regulation on Human Resource Management and the resolution of the Board as follows.

1. The Nomination and Remuneration Committee approves the appointment of Senior Executive Vice President, Executive Vice President, the subsidiaries' Managing Director and Deputy Managing Director.
2. The President shall appoint the division and section managers. The appointment of corporate secretary, Board's secretary and assistant secretary shall be approved by the Board while the appointment of Chief Internal Audit shall be endorsed by the Audit Committee.

9.4 Corporate Governance of Arm-Length Relation with Affiliate, Subsidiary and Joint Venture Companies

To enhance the competent functioning of the holding company regarding the proper return on equity, the Board of Director thus promulgated the Regulation on Principle of Arm-Length Relation with Affiliate, Subsidiary and Joint-Venture Companies as follows.

- The arm-length relation with the Affiliate, Subsidiary and Joint-Venture Company shall be exercised by the Board of Directors via the policy through the directors nominated by EGCO or Affiliate Company and being in directorship of such company.
- The Board of Directors will nominate the representative of EGCO or Affiliate Company, whose qualification have not been prohibited by any laws relevant to public

or private company or applicable regulation to be the directors of Subsidiary Company.

- The Board of Directors will prescribe the duties of the representative of EGCO or Affiliate Company in the capacity of directors of Affiliate, Subsidiary Company or any Joint Venture Company which at least 25% of equity owned by EGCO or Affiliate Company as below.
 - Cause to be made the regulation controlling the management of such company as to affecting the efficient operation.
 - Get the advance concurrence from the Board of Directors upon the substantial matter of event. Should there be any urgent matter which the immediate action is required, such matter shall be duly reported to the Board of Directors in the first occasion.
 - The matter to be concerned by the Board of Directors in advance shall include:
 - The appointment or removal of Managing Director or Deputy Managing Director
 - The remuneration of Managing Director
 - The promulgation or amendment of any substantial corporate regulation
 - Increase or decrease of registered capital
 - Any business that needs new investment
 - Any business having conflict of interest or being competitive with those of EGCO or any other Affiliate, Subsidiary or Joint Venture Company.
 - Diversification from the core business
- The Board of Directors prescribes the Principle of appointment of delegate attending the shareholders meeting and the duties of such delegate.
 - The Managing Directors of EGCO or Affiliate Company shall be the delegate attending the shareholders meeting. However, in case where such person be not able to attend the meeting, the delegation shall be made to a competent permanent staff.
 - The duties of delegate shall be as follows:
 - To vote or waive in any matter as recommended by the Board of Directors.
 - To get concurrence from the Board of Directors in advance upon the following matters:
 - Appointment or removal of any Director.
 - Remuneration of directors.
 - Promulgation or amendment of corporate document.
 - Increase or decrease of registered capital.
 - Approval of the balance sheet and the profit and loss statement.
 - Expansion of operation beyond the core business

9.5 Prohibition of Abusive Conduct by Insiders

EGCO has set up the written guidelines in the code of conduct for directors and employees to prohibit improper insider trading and abusive conduct by insiders to ensure fairness to all shareholders.

Directors

- Directors must not make improper use of information acquired by virtue of the directors' position.
- Directors must not disclose matters such as trade secrets, or sensitive business information to outsiders.

- Directors, spouses and minor children must not buy or sell EGCO shares while in possession of internal information, which, if disclosed publicly, would be likely to materially affect EGCO share price.
- Directors must not provide to anyone any information which is not publicly available and which would have a material effect on the price or value of EGCO's securities.

Employees

- Employees shall at all times observe the rules and regulations issued by SET, SEC and other governing laws which include the equitable information disclosure to shareholders and the public.
- Information disclosure to the public that will affect the business and EGCO's stock must be approved by the President. Only the President or the assigned personnel is authorized to disclose such information.
- The Corporate Communications Division, the Corporate Secretary Division and the Investor Relations Division are responsible for disclosing EGCO information to the public while it is the responsibility of the information owner to provide the fact sheets.

EGCO also sets the policy that Management and employees who have the inside information relating to financial statements must refrain from their own security trading within 45 days before and 24 hours after the information disclosure. For other significant inside information, they must refrain from security trading from the day of acknowledgement until 24 hours after disclosure to public. In addition, EGCO has put in place the internal control system to prevent the leakage of any information before the public disclosure. Such measure is a part of significant risk management. Supervisors also have the responsibility to ensure that the measure to safeguard inside information is effective. Using the undisclosed inside information for own or others' benefits of security trading is considered violating the code of conduct

9.6 Audit Fee for the Year 2014

Audit Fee

In 2014, EGCO and its subsidiaries paid the audit fee of 4,528,700 baht to the Office of the Auditors, comprising EGCO's and subsidiaries' audit fees of 2,186,700 baht and 2,342,000 baht, respectively. No other audit fee had been paid to the auditors or related parties to the auditors and the Auditors' office.

Non-Audit Fee

EGCO's and subsidiaries' total non-audit fee was 14,350,791 baht, 26,008 US dollars and 70,006 Australian dollars which was already paid of 12,682,541 baht, 21,508 US dollars and 70,006 Australian dollars. In addition, EGCO and its subsidiaries would also be responsible for the expenses of undelivered work of 1,668,250 baht and 4,500 US dollars. The details of the non-audit fee were as follows:

1. Payment to the Office of the Auditors:

In 2014, the non-audit fee for the accounting purpose review, the accounting valuation, BOI auditing and the special purpose review at EGCO and its subsidiaries offices was 720,700 baht which was already paid of 52,450 baht to the Office of the Auditors. In addition, EGCO and its subsidiaries would also be responsible for the expenses of undelivered work of 668,250 baht.

2. Payment to Other Related Parties of the Auditors' Office:

In 2014, the non-audit fee for the advisory services on offshore investment structure, the special purpose review and accounting review was 13,630,091 baht, 26,008 US dollars and 70,006 Australian dollars which was already paid of 12,630,091 baht, 21,508 US dollars and 70,006 Australian dollars to other related parties of the Auditors' office. In addition, EGCO and its subsidiaries would also be responsible for the expenses of undelivered work of 1,000,000 baht and 4,500 US dollars.

Management agreed that the engagements of the office of the Auditors and its related parties to provide the non-audit work did not involve any conflict of interest or any review of their own work which would contaminate the independence judgment of the auditors, and. This has been approved by the Audit Committee.

Standing Committee Reports

Audit Committee's Report

The Audit Committee of EGCO consists of independent directors who are knowledgeable and experienced in law, accounting and finance, management and energy business as follows.

- | | |
|------------------------------|----------|
| 1. Mr. Thanapich Mulapruk, | Chairman |
| 2. Mr. Pongstorn Kunanusorn, | Member |
| 3. Mr. Somphot Kanchanaporn, | Member |

The Audit Committee has performed its duties assigned by the Board, as prescribed in the Audit Committee Charter which aligned with the regulations of the Stock Exchange of Thailand (SET) regarding Audit Committee's Qualification and Scope of Duties and Responsibilities B.E. 2551 and regularly reported the committee's meeting resolutions to the Board of Directors.

In 2014, the Audit Committee held 16 meetings, with details of the meeting attendance shown in article: Corporate Governance Report 2014

In carrying out its duties, the Audit Committee had expressed the opinions that;

1. EGCO's financial reports were accurate, complete, and reliable.
2. EGCO's internal control systems were appropriate and adequate.
3. EGCO had fully complied with the Securities and Exchange Acts, SET regulations as well as other governing laws
4. EGCO's auditors were qualified, knowledgeable and independent.
5. Information disclosure of the connected transactions or any conflict of interest was accurate and adequate.
6. In performing its assigned duties, the Audit Committee viewed that its composition, qualifications, and responsibilities aligned with the Audit Committee's Charter.
7. Enhanced the good corporate governance by providing the channel for shareholders and employees to directly access the Audit Committee in reporting complaints or suspect in financial reports or internal control systems. The Whistleblower system has been set up as well.

Summary of the Audit Committee's Activities:

Review of financial statements

- Reviewed the quarterly and annual financial statements for 2014 with the external auditors and the Management. The Audit Committee also asked the auditors on the accuracy and completeness of the financial statements and significant adjustments which effected the financial statements to ensure that the financial statements complied with the generally accepted accounting principles and that the information

disclosed in the financial statements were adequate, accurate, reliable, and complied with governing laws and regulations.

- Considered the adoption of the new accounting standards being effective for January 1, 2014, the new interpretation and amendments to accounting standards, the revised accounting standards and financial reporting standards, and interpretations of Thai Financial Reporting Interpretations Committee and Thai Standard Interpretations Committee relating to EGCO Group.
- Reviewed the Management Discussion and Analysis (MD&A) with the Management to ensure its accuracy, completeness, adequacy and that the disclosed information benefitted the investment decision of the shareholders and investors.
- Held exclusive meetings with the external auditors in the absence of the Management to ensure their independence.
- Considered other services performed by the audit firm's group companies for EGCO Group and determined that the scope of work and service fees were not significant to potentially influence the independence of the auditor.

Review of the internal control systems

In the Board's meeting no. 1/2015 on January 26, 2015 attended by 3 members of the Audit Committee, the Board assessed the internal control by considering the internal control assessment result reviewed by the Audit Committee. After considering EGCO's 5 components of internal control according to COSO which are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring including the result of the answers to SEC's internal control assessment form, the Board agreed with the Audit Committee that

1. The internal control system of EGCO was considered appropriate and adequate. Sufficient staffs were assigned to uphold the internal control system and that the internal control system was properly set to monitor the subsidiaries' operations in order to safeguard EGCO's and subsidiaries' assets from misuse or unauthorized use by the Directors or the Management.
2. In the recent year, the Audit Committee and the Board had not received any significant finding of internal control system reported by the external auditors and internal audit division.

Oversight of Internal Audit

- Approved the scope of work and annual audit plan which included management audit.
- Reviewed the internal audit report of the Internal Audit Division, which was directly reported to the Audit Committee.
- Reviewed budget, manpower, the professional development of internal auditors, KPI and performance assessment of Chief Internal Auditor to ensure the Internal Audit Division's independence.

Compliance Review

Reviewed with the Management to ensure that EGCO's activities were conducted in compliance with the Securities and Exchange Acts, SET Regulations as well as other governing laws. It also acknowledged the representation statements of the employees and management up to the President for the year 2014 that their respective tasks and duties well complied with the governing laws.

Review of Connected Transactions

Considered the connected transactions or any transactions that may cause conflict of interest to comply with rules and regulations of SET and that such transactions were reasonable, best beneficial to EGCO and approved by authorized persons having no interest in such transactions.

Review of Risk Management

Reviewed with the Management the risk management policy, execution and risk management guidelines. Also recommended the alignment of the risk management plan with and the strategic plan in presenting to the Board of Directors.

Review of Good Corporate Governance

- Further enhanced EGCO's good corporate governance practices such as providing the channel for employees and shareholders to direct their complaints, reports on suspected violation of laws and Code of Conduct and questions about the financial statements and internal control systems by email to the Audit Committee via auditcommittee@egco.com. Whistleblower system was also set up.
- Considered and acknowledged the compliance statement on Code of Conduct, of which employees represented to his/her managers up to the President while Managing Directors of subsidiaries represented to the President, in his capacity as the company's chairman, and the President signed to the Chairman of the Board of Directors. The representation process and the content of the statement ensured that EGCO's compliance with Code of conduct and relevant laws were well regarded.

Audit Committee's Self-Assessment

Conducted its annual self-assessment using the Audit Committee's self-assessment form which aligned with SET's guidelines. The 2014 assessment which resulted that composition, qualifications, and performance of the Audit Committee well aligned with the Audit Committee Charter and the SET's guidelines, were reported to the Board.

Review of the Audit Committee Charter and the Internal Audit Regulation

Reviewed the Audit Committee Charter in the Audit Committee's meeting no. 13/2015 on October 27, 2014 and endorsed the company's regulation regarding Internal Audit for the Board's

approval, to ensure that its assigned duties were achieved and that its performance aligned with international and SET best practice and appropriated for EGCO's business.

Appointment of the external auditors

Reviewed the auditors' performance and was of the opinion that auditors from the audit firm, Pricewaterhouse Coopers ABAS Ltd., (PwC) performed their duties independently and satisfactorily, well qualified with extensive experiences and would therefore propose the appointment of Mr. Somchai Jinnovart Certified Public Accountant (Thailand) No. 3271, Mr. Vichien Khingmontri Certified Public Accountant (Thailand) No. 3977, and Ms. Amornrat Pearmpoonvatanasuk Certified Public Accountant (Thailand) No. 4599 of PwC as 2015 EGCO's auditors to the Board of Directors, to further submit for the shareholders' approval.

Mr. Thanapich Mulapruk
Chairman of the Audit Committee

Nomination and Remuneration Committee's Report

EGCO's Nomination and Remuneration Committee (NRC) consisted of 5 members, most of which were independent directors with Mr. Satoshi Yajima as the Chairman of the Nomination and Remuneration Committee; Mr. Piboon Buacham, director; Pol. Gen. Pansiri Prapawat, independent director, Assoc.; Prof. Dr. Chotchai Charoenngam, independent director, and Mr. Phaiboon Siripanoosatien, independent director (in service until April 23, 2014). With respect to this, Mr. Bandhit Sotipalalit was appointed as a NRC member to succeed Mr. Phaiboon Siripanoosatien, with effect on April 23, 2014.

In 2014, 8 NRC meetings were held to perform the tasks assigned by the Board of Directors as stipulated in the NRC Charter. The average attendance ratio of NRC members is 95%. As such, the main detail of the NRC's 2014 performance could be summarized as follows:

1. New Director Nomination and Director Remuneration

The recommendation of director nominees for the Board of Directors' approval in case of casual vacancy, and for the shareholders' appointment in case of director retirement by rotation. The NRC provided the right to the shareholders to nominate directors according to the procedures and guidelines. The selection of director nominees was performed, considering the qualifications, knowledge, competencies, required skills, experiences, various field of expertise, professionalism and the time commitment to the Company's activities, including vision, positive attitudes towards the Company which would contribute to the efficient oversight of the Company.

Additionally, the NRC considered board size, structure and composition appropriately with due care and through the fair and transparent selection process to support the good corporate governance and efficient management. Furthermore, the NRC recommended directors' remuneration for Board and subcommittees based on their duties, responsibilities, performance of the previous year, yet comparable to the companies of the same size and industry in order to ensure the justified remuneration and motivate the capable directors to perform their duties in an attempt to achieve the Company's targets and direction, tied to the long term benefits of the Company, and to build trust with the shareholders.

2. Management Appointment, Succession Plan and Employee Remuneration

The NRC's main responsibilities also covered the appointment and performance appraisal of the Company's executives at Executive Vice President and Senior Executive Vice President levels and the Company's compensation schemes to be comparable to the market and to attract and retain the competent employees as well as to boost up the employees' morale. This year, the NRC concentrated especially on EGCO's management succession plan and the employees' individual development plan to be in line with the Company's business plan and in preparation for future growth in the Asia Pacific region.

In this annual report, the guideline for 2014 selection of directors and executives along with their remuneration is disclosed. In this regard, the NRC opined that the remuneration was justified, conformed to their responsibilities and followed the remuneration guidelines and policy approved by the Board.

Mr. Satoshi Yajima
Chairman of the Nomination and Remuneration Committee

Corporate Governance and Social Responsibility Committee's Report

The Corporate Governance and Social Responsibility Committee ("CC Committee") was appointed comprises 5 directors being 3 independent directors, 1 non-executive director and the President. The CC is chaired by Mr. Chotchai Charoenngam, with 4 members, namely Pol. Gen. Pansiri Prapawat, Mr. Bandhit Sotipalalit who was appointed to replace Mr. Phaiboon Siripanoosatien, effective from April 23, 2014, Mr. Kulit Sombatsiri serving the CC Committee until September 25, 2014, and later being replaced by Ms. Puangthip Silpasart, effective from January 1, 2015 and Mr. Sahust Pratuknukul, President.

The CC Committee performed its duties as assigned by the Board of Directors in setting up EGCO's good corporate governance policy and corporate social responsibility policy with the ultimate objectives of the equitable treatment to every stakeholder, leading to the sustainable development of EGCO and the society as a whole.

In 2014, 3 CC meetings were held to perform the assigned tasks with the attendance percentage of 98. The meeting attendance of each member is shown in Shareholder and Management Structure.

The CC Committee's activities could be summarized as follows:

1. Good Corporate Governance

The CC Committee reviewed the good corporate governance policy and practices of EGCO Group focusing benefits of every stakeholder and elevating EGCO's corporate governance practice with the reference of the Good Corporate Governance Principles for Listed Companies 2012, issued by SET, Corporate Governance Rating Criteria by Thai Institute of Directors and ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). As a result, the CC endorsed the revision of EGCO Group's CG policy and practices as follows:

- Directors and their relevant persons were required to inform to the Corporate Secretary of their intention to trade their shares at least one day in advance;
- Financial institutes were encouraged to attend the Company's shareholder meetings;
- A minimum quorum during board decision was set at 2/3 of the total number of the directors; and
- EGCO Group's Anti-Corruption policy and measures were revised to prepare itself for the certification by Collective Action Coalition against Corruption as approved by the Board in the meeting no. 10/2014.

With respect to this, such revision is written in EGCO Group's Corporate Governance Principles.

2. Corporate Social Responsibility for Sustainable Business Operations

The CC Committee followed up the master plan for EGCO's Corporate Social Responsibility ("CSR") Projects for year 2012 -2015 which comprised projects for communities nearby power plants and projects for society and environment as well as the communication plan. Therefore, the Company's CSR activities were depicted in its Sustainability Report for year 2013 using Global Reporting Initiative (GRI) as reference. Besides, EGCO Group's operation, taking into account the responsibility towards economy, society and environment was communicated through the Sustainability Report in printing and electronic media, including the Company's website. Moreover, the company continually disseminated 3-month "Suk Jai" newsletters to communicate EGCO Group's operation and CSR activities. The newsletters aimed to be another communication channel with the local communities to communicate information regarding EGCO Group's power plants and power generating process from each kind of fuel as well as to create understanding of EGCO's business.

Additionally, the CC Committee endorsed objectives and main issues on sustainable business by focusing on the accountability for stakeholders as well as increasing positive and also reducing negative impacts from EGCO's business. EGCO has optimized main objectives and indicators in order to operate its business effectively and lead to the utmost benefits of all stakeholders and the sustainability of the organization as well as society as the whole.

Mr. Chotchai Charoenngam
Chairman of the Corporate Governance and Social Responsibility Committee

Anti-Corruption Policy

EGCO Group is strongly committed to prevent and resist any forms of corruption whether directly or indirectly. To ensure that the business activities which might be potentially involved to corruption will be carried out care and diligence, EGCO Group has established the “Anti-Corruption Policy” in a written document and enforced the Company itself as well as the Company’s subsidiaries to strictly adhere to the policy at all times. The mission is to promote and preserve the corporate culture that “Corruption is an unacceptable act in our business conduct whether it will be with the government or the private sector.”

Anti-Corruption Guidelines

1. The Board of Directors and employees at all levels must conform to anti-corruption policy and code of conduct. They must not get involved or participate directly or indirectly in corruption for the benefit of the Company, their family, their acquaintances and themselves.
2. Giving or accepting gifts, hospitality or entertainment has to be done in an open and transparent manner.
3. Donations and sponsorship should be provided with a clear objective and in an open and transparent manners. Such donation should be audited at any time. Political contribution must be transparent and in compliance with applicable laws and regulations.
4. Employees at all levels must refrain from soliciting bribes whether directly or indirectly to any government officials, government agencies, representatives from both government and private sectors in order to favor each other’s benefits.
5. Employees at all levels must refrain from accepting bribes whether directly or indirectly from any government officials, government agencies, representatives from both government and private sectors in order to obtain agreements or business contracts. The Company bases its procurement process on transparency and strict adherence to the Company’s regulations.
6. Employees at all levels are responsible for immediately notification of any wrongdoings or traces of malpractice to their supervisors or any person in charge as well as cooperating in the investigation. If there are any doubts or concerns, they shall seek consultation from their supervisors or the responsible persons through various provided channels.
7. The Company must fairly treat and protect whistleblowers. Such employee must not suffer any demotions, penalties, or be affected in a negative way. The Company will strictly comply with the whistleblower protection policy as indicated in the Company’s guidelines and directions for whistleblowing.
8. Any employee violating the anti-corruption policy is subject to disciplinary actions as prescribed in the Company’s regulations and orders as well as be punished according to relevant laws and regulations.

9. The Company is well aware of effective communication and promotion of the anti-corruption policy and compliance aiming to educate and create understanding to the Board of Directors, employees and other concerned parties.

Scope of Responsibility

1. The Board of Directors is responsible for establishing and imposing policies as well as supervising to ensure that every executive and employee recognizes the importance of anti-corruption and instill it as a corporate culture.
2. The Corporate Governance and Social Responsibility Committee is entitled to screen and review the anti-corruption policy and practices, provide useful recommendations so as to put these policies into practice.
3. The Audit Committee is responsible for monitoring compliance with anti-corruption measures, review the measures as well as relevant internal control system.
4. The President and senior executives are required to promote and support the anti-corruption policy and honest business operations. In addition, they must avoid any actions which might cause corruption or any violation. Also, they must act as a role model for all employees and relevant parties in following the Company's code of conduct.
5. The Good Corporate Governance Working Team is entitled to assess corruption risks and mitigation measures, prepare, review and revise the anti-corruption policy and practice to suit with current situations. Then, the Committee shall present these policy and practices to the Corporate Governance and Social Responsibility Committee and the Board of Directors for further consideration and endorsement as well as disseminate and communicate the approved policy for employees' acknowledgement.
6. The Internal Auditor is responsible for auditing and reviewing the business operations to ensure its compliance with the Company's practices, authority, regulations or any obligatory laws. The activities of the Internal Auditor is to ensure that the Company has put in place appropriate and adequate internal control systems to respond to impending risk of corruptions. The Internal Auditor, then, must make a report to the Audit Committee.

I, hereby, declare that this anti-corruption policy must be strictly complied by the Company and its Subsidiaries.

Announced on January 26, 2015

(Mr.Sombat Sarntijaree)
Chairman

10. Corporate Social Responsibility

Accountability for Stakeholders

Directions & Strategies

EGCO Group recognizes the importance of conducting its business with the responsibility and consideration for all stakeholders, whether they will be an individual or an organization that might be affected positively or negatively by its operations. EGCO Group is also committed in giving a fair treatment to all stakeholders by emphasizing on appropriately identifying the stakeholders based on changing business operations format or increasing business expansions. The company continuously reviews stakeholders' requirements and expectations to ensure its fair treatment to all stakeholders. Responsibility towards stakeholders and implementation guidelines were declared in a written statement as well as published in the company's website for the acknowledgement of all concerned parties.

EGCO Group's Stakeholders



1. Shareholders

Shareholders and investors relations

EGCO has designated the Investor Relations Unit to be responsible for providing accurate, sufficient and prompt information to shareholders, investors and analysts equally. Shareholders and investors can also share their comments by contacting the unit directly at 0 2998 5147-8 or ir@egco.com. Besides, EGCO has provided various communication channels and activities for shareholders, investors and the company's senior executives as described below.

- **Investors and executives meeting**
EGCO organizes quarterly meetings for investors and analysts to report its operating results in which the Managing Director, Deputy Managing Director and senior executives will regularly participate in such events.
- **Power plant visits**
EGCO organizes shareholders and investors' visit to the company's power plants to create a better understanding about its business operations and to provide a chance to meet the company's executives. This event is open to all shareholders to register for attendance on the Annual General Meeting. In 2014, shareholders and investors were

invited to visit the Solarco power plant in Nakornphatom province as well as provided useful information and knowledge about the plant. Furthermore, in 2014, EGCO also invited analysts and investors to visit Theppana Wind Farm power plant in Chaiyaphum.

- **Company's roadshow**
In 2014, EGCO participated in various roadshows to meet individual and institutional investors, both domestic and overseas including events arranged by SET, Tisco Securities Public Company Limited, Phatra Public Company Limited and SET in the City 2014 held by SET.
- **Newsletter**
EGCO issued its quarterly "LIFE" magazine to the shareholders. The newsletter's contents encompass news, operating results, activities, company's calendar and other useful insights. Shareholders can obtain the company's news and information through e-mail alerts from the company's website.
- **EGCO's website**
EGCO broadcasts its roadshow information, quarterly operating results, analyst meeting's video clips via webcast on the company's website, available in both Thai and English version immediately after the meeting is over.

In addition, EGCO regularly updates its website so that shareholders and investors can have an easy access to prompt and accurate information which include the followings:

1. Previous and latest share price
2. List of analysts who publish their reports on EGCO's share price
3. Analysts' meeting schedule

2. Employees

Fully aware that its employees are the key factor to the organization's long-term success and sustainability, EGCO Group focuses on the well-being of its employees and their competency development. In 2014, EGCO Group established policies for human resources development by emphasizing business knowledge and understanding for employees at all levels so that they can cope with business expansion and feel proud of themselves as being a member of the organization. The company classifies its responsibility for employees into 5 major areas as follows:

- **Compensation and benefits**
EGCO Group sets its compensation system based on job position, responsibility and employees' competence and provides them with benefits and welfare based mainly on individual necessity, appropriate reasons and principles. The annual increase in employees' salaries at every job level will be considered primarily on 2 major components as follows:
 - The organization's success, salary increase rate of other companies in the same industry as well as economic condition of that particular year
 - Individual performance and perseverance

All of these are to ensure that employees are fairly remunerated and to maintain competent employees with the company.

Moreover, EGCO Group constantly studies, analyzes and compares compensation and benefits with other organizations in the same industry to guarantee that its employees receive proper compensation, benefits and welfare comparable with the industry. In 2014, EGCO cooperated with HR Power Network consisting of human resources units from 14 different electrical companies to exchange ideas and information on human resources management, especially on the issue of employees' compensation and benefits.

In addition, EGCO had set up the new Welfare Committee which takes 1-2 years position during 2014-2015. The Welfare Committee is comprised of volunteer employees to monitor, follow up and provide recommendations to enhance the efficiency of welfare management, which in turn, enabling the company to respond satisfactorily to employees' needs at every level as well as promote favorable relationship between the company and its employees

- Competency development and career advancement

EGCO's business expansion as an electricity generator and provider as well as new business investment in energy provides employees with the opportunity to advance within their chosen profession. Apart from compensation and benefits, the company also promotes employees' career path in alignment with their knowledge and competency. Moreover, the company established the promotion system in line with its human resources management policy whereby the importance of employees is emphasized and the promotion is considered by the committee who collaboratively select and voice their opinions. Besides, EGCO is also committed to increasing employees' competency to respond to the company's growth and expansion.

In 2014, the company organized a training program to enhance knowledge and skills for junior executives and employees. The program encompassed general knowledge about electricity business such as conditions and operations of electricity industry, necessary skills such as presentation skills, management skills and leadership in order to apply them in real working situations. Besides, EGCO also promotes executives and employees to prepare an individual development plan to align with their career advancement in the future.

- Employee relations

EGCO Group realizes the importance of individual and teamwork; therefore, organizational values and culture are embedded among employees to promote acceptance and respect towards individual differences. This, in turn, will lead to effective collaboration and teamwork among employees.

It is the company's belief that good relationship is one factor stimulating employees to work satisfactorily. When employees are happy and have competence appropriate with their job resulting from continuous training and development, their performance will be more efficient as well. The company's operations will eventually succeed as expected.

In 2014, EGCO Group organized the following activities to strengthen relationships among its employees.

- **Communication Day:** a quarterly semi-formal gathering in which executives and employees meet to share their opinions, news and any movements both inside and

outside organization. Employees will be given an opportunity to present, exchange ideas as well as ask the executives questions.

- **Sports Day:** an annual activity regularly held in December to strengthen relationship among employees through sports activities such as bowling.

In addition, EGCO also organized other activities to promote internal relations within the company; namely, New Year's party, religious and cultural activities such as the ceremony of offering robes to monks and the Kathin ceremony. In 2014, the company made merits with 9 temples in the area surrounding its power plants and also promoted employees' club activities such as photo club, Dharma club, golf club and sports and recreation club.

Meanwhile, in 2014, EGCO Group also communicated its news, information, organization's movements in business, social responsibility and internal activities through different channels; for example, electronic mail, intranet, bulletin boards, posters and mobile phones to exchange information between the company and its staffs.

- Safety, occupational health and work environment

EGCO Group realizes the importance of safety issues, occupational health and work environment by establishing "EGCO Group's standards and manuals on safety issues, occupational health and work environment" for the company and its power plants to uphold. EGCO is committed to create a safe and pleasant work environment for both employees and other related parties by taking all measures to eliminate possible risks from accidents, injuries and sickness caused by work. Besides, EGCO also encourages consciousness, awareness and understanding of safety, occupational health and pleasant work environment for all staffs and other relevant parties.

In 2014, EGCO Group organized an annual health check-up for its employees including fire drills, exhibition to stimulate employees' awareness on safety issues. The company also set up a monthly meeting of the committee responsible for the safety, occupational health and work environment to monitor and follow up the company's operations on these specific matters.

- Participation in community and social development activities

EGCO Group believes in encouraging employees' competency and value through participation in community and social development activities. Employees will be encouraged to collaborate with the community surrounding the company's power plants to initiate projects that help promote and preserve their quality of life. Volunteer employees participate in projects for improving the quality of life for community near the power plants as well as attend activities that promote learning of energy and environment among children and the conservation of watershed forests. These projects are aimed at promoting collaboration between EGCO's staffs and other private and public sectors including communities.

In 2014, EGCO's employees continued to participate in 58 projects for community and society; for example, volunteer staffs in EGCO's Thai Rak Pa Youth Camp Project, volunteer in the management and construction of hydroelectric power plant project, lecturer in maintenance techniques for hydroelectric power plant in "One Watershed,

One Source of Energy” Project, lecturer in power generation from various types of fuel to educate young people in “Energy for Life on Tour” under “Energy for Life...How to Fight Global Warming with Sustainable Living” and electrical system repair for communities’ project etc.

3. Customers

EGCO Group is proud of its roles, duties and responsibilities as a power generator and distributor for the Electricity Authority of Thailand (EGAT) and industrial users and as an energy service provider in terms of operation, maintenance, engineering and construction. The company also provides training to power as well as industrial plants, both domestically and internationally. In addition, EGCO undertakes responsibility as water producer and distributor to Provincial Waterworks Authority (PWA) by adhering to the principle of reliability, fairness and promotion of good relationships. In 2014, EGCO implemented in the following business:

Power business: EGCO Group continues to generate and sell quality electricity at the required quality and conditions prescribed by EGAT and industrial consumers in order that customers will have enough electricity for use in their business operations. EGCO Group’s power plants have higher plant availability that that specified in the Power Purchase Agreement and also higher than the annual target.

Energy service business: EGCO Group can maintain customers’ satisfaction in the “excellent” level. Customer satisfaction survey shows that customers are satisfied with the company’s service and performance.

Water business: EGCO Group puts a strong emphasis on “quantity” and “quality” in providing water to PWA in Rachaburi and Samutsongkram provinces. In 2014, EGCO Group could provide water up to the amount required by customers, which was 35,634 cubic meters per day, higher than the contracted amount of 35,400 cubic meters per day. Quality of water generated is higher than the industrial standard. A survey conducted by the Department of Health, Ministry of Public Health between 2012-2014 certified that water produced by Egcom Tara is “drinkable”.

4. Suppliers and Contractors

EGCO Group realizes the importance of “suppliers and contractors” as business partners that help promote sustainable development. The company aims at treating all suppliers and contractors with fairness and equality and ensuring mutual benefits. In 2014, the company did not have any legal disputes with suppliers and contractors.

5. Creditors

EGCO Group endeavors to ensure its compliance with the loan provision and to correctly and completely disclose the company’s financial status. In 2014, the company complied with every condition required by creditors and there was no event of default.

6. Competitors

EGCO Group conducts its business on a fair play basis. The company does not violate any laws or regulations to take advantage of competitors. EGCO Group provides useful insights concerning rules and codes of conduct to benefit all concerned parties. The company will not employ any disgraceful approach such as bribery in order to gain competitive advantage, get competitors’ confidential information or make false

accusations to discredit their reputation. In 2014, there was no dispute or claim against EGCO Group from any competitors.

7. Community

EGCO Group emphasizes on living harmoniously with communities; therefore, it commits to take part in promoting and improving the quality of life of communities surrounding its power plants by focusing on their needs and participation. The company's policy regarding community and society encompasses the following:

- Job opportunities
- Skills development
- Facilities development
- Promotion of learning among young people
- Conservation of natural resources and environment

In 2014, EGCO Group showed its responsibility towards community by hiring local people and more than 80% of contractors and staffs are local labors in the area near the power plants. EGCO Group implemented 58 projects including 9 projects of skills development, 12 projects to promote good hygiene, 14 projects to develop infrastructure, 13 projects to promote learning among youth and 10 projects concerning natural resources and environmental conservation.

As for social responsibility, EGCO Group realizes the importance of promoting learning of energy and environment to younger generation. The company is well aware that learning should start from early childhood, especially the promotion of consciousness in appreciating the value of natural resources which is the prime factor of all sorts of energy. Therefore, EGCO Group continues its "Energy for Life...How to Fight Global Warming with Sustainable Living" Project in collaboration with Energy Policy and Planning Office, Ministry of Energy and Office of the Basic Education Commission under the Ministry of Education. This project aims to provide young people with comprehensive knowledge of electrical energy. In 2014, the company implemented the "Energy for Life on Tour" activity to educate students about electricity as well as set up the "2014 Student Project" competition in order to encourage children from 60 participating schools to apply their knowledge in a science project that emphasizes on analytical thinking, problem solving and real life application.

Furthermore, EGCO Group considers media as an important medium to communicate with all stakeholders and public. Thus, the company stresses on disclosing news and information to media on the basis of fairness and truthfulness. Information and news disclosed must be update and based primarily on media's requirements. Therefore, the company divides its responsibility and media participation into 4 major areas as follows:

- Communicate the organization's news and movements
In 2014, EGCO Group held 4 press releases relating to its business performance and future directions, 5 executives' special interviews, a youth camp activity in cooperation with the media, 23 public relations articles in which the target groups comprise of shareholders, investors and general public, the dissemination of information relating to the company's responsibility towards society especially its role as the lecturer on electricity power for young children in rural areas. In 2014, EGCO published 525 news for media, comprising of 349 business related news and 176 social responsibility related news.

- Participate in educate and enhance understanding in electricity industry and business
In 2014, EGCO Group, in collaboration with the media, successfully produced a short documentary about electricity power situation in Thailand, the procedure of generating power from renewable energy; for example, hydroelectric power, solar power, wind power including the capability in developing Thailand's renewable energy.
- Media relations
EGCO Group strongly believes in good relationships with media which will bring about mutual acceptance and trust. In 2014, the company implemented various activities to promote good relations with the media; for example, supporting the seminar or conference aimed at improving the media's competency and knowledge of electricity industry and business, participating in the New Year's party with the media as well as joining in the celebration of media's founding day.
- Community and society development
With the belief that everybody can participate in developing a better community and society, the EGCO Group has always supported social activities the media innovated and implemented. In 2014, the company supported 3 educational and public utility activities for people in rural areas, an activity to promote youth's learning and competency development as well as an activity to promote health consciousness for general public.

Review of the Specification of EGCO Group's Stakeholders

In 2014, EGCO Group reviewed its specification criteria for all stakeholders, taking into account the effects the stakeholders bring to the organization and vice versa. These effects include the effects on economics, society and environment. The company has categorized another 4 groups of stakeholders by differentiating them more clearly. These 4 groups comprise of business partners, contractors, government sector and non-governmental organizations as the company's stakeholders. The company's expectation and direction for this group of stakeholders will be described as follows:

Stakeholders	Expectation	Direction for participation
Business partner	• Financial strength • Personnel's knowledge and expertise • Fair and transparent business operations • Integration of each organization's strength for mutual benefit	• Meeting • Company's visit • Complaints filing and channels for submitting complaints, suggestions and recommendations
Contractors	• Operate business as a good business partner and maintain good relations • Fair and ethical treatment as well as emphasizing on mutual benefits	• Meeting • Company's visit • Complaints filing and channels for submitting complaints, suggestions and recommendations
Government Sector	• Compliance with relevant laws, rules and regulations	• Meeting • Company's visit

	• Management of environment and community • Prevention of unethical conducts and support business operations on the basis of fairness • Disclosure of correct, completed and adequate information	• Complaints filing and channels for submitting complaints, suggestions and recommendations
Non-governmental Organization	• Business operations with the least impact on community and environment • Participation in environmental and community development • Disclosure of correct, completed and adequate information	• Meeting • Company's visit • Complaints filing and channels for submitting complaints, suggestions and recommendations

Currently, EGCO Group is in the process of developing operating directions for these 4 groups of stakeholders as well as specifying their involvement in EGCO's business and improving their operation to be more systematic in the future. All of these are to assure that EGCO Group has performed its duties responsibly, fairly and in compliance with stakeholders' expectations.

Sustainable Business Operations

Management Directions

For EGCO Group, sustainable business operations mean a continuous and steady growth as well as long-term persistency with acceptance and trust from stakeholders and general public.

As the first independent power producer in Thailand, EGCO Group realizes the importance of power generating business as a major factor in strengthening the stability of electricity system both in Thailand and in every country the company operates its business. The company is dedicated to become the leading Thai company with sustainable business operations and responsibility towards environmental and social development. EGCO Group emphasizes on the systematic and continuously developed management on the basis of good corporate governance and responsibility to all stakeholders and had stated this mission in a written document. The principal of good corporate governance and responsibility to stakeholders have been disclosed on the company's website.

Policies for Sustainable Business Operations

1. Environmental Policy

The company has the strong intention to operate its business to ensure its adherence to social responsibility by setting its core issues as follows:

- Manage its business with the goal to prevent any negative impacts to the environment and operates in compliance with laws.
- Develop operation procedure as prescribed by international standards as well as review and regularly evaluate the company's performance
- Foster and encourage employees and other relevant parties to be responsible for the environment
- Maintain the environment and biodiversity within the area of operation to create balance in ecology system
- Participate in minimizing green-house effect gases which affects the climate change
- Exchange knowledge and experiences with other organizations to continuously improve efficiency

2. Occupational Health and Safety Policy

The company believes that occupational health and safety issues are its major responsibility and a main factor of its sustainable growth and development. Therefore, the company established the codes of conduct to facilitate working conditions for all employees and other concerned parties. Business ethics regarding health and safety issues are stated as follows:

- Prevent work-related risks such as accidents, injuries and sickness by engaging employees' participation as well as limiting and controlling risks caused from careless behavior.
- Cooperate with the government sector and other relevant parties in controlling emergency or accident caused by fast, efficient and careful behavior.
- Conform to laws and regulations regarding safety issues, enforcing reliable safety measures and standards in case there is no applicable law or regulation available.
- Design tools and equipment as well as guidelines, operation plan and training to educate employees to receive adequate news and information concerning safety procedures so as to prevent any injuries or accidents caused by machines or operation process.
- Employees who work while having drugs or alcohol in the amount that may cause harmful incidents at work must be penalized.

3. Human Rights Policy

The company specifies the Board of Director, executives and all employees to respect the principle of human rights at all times.

- The company encourages all employees to exercise their rights within the criteria prescribed by law and constitution.
- The company strictly keep employees' personal information such as biography, health record and work experience with the utmost discretion and confidentiality. Disclosure or transfer of employees' information to the public can be done only after obtaining permission from that employee. Without the permission of such employee, it will be considered a violation of the code of conduct and may result in

some disciplinary actions except when it is done in accordance with the company's regulations or legal requirements.

- The company will not, at all times, supports any business that violate human rights policy and bribery.
- All employees must not violate or abuse other people whether by words or by actions on the basis of nationality, gender, religion, age and physical or mental disabilities.

4. Intellectual Property Policy

The company will comply with the legal requirements on intellectual property and copyrights. Using the work or information that belong to a third party requires proper checking to prevent violation of intellectual property.

- Work resulting from compliance with duties will be considered the company's intellectual property.
- On the resignation day, employees must return every intellectual property including any works and inventions to the company.
- Employees using the company's computer have to use it only with the software authorized by the copyright's owner and must use that software only at work and only for the company's purpose to prevent the violation of intellectual property.
- Using the third party's works or information requires careful checking in order not to violate the intellectual property code of conduct.

5. Anti-Corruption Policy

Anti-Corruption Policy is disclosed in Section 9: Corporate Governance.

6. Whistleblowing Policy

The company sets up the policy for whistleblower program and complaints for any wrongdoings or bribery actions of both its staffs and other stakeholders. The company also puts in place measures to protect the whistleblowers so as to keep reported information and their identity confidential and will be acknowledged only among responsible parties.

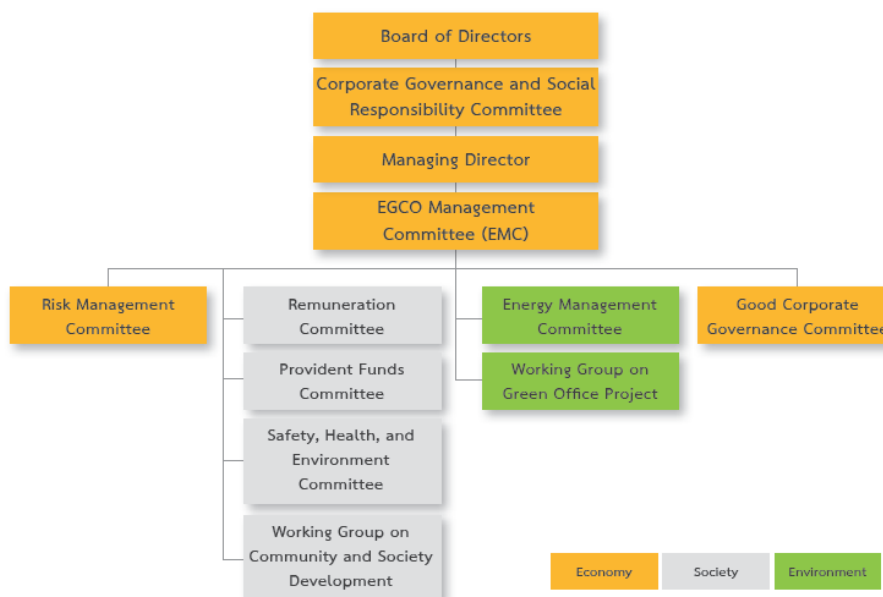
The Management Structure for Sustainable Business Operations

EGCO Group has established the management structure for sustainable business operations to monitor its operations in compliance with prescribed guidelines and policies for the Board and the executive level to adhere to as well as to guarantee that the operations of the Group is efficient and continuously developed and improved.

As for the Board level, EGCO Group has set up the Corporate Governance and Social Responsibility Committee as a sub-committee to monitor the company's sustainable business operations.

For the Management level, EGCO has set up the unit responsible for monitoring sustainable business operations in the area of economics, society and environment. This unit shall report directly to EGCO Management Committee (EMC) which consists of the President acting as the Chairman of the Committee, Senior Executive Vice Presidents and Executive Vice Presidents

from every business units as the Committee's member. The EMC structure is described as follows:



Follow up and Monitoring of Sustainable Business Operations

According to the guidelines of sustainable business operations, EGCO Management Committee (EMC) is responsible in specifying practices for sustainability by taking into account all stakeholders in their decision making process and the company's business operation procedures. EMC shall communicate such practices to Board of Directors or each working committee, set up the scope of responsibility to relevant personnel, follow up and evaluate their performance in each area on a regular basis.

As for the company or power plants that EGCO owns less than 50% share, EGCO has monitored their sustainable business operations through such company's Board of Directors in which EGCO's Management were assigned to be that company's or power plant's Board of Director and are responsible for monitoring and directing their sustainable business operations.

Criteria for sustainable business operations and roadmap of EGCO Group

EGCO Group has put a strong emphasis on sustainable business operations by comparing its current performance with SET guidelines as well as international standards on an annual basis. In 2014, the company aimed at integrating sustainability issues into its corporate plan and also developing management format, specifying goals, indicator and action plan more clearly and efficiently. Therefore, the company had set a 5-year operation plan and roadmap (2014-2018) which can be separated into 6 steps as follows:

Step1: Compare current business operations with SET guidelines as well as international standards in the area of sustainability and present these issues to the company's management.

Step2: Exchange opinions between the Management and experts in sustainable development and social responsibility.

Step3: Review and specify the organization's stakeholders as well as their expectations.

Step4: Consider negative and positive impacts of the company's business process on all stakeholders.

Step5: Propose other important issues to the Management and Good Corporate Governance and Social Responsibility Committee.

Step6: Specify important issues of sustainability indicated in the roadmap so as to identify goals, indicator and action plan.

Evaluation Results on Sustainability

1. Good governance and business ethics
2. Anti-corruption and bribery
3. Human rights policy
4. Product and quality control
5. Local employment
6. Prevention of the company's effect on community and society as well as participation in community and social development
7. Environmental management
 - 7.1 sustainable use of natural resources
 - 7.2 management of greenhouse gas impact
 - 7.3 prevention and restoration of biodiversity

EGCO Group's 5-year Roadmap for Sustainability (2014-2018)

EGCO Group has selected issues that have important implications to its business operations and every stakeholders. The company has integrated these issues in its roadmap to further develop goals, indicator and action plan with the purpose to encompass the area of economy, society and environment for the security of electricity system and the steady growth of the society at large which will be described as follows:

Roadmap					
Issues	2014	2015	2016	2017	2018
Stable economy in electricity power business	• maintain availability payment of power plants				
	• expand the investment by generating electricity from different types of fuel				
	• operate machines and maintain power plants in a good condition				
Sustainable environment	• preserve the efficient use of power plants' fuel				
	• invest in power plant project				
	• conserve natural resources and biodiversity				
Strong community and society	• develop employees' competency and encourage them to have social responsibility				
	• employ local people				
	• participate in the development of quality of life for communities surrounding the power plants				

EGCO Group has specified goals and indicators for each area of sustainability by comparing with past performance. The company is currently in the process of improving its goals and indicators to conform to international standards and to be comparable to other leading companies in the same industry.

Materiality Assessment

EGCO Group has evaluated the materiality assessment by applying GRI Reporting Principles for Defining Report Content as follows:

1. Identify materiality assessment by considering both negative and positive impacts of the company's business operations on all stakeholders, business characteristics, sustainability in electricity industry, expectation of stakeholders by conducting a survey in which the respondents will reply via different communication channels, last year's sustainability report and opinion sharing with other experts in the industry.
2. Prioritize materiality assessment by taking into account the stakeholders' viewpoint on the importance rating of that particular issue in terms of its impact level, the diversity of such impact, the expectation in problem solving and disclosing information.
3. Prioritize materiality assessment by considering the importance of that particular issue in terms of impending risk on the company's business operations, long term impact on the organization and the opportunity that the company may benefit from this issue in the long run, all of these will be conducted by the Management.
4. Present highly significant issues such as sustainability topics and operations in the company's annual report. The less important issues will be presented directly to each group of stakeholders via EGCO's website or other communication channels.
5. Review the content of the report comparing with relevant criteria of the report to ensure its compliance with the principal of good quality report.

Classification of the Report's Scope

High Importance on stakeholders	• Participation in the development of community and society • Protection and restoration of biodiversity • Climate changes	• Good corporate governance • Responsibility towards the company's products • Occupational health and safety • Environmental management
		• Human resources development • Value chain management
Low	Importance on the organization	
		High

Practices for Sustainable Development

EGCO Group always conduct its business with the emphasis on the responsibility towards communities, social and environmental concern as well as its stakeholders. The Company's annual report is based on the Materiality Assessment which covered economy, environment, community and society aspects and presented in areas being Operational Excellence, Responsibility towards the Environment and Responsibility and Competency Development for Employees aligning with the good corporate governance policies and standards prescribed by SET and SEC as well as the framework of the Global Reporting Initiative (GRI G4)

1. Operational Excellence

EGCO Group continues to develop its business in response to the company's sustainable growth and to adhere to its principle of conducting business with social and environmental responsibility as well as operational excellence aiming to enhance its competitiveness. The company focused on the efficiency of commercially operated power plants and management of projects under construction and development to comply with the specified schedule and budget. Also, EGCO consistently seeks business expansion opportunity which in turn, helps create trust and confidence among stakeholders and general public. The company continuously provides satisfactory shareholders' return through risk management process. Listed below are significant policies and guidelines that EGCO Group and its subsidiaries must adhere to in order to ensure their sustainable growth and development.

1.1 Continuously seek new opportunities

EGCO is strongly committed to continuously build and develop its electricity business. Thus, the company has set its goals in building the sustainable growth and development by seeking investment opportunities for the company's long-term success. With the changing situations in terms of economy, society, environment, constant changes in the government agencies' policy as well as increasing competition in the electricity business of various private agencies, EGCO Group has therefore reviewed its business directions and adjust its strategies from recent IPP focus to considerably expand its business opportunity in SPP and VSPP business. Renewable energy power plants also gained weight in EGCO's investment as well as the investment in Asia and Asia-Pacific region..

As for the business expansion abroad, EGCO Group realizes that the structure of its electricity industry, including economic, social and environmental conditions differ from countries to countries. Therefore, EGCO has studied and analyzed every facets of procedures, regulations, competitions as well as taken into consideration the social and environmental contexts before investing on any projects. The company has co-invested with local business partners by possessing few shares in the beginning so as to understand and get accustomed to the electricity business condition in that particular area before planning on its further investment or expansion.

EGCO Group has consistently expanded its business investment to cover the Asian and Asia-Pacific Region for many years. In 2014, the company was able to expand its investment in 2 power plants overseas; namely, Mazinloc coal-fired power plant, Sambales province, Luzon Islands, Philippines with the total electricity capacity of 241.2 megawatts as indicated in the PPA and Star geothermal power plant in Indonesia which comprises of 2 main units with 110 megawatts for the first unit and 117 megawatts for the second unit. The electricity capacity as specified in the PPA and EGCO's shares equal 45.4 megawatts. This amount confirms that EGCO has continued to invest in the Asian and Asia-Pacific region such as Australia, Laos, Philippines, Indonesia which equals to 19 % of all its production capacity.

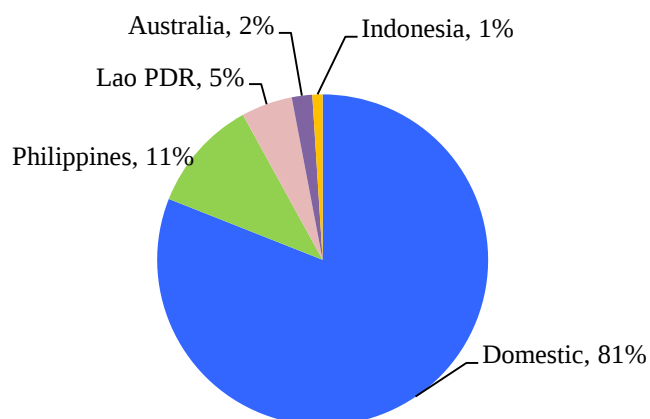


Figure 1: Ratio of overseas power plants compared with EGCO's overall production capacity.

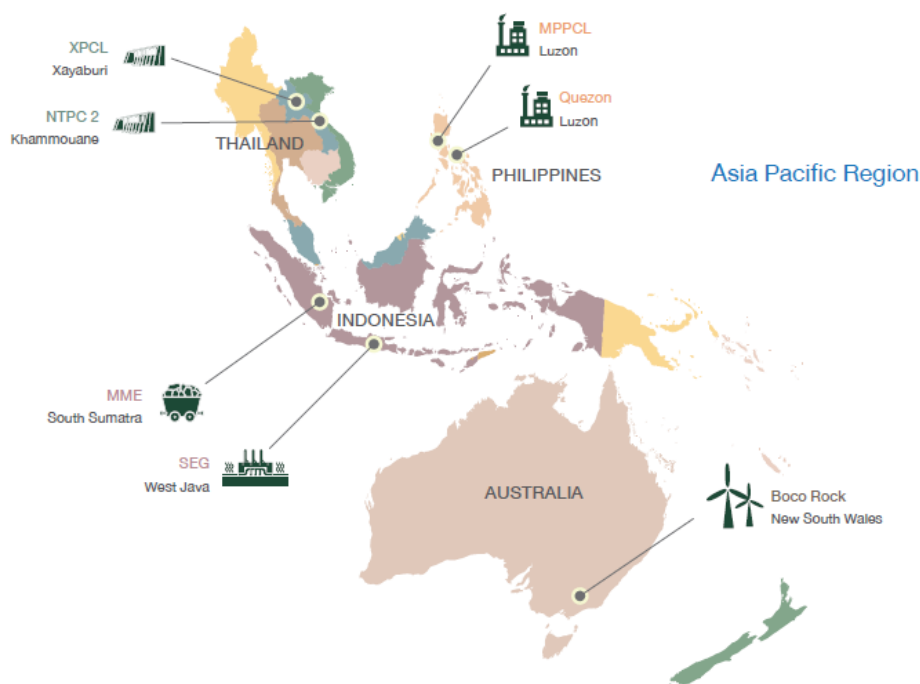


Figure 2: Map of EGCO's investment in overseas power plants

1.2 Management of projects under construction and development

An important strategy EGCO always emphasizes on and considered as a major success factor for the organization is the management of its power plants which are under construction and development to be efficiently completed and commercially operated on the commercial operation date ("COD"). EGCO places a strong emphasis on the prevention and the reduction of negative impacts that might occur to the communities surrounding the power plants. Therefore, in the EPC Contract, EGCO will state clearly that every contractor must conform to preventive measures as prescribed in the Environmental Impact Assessment (EIA) as well as

comply with laws, regulations and guidelines specified by monitoring agencies. Also, the company must prepare monthly performance report for all participating parties to closely monitor its project's construction and development.

In 2014, EGCO has 8 power plants under construction and development with the total production capacity of 1,709.25 megawatts. Nonetheless, every ongoing projects have progressed according to the construction and development plan and EGCO expects to commence their commercial operations within the time limit.

Table 1: EGCO power plants under construction and development (Year 2014)

Power Plant	Location	Fuel Type	Equity	Contracted Capacity by proportion of shareholding (MWe)	COD
1.Boco Rock Wind Farm Pty limited	Australia	Wind	100%	113.00	November 2014
2.GIDEC Company Limited	Songkhla	Waste	50%	3.25	December 2014
3.Khanom 4	Nakhon Si Thammarat	Natural Gas	100%	977.00	2559
4.Chaiyaphum Wind Farm Company Limited	Chaiyaphum	Wind	90%	81.00	2559
5.Banpong Utilities Company Limited (TP Cogen)	Ratchaburi	Natural Gas	100%	125.00	2560
6.Banpong Utilities Company Limited (SK Cogen)	Ratchaburi	Natural Gas	100%	125.00	2560
7.Klongluang Utilities Company Limited (TJ Cogen)	Pathumthani	Natural Gas	100%	125.00	2560
8.Xayaburi Power Company Limited	Lao	Hydropower	12.50%	160.00	2562

1.3 Management of Commercially Operated Assets

EGCO is strongly committed to develop the electricity business by employing the efficient management system, coupled with concern and responsibility for communities, society and environment surrounding all power plants EGCO has been operating. For the past year, EGCO emphasized its business strategies by expanding investment in new projects, while at the same time, continued to manage the project under the construction and development phase to progress as specified plan and budget. After the power plant can operate commercially, the next operation which EGCO deems important is the management of power plant (asset) commercially operated both domestic and abroad to generate electricity with the highest efficiency. Furthermore, EGCO realizes the importance of financial management and power plant's operation to guarantee its highest performance and to benefit all shareholders which ultimately will help the company to achieve its obligation in building sustainable growth.

Currently, EGCO business can be categorized into 4 main groups as follows: Independent Power Producer Group (IPP), Small Power Producer Group (SPP), Very Small Power Producer Group (SPP) and Overseas Power Producer Group. Each type of power plant uses different types of technology; for example, water energy, heat energy, cogeneration energy, solar energy and wind turbine power. Different types of fuels used vary as well such as natural gas, coal, rice husk and rubber wood. Therefore, in order to manage the power plant to operate most efficiently, different knowledge and understanding are truly necessary. EGCO also hired employees with high expertise and skills in power plant operation, coupled with effective management covering all aspects such as economy, society and environment. These factors have a direct impact on the company's sustainable growth and development in the long run.

In 2014, EGCO had 24 commercially operated power plants both domestic and abroad, with the production capacity of 5,149.76 megawatts, of which EGCO's net electricity output sold to EGAT under PPA was 3,879.86 megawatts. When compared to the country's overall output of 35,843 megawatts, the ratio of EGCO's production capacity referred to 11% of the country's overall production capacity.

Table 2: EGCO Commercial Operation Date Power Plants for EGAT (Year 2014)

Power Plant	Location	Fuel Type	Equity	Installed Capacity by proportion of shareholding (MWe)
Independent Power Producer : IPP				
1. Rayong Power Plant	Rayong	Natural Gas	100.00%	1,232.00
2. Khanom Electricity Generating Company Limited	Nakhon Si Thammarat	Natural Gas	100.00%	759.00
3. Gulf Power Generation Company Limited	Saraburi	Natural Gas	50.00%	717.00
4. BLCP Power Limited	Rayong	Coal	50.00%	755.00
			Total	3,463.00
Small Power Producer : SPP				
5. EGCO Cogeneration Company Limited	Rayong	Natural Gas	80.00%	93.60
6. Roi-Et Green Company Limited	Roi-Et	Biomass	70.30%	6.96
7. Gulf Cogeneration Company Limited	Saraburi	Natural Gas	50.00%	55.00
8. Samutprakarn Cogeneration Company Limited	Samutprakarn	Natural Gas	50.00%	63.00
9. Nong Khae Cogeneration Company Limited	Saraburi	Natural Gas	50.00%	63.00
10. Gulf Yala Green Company Limited	Yala	Biomass	50.00%	11.50
			Total	293.06
Renewable Energy				
11. Natural Energy Development Company Limited	Lopburi	Solar	33.30%	21.00
12. SPP Two Company	Saraburi	Solar	100.00%	8.00

Power Plant	Location	Fuel Type	Equity	Installed Capacity by proportion of shareholding (MWe)
limited				
13. SPP Three Company limited	Srisaket	Solar	100.00%	8.00
14. SPP Four Company limited	Boundary between Srisaket and Ubon Ratchathani	Solar	100.00%	6.00
15. SPP Five Company limited	Roi Et	Solar	60.00%	8.00
16. G-Power Source Company Limited	Nakhon Sawan/Chainat/Phetchaboon	Solar	100.00%	15.60
17. Theppana Wind Farm Company Limited	Chaiyaphum	Wind	90.00%	6.75
18. Solarco Company Limited	Nakhonpathom/Suphanburi	Solar	49.00%	27.93
19. GIDEC Company Limited	Songkhla	Waste	50.00%	3.25
			Total	104.53
Oversea				
20. Nam Theun 2 Power Company Limited	Lao PDR	Hydropower	35.00%	380.38
21. Quezon Power (Philippines) Limited Company	Philippines	Coal	98.00%	492.45
22. Masinloc Power Partner Co., Ltd. (Philippines)	Philippines	Coal	40.95%	257.94
23. Star Energy Geothermal Pte. Ltd.	Indonesia	Geothermal	20.00%	45.40
24. Boco Rock Wind Farm Pty Limited	Australia	Wind	100.00%	113.00
			Total	1,289.17
Net Total of Installed Capacity by proportion of shareholding (MWe)				<u>5,149.76</u>

2. Responsibility towards the Environment

Electricity business is among the industries that directly impact the global warming. In 2014, EGCO Group's power plants using natural gas fuel in electricity generation discharged carbon dioxide gas equaled to 0.46 kilogram carbon dioxide equivalent per kilowatt-hour (kgCO₂/kWh). Meanwhile, EGCO is fully aware that apart from a strong emphasis on pursuing growth, responsibility towards the environment, community and society is always to be adhered to. Consequently, to relieve the effect of global warming, EGCO concentrated its investment more on renewable energy; for example, solar energy, wind turbine energy, water energy and biomass energy. We believed that the power generation from renewable energy can reduced certain impact to climate change. Data and information used in this report was collected and assessed for consistency and completeness by the center and reviewed before compiling into the report by the data owners. Moreover, to follow the transparency and accountability policy of the company, the report was endorsed by the Corporate Governance and Social Responsibility Committee.

2.1 Climate Changes

Nowadays, Climate changes directly affect the global warming and unpredictable natural disaster which are increasingly violent. EGCO; therefore, realizes the importance of this problem and understands that electricity generation process is a major factor in releasing greenhouse gas from fossils used in producing electricity. Consequently, it is the company's mission to take part in showing its responsibility to society and environment so as to lessen the global warming effect which is so detrimental to human beings, animals as well as the environment. Since 2011, EGCO has invested more budget in renewable energy power plants which can relieve the effect of global warming from electricity generation by fossils. In 2014, EGCO power generation from renewable energy totalled 637 megawatts equity which were Hydropower (358.05 MWe), Wind(119.21 MWe), Solar(94.53 MWe), Geothermal(45.40 MWe) and Biomass(19.54 MWe), as shown in Figure 3

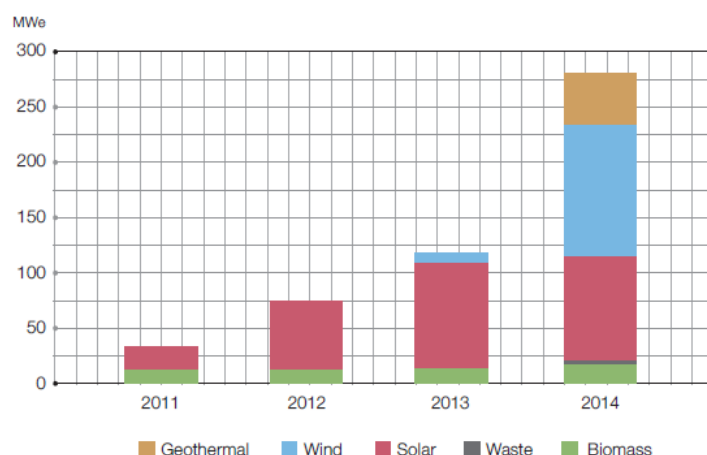


Figure 3: Ratio of EGCO's renewable energy power plants

2.2 Value Chain Management

Electricity generation is the activity that uses a lot of resources, which may cause the change of way of living of the community, where the EGCO power plants are located. EGCO always emphasizes in the participation and the strengthening of the community and society. EGCO is well aware of the sustainable environmental conservation while strongly committed in conducting efficient electricity generation business to ensure security to the country's electricity system for sustainable living. Therefore, EGCO has the measures for Fuel, Water and Waste Management, as details below

2.2.1 Fuel Management

EGCO emphasizes on creating shared value by using resources in the most efficient manner while generating highest benefits. Fuel is one of the natural resources used in generating electricity, EGCO then, is committed to use the least fuel in producing electricity per unit. This helps reduce the use of fossil which is the major factor causing global warming and helps lessen the negative impact on the environment. Besides, using the least fuel will, in turn, help reduce the cost of electricity generation which represent the shared value that will ultimately benefit every stakeholder.

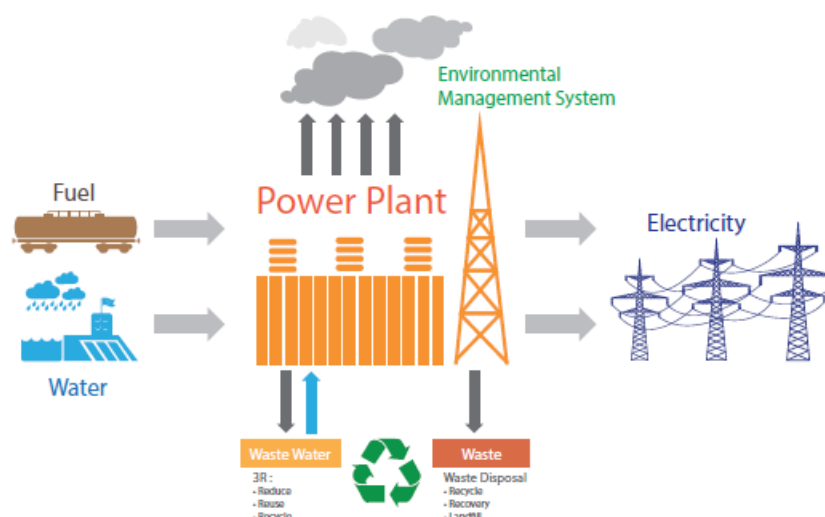


Figure 4: Value Chain Management of EGCO Group's Power Plants

2.2.2 Water Management

Raw water is one of the most important resources in electricity generating process. EGCO establishes the efficient water management system by encompassing 3R Principles: **Reduce**, **Re-use** and **Recycle**. In addition, EGCO takes into consideration the impact of its water usage towards the amount of water required by communities surrounding the power plant for the fair benefits of every stakeholders. In 2014, the total water consumption of EGCO Group's power plants amounted to 612,574,730.5 cubic meters (m^3), which was recycled at the amount of 1,852,259.75 m^3 . Water released from power plants after being treated was 600,890,269.84 m^3 .

2.2.3 Waste Management

EGCO also puts an emphasis on waste management resulting from electricity generating process, which is based primarily on 2 important methods that comply with laws and regulations; namely, **recovery** and **recycle**. For example, the BLCP power plant in which EGCO has 50 % shares sets its operation plan by reducing expenses in ashes elimination process by recycling them in other industries or operations such as fly ashes, which can be sold to the cement production industry whereas bottom ashes can be sold to produce concrete blocks for land filling and adjusting road surfaces. Ashes are considered as waste from coal-based electricity generation process. BLCP power plant sets its target to reduce expense of ash elimination at the total amount of 76.5 million baht in 2016.

Nevertheless, from EGCO Group's efforts in managing the value chain mentioned above resulting in the creation of mutual values among its business, society and environment which is considered as the Company's successful social responsibility alongside with the commercial return of the business.

3. Environment Management

EGCO is strongly adhered to social and environmental responsibility in electricity generating business which depend upon natural resources as major raw materials. Consequently, EGCO always emphasizes on the significance of environment management with highest efficiency as well as controls the negative impact resulting from the company's business operations. Thus, EGCO has prescribed all power plants to conform to the environmental measures as specified in the Environmental Impact Assessment (EIA), including laws, regulations and international standards regarding environment management. In addition, EGCO has prepared the performance report on the impact control of the electricity generating procedure; for example, air pollution management, noise pollution management, water management, waste management and afterwards has delivered these reports to all relevant agencies every 6 months. This is considered the standard practices which EGCO Group's power plants have to strictly adhere to at all times. Besides, all power plants must continuously improve their environment management to achieve highest efficiency both for short-term and long-term as well as emphasize on the importance of the quality of life of the communities surrounding the power plants to be able to live sustainably together.

In 2014, In 2014, the EGCO power plants using natural gas as the primary fuel discharged carbon dioxide gas equaled to 0.46 kilogram carbon dioxide equivalent per kilowatt-hour (kgCO_2/kWh). Nevertheless, the environmental indicators such as air quality, water quality, waste management all conformed with the governing laws and regulations and that there was no claims or charges against EGCO from the communities surrounding its power plants. (Detailed figures are shown in the performance data at the end of this report).

Besides, the environmental management at EGCO Group's power plants, EGCO also implemented measures at its head office being Green Procurement and Efficient Utilization and Consumption of Energy, as details below.

3.1 Green Procurement

EGCO always emphasizes on Green Procurement by establishing policies and guidelines that promote environmental friendliness. The company also stresses on using environmental friendly products with approved Green Label in order to reduce nonrenewable resources consumption and pollutions affecting human beings and environment. In addition, EGCO has instilled the organizational values in conserving natural resources and environment. In 2014, EGCO's head office provided highly efficient blade server system for office use as this system helps save energy and can respond appropriately with the organization's usage.

3.2 Efficient Utilization and Consumption of Energy

As a leading independent power producer, EGCO Group has realized the importance of energy conservation and determined to ensure that it is the responsibility and duty of all staffs to manage the energy consumption in the most efficient manner. Hence, EGCO Group had established "Energy Consumption Policy" as a guideline for any energy-related operations as well as to promote energy consumption with highest efficiency and benefits. EGCO had appointed the Energy Management Committee to manage activities within the organization to achieve its specified goals. Furthermore, EGCO consistently enforces policies covering energy conservation and sustainable use of resources to instill employees' conscientiousness.

In 2014, the Energy Management Committee organized the Energy Conservation Program for EGCO's head office. The objective was to reduce energy consumption in EGCO's building

areas to 3% compared to the consumption rate in 2013. The findings proved that EGCO could save energy up to 4.03% per area which was much better than expected.

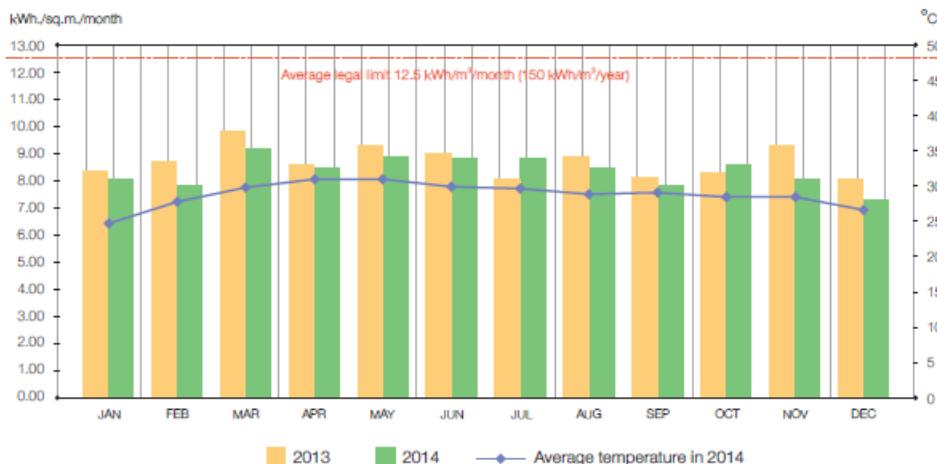


Figure 5: Comparison of electricity consumption during 2013-2014

Moreover, the company's 2014 water conservation campaign within the office area resulted that the company could save water 5% higher than that of the previous year.

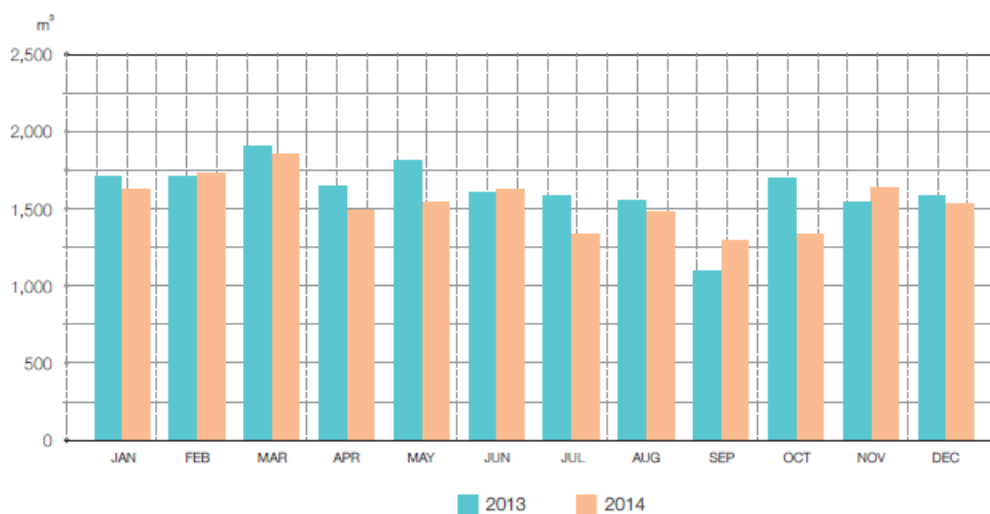


Figure 6: Comparison of water conservation during 2013-2014

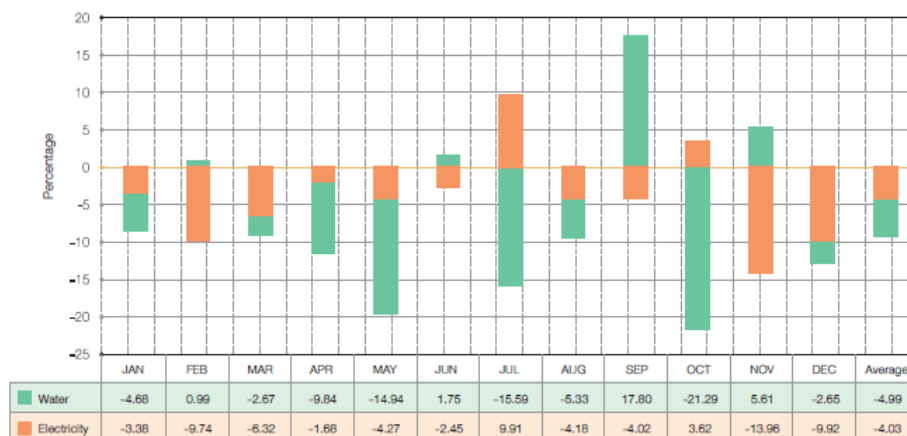


Figure 7: Comparison of electricity consumption and water conservation during 2013-2014

In 2014, EGCO's head office participated in Green Office's evaluation program of Department of Environmental Quality Promotion, Ministry of Natural Resources and Environment. The program was conducted by the Faculty of Environment and Resources Studies, Mahidol University, which emphasized on the standard specification and the evaluation from the Green Office in which offices were the main target group. Evaluation criteria focused on employees' environmental friendly behaviors towards environmental friendly activities such as the decrease in energy consumption, waste reduction by reuse and recycle techniques as well as reducing the use of hazardous chemicals and promotion of the Green Procurement principles.

Resulting from the intention and efforts, EGCO's head office has been certified as Green Office at "excellent" level which was evaluated by the area conditions, environment management, employees' understanding as well as the quantity of greenhouse gas and its reduction rate in the office buildings. This award clearly indicated EGCO's collaboration and dedication in conserving energy and resources in the most efficient manner.

Business Operations for Sustainable Development

4. Protection and Restoration of Ecosystem and Biodiversity

With regard to the participation in protecting and restoring the ecosystem and biodiversity, EGCO and its IPP subsidiaries has performed ongoing projects as follows:

4.1 Rayong Power Plant

- **Tree planting projects to increase green spaces**

The project had been carried out during 2006-2009 by planting the selected plants with excellent ability to absorb gas and dust in the area of 120 rais within the power plant. In 2014, Rayon Power Plant had continued this project by tracking the growth of the trees to continuously preserve green spaces of the power plant

- **Namcha Canal conservation project**

Rayong Power Plant, in collaboration with Maptapud Municipality and Huay Pong Nai-Sapan Nam Tuam community helped and dredged Namcha Canal in Huay Pong sub-

district, Amphoe Mueng, Rayong to protect and restore the ecosystem of water resource utilized by both power plant and community.

4.2 KEGCO

- **Improving the mountainous landscape of Khanom Power Plant project**

Realizing the community involvement and the value of local trees and plants, KEGCO had launched a project to improve the landscape of the mountains by planting 14 rais of trees that represent 14 southern provinces in the area near Chaiyasorn Mountain. Being the recreational areas for employees and the general public, this area also provided the community with the knowledge about local plants.

In 2014, KEGCO continued to maintain these plants and keep them in good condition by weeding, adding compost and trimming trees.

- **Bio-fertilizer project to reduce the use of chemicals**

KEGCO realizes the importance of protecting the ecosystem, the environment and the sustainable use of natural resources. Therefore, in 2014, the project started using grass residue from lawn mowing and fallen leaves to make bio fertilizer to replace the use of chemical fertilizers. These were approximately 30,500 kg> of bio fertilizer produced each year.

- **The Diversification of species and the assessment of the abundance of plankton and benthic animals**

KEGCO had conducted bi-annual assessment of species diversity and abundance of plankton and benthic animals in the area of Khanom Gulf and Khanom River. It was found that the diversity and abundance of plankton and benthic animals were not directly affected by water discharged from the power plant. Rather, the impact was the result of the environment surrounding Khanom Canal; namely, chemical and physical conditions of the water, the quantity of light, nutrients and water discharged from households and the development in the community area.

4.3 BLCP

To mitigate the environmental impacts and to ensure the protection of ecological system of sea water which is utilized in the operation process of the power plant, BLCP puts on a firm environmental management system in its operation. In protecting sea animals from intruding into the cooling system, 2-layer sieve is installed at the cooling water intake while the speed of water pumping is controlled to enable sea animal surviving in cooling water delivery canal. Meanwhile, the discharged sea water is properly treated of its chemical compositions, temperature and PH value to ensure environmental compliance..

Alongside with system inspection and annual maintenance plan, regular water quality and temperature inspection BLCP implemented environmental impact mitigation in daily operations as well as contribution to the protection and restoration of ecosystem and biodiversity of Rayong Province by cooperation with local agencies and communities, as follows;

- **BLCP Mangrove Forest Conservation and Development of Mangrove Ecology Learning Center , Prajedeeklangnam, Tambon Paknam, Amphur Meung, Rayong Province**

Since 2008, BLCP has collaborated with Rayong Municipality, 8 communities in surrounding areas, and Rayong River Conservationists, in executing mangrove forest conservation project to protect and restore mangrove ecosystem at Phra Chedi Klang Nam, Rayong river mouth to be the mangrove ecological learning center, in honor of the royal initiation of Her Majesty The Queen who envisioned the importance of Rayong mangrove ecosystem. Activities implemented in 2014 covered the development of mangrove ecosystem protection master plan, restoration of mangrove forest and network building among conservation groups in Rayong and the development of mangrove ecosystem learning center to facilitate visitors.

4.4 Quezon

In realizing the impact that all living things have on the environment, Quezon Power Plant, in coordination with employees and surrounding communities had compiled information on animals found in the area since 1997 until present. The power plant recorded the animals' size, weight and quantity and then reported directly to the environmental management committee, together with disseminated these findings to other relevant agencies. Moreover, the power plant had inspected animal species and conditions to compare with the list of animals facing danger of extinction as reported by IUCN Red List Species and CITES Listed. After recording these data and animal species' inspection had been completed, the power plant had released all animals back to its nature in order to preserve its original number and the biodiversity in that particular area.

- **Monitor living animal species, rescue wild animals and protect the biodiversity of animal species listed under IUCN and CITES.**

From the monitoring and exploring living species in the ecosystem, in 2014, Quezon power plant had discovered 82 plant species from 72 genes and 45 families around the plant's area. Eight species found are among the IUCN Red List of near extinction. Besides plant species, the power plant also found out 61 species of vertebrates and insects, 44 species of birds, 13 species of herbs and a 4 species of mammals. Among the species of birds discovered, one is Guaiabero (*Bolbopsittacus Lunulatus*) which had never been found before near the power plant's area and it was a species facing extinction.

- **Sea turtles conservation project**

Since there was a problem of consuming and detaining sea turtles which had a direct impact on the sea's overall ecosystem; therefore, Quezon Power Plant, in cooperation with government agencies in the area, had participated in relieving this crisis. Its operations consist of organizing exhibition to disseminate knowledge, provide training to fishermen so that they could help preserve sea turtles, record their pictures, measure their sizes, collect data as well as compile information for local government agency for further operation and assistance in discharging these sea turtles back to their original place. In 2014, Quezon Power Plant, together with local fishermen, helped save 21 sea

animals. Among these numbers were 7 animal species under IUCN Red Listed Species; namely, 5 Green Sea turtles and 2 Hawkbill turtles.

- **Protection and restoration of marine ecosystem**

Quezon Power Plant had conducted a survey of the environment and population of marine plants and animals essential to the ecosystem or those under protection such as coral and scaly giant clam with the objective of compiling information and following up on the results 3 times a year. In addition, during monsoon season when the survival of such plants and animals was disturbed and in danger, Quezon Power Plant, other relevant agencies and surrounding communities collaborated in moving plants and animals facing risk of severe condition to the area more suitable for their survival. The goal was to help protect and preserve the abundance of marine ecosystem and biodiversity.

3. Social Responsibility

the social responsibility awareness, EGCO Group emphasizes on its key stakeholders being personnel, customers and communities which power plants are located. Focus are given to employees' welfare and competency development, community and society quality development, responsibility towards the company's products, measures on occupational health and safety as the indicators of EGCO Group's social responsibility to gain confidence, acceptance and mutual trust from communities surrounding the power plants and society as a whole.

3.1 Responsibility and Competency Development for Employees

3.1.1. Responsibility for Employees

has a firm belief that employees are the key success factor of its business. The company therefore emphasizes on responsibility for its employees starting from selecting knowledgeable and skillful personnels, establishing Employment and Employees' Selection Policy to respond to its business expansion abroad and establishing employee guidelines which correspond with "Human Rights" and "Fair Treatment" practices.

Recruitment Policy

1. Employees' procurementEmployment and selection process must comply with the company's codes of conduct and ethics on the basis of fairness, employees' competency and the company's business requirements.

2. The employment and the selection of employees shall proceed in case there is a position available and such position is within the approved manpower.

3. Employees' selection must be carried out by the committee in order to get the most appropriate candidate without any prejudice, privilege or bribery.

4. EGCO Group's employment policy, hiring employees' relatives or spouses are prohibited to ensure transparency and to avoid favoritism which may affect the merit system and violate the good corporate governance principles.

Human Rights and Fair Treatment to All Employees

EGCO set up the Welfare Committee which is elected by employees and has the 2 years term. The Committee is responsible for monitoring all welfare, providing communication channels to employees so that they can give recommendations or file complaints regarding their work, living conditions and benefits. All opinions are considered seriously and suitable solutions to the problems are set to satisfy all concerned parties to create a favorable environment in the workplace. In 2014, EGCO organized the election of the new Welfare Committee to succeed

the retired one. In addition, there has been no reports or complaints of the Company's violation of human rights or unfair treatment

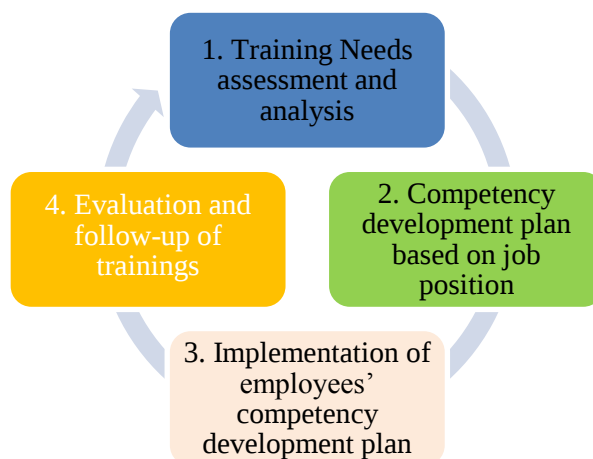
Furthermore, EGCO Group is strongly committed to promote and enhance favorable labor relations between the company, the Labor Union and lawful labor organizations through the establishment of 2 labor unions which are the labor union for the executive level and the labor union in the operation level. In order to show its responsibility and fair treatment to all employees, the company has set up guidelines and policies for the labor union to use as a standard in order to comply with the labor law.

3.1.2. Competency Development for Employees

have strong knowledge and skills to support the company's business expansion and sustainable growth. Therefore, EGCO has adopted the development plan for its employees at all levels including the succession plan. Such development plan covered three areas as follows:

3.1.2.1. People Development Plan

	2014 Program	Employee Level
Business Knowledge	Basic Concept of Power Business EGCO's Business	Vice President Officers/Assistance Vice President
Skills	Business Presentation & Personality Development	Senior Vice President
Leadership	The Leadership Grid	Senior Vice President/ Executive Vice President



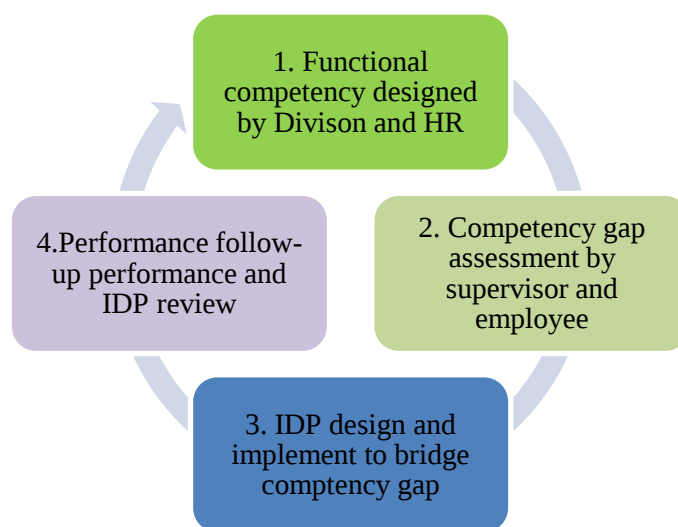
In 2014, EGCO had launched employees' competency development program for employees in the officer level up to the Executive Vice President level. The program was divided into 3 main groups as follows: business knowledge, skills and leadership. Also, the company had consistently monitored and followed up the performance results from supervisors and participants participating in such program. In addition, EGCO had enrolled its top management level in the program of public economy management at College of Politics and Governance, King Prajadhipok's Institute, to develop their management competency.

In 2014, middle management level (Vice President and Senior Vice President) had the highest number of training hours, with the total of 62.8 hours, followed by the officer level and the top management level, with the total of 42.8 and 22.7 hours respectively. The middle management level was considered a major drive for the company's business expansion and growth since EGCO realized the importance of developing middle management's functional competency, leadership and managerial skills to reach their ultimate potential and be prepared for career advancement which in turn, contributes to the company's continuous and sustainable business operations in the long run.

3.1.2.2 Individual Development Plan (IDP)

EGCO Group has established the Individual Development Plan for the Executive Vice President level and lower so as to develop their knowledge and skills with regard to the managerial and functional competency as well as to ensure its continuity in employees' career advancement and the company's development simultaneously.

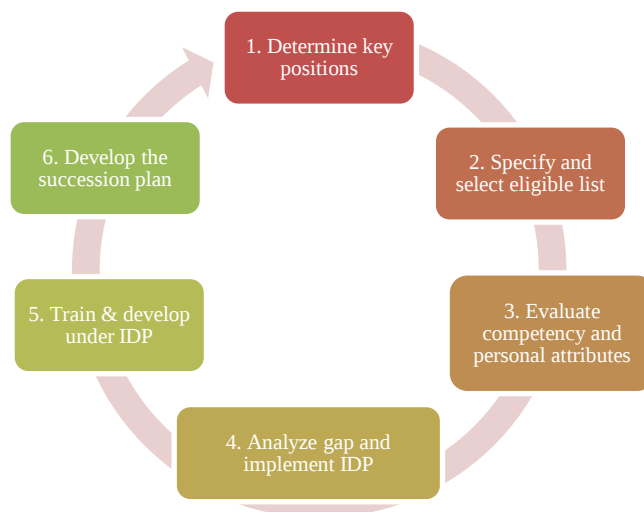
IDP	Responsible person for IDP design and set up	Responsible person for IDP follow-up
1.Executive Vice President	Executive Vice President & Senior Executive Vice President	Senior Executive Vice President
2.Senior Vice President	Senior Vice President & Executive Vice President	Executive Vice President
3. Vice President	Vice President & Senior Vice President	Senior Vice President/ Supervisor with a position of 1 level higher than Senior Vice President
4.Officer/ Assistance Vice President	Officer/ Assistance Vice President and Vice President	



3.1.2.3. Succession Plan

EGCO Group has established its succession plan to prepare potential employees to step up into executive positions in the future as well as to respond to the business expansion and growth and also to reduce risks in terms of employees' quality and quantity. Thus, the company has set up the succession plan to identify the potential candidates among the targeted employees at

Senior Vice President level and higher. The selected IDP candidates would then be offered to the prospect candidates to be ready and prepared for the executive positions of the company, being the Executive Vice President and Senior Executive Vice President levels which are the key drivers in managing the company.



3.2. Participation in the Development of Community and Society

EGCO operates its business while emphasizing on its participation in the development of community and society. Efforts through various forms were initially put in nearby communities around the power plants ranging from the disclosure of information without hiding the truth to the fostering of the community's appropriate collaboration before, during and after the completion of the power plant construction. The process for evaluation and rectification of potential impact on the community was established. Also, EGCO continuously joins hands with its employees and local as well as national agencies in initiating projects and activities for the benefit of communities and society. EGCO's operations cover three main areas as follows:

Promotion and Development of the Community's "Quality of Life" in the Area Surrounding the Power Plants

EGCO always gives importance to the quality of life of the communities surrounding its head office and power plants. For this reason, EGCO has supported, initiated and developed various projects relating to education, occupation, public health as well as environmental conservation for communities' improved quality of life.

Promotion of Learning about Energy and Environmental Conservation among "Youth"

EGCO recognizes that the best way to instill and create an awareness regarding energy and environmental conservation is through education and understanding. The company; therefore, has provided support and organized learning about energy and environment activities for young people to learn from both inside the classroom and hands-on experience outside the classroom as well as instilling public conscious. Such learning is the starting point for the development of social, intellectual and moral quotients, which will eventually lead to the success of the sustainable development of the country.

"Watershed" Forest Conservation

In addition to environment conservation in the company's power plants and surrounding communities, EGCO also plays a vital role in the conservation of watershed forests, a natural source that produces and reserves water which is an origin of rivers and a

waterway that nourishes all lives. The aim of this project is to stimulate the cooperation in sustainably conserving the forests for our future generations.

Management

EGCO places a strong emphasis on communities surrounding the head office and its power plants and has consistently implemented projects which are beneficial to the society. The participation guidelines in the development of the communities surrounding the power plants and society are described as follows:

Guidelines for Participation in the Development of Communities Surrounding the Power Plants

1. To promote and improve the quality of life of the communities by taking into account the participation and needs of the communities

1.1 To provide information and knowledge regarding the operations of the organizations for the communities prior to the commencement of any operations in each area. The power plant which has been in operation: the information shall be provided at least 3 months prior to the expansion or bidding for the contract renewal.

1.2 To establish the projects for identifying stakeholders in the community to determine any needs or concerns about potential impact on the quality of life which is linked to or associated with the organization's operations.

1.3 To allow the communities to share viewpoints with the organization based on issues or concerns of the communities in an appropriate format at least once a year.

1.4 To disseminate knowledge and distribute income to the communities through employment and creation of work in the locality based on appropriate conditions.

1.5 To provide support and promote the development of capabilities and skills useful for the undertaking of profession and income generation within the community. In so doing, the community will be provided with an opportunity to take part in the development of projects.

1.6 To support communities to be strong and self-reliant to achieve sustainable growth in terms of education, culture, local traditions as well as promoting better hygiene and environment and developing technology in alignment with the local wisdom.

1.7 To provide assistance to communicate in terms of crisis, emergency and the occurrence of natural disaster. The assistance covers supplying necessary tools, medicine, food, accommodation as well as financial support and other relevant actions.

2. To instill the sense of responsibility towards community among employees and other concerned parties

2.1 To disseminate policies, guidelines, targets and operation results to employees and other relevant parties.

2.2 To provide employees and other relevant parties with the opportunity to participate in a training or seminar on the development of the communities.

2.3 To encourage employees and all concerned parties to share experiences from participation in the project for community and society to other employees and the third party.

2.4 To include the topic regarding the participation in the development of community as extra issues in the evaluation process of employees and other relevant parties.

2.5 To encourage stakeholders to participate in the community projects in an appropriate manner.

3.To disseminate the organization’s operating results to the community and the general public on a regular basis.

3.1 To arrange an annual open house or plant activities.

3.2 To prepare documents disseminating information and knowledge about the business process and the participation in the development of the community as well as set up a channel for which the community can present its opinion at least once a year.

3.3 To disseminate the information about CSR activities and the company’s involvement in the development of communities to inform the general public in the form of the annual sustainability report.

4.To seek opportunities to exchange ideas, knowledge and experiences from operations with other functional units in order to continuously improve the operations.

4.1 To participate in the activities/ projects of the network or external agencies relevant to the community development at least once a year.

4.2 To evaluate the body of knowledge and experiences from operations and to exchange them with other agencies for the benefit of organization.

In addition, EGCO Group jointly initiated and developed projects as well as supported activities which covered the area of education, occupation, health and environment to ensure the improved well-being of people within the communities under **the framework of the projects to improve the quality of life of the communities surrounding the power plants.** Such activities encompass the following topics:

1. Support local employment
2. Develop skills which are beneficial to occupation
3. Promotion of good hygiene for communities
4. Promotion of utilities development
5. Promotion of learning among young people
6. Conservation of natural resources and environment

Guidelines for Participation in Social Development

1. Participation in social development by implementing social development projects or activities based on the main capabilities of the organization

1.1 To support or initiate projects/activities in alignment with vision, targets, values and beliefs of the organization.

1.2 To support or initiate projects/activities which are beneficial to the overall public, focusing on operations which are aligned with or based on the main capabilities of the organization including the body of knowledge, resources and personnel.

2. To support employees and relevant parties to learn, understand and participate in the social development operations

2.1 To disclose the progress of the implementation of social contribution projects to employees and relevant parties at least once a year.

2.2 To allow employees or other relevant parties to join in the undertaking of social contribution programs of the organization as considered appropriate.

3. To continuously execute projects or activities to ensure true and long-term benefits for society

3.1 To support or initiate projects/activities based on the needs of society and aim at enhancing potentials and strengths for sustainable social development.

3.2 To regularly evaluate operations in terms of output, outcome and impact to ensure that their benefits to the society.

4. To seek opportunities to exchange knowledge and experiences from operations with other functional units to further improve operations on a regular basis

4.1 To participate in the activities/projects of the external agencies to exchange and share experiences with regard to social development at least once a year.

4.2 To evaluate the body of knowledge and experiences from operations and participate in the exchange of experiences with outside agencies for the benefit of future operations at least one issue per year.

Operating Results

Support in terms of employment in communities

In 2014, EGCO Group supported the community employment in order to distribute income and improve the well-being of local people. More than 80% of the contractors and workers were labors in the local community where the power plants located.

The interview with Mr.Pongsak Tungsakul, Operations Department, Theppana Windfarm

"I was born in Chaiyaphum province, in Mueng district, when the company started recruiting new employees by contacting the Faculty at Chaiyaphum Technical College. I was very interested, so I applied for that position. As I possess required qualifications, I was; therefore, admitted to work here. I graduated with a high vocational certificate (electrician). I have worked here for 4 months and I love it here because it's situated near my house and I have learned a lot from my supervisor. I am so proud that I am the first person who has worked as the officer in the wind turbine power plant in Thailand as it causes no pollution to the environment."

The interview with Khun Pao Sangkhum, Housekeeper, Theppana Windfarm

"I am living here in Watabak. As my house is located just behind the railroad, I often walk to work and sometimes take the bus. I have been working at the power plant for two months . Before working here, I was a temporary worker in the chilly farm. I am happy working here, having a friendly supervisor and colleagues. The wind power had helped decreasing the brownouts in our community, Thanks for EGCO for building the wind power for us"

The interview with Khun Pol Jubklang, Security Officer, Theppana Windfarm

"I am glad working here. My house is in Thepphoothorn Village and I ride to work every day, on shift with another security officer. A lot of travelers visit here to see the wind turbines during holiday vacation and weekends"

Project implementation for Communities around the Power Plants

EGCO and its subsidiaries have initiated and operated community development projects for the total of 58 projects, comprising of 9 projects on skills development, 12 projects on promotion of good hygiene, 14 projects on utilities development, 13 projects on promotion of learning among young people and 10 projects on conservation of natural resources and environment. Each power plant has initiated community projects that respond to the requirements of local people as well as their conditions which can be further described as follows:

Rayong Power Plant

- **Basic Firefighting workshop for community project:** In 2014, organized a training workshop for Houypong Market community, and Houypong community, with a total of 60 persons participating.
- **Public health for community project:** organized a training workshop, giving the knowledge on “Self-preventive from breast cancer and prevention of cervical cancer”, under the cooperation with National Health Security Office. There were a total of 60 persons participating.
- **“Eco friendly power plant” youth camp project:** Rayong Power Plant enhanced its operations by promoting learning and instilling awareness of energy and natural resources conservation among children. The power plant organized an open-house for students **as source of learning of the electricity generation process**, with a total of 130 students participating.

KEGCO

- **Supporting mobile medical unit project:** in cooperation with the Thongnien Subdistrict Municipality, Khanom Subdistrict Municipality, Khanom Bay Subdistrict Municipality, Khounthong Subdistrict Administrative Organization, and Nakhonpat Hospital, providing annual health check-up services #1-2 for communities, with total 2,000 people participating.
- **Promotion of community’s quality of life for Moo 8 community, Thongnien Subdistrict project:** in collaboration with public health volunteer group, organized training and workshops to promote community’s quality of life, as follows; Mother Health Care in Recovery Period after Giving Birth Training Workshop and Coaching Visit for people in Moo 8 community, Thongnien Subdistrict, Communicable Disease Protection and Health Care Training, Health Care Visit for Aging and Disability people, HIV Protection and Prevention training , Disease Screening Test for not over 15 years old children, and Tuberculosis Screening Test. The participant number in all activities are more than 500 persons.
- **Providing elderly with far-sighted glasses projects:** Khanom Power Plant provided 2,270 far-sighted glasses to a community of 34 villages in Khanom district that had joined in this project. For this occasion, every villagers had an opportunity to have their eyesight check-up with ophthalmologist. The power plant also give far-sighted glasses to people who have problem with far-sighted eyes.
- **Electrical system repair and maintenance voluntary for community project:** KEGCO’s volunteer employees organized total 6 services for 6 communities in surrounding area of the power plant.
- **Living Development for Ban Tha Moung Islamic Community Project:** in 2014, employees of the power plant volunteered in school building and infrastructure maintenance at Daru saadah Musjid, Moo 1, Thongnien Subdistrict, Khanom District, Nakhon Si Thammarat Province, with total 40 persons participating.

- **Youth learning development project:** in association with the 4th Educational District Office of Nakornsri thammarat and Siang Dek (Children’s Voice) News Agency in Khanom district, provided an annual scholarship to academically superior students who suffered financial problems. In 2014, a total of 230 scholarships and a fund for sports equipment worth 5,000 each were awarded to students from 23 schools in Khanom district, Nakornsri thammarat.
- **Educational field trips for student project:** in 2014, Khanom Power Plant hosted a field trip taking a total of 200 students from 23 schools in Khanom district to visit the science and environmental related learning centers and museums as well as other historical and cultural sites in 4 provinces covering Prachubkirikan, Petchburi , Suphanburi and Bangkok.
- **Youth training project “Tonkla Khunnadharma” 2014:** This project was a collaboration between Khanom Historical and Cultural Learning Center (Wat Klang), Nakornsri thammarat Educational Service Area 4, schools in Khanom district and Mahachulalongkorn Rajavidyalaya Student Association (Nakornsri thammarat campus) which involved the training for young people (classes 1-4) at Khanom Historical and Cultural Learning Center (Wat Klang), Khanom district, Nakornsri thammarat province attended by 450 students and their parents.
- **Biological agriculture for sustainable development project:** Khanom Power Plant supported the school’s lunch program in Khanom district, Nakornsri thammarat province by promoting organic vegetables cultivation, animal tending, fresh-water fish farming and cleaning. In 2014, the agricultural products from this project are total 5,100 kilograms, 2,400 kilograms of the total agricultural products were donated to Bun Thao Kong temple to support the Chinese Vegetarian Festival.
- **Promotion and development of community water resource project:** building the check-dam and community reservoir for communities in Khanom District, total 4 sites.
- **Breeding of blue swimming crabs’ project:** coordinated with Nakornsri thammarat Coastal Fisheries Research and Development Center, Tong Nien Municipality and Rak Barn Kued Coastal Fisheries Club in Khanom district, Nakornsri thammarat to conduct the breeding of blue swimming crabs project since 2006 – present. In 2014, 300,000 blue swimming crabs of different ages; namely, breeders, megalopa, fish crab were released.

EGCO Cogen

- **Rubber tapping skill training program:** cooperation with the Office of the Rubber Replanting Aid fund, Rayong province and Mapkha Pattana sub-district municipality organized the rubber tapping Training Program for 21 rubber tappers in Mapkha sub-district to develop their skills and pass on this knowledge to other agriculturists.
- **Mobile medical unit project:** in association with local public health, jointly organized health check-up services for local communities. In 2014, a total of 6 mobile units were organized, provided services for Mab Kha community, Nikhompattana District, Rayong Province, covered 8 villages, with a total of 400 patients.

Roi-Et Green

- **“Healthy Happy Living” project with Roi-Et Green Power Plant:** collaborated with the local public health office, organized 2 mobile medical unit to provide free health services in communities surrounding the power plant, with more than 300 patients receiving the services.

BLCP

- **Mobile medical unit project:** in collaboration with local public health agencies, organized an annual health check-up services for people in Mab Ta Pud, and Baan Chang areas, Rayong Province. In 2014, 640 local people benefitted from 5 mobile services..
- **Bio agriculture farming project:** 50,000 baht granted to Rayong’s communities and schools participated in bio agriculture farming project to provide occupations and increase their income, as a long term project with collaboration of local government agencies.
- **ECO for Life project (Fly ash cement block) :** BLCP cooperated with The Industrial Estate Authority of Thailand, and local government agencies started the project since 2003 to promote income generation for local communities from waste utilization, and producing eco products. A training workshop on fly ash cement block production technique, product distribution, and financial management, was conducted for Takoun-Pradu Bay community, with a complimentary fly ash from the power plant. Moreover, the ECO for Life learning center was arranged, as a community learning site and knowledge center of fly ash cement block production. The participative community successfully gained an average income of 20,000 baht per month from selling the products, while the power plant benefitted from reducing waste from fly ash at least 450 kilograms per month. From 2003 to present the economic value of occupational and income benefitted from this project was a total of 2,791,750 baht.
- **Annual scholarship project:** In collaboration with GLOW Group, awarded 8000 baht scholarships to the local fishermen group to help the students’ parents with low incomes and to give an opportunity for local youth to further their education.
- **Project of releasing aquatic livings to Honor His Majesty the King and Her Majesty the Queen:** to increase the population of aquatic livings in Eastern coastal area (Baanchang District-Rayong), and restore shelters for aquatic livings in mangrove area along Pla Beach to Rayong estuary. The number of local people participating in the project were 1,600 persons.

Quezon

- **Teachers’ development program to upgrade the quality of education in Mauban Municipality:** a collaboration between Quezon Power Plant, Philippines Open University (UPOU), Mauban Municipality and the Department of Education, in upgrading the quality of education in the municipality, by providing scholarship funds for public school teachers for two and a half year period. In 2014, the academic progress of the 17 scholars were monitored and the evaluation process for the selection of 23 new teacher-scholars commenced., More than 200 teachers have benefited from this program.
- **“Food for Thought” Project to Lessen Malnutrition and Increase Learning Potential among Primary Students** in the communities surrounding the power plant: In 2014, a total of 1,464 students being fed free nutritious food.

- **Training Skills for Community-Based-Organizations project:** in collaboration with local government agencies and private sectors initiated the project since 1997 –present, to strengthen occupation capacity of local people in Mauban City. In 2014, the progress under two major subprojects are as follows;
 - *Training Skills for Promoting Local Businesspersons*
The 600 cooperative member now has regular business contracts with the Quezon Power Plant and has assets of more than 25 million Pesos.
 - *Developing Skills and Training Agricultural Occupation Program*
The Cagsiay 2 Feeding Program Mothers Cooperative (K4C2) have started a buri weaving project where they were thought to make bags that were sold in the Municipality.
- **College Scholarship Program for students in Mauban to help the deserving students:** supported the occupational school full funding scholarships. In 2014, 10 scholars were graduated from the Don Bosco Technical Institute (DBTI), and 10 new scholars have been accepted to the DBTI.
- **The program in disseminating and creating conscientiousness regarding the preservation of natural resources and environment among youths:** in cooperation with the Department of Environment and Natural Resources' Dalaw-Turo Team organized activities providing knowledge about the preservation of natural resources, environment and biodiversity to children. In 2014 the target group being the residents of the community was included with more than 1,800 residents actively participating.

Budget and Donation Support

In 2014, EGCGO Group's power plants also contributed a total of 74.38 Million baht to the Electricity Development Fund and provided support in terms of budgets and donations through various projects of both government and private agencies. The support encompassed the arrangement of community relationship activities and other public service activities beneficial to the communities and society with the total amount of 121 Million baht.

Social Contribution Projects

In 2014, EGCO Group's further promoted learning about energy and environment among youths as they are in their early age and suitable for learning and instilling conscientiousness, which will contribute to the sustainable development of the society in the future. Therefore, they should be instilled to be aware of the value of natural resources, the prime factors of energy generation. Also, they should be encouraged to conserve both natural resources and watershed forests so that these resources will be sustained for the next generations. During the past year, important activities were carried out as follows:

Promotion of Learning about the Energy and Environmental Conservation among the "Youth"

- **"EGCO Forest Youth Camp" Project:** In 2014, EGCO continued the project ,under the collaboration with Doi Inthanond National Park, and Thai Forest Conservation Foundation, hosting the 43rd -44th Youth Camp at Doi Inthanond National Park, Chiangmai, and at Khao Luang National Park, Nakorn Si Thammarat respectively, with total 160 participating youth.

- **Energy for life...Fighting against global warming with sustainable living project:** This project is a collaboration between 3 agencies; i.e. EGCO Group, Energy Policy and Planning Office, Ministry of Energy and Office of the Basic Education Commission of Thailand, Ministry of Education, in order to encourage schools to join in the project activities such as the integrated learning of energy and environment as well as the promotion of efficient use of energy based on the sufficiency economy concept among children. The activities will be expanded to cover communities in the next phases within a 3-year operation period (2013-2015)

In 2014, EGCO Group continued the “Energy for life...fighting against global warming with sustainable living” project which covered major activities as follows:

The 2013 Most Outstanding School Award Presentation Ceremony, awarded 6 cooperative schools with outstanding operating result in energy and environmental conservation.

Moreover, the 3.5 kilowatt solar cell system were presented to the 6 awarded schools, to be used as a learning media to enhance knowledge in generating electricity from renewable energy and also to encourage schools as an important source of learning for nearby communities as well as a place for producing electricity for their own use.

- *The 2014 Sharing Workshop and Seminar* for leading teachers from 60 cooperative schools. The workshop was organized as a reviewing process and progress update session. The information derived from the workshop would be utilized for further improvement.. There were a total of more than 100 teachers participating.
- *The 2nd Energy for Life on Tour Activity* under the Energy for Life...Fighting against Global Warming with Sustainable Living Project: This activity has an aim to promote knowledge and understanding of energy and electricity generating process to students in 29 schools from total 60 cooperative schools to encourage children to adjust their behavior with regard to natural resources consumption. There were a total of 7,973 students participating.
- *Development of Educational Media*, the presentation of knowledge in terms of its origin, importance, electricity generating process as well as guidelines for sustainable energy conservation or “Energy for Life” which were published in the form of VCD animation for participating schools and were disseminated in “Sookjai” magazine and distributed to all communities surrounding the power plants. In 2014, EGCO Group had developed channels for distributing knowledge derived from “Energy for life...fighting against global warming with sustainable living” as a communication channel for 60 participating schools to exchange their knowledge and had published this knowledge in the microsite: www.s-school.egco.com.
- *The Most Outstanding Youth Project Award 2014*, the purpose of this contest was to encourage children from more than 60 participating schools to have a hands-on experience in expressing their knowledge and skills and also applying their knowledge of energy and environment conservation into a science project and real life implementation. There were a total of 24 awarded projects.

- *The Selection Process of Most Outstanding School Award 2014*, there were a total of 7 schools selected from 60 cooperative schools. The awarded schools will receive a set of approximately 3 kilowatts solar power, to be utilized as the learning site of energy and environment conservation for students and community. Award presentation ceremony will take place in April, 2015.

Conservation of Watershed Forest

- “Thai Rak Pa” Foundation: Watershed forest conservation (2010-present): Thai Rak Pa Foundation was founded by EGCO Group and the Department of Forestry with the objective to continuously preserve natural resources. An initial fund of 10,000,000 baht was presented to Her Majesty the Queen on the occasion of xxx and Her Majesty the Queen graciously returned this amount to establish the foundation which began in 2007 and continue until present. Thai Forest Conservation Foundation was acknowledged by the Ministry of Finance as a charity organization no.752 on November 9, 2001. In addition, the foundation compiled an evaluation report on operating results over a 5-year period and published it in www.egco.com and www.thairakpa.org. In 2014, the foundation joined in the International Union for Conservation of Nature and Natural Resources (IUCN) for future cooperation and experience sharing in watershed forest conservation among member organizations.

3.3. Responsibility towards the Company’s Products

As a leading independent power producer, EGCO has been determined to enhance its business operations with accountability to the society by generating electricity into the system in the amount prescribed in the Power Purchase Agreement (PPA). The power plants in EGCO Group generate and distribute electricity with quality, quantity, time, the planning of plant’s availability, the annual scheduled maintenance and the implementation of ISO standards to control operations in the power plants; i.e. ISO 9001 (Quality Management Systems), ISO 14001 (Environmental Management Systems) and OHSAS 18001 (Occupational Health and Safety Management System) to name a few. Moreover, the company strictly complies to relevant laws and regulations; for example, the requirements of the Department of Industrial Works, the Ministry of Labor, the Ministry of Science, Technology and Environment as well as operational measures specified in EIA to elevate the power plants’ confidence and trust on the company’s performance and highest efficiency.

Table 3: EGCO Power Plant with ISO Standards (Year 2014)

Power Plant	Equity (%)	Fuel Type	ISO Standards		
			ISO 9001:2008	ISO 14001: 2004	OHSAS 18001: 2007
RYPP*	100.00	Natural Gas	*Expired Date (Aug.’13)	*Expired Date (Dec.’13)	*Expired Date (Aug.’13)
KEGCO	100.00	Natural Gas	✓	✓	✓
GPG	50.00	Natural Gas	✓	✓	
GCC	50.00	Natural Gas	✓	✓	
SCC	50.00	Natural Gas	✓	✓	
NKCC	50.00	Natural Gas	✓	✓	
Quezon	98.00	Coal	Own standards developed from the previous Shareholder’s requirements	EMSCOP (Environmental Standards of USA)	The Occupational Safety and Health Standards of the Department of Labor and

Power Plant	Equity (%)	Fuel Type	ISO Standards		
			ISO 9001:2008	ISO 14001: 2004	OHSAS 18001: 2007
					Employment of the Philippines
BLCP	50.00	Coal		✓	✓
SPP 2	100.00	Solar	✓		
SPP 3	100.00	Solar	✓		
SPP 4	100.00	Solar	✓		
SPP 5	100.00	Solar	✓		
NED	33.33	Solar	✓	Under Preparation	Under Preparation
Solarco	49.00	Solar	Under Preparation		
GPS	60.00	Solar	✓		
Theppana	90.00	Wind		Under Preparation	
Roi-Et Green	70.30	Biomass	✓		
GYG	50.00	Biomass	✓	✓	
NTPC 2	35.00	Hydro		✓	✓
EGCOM Tara	74.19	Service	✓	✓	✓
ESCO	100.00	Service	✓		

*Note : PPA of RYPP was expired in December 2014

3.4. Measures on Occupational Health and Safety

EGCO Group strongly believes in the significance in occupational health and safety as a main factor for its sustainable growth. The company is committed in providing all employees and other relevant parties with good hygiene and operational safety; therefore, the Safety, Health and Environment (SHE) Committee was set up to be responsible in this issue. The Committee's responsibilities includes the following: consider policies and plans with regard to operational safety, educate staffs to comply with operational safety measures, continuously follow-up and evaluate the occupational health and safety measures as well as realize the importance of employees' safety and surrounding communities as indicated in the company's code of conduct.

SHE Committee comprises of the following members: 1 employer's representative performing as the Chairman of the Committee, 2 representatives from the supervisor level, 3 representatives from the operational staff level and lastly a staff in working security acting as a member and the secretary of the Committee. SHE Committee has to monitor the prescribed policies and arrange for the monthly follow-up meeting to control risks of accidents or injuries. Moreover, SHE Committee has organized activities to enhance knowledge and create conscious covering different areas such as fire drills, safety exhibitions and annual health check-up for every employee.

Additionally, in case EGCO's Contingency Plan cannot be employed to prevent any unfavorable events; then, the company had prepared the Business Continuity Plan (BCP) for

the head office to respond to undesirable situations or crises that might affect its business operations and to continuously operate without interruption and effect on all stakeholders so as to lessen effects as well as relieve damage that may occur. BCP also helps to restore the company's business back to its normal status so that everything will completely get back on track.

EGCO Group has specified the Risk Management Committee (RMC) which consists of senior executives who perform their duties in managing the business continuity during crisis. RMC is entitled to manage the company's operations in compliance with stated policies, strategies and steps of action as indicated in the business continuity plan. These operations have to be primarily approved by the Audit Committee (AC) who will later on set up the BCP Team to perform as indicated in the plan. Nonetheless, the plan must be revised and improved at least once a year.

In terms of safety measures of EGCO Group's power plants, the company has set up the Emergency Response Plan (ERP) by specifying measures and action plans to cope with emergency as prescribed by law. ERP indicates steps in operation based on the intensity of such event as well as the preparation and the evacuation plan in which the company has organized a drill annually in order to build confidence among the power plants and to indicate EGCO's responsibility and concern towards employees, staffs, other concerned parties and nearby communities.

In 2014, as for the performance in terms of occupational health and work environment of both domestic and international company' EGCO power plants, there were the total recordable injuries rate which is 0.78 and 1.05 for lost time injury frequency rate hours for employees and contractors who suffered from accident and have to stop working.

However, in 2014, there was a case for accident causing the contractor's death at KEGCO on December, 11 at 2.10 AM. After this accident, EGCO had determined the cause of death suddenly and provide the assistance and compensation to the death's family. Nevertheless, KEGCO and other EGCO Group's power plants has reviewed and improved their safety standards more securely as well as strictly controlled its operations in order not to repeat the same mistakes which may bring about the loss of lives and property unacceptable by EGCO Group.

11. Internal Control and Risk Management

The Board of Directors has entrusted the Audit Committee the responsibility to review the appropriateness and effectiveness of the internal control system provided by the management. This is to ensure that the internal control system of Electricity Generating Public Company Limited (EGCO) and monitoring of the subsidiaries' operation is adequate, appropriate and in line with the guidelines of The Securities and Exchange Commission (SEC), The Stock Exchange of Thailand's (SET), and the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). EGCO's internal control covers management control, operational control, financial control, and compliance control.

The Internal Audit Division independently discharges its duties and functionally reports to the Audit Committee while administratively reports to the President. The duties and responsibilities of the Internal Audit Division were set in the Internal Audit Charter which is reviewed by the Audit Committee and approved by the Board. The internal audit scopes of EGCO, subsidiaries, and joint ventures are set in the annual internal audit plan by considering major risks of each company, and the audit plan is approved by the Audit Committee.

The Audit Committee reviews the internal control system and risk management continuously, and considers the audit reports of Internal Audit Division as well as comments of the external auditors on the company's internal control system and reports its activities to the Board on a regular basis.

In the Board's meeting no. 1/2015 on January 26, 2015 attended by 3 members of the Audit Committee, the Board assessed the internal control by considering the internal control assessment result reviewed by the Audit Committee. After considering EGCO's 5 components of internal control according to COSO which are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring including the result of the answers to SEC's internal control assessment form, the Board agreed with the Audit Committee that

1. The internal control system of EGCO was considered appropriate and adequate. Sufficient staffs were assigned to uphold the internal control system and that the internal control system was properly set to monitor the subsidiaries' operations in order to safeguard EGCO's and subsidiaries' assets from misuse or unauthorized use by the Directors or the Management.
2. In the recent year, the Audit Committee and the Board had not received any significant finding of internal control system reported by the external auditors and internal audit division. The 2014 Audit Committee's activities were disclosed under "Audit Committee's Report" in this Annual Report.

The Audit Committee's and the Board's opinions on the appropriateness and adequacy of the internal control system were supported by the followings:

Control Environment

- Clear vision, mission statements, and business objectives are set as guidelines for the management and employees. Operation was carried out with fair treatment to stakeholders and was constantly reviewed to ensure target achievements for sustainable benefits of EGCO.

- Organization structure was designed by the Board to accommodate business growth, and would be adjusted over time to cope with the business environments.
- Code of Conduct and the good corporate governance principles in writing to be abide by directors, management and employees and be reviewed periodically. New employees were given the orientation to understand their roles and responsibilities in upholding the practices and to avoid the conflict of interest.
- Regulations, orders and table of authority for accounting, finance, budget, procurement, and human resource management in writing and publicly announced to be abide by all employees. Failure to comply with the regulations and orders could be resulted in disciplinary actions.

Risk Assessment

- The Risk Management Committee (RMC) comprises EGCO's top executives, chaired by the President. RMC reviewed risk management of EGCO and subsidiaries and regularly reports to the Audit Committee and the Board. The Audit Committee was assigned by the Board to review with the management the risk management policy and implementation including future risks and prevention measures.
- Risk management function was responsible by the Corporate Planning Division so that business plan, corporate objectives, and corporate risks could be linked and effectively managed.
- The details of risk assessment and risk management of EGCO Group were disclosed under "Risk Factors" in the annual report.

Control Activities

To ensure that corporate directions and policies set by the Board and the management are executed, efficient control of accounting, finance, operation, and governance are implemented as follows:

- Authorities and levels of transaction approval were classified in the Table of Authority and reviewed regularly as appropriate.
- Responsible units for transaction approval, operation or account recording, and asset safeguarding were clearly segregated for check and balance control.
- EGCO's subsidiaries and joint ventures' performance was regularly monitored by the Asset Management Division.
- Connected transactions were executed in compliance with SET's regulations, with consideration of all rationales and ultimate benefits of EGCO and that transactions were approved by the authorized approvers who have no conflicts of interest.
- The Corporate Secretary Division was responsible for the compliance, including information disclosure, of EGCO and the Board, with the Securities and Exchange Acts, SET's and SEC's notifications and regulations, and other related laws and regulations.
- EGCO's IT compliance guideline was to ensure full compliance with computer related crime acts and other governing laws and regulations, with all employees' acknowledgement and signing the IT compliance statement to confirm their non-violation.

Information and Communication

EGCO provided, through its information system, adequate important information for the decision making of the Board, committees, and the management. Effective internal communication channels was also provided

- The Board and committee members received the meeting notice together with the meeting documents which contain necessary and sufficient information well before the meeting. Discussions, recommendations, or remarks from the directors and meeting resolutions were recorded in the minutes of meetings for future reference or audit trail.
- Meetings among the Audit Committee, external auditors, and concerned Management were held to review the compliance of financial accounting with the General Accepted Accounting Principles and International Accounting Standards.
- Business Update Meetings between the President and the management team of each group were held for progress monitoring and problem solving (if any) which provided all team members adequate information to perform their tasks and make decisions.
- Company's intranet was utilized as internal communication channel which enabled complete and accurate corporate information on policies, regulations, orders, and good corporate governance to reach employees in a timely manner.
- Governing laws and regulations were kept as compliance database for reference and tracking. Legal Division was responsible for updating such database and providing consultations to responsible units.
- Beside the information disclosure through SET's portal, EGCO website at www.egco.com was provided as the communication channel for shareholders and investors to reach corporate information. Meetings with investors and analysts were held quarterly as well as press conferences and EGCO newsletters.
- Whistleblower system was stated in EGCO's Code of Conduct and available in EGCO's website to provide shareholders and employees the channel to report suspected violations of the Code of Conduct to the Management, the Audit Committee, and the Board of Directors while message providers would be protected.

Monitoring

To ensure that the established internal control systems were sufficient and appropriate, the following activities are implemented.

- Responsible units were assigned for the follow up, monitoring, and appraisal of EGCO group's performance against the KPIs and periodically reports to the Management and the Board together with the gap analysis.
- External auditors performed their tasks independently and regularly reported to the Audit Committee.
- EGCO's internal control systems were to be evaluated annually by using the internal control assessment form which was aligned with SEC's guidelines for the evaluation.
- Representation statements of EGCO's Management and employees confirmed their compliance with the company's Code of Conduct. Managing Directors of subsidiaries also represented their compliance to the President, in his capacity as companies' chairman while the President represented himself to Chairman of the Board.
- The adequacy and appropriateness of internal control systems was regularly reviewed by the Internal Audit Division.

- In accordance with SET's notification : The Audit Committee's Qualifications and Scope of Works B.E. 2551, the Audit Committee Charter defined its responsible to approve the appointment, rotation, and removal of the Chief Internal Audit
- In the Audit Committee's meeting no. 1/2014 on January 14, 2014, the Audit Committee appointed Mr. Nattanont Meesuksabai who was considered having sound academic background, experiences, and understanding of EGCO's business as the Chief Internal Audit since February 1, 2014.
- External auditors' review of the financial statements included the review of internal control on accounting and finance to define the audit approach, timing and scope of work. For 2014, there was no significant finding for improvement on internal control systems.

12. Related Transaction

In conducting our business activities and services, there are related transactions between EGCO or its subsidiaries and persons or parties who may have potential conflicts of interest. EGCO endeavors to ensure that these transactions are justified and in compliance with the Stock Exchange of Thailand (“SET”) and the Capital Market Supervisory Board’s rules and regulations. Apart from designating the authorized persons to approve the transaction in accordance with the Table of Authority, the Audit Committee is entrusted to review the related transactions that need to be approved by the Board of Directors. The details of the related transactions are disclosed under the items 39 and 41 of the Notes to Financial Statements for the year ended December 31, 2014.

Procedures to Approve the Related Transactions

EGCO has materialized the following policies and guidelines in treating and approving the related transactions.

- In case of entering into any agreements or any related transactions with EGCO, subsidiaries, joint venture companies, associate companies and/or any concerned parties, EGCO will consider the necessity and justification of such transactions for the best interest of the Company. Costs are charged at the market price like transactions with any other outside parties (Arm’s Length Basis). If there is no such price, EGCO will apply the price of similar market transactions. EGCO may also compare the price with the one recommended by an independent appraiser to ensure that such price is reasonable to maximize the Company’s benefits.
- Business transactions that are considered connected transactions according to the SET’s rules and regulations, have to strictly comply with the requirements of the SET’s and the Capital Market Supervisory Board. They are also to be reviewed by the Audit Committee in case that such transactions must be approved by the Board of Directors.
- Financial assistance to Group companies or business partners such as loans, guarantee, etc. will be conducted prudently to ensure the utmost benefits of the Group companies. Fees will be charged at the market rate as at the transaction date.
- For business transactions having terms and agreements that any ordinary person will agree with the counterpart under similar circumstances, EGCO always ensures its bargaining power without any influential privileges resulted from persons holding administrative titles as the director, executive or related authority. Such transactions shall be reported to the Audit Committee and the Board of Directors. This is aimed to ensure that such transactions are properly carried out and provide optimal benefits to the Company and in line with the procedures.
- In case that the shareholders’ approval is needed, the major shareholders who may have conflicts of interest can attend the meeting in order to constitute a quorum but will not have voting rights, thus does not affect the quorum and the vote counting.
- Directors and executives with potential conflicts of interest are not allowed to vote or attend the meeting

Related Transactions in 2014

EGCO's related transactions in 2014 were normal business transactions and there was no profit siphoning between EGCO or its subsidiaries, joint ventures and parties with potential conflicts of interest. Each transaction was duly approved under the transparent process and the persons with potential conflicts of interests were not involved in the decision making. Such transactions were well justified that they were carried out for the best interest of the Company like the transactions with any third parties. The checking and audit systems also ensured that all transactions were carried out in line with the established process.

Details of related transactions in 2014 that may pose conflicts of interest are as follows:

1. Related Transactions with EGAT

In carrying out EGCO Group's businesses and services, there were transactions relating to the power sales and maintenance services between EGCO Group and EGAT, a major shareholder which owns 25.41 per cent of EGCO stakes and has 4 representative directors on EGCO Board. However, all the transactions followed the established process and were in line with the disclosure and other requirements of the SET and SEC. The following are the transactions in 2014 in detail:

1.1 Electricity Sales with EGAT

EGCO (Rayong Power Plant) and its three subsidiaries namely KEGCO, EGCO Cogen and Roi Et Green were engaged in the Power Purchase Agreement ("PPA") with EGAT. The PPA term for EGCO (Rayong Power Plant) is 21 years and that of KEGCO are 20-25 years while the terms for EGCO Cogen and Roi-Et Green are 21 years, respectively.

Such transactions were considered justified as power generation was EGCO Group's core business and EGAT was the sole wholesale buyer in Thailand. In addition, the pricing and conditions of those transactions were in accordance with the standardized contracts endorsed by concerned government agencies.

Companies	Relationship	Transaction value by December 31, 2014 (million baht)	
		Sales Revenue	Trade Receivables
EGCO Cogen	Subsidiary	1,465	271

1.2 Financial Lease Income under PPA with EGAT

Companies	Relationship	Transaction value by December 31, 2014 (million baht)	
		Sales Revenue	Trade Receivables
EGCO (Rayong Power Plant)	Subsidiaries	264	125
KEGCO		355	1,927
Roi-Et Green		32	327

1.3 Lease Service Income under PPA with EGAT

Companies	Relationship	Transaction value by December 31, 2013 (million baht)	
		Sales Revenue	Trade Receivables
EGCO (Rayong Power Plant)		901	102
KEGCO	Subsidiaries	683	85
Roi-Et Green		355	63

Since EGCO has recorded the share of profits from joint venture companies using equity method, the value of such transactions is not shown in the consolidated financial statements.

The values of the related transactions between joint venture companies and EGAT are shown in the following table.

Companies	Relationship	Transaction value by December 31, 2014 (million baht)			
		Sale Revenue	Financial Lease	Service under PPA	Trade Receivable
GEC	Joint Ventures	3,431	1,907	8,270	2,139
BLCP		6,094	-	-	1,091
NTPC		3,028	-	-	110
NED		511	-	-	93

1.4 Maintenance Services for EGAT

ESCO, EGCO's subsidiary which is an O&M service provider, has engaged in a Maintenance Agreements with EGAT to provide major maintenance and repair works including other facilitating and additional services related to the power plants.

Such transaction was justified as the price was charged on a "cost plus basis" with the annual CPI escalation which is the same standard as the price charged to any other third parties. The agreement is effective for a period of eight years commencing September 24, 2007.

Companies	Relationship	Transaction value by December 31, 2014 (million baht)	
		Maintenance Fee	Trade Receivables
ESCO	Subsidiary	14	-

1.5 Operation and Maintenance Services with EGAT

EGCO Group has engaged in the operation and maintenance agreements with EGAT which are defined as the normal transactions to support its business operations of which the general trading terms and conditions are applied. The fee can be calculated from the value of assets or the referred price in accordance with SET's guidelines. The details are as follows:

- EGCO (Rayong Power Plant) and KEGCO have entered into the Major Maintenance Agreement ("MMA") with EGAT to engage EGAT for major maintenance services, repair services, administrative services, and additional services to their power plants. The service

fees are charged on a “cost plus basis” with the annual CPI escalation. The contract of Rayong Power Plant has been extended since December 7, 2006 for another 8 years while KEGCO has engaged EGAT for major maintenance occasionally.

Companies	Relationship	Transaction value by December 31, 2014 (million baht)	
		O&M Fee	Trade Payables
EGCO (Rayong Power Plant)		32	6
KEGCO	Subsidiaries	13	3

- GEC Group has engaged EGAT as its advisor for maintenance works. The fee was charged in accordance with the EGAT’s standard price for contractual fees.

Companies	Relationship	Transaction value by December 31, 2014 (million baht)	
		Maintenance Advisory Fee	Account Payables
GEC Group	Joint Venture	0.3	2

1.6 Civil Engineering Service Agreement

KEGCO have entered into a civil engineering service agreement with EGAT for the Khanom Project 4 with the contractual amount of 44.95 million baht, taking effect from July 18, 2013.

Companies	Relationship	Transaction value by December 31, 2014 (million baht)	
		Constructions	Account Payables
KEGCO	Subsidiary	34	-

2. Related Transactions between EGCO and TEPDIA Generating B.V.

In carrying out EGCO Group’s businesses and services, there were transactions relating to the technical service agreements between EGCO and TEPDIA, a major shareholder which owns 22.42 per cent of EGCO stakes and has 4 representative directors on EGCO Board. However, all the transactions followed the established process and were in line with the disclosure and other requirements of the SET and SEC. The following are the transactions in 2014 in detail:

Technical Service Agreement

- KEGCO has entered into a technical service agreement for Khanom 4 project with Tokyo Electric Power Company (TEPCO) which directly hold some stake in TEPDIA. The agreement has been effective since June 4, 2013 with the contract amount of 3.54 million USD.

Companies	Relationship	Transaction value by December 31, 2014 (million baht)	
		Constructions	Account Payables
KEGCO	Subsidiary	42	3

- KEGCO has entered into Engineering, Procurement and Construction Contract (EPC Contract) with Mitsubishi Corporation (MC) which directly holds some stakes in TEPDIA.

The agreement has been effective since May 18, 2013, with contract amount of 13 million USD and 1,356 million baht.

Companies	Relationship	Transaction value by December 31, 2014 (million baht)	
		Constructions	Account Payables
KEGCO	Subsidiary	1,064	-

- Banpong Utilities Company Limited (“Banpong” or “SK Cogen & TP Cogen”) has entered in an EPC Contract with MC which directly holds some stakes in TEPDIA. The agreement has been effective since November 1, 2014 with the contract amount of 0.27 million US dollar, 0.47 million EURO, 4.43 million Swedish Krona and 3,761 million baht.

Companies	Relationship	Transaction value by December 31, 2014 (million baht)	
		Constructions	Account Payables
KEGCO	Subsidiary	94	-

3. Related Transactions between EGCO and Group Companies

EGCO has entered into the following agreements with Group Companies where EGCO is a major shareholder and in which EGCO’s executives are appointed as directors and executives.

- 3.1 Office Building Rental and Service Agreements with 4 companies namely KEGCO, ESCO, EGCO Cogen, Roi-Et Green. The provision of space and the scope of services are specified in a yearly contract.

Such transactions were considered justified as EGCO maximized its building space usage and the fee was charged at the market rate which was the same rate charged to any third parties.

- 3.2 Management Service Agreement with KEGCO, ESCO, EGCO Cogen, Roi-Et Green, Egcom Tara, EGCO BVI, PEPOI, Theppana, SPP2, SPP3, SPP4, SPP5, Yanhee EGCO, Solarco, BLCP, GIDEC, and GPS. The scopes of work cover internal audit, legal counseling, Board’s secretarial work, IT, public and community relations and financial work (except ESCO and Egcom Tara), including secondment of employee to NTPC.

- 3.3 Project Development Services Agreement with Chaiyaphum , Banpong , Klongluang Utilities Company Limited (“Klongluang” or “TJ Cogen”), and KEGCO (Khanom4).

Such transactions were justified as those Group companies did not have internal staff to take care of such work while EGCO had the expertise and capability to provide the services. The service fee was charged in accordance with the actual operating hours based on the cost plus basis.

Companies	Relationship	Transaction values by December 31, 2014 (million baht)
		Financial Statements
KEGCO	Subsidiaries	9
KEGCO (Khanom4)		20
ESCO		5
EGCO Cogen		8
EGCO Green		1
Roi-Et Green		8
Egcom Tara		1
Chaiyaphum		1
PEPOI		23
Quezon		9
Theppana		5
SPP2		5
SPP3		4
SPP4		4
SPP5		4
Yanhee EGCO		1
Solarco		12
SK and TP Cogen		14
TJ Cogen		8
EGCO BVI		1
Total for subsidiaries		143
NTPC	Joint Ventures	13
BLCP		14
GIDEC		2
GPS		5
Total for joint ventures		34

4. Financial Support to related business partners

EGCO has provided financial support to subsidiaries and joint ventures in proportional to its ownership in such companies. Such supports are normal business practices and are aimed at optimizing shareholders' returns. The transactions were approved by the Board under the Company's Table of Authority and disclosed in the notes to financial statements as of December 31, 2014.

4.1 Loan

Companies	Relationship	Transaction values by December 31, 2014 (million baht)	Terms and conditions
ESCO	Subsidiaries	505	On November 22, 2005, EGCO entered into the loan agreement providing the loan of 780 million baht to ESCO. The principal payment of 46 million baht is made on a yearly basis from December 2009 to December 2025 at the

Companies	Relationship	Transaction values by December 31, 2014 (million baht)	Terms and conditions
			interest rate, being charged in accordance with the market condition, at MLR minus a certain margin, payable on a semi-annual basis.
SPP 2	Subsidiaries	103	On January 7, 2014, EGCO entered into the loan agreement providing the loan of 103 million baht to SPP2. The full facility has been drawn down. The principal payment will be made on January 11, 2037 at the interest rate of MLR plus a certain margin, payable on a quarterly basis.
SPP3	Subsidiaries	105	On January 7, 2014, EGCO entered into the loan agreement to provide the loan of 105 million baht to SPP 3. The full facility had been drawn down. The principal payment will be made on September 20, 2036 at the interest rate of MLR plus a certain margin, payable on quarterly basis.
SPP4	Subsidiaries	80	On January 7, 2014, EGCO entered into the loan agreement to providing the loan of 80 million baht to SPP4. The full facility had been drawn down. The principal payment will be made on September 20, 2036 at the interest rate of MLR plus a certain margin, payable on a quarterly basis.
SPP5	Subsidiaries	78	On January 7, 2014, EGCO entered into loan agreement to providing the loan of 78 million baht to SPP 5. The full facility had been drawn down. The principal payment will be made on March 27, 2037 at the interest rate of MLR plus a certain margin, payable on a quarterly basis.
Yanhee EGCO	Subsidiaries	1,720	On October 22, 2012, EGCO entered into the loan agreement to provide the loan of 1,720 million baht to Yanhee EGCO. The full facility had been drawn down. The principal payment will be made at equal installment on a yearly basis at the interest rate of MLR, payable

Companies	Relationship	Transaction values by December 31, 2014 (million baht)	Terms and conditions
			on a yearly basis.
Theppana	Subsidiaries	29	On October 8, 2012, EGCO entered into the loan agreement providing the loan of 31 million baht to Theppana. The principal will be paid at a lump sum on the 10 th anniversary of the COD, at the interest rate of MLR minus a certain margin. The repayment should be made every 6 months starting from the COD.
Chaiyaphum	Subsidiary	80	On December 25, 2014, EGCO entered into the loan agreement, providing the loan of 647 million baht to Chaiyaphum. The facility of 80 million baht has been drawn down. The principal will be paid when Chaiyaphum has available cash but the repayment should not made after the tenor. The interest rate was charged at the average MLR of 4 banks namely Bangkok Bank, Krung Thai Bank, Kasikorn Bank and SCB Bank. The repayment was scheduled every 6 months and the first repayment should be made at the 12 th month after COD.

4.2 Commitments and Liabilities

EGCO has commitments under the Sponsor Support Agreements from loan guarantees provided to subsidiaries and joint ventures as follows.

4.2.1 Guarantee of Loan

Company	Relationship	Transaction value by December 31, 201	Terms and Conditions
Roi-Et Green	Subsidiary	157 million yen or equivalent to 43 million baht	EGCO signed the agreement guaranteeing outstanding loan including accrued interest of Roi-Et Green

Such financial support was justified as EGCO complied with the terms and conditions in the loan agreements and business development agreements, and was provided on EGCO's share proportion.

Chaiyaphum

EGCO was liable under the Letter of Guarantee for the electricity sales proposal to EGAT and PEA, Land Lease Guarantee to the Agricultural Land Reform Office, Chaiyaphum province in the amount of 59 million baht.

Theppana

EGCO was liable under the Letter of Guarantee for the electricity sales proposal to EGAT and PEA, Land Lease Guarantee to the Agricultural Land Reform Office, the rental of reserved land to the Department of Forestry and the land lease to Agricultural Land Reform Office, Chaiyabhum province, totaling 2 million baht.

Boco Rock

EGCO has the liability under the Standby Letter of Credit issued by BNP Paribas Bank to guarantee the capital payment for Boco Rock project in the amount of 8 million Australia dollars or equivalent to 202 million baht.

KEGCO

EGCO has the liability under the Standby Letter of Credit issued by BNP Paribas Bank to guarantee the capital payment for Khanom 4 project in the amount of 4,353 million baht.

NTPC

EGCO has the liability under the 2 standby letters of credit issued by Mizuho Corporate Bank to guarantee the debt obligation in reserve accounts for Nam Theun II project, in the amount of 5 million US dollars (equivalent to 156 million baht) and 603 million baht, respectively.

GPS

EGCO has the liability under the Standby Letter of Credit amounted to 132 million baht, issued by Kasikorn Bank to guarantee for the required amount in the collateral accounts for GPS .

Policy and Tendency of Future Related Transactions

EGCO's existing related transactions tends to continue and EGCO will seek to ensure that all of the related transactions be conducted transparently, fair and beneficial to the Company. The Audit Committee, external auditors or independent consultants shall be assigned by the Board to review and give their independent opinions on the pricing and justifications of those transactions. Disclosure of related transactions shall strictly follow the notifications of SET and SEC. In addition, EGCO will continue to provide the updated information, rules and regulations on related transactions to concerned staffs for thorough understanding which will certainly lead to full compliance and transparency for the optimal benefits of the shareholders.