

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, 2015 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 4, 2015, the closing date of shareholder registration book 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	91,034,131	17.29
4	Bangkok Life Assurance Public Company Limited	9,542,700	1.81
5	Bualuang LTF	8,810,000	1.67
6	Social Security Office	7,380,700	1.40
7	STATE STREET BANK EUROPE LIMITED	6,886,841	1.31
8	Bualuang LTF 75/25	6,478,500	1.23
9	Mr. Suwan Aisuriyakornthep	4,430,000	0.84
10	CHASE NOMINEES LIMITED	4,345,678	0.83

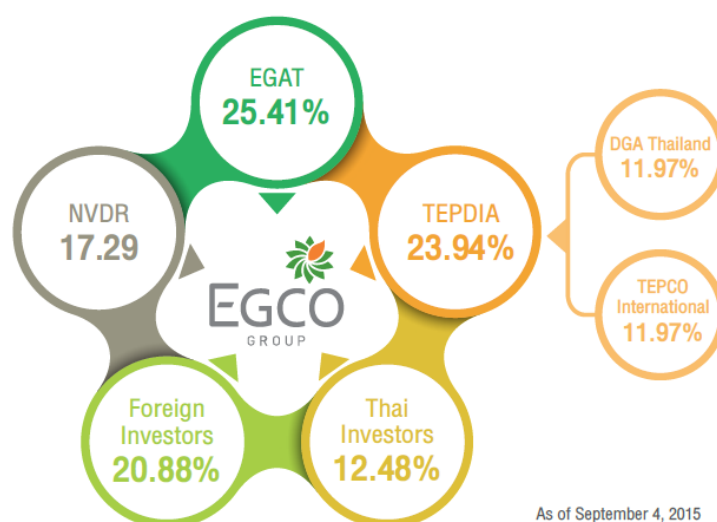
The ultimate shareholders of EGCO's major controlling shareholders are as follows:

- 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 owned 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 owned 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.



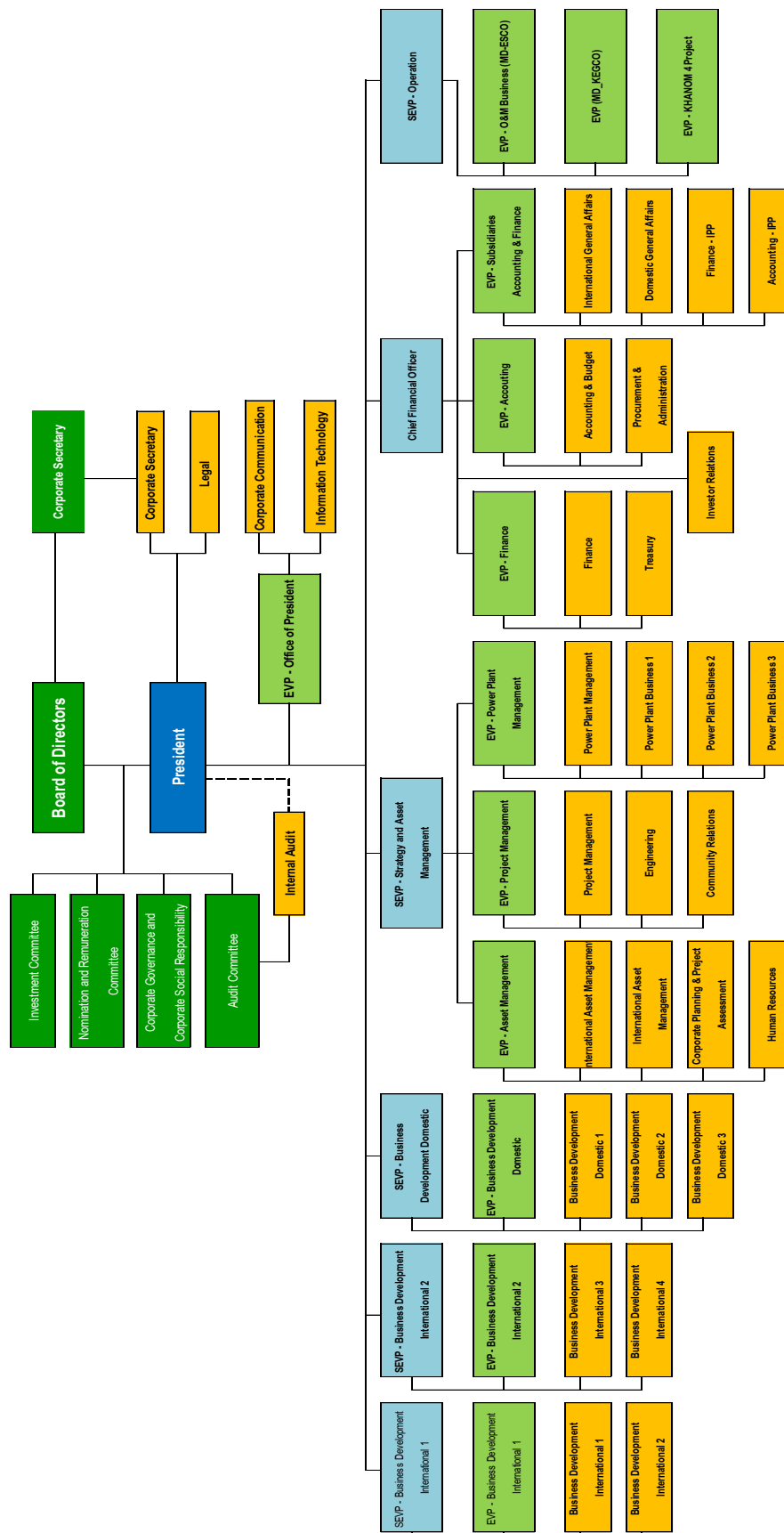
The comparison of the dividend payment between 2010 and 2014 is as follows:

Year	2010	2011	2012	2013	2014
Earnings per share (baht)	12.92	9.48	13.16	13.13	14.56
Dividend per share (baht)	5.25	5.25	6.00	6.00	6.25
Dividend payout Ratio (%)	41	55	47	46	43

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 on January 1, 2016)

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, 2015, EGCO's Board has comprised 15 directors as follows:

- 14 non-executive directors accounting to 93% of total directors, comprising:
 - 6 independent directors or equivalent to 43% of total directors,
 - 8 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, 2015 are as listed below:

	Name	Appointment Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/ Decrease (Dec 31, 2014 - Dec 31, 2015)
1	Mr. Sombat Sarntijaree Chairman	Apr 21, 2015	-	-	-
2	Mr. Thanapich Mulapruk Independent Director	Apr 21, 2015	-	-	-
3	Mr. Pongstorn Kunanusorn Independent Director	Apr 21, 2015	-	-	-
4	Police Lieutenant General Pansiri Prapawat Independent Director	Apr 24, 2013	-	-	-
5	Mr. Chotchai Charoenngam Independent Director	Apr 21, 2015	-	-	-
6	Mr. Somphot Kanchanaporn Independent Director	Dec 16, 2013	-	-	-
7	Mr. Bandhit Sothipalalit Independent Director	Apr 23, 2014	-	-	-
8	Mr. Prapas Vichakul Director	Jan 1, 2015	-	-	-
9	Mr. Sahust Pratuknukul Director	Apr 24, 2013	1,890	-	-
10	Mrs. Puangthip Silpasart Director	Apr 21, 2015	-	-	-
11	Mr. Tomitake Maruyama Director	Aug 1, 2015	-	-	-
12	Mr. Ken Matsuda Director	Jul 1, 2015	-	-	-

	Name	Appointment Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/ Decrease (Dec 31, 2014 - Dec 31, 2015)
13	Mr. Shunichi Tanaka Director	May 1, 2014	-	-	-
14	Mr. Yasuo Ohashi Director	Apr 23, 2014	-	-	-
15	Mr. Chanin Chaonirattisai President	Aug 1, 2015			

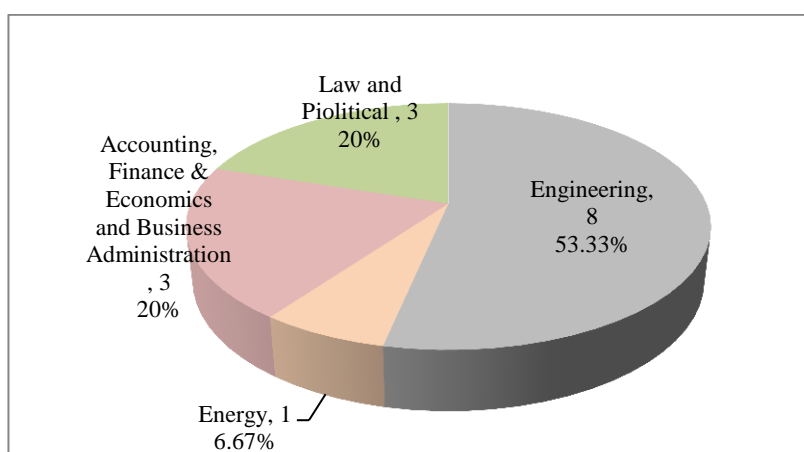
The Board appointed 2 new directors to replace the directors who resigned in 2015 with effect on January 1, 2016. The list of 2 new directors and their share ownership in 2016 is shown below:

	Name	Position	Appointment Date	No. of Shares	Remarks
1	Mr. Saharath Boonpotipukdee	Director	Jan 1, 2016	-	-
2	Mr. Kornrasit Pakchotanon	Director	Jan 1, 2016	-	-

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>100.00</u>
Expertise and experiences		
- Engineering	8	53.33
- Energy	1	6.67
- Accounting, Finance & Economics and Business Administration	3	20.00
- Law and Political	3	20.00
Total	<u>15</u>	<u>100.00</u>

EGCO's Board of Directors Structure



The lists of directors who retired and resigned in 2015 – March 31, 2016 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, 2014 - Dec 31, 2015)
1	Mr. Satoshi Yajima Director	Jun 30, 2015	-	-	-
2	Mr. Toshiro Kudama Director	Jul 31, 2015	-	-	-
3	Mr. Kornrasit Pakchotanon Director	Jul 31, 2015	-	-	-
4	Mr. Prapas Vichakul Director	Jan 1, 2016	-	-	-
5	Mr. Sahust Pratuknukul Director	Jan 1, 2016	1,890	-	-

(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. In 2015, EGCO has 6 independent directors, more than one-third of the whole directors. The term of independent director is set at not more than 3 terms or 9 years. Also, they 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 Sarntijaree, a representative director of the Electricity Generating Authority of Thailand ("EGAT") is appointed to be 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, mission and strategic plan to benefit all shareholders. Although the Chairman is not an independent director, the Board performs its duties with fairness and transparency and opines independent 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 2015 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 2015, 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. Review reported concerns about fraud or corruption.
 19. Conduct the self-assessment at least once a year.
 20. Perform any other acts as assigned by the Board of Directors with approval of the Audit Committee.

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. Shunichi Tanaka, 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 regulation 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 ("CC"): 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

Corporate Governance here means the compliance to Corporate Governance Principles regulated by the Stock Exchange of Thailand, Criteria for Corporate Governance by Institute of Thai Directors and ASEAN CG Scorecard.

- 1.1 Endorse corporate governance policy and anti-corruption policy and measures for consideration and adoption by the Board,
- 1.2 Monitor the Company's practices to ensure the Management complies to the Corporate Governance policy,
- 1.3 Promote and encourage the compliance of directors, management and employees to the Good Corporate Governance Policy and the Anti-Corruption Policy,
- 1.4 Review and revise the Good Corporate Governance Policy, the Anti-Corruption Policy and the anti-corruption measures as deemed appropriate for the Board's approval.

2. Social Responsibility

- 2.1 Endorse the policy, project framework and activities of the Group companies in relation to corporate social responsibility to be proposed to the Board for approval,
- 2.2 Approve the master plan and annual in relation to corporate social responsibility.

Meeting Attendance

Name	Meeting Attendance in 2015 (number of times)				
	Board Meeting 13 times	Audit Committee 15 times	Investment Committee 13 times	Nomination and Remuneration committee 6 times	Good Corporate Governance and Corporate social Responsibilities Committee 3 times
1. Mr. Sombat Sarntijaree	13/13		13/13		
2. Mr. Thanapich Mulapruk	11/13	15/15			
3. Mr. Pongstorn Kunanusorn	12/13	15/15			
4. Police Lieutenant General Pansiri Prapawat	13/13			6/6	3/3
5. Mr. Chotchai Charoenngam	13/13			5/5	3/3
6. Mr. Somphot Kanchanaporn	13/13	15/15			
7. Mr. Bandhit Sothipalalit	13/13			6/6	3/3
8. Mr. Prapas Vichakul	12/13				
9. Mr. Sahust Pratuknukul	13/13		13/13		3/3
10. Mrs. Puangthip Silpasart	13/13				3/3
11. Mr. Tomitake Maruyama ^{/1}	6/6				
12. Mr. Ken Matsuda ^{/2}	7/7		7/7		
13. Mr. Shunichi Tanaka	13/13			2/2	

Name	Meeting Attendance in 2015 (number of times)				
	Board Meeting 13 times	Audit Committee 15 times	Investment Committee 13 times	Nomination and Remuneration committee 6 times	Good Corporate Governance and Corporate social Responsibilities Committee 3 times
14. Mr. Yasuo Ohashi	12/13		13/13		
15. Mr. Satoshi Yajima ^{/3}	6/6		5/6	4/4	
16. Mr. Toshiro Kudama ^{/4}	6/7				
17. Mr. Kornrasit Pakchotanon ^{/5}	7/7		7/7		
18. Mr. Chanin Chaonirattisai ^{/6}	6/6		6/6		

Remarks : ^{/1} Appointed on August 1, 2015

^{/2} Appointed on July 1, 2015

^{/3} Resigned on June 30, 2015

^{/4} and ^{/5} resigned on July 31, 2015

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 December 31, 2015 is as follows:

Name	Appointment Date	No. of shares		
		Management	Spouse/ Minor Child	Increase/ Decrease (Dec 31, 2014 - Dec 31, 2015)
1. Mr. Chanin Chaonirattisai	President	-	-	-
2. Mr. John Palumbo	Senior Executive Vice President-Business Development – International 1	-	-	-
3. Mr. Niwat Adirek	Senior Executive Vice President-Business Development – International 2	-	-	-

Name	Appointment Date	No. of shares		
		Management	Spouse/ Minor Child	Increase/ Decrease (Dec 31, 2014 - Dec 31, 2015)
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 Chomchalerm	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	-	-	-
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 2015, 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 2015, 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. 2014 bonus of 20 million baht equaled to 2013'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 0.61% of 2015 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 2015 is summarized below:

Name	Board of Director	Standing Committee				Bonus ³	Total Remuneration
		AC	IC	NRC	CC		
1. Mr. Sombat Sarntijaree	612,500		619,545.70			451,814.47	1,683,860.17
2. Mr. Thanapich Mulapruk	470,000	675,000				1,403,508.77	2,548,508.77
3. Mr. Pongstorn Kunanusorn	480,000	540,000				1,403,508.77	2,423,508.77
4. Police Lieutenant General Pansiri Prapawat	490,000			360,000	72,000	1,403,508.77	2,325,508.77
5. Mr. Chotchai Charoenngam	490,000			340,000	102,000	1,403,508.77	2,335,508.77
6. Mr. Somphot Kanchanaporn	490,000	540,000				1,403,508.77	2,433,508.77
7. Mr. Bandhit Sothipalalit	490,000			360,000	72,000	970,920.45	1,892,920.45
8. Mr. Prapas Vichakul	480,000			360,000			840,000.00
9. Mr. Sahust Pratuknukul ¹	120,000		120,000				240,000.00
10. Mrs. Puangthip Silpasart	490,000				72,000		562,000.00
11. Mr. Tomitake Maruyama	210,000						210,000.00
12. Mr. Ken Matsuda	250,000		260,000				510,000.00
13. Mr. Shunichi Tanaka	490,000			196,612.90		706,560.92	1,393,173.82
14. Mr. Yasuo Ohashi	480,000		500,000			728,190.33	1,708,190.33
15. Mr. Chanin Chaonirattisai ²	90,000		100,000				190,000.00

Remarks ¹ Mr. Sahust Pratuknukul's contract as President expired on September 30, 2015. However, he continued his directorship until his resignation on January 1, 2016 and he received retainer fee and meeting allowance during October 1, 2015 – December 31, 2015 as the director.

² Mr. Chanin Chaonirattisai was appointed as a director and the President on August 1, 2015 and October 1, 2015 respectively and he received retainer fee and meeting allowance during August 1, 2015 – September 30, 2015 as the director.

³ Bonus for Board of Directors in 2014 was paid in May 2015 as resolved by the Shareholders in the Annual General Meeting for year 2015.

The summary of remuneration of retired and resigned directors during 2014-2015 is as follow:

Name	Retirement/ Resigning Date	Number of months in service		Meeting Attendance (12 times/ year)	Total Remuneration in 2014			Total Remuneration
		2014	2015		Monthly Retainer and Meeting Allowance		Bonus	
					Director	Standing Committee		
1. Mr. Phaiboon Siripanoosatien	Apr 23, 2014	4	-	0			432,588.32	432,588.32
2. Mr. Shigeru Inano	Apr 23, 2014	4	-	0			432,588.32	432,588.32
3. Mr. Hideo Kuramochi	May 1, 2014	4	-	0			461,427.54	461,427.54
4. Mr. Pornchai Rujiprapa	Aug 28, 2014	8	-	0			1,148,762.32	1,148,762.32
5. Mr. Kulit Sombatsiri	Sep 25, 2014	9	-	0			1,026,676.28	1,026,676.28
6. Mr. Piboon Buacham	Jan 1, 2014	12	-	0			1,403,508.77	1,403,508.77
7. Mr. Mongkol Sakulkao	Jan 1, 2014	12	-	0			1,403,508.77	1,403,508.77
8. Mr. Satoshi Yajima	Jun 30, 2015	12	6	6	239,000.00	468,500.00	1,403,508.77	2,111,008.77
9. Mr. Toshiro Kudama	Jul 31, 2015	12	7	7	269,032.26		1,403,508.77	1,672,541.03
10. Mr. Kornrasit Pakchotanon	Jul 31, 2015	-	7	7	279,032.26	279,354.84		558,387.10

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) which reflects the corporate growth both on short and long terms. 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 2015 is as follows:

Remuneration	2015
	Management (7 persons) ¹
Total Salary	42,636,600.00
Bonus ²	18,006,904.00
Total	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 2014 bonus was paid in January 2015.

Total Remuneration of Core Subsidiaries' Management

In 2015, 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. ("PEPOP") under the Operation and Maintenance Agreement for the same period of 25 years starting from COD. Likewise, in 2015 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 2015, EGCO contributed their parts to the provident fund for their respective Management as follows:

(Unit : Baht)

Company	Year 2015	
	Member	Provident Fund
EGCO	7	3,443,373

8.5 Employees

EGCO and Core Subsidiaries' Employees

EGCO

As of December 31, 2015, EGCO has 317 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	43
2. Business Development - International 1	6
3. Business Development - International 2	9
4. Business Development - Domestic	11
5. Strategy and Asset Management	86
6. Accounting and Finance	89
7. Operation	4
8. Rayong Power Plant	69
Total	317

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 22 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 2015 is as shown below.

(Unit : Baht)

Remuneration	Amount
	EGCO ¹ and EGCO Cogen
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 Section 10 Corporate Social Responsibility: Employee.

9. Corporate Governance

9.1 Corporate Governance Policy

EGCO is committed to operate sustainable business with good governance to achieve fair, efficient and transparent operations that is free from direct and indirect act of corruption. Responsibility towards community, society, environment and all stakeholders is part of this commitment. 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.

Good Governance Framework

With commitment to operate fair, transparent and efficient operations in accordance with good corporate governance principles, 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 addition, to raise the Company's corporate governance to the international standard, the corporate governance principle has been improved in accordance with the Corporate Governance Report of Thai Listed Companies (CGR) set by the Institute of Directors (IOD) and ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).

Eventually, this is to strengthen the Company's performance to achieve its vision of becoming Thai leading company in complete power generation and energy related business both in Thailand and the Asia Pacific region.

Implementation of Good Corporate Governance Policies

The Board of Directors gives high importance to good corporate governance practice and thus 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. The corporate governance policies are prescribed to abide by SET's good corporate governance and ASEAN CG Scorecard's standard; and are set as a guidance for the Directors, Management and employees.

Considering that corruption would adversely affect the entire company in terms of management, trust and recognition by stakeholders, which will also damage the company's long-term sustainability, the Board of Directors in 2015 reviewed and improved its anti-corruption policy and measures as appeared in principle No.8: Anti-Corruption Policy under the Good Corporate Governance Policy. It also requested for its membership confirmation of the Private Sector Collective Action Coalition Against Corruption (CAC) Project to ensure trust and confidence among stakeholders that EGCO is completely free from corruption in all forms.

The Board in its meeting no. 1/2016 on January 28, 2016 approved the revision of the Company's Corporate Governance Principle under the section of Board Responsibility in terms of directorship in other publicly listed companies and independence director's term of office, aiming to strengthen efficiency of Board performance. The number of publicly listed companies where non-executive directors can hold directorship is adjusted down from 5 to 3 companies. The term of independence directors is reduced from not exceeding 3 terms of 9

years **to not exceeding 2 terms of 6 years**, starting the Company's annual general meeting in 2016.

Communication of the Corporate Governance Policies

The Board of Directors has disclosed the corporate governance policies as the practice guidelines for Management, employees and shareholders on the Company's website: www.egco.com. Related Company's information is also distributed to the employees in the group Company through Intranet.

- EGCO improved its Business Ethics to be used as the principle and practice guidelines for the Directors, Executives and employees. Major area of this year improvement was anti-corruption. This has been communicated through internal and external trainings, Communication Days and other activities to ensure that its employees have good understanding and inspiration to embrace Business Ethics to their own. The Business Ethics are based on the good corporate governance practice that is in line with corporate value of "operating business with integrity, moral and ethics."
- Strict compliance to related laws
- Respect for local tradition and culture
- Efficiently optimize natural resources with responsibility towards the environment
- Encourage all employees to perform their duty with commitment to best practice and teamwork

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 2015. Based on EGCO's determination towards good corporate governance in 2015, the Company was awarded by various well-known institutions as follows:

- Receiving 100 full score for the 2015 annual general meeting of shareholders for the seventh consecutive year, evaluated by Thai Investors Association
- Receiving membership certification from the Private Sector Collective Action Coalition Against Corruption (CAC)
- Being granted Level 4 in the sustainability assessment in anti-corruption category from Thaipat Institute; reflecting the Company's effective implementation of its anti-corruption activity and evaluation of the entire business process by the Audit Committee
- Being rated "Excellent" in Corporate Governance Rating by the Thai Institute of Directors (IOD) with the score of 93 out of 100
- Receiving ASEAN Corporate Governance Awards as one of the top 50 listed companies in the ASEAN region (TOP50 ASEAN PLCs) based on ASEAN CG Scorecard, an international standard for corporate governance assessment of listed companies in ASEAN. EGCO was one of the 23 Thai listed companies in the top 50 companies with the highest score.
- Receiving Thailand Sustainability Investment (THSI) Award or the "sustainable stock" from the Stock Exchange of Thailand with outstanding performance in environment, social responsibility and good governance
- Receiving the ESG100 Company certification from Thaipat Institute as a listed company with outstanding performance in sustainable business operations

The Board of Directors has monitored and prepared this report to update EGCO's 2015 good corporate governance which can be summarized as follows:

1. Rights of Shareholders

EGCO values and respects the shareholders, including institutional investors, 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 inquiring and commenting 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 both in 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 2015, EGCO's AGM was held on April 21, 2015 at Vibhavadee Ballroom, Centara Grand Hotel at Central Plaza Ladprao, Bangkok. There was no extra meeting of the shareholders during the year. EGCO's AGM was 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 strived to facilitate shareholders voting right, in case they could not attend the meeting as follows:

- Meeting schedule and agenda were distributed via SET portal and EGCO's website on February 23, 2015 before delivering the meeting documents by post, 58 days prior to the AGM date; the deadline for shareholders' attendance confirmation and book closing date were also detailed in the meeting notice.
- Notice and agenda of the meeting, both in Thai and English, were sent to shareholders by clearly separating each agenda. The agendas of 2015 AGM were matters for consideration as prescribed in EGCO's Articles of Association, chapter 4: Shareholders' Meeting. The appointment of directors and directors' remuneration were under separate agendas. Each agenda consisted of background, objectives and rationale, the Board's opinions, vote counting, remuneration policy, profile of nominated directors, and 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, were delivered to

shareholders on March 16, 2015, 37 days before the actual AGM date. Notices and supporting documents were 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 sending hard copies to shareholders in order to allow them to have enough time to review such information. Contact number was also provided for further inquiries and for proposing 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 on their submission of registration documents to EGCO 7 days in advance for document checking in order 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 02 955 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 from the registration, vote counting and result announcement, in order not to violate the shareholders' rights. Inspection as well as shareholders' inquiries and opinions are always welcomed and taken into consideration. The following are EGCO's standard practices:

- Directors, Executives and the external auditor from PricewaterhouseCoopers ABAS Company Limited have always been encouraged to attend the AGM altogether in order to answer shareholders' questions and acknowledge their opinions. For the AGM 2015, 15 directors including the Chairman and Chairmans of all Committees' members attended the meeting which accounted for 100% of the Board members. The Chairman and committees' members as well as management 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.
- One volunteered Shareholder was invited to observe the vote counting process. A representative from the Thai Investors Association also observed the meeting.
- 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' ballots 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 2015 survey indicated shareholders' satisfaction for the quality of the meeting notice, the meeting arrangement as well as its conduct.

At the end of the 2015 AGM, there were reportedly 665 and 1,014 shareholders presented in person and by proxy respectively, representing an amount of 378,520,963 shares which accounted for 71.8986% of the total outstanding shares.

After the Day of the Shareholders' Meeting

- After the AGM, EGCO prepared minutes of the meeting with name list of the Board and Executives with their titles presented at the meeting along with the voting process, ballot 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, 2015 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.
- After the AGM had approved dividend payment, EGCO informed the shareholders of the meeting result, including details on dividend payment, via SET Portal and worked closely with TSD to ensure that the shareholders received complete and accurate dividend.
- Recommendations from the shareholders and inspectors were taken for further consideration and continuous improvement of the AGM.

1.2 Shareholders' and Investors' Visits

The Company regularly organizes shareholders' and investors' visits for better understanding of EGCO's business. In 2015, several shareholders' and investors' visits were arranged as detailed in Section 4 – Disclosure of Information and Transparency.

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, is treated fairly and well informed of EGCO's any important decisions 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.
- To allow shareholders to participate in governing the Company, EGCO allows shareholders the right to propose meeting agenda and nominate the qualified director candidate by announcing on EGCO website and SET portal. The procedure is set clearly, transparently 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 from 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 less stricter than SET's recommendation of 5% shareholding. However, in the 2015 AGM, there was neither proposal of AGM agenda topic nor qualified director nomination.
- Ballots are employed in vote counting for all agenda topics for transparency and easy audit. The appointment of individual director is done by shareholders. Baker & McKenzie Co., Ltd. is invited as an inspector together with one volunteered shareholder as an observer. Shareholders, who cannot attend the AGM in person, can vote through 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 form can be downloaded from EGCO 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 both in Thai and English versions. English interpreting service is also available in 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 2015 AGM was mailed to each shareholder for revision.

2.2 Prevention of Improper Use of Internal Information

EGCO has prepared the Code of Conduct in writing 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. Internal control system has been established to prevent information leakage to the public before it is officially announced. Such measure and control system are part of the Company's essential risk control activities. It is the duty and responsibility for a supervisor to control and ensure that confidential information is kept and used well in accordance with related rules and regulations. An employee performing insider trading for oneself or for other family

member is considered a breach of the Code of Conduct. The principles regarding this matter are as follows:

- Directors and employees must, at all times, observe the rules and regulations issued by SET, SEC and other; and equally disclose information to shareholders and public.
- Directors and employees shall not make improper use of information acquired by virtue of the directors' and employees' position or cause damage to the Company.
- Matters such as trade secrets or any sensitive business information shall not be disclosed to any outsiders.
- Directors 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 directors, the Executive and relevant employees of the period prohibiting stock trading before every fiscal budget announcement.
- Directors, Executives and spouses and minor children who wish to trade the company's stock shall inform the Corporate Secretary at least one day prior to the trading.
- 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.

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 shall promptly notify EGCO when they or their family members are involved with or hold shares in any entity which may incur benefits or conflict 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.
- Directors and the Management shall report their security holding on a regular basis at the Board of Directors' meeting with the notification that directors and Management, including their spouses and minor children, as well as person under section 258 of the Securities and Exchange Act B.E. 2535 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 working days after getting such report. In 2015, 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.

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.

Employees

EGCO realizes the value of its human resources as the key success factor of the Company. The Company, therefore, puts an emphasis on the selection and hiring employees with knowledge, expertise and potentials appropriate with their job description and responsibility as well as EGCO's business to support corporate growth. The Company supports its people to enhance knowledge and capabilities through internal and external training. Knowledge sharing workshops have been held to provide its employees with opportunity to share and learn knowledge related to EGCO's business and at the same time allow employees to learn and understand one another roles, responsibility and nature of jobs. The Company also stresses on the employees' welfare and well-being ranging from health and hygiene matters, safety concerns, working environment, fair remuneration, appropriate benefit schemes and respect for their individual rights. EGCO also supports employees' career development and organizes activities that promote employees' relations. Employees are encouraged to participate in community and social development activities such as taking part in projects for communities surrounding power plants and society at large. As the result, in 2015, there was no dispute or lawsuit between the Company and the employees as well as no lost time accident in all subsidiaries.

Customers

As the power generator, distributor and provider, EGCO is strongly committed to operating its business with fair, transparent and corruption-free operations by providing good quality and reliable services at a fair price to all customers. EGCO also keeps customers' confidential information and shall not use such information for own and related parties' benefits in order to foster and sustain good business relationships with each and every customer.

In 2015, there was no dispute or lawsuit between EGCO or its subsidiaries and the customers. As for the power generating business, EGCO Group could generate the contracted electricity with Equivalent Availability Factors (EAF) as committed in the Power Purchase Agreement (PPA). For the maintenance business, EGCO Group's service was rated "very satisfactory" with the score of 93.61% from the customer's satisfaction survey.

Creditors

EGCO has fairly, responsibly and transparently treated all its creditors by strongly complying with all of the loan provisions and correctly disclosing Company's true

financial status. In case that there is any suspected event to affect its creditors, the Company will take immediate action to prevent and correct the matter.

In 2015, EGCO and its subsidiaries fully complied with all the loan provisions and never failed to meet payment terms.

Suppliers and Contractors

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

In 2015, there was no dispute or lawsuit between EGCO or its subsidiaries and the suppliers and contractors.

Competitors

EGCO conducts its business on a fair play basis and corruption-free. The Company does 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 2015, there was neither dispute nor lawsuit between EGCO or 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. As stated in the Company's mission, the Company is committed to becoming a good and caring citizen, which has become one of the duties and responsibilities of all Executives and employees. It is the employees' duty to disclose 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.

In 2015, there was neither dispute nor lawsuit between EGCO or its subsidiaries and people in the communities surrounding the power plants and NGOs. EGCO Group has incessantly developed 62 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 operations 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 2015, 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 in Khao Luang National Park in Nakhon Si Thammarat province as well as northeastern parts of the country in Lam Pathao watershed area in Chaiyaphum province.

3.2 Observation of Human Rights

EGCO requires that its directors, Management and employees fully respect international human rights, laws as well as different traditions and culture.

- EGCO treats all employees with respect and honor. The Company 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.

EGCO has provided for the establishment of a Welfare Committee to receive opinions and recommendations that directly address the current situation. Such recommendations are conserved to further improve employees' benefit and welfare.

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 belongs to the third party so as to prevent the violation of intellectual property.

3.4 Measures against Corruption and Bribery

EGCO has set and improved anti-corruption policy to become clearer and prepared a manual for anti-corruption measures for directors, Executives and employees to use as guidelines. The key focus of such policy and measures is to prevent and prohibit corruption in all forms 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 or maintain competitive advantage. The Anti-corruption Committee was

established to coordinate with the Executives and other units within the Organization in reviewing and improving criteria, regulations and related practice guidelines to better address the current situation. The anti-corruption policy and manual have been disseminated across all EGCO's subsidiaries and also to outsiders.

In 2015, EGCO applied for membership of the Collective Action Coalition Against Corruption ("CAC") Project. The Audit Committee was responsible for reviewing and auditing the self-assessment on anti-corruption. The Company's application to CAC was approved on July 10, 2015 by the CAC Committee.

In addition, EGCO has received Level 4 (certified) in the sustainability development assessment of listed companies in terms of anti-corruption organized by Thaipat Institute. This is a testimony of EGCO's concrete implementation of anti-corruption measures and the adequacy of the process was reviewed by the Audit Committee. As a result, EGCO was successfully certified as CAC members.

Corruption Risk Assessment

EGCO requires units whose transactions may create corruption risks, such as business development, accounting and finance, project management, community relations, procurement and government affairs units, to conduct corruption risk assessment. Cause and chances of the corruption risks in the entire business process, from project development to project financing, project and power plant management and organizational administration, are identified while practice guidelines, regulations and rules used for control such risks are prepared.

Corruption Risk Assessment showed that EGCO has effective risk prevention, such as prevention, whistleblowing system, control and monitoring. Chances of such risks are very low. Although the assessment also showed that some anti-corruption guidelines are already in writing, such as gifting, entertainment, internal control, human resource management and procurement, some other practices, including sponsorship, training and communications, remain not clear. The Management and employees however have correctly, properly and transparently performed, which becomes the corporate culture. To support effective implementation and provide clear guidelines, EGCO has improved and put in writing those guidelines by preparing the "Anti-corruption Measures Manual". The manual has been disseminated throughout the entire Organization via internal communication channels and to outsiders via EGCO's website under good governance.

Implementation of Anti-corruption Policy and Measures

- The Anti-corruption Policy and the Anti-corruption Measures Manual are published on the Company's website and disseminated through internal communication channel, such as EGCO Groupnet.
- Anti-corruption measures are regularly communicated within the Organization through EGCO Talk and posters in office and lifts where outsiders can also see and become aware of EGCO's commitment.
- The Company encourages and supports its subsidiaries to concretely implement anti-corruption measures by communicating the anti-corruption policy and manual to its representative directors in subsidiaries for adaptation and implementation.
- EGCO's President emphasized on the policy at the "Communication Day" activity to communicate with Executives and employees.

- The Board encourages directors, Executives and employees to attend trainings and seminars on anti-corruption held by various organizations, including:
 1. Thailand's 6th National Conference on Collective Action against Corruption on Anti-corruption in Thailand: Sustaining the Momentum organized by CAC Attendants included 10 directors, representatives from Internal Audit Unit, Corporate Secretary Unit, Procurement and Administration Unit with the total training hours of 80 hours.
 2. Workshop on "Anti-corruption for Business Enterprises" held by PACT Network in cooperation with Association of Thai Securities Companies' Investment Banking Club and Pricewaterhouse Coopers Consulting (Thailand) Co, Ltd.

Attendants included two persons with the total training hours of 16 hours.

- EGCO has communicated the policy with trade partners. A specific condition is stated as an appendix to the Purchase Order saying, **"EGCO is committed to operating business by adhering to ethical and transparent practice without corruption, and by full respect of human rights, health, safety and environment in compliance with related laws, regulations and rules. EGCO selects trade partners through fair and transparent process and supports partners who operate with the same principle stated above"**. The statement is clearly published to encourage trade partners to be aware of EGCO's commitment and act accordingly.

Whistleblowing

EGCO encourages its employees and stakeholders to participate in monitoring the actions in compliance with related laws, regulations rules, corporate governance practice and business ethics and report or complain on breach of laws, ethics or malpractice that may involve corruption. Measures for whistleblower protection are also put in place so as to keep reported information confidential and will be acknowledged only by relevant parties to provide whistleblowers with full confidence and protection. Issues to be reported are as follows:

- Wrongful action against related laws, regulations and business ethics
- Corruption and bribery
- Suspected actions that may involve money laundering, wrongful actions related to accounting, finance, control and auditing

Clue reporting and procedure includes 2 channels:

- Channel 1: by email to one of the following:
 - The Audit Committee at auditcommittee@egco.com
 - The Good Governance Working Committee at GoodGovernance@egco.com
 - The Board of Directors at directors@egco.com
- Channel 2: by post addressing one of the committees at the following address:
Electricity Generating Public Company Limited
EGCO Building, 222 Moo 5 Vibhavadi Rangsit Road
Tungsonghong, Laksi, Bangkok 10210

EGCO has set whistleblowing process and protection of whistleblowers and those being complained as well as penalty and clue reporting; and clearly published such

details in the Anti-corruption Measure Manual. In 2015, EGCO received neither complaint nor detected corruption within the Organizations by insider and outsider.

Monitoring, Reviewing and Assessment

The Working Committee is responsible for monitoring, reviewing and assessing risks on yearly basis. When new risks are identified, the Working Committee shall prepare prevention and guideline to control such risks and report to the Audit Committee who is responsible for the implementation of anti-corruption measures and review measures and internal control activities.

Anti-corruption Plan

In 2016, EGCO has set anti-corruption plan to maintain continued development. Road shows will be held among subsidiaries to introduce and provide information on good governance and anti-corruption policy and measures to all employees at the headquarters and power plants. The activities will increase confidence among shareholders and stakeholders of EGCO's transparent operations. Directors and Executives will also act as the role models in anti-corruption practice.

EGCO will continue to communicate on anti-corruption by providing information on EGCO Groupnet, the intranet within the Organization, and opinions and recommendations of the President on Communication Day.

Details of anti-corruption policy is clearly set and stated in the “Anti-corruption Measure Manual, Good Governance Principles and Business Ethics” published on EGCO’s website under the Good Governance topic.

3.5 Responsibility towards Environment and Sustainable Use of Resources

As the country's first independent private power producer, EGCO is committed to driving business progress and sustainability. EGCO has not only carefully operated its business to support sustainable corporate growth, but also realized that environmental and social sustainability is the key to success. It has clearly set in its vision and mission the commitment to social responsibility as part of its role and responsibilities as the good corporate citizen. It will select power generating technology that effectively controls possible impact on the environment and society related to climate change and global warming; and strictly complies to laws and standards related to the environment in order to control pollution and waste, fairly treat stakeholders, and be involved in social development activities in communities surrounding the power plants and operate business with good governance to ensure efficient, fair and transparent operations. Such measures will not only enhance confidence among shareholders and other stakeholders but also promote sustainable growth and long-term competitiveness. EGCO has reported the progress of social and environmental responsibility activities in the community, society and environment section.

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	-
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, Tungsohong, 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.

4. Information Disclosure and Transparency

4.1 Channels for Information Disclosure

Considering that proper information disclosure is one of the good governance pillars, EGCO realizes the importance of disclosing completed, correct and update information on financial and other significant matters in a transparent and timely manner. Significant information is prepared in Thai and English to enable shareholders and stakeholders to have equal access to the information. Channels of information disclosure are as follows:

1. Information disclosure on website

In order for shareholders and investors to be able to promptly retrieve the latest published information, EGCO constantly updates significant information on various websites as follows:

A. Portal system of SET (www.set.or.th) and SEC (www.sec.or.th)

B. EGCO's website at www.egco.com which publishes the following information:

- Corporate profile: vision, mission and organizational structure
- Corporate governance, comprising structure of Board of Directors, committees and senior Management, anti-corruption policy and business ethics
- Investor relations, comprising financial data, such as quarterly financial statements, Management Discussion and Analysis (MD&A), structure of shareholders, annual report, Form 56-1, meeting invitation, annual general meeting of shareholders minute, news and investors' calendar
- Corporate information, social responsibility and interesting information about energy

2. Disclosure of information to the public and mass media through various channels, such as press releases, newspapers, advertisement, newsletters and televisions

3. Disclosure of information to analysts or investors who visit the Company and discuss with the Management and investors; and arrangement of analysts meeting to announce Company's performance
4. Domestic and international investors' road shows
5. Company visit by shareholders
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 2015, 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 the 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. Considering that equitable treatment of shareholders is very important, EGCO has provided information with duly care to ensure that all stakeholders equally receive the information. The quiet period when no information or answers to questions related to performance forecast is given to analysts and investors 14 days before releasing the financial statements. Earnings preview is also completed before the quiet period.

EGCO also emphasizes on information disclosure via investor relations activities. The Management has participated in the activities by presenting information and meeting with investors in order to create a good understanding towards the Company's operations and business, foster good relationship with investors as well as encourage continuous discussions and information exchange. The main activities in 2015 are as follows:

Activities	No. of Activities in 2015
Quarterly analyst meeting	4
Shareholders and investors' visit to BLCP coal-fired power plant	2
Analysts and investors' visit to BLCP coal-fired power plant	1
Meeting, seminar and discussion with local and international investors and analysts	13
Communications via email and phones	10-12 times/day
Distributing "Life" quarterly newsletter as a channel to communicate with shareholders on the company's significant activity and performance	4

In this regard, investors' and shareholders' activities were stated in the 2015 highlight performance: activities for shareholders and investors.

Corporate Communications

The Corporate Communications Division is responsible for communicating with the public the Company's movements, activities and cooperation with other organizations through the media. Major events in 2015 included 4 press conferences on business

performance and directions, 8 special executive interviews, 26 press releases, photo captions and public relations articles.

Corporate Secretary

The Corporate Secretary Division is responsible for disclosing information as required by SET and SEC in a correct and transparent manner. The information is reviewed according to the preset procedure before release. In 2015, 15 notifications were submitted to SET.

EGCO has constantly updated the information on its website. Information disclosure efficiency has been regularly assessed through distribution of a questionnaire at the meetings with shareholders, investors and analysts. Information collected from the survey is used for improving efficiency of information disclosure and investor relations activities. Along with the annual report and the AGM notice, EGCO also attaches the feedback form for shareholders so that they can provide feedback on the quality of the annual report, additional documents requested and any inquiries or matters that need the directors and Management to answer at the next AGM. All of these procedures have been well received by the shareholders.

4.2 Financial Statement Preparation

EGCO is responsible for preparing the financial reports that are accurate, complete, transparent, and in line with acceptable accounting standards, compliant to related laws and announcement; and protecting its assets against fraudulent action of unauthorized persons or abusive actions. To assure that stakeholders can have trust in the financial statements, the Board has entrusted the Audit Committee to assume important duties and responsibilities in regularly reviewing the financial statements to ensure its correctness, completeness 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. The Board of Directors has also prepared the Report of the Board of Directors' Responsibility towards Financial Statements, covering all significant matters required by the practice guidelines of directors of listed companies set by SET. The report is published together with the Auditor's Report in the annual report. In 2015, EGCO appointed auditors from Pricewaterhouse Coopers ABAS Co., Ltd. as the Company's auditor given that they have professional knowledge and have no conflict of interest that may 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 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 EGCO has never been demanded by SEC to restate the financial statements. In addition, the Company has disclosed 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 nature of business. They must serve the Company with honesty, prudence, care and for the utmost benefits of the Company and fairness to all shareholders. Directors shall exercise their independent judgment and devote considerable time in performing their duties in accordance with the corporate governance principles. Directors have significant roles in formulating corporate policy, vision and mission by working closely with the Management in setting short and long term strategies and monitoring the implementation of corporate strategies as follows:

- Formulate risk management policy, business plan and budget, and monitor the Company's performance as well as 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 Executives and ensure that the director appointment process is transparent
- Monitor and resolve conflict of interest which may incur among the Management, directors and shareholders as well as to ensure the independent audit and appropriate internal control system with focus on risk monitoring, financial control and legal compliance
- Monitor the effectiveness of the existing corporate governance measures and implement changes if necessary
- Monitor the information disclosure and communication process
- Evaluate the Board of Director's performance on annual basis and announce its duties and responsibilities in the annual report

EGCO has 4 committees with different areas of responsibilities according to their knowledge and expertise to help screen policy and activities. The 4 committees are:

- Audit Committee
- Investment Committee
- Nomination and Remuneration Committee
- Good Governance and Social Responsibility Committee

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. Variety and good mix of gender, age, knowledge, expertise, experience and skills necessary to support strategic plans and good corporate governance principle that will support the Company's business development. The candidates shall have the qualifications required by laws, SET and SEC announcement and Company's regulations.

2. Clean work experience; possession of virtue and responsibility; and being professional

The Board of Directors is responsible for reviewing the Board's structure and composition on yearly basis.

The Board of Directors, appointed by AGM, comprises no less than 5 directors and no more than 15 directors. No less than half of the directors must have residence in the Kingdom of Thailand. In case of a vacancy from any other reason than the end of term, the Board of Directors shall select a qualified candidate in the next meeting with three-fourth majority votes of directors remaining in office. 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, the number 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, no less than four-fifth of the shareholders' 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 B.E. 2535. From 2011-2015, EGCO upheld with the existing policy which specified the office term of an independent director at not exceeding 3 terms or 9 years, effective from 2011 annual general meeting. In 2015, none of EGCO's independent directors served the Company more than 3 terms or 9 years. In order to improve the Company's Corporate Governance Principles to be more efficient and to maintain the independence of independent directors from Management and shareholders, the Board in its meeting no. 1/2016 revised the term of independent directors to be not more than 2 terms or 6 years, starting from 2016 annual general meeting. The revised term of independence directors conforms to the best practice. A director shall be no older than 72 years on the date of appointment. In case the director is already 72 years old while in office, he or she can remain in office until the expiry of term.

Segregation of Authority and Responsibility

The Board of Directors has clearly separated the good governance policy formulation, which is the Board's duty, from routine management, which is evidently the responsibility of the Management. The Board, therefore, has set up the Table of Authority (TOA) as the guidelines for practice. The Board will not intervene in any routine activities of the Management under the President's responsibility.

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

The Board of Directors has set a policy to limit the number of other listed companies that a director is allowed to hold positions in order to ensure that the director can perform at best efficiency and contribute sufficient time to govern the Company's operations. A non-executive director can serve as a director in no more than 3 other listed companies while an executive director can serve not more than 2 listed companies. Currently, all of the directors have complied with such policy.

Leadership and Vision

The Board of Directors is involved in setting corporate vision, mission, strategies as well as goals and short and long term business plans which will be revised on annual basis. The Board of Directors and the Management participated in the corporate strategy seminar on August 4, 2015. The Management gathered the Board's opinions and recommendations to formulate short and long-term strategic plan that best addresses the current situation, current and future business challenges and the Company's vision and mission. The corporate strategic plan has integrated the sustainable management concept, including business strategy and action plans related to social and environment as well as good governance in order to ensure sustainable growth and responsibility towards stakeholders. Meanwhile, the Company has set its goal to be a regional energy company in Asia-Pacific and maintain the return on equity (ROE) at 10% minimum by implementing the following 3 strategies:

1. Manage the existing power plants to operate at maximum efficiency
2. Manage the projects under development to be completed as scheduled and budgeted
3. Seek new investment opportunities by acquiring operating assets in order to immediately generate revenue to EGCO; develop projects in area of existing power plants; and invest in Greenfield projects to support Company's growth in long term

For long term goal, the Company emphasizes on expanding more business overseas, especially in the countries where EGCO currently owns business such as Philippines, Laos PDR, Indonesia, and Australia. Investment opportunities in other ASEAN countries such as Myanmar, Vietnam and Malaysia are also focused with the target to increase the revenue portion from overseas investment to 50%. It is significant to the Company as well to strengthen corporate management particularly in developing employees' potential and ability to be skillful and have proficiency required for business growth in order to preparing for becoming an energy company in Asia Pacific region.

Additionally, the Board of Directors has set the Corporate KPI on an annual basis which should be monitored and reported to the Board of Directors every 6 months. The Company's performance is overseen regularly by the Board of Directors. The Management is assigned to report monthly in the Board of Directors' meeting for acknowledgement.

The President also communicated the corporate strategy and goals with all employees on "Communication Day", allowing all employees to understand the Company's plan and each division's responsibility leading to effective implementation and goal achievement.

Code of Conduct

The Board of Directors has laid out the Code of Conduct as the guideline for directors, Executives and employees to perform their duties with ethics. Directors' Code of Conduct covers business operation principle, the Board of Directors' ethics, commitment, duties and responsibilities, conflict of interest and the use of Company's information. Employees' Code of Conduct, revised annually, covers business operation principles and commitment to ethics, namely 1) Treatment of stakeholders, 2) Code of conduct towards the Company, 3) Procurement and transaction, 4) Prevention of

conflict of interest, 5) Employees, 6) Safety, health and environment, 7) Anti-corruption, and 8) Whistleblowing.

In 2015, the Board of Directors reviewed and improved the Code of Conduct to be in line with Anti-corruption policy. The revised Code of Conduct provides a guideline for the directors, Executives and employees to perform their duties with high ethical standard and fairness to all stakeholders. The Company also communicated the Code of Conduct with all employees and included this matter in the orientation for new directors and employees. With the commitment to the Code of Conduct, the Board of Directors has constantly monitored and assessed the implementation of the Code of Conduct in order to ensure the sufficiency and appropriateness of internal control in compliance with SEC's guidelines and good corporate governance principle. The President required employees at all levels to review and verify the Code of Conduct in 2015; all employees should sign a compliance form and hand it to their respective supervisors.

In 2015, employees at all levels signed a representation letter and submitted it to the respective supervisors. The form was finally submitted to the Chairman. The Code of Conduct has been published on the Company's website under Good Corporate Governance topic for easy reference and access by shareholders, investors and any persons having interest in the information.

In the next move, the company will organize CG Road Show, covering Code of Conduct, to raise awareness and enhance understanding among employees at all levels and encourage strict implementation of the Code of Conduct.

Internal Control and Internal Audit

The Board of Directors has clearly determined responsibilities and authority of Executives and employees in writing. The segregation of duties ensures 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's Internal Audit Division is responsible for auditing EGCO and its subsidiaries in Thailand and overseas and providing advice to related organization to mitigate operational weakness while strengthening preventive auditing practice. The Internal Audit Division reports directly to the Audit Committee which approves the internal audit plan, appoints or terminates, and appraises the performance of Internal Audit Manager in order to ensure operational independence and Internal Audit Division report.

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 among employees within EGAT's group. All internal auditors have attended the training courses for the professional certificate organized by the Certified Professional Internal Audit of Thailand (CPIAT). EGCO has encouraged the internal auditors to obtain Certified Internal Auditor (CIA) certification. The internal auditors also attended seminars on anti-corruption to promote their knowledge and ability to apply to the Company's internal audit process as well as to monitor the implementation of Anti-corruption policy and manual.

Nomination and Remuneration of Auditors

The Audit Committee is responsible for selecting, nominating and terminating the Company's independent auditor, as well as setting the remuneration rates which afterwards have to be finalized and approved by the Board in the AGM. In 2015, both

the Board of Directors and the Audit Committee considered that the auditors from Pricewaterhouse Coopers ABAS Co., Ltd. (“PwC”) performed their duties with professionalism, independence, fairness, expertise and efficiency as well as provided 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. EGCO Group has set the auditor remuneration at THB 2,928,000 and other expenses relevant to the audit executed in Thailand of no more than THB 169,600. As for the expenses for the audit performed in the countries in which EGCO has invested in the business, the Company is responsible for the actual expenses as considered appropriate by the Board of Directors. In 2015 AGM, the meeting mutually approved the appointment and remuneration of auditors as proposed by the Board of Directors.

Risk Management

The Board of Directors entrusts the Audit Committee to work with Executives in reviewing the risk management policy, implementation and guidelines of EGCO Group under corporate goals of satisfactory return, growth and corporate excellence. The Audit Committee reports the risk management report 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 with the President as the Committee Chairman. The objectives are to formulate policy and monitor risk management of EGCO Group; to closely monitor and assess the risk management implementation; and to report to the Audit Committee and the Board. Each power plant also has its own Risk Management Committee to monitor and manage its own risks; and to better address overall policy and business condition of each power plant.
- Risk management is under the Corporate Planning and Project Assessment Division to enhance the alignment of business plan and risk factors.
- Risk management is embedded into the work process. The Company has assessed risks from internal and external factors that may affect goals, risks impact and possibility assessment, risk mitigation measures and operation plan to reduce such risks, which have become part of the corporate culture. All employees are aware of risk management in their operations.

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 2015 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 serve as a director or advisor of other companies or organizations shall not have any conflict of interest with the person's direct responsibility. Acknowledgement by the Board must be sought before engaging in any organization.
- Directors must promptly notify the Board of any conflict of interest (if any) and must refrain from participating in the discussion or voting on such matter; or must be absent from the meeting on such agenda; or must not request documents relating to the meeting; or in an extreme case, must resign from the Board of Directors.
- Directors and Executives shall report any changes in their securities holding to the regulatory agency. The Corporate Secretary is assigned to report the security holdings of directors and Executives at the Board meeting. Directors and Executives shall also report their own and related persons' interests to the Company. The Corporate Secretary will use the information as reference and to monitor and ensure that directors and Executives perform their duties with integrity. The Corporate Secretary has to submit a copy of the report to the Chairman of the Board and Chairman of the Audit Committee for acknowledgement.
- 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 it may have an impact on the employees' performance as Company's representatives.
- The steps for implementing connected transactions and disclosing such transaction shall be strictly 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.

EGCO also assigns the Audit Committee to consider and provide opinions on connected transactions by considering and comparing each item with transactions made with other outsiders. The Audit Committee is required to present the information and opinions to the Board of Directors and/or shareholders for consideration based on the criteria set by SET and the Capital Market Supervisory Board. The Committee shall ensure that information disclosure is complete to confirm all related parties that the connected transactions are made based on the best benefits of the Company and its shareholders.

5.2 Board Meeting

To ensure that the Board of Directors 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 hold a monthly meeting. An extra meeting can be organized if there is any major unplanned event. The Board can authorize related committees to screen or approve the management's activities within the delegated authority. The Board has included business performance report as one of the meeting agendas for 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 of Directors sets its meeting date and agendas for the entire year in advance to enable directors to plan their schedules accordingly. The Chairman and the President jointly consider and select meeting agenda while each director can propose an agenda to the chairman and discuss independently at the meeting. The Board meeting notice is delivered to directors 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 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 quorum requires no less than two-thirds of the directors for the Board to make decision.

The Chairman shall allocate the adequate time for the Management to present information and for directors to extensively discuss significant matters. The meeting minutes are prepared in writing and submitted for the Board's review within 14 days after the meeting and prior to the approval in the next Board meeting. It is the directors' responsibility to attend every meeting, unless they have valid reason for their absence. In 2015, the Board called a total of 12 meetings. Each meeting lasted approximately 2.5 hours and the attendance rate was around 97.22%.

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 through 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 Presidents to attend all meetings. Other Executives are also welcomed to join the meetings to provide insights and additional information. This, in turn, enables the Board to know each Executive better and subsequently can use this useful information for the succession plan. The Board can also request for additional important information from the President, the Corporate Secretary or other directors or Executives 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. To provide an opportunity for directors to freely discuss and share opinions on various issues which will bring greater benefits to the Company, the Company holds a Board meeting without Executive presence at least once a year to mainly discuss administrative issues and problems as well as Management development. In 2015 and 2016, the non-executive directors' meetings were held in April and January respectively.

5.3 Board Self-Assessment

The Board regularly conducts self-assessment on yearly basis, allowing all directors to jointly consider their performance and review problems for further improvement. The Board has agreed to use self-appraisal form reviewed by the Nomination and Remuneration Committee. However, in 2015, the Board agreed to improve entire board assessment form by giving more weight to the good governance responsibility of the Board as recommended by SET. The revised assessment form covers the performance of each area of the Board's responsibility and fits to the Company's business characteristics and conditions, including Code of Conduct and business ethics of the Company. The assessment forms comprise 3 sets; namely, the collective self-appraisal form, the committee appraisal form and the individual self-appraisal form. The following evaluation criteria are calculated in percentage of the total score for each item. The Board self-assessment will be sent to the Corporate Secretary to evaluate and summary a total score. The criteria are as follows:

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 6 sections; namely, (1) Structure and composition of the Board of Directors, such as the number of directors, the sufficiency of knowledge and experience, the appropriateness of independent director, the appropriateness of executive directors, qualifications of each subcommittee; (2) The Board's roles, duties and responsibilities, including consideration of strategic plan, connected transactions, conflict of interest, corporate governance policy revision and implementation, code of conduct, and performance appraisal and remuneration; (3) The Board meetings, such as agenda setting and document completeness; (4) Director's performance, including regular meeting attendance and participation; (5) The relationship with Management (6) Self-development of directors and Executive, including Executives succession plan. The assessment result showed that the Board has performed its duty in compliance with the Company's corporate governance and Code of Conduct, participation in policy, vision and business plan setting, and annual budget preparation. The result also confirmed the appropriateness of the structure and composition of the Board of Directors. The Board meetings were held with high efficiency, with average score of 95% or "Excellent". However, the Board viewed that there should be a director with a direct background in accounting in the composition of the Board of Directors and the Audit Committee. Additionally, the Board would like to have more time to consider strategic plan and business plan of the Company.

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 the good corporate governance principles and their specific duties and responsibilities of each committee. The appraisal covers 3 areas as follows: (1) structure and composition of the committee; (2) the committee's performance and efficiency; (3) the role, duties and responsibility of the committee. 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 composition and have deliberately performed their duties as required by the Company's Charter. The details of their scoring are as follows:

- Investment Committee 95%
- Nomination and Remuneration Committee 95%
- Corporate Social Responsibility Committee 99%

As for the Audit Committee appraisal which is conducted annually, the collective self-appraisal approach has been employed; using the appraisal form for the Audit Committee issued by SEC. The form comprises 2 parts, including (1) the overall performance and (2) the specific tasks. The result of the Audit Committee self-appraisal in 2015 indicated that "NO" and "Have not done" were not found in the answers to any questions. The survey result was also reported at the Board's meeting no. 12/2015 on December 14, 2015 for acknowledgement. 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 as prescribed in the Audit Committee's Charter.

Individual Self-Appraisal

The individual self-appraisal form comprises of 3 topics as follows: (1) structure and qualifications of the committee, knowledge and experience that matches the nature of business; (2) role, duties and responsibility of the committee as required by laws and the Company's charter as well as self-development; and (3) Board meeting, including information preparedness and during the meeting. The average score of the individual self-appraisal in all areas is 95% which is in excellent level. This can be concluded that the directors have appropriate qualifications, deliberately performed their duties and responsibilities in accordance with the directors' best practices.

5.4 Performance Appraisal of the President and Management

- President's performance is collectively appraised by non-executive directors against the corporate goals, implementation of policy assigned by the Board and 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 by considering remuneration criteria that is based on the Company's performance, assigned responsibility and comparison with other organizations in the same business sector and size. 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 for transparency. Directors who serve as Committee members are also entitled to earn extra remuneration to match their increased responsibilities. Executives who sit in the Board of Directors and Committees are not entitled to any director remuneration.

The non-executive directors are responsible for deciding the remuneration scheme for the President by taking into account the President's performance and the remuneration of executives in the same industry. The directors also approved the Company's remuneration structure. EGCO periodically conducts the survey concerning executive remuneration to ensure that its payment rate is competitive and adequate enough to attract and maintain qualified executives.

The remuneration of directors and Executives has been disclosed in details under "the Remuneration of Directors and Executives" in "Management Structure" section.

5.6 The Development of Directors and Management

The Board pays close attention to continuous development of directors and Executives to foster directors' efficiency and effectiveness. Details are as follows:

New directors: Directors' orientation is arranged with focus on good corporate governance, anti-corruption policy and the Directors' Code of Conduct. Directors' manual is given to individual director for practice guideline and provide new director with good understanding of the Company's business and related regulations. This provides new directors with an opportunity to meet with Executives in order to get in-depth insights about the Company's business. The Company also encourages new directors to attend anti-corruption training.

Existing directors: The Board encourages continuous development through attendance of related trainings arranged by the Institutes of Thai Directors; and interesting courses such as anti-corruption training.

Directors' Development

The Board of Directors has a policy to continuously improve capability and knowledge of directors. In 2015, the Company's directors attended trainings and seminars as follows:

New directors: 2 orientations were arranged for 4 new directors in January and July 2015. The President presented at the orientation on nature of business, EGCO Group's business, structure and composition of the Board and subcommittees, organizational structure and high level Executives, Code of Conduct and good corporate governance principles etc.

Existing directors:

- 2 directors attended courses useful for enhancing the directors' ability to perform their duties as directors. The courses are Thailand's 6th National Conference on Collective Action against Corruption under the topic "Anti-corruption in Thailand: Sustaining the Momentum" held by the Collective Action Coalition against Corruption (CAC).
- 1 director attending Role of Chairman Program held by the Thai Institute of Directors
- 1 director and the President attended Financial Statement for Director training held by the Thai Institute of Directors

Management Development and Succession Plan

The Board has ensured that EGCO has implemented executive development programs to improve knowledge and skills for Executives 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 assigned 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 complied with the Company's regulations on Work Rules 2007 and the resolutions of the Board 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 high level executives, including Senior Executive Vice President and Executive Vice President who will retire in 2018. The committee has specified qualifications and capability appropriate to perform the duty and to support future business expansion, especially in overseas market which will increase in the next 2-3 years. The succession plan can also reduce the risk related to human resource management. After sorting out such employees, EGCO will proceed with the individual development plan to prepare them for further career development in the high executive level in the future.

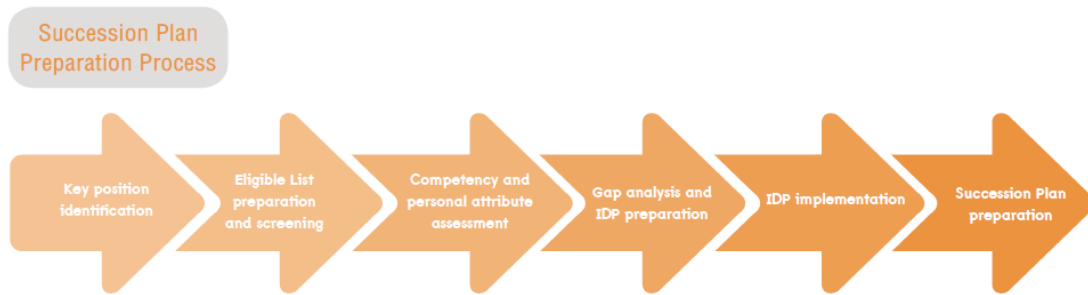


Table : List of Directors who attended the courses at IOD and outside institutes

Directors		Training Programs																
		Role of Chairman Program	Directors' Certification Program	The Civil Service Executive Development Program	Audit Committee Program	Financial Instrument for Directors	Director Accreditation Program	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	Chartered Director Class	Financial Statement for Director	6 th National Conference on Collective Action Against Corruption"
	Mr.Sombat Santijaree Chairman	✓	✓															
	Mr. Thanapich Mulapruk Independent Director		✓				✓	✓	✓	✓	✓	✓	✓					
	Mr. Bandhit Sothipalalit Independent Director	✓																
	Police Lieutenant General Pansiri Prapawat		✓															
	Independent Director		✓	✓					✓					✓				
	Mr. Somphot Kanchanaporn Independent Director		✓															
	Mr. Pongstorn Kunanusorn Independent Director		✓		✓													
	Mr. Chotchai Charoenngam Independent Director		✓											✓			✓	*
	Mr. Kornrasit Pakhotanon Directors	✓ .	✓														✓ .	
	Mr. Saharath Boonpotipukdee Directors		✓											✓				
	Ms. Pungthip Silpasart Directors																	
	Mr. Tomitake Maruyama Directors (Replacing Mr.Toshiro Kudama, effective on Jul 1,2015)																	
	Mr. Ken Matsuda Directors (Replacing Mr.Satoshi Yajima, effective on Aug 1,2015)																	
	Mr. Shunichi Tanaka Directors																	
	Mr. Yasuo Ohashi Directors																	
	Mr. Sahust Pratumkul Directors		✓										✓					✓ .
	Mr. Chanin Chaonirattisai President (Appointed on Aug 1, 2015)		✓														✓ .	

* Attended in 2015

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, 2015 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

In order to ensure that EGCO Group's holding business operations meet with the policy and goals and create appropriate returns for shareholders, the Board of Directors has set measures in writing as guidelines to monitor and govern subsidiaries and joint ventures with the following main details:

- 1) Monitor EGCO Group companies' operations through appointed representatives who serve as directors or shareholders of its subsidiaries and joint ventures. The appointment of the representatives shall be approved by the Nomination and Remuneration Committee.
- 2) Specify the roles and duties of EGCO representatives as follows:

- 2.1 Set up operational guidelines and regulations for the subsidiaries or joint ventures for scrupulous and efficient operations
- 2.2 In case of any major events, the Board of Directors has the right to approve such matter before implementation with the exception of extremely urgent cases.
- 2.3 Propose the following matters to the Board for approval prior to execution
 - The nomination and removal of the President and Senior Executive Vice President
 - The President's remuneration
 - The establishment, revision or adjustment of important rules and regulations
 - The capital increase or decrease
 - Business operations for the Company's new investment project
 - Business operations of activities affecting or competing with the business of EGCO Group or its subsidiaries
 - The expansion of business operations beyond the Company's main business
- 2.4 Require the Management to include business performance and major events of the Company's subsidiaries as an agenda for acknowledgement in the Board meeting.

9.5 Prohibition of Abusive Conduct by Insiders

EGCO has prepared the Code of Conduct in writing 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. Internal control system has been established to prevent information leakage to the public before it is officially announced. Such measure and control system are part of the Company's essential risk control activities. It is the duty and responsibility for a supervisor to control and ensure that confidential information is kept and used well in accordance with related rules and regulations. An employee performing insider trading for oneself or for other family member is considered a breach of the Code of Conduct. The principles regarding this matter are as follows:

- Directors and employees must, at all times, observe the rules and regulations issued by SET, SEC and other; and equally disclose information to shareholders and public.
- Directors and employees shall not make improper use of information acquired by virtue of the directors' and employees' position or cause damage to the Company.
- Matters such as trade secrets or any sensitive business information shall not be disclosed to any outsiders.
- Directors 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 directors, the Executive and relevant employees of the period prohibiting stock trading before every fiscal budget announcement.
- Directors, Executives and spouses and minor children who wish to trade the company's stock shall inform the Corporate Secretary at least one day prior to the trading.
- 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.

9.6 Audit Fee for the Year 2014

Audit Fee

In 2015, EGCO and its subsidiaries paid the audit fee of 5,104,000 Baht to the Office of the Auditors, comprising EGCO's and subsidiaries' audit fees of 2,928,000 Baht and 2,176,000 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 1,466,507 Baht which was fully recorded as fee expenses in 2015. No other non-audit fee will be recorded for undelivered works. The details of the non-audit fee were as follows:

1. Payment to the Office of the Auditors:

In 2015, the non-audit fee for BOI auditing at EGCO's subsidiaries was 517,000 Baht which was already recorded as fee expenses for the Office of the Auditors. No other non-audit fee will be recorded by EGCO's and its subsidiaries.

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

In 2015, the non-audit fee for the advisory services on offshore investment structure at EGCO was 949,507 Baht which was already recorded as fee expenses for to other related parties of the Auditors' office. No other non-audit fee will be recorded by EGCO's and its subsidiaries.

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.

9.7 Compliance to Good Corporate Governance in Other Aspects

The Board, Management and employees in EGCO and its group companies have strictly and consistently complied to the Good Corporate Governance policy and monitored their compliance. In 2015, there was no any action violating the policy.

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. 2558 and regularly reported the committee's meeting resolutions to the Board of Directors.

In 2015, the Audit Committee held 15 meetings with all Committee members attended.

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 2015 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 which was effective since January 1, 2015 such as the revised accounting standards, the revised financial reporting standards, and interpretations of Thai Financial Reporting 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. 1/2016 on January 28, 2016 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 as well as to approve the appointment of Chief Internal Auditor to and 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 2015 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 and considered whistleblower related to fraud or corruption 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 to include the whistleblower's protection measures and to treat all complaints with to protect the appellant and confidentiality.
- Considered and acknowledged the compliance statement on Code of Conduct, of which employees represented to his/her managers up to the President, 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 2015 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

The Audit Committee reviewed and endorsed the Audit Committee Charter and the company's regulation regarding Internal Audit in the Audit Committee's meeting no. 9/2015 on June 29, 2015 which the Board had approved on August 20, 2015, 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

Despite the notification of Capital Market Supervisory Board No. Tor Jor 11/2552 : Rules, Conditions and Procedure for Disclosure of Financial Position and Result of Operation of Issued Securities Companies which stated that the rotation of the auditors should be conducted if such auditors performed their audit of financial statements of the company for five consecutive fiscal years, the Audit Committee in its Meeting No. 11/2012 on September 11, 2012 decided and resolved that from 2013 onward, the selection of EGCO's auditor by comparing the qualifications and audit fees among the leading audit firms would be conducted every 3 years which was earlier than the terms specified in such notification.

In 2016, the selection of EGCO Group's auditors was due according to the resolution of the Committee and through the selection of the procurement committee due to its qualifications and competitive fees. PwC was selected to be EGCO group's auditors in 2016.

The Audit Committee reviewed the result of the auditors' selection and PwC auditors' past performance and opined 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 2016 EGCO's auditors to the Board of Directors, to further submit for the shareholders' approval.

Mr. Thanapich Mulapruk
Chairman of the Audit Committee

Investment Committee's Report

EGCO's Investment Committee is composed of 5 members appointed by the Board of Directors namely Mr. Sombat Sarntijaree, the Chairman as Chairman of the Investment Committee; Mr. Sahust Pratuknukul, director; Mr. Ken Matsuda, director; Mr. Yasuo Ohashi, director and Mr. Chanin Chaonirattisai, President. All directors are expert and have experience in power business and management both domestically and internationally.

In 2015, the Investment Committee held 13 meetings to consider significant issues assigned by the Board as shown in the Charter of Investment Committee with the following summary.

1. The Committee considered investment proposals for both domestic and international power projects, divestment of EGCO's non-core business and proper financial sources of fund, taking into account the alignment of the Company's vision, investment policy and strategic plan. The Investment Committee also put an emphasis on potential risks and the mitigation measures, feasibility studies, project's target returns, aiming to meet the Corporate's objectives and targets and to create value to shareholders and stakeholders as well as sustaining the Corporate's long term growth.
2. The Committee was entrusted to endorse the corporate's long-term and short-term strategic plans, annual action plans, budget and manpower for the Board of Directors' approval to ensure that they were in line with EGCO's vision, mission and policy. The budget and manpower were set appropriately to facilitate the Executives' efficient operation to achieve the approved strategic and action plans.
3. The Committee reviewed and rendered sound recommendations for the organization restructure of EGCO and its subsidiaries prior to proposal to the Board of Directors for approval. The organization restructure was thoroughly considered with diligence to make sure the change aligned with the strategic plan, EGCO's business characteristics and current economic situation.
4. Besides, the Investment Committee was responsible for monitoring, following up the project progress to achieve the plan. Guidance and suggestion were provided if there were some mismatches between actual performances and plans.

The Investment Committee had fulfilled its assignments as stated in the Charter and delegated by the Board. The Committee had performed its duties with care and diligence for the ultimate benefits of the Company and stakeholders, in accordance to obligatory rules and Company's regulations. Material matters and meeting results were constantly reported to the Board.

Mr. Sombat Sarntijaree
Chairman of the Investment Committee

Nomination and Remuneration Committee's Report

EGCO's Nomination and Remuneration Committee ("NRC") consisted of 5 members, 3 of whom were independent directors and the other two were non-executive directors. The Board of Directors based the selection of NRC members on their knowledge, skills and expertise in human management and domestic and international organization management.

In 2015, directors who held the NRC membership were Pol. Gen. Pansiri Prapawat, independent director; Assoc. Prof. Dr. Chotchai Charoenngam, independent director; Mr. Bandhit Sotipalalit, independent director; Mr. Prapas Vichakul, director; and Mr. Shunichi Tanaka, director. The latter was appointed by the Board in its meeting no. 6/2015 on June 29, 2015 as an NRC member to replace Mr. Satoshi Yajima, who tendered the resignation from EGCO directorship. The NRC in the meeting no. 5/2015 on July 22, 2015 unanimously appointed Mr. Shunichi Tanaka as the Chairman of the NRC.

In 2015, 6 NRC meetings were held to perform the tasks assigned by the Board of Directors as stipulated in the NRC Charter. As such, the main detail of the NRC's 2015 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 undertaken, considering the individual qualifications in compliance to SEC's and SET's regulations, diversity of board members in terms of knowledge, competencies, required skills, experiences, age and gender, 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 and support the strategic plan. 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.

The NRC was also entrusted to nominate a member of sub-committees to fill in the vacancies prior proposing to the Board of Directors for appointment, taking into account compositions of sub-committees, candidate's knowledge, expertise and experiences which could enhance the performance of each sub-committee.

Furthermore, the NRC recommended directors' remuneration for the Board and the sub-committees 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 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 shareholders; and to build trust with the shareholders.

2. Nomination of President

The NRC considered qualified candidates and proposed to the Board of Directors to consider a nominee for President. Mr. Chanin Chaonirattisai, Deputy Governor-Policy and Planning of Electricity Generating Authority of Thailand was selected as a nominee who was later appointed by the Board of Directors in the meeting no. 7/2015 on July 27, 2015, as the

President to replace Mr. Sahust Pratuknukul, whose contract term was expired and was mandatory retired on October 1, 2015.

3. Self-Appraisal of the Board of Directors and the NRC

The NRC reviewed the Board's self-appraisal forms for both individual and a whole group including the NRC's self-appraisal form. In 2015, the NRC suggested to the Board to revise the group appraisal form in term of Board's responsibility to cover the good governance aspect as recommended by SET. The Board in the meeting no. 11/2015 on November 30, 2015 agreed with the NRC to revise the group's self-appraisal form.

The NRC also conducted its self-appraisal of which the report was disclosed in item Corporate Governance Report.

4. 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 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 by assigning the Management to study and review employees' welfare and benefit to be suitable for the change of economics situation and comparable to the top companies in the same industry in order to boost and retain the employees in EGCO group.

The NRC had performed its duties as prescribed in the Charter and delegated by the Board of Directors. Additionally, the duties had been fulfilled with care and diligence as well as fairness and transparency complying with the good corporate governance for the ultimate benefits of the Company and stakeholders.

Mr. Shunichi Tanaka
Chairman of the Nomination and Remuneration Committee

Corporate Governance and Social Responsibility Committee's Report

EGCO's 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, Ms. Puangthip Silpasart and Mr. Chanin Chaonirattisai, EGCO's President who replaced Mr. Sahust Pratuknukul, effective from October 1, 2015

The CC Committee performed its duties as assigned by the Board of Directors. It oversees the company's operations by adhering to good corporate governance principle and promoting corporate social responsibility policy with the ultimate objectives of the equitable treatment to every stakeholder, leading to the sustainable development.

In 2015, the CC Committee held 3 meetings were held with the attendance percentage of 100. The meeting attendance of each member is shown in Management Structure.

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

1. Good Corporate Governance

- 1.1 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 issued by SET, the Corporate Governance Report of Thai Listed Companies (CGR) by the 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 to be clearer.
- 1.2 The CC Committee set systematic anti-corruption measures, improved whistleblowing procedure, monitored anti-corruption policy and measures implementation and prepared anti-corruption manual for used as guideline for EGCO's directors, executives and employees.
- 1.3 The Committee promoted and encouraged anti-corruption policy and measure promotion, education and training to establish good understanding leading to appropriate implementation and corporate culture.
- 1.4 The Committee encouraged EGCO's subsidiaries to appropriately adopt anti-corruption procedure.
- 1.5 The Committee reviewed Code of Conduct of Directors and Code of Conduct of Employees to best address the anti-corruption policy, and improved the Corporate Governance and Social Responsibility Committee Charter to include responsibility related to anti-corruption policy and practice guideline.

EGCO has been certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption since July 10, 2015.

2. Corporate Social Responsibility for Sustainable Business Operations

- 2.1 The CC Committee prepared the "EGCO Group's Sustainable Business Operations Policy" to support the executives and employees to embrace sustainability practice more concretely. This will lead to the preparation of related action plans which will be appropriately communicated with stakeholders for sustainable growth and trust from stakeholders and the general public.

- 2.2 The CC Committee prepared the “Manual on Promotion of Participation in Quality of Life Improvement in Communities surrounding Power Plants” to provide a guideline for good practice and concerted efforts in developing quality of life of people in communities. At the same time, this activity encourages employees to realize their role and responsibility towards communities.

The CC Committee reported to the Board of Directors after every meeting in accordance with good corporate governance principle.

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

EGCO Group's vision is to be a leading sustainable Thai power company with full commitment to environment protection and social development, or in other words, operation with a strong and steady growth and acceptance and trust from stakeholders and the public based on good corporate governance and accountability to stakeholders. Policies have clearly been established in writing and publicized on the Company's website as follows:

10.1 Overview and Policy

1. Human Rights Policy

The Company requires that its directors, management and employees fully observe the following human rights.

- The Company encourages all employees to exercise their rights of citizenship in accordance with the constitution and relevant laws.
- Employees' personal information shall be kept with utmost discretion and confidentiality. Disclosure of personal information such as employees' biodata, health record, working experience or any other personal information to non-related party without the permission of such employee is considered a violation of the Code of Conduct and may result in a range of disciplinary action except when it is done in accordance with the Company's regulations or legal requirements.
- The Company does not support the violation of human rights and any frauds.
- Employees must refrain from any deliberate discrimination or harassment in word or action against others based on the basis of race, gender, religion, age, and physical or mental disability.

2. Intellectual Property Policy

The Company will comply with the legal requirements on intellectual property and copyrights. Employees must check beforehand that the work or information belonging to a third party can be used within EGCO Group without violating the intellectual property of others.

- Any work that is performed under EGCO Group is considered EGCO Group's intellectual property.
- All the intellectual properties which include the work in progress, innovation in all formats shall be returned to EGCO once an employee vacates the office.
- Employees who use the Company's computers shall only use the licensed and authorized software program of the Company to avoid violating intellectual property of others.
- Employees must check beforehand that the work or information that belongs to third parties can be used within EGCO Group without violating the intellectual property of such others.

3. Whistleblowing Policy

The Company has made available channels for whistleblower to report on any suspected violation of law or code of conduct or behavior or conduct that is fraudulent of a person in organization. The procedure to protect the whistleblower is also put in place. To ensure trust, information regarding the whistleblower messages will be kept confidential and known only among responsible parties.

In 2015, EGCO Group revised two policies regarding sustainable business operation. One was **anti-corruption policy**, and the other was **occupational health, safety, and environment policy**, with communication made to employees at all levels for clear understanding and practice, as well as to the public via its website as below:

4. Anti-Corruption Policy

The Company is strongly committed to prevent and resist all forms of corruption, both directly and indirectly, adhering to the corporate culture that “Corruption is an unacceptable act in business conduct whether with the government sector and the private sector.” (Details of anti-corruption policy and guidelines are under the topic: Corporate Governance)

5. Occupational Health, Safety, and Environment Policy

The Company is committed to setting up safety, occupational health, and environment management system with ongoing development. An operation framework is in place, covering operations of the Company’s employees at all levels and those of its contractors as follows:

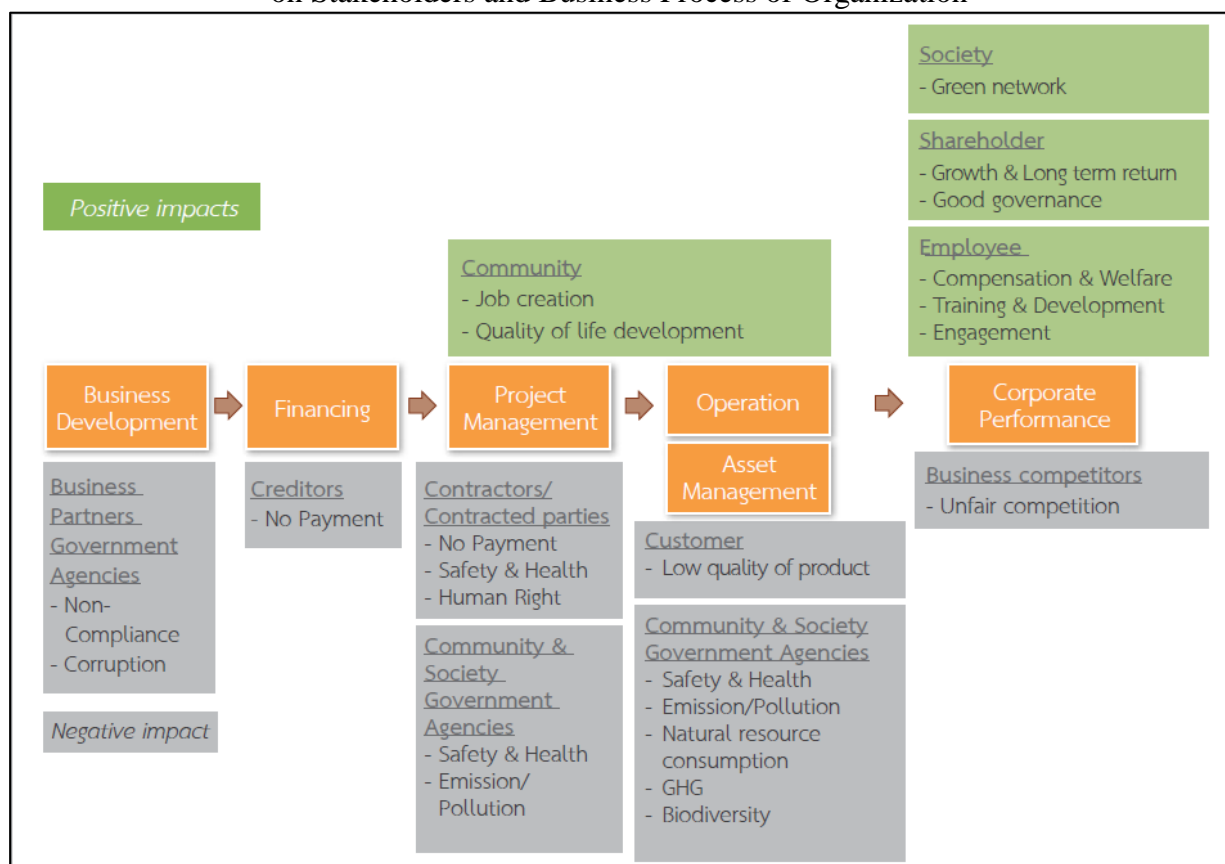
1. Execute and develop appropriate safety, occupational health, and environment management system in compliance with applicable laws and regulations.
2. Map out operation framework to determine and review objective and target as well as follow, monitor, and assess result of safety, occupational health, and environment operation.
3. Be aware of prevention and remedy of activities which may affect safety, occupational health, and environment operation.
4. Support appropriate use of resources for drawing up safety, occupational health, and environment management system.

Moreover, EGCO Group has improved **its sustainable business operation policy** to be clearer and used as its main policy in administering and managing business operation on a sustainable basis as tabulated below:

Policy	Practice
1) Be committed to operation of excellence, covering economic, environmental, community, and social dimensions.	<ul style="list-style-type: none"> • Reflect vision and mission of the organization.
2) Reduce negative impact and increase positive impact on stakeholders, environment, community, and society, as well as business process of the organization.	<ul style="list-style-type: none"> • Analyze negative and positive impacts on stakeholders, environment, community, and society, as well as business process of the organization. • Identify material issues of the organization. • Define framework and target of sustainable operation.
3) Promote development of business and social innovations to enhance efficiency and effectiveness, together with value added to the organization and stakeholders.	<ul style="list-style-type: none"> • Determine material issues in roadmap of the organization. • Designate person to take charge of and develop action plan.
4) Promote sustainable development of business counterparts involving ethical business	<ul style="list-style-type: none"> • Determine material issues in roadmap of the organization.

Policy	Practice
operation with transparency and without fraud or corruption, respect for human rights, caring for safety and occupational health, and environmental management.	<ul style="list-style-type: none"> Designate person to take charge of and develop action plan on: <ul style="list-style-type: none"> Anti-corruption Respect for human rights Caring for safety, occupational health, and environment.

Analysis of Negative and Positive Impacts of Organization on Stakeholders and Business Process of Organization



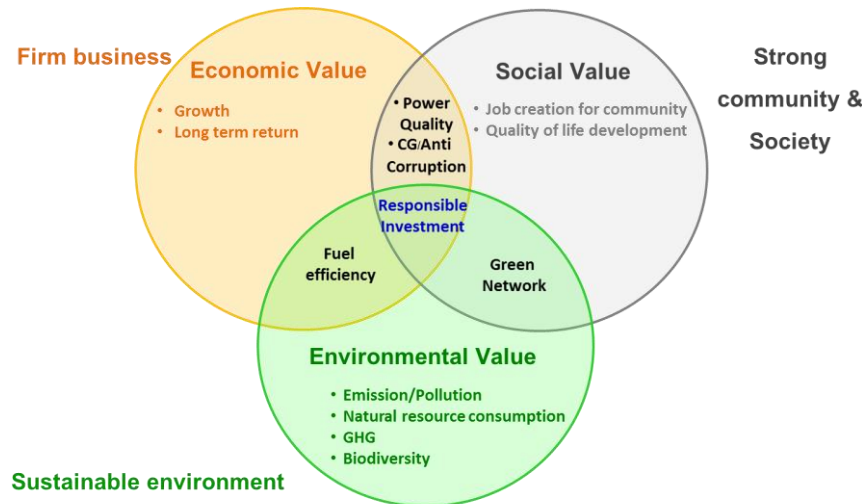
Determination of Material Issues of Corporate Sustainability

- Step 1 Review identification of stakeholders and expectation of each group of stakeholders
- Step 2 Consider negative and positive impacts on stakeholders from business process of the organization
- Step 3 Present issues to top executive committee and Corporate Governance and Social Responsibility Committee
- Step 4 Determine material issues of the corporate sustainability
 1. Organization growth
 2. Corporate governance and business ethics
 3. Anti-corruption
 4. Respect for human rights
 5. Control of quality of products and services
 6. Local employment
 7. Prevention of impact and participation in development of community and society

8. Environmental management such as sustainable use of resources, greenhouse effect management, and protection and restoration of biodiversity

Sustainability Operation Framework and Target

EGCO Group applies sustainable development principle in drawing up its target of sustainable business operation according to the defined materiality of the organization in economic, social, and environmental dimensions to enhance security of the electricity system, build strong community and society, and take care of environment for sustainability as follows:



Economy

- ROE is not lower than 10%.
- Plant availability is better than criteria in power purchase agreement (PPA) and target set forth.
- Fuel use efficiency is better than that in PPA.
- The Company's corporate governance is developed to be on a par with global standard.

Society

- Employment rate, including also that by local contractors/contracted parties, is not lower than 80%.
- Projects are carried on continuously to better quality of life of communities nearby power plants.
- Stability of electricity system and users is enhanced with plant availability better than PPA and annual target.
- Anti-corruption efforts are extended to business counterparts and also made through participation in anti-corruption network.
- Operation of Thai Rak Pa Foundation is supported continuously to create operation network with all sectors.

Environment

- Environmental quality of power plants is better than standards set by law,
- Investment is made in renewable energy power plants.
- Abundance of ecosystem and biodiversity in all EGCO power plant areas is maintained and restored.

- The Company continuously joins conservation of major watershed forests through operation of Thai Rak Pa Foundation.

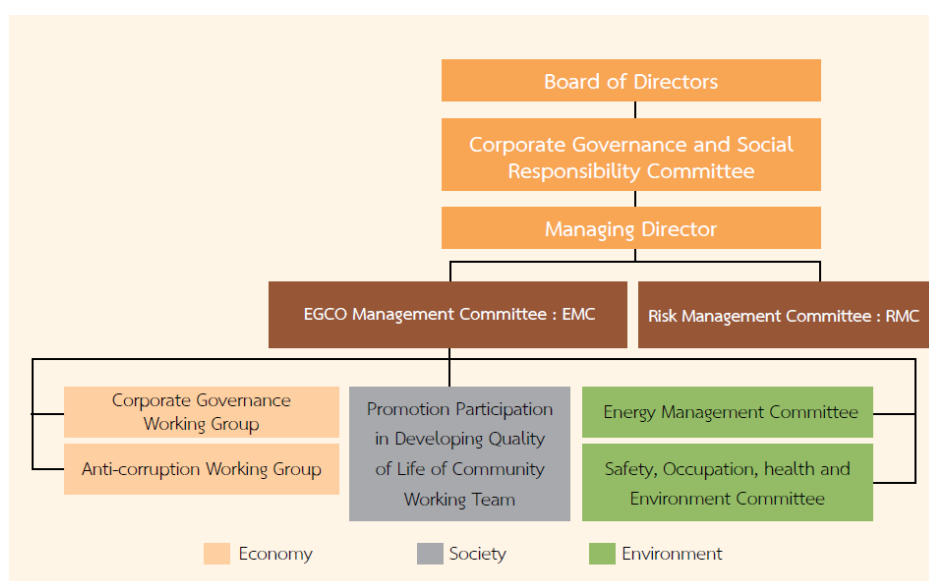
Roadmap					
Work	2014	2015	2016	2017	2018
• Review of business process and impacts on stakeholder					
• Review of EGCO Group sustainability operation					
• Validation by expert					
• Determining material issue of sustainability					
• Setting sustainable business operation policy					
• Designation of person in charge and review of target and plan					
• Improvement of method to report to top executives					
• Preparation of operation manual					
• Extension to business counterpart					
• Promotion of innovation development					

Management for Business Sustainability Operation

EGCO Group has developed the management structure for business sustainability operation to monitor business operation according to guidelines and policy set forth, at both Board of Directors level and management level to ensure the Group's efficient operation with ongoing development and improvement.

At the Board level, EGCO Group has established Corporate Governance and Social Responsibility Committee as a supporting committee to monitor sustainability operation.

At the management level, operating bodies have been set up for sustainability operation emphasizing on sustainable development principles in economic, social, and environmental areas, and reporting to EGCO Management Committee (EMC) chaired by President and having top executives at the level of Executive Vice President from all function groups as members as shown in the management structure below:



Monitoring and Inspection of Sustainable Business Operation

Under sustainability management policy and guidelines, top executives in EGCO Management Committee (EMC) are primarily duty bound to set sustainability procedures with due regard to accountability to all stakeholders in decision-making process and business operation process of the organization, pass on such practice to each committee or working committee, as well as define responsibilities and track operation results to ensure efficiency. Performance evaluation is conducted regularly and appropriately for operation in each area.

For companies or power plants in which EGCO has less than 50% shareholding, EGCO oversees their business sustainability operations through their boards of directors. EGCO top executives assigned to sit on those boards of directors have the duty to monitor and ensure their operations are in line with EGCO Group sustainability management guidelines.

Materiality Assessment and Determination of Scope of Reporting

EGCO Group has conducted materiality assessment with application of GRI (Global Reporting Initiative) reporting principles for defining report content. Materiality assessment steps are as below:

1. Identification of sustainability issues by considering negative and positive impacts from business operation on stakeholders, nature of business of EGCO Group, sustainability of electricity generation industry, expectations of stakeholders based on results of enquiries with them, feedback from stakeholders through various communication channels, and annual report of the previous year.
2. Prioritization of materiality aspects by considering importance to the stakeholders from score of importance in the perspective of the stakeholders, covering such factors as level of materiality, degree of impact, diversity of impacted stakeholders, expectation of correction by the organization, and expectation of information disclosure.
3. Prioritization of materiality aspects by considering importance to the organization from score of importance based on possible level of severity from incurrence of risk to business, impact on the organization in the long run, and opportunity for the organization to get benefit in future.
4. Presentation of sustainability issues with high score of importance in the annual report under the item of operation for sustainability, and issues with lower score of importance on the website of the Company as well as disseminated in media or through channel accessible directly to each group of stakeholders.
5. Review of content to be reported with relevant criteria to ensure compliance with report quality principle.

Materiality Matrix in Sustainability Report

High	Importance on stakeholders	<ul style="list-style-type: none"> • Participation in the development of community and society • Protection and restoration of biodiversity • Climate changes 	<ul style="list-style-type: none"> • Operational excellence • Good corporate governance • Accountability to products • Safety and occupational health • Environmental management
			<ul style="list-style-type: none"> • Human resources development • Value chain management
Low	Importance on the organization		High

Responsibility for and Participation with Stakeholders

Management Direction

EGCO realizes the importance of business operation with due regards to stakeholders, including also individuals or organizations that might be affected positively or negatively by the Company's business operations. We adhere as a policy to responsibility for and treat all stakeholders fairly with importance attached to appropriate review of identification of stakeholders in line with the changing business landscape or substantial business expansion, and commitment to continuing development of participation and communication with stakeholders to ensure fairness to stakeholders in business operation. Practice guidelines on stakeholders are laid down in writing and posted and disseminated on the Company's website.

Stakeholders of EGCO Group



Policy and Practice Guidelines toward Stakeholders

1. Treatment of Shareholders Policy

The Company has respect for and strictly safeguards the basic rights of shareholders.

- Support shareholders in accessing information on an adequate and appropriate basis.
- Encourage shareholders to attend and vote at the shareholders' meeting.
- Do not act that infringes or derogates the rights of shareholders.
- Strive to foster growth based on true potential and capabilities of the Company so that shareholders can receive sustainable returns from efficient performance and good operating results of the Company.

2. Treatment of Employees Policy

The Company recognizes the value of human resources and strives to ensure that employees are proud of the organization working in a participatory atmosphere and with progress in career path on an equitable basis. Employees are developed and promoted to have knowledge and capabilities on a comprehensive and continual basis to create value and maintain business excellence.

- The Company will treat all employees with respect and honor.
- The Company will recruit personnel to various positions with fairness taking into account required qualifications for each position, educational background, experience, and other requirements necessary for the job and without discrimination as regards gender, age, race or religion.

- The Company will determine remuneration and welfare of employees which are fair and commensurate with job descriptions and conditions, work performance, and capability of the Company in remuneration payment.
- The Company will encourage employees to undergo training and development to enhance work efficiency and allow for progress in career path.
- The Company realizes that good communication will bring about efficiency and good relationship in working with others. Thus, the Company will facilitate employees' access to relevant news regularly as allowed by situation and as best as possible.
- The Company will make available to employees communication channel through which they may give suggestions and voice grievances about work-related matters. All suggestions and grievances will be seriously considered and remedial actions worked out for the benefits of all parties and with creation of good relationship in work cooperation.

3. Provision of Service to Customers Policy

The Company will abide by obligations to all customers.

- Strictly comply with conditions agreed upon with customers and deliver quality and reliable services.
- Deliver services according to the specified standards with care and efficiency.
- Give suggestions to customers regarding efficient use of electricity.

4. Procurement of Products and Services Policy

The Company intends to ensure standard procurement of products and services and is committed to maintaining and developing sustainable relationship with trade partners and contract counterparts to deliver products and services of money worth, technical quality, and mutual trust. The Company will treat all trade partners and contract partners by

- Competing on the basis of equitable access to data.
- Having criteria in place for evaluation and selection of trade partners and contract counterparts.
- Executing contracts of appropriate forms.
- Having monitoring and management system in place to ensure complete fulfilment of contract conditions and to prevent frauds or other malpractice in all stages of the procurement process.
- Punctual payment to trade partners and contract counterparts according to mutually agreed terms.

5. Treatment of Creditors Policy

The Company will honor the commitments with all creditors by

- Ensuring strict compliance with loan agreements and no concealment of actual financial status.
- Take prompt action to solve problems if there is any situation that may affect the creditors, such as the Company's insecure financial position or possible business dissolution.

6. Treatment of Competitors Policy

The Company conducts business on a fair play basis, not seeking confidential information of competitors in a dishonest or inappropriate way, such as offering bribes to employees of competitors, etc., and not damaging reputation of competitors by way of false allegation.

7. Community and Social Development Engagement Policy

7.1 Participation in development of communities surrounding power plants

- Promote and develop quality of community life near power plants for their wellbeing taking into account communities' participation and needs.
- Instill and promote employees and relevant persons' awareness of responsibility for community.
- Consistently disseminate information on operating results to community and the public.
- Seek to regularly exchange knowledge and share experiences from working with other agencies for further improvement of operation.

7.2 Participation in social development

- Taking part in social development by conducting projects or activities for society that are consistent with core competencies of the organization.
- Encourage employees and relevant persons to be aware of, understand, and take part in operation to stimulate their participation in social development.
- Execute projects or activities continuously to bring about true and sustainable benefits to society.
- Seek to regularly exchange knowledge and share experiences from working with other agencies for further improvement of operation.

Besides instituting the above policy and practice guidelines toward stakeholders, in 2015, EGCO Group revised and determined four more groups of stakeholders based on consideration of impact of the organization on stakeholders and impact of stakeholders on the organization in economic, social and environment dimensions, comprising business partners, contractors/contract partners, government agencies, and private development organizations.

In 2015, EGCO Group mapped out additional policy and practice guidelines toward stakeholders, details of which are as follows:

1. Treatment of Business Partners Policy

- Operate business and deal with business partners on a responsible, transparent, fair and honest basis
- Do not disclose confidential information of business partners without their consents
- Respect for intellectual property and copyright and do not act that infringes the intellectual property

2. Treatment of Contractors or Contract Partners

- Conduct business on an equitable, transparent, fair and honest basis
- Ensure strict compliance with the conditions in the trade agreements in accordance with business ethics
- Do not take and offer benefits in a dishonest or inappropriate way to contractors or contracted counterparts in accordance with anti-corruption policy
- Contractors or contracted counterparts shall abide by and be aware of safety, occupational health and environment schemes and comply with labor and human rights standards

3. Treatment of Government Agencies Policy

- Strongly comply with laws and related regulations
- Disclose complete information in accordance with legal regulations

- Cooperate and build good relations with government agencies
4. Treatment of Private Development Organizations Policy
- Disclose information accurately, adequately and punctually

Stakeholders' Expectations and Building of Participation with Stakeholders

EGCO has figured out expectations of stakeholders officially through conduct of satisfaction survey and setup of channels for voicing complaints, as well as unofficially through specific meetings, visits, or information from various media. Information derived from these sources used for consideration in drawing up roadmap and operation plan aiming to properly and comprehensively satisfy the expectations of each group of stakeholders.

Stakeholders	Expectations	Participation Building
1.Shareholders and Investors	<ul style="list-style-type: none"> Sustainable return on investment Business management under good governance policy Risk management Respect for and safeguarding of rights with equitable treatment Disclosure of genuine, completed, and sufficient information Compliance with relevant laws 	<ul style="list-style-type: none"> Shareholders' meeting Annual report preparation Power plant visits Quarterly analyst meeting One-on-One meeting Conference calls Company's Roadshow LIFE quarterly magazine Acceptance of complaints through designated channels
2. Employees	<ul style="list-style-type: none"> Compensation and benefits on a par with peers in the industry Support of progress along the career path Development of potential and capabilities Job security Good and safe working environment 	<ul style="list-style-type: none"> Communication day activities Business update meetings Training for enhancement of knowledge and development of skills required for work performance Activities for public benefits Employee relations and team building activities Internal communication through various channels such as intranet, bulletin boards and posters, wire broadcasting, etc. Employees satisfaction survey to communication within organization
3. Customers	<ul style="list-style-type: none"> Production and sales of electricity as specified in Power Purchase Agreements (PPAs) Stable plant availability Reasonable price Operation posing no impact on community, society, and environment 	<ul style="list-style-type: none"> Meeting for exchange of information and opinions with Transmission Control Unit of Electricity Generating Authority of Thailand (EGAT) EGAT Group relations building activities
4. Creditors	<ul style="list-style-type: none"> Fulfilment of conditions in loan agreements Having debt servicing capability No concealment of true financial status 	<ul style="list-style-type: none"> Meeting for exchange of viewpoints Power plant visit
5. Competitors	<ul style="list-style-type: none"> Conduct of business on a fair play basis Free and fair competition 	<ul style="list-style-type: none"> Access to information from public forum/sources
6.Community and Society	<ul style="list-style-type: none"> Conduct of business with responsibility, safety, and good environment Disclosure of factual information Participation in betterment of quality of life of community 	<ul style="list-style-type: none"> Power Development Fund meeting Power plant visit Joint development of community life quality project Sukjai quarterly magazine Acceptance of complaints through designated channels

For the additionally defined four groups of stakeholders, EGCO has compiled their expectations and practice guidelines for building participation as follows:

Stakeholders	Expectations	Participation Building
7. Business partners	<ul style="list-style-type: none"> Financial strength Expertise and competence of personnel Fair and transparent business operation Synergy of strengths of both parties 	<ul style="list-style-type: none"> Meeting Company visits Channels for raising complaints, and giving opinions and suggestions
8. Contractors/ Contractpartners	<ul style="list-style-type: none"> Operating business as good business alliance and maintaining good relationship Fair and equitable treatment with mutual benefits taken into account 	<ul style="list-style-type: none"> Meeting Company visits Channels for raising complaints, and giving opinions and suggestions
9. Government agencies	<ul style="list-style-type: none"> Compliance with relevant laws, rules and regulations Management of environment and care for community Prevention of and resistance to corruption, and conduct of business with fairness Disclosure of correct, complete, and sufficient information 	<ul style="list-style-type: none"> Meeting Company visits Channels for raising complaints, and giving opinions and suggestions
10. Private development organizations	<ul style="list-style-type: none"> Conduct of business with least impact on environment and community Participation in caring for environment and development of community Disclosure of correct, complete, and sufficient information in a timely manner 	<ul style="list-style-type: none"> Company visits Channels for raising complaints, and giving opinions and suggestions

Business Operations in 2015

1. Shareholders and Investors

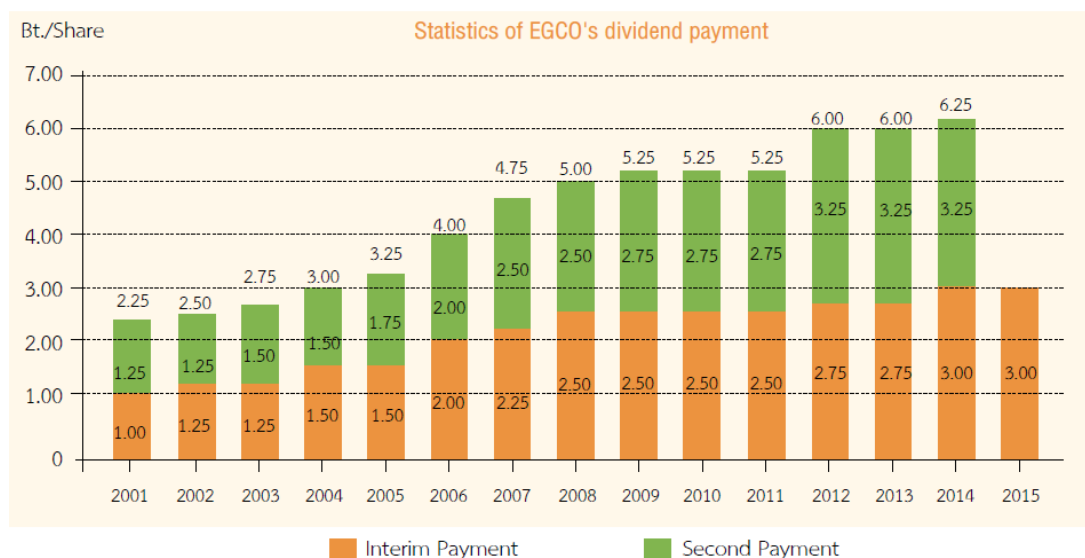
EGCO states in its code of conduct to foster growth based on genuine competencies or capabilities so that shareholders will gain sustainable returns from the effective and solid operational performance of the Company. EGCO respects the rights of shareholders and investors to equally access necessary information for their assessment of the Company, and will disclose its operating results and financial status as well as accurate supporting information as required by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

Share price

EGCO's average share price in 2015 was 154.54 baht per share, up from 2014 by 7.01%, and closing highest at 168.50 baht on January 8, 2015, and lowest at Bt. 147 baht on March 19, 2015. The price-earning (P/E ratio) as of December 30, 2015 was 24.34.

Dividend payment

EGCO has a policy of dividend payment to shareholders twice a year at the rate of approximately 40% of the net profits after deduction of income tax in consolidated financial statements, or in an amount that gradually increases, provided that there is no other fund utilization necessity like future business expansion through various projects or the dividend payment would not materially affect normal operation of the Company. Also, dividend payment shall not exceed retained earnings in separate financial statements.



Management of Relationship with Shareholders

EGCO has in place investor relations unit to take charge of providing shareholders with accurate, complete, and sufficient information in a timely manner, so that investors and analysts can equally access information, and compiling opinions and comments from shareholders and investors on a regular basis. Shareholders and investors may directly contact Investor Relations Unit for additional information or to voice opinions at tel. 02998 5147-9 or email: ir@egco.com. Moreover, EGCO has made available communication channels and activities among shareholders, investors, and top executives of the Company, as follows:

- Investors and Executives Meeting**

EGCO has arranged a quarterly meeting for presentation of EGCO operating results to investors and analysts. The top executives, comprising President, Senior Executive Vice Presidents, and other top executives, have always been available for the meeting to provide information and answer all questions raised.

- Power Plant Visits**

EGCO has organized EGCO Group's power plant visits for shareholders and investors to enable them to understand the business operation and meet the executives of EGCO Group. For the shareholders, registration is open for them on the day of the Annual General Meeting of shareholders (AGM) and on EGCO website within one month after the AGM. In 2015, shareholders and investors were invited to visit BLCF coal-fired power plant in Rayong, where presentation was also provided about the power plant. Visit of the same power plant was organized for analysts and institutional investors.

- One-on-One Meeting**

EGCO has held One-on-One meeting for investors and analysts, in which top executives and investor relations unit regularly participate as requested by investors and analysts. In case they cannot attend in person, a conference call can be arranged with the schedule set to be convenient for all parties concerned.

- **Company's Roadshow**

In 2015, EGCO met individual investors and institutional investors both domestic and overseas in collaboration with the SET, TISCO Securities Co., Ltd., Phatra Securities Co., Ltd., and J.P. Morgan, as well as participated in SET in the City 2015 event organized by the SET.

- **Magazine for Shareholders**

EGCO has published "LIFE", magazine for shareholders every quarter as a channel for providing information on operating results, activities carried out by EGCO together with activity calendar, and other essential information to shareholders. Shareholder can obtain the company's news and information through E-mail Alerts on EGCO website.

- **EGCO's Website**

EGCO has compiled and disseminated information available during roadshow, operating results presented quarterly to analysts, and video/audio clips from analyst meeting in both Thai and English versions on EGCO website (webcast) right after such meeting/event.

In addition, EGCO has regularly updated its website so that shareholders and investors have access to most recent information with convenience and maximum benefits. Some of the information is as below:

- 1) Updated and historical share price
- 2) List of analysts with analysis articles on EGCO share price
- 3) Analyst' meeting schedule and other activities calendar

2. Employees

EGCO is well aware that employees are the key success factor of the organization. The Company has thus laid great emphasis on employees' well-being and potential development on a regular basis. In 2015, EGCO Group continued its human resource development roadmap with focus on enhancement of business knowledge and understanding for all employees so that they are equipped with capabilities to accommodate business expansion and have pride in being a member of the organization. The Company's responsibility for employees can be classified into five major areas as below:

- **Compensation and benefits**

EGCO Group has in place the compensation system according to duties, responsibilities, and capabilities of employees. It provides benefits and welfare for employees and family members mainly based on employees' necessity and demand and under proper rationale and principles. Annual pay increase for all levels takes into account the following two main components:

- The organization's success, average pay increase of peers in the same industry, and economic condition in that particular year.
- Work performance and dedication of individual employees.

The above aims to ensure that employees receive fair remuneration and to retain good and talented personnel for the organization.

In addition, EGCO Group has regularly explored, analyzed, and compared remuneration and benefits of the Group with those in the same industry to ensure that employees receive remuneration, benefits, and welfare which are appropriate and

competitive in the market. Every year the Company joins hands with HR Power Network consisting of 14 human resource work units of companies in the electricity business to consistently exchange ideas and information on management of human resources, especially payment of compensation and benefits to employees, and use such information for development and improvement of compensation criteria of the Group.

For the benefits of employees, the Company has set up **Welfare Committee** composed of members elected by employees with an office term of not over two years to be representatives of employees for welfare management and offer opportunity for the employees to have a communication channel to give suggestions and raise grievances relating to their work, living, and welfare. Their suggestions will be seriously considered and corrective measures will be worked out for the benefits of all parties and building of good relationship. So far, there has been no reporting of violation of human rights and unfair treatment of labor.

- **Competency development for career opportunity**

Due to continued business growth of EGCO Group, employees have opportunities to grow in their career path. In addition to management of compensation and benefits for employees, the Company gives importance to employees' progress in their career path. Promotion to higher positions and levels is undertaken based on clear criteria and in accordance with the human resource management policy which is employee-based. Consideration process is in the form of committee comprising relevant executives to jointly and reasonably consider, select and express opinions to support consideration. In addition, the Company is committed to developing employees to have knowledge and expertise in pace with the business expansion and growth.

In 2015, the Company held training courses for employees at all levels to enhance their knowledge suitable to the business and develop their skills to boost work efficiency and effectiveness such as sharing of knowledge regarding Power Purchase Agreements (PPAs) of EGCO Group power plants and basic financial and accounting knowledge, as well as managerial skills for executives such as analytical thinking, systematic thinking, integrative problem solving and decision making, etc. Moreover, the Company revised and prepared individual development plan for executive employees to prepare them for business growth and career progress.

- **Employee relations**

EGCO Group realizes *importance of individual uniqueness and teamwork*, The Group thus promotes corporate values and culture for employees to accept and respect each other's differences in order to lead to good collaboration and teamwork.

EGCO Group believes that good relationship takes part in bringing happiness to employees at work. Employees who are happy at work and have capabilities as trained and developed for the assigned works will be able to produce efficient and effective output to enable the organization to eventually reach the targets set forth.

In 2015, EGCO Group organized employee relations activities as follows:

- **Communication Day:** A semi-formal event held quarterly for President and all employees for updates of news, information, and movements inside and outside the

organization, and as an opportunity for employees to share ideas and opinions as well as enquire about various issues with the executives.

- **Internal sports activities:** Sports activities held every two years to build relationship among Group employees through EGCO Group Sports Day, and once a year in every December through a bowling competition.

Other activities were also arranged to strengthen internal relationship such as New Year's party, and religious and cultural activities like offering of robes to Buddhist monks off-season and after Buddhist Lent. In 2015, the Company joined merit-making ceremonies at nine temples around Koh Rattanakosin, and supported club activities of employees, namely Photo Club, Dhamma Practice Club, Golf Club, and Sports and Recreation Club.

Moreover, in 2015, EGCO Group communicated news, information, and movements of the organization in respect of business operation, social responsibility, and internal activities to employees via diverse forms of communication channels, i.e. e-newsletter, intranet, bulletin board, posters, and wire broadcasting. This aims to foster a learning society and encourage employee engagement in business and activities alike.

- **Safety, occupational health, and environment operation**

EGCO Group is well aware of the significance of safety, occupational health, and environment operation. "EGCO Group Safety, Health and Environment Standards Manual" has been produced for EGCO and its Group power plants to follow to ensure safety, occupational health, and good working environment for employees and persons concerned. This is based on the management principles of prevention of work-related accidents, injuries, and sickness, alongside building of consciousness and understanding of safety, occupational health, and good environment at workplace among employees and persons concerned on a regular basis.

In 2015, EGCO Group organized annual health check-up for employees and rehearsal of fire drill and evacuation, safety exhibition, dissemination of data, and holding of activities to enhance safety knowledge and consciousness. The Safety, Occupational Health and Environment Committee met once a month to consistently track operation.

- **Participation in community and social development activities**

EGCO Group believes in employee involvement in community and social development activities as one way to develop employee capabilities and create awareness of self-value. Therefore, the Group encourages employees to join hands with communities nearby power plants to initiate and execute activities which are beneficial to the betterment of quality of life and the good environment of the community. This is done by employees being "volunteering staff" to foster the society through activities to improve the quality of life of communities near power plants and those to promote energy and environment learning among youths, together with conservation of watershed forests. This aims at reinforcing collaboration between EGCO Group employees and private and government agencies, as well as the communities.

In 2015, EGCO Group employees carried on 58 social and community development activities organized continuously by the organization, namely volunteering in EGCO's Thai Rak Pa Youth Camp, volunteering in management and construction of hydropower plants, and being speakers as well as providing technical data on maintenance of

hydropower plants in “One Watershed Forest, One Source of Energy” project, joining as lecturer for youths on electricity generating process from various fuels in “Energy for Life on Tour” under “Energy for Life...How to Fight Global Warming with Sustainable Living” project, and Project on Repair and Maintenance of Public Electricity System, and so on.

3. Customers

EGCO Group is proud its roles, duties, and responsibilities as a power producer and distributor to the Electricity Authority of Thailand (EGAT) and industrial estate users, and as an energy service provider in terms of plant operation, maintenance, engineering, and construction, as well as provision of training for power plants and industrial plants both domestically and internationally. In addition, the Group takes responsibility as water producer and distributor to the Provincial Waterworks Authority (PWA) to jointly deliver quality and reliable products and services at fair prices and with promotion of good relationship. In 2015, its operations in relation to customers included:

Power business: EGCO Group continued to produce and distribute quality electricity according to electricity system standards in the volume and period specified by EGAT and industrial estate customers to ensure plant availability to sufficiently serve the public and use in activities. EGCO Group power plants in overall have availability payment (AP) higher than the criteria specified in the PPAs and the annual target.

Energy service business: Satisfaction with EGCO’s service provision has been maintained at an excellent level. According to a survey of customers’ satisfaction with its maintenance business, customers have been satisfied with EGCO employees’ service provision and operations at 93.61%.

Water business: EGCO still gives importance to quantity and quality of tap water supply to PWA water stations in Ratchaburi and Samut Songkhram. From January to August 2015, EGCO Group supplied tap water to fulfill customers’ demand with an average quantity of 35,619.82 cubic meters per day, which was higher than the minimum offtake quantity of 35,400 cubic meters per day, and higher than the criteria of Thai Industrial Standard (TIS). According to surveys by the Department of Health of Public Health Ministry during 2002 – 2015, tap water produced by EGCOM TARA has been certified as drinkable.

4. Creditors

EGCO Group fulfills its obligations to all creditors by strictly complying with the provisions in loan agreements and not concealing its true financial status. In 2015, EGCO Group traveled to meet and exchange viewpoints as well as answering questions of creditor executives and teams. It observed relevant conditions and made loan repayments as scheduled. No dispute or event of default was reported. The creditors also visited Khanom Power Plant Unit 4 of EGCO Group in Nakhon Si Thammarat province.

5. Competitors

EGCO Group operates its business on a fair play basis, without taking advantage of its competitors in a wrongful way. It provides beneficial opinions concerning regulations and standard operation procedures for common standard in operation. No access to information of trade partners and competitors is made in a dishonest way, nor is trade partners’ and

competitors' reputation tarnished with false accusation. In 2015, EGCO Group had no dispute with any competitors.

6. Community and society

EGCO Group gives priority to living in harmony with the community, thus emphasizing on participation in promotion and development of quality of life of communities surrounding the power plants and with due regard to corporate participation in and demand from communities, covering the following areas:

- Local employment
- Development of skills beneficial to occupation
- Support of development of public utilities
- Promotion of learning among the youth
- Conservation of natural resources and environment

In 2015, EGCO Group carried out operations on responsibility for community through local employment. Over 90% of contractors and contract partners are labor in the locality. The Group also developed and implemented 58 projects for the betterment of the quality of life of communities nearby power plants in Thailand and the Philippines. They comprised 13 projects on development of skills beneficial to occupation, 16 sanitation promotion projects, 8 projects on development of public utilities and others, 12 projects on promotion of learning among youths, and 9 projects on natural resources and environment preservation.

For social responsibility, EGCO promoted learning about energy and environment among the youth, as they are in the early ages suitable for learning and growing a sense of goodness, which will contribute to sustainable growth. Particularly, they should be taught to be aware of value of natural resources which are primary factor of energy. EGCO thus launched Energy for Life...How to Fight Global Warming with Sustainable Living Project in collaboration with Energy Policy and Planning Office (EPPO) of Ministry of Energy, and Office of the Basic Education Commission of Thailand (OBEC), Ministry of Education, to encourage Thai youths to learn about energy in a comprehensive way, with a project operating period during 2012-2015.

In 2015, there was a continuation of such projects as facilitation of learning classes on integrated management of energy and environment, training of key teachers for preparation of integrated learning plan, most outstanding school competition award, learning management contest, model teacher, and model knowledge contest for development of potentials and promotion of model teachers for management of energy for life to fight global warming with sufficiency living under local context together with sustainable utilization of energy, holding of Energy for Life On Tour activity to provide energy knowledge to youths in participating schools, and holding most outstanding youth contest 2015 to enable children and youths from over 60 participating schools to have space for demonstrating their talents and competence by applying knowledge about conservation of energy and environment to preparation of scientific projects based on analytical thinking and integrating knowledge to problem-solving and practical use in daily life.

Moreover, EGCO considers the media instrumental to communication with or passing on information to stakeholders and general public. EGCO thus attaches importance to and gives cooperation by disseminating to the media news and information of the Company on a fact-based, equitable and timely basis and responding to the needs of the media. It also cooperates with the media in enhancing knowledge and understanding about electricity industry and

business among the public on a consistent basis. EGCO's responsibility for and participation with the media are in four perspectives as below:

- **Dissemination of the organization's news and movements**

In 2015, EGCO held 4 sessions of press conference on its operating results and business direction, 8 sessions of press interviews and meetings with executives, and 28 pieces of published public relations news and articles. Issues and target groups of communication are, for instance, dissemination of information on operations to shareholders, investors, and the public; dissemination of corporate social responsibility information, especially sharing of electric power knowledge with youths in regions; and instilling consciousness among youths of energy and environment value and participation in conservation efforts thereof. In 2015, 399 pieces of news were released, of which 265 pieces were business-related, and 134 pieces were related to corporate social responsibility.

- **Participation in building knowledge and understanding about electric power industry and business**

In 2015, EGCO continued to collaborate with the media to disseminate information about energy situations in Thailand, power generation from fossil fuels and renewable energy sources, e.g. coal, water power, solar power, wind power, and geothermal power, as well as potential for development of renewable energy sources in Thailand for continual knowledge and understanding of electric power industry, business, and situations at present.

- **Media relations**

EGCO believes that good relationship will help gain trust, acceptance, and good cooperation. In 2015, EGCO promoted relationship between the organization and the media through various activities, such as organizing activities for development of potential and enhancement of knowledge about electric power and energy business to the media, participation in New Year's party with the media, and congratulating the media on their anniversary celebration occasions, and joining hands with the media in public contribution activities like charity golf tournament, etc.

- **Engagement in developing community and society**

Under the concept that each individual plays a role in creating good community and society, EGCO supports social contribution activities initiated and undertaken by the media. In 2015, the Company supported 2 educational and public utility contribution activities for communities in remote areas and knowledge and potential development for youth activity.

10.2 Report Preparation

Guidelines and Scope of Report ^(G4-13, G4-17, G4-18)

This report, drawing on data from 1 January to 31 December 2015, presents EGCO's operation results and impacts of changes connecting economic, environmental, community, and social aspects, both positively and negatively. The report format follows the guidelines of the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and the Global Reporting Initiative Generation 4 (GRI G4). We report 'In Accordance' with the 'Core' application level, where at least one indicator is reported per Material Aspect, and additional indicators are provided on companies in the electric utilities industry involving all subsidiaries or power plants with EGCO shareholding. Data has been collated and processed by a central unit on a consistent and comprehensive basis, and reviewed by data owner units, with endorsement given by Investment Committee, Audit Committee, and Corporate Governance & Social Responsibility Committee respectively.

In 2015, EGCO remained committed to enhancing its reporting quality to be up to international standards. We embarked on the integrated reporting with economic, social, and environmental performances, and reflecting the pivotal role of our vision, mission, and business strategy on corporate value creation at present and in future. This report is inaugural to our development of the integrated reporting, and we still adopt the reporting and disclosure criteria, conditions, and procedures prescribed by the SEC. Therefore, not all the integrated reporting concepts are applied, and the report may not be presented in a fully integrated way. However, with EGCO's commitment to develop our corporate reporting quality to meet international standard and realization of integrated reporting benefits to all groups of stakeholders who are interested in EGCO's long-term value creation prospects, we are fully determined to continue our efforts to improve the reporting quality.

In this connection, EGCO has a policy in place to prepare our annual report in CD ROM to save costs and reduce cutting down trees for paper manufacture. We donate the cost saving portion to "Thai Rak Pa Foundation" in the name of "Shareholders of Electricity Generating Public Co., Ltd. (EGCO)." In 2015, EGCO donated 2,363,724 baht in total to support environmental conservation activities of Thai Rak Pa Foundation.

Employees

With awareness of the society, EGCO gives priority to such major stakeholders as personnel, customers, and community surrounding its power plants. Focus are given to employees' welfare and competency development; enhancing quality of life, community, and society; and being responsible for products and occupational health and safety operation; in order to demonstrate its engagement in developing a sustainable society, building confidence, and earning acceptance and trust from the community and society.

Responsibility and Competency Development for Employees

Along with its commitment to grow business with satisfactory operating results, EGCO places importance on taking care of and developing employee capabilities on a continual basis. A key factor to EGCO's steady growth up to present is having talented executives and staff with expertise, commitment, good attitude, and passion to learn and strive for the growth of the organization toward the target, as stated in the CEO's message: "Our business sustainability relies on all of us."

Therefore, under EGCO's human resource management and organization development policy, we focus on developing personnel competitiveness to serve business expansion both domestically and overseas. Appropriate organizational structure and manpower have been worked out, and personnel at all levels undergone development to deliver workable performance toward the target set forth with consistent progress in career path. Alongside such efforts, we have promoted employee engagement to the organization and retained talents to continue working for us.

Recruitment and Employment Policy

EGCO focuses on taking care of "Employee," starting from recruitment of employee with competency and expertise under the appropriate recruitment and employment policy and clear guidelines in line with "respect for human rights" and "fair treatment of labor," as below:

Recruitment and Selection

- (1.) Recruitment and selection shall be emphasizes on achievement, righteousness, fairness, competency and necessity for business operation of EGCO Group.
- (2.) Recruitment and selection shall be carried out only when there is vacancy according to the approved manpower.
- (3.) Selection shall be made in the form of a committee so that an appropriate person is employed regardless of personal relationship, privileges or any enticement.
- (4.) EGCO Group has a policy to careful employment of relatives or spouses of employees whether they have the same surnames or not to ensure transparency in the administration and prevention of favoritism which may affect business management under a code of conduct according to corporate governance principles.

Respect for Human Rights and Fair Treatment of Labor

EGCO has set up Welfare Committee composed of members elected by employees and having a maximum 2-year term of office in order to be representative in dealing with welfare matters and recommendations beneficial to welfare arrangement. Also, there are communication channels for employees to voice concerns and file complaints on work and living. Suggestions are seriously considered and corrective actions are determined in the interests of all parties

concerned and with good work relationship created. So far, there has been no report or complaint on violation of human rights and unfair labor treatment.

Moreover, EGCO has expressed a firm intention to promote and encourage a strong labor relations system between the Company and its labor union or other labor organization according to the law through the setup of two labor unions, namely executive labor union and operational labor union. Guidelines and procedures in dealings with the labor unions have been laid down as practice standards to ensure clarity and compliance with labor laws, hence fair labor treatment and mutual understanding.

Fair and Appropriate Remuneration and Welfare Policy

EGCO recognizes the importance of every employee, the essential resources which drive the company to the success. The policy on taking care of the employees to receive the reasonable and fair remuneration for rewarding their dedication and perseverance devoted to the company's success has been, therefore, implemented. The employees receive a salary conforming to the company's salary structure, which is consistent with a market-competitive rate, by considering their knowledges, competencies, and experiences suitable for their work. For the annual salary increase, it is their chiefs who determine it by appraising their employees' individual key performance indicators and behavior.

Moreover, EGCO gives its employees a bonus, following to the evaluation results of the key performance indicators (KPIs), approved by the Board of Directors.

The KPIs are in form of financial and non-financial of the past year, such as the corporate performance and management achievement. With the KPIs, the company will grow to sustainability in the future.

This is for building morale and courage to the employees as well as motivating them to be part of and dedicate themselves to the growth of the company which means their long-term remuneration and stability.

EGCO has in place a policy on appropriate remuneration and welfare that are consistent with the Company's operational performance, and also a provident fund for employees to enhance their stability and security after termination of employment or after retirement. Also, EGCO has made available such programs as membership of Electricity Generating Authority of Thailand and other welfare programs on a par with leading peers in the industry.

In addition, the Company has conducted survey on remuneration of the industry peers to make sure its remuneration and welfare package is appropriate and competitive enough to attract and retain talents to work for the Company.

Fair Performance Assessment Policy

EGCO has a fair performance assessment policy covering both work performance and relevant competencies with emphasis on result-oriented performance, goals or objectives, and mutual goal setting between Line Manager and employees. In this regard, performance assessment result is partly used to support career development planning for employees.

People Development Policy

EGCO is committed to developing employees' capabilities toward higher competence and expertise to accommodate EGCO Group business expansion with employees at all levels and those with potential got prepared to assume key positions in future. People development plan is linked to competencies, including core competency, managerial competency, and functional competency. Corporate values and culture are instilled in all employees to pave a concrete foundation for the Company's coherent growth and development. The plan involves development of personnel in various forms as follows:

In-house and public training courses

EGCO has offered development courses for employees at all levels from operational to top managerial levels within the scope as necessary and needed by relevant levels and work units. These courses are divided into three categories as follows:

Program	Employee Level
Business Knowledge Program	All levels
People Development Program	Officer – senior officer
Management Development Program	First line manager - executives

Line manager will assess and follow up training results, output from which is used for further improvement of people development roadmap in the following stages:

- 1) Analyze training needs
- 2) Prepare people development plan in line with functional position
- 3) Execute people development plan
- 4) Assess and follow up training results



Examples of training courses provided for employees are Analytical Thinking: Maximizing Your Thinking Power, Integrative Problem Solving and Decision Making, Finance for Engineers, Systematic Thinking: Applied Mind Map for Business, etc.



Knowledge sharing across the organization

EGCO has developed employees' potentiality with knowledge sharing within and across the organization and subsidiaries. Beneficial courses are provided to employees at all levels who are interested in certain topics to allow for learning opportunities and knowledge sharing across the organization so that employees can get new perspectives from such experience or from real study cases of executives or persons with dependable expertise and experience in such matters. This is open to employees at all levels and of all work units who are interested in and have passion for learning to apply to their work, and at the same time to broaden their views and mindset. Examples of these courses are EGCO's Business, Basic Concept of Power Business, EGCO's Power Purchase Agreements (PPAs), EGCO's Accounting & Finance, etc.

Knowledge sharing has even been initiated in some work units. Executives have selected books which give knowledge beneficial to work performance. Work unit representatives are selected to disseminate and share knowledge and experience at EGCO library. This is considered another development form aiming to create a learning organization with employees motivated to learn more and more.





People development by job rotation

In addition, EGCO has developed personnel potential by way of job rotation to enable employees to learn in a broader scale and a more diverse range. This aims to improve their capabilities to accommodate responsibilities in a higher position in future according to their career path. Job rotation is considered based on whether such job family can be rotated and appropriateness of employees' potential involving educational background, work experience, and work performance.

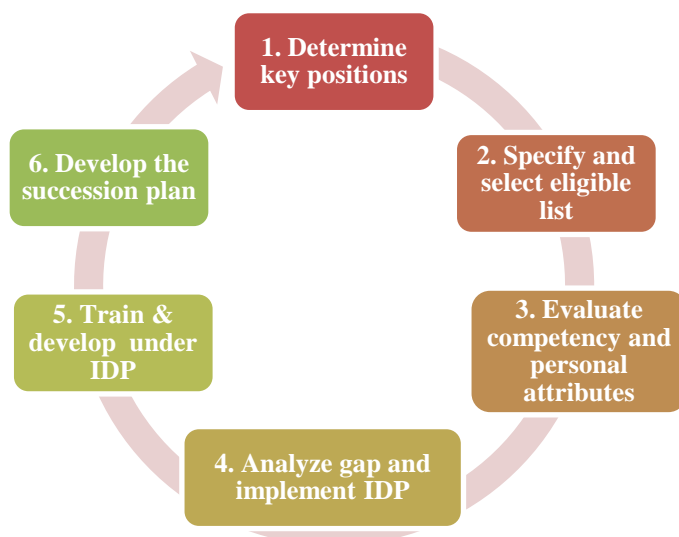
Awareness of environmental and occupational health and safety

EGCO has encouraged employees to attend the training environmental and occupational health and safety, representing the average of hours per year, equivalent to 11.65 or 30 % of hours for all male employees.

For the power plants such as Khanom Electricity Generating Company Limited (KEGCO), EGCO has taken into account the prevention together with taking care of environmental impact and the community, leading to determinedly put into action, which is aligned with the corporate vision: Being the pilot power plants in protecting environment and living sustainably together with the community. That is the reason why EGCO has stipulated the objectives and goals of operating power plants in conformity with ISO 14001 into the annual action plan. This plan has covered not only EGCO's employees but also contractors. In addition, the ISO 14001 training course is annually held for the employees to take into account the environmental protection. Besides, the 8-hour training course of "Raising environmental awareness" was organized with 110 attendees or 75 %.

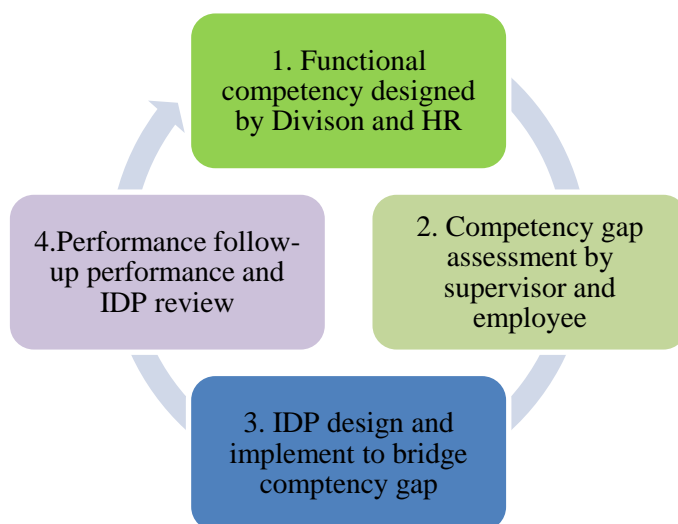
Succession planning and individual development plan

The Company has mapped out a succession plan to get employees prepared for succeeding executives of higher positions instrumental to driving the organization. These positions include Senior Executive Vice President and Executive Vice President. Criteria are defined for screening and putting qualified persons in the eligible list. Test and assessment is conducted on competencies and personal attributes for gap analysis. Then, the Company will draw up individual development plan and carry out development according to the plan.



Individual development plan focuses on managerial competency as well as skills and expertise required for the functional line. Such individual development for executive-level positions is on an ongoing basis, and in various forms, including in-house training, public training, coaching, job shadowing, special project assignment, job rotation, etc.

IDP	Design and Set up IDP	Responsible for IDP follow-up
1.Executive Vice President	Executive Vice President and Senior Executive Vice President	Senior Executive Vice President
2.Senior Vice President	Senior Vice President and Executive Vice President	Executive Vice President



Internal corporate activities

Internal corporate activities or labor relations activities provide opportunity for employees at all levels from operational to managerial levels to meet and take part in activities of the Company, which can help promote team-building and foster good relationship between the Company and the employees. This enables employees to have good attitude toward the Company, hence employee engagement to the organization. Examples of these activities are sports day, retirement ceremony, Company's anniversary ceremony, Kathin merit-making ceremony, etc.

In addition, recreational clubs have been set up in the Company. Some of them are golf club, dharma practice club, photo club, sports club, and so on.

Occupational Health and Safety Operation

EGCO realizes the significance of good occupational health and safety operation, and has consistently strived for health quality among employees, workers as well as contractors, including safety in work environment. EGCO Group also highlights environmental conservation and responsibility for nearby community, which is considered a mission of the organization to develop and execute on a systematic basis. Our occupational health and safety management covers such areas as strict compliance with relevant laws, making available a safe work environment, and promotion of sanitary conditions. Employees are encouraged to participate in the ongoing enhancement of occupational health and safety at workplace, and creation of safety awareness among employees and nearby community. With recognition of such importance, power plants in EGCO Group have adopted international standards for management of the organization, namely, Quality Management System (ISO 9001: 2008), Environmental Management System (ISO 14001), and Occupational Health and Safety Management Systems (OHSAS 18001), or other management systems of occupational health and safety for power plants to control and prevent erroneous operation likely to bring loss of lives and properties to the organization, as well as to build confidence in power plants' efficient management that is harmless to the community, society and environment.

At present, EGCO Group power plants are certified by international standards, details of which are as shown in Table below

No.	Power Plants	Fuel Type	ISO Standard		
			ISO 9001:2008 ระบบบริหารคุณภาพ	ISO 14001: 2004 ระบบการจัดการด้านสิ่งแวดล้อม	OHSAS 18001: 2007 ระบบการจัดการอาชีวอนามัยและความปลอดภัย
1	KEGCO	Natural Gas	✓	✓	✓
2	GPG	Natural Gas	✓	✓	N/A
3	BLCP	Coal	N/A	✓	✓
4	EGCO Cogen	Natural Gas	N/A	N/A	N/A
5	Roi-Et Green	Biomass	✓	N/A	N/A
6	GCC (KK1)	Natural Gas	✓	✓	N/A
7	NKCC	Natural Gas	✓	✓	N/A
8	SCC	Natural Gas	✓	✓	N/A
9	GYG	Biomass	✓	✓	N/A
10	NED	Solar	✓	N/A	N/A
11	SPP2	Solar	✓	N/A	N/A
12	SPP3	Solar	✓	N/A	N/A
13	SPP4	Solar	✓	N/A	N/A
14	SPP5	Solar	✓	N/A	N/A
15	GPS	Solar	✓	N/A	N/A
16	Theppana	Wind	N/A	✓	N/A
17	Solarco	Solar	*	N/A	N/A
18	NTPC	Hydropower	N/A	✓	✓
19	Quezon	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 Employment of the Philippines
23	SEG	Geothermal	✓	✓	✓
21	BRWF	Wind	N/A	The NSW Environment Protection Authority (EPA)	N/A
22	MPPCL	Coal	N/A	✓	✓

*Remark: For Solarco power plant, Management plan to apply for Quality Control.

In 2015, EGCO instituted a safety, occupational health, and environment policy with a framework in place to ensure operation and development of safety, occupational health, and environment system is appropriate and compliant with laws and regulations. There are monitoring, assessment, and review of the operation to enable employees' and contractors' understanding and application for practical use to create preventive and remedial awareness of activities that may affect safety, occupational health, and environment. Moreover, to carry out safety, occupational health, and environment operation across the organization according to EGCO vision, policy and strategic plan, a Safety, Health, and Environment Committee of EGCO Group (SHE Committee) has been established. Chaired by Senior Executive Vice President – Operation, the SHE Committee takes charge of determining guidelines, criteria, and work plans, as well as monitoring and assessing results, improvement and development of safety operation of EGCO Group power plants. In addition, a taskforce has been set up, being composed of representatives from EGCO Group power plants, to carry out operation according to the work plans, objectives, and targets, as well as relevant activities as specified by the Committee.

In 2015, the Injury Frequency Rate (IFR) of EGCO Group employees and contractors per one million man-hours was recorded at 0 and 0.6 respectively. One injury case occurred with BLCP's contractor was so severe that the injured person was unable to work even it was a case occurring to a contractor, BLCP has made investigation to identify causes of deficiency or hindrance, and improve work plan to cope with such risk. Training on work safety and wearing of personal protective equipment together with site preparation and operation control are regularly reviewed. Objectives, target, and annual work plan are clearly defined and power plant operating performance is closely monitored.

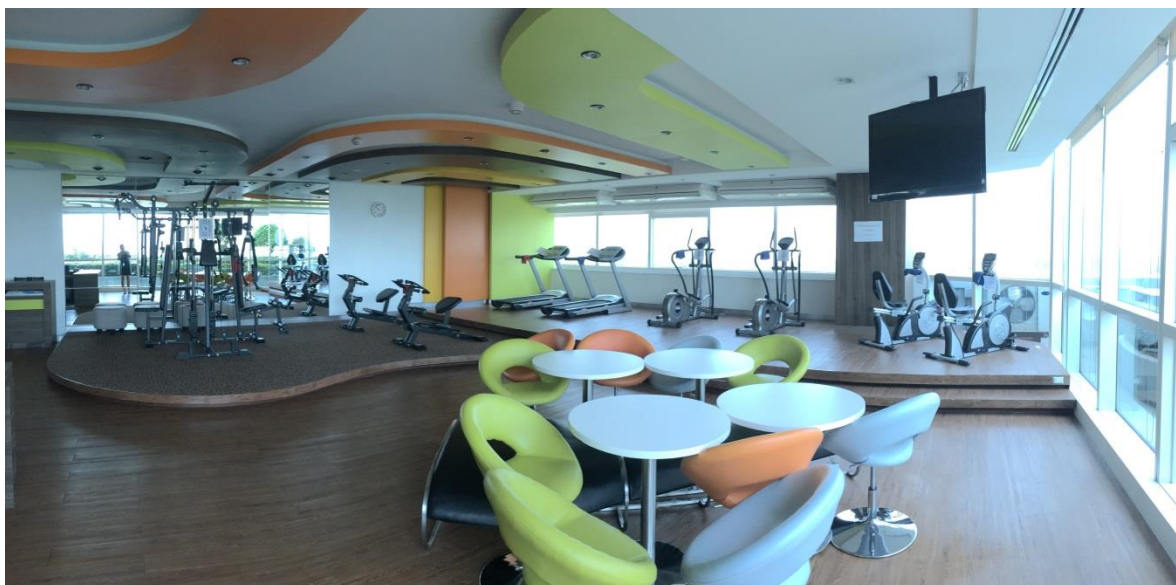
In 2015, EGCO Group has an Accumulated Safety Hours of both employees and contractors of 28,736,238 hours.

Regarding occupational health and safety operation at EGCO headquarters, the President has had a Safety, Health, and Environment Committee appointed to control, monitor, and supervise safety operation at the headquarters to comply with Labor Ministerial Notification on Prescribing Standard for Administration of Safety, Occupational Health, and Environment, B.E. 2549 (2006), as well as to allow representatives from employees at all levels to voice their opinions for the review of safety operation. The Committee is composed of one representative from the employer, five from employees, and one occupational safety professional, hence seven members in total, and being on a 2-year term.

Member representing employer, executive level	Female
Members representing employer, supervisor level	Male Male
Members representing employees, operational level	Male Male Male
Member and Secretary	Female (Occupational safety professional)

With EGCO's commitment to build occupational health awareness among employees and ensure work performance or workplace is free from any health threats from or in relation to work performance, the Company has arranged and maintained a safe and sanitary workplace for employees, and promoted employees' good occupational health and safety in work performance. In 2015, EGCO held occupational health activities to help employees review on and raise their awareness of taking care of health, such as annual health promotion activity, work-related disease prevention training, light and noise check to suit working conditions (noise dose level check), first aid training, etc. Also, there are fitness room and recreation area allocated in workplace and sports events held within EGCO Group and with relevant external agencies to promote good health among employees and build good relationship among personnel in the organization and with other parties.





Apart from managing working environment in normal situations, EGCO is well prepared to cope with emergency and crisis cases which might disrupt business operation and business continuity. For the headquarters, we have implemented Business Continuity Plan (BCP) and fire protection training with fire drill held annually.



EGCO Group power plants have devised Emergency Response Plan (ERP). Under the ERP, measures and action plan are set for implementation in case of emergency situations in accordance with the standards stipulated by law, classified by severity level of incidents and covering evacuation of personnel as well as taking into consideration all living things in the nearby ecosystem.



Responsibility towards the Community and Society

Supply Chain Management

EGCO commits to growing business on a sustainable basis with good corporate governance for community, social, and environmental benefits. We embed supply chain management strategy to efficiently prevent and reduce possible environmental and social impacts that may have affected to stakeholders' trust. Supply chain management starts from selection of reputable contractors with good work reference and strict compliance with relevant laws or regulations, such as labor law, environment pollution control law, etc., as well as without lawsuit or tarnished reputation record, to bring about mutual benefits and true business partnership.

Selection and Assessment of Suppliers and Contractors

EGCO recognizes the importance of suppliers and contractors selection by specifying qualification requirement in the Term of Reference (TOR) including EPC contract. EPC contracts also stipulate that suppliers and contractors who intend to join bidding shall have dependable experience and expertise in the products and services concerned, and must not violate labor law, environmental law, and other relevant laws and regulations. Moreover, they must not be found to have "abandoned work" or been sued in cases relating to tenders for government sector contracts, human rights or corruption related issues. Inspection is mainly conducted on their financial position, relationship with other suppliers, and previous operational performances. EGCO shortlists candidates with priority given to supplier registered or having established offices or branches in Thailand or countries where EGCO has business expansion. Local recruitment is also emphasized to reduce operating expenses with enhanced efficiency and contribute to the country's industrial development. At present, EGCO has power plant projects under development and construction, of which contractors are the Company's long-time business alliances and a new fully qualified supplier. A project management unit is in place to closely track and monitor each step of the contractors' working process. There are regular assessment of progress at construction site, and report on progress and implementation of measures to limit social and environmental impacts as well as labor and safety measures. Furthermore, report on social and environmental impacts is made available to financial supporters, i.e. banks and other financial institutions on a regular basis until the project completion and commencement of commercial operation.

In 2015, no social and environmental impacts and no complaints in relation to EGCO project contractors' performances were found.

Procurement of fuels, such as natural gas, coal, and biomass after start of power plant commercial operation is considered a factor instrumental to efficient electricity generation. In this regard, EGCO has entered into long term contracts with fuel suppliers well accepted for experience and expertise in managing deliveries of fuels for electricity generation, which could help relieve fuel procurement risk. EGCO has also executed fuel supply agreements with PTT Public Company Limited and Australia Coal Holdings for Thailand-based power plants fueled by natural gas and coal respectively. However, for the biomass power plant which applies rice husk as the main energy source, no long-term agreement has been executed as rice husk is agricultural residue with uncertain volume of supply due to seasonal nature of agricultural production. Therefore, fuel reserve has to be procured and maintained with negotiations made through local fuel supply agents in the power plant vicinity areas in an average volume of 5,000 tons per month.

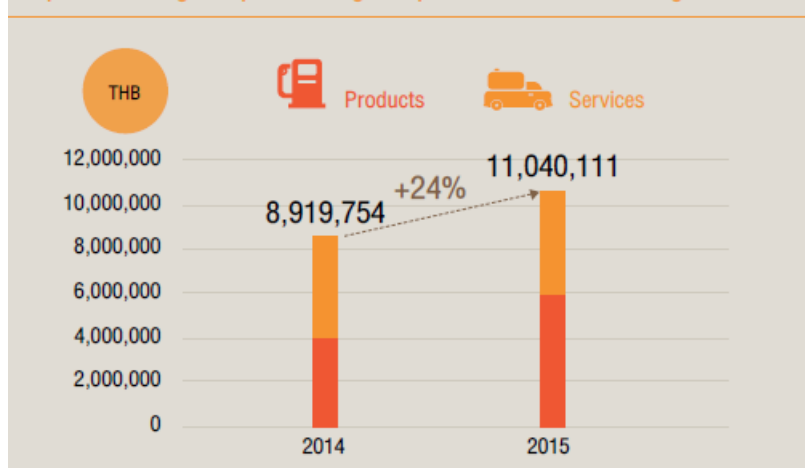
Procurement

EGCO has put in place a goods and service procurement process along the entire business operation, taking into consideration relevant stakeholders both internal and external of the Company and being in line with the procurement policy. This ensures that we will be able to procure quality and reliable products and services according to the specified standards with efficiency, price worthiness and available technical quality, and with competition on the basis of fair access to information for long-term business continuity, as well as strict compliance with contracts and conditions agreed upon in order to develop and maintain trust and relationship with suppliers and contractors on a sustainable basis. We believe that “**suppliers**” play an important role in delivering quality services punctually with fulfilment of conditions set forth. Thus, we treat them fairly and equally based on mutual benefits and creation of opportunities for exchange of knowledge, experience, and expertise between EGCO Group and suppliers. In 2015, no dispute was found between EGCO Group and suppliers.

Furthermore, in an attempt to reduce adverse impacts on the society and environment, EGCO recognizes the importance of environmentally friendly procurement or “**Green Procurement**” throughout the Company’s supply chain with focus on quality, price, and punctual delivery of products or services by keeping abreast of information on products and services that are environmentally friendly, products contributing to energy and water resource conservation and waste reduction, products with least or no use of hazardous substances or chemicals, and biodegradable products according to Ministry of Natural Resources and Environment. Data updating is made in the procurement system accordingly.

In 2015, EGCO procured environmentally friendly products and services worth totally 11,040,111 baht, or increased by 19% from 2014.

Graph illustrating comparison of green procurement value during 2014 - 2015



Participation in Development of Community and Society

EGCO has operated business with due regard to participation in development of community and society starting from community in the vicinity of power plants covering openly disclosure of factual information and promotion of appropriate participation by society before construction of power plants, during construction, and after completion of construction. There is a process in place to assess and rectify possible impact on community. Moreover, EGCO has joined hands with employees and local as well as national agencies in initiating projects

and activities for community and society on a continual basis. Operations mainly cover three areas as below:

Promotion and development of “quality of life of communities” surrounding power plants

EGCO attaches importance to communities in the vicinity of headquarters and power plants constantly through supports of launching and development of projects regarding education, occupation, sanitation, and caring for the environment for the enhanced quality of life of community people.

Promotion of learning about energy and environmental conservation among the “Youth”

EGCO realizes that the way to instill and create a sustainable growth of consciousness regarding energy and environmental conservation is through education and understanding. The Company, therefore, has provided support and conducted energy and environment activities for youths through both inside the classroom and hands-on experience outside the classroom, as well as instilling public mindedness. Such learning is the starting point for a development of social, intellectual, and moral quotient, which will essentially lead to the success of the sustainable development of the nation.

Conservation of “watershed forest” natural resources

EGCO gives priority to conservation of such natural resources as forest and water, especially watershed forest, which is land area containing natural water as the source and reserve that originate streams and rivers, hence essential to all living things. It has thus promoted cooperation in sustainable forest preservation for the next generation through the operations of Thai Rak Pa (Thai Forest Conservation) Foundation.

Management

EGCO focuses on collaborating with communities in the vicinity of headquarters and power plants in implementing projects beneficial to the society by setting guidelines for participation in development of communities surrounding power plants and development of society, as follows:

Guidelines for participation in development of communities surrounding power plants

1. Promotion and improvement of quality of life of the community taking into consideration participation and needs of the community

- 1.1 Provide information and knowledge regarding operations of the organization to community before commencement of any operations in any areas. For power plant already in operations, information shall be made available at least three months in advance of any expansion or bidding for contract renewal, and for new power plant, at least one year prior to meeting to voice comments of stakeholders.
- 1.2 Establish a process 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 operations of the organization.
- 1.3 Allow the community to share viewpoints with the organization based on issues or concerns of the community in an appropriate form at least once a year.
- 1.4 Disseminate knowledge and distribute income to the community through supporting employment and creation of jobs in the locality based on appropriate conditions.
- 1.5 Support and promote development of capabilities and skills useful for carrying out occupation and extra income generation of the community by giving the community an opportunity to participate in the development of projects.

- 1.6 Support the community to be strong and self-reliant, and achieve sustainable growth through, for example, education, culture, tradition, promotion of sanitation and environment, and development of technology in alignment with local wisdom, etc.
 - 1.7 Provide assistance to the community in times of crisis, emergency, and natural disasters.
 - 1.8 Provide necessary utilities, food, medicine, accommodation, as well as financial support and other relevant actions.
- 2. Instillation of the sense of responsibility toward the community among employees and concerned parties**
- 2.1 Disseminate policies, guidelines, targets, and operating results to employees and concerned parties.
 - 2.2 Provide employees and concerned parties with training and seminar opportunities relevant to participation in the development of community.
 - 2.3 Encourage employees and concerned parties to share experiences from participation in the projects for community and society to other employees and external parties.
 - 2.4 Promote and support employees' participation in the projects for community in an appropriate form.
 - 2.5 Support concerned parties' participation in the projects for community in an appropriate form.
- 3. Dissemination of operating results of the organization to the communities and the public on a regular basis**
- 3.1 Arrange an open-house or plant visit activity at least once a year.
 - 3.2 Prepare at least one document disseminating information and knowledge about the business operation process and participation in the development of community, and make available a channel for accepting opinions from the community.
 - 3.3 Disseminate the information about the company's corporate social responsibility performance and the participation in community development to communities and public in form of the annual sustainability report.
- 4. Seeking of opportunities to exchange knowledge and share experiences from operations with other agencies to continuously improve operations**
- 4.1 Participate in activities/projects of networks or agencies relevant to community development at least once a year.
 - 4.2 Compile knowledge and experiences from operations and exchange experiences with agencies for the benefits of the operations in future as appropriate.
- 5. Tracking and assessment of satisfaction of communities with the operation of the organization**
- 5.1 Conduct a survey to assess communities' satisfaction with the development of quality of life for better living at least twice a year.

Moreover, EGCO has jointly initiated and developed projects and supported activities covering education, occupation, sanitation, and environmental conservation under the framework of betterment of the quality of life of the communities surrounding the power plants, which include the following:

1. Support in terms of employment of people in the community
2. Development of skills beneficial to occupation
3. Promotion of sanitation of the community

4. Support of development of public utilities
5. Promotion of learning among the youth
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 in alignment with the main capabilities of the organization**
 - 1.1 Support or initiate projects/activities which are aligned with the vision, targets, values, and beliefs of the organization
 - 1.2 Support or initiate projects/activities beneficial to the general public, focusing on operations which are aligned with or based on the main capabilities of the organization including knowledge, resources, and personnel.
- 2. Encouragement of employees and relevant parties to learn, understand and take part in social development operations**
 - 2.1 Disseminate progress on the implementation of social contribution projects to employees and relevant parties at least once a month.
 - 2.2 Allow employees and relevant parties to take part in carrying out social contribution projects or operations as appropriate.
- 3. Execution of projects or activities continuously for true and sustainable benefits to the society**
 - 3.1 Support or initiate projects/activities which respond to the needs of the society, and are aimed at enhancing potential and strengths for sustainable social development.
 - 3.2 Regularly evaluate operating performance in relation to outcome, output, and impact to ensure true and sustainable benefits to the society.
- 4. Seeking of opportunities to exchange knowledge and share experiences from operations with other agencies to further improve operations on a regular basis**
 - 4.1 Participate in activities or projects of relevant external agencies to exchange and share experiences with regard to social development at least once a year.
 - 4.2 Compile knowledge and experiences from operations and participate in the exchange of experiences with external agencies to benefit future operations at least one issue per year.

Operating Results

Development of operations to support participation in improving quality of life of the community in 2015 through the following significant activities:

- **Appointment of EGCO Group Working Committee on Community Development Operation** chaired by Executive Vice President and having officers of operational levels as members to monitor, supervise, and track operation in community development of EGCO Group power plants to be in line with policy, guidelines, and plan in place.

- **Conduct of “2015 Sharing Workshop”** activity for exchange of knowledge in promotion of participation in improving quality of life of community among EGCO Group power plants

EGCO Group Working Committee on Promotion of Participation in Community Development which consists of 25 members in charge of community relations from EGCO Group power plants in commercial operations and those under construction and development, both domestically and overseas, participated in an activity to exchange knowledge in promotion of participation in community development of EGCO Group for 2015 at EGCO Building and BLCP Power Plant.

The objective of this activity is to enable exchange of knowledge among community operational staff of EGCO Group power plants. Contents of operational guidelines for development of communities nearby the power plants were compiled and derived for the benefit of future operation development. Two main activities were held as below:

- *Brainstorming Workshop* to share experiences in operation of community development promotion programs of EGCO Group power plants.



- *Field Trip* to provide opportunities for participants from the power plants to learn onsite at BLCP Power Plant, visiting ECO for Life learning center where they learned about brick manufacturing from coal ashes of Takuan-Ao Pradu community and mussels farming in Maptaphut bay area, which are projects initiated, promoted and supported by BLCP jointly with local communities.



Participating Power Plants:

Khanom Power Plant, EGCO Cogen Power Plant, BLCP Power Plant, Quezon Power Plant, Roi-Et Green Power Plant, Lopburi Solar Power Plant, Solar Power Plant SPP2-5, Theppana Wind Farm, Solar Power Plant G-Power Source, Solarco Power Plant, TP Cogen/SK Cogen, and TJ Cogen Power Plant Project, and Chaiyaphum Wind Farm Project.

Support of Employment of People in the Community

In 2015, EGCO continued to support employment of community people for income distribution and improvement of their well-being. More than 90% of workers (excluded employees) for non-technical works are people in the areas where power plants are located.

Implementation of Projects for Communities Surrounding Power Plants

In 2015, EGCO power plants implemented altogether 58 projects for development of quality of life of the nearby communities, comprising 13 projects on development of skills beneficial to occupation, 16 projects on promotion of sanitation, 8 project on development of public utilities and other facilities, 12 projects on promotion of learning among the youth, and 9 projects on conservation of natural resources and environment. Examples of projects undertaken by EGCO power plants inside and outside the country are as below:

Rayong Power Plant

- **Robe Offering Project** implemented in collaboration with GLOW and BLCP to offer robes to 12 temples in Maptaphut area consecutively every year aimed at preserving the religions and local cultures and traditions.



Khanom Power Plant

- **Health Service for Community Project** carried out jointly with Thongnien municipality, Khanom municipality, Ao Khanom municipality, Khuanthong local administration, and Nakhonpat Hospital to provide annual medical check-up to over 2,000 people in the community.
- **Project on Promotion of Quality of Life of Community at Moo 8, Thongnien subdistrict, Khanom district, Nakhon Si Thammarat** The power plant joined hands with village public health volunteers to hold activities to disseminate knowledge and provide training on the following topics: postpartum health care and visit of mothers and newborns, dissemination of knowledge and tips for prevention/control of diseases, visit of the elderly and the disabled, campaign on AIDS prevention, health screening for children aged not over 15 years, and tuberculosis screening for risk groups. These activities were attended by over 500 community people.
- **Community Relations Project on Electricity Repair and Maintenance and Public Utility Improvement for Temples, Schools, and Public Places** Volunteering employees joined activities six times for six communities surrounding the power plant.
- **Project on Improvement of Quality of Life of Ban Tha Muang Islamic Community** In 2015, improvement of toilets and study building was undertaken for Darus Sa-ahdah Mosque, Moo 1, Thongnien subdistrict, Khanom district, Nakhon Si Thammarat. Total participants were around 40.
- **Youth Learning Development Project** Khanom Power Plant collaborated with Office of Nakhon Si Thammarat Primary Educational Service Area 4 and Siang Dek News Bureau, Khanom district, to promote education for good but needy students by giving them annual scholarships. In 2015, 230 scholarships with sports equipment supporting fund worth Bt. 5,000 each were awarded to 23 schools in Khanom district, Nakhon Si Thammarat.
- **Youth Learning Field Trip Promotion Project 2015** Over 200 students and teachers from 23 schools in Khanom district were brought on a field trip visiting scientific and environment learning venues together with historical sites in four provinces, namely Prachuap Khirikhan, Phetchaburi, Bangkok, and Suphanburi provinces.
- **“Seedling of Virtue” Youth Training Project** EGCO joined hands with Muang Khanom History and Culture Learning Center (Wat Klang), Office of Nakhon Si Thammarat Primary Educational Service Area 4, schools in Khanom district, and Mahachulalongkornrajavidyalaya Student Organization, Nakhon Si Thammarat area, to train the youths in 2015 (classes 1-4) at Muang Khanom History and Culture Learning Center (Wat Klang), Khanom district, Nakhon Si Thammarat. Over 400 youths and parents attended the training.
- **Biological Agriculture for Sustainable Development Project** EGCO promoted a lunch project for schools in Khanom district, Nakhon Si Thammarat by supporting plantation and vegetation as well as animal farming including raising freshwater fish in the farm to serve preparation of lunch meal for schools. In 2015, vegetable output totaled 6,327 kilograms, 2,727 of which were donated to Boon Thao Kong Spirit House during vegetarian festival.

- **Breeding of Blue Swimming Crab Project** EGCO coordinated with Nakhon Si Thammarat Coastal Fishery Research and Development Center, Thongniam municipality, and Rak Ban Kerd coastal fisheries club, Khanom district, Nakhon Si Thammarat, to carry out a breeding of blue swimming crab project since 2006. In 2015, over 300,000 blue swimming crabs of different ages, namely breeder, megalopa, and first crab, were released into the sea.

EGCO Cogen Power Plant

- **Rubber Tapping Skill Development Project** in association with Office of the Rubber Replanting Aid Fund of Rayong, and Map Kha Pattana municipality to provide training for 30 rubber farmers from Map Kha subdistrict so that they have practical knowledge to carry on their occupation and pass on the knowledge to other farmers.



- **Mobile Medical Unit Project** EGCO Cogen has joined hands with the local public health bureau to provide mobile medical unit services for people free of charge. In 2015, mobile services were offered six times for communities in Map Kha subdistrict, Nikhom Pattana district, Rayong, covering eight villages and over 300 service users.
- **Project on Improvement of Electricity System for Community** in collaboration with Electricity and Electronics Department, Ban Kai Technical College to promote public mindedness and skills development for students. In 2015, Sala Nong Hin electricity equipment installation and system development volunteering activity was undertaken for the community at Moo 8, Map Kha subdistrict, Rayong.

Roi-Et Green Power Plant

- **Healthy Happy Living with Roi-Et Green Power Plant Project** under cooperation with the local public health bureau to send out a mobile medical unit to offer health check-up to people free of charge. In 2015, mobile services were provided four times for more than 300 people in communities around the power plant.



SPP 2, SPP 3, SPP 4, SPP 5, Theppana Wind Farm Power Plants

- **Eye Checkup Service Project** under cooperation with local government agency and private hospital provided eye checkup for elderly and vulnerable people nearby the power plant.



Power Plants under GPS, and Solarco

- **Electrical system repair and maintenance, and public utility** for schools and community in nearby the power plant.

BLCP Power Plant

BLCP power plant has taken part in community development through various community development and relations activities projects, i.e. those engaged through a three-party operating mechanism, social development in terms of education, conservation of natural resources and environment, and betterment of quality of life (job creation and income generation). Significant ones are as below:

- **Project on Visit of Kiang Saket Energy Center of BLCP Power Plant**

This project has been implemented since 2004 until present through holding activities to offer accurate knowledge and understanding about energy and information on manufacturing process of BLCP Power Plant, and allow communities or concerned parties to visit and exchange views, and raise questions and concerns every year. Since the project launch to date, the project has welcome over 60,000 people from the communities, government agencies, school and college students, private companies, and the general public, both domestically and overseas, who have visited BLCP Power Plant and Kiang Saket Energy Center.

- **Hydroponics Vegetables Project** to create jobs and generate income to communities and schools in a remote area from the sea in Rayong by collaborating with local government agencies to carry out the project continuously. Since the project launch to date, over Bt. 800,000 income has been generated.
- **Hanging Mussel Farming Project** to promote occupation for fishery community by giving supports in the forms of training and budget for development of hanging mussel farming to three small fishery groups including Ta Kuan – Ao Pradu, Pak Khlong Ta Kuan, and Saeng Ngern since 2005. There are 176 households participating as members. Consistent income of over Bt. 3,200,000 has so far been generated as a main source of income for fishery in the area.



- **ECO for Life Project** (manufacturing of coal ash bricks) Since 2003 to present, BLCP Power Plant, in association with the Industrial Estate Authority of Thailand (IEAT), industrial entrepreneurs, community, and local agencies has promoted creation of jobs and income generation for the community on a sustainable basis, reduction of consumption of natural resources, and initiation of environmentally friendly products, through holding of training on management of manufacturing, distribution, and financial management for Takuan-Ao Pradu community, and promoting use of coal ashes (fly ashes) from power plants as brick manufacturing mix. Moreover, ECO for Life learning center has been set up (manufacturing of bricks from flying ashes) at

Takuan-Ao Pradu community which is open as a learning source for interested persons to visit. The project has so far contributed to generating income to the community from sales of bricks in an average amount of Bt. 20,000 per month, and the plant mitigating wastes (flying ashes) by at least 450 kilograms per month. Since the project launch to date, jobs have been created and income generated amounting to over Bt. 3,000,000.



- **“Talented Youths and BLCP” Scholarship Project** to promote and develop educational potential of the youths in remote areas to enable them to access knowledge, motivate them learn, and relieve expense burden of their families. Since 2002 to date, a total of about 250 scholarships or approximately Bt. 1 million have been awarded to students at primary, secondary, vocational, and tertiary levels.

Lopburi Solar Power Plant

- **Project on NED-CSR Center to Foster Engagement with Community**

It is a model space for trial and demonstration with the objective of developing as a learning center for community people’s self-reliance regarding renewable energy toward farming which is practical for households use. The center will subsequently be extended to being a learning center regarding renewable energy toward sufficiency economy with knowledge dissemination to local schools, especially those joining the project on model renewable energy toward sufficiency economy, which has been conducted in association with the power plant. In addition, it will serve as a learning center for visitors of Lopburi Solar Power Plant and GreeNEDucation learning center, and is targeted for development as a center with comprehensive knowledge and diverse activities and space utilization.

- Model space where knowledge is passed on by local scholars through various learning bases as regards use of renewable energy for agriculture and development of community products such as renewable energy learning base, mixed agriculture learning base, organic fertilizer manufacture learning base, learning base of rice-mill for use as community products, utensils processing learning base, and utilization of herbs learning base, etc.



- *Community product training space* to promote supplementary occupation and self-reliance of community in product development so that part of the products are put for sales at NED museum. These products include natural dye tied fabric, herbal soap, balm, herbal massage oil, compost, mosquito-prevention lemon grass spray, local vegetable seedlings, and rice milled in community, etc.



- *Arrangement of monthly meeting* among community, schools, and the company to foster relationship, and used as a forum for discussions and consultations about project activities, community merit-making ceremonies, religious events, educational events, etc.



- *Space for distribution of farm produce and community products* such as vegetables, foods, herbs, and goods that are safe for company employees and community.



Quezon Power Plant

- **Teachers Development Program for Enhancement of Quality of Education for Mauban Community** Quezon Power Plant has collaborated with University of the Philippines Open University (UPOU), Mauban municipality, and government agencies on education to develop teaching capabilities of public elementary school teachers in a bid to upgrade quality of education in Mauban municipality and lay foundation for sustainable development of quality of community life. In 2015, 14 scholarships were awarded, and at present, 166 teachers were awarded potential development scholarships.
- **“Food For Thought” Project to Support Food for Learning Potential Enhancement among Primary School Students** in the community nearby the power plant. At present, 1,491 students were supported through this project.
- **Skill and Occupation Development for Community Organizations** in association with government and private agencies in the area to implement a project on training and development of skills for Mauban community since 2004 to date. In 2015, progress of operations of two ongoing programs under the project was as follows:
 - *Skill development training for housewives in Cagsiay 2 community:* Established in 2003, a complementary program to QPL’s “Food for Thought” feeding program for malnourished school children. Mothers undergo training program under “Food for Thought” project were also taught backyard vegetable farming, livestock raising, basic reproductive health, and skills training through the production of Buri Handcrafted were provided, under cooperation with the Department of Trade and Industry. To date, 18 participants were able to produce 250 of Buri bags, sold at a price of Php 150/bag, each bag earns a profit of Php 100 (material cost Php 40 while the remaining Php 10 goes to the housewives cooperative fund). The bags are sold through the Mauban Municipal Tourism Office.
 - *Skill development training on agricultural occupation:* Established in 2004, the program aimed to promote the Integrated Farming Bio-Systems (IFBS) for sustainability of agricultural occupation which is crucial and appropriate for Mauban, as it is considered as the main source of household income. The conducted skills training programs includes basic knowledge of IFBS, soil conservation, bioorganic fertilizer production, project planning, and financial and product distribution management etc. In the recent year, the Quezon power plant assisted and supported the farmers and the housewives member, as possible market

for the distribution of their handicraft products, supplier of substrates for vermicomposting, and supported advisory on market expansion.

- **College Scholarship Program for Financially Deprived Students in Mauban** giving a tertiary education to financially deprived but deserved students by offering scholarships to financially support college students throughout college study. In 2015, 10 scholarship students graduated and 11 new students were enrolled.
- **Project on Disseminating Knowledge and Building Consciousness regarding Conservation of Natural Resources and Environment for the Youth** under cooperation with Department of Environment and Natural Resources' Dalaw-Turo Team to hold activities to provide knowledge about conservation of natural resources and environment and bio-diversity for children and the youth. In 2015, 14 activities were organized, and the totaled number of 1,648 primary school students participated in the project.

Nam Theun 2 Power Plant

- **Collaboration Project on Human Resources Development for Hydropower Market**, NTPC and the Lao-German Technical School signed a memorandum of understanding (mou) on labor market oriented human resources development for hydropower industry. Under the MOU, both parties will develop and implement a dual cooperative training, including the development of curricula which reflect the particular human resources needs of NTPC and more generally the hydropower sector. This initiative is an important step to prepare for the ASEAN Economic Community (AEC) as well as to improve the skills of Lao labor required by hydropower industry in Lao. The program will run for three years which NTPC will provide an opportunity for students to have internship and work in the company after graduation. At the same time, the school will also provide relevant training to NTPC staff to improve their skills.



- **Installation of Water Wells and Water Quality Monitoring for community project** under cooperation with local government agency developed and monitoring the quality of water in water wells installed by NTPC to ensure a safe quality of community water

used for consumption. The progress of 2015 operation is 91% of water wells as scheduled plan were monitored and 100% of the exceedances have been informed to the involved parties.

Budgets and Donations

In 2015, EGCO Group power plants made contributions of 386 million baht to Electricity Development Fund and provided support in terms of budgets and donations through various projects of both government and private agencies, and supported arrangement of community relations activities and other public activities which were beneficial to community and society in the total amount of over 106 million baht.

Social Contributions Projects

In 2015, EGCO further promoted learning about energy and environment for the youth as they are in the early ages suitable for learning and growing a sense of goodness, which will contribute to sustainable growth. Particularly, they should be taught to be aware of value of natural resources which are primary factor of energy. They should also be encouraged to jointly conserve natural resources and watershed forests to ensure sustainable availability for the next generations. Important activities included:

Promotion of Learning about Energy and Environmental Conservation among the Youth

- EGCO Forest Youth Camp Project** In 2015, EGCO carried on the project by joining hands with Doi Inthanon National Park and Thai Rak Pa Foundation to hold EGCO Forest Youth Camp, classes 45-46, at Doi Inthanon National Park, Chiang Mai, and Khao Luang National Park, Nakhon Si Thammarat, respectively. A total of 150 youths participated in the project.



- “Energy for Life...Fighting Global Warming with Sufficiency Living” Project** has been established with collaboration among three parties, namely EGCO Group, Energy Policy and Planning Office (EEPO) of Ministry of Energy, Office of the Basic Education Commission of Thailand (OBEC), Ministry of Education, to encourage schools to join project activities, facilitating learning classes on integrated management of energy and environment and promoting the youth’s efficient use of energy according to the sufficiency economy concept, which will be expanded to the community further on, over an operating period of three years (2013-2015).

In 2015, EGCO Group continued the “Energy for Life...Fighting Global Warming with Sufficiency Living” Project which covered the following main activities:

• **Award presentation ceremony for most outstanding schools of 2014**

Most Outstanding School Award for 2014 under the “Energy for Life...Fighting Global Warming with Sufficient Living” project is based on selection of schools which facilitate learning about conservation of energy and environment on an integrated study basis. Selection takes into consideration the entire administration system of the schools in compliance with the project operation concepts and the local context, as well as the degree of importance given by the schools to engagement with the community in the learning process. The objectives are to give encouragement to schools with creative operation performance to produce youths who have consciousness of energy and environmental conservation, and give praise and honor to schools with clear and consistent performance in this area.



In Picture:

Professor Dr. Praipon Koomsap, Vice Minister, Ministry of Energy (middle), presides over the award ceremony.

Mr. Sahust Prataknukul, President of EGCO Group (5th from right)

Mr. Chavalit Pichalai, Director-General of Energy Policy and Planning Office (EPPO), Ministry of Energy (5th from left)

Mr. Piton Puentong, Senior Advisor in Networking System and Participation Development, Office of the Basic Education Commission of Thailand (OBEC), Ministry of Education (4th from right)

Awards

- One set of solar cells of 2.0 X 1.0 square meters, 2 meters high, power generation capacity of 250 watts/panel, together with installation, totaling 3.5 kilowatts, for use as a learning source for schools and community.
- Certificate of Recognition from executive of main operating unit of the project

Seven schools which won Most Outstanding School Award for 2014 were as listed here:

Primary School Level

Secondary School Level

1. Ban Wa School

2. Kanlayanawat School

3. Don Put Wittaya School

4. Boon Reung Wittayakom School

Khon Kaen province

Khon Kaen province

Saraburi province

Chiang Rai province

5. Mattayom Wat Don Toom School Ratchaburi province
6. Mae Teun Wittayakom School Chiang Mai province
7. Ratchaprachanukrau School Buriram province

- **Selection of outstanding schools** In 2015, there were 60 schools joining the project. Seven schools were selected as outstanding schools. Award ceremony is scheduled for May 2016.
- **Learning and sharing seminar 2015** was a forum for sharing of experiences from operations of the project by teachers from various schools throughout 2015, including review of essential knowledge, tools, and process of the project as well as summary of past performances, so as to improve operations in future. Over 100 key teachers from schools in all regions attended the seminar.
- **“Energy for Life” field trip to EGCO power plants**, to promote energy and environmental conservation, for 67 students, the winners of the 2014 Outstanding Student Project Award, under the “Energy for Life Fighting Against Global Warming with Sufficiency Living” project, visited BLP and EGCO COGEN power plants, Rayong Province, and Lopburi Solar, Lopburi Province.



- **Energy for Life on Tour Year 3 project** is aimed at passing on knowledge about energy and electricity generation process to youths from 17 schools out of 60 schools joining the project in order to enhance learning and understanding of children and youths which will lead to their change of behaviors toward efficient use of natural resources. A total of 2,674 students participated in the activity.



- **“Role Model Teacher, Knowledge Upstream” contest** is aimed at building role model teachers to arrange teaching and learning of energy for life...fighting global warming with sufficiency living, encouraging teachers to develop their capabilities in arranging learning of sufficiency living in the local context with sustainable use of energy, and promotion of knowledge learning and sharing in arrangement of teaching and learning about conservation of energy and environment among teachers joining the activity. Altogether 37 teachers from 16 schools in 14 provinces were selected to present their works. A totaled of 18 of them were selected to win the role model teacher award, receiving a plaque of honor as role model, knowledge upstream teacher, and joining an “Energy for Life” overseas trip. The award winners will be announced in the Most Outstanding School Award presentation ceremony around May 2016.
- **“Most Outstanding Youth Projects” contest 2015** to support and enable children and youths joining the activity to have space for demonstrating their talents and competence by applying knowledge about conservation of energy and environment to preparation of scientific projects based on analytical thinking and integrating knowledge to problem-solving and practical use in daily life. Altogether 22 projects were selected.



In Picture:

Mrs. Vasana Vongprommek, Executive Vice President-Office of President, EGCO Group (4th from right)

Mrs. Panida Vichaidit, Group Director-Special Project, Office of the Basic Education Commission of Thailand (OBEC), Ministry of Education (3th from right)

- **Development of learning media** Presentation of background, highlights, and generating process of electricity, as well as guidelines for sustainable energy conservation: “**Energy for Life**” was conducted in the form of posters and animation videos for schools joining the project and disseminated in “Sukjai” magazine which are distributed to all communities surrounding power plants, as well as dissemination of knowledge derived from “Energy for Life...Fighting Global Warming with Sufficiency Living” project on microsite: www.school.egco.com, to serve as space for knowledge exchange among 60 schools joining the project.

Conservation of “Watershed Forest” Natural Resources

Thai Rak Pa (Thai Forest Conservation) Foundation: “Watershed Forest” Conservation Network for Sustainability was established in 2002 by EGCO Group and Department of Forestry with the objective of continuing natural resource conservation. An initial capital of Bt. 10,000,000 was presented to Her Majesty the Queen who graciously returned the amount for the establishment of the foundation which began its operation in 2007. Thai Rak Pa Foundation was acknowledged by Ministry of Finance as a charity organization no. 752 on 9 November 2011. An evaluation report on the foundation’s operating results over the past five years has been prepared and disseminated on www.egco.com and www.thairakpa.org. In 2015, Thai Rak Pa Foundation supported watershed forest conservation of watershed community in the vicinity of Doi Inthanon National Park, Chiang Mai, covering an area of approximately 70,000 rai. Operation has started to be expanded to watershed forest near Khao Luang National Park, Nakhon Si Thammarat in the South, and Lam Pa Tao watershed forest, Chaiyaphum in the Northeast.

Responsibility towards the Environment

EGCO is committed to operating and growing business on a steady and sustainable basis, alongside environmental conservation, by mitigating possible environmental impacts from power plant operation. This includes selection of efficient power generation technology, control of pollutants discharged with the use of quality resources (fuels), minimization of power consumption per generation unit, installation of pollutant treatment systems, and implementation of comprehensive monitoring and examination measures. This aims to build confidence among the relevant community and stakeholders in power plant safety in addition to enhancing reliability of power generation security and competitiveness of electric power industry. Throughout its business operation up to present, EGCO Group has always taken into account possible impacts on the environment and sought measures to lessen such impacts. In 2015, EGCO prepared an environmental operation report covering operation data of 23 power plants which had started commercial operations domestically and overseas from January 1 to December 31, 2015. Major environmental issues addressed included:

1. Energy Efficiency and climate change
2. Air pollution control
3. Noise pollution control
4. Waste management
5. Resource use
6. Business innovations towards environment, society, and stakeholder responsibility.

Energy Efficiency and Climate Change

As power generation is an infrastructure business related to the country's economic growth, EGCO has devised a business strategy in response to the government policy and in line with the Power Development Plan (PDP), currently PDP 2015 (2015-2036), and climate change trend which may affect the Company's future business competitiveness. It is on the top agenda for EGCO to make adjustments so as to efficiently cope with such change and bring returns to the Company as well as enable business to grow steadily and sustainably in the interests of the shareholders.

1. Enhancement of energy efficiency

Since the commencement of commercial operations of EGCO Group power plants, EGCO has remained committed to development and management of power plants for optimum efficiency and capability to supply power to the system consistently and in accordance with the power purchase agreements (PPAs). One major factor to the achievement is efficient maintenance of power plants to ensure that electricity generation capacity and Availability Factor are as expected. If Availability Factor does not come out as expected, the Company's Availability Payment revenues would drop accordingly. A good Availability Factor and maintenance can safeguard against any unplanned outage and bring down consumption of resources in power generation, hence less pollution discharged into the atmosphere and relief of impacts on the environment, community, and society.

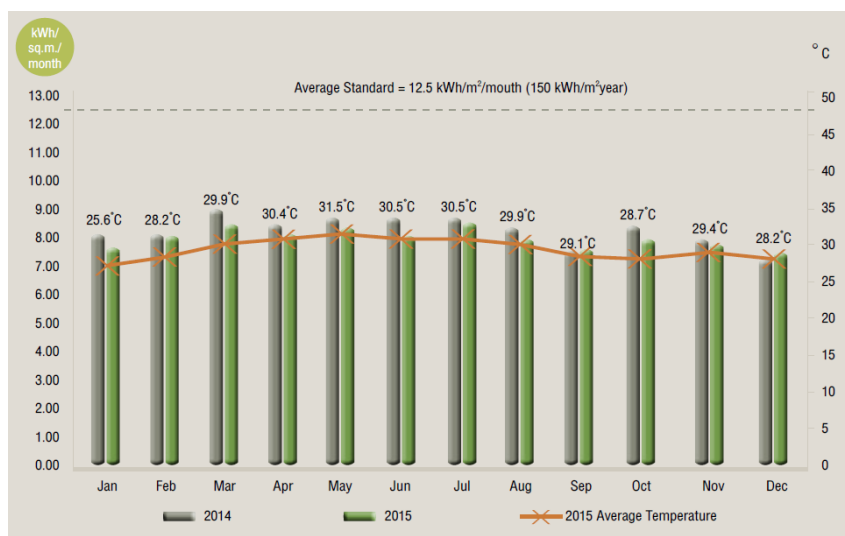
EGCO Group power plants have Target Availability Factor as specified in the PPA of each power plant. In 2015, these power plants maintained supply availability higher than target set in the PPA, with an average increase rate of 13.58%.



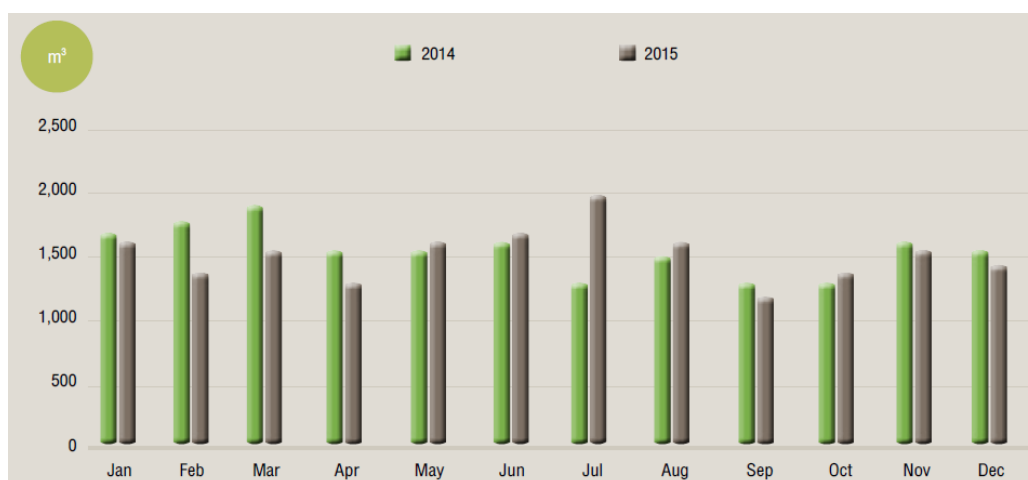
Target Availability Factor and 2015 Availability Factor

Apart from maintenance of power plants to have Availability Factor as expected, EGCO set priority to energy efficiency and conservation. The Company's top executives have instituted an energy conservation policy to be used as guidelines for energy operation and promotion of optimum energy use in EGCO headquarters, as well as announcement of energy saving and reduction of resource use measures. A working committee on energy management has been appointed, together with a committee on energy management assessment in the organization to monitor and review policy, target, and energy action plan on an annual basis. Energy saving knowledge has regularly been disseminated through EGCO Group Net website, internal radio, and announcement boards so that employees can always access beneficial news and information. Moreover, the working committee has conducted an energy saving project at EGCO headquarters such as changing the light bulb at 10th Floor office from T8 type to LED type.

In 2015, the working committee, focusing on energy efficiency and effectiveness, continued with the target to reduce average power consumption per area at headquarters by 3% and to reduce average water consumption. Energy management report of headquarters is prepared and submitted to Department of Alternative Energy Development and Efficiency (DEDE) every year. It has been found that electricity and water consumption at headquarters in 2015 are decreased by an average of 3.90% and 0.62% respectively.



Electricity consumption comparisons in 2014 and 2015



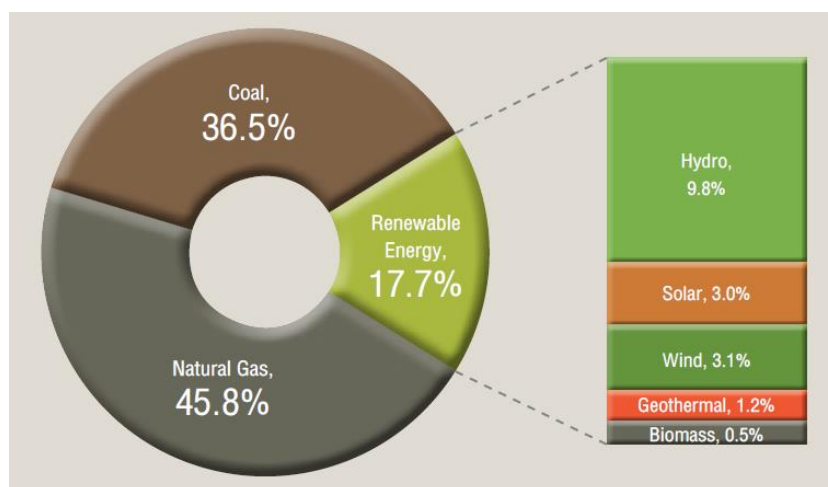
Water consumption comparisons in 2014 and 2015

2. Climate change

Climate change today has stemmed partly from global warming caused by greenhouse gas emissions into the atmosphere and hence series of environmental and societal changes, such as rises in sea levels and higher surface temperatures of the earth as well as increasingly severe natural disasters. The 21st Conference of the Parties (COP 21) has decided to adopt the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC) on December 12, 2015 in Paris, France. Under the agreement, the aim of limiting global temperature rise to less than 2 degree Celsius can be a decisive turning point in how all countries acting together against the global warming. EGCO, as an independent power producer, also prioritize the investment in renewable energy sources. This aims to reduce fossil fuels consumption in power generation which causes greenhouse gases emission, fulfilling shareholders' expectation in clean energy for environmental conservation. This also expands the company business opportunities which complying with the government policy on fuel diversification to enhance the reliability of electricity supply system of the country. However, availability of certain types of renewable energy is still uncertain. For example, solar energy for power generation is available only during 09.00-16.00 hours, or wind energy power plant requires consistent wind speed and steady wind volume. Moreover, investment and development of technology for renewable energy remain costly. Thus, investment in renewable energy power plant requires special supporting mechanism such as Feed-In Tariff (FIT) to ensure acceptable returns on investment.

In 2015, EGCO Group had a total of 14 renewable energy power plants which started commercial operation domestically and overseas, accounting for a generating capacity of 674.18 megawatts based on the contractual proportion under PPAs. The proportion of renewable energy power plant compared with other conventional power plants is 17.70% as shown in Figure 4. Net decrease in greenhouse gases attributable to renewable energy generation is 3,766,211.41 tons of carbon dioxide equivalent per year from power generation using fossil fuel. In addition, EGCO also has 2 renewable power plants under construction i.e. Xayaburi project (Hydropower plant) located in Xayaburi, Lao People's Democratic Republic, with a contracted capacity by shareholding proportion of 160 megawatts (12.50%) and Chaiyaphum Wind Farm (Wind power plant) located in Sub Yai district, Chaiyaphum province, with a contracted capacity by shareholding proportion of 81 megawatts (90%). EGCO will continue to explore opportunities for further investment in renewable energy as part of the efforts to slow down global warming and fulfil shareholders' expectation of the Company in

operating business with caring for environment, community, and society, and with steady and sustainable economic growth in future.



EGCO Group power plant proportion by fuel type in 2015

Moreover, EGCO Group's Lopburi Solar Power Plant in Lopburi province, is the first solar power plant of Thailand and is among the world top-list by size. It has been certified as a Clean Development Mechanism (CDM) project under United Nations Framework Convention on Climate Change or UNFCCC, registered in carbon compliance market, and entered into Certified Emissions Reductions (CERs) agreement with Asian Development Bank (ADB) on a contractual term of 7 years (2014 – 2020). These represent recognition of our notable achievements in pioneering and initiating greenhouse gas reduction projects, which will be carried on to other renewable energy projects of the EGCO Group.

Air Pollution Control

Power generation business takes part in causing air pollution. EGCO Group power plants have been well aware of air pollution impacts. Thus, we operate power plants with environmental concern, not only meeting pollution control standard but being at a better level than the standard. All power plants have been monitored and reported the emission quality through plant-stacks. Moreover, air pollution control equipment has been inspected every three month by external auditor registered under Department of Industrial Works. The air pollution control report with information on air pollutant parameter and quantity (pollution control report form 1, 2, 3 and 3/1) has been publicly available on Department of Industrial Works website (www.diw.go.th) every six months. Pollution control measures are also taken to reduce emissions of NO_x, SO₂, and other pollutants to the environment. Additional control equipment have been installed to help control or mitigate air pollution as follows:

- Installation of Continuous Emission Monitoring System (CEMS) to monitor air quality every six months, and check the efficiency of air treatment equipment every three months.
- Installation of Flue Gas Desulfurization (FGD) to separate sulfur dioxide from exhaust of sulphur contaminated fuels combustion. Water injection system for spraying water to reduce flame temperature during the combustion process so that quantity of nitrogen oxides from thermal and combined cycle power plants are lessened.

- Installation of Electrostatic Precipitator (ESP) to control amount of dust from the fuel combustion and spray water to reduce spread of dust and ashes from coal and biomass fuel-based power plants.

In 2015, EGCO Group power plants under commercial operation duly recorded air quality complying with the standard required by environmental law, they were thus not subject to any fines. (Detailed figures are shown in the performance data at the end of this report)

Noise Pollution Control

EGCO Group power plants regularly check noise levels at three main operational areas every three months. These areas consisted of the noise source in the power plant, the control room in the power plant, and staff residential areas. Noise level at the noise source in power plant is controlled in compliance with legal requirements. Operators in such areas are required to wear personal protective equipment to reduce noise exposure. Warning signs are put up and regulations put in place for all operators to follow. Noise levels in control room inside power plant and staff residence areas are within the regulatory limits. Noise level along the power plant's fence has been measured to monitor the noise level change. In addition, power generation technology that mitigates noise pollution is well selected, such as in case of Theppana Wind Farm which uses wind turbine power generation technology. By this technology, the noise level is only equal to window-type air conditioner. Moreover, with well engineering design, the turbine set is installed in a closed building with sound-proof, which greatly reduced the noise level. The area of cooling tower installation is also designed to be far from community as much as possible, hence no disturbance to nearby community.

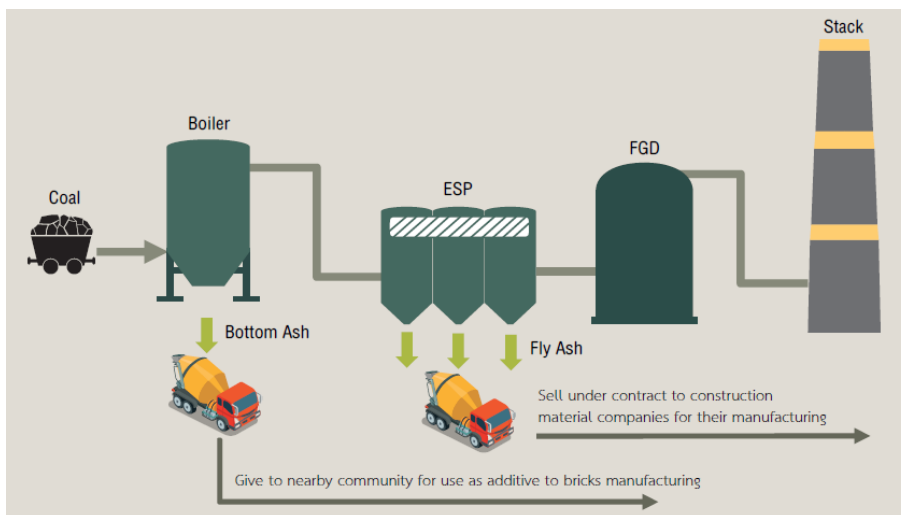
Waste Management

EGCO Group power plants place importance on waste disposal from the generation process along with minimization of waste and waste segregation. Type of waste from power plants can be divided into two main categories:

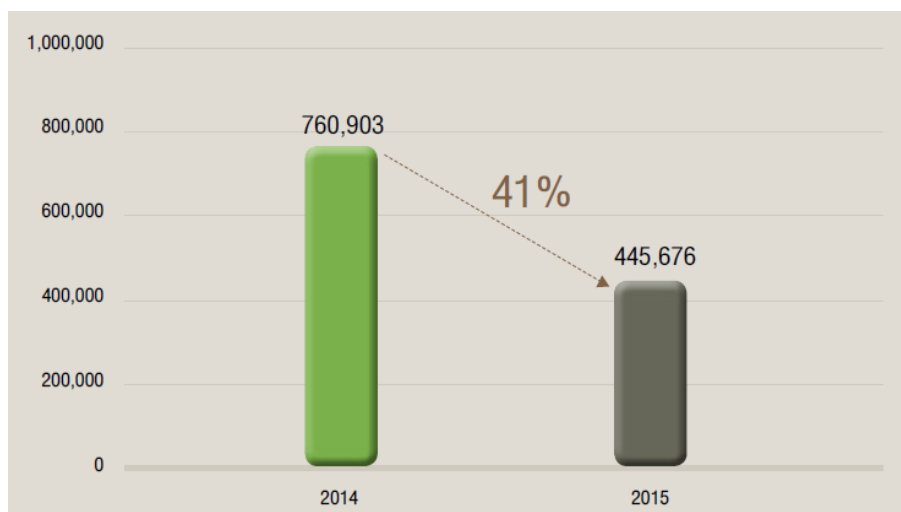
- **Non-hazardous waste** is similar to general municipal waste such as leftover food, wood, paper, electrical wire, plastic bags, construction materials, etc. EGCO Group power plants will segregate waste before disposal by sanitary landfill, reuse, or recycle as appropriate, as well as reduce waste discharge to the environment as possible.
- **Hazardous waste** is the waste that may cause negative impact on the environment, such as transformer oil, engine oil, chemical containers, etc. Therefore, proper disposal is required. EGCO Group power plants agree to choose and use non-toxic transformer oil with no toxic substance, e.g. polychlorinated biphenyl (PCB), and strictly control the waste disposal in compliance with regulatory criteria. Prior to waste transport out of plant area, an official request will be conducted via Department of Industrial Works website (www.diw.go.th) every year. This information is publicly available and can be examined. These information cover the selection, verification of license, and monitoring the waste disposal operation on a regular basis.

BLCP Power Plant has two types of waste (Ashes) from the generation process, i.e. fly ash accounting for 90% and furnace ash or bottom ash accounting for 10% by weight. Fly ash is sold under contract to construction material companies for their manufacturing. This helps encourage the use of residue to reduce natural resources consumption, to substitute the raw materials that generally used for manufacturing in the market, and to cut down costs through

the use of fly ash in place of those raw materials. As a result, consumers can buy products at approximately more than 30% lower than market prices. Meanwhile, bottom ash from power plants is given to nearby community for use as additive to bricks manufacturing. This has helped create job opportunities and generate income to local community which has been found to earn income from cement bricks sales in an average of around Bt. 20,000 per month. In addition, with the use of bottom ash, BLCP Power Plant can mitigate release of waste at least 450 kilograms per month, hence another way to bring down expenses on bottom ash disposal.



Waste (coal ash) management process



Expenses on coal ash disposal comparison in 2014 and 2015

Roi-Et Green Power Plant which is Thailand's first biomass power plant has provided rice husk ash after the combustion process to nearby community to produce bio-fertilizer for soil treatment. This is also to encourage farmers to switch from chemical fertilizers to environmentally-friendly fertilizers. In 2015, Roi-Et Green Power Plant has no expenses on disposal of husk ash and enhance income generation in the neighborhood.

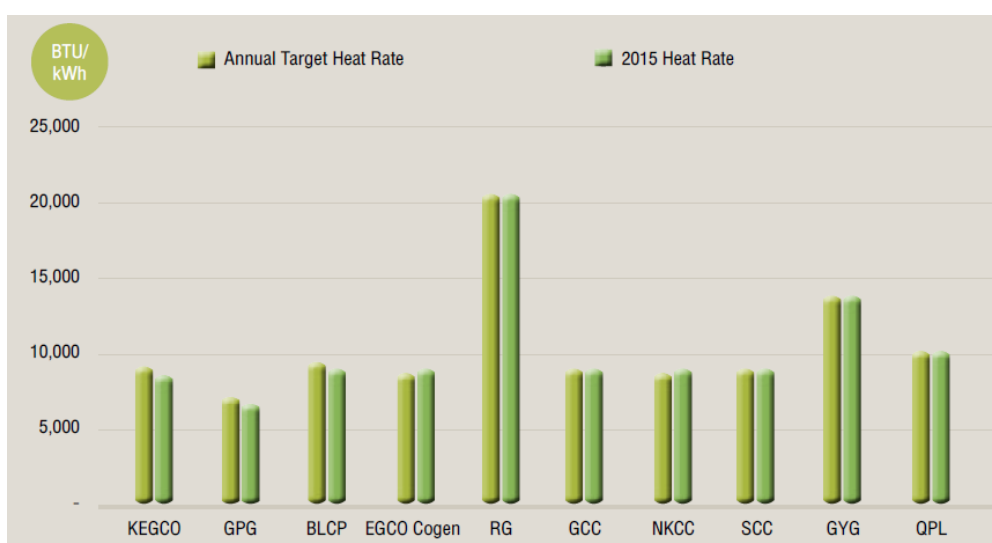
Resource Use

EGCO well recognize that, the power generation process required a large quantity of resources used as raw materials. If resource use per power generation unit can be reduced to the least as possible, this will not only reduce the impact on environment, community, and society, but also generate economic benefit to the Company in terms of lowering fuel costs and waste disposal expenses. EGCO has measure to optimize key resources used in power generation process such as fuel, water, and chemicals, as follows:

1. Fuel for power generation

EGCO places importance to power plant maintenance to ensure Availability Factor according to the Power Purchase Agreements (PPAs), and to be able to uninterruptedly supply electricity to the grid. Power plant operational efficiency will lessen fuel use per power generation unit and thus relieve impact on the environment, society, and community. This reflects EGCO's environmentally friendly business process with worthwhile resource use, which would better the Company's operational performance and at the same time boost competitiveness of EGCO Group.

In 2015, EGCO Group natural gas, coal, and biomass power plants mostly recorded heat rates better than the annual targets and not exceeding the rates specified in the PPAs, except for EGCO Cogen, Gulf Cogen and Nong Khae Cogen Power Plants which recorded slightly higher than targeted heat rate.



Comparison of Annual Target Heat Rate and 2015 Heat Rate

2. Water

Water is an essential resource for power generation. Water use of each power plant type varies according to power generation technology. Power plants use natural gas, coal, or biomass as fuel in combustion to increase water temperature to become high pressure vapor to drive turbine and rotate power generator. Raw water is from natural water sources including surface water (sea, river, and canal) and ground water, depending on location of each power plant. Reservoirs are designed and constructed to reserve water for power plant use in both normal and emergency situations, without affecting to community water consumption. Power plants are required to report water utilization amount to the government authorities regularly. Water

discharge from the generation process and buildings are treated in primary wastewater treatment system, then through physical and biological treatment processes, and finally to the retention pond before being discharged to the environment. Water quality is strictly inspected every three month as required by law. For power plants that not required water in power generating process, i.e. solar power plant and wind power plant, water is used for maintenance of equipment, such as cleaning to remove dust from solar cells.

In 2015, EGCO Group power plants recorded amount of water used in power generation higher than 2014, due to the acquisition of 630 Megawatt Masinloc coal fired power plant. However, the amount of water used in power generation is also higher; there is an increase in water reuse for power plant operation by 18%. Wastewater from the generation process was treated before discharge into the environment in accordance with water saving measures (Reduce, Reuse, Recycle or 3R) which power plants strictly abide by and with close monitoring and supervision of power plant operation to ensure resource use optimization.

3. Chemicals

Due to necessity of water use in power generation, chemicals are needed to improve water quality to suit each generation process. For example, hydrazine is used in boiler, and hydrochloric (HCL), sulfuric acid (H_2SO_4) and sodium hydroxide (NaOH) are used in regeneration of resin and neutralization of wastewater, as well as use of lime and ferric chloride in water supply treatment process. These chemicals are procured domestically.

Business Innovations towards Environment, Society, and Stakeholder Responsibility

With experience over two decades in power generation business, EGCO well recognize that power generation has impacts on environment. Therefore, the Company has all along strived to minimize such impacts. Apart from installation of additional equipment to help control or reduce air pollution as mentioned above, EGCO gives priority to selection of good quality fuels with few environmental impacts, and use of power generation technology that enables least fuel use per power generation unit. This results in not only economic benefits to EGCO, but also mitigation of pollution or waste from the generation process. Even though EGCO is not a technology developer, EGCO selects proven power generation technology that well accepted for efficiency of international standard, which can efficiently generate electricity on a commercial scale, and reduce impact on environment, society, and community to the least possible.

Coal

Power generation technology innovation in coal-fired power plant has been developed continuously up to present. Three EGCO coal-fired power plants already in operations domestically and overseas use subcritical boiler technology (generating capacity of 32%-38%) as they have been in operations for several years. However, all three power plants have additionally installed highly efficient equipment to capture particles. These equipment items include Electrostatic Precipitator (ESP) with dust collecting capacity of 98.5%-99.7%, Flue Gas Desulphurization (FGD) equipment, and Selective Catalytic Reduction (SCR) equipment which can control air pollution from the originating source. As a result, from inspection of particles and fine dust in areas nearby power plants and within a boundary of at least five kilometers, air quality is found to be good. For future investment in coal-fired power plants, EGCO plans to use supercritical boiler or ultra-supercritical boiler technology in which steam

boilers carry generating capacity of around 37%-42% or 42%-45% respectively. These technologies help bring down fuel use and carbon dioxide emission by 20%, in combination with various pollutant treatment systems on NO_x, SO₂, bottom ash and fly ash, etc.

Solar Power

At present, both large and small solar power plants in Thailand employ diverse solar panel installation technologies, depending on location, irradiation, and project scale. Two popular ones are fixed system and tracking system. For EGCO's investment in solar power plants, varied technologies are used as appropriate based on several factors and risk management consideration including assessment of power capacity, use of high quality equipment such as PV modules, inverter, and transformer to ensure maximum power generation efficiency. Details are as summarized below:

Lopburi Solar Power Plant and Wang Ploeng Solar Power Plant

Lopburi Solar Power Plant and Wang Ploeng Solar Power Plant are located in Lopburi province on an area of 1,400 rai. The adopt fixed system technology with solar panel on metal bar called "Super Dima" which has high moisture resistance and stability and installed on a base designed and made from special cement mix. Despite being of fixed system and exposed to sunlight for about 5-6 hours a day with full exposure at noon only, before installation, there is a calculation process to figure out appropriate installation degree based on average sunlight intensity level in the area to ensure highest efficiency in solar power absorption. Moreover, thin film solar panel technology is adopted, using film with thickness of only 0.5 micron, and being light-weighted and heat tolerant, hence more efficient power generation, especially in high temperature area. As such thin film solar panel is innovated to save cost and time in the production process, it is therefore suitable for large projects. Installation cost is also not so high, and maintenance process is not complicated. Lopburi Solar Power Plant and Wang Ploeng Solar Power Plant started commercial operations on 22 December 2011 and 2 May 2013 respectively.

SPP 2, SPP 3, SPP 4, and SPP 5 Power Plants

SPP 2, SPP 3, SPP 4, and SPP 5 are located in Saraburi province, Srisaket province, area in the boundary between Srisaket and Ubon Ratchathani provinces, and Roi-Et province respectively. These power plants apply tracking system technology and poly crystalline technology with generating properties and capacity of around 10%-15%. With the tracking system, generating capacity would increase by about 20% compared with the fixed system, due to the rotating platform of the tracking system which enables the solar panel to move in pace with the sun and hence optimization of sunlight absorption all through the day. Such platform features the "mechanical arm" to move solar panel supported by software which collects data on solar radiation and aligns turning of solar panel to the angle which best absorbs sunlight in each period of day. Solar panel will move correspondingly with the sun from the east to the west every eight minutes. Each turn represents a change by 3 degrees and takes 20 seconds. When sunlight runs out in the evening, solar panel will return to Home position in parallel to the roof surface.

Such solar power generation of the four power plants will supply all electricity derived from sunlight each day into the system (no battery reserve) connected with the electricity distribution grid of PEA under non-firm Power Purchase Agreements for Very Small Power Producer (VSPP) of PEA. The four power plants are certified with Crown Standard as operators of "Clean Development Mechanism" (CDM) or under United Nations Framework

Convention on Climate Change (UNFCCC), the same as Lopburi Solar Power Plant and Wang Ploeng Solar Power Plant.

Solarco Power Plant and G-Power Source Power Plant

Solarco Power Plant project consists of six solar power plants, namely Sai Yai 1, 2, and Sai Petch 1, 2, 3 in Nakhon Pathom province, and Sai Kheaw in Suphanburi province, with a total capacity of 57 megawatts. Meanwhile, G-Power Source Power Plant project consists of Dongkorn power plant in Chainat province, Ta-Keed and Ta-Sang power plants in Nakhon Sawan province, and Beung Sam Phun power plant in Phetchabun province, with a total capacity of 26 megawatts. Both Solarco and G-Power Source Power Plants employ fixed system technology which depends on calculation of solar intensity for solar panel installation and poly crystalline technology to enable sunlight absorption with highest efficiency.

Wind Power

At present, EGCO has one operated wind power plant in Thailand, namely Theppana Wind Farm, with an installed capacity of 7.5 megawatts. It is located in Dhep Sathit district of Chaiyaphum province. The plant adopts gearless technology whereby wind energy passes through blades directly into the generator together with air heat release set, which is different from general power plant technology operating with a gear set where wind energy passes through blades to the gear and the generator respectively, which causes noise during operation. As Theppana Wind Farm uses gearless technology which has no gear and no ventilating fan, there is no noise pollution caused to the community and at the same time maintenance expenses are low. From noise level measurement according to environment impact mitigation measures in place, the highest noise level of 52.8 dB (A) has been recorded, which is equal to the sound from window-type air conditioner. With the distance of wind turbine towers from households and noise traveling distance according to Notification of National Environment Committee No. 15 (B.E. 2540) at 24-hour average noise level, it has been found that noise level of Theppana Wind Farm does not exceed the 70 dB (A) limit, based mainly on the connecting pathway line between the power plant and the community, hence reduction of noise pollution to the surrounding community.

EGCO has another wind power plant project currently under construction and development in Thailand, namely Chaiyaphum Wind Farm, with an installed capacity of 90 megawatts. It is located in Chaiyaphum province which has high potential for development of wind power plant (with commercial operation expected by 2016). The plant will use gearless technology, like Theppana Wind Farm, but with different size of blades and higher wind turbine towers to suit the wind flow in the area. Moreover, EGCO has another wind power plant overseas which has started commercial operation, namely Boco Rock Wind Farm in Australia, using wind turbine technology of General Electric International Incorporated (GE) which is a proven and mature technology internationally accepted for high efficiency in power generation. There are also Blade add-ons called Trailing Edge Serration installed to reduce noise during functioning of Wind Turbine Generator (WTG), and in this regard, Vortex generator is used to bolster efficiency in wind power generation. Also, site layout has been well designed in order to control noise pollution to the least possible with noise level in compliance with the regulatory standard. To ensure appropriateness of technology used, a number of factors are taken into consideration including potential of wind power generation on a commercial scale, maintenance expenses, and so forth. Wind power technology currently under development is Low Wind Speed Technology which aims at generating high amount of electricity at low wind sites for optimal commercial investment potential.

Protection and Restoration of Ecosystem and Biodiversity

EGCO and Group power plants have implemented ongoing projects in the operations of large power plants as below:

EGCO

- **Collaboration Project under the name of EGAT Group with Electricity Generating Authority of Thailand and Ratchaburi Electricity Generating Holding Public Co., Ltd. to participate in and support “Environment Rehabilitation in Honor of HRH Princess Maha Chakri Sirindhorn” in celebration of the 5th Cycle Birthday Anniversary of HRH Princess Maha Chakri Sirindhorn in 2015 organized by The Sirindhorn International Environmental Park Foundation under the patronage of HRH Princess Maha Chakri Sirindhorn, Cha-am district, Petchaburi province, with a 6-year project term (2015-2020), and covering the following operations:**
 - ***Restoration of mangrove forest and biodiversity of the park on an area of about 33 rai***
Mangrove reforestation in honor of HRH Princess Maha Chakri Sirindhorn on the 5th Cycle Birthday Anniversary was conducted at The Sirindhorn International Environmental Park, Rama VI Camp, Cha-am district, Petchaburi province, on 2 April 2015 in collaboration with Electricity Generating Authority of Thailand (EGAT) and Ratchaburi Electricity Generating Holding Public Co., Ltd. (RATCH). Altogether 2,400 mangrove trees were planted in mangrove forest, comprising *ceriops tagal*, *ceriops decandra*, *rhizophora mucronata*, and *rhizophora apiculata* blume in EGAT Group preserved area. Moreover, around 400,000 aquatic animals, i.e. horse crab babies, shrimp babies, and artemia were released to increase aquatic population for the rich abundance of the area, and restore the ecosystem of mangrove forest. Looking forward, the area will be developed as a nature learning path for the public.
 - ***Maintenance of trees in the 2nd-6th years*** by planting trees to replace dead ones and taking care of existing trees.
 - ***Development of nature trail*** including walking path and preparation of sign boards along the route in order to be a living learning site of the ecosystem of coastal mangrove forest for the public.
 - ***Preservation and increase of aquatic animals in nature*** to keep the coastal ecosystem in rich abundance.
 - ***Dissemination of Royal initiatives and works of HRH Princess Maha Chakri Sirindhorn*** in restoration of natural resources and environment

Khanom Power Plant

- **Mountainous Landscape Improvement Project**

Realizing the importance of community engagement and the value of indigenous flora, Khanom Power Plant has launched a project to improve the landscape of the mountains by planting 14 species of trees that represent the 14 southern provinces in the area at the foot of the Chaison Mountain. Being the recreational area for employees and the

general public, this area also provides knowledge about indigenous plants to the community.

In 2015, plant maintenance was continued so that they remain healthy and beautiful, including grass cutting, weeding, decorating, and fertilizing.

- **Bio fertilizer to Reduce Chemicals Project**

Khanom Power Plant realizes the importance of protecting ecosystems, environment, and sustainable use of natural resources. Thus, this project has been carried on. In 2015, grass residue from lawn mowing and fallen leaves were used and mixed with chicken excrement and rice bran together with EM liquid for making bio fertilizer to replace the use of chemical fertilizers. Approximately over 27,000 kilograms of bio-fertilizer can be produced each year.

- **Species Diversity and Abundance of Plankton and Benthic Animals Assessment Project**

Khanom Power Plant has conducted bi-annual assessment of the 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 the water discharged from the power plant. Rather, the impacts were the results of the environment of Khanom canal, namely the chemical and physical conditions of the water, the quantity of light and nutrients, water discharge from households and development in the community.

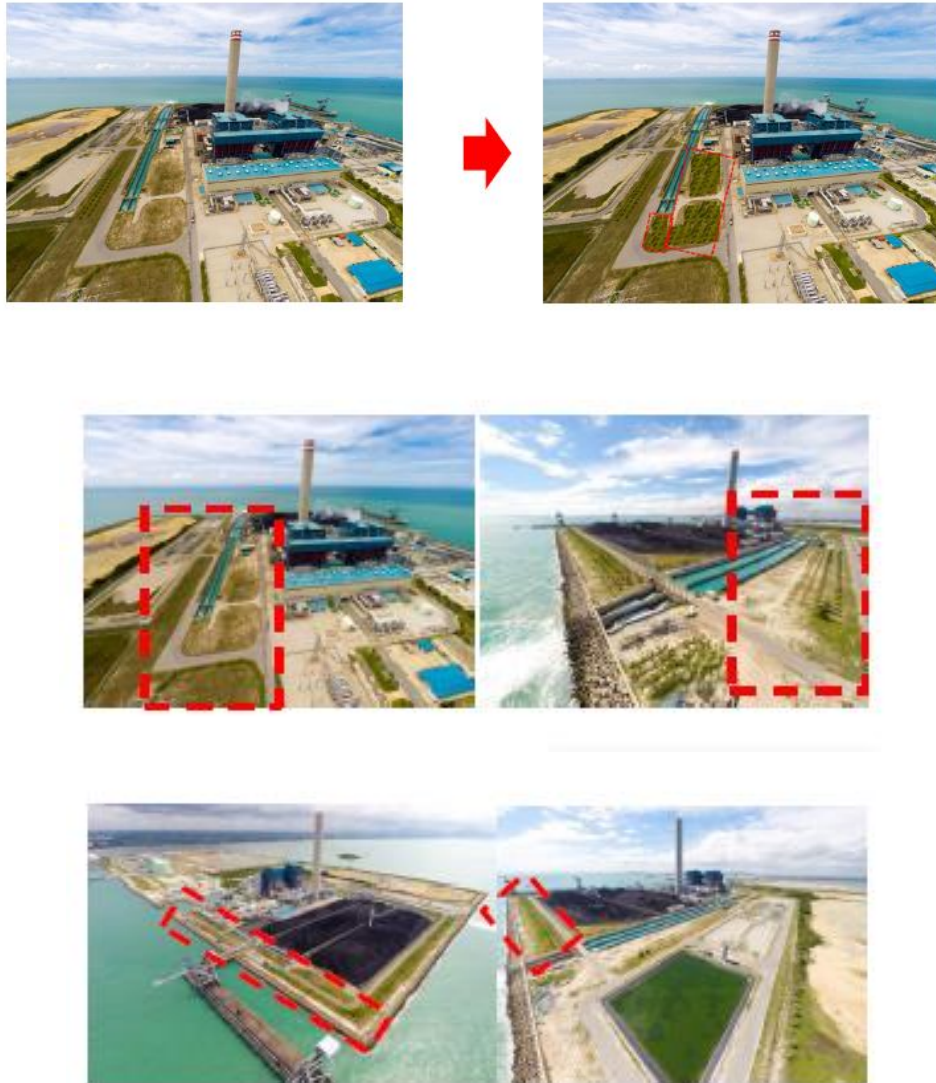
BLCP Power Plant

- **Green Area Development Project**

BLCP has implemented a project to improve and develop a green area in the power plant since 2012 up to present in a bid to conserve the environment and ecosystem in the power plant without use of chemicals to prevent contamination and residue of chemicals in the soil, covering production of bio-extract to nourish plants and eradicate weeds, sustainable maintenance and improvement of soil quality by covering soil with grass residues and leaves according to the Royal initiative of His Majesty The King as well as allocating areas for growing and nursing young plants for replacement and increase of green area density.



In 2015, green area was developed in the eastern part of the power plant to provide for more shady and cool area. Water system for plant watering was also improved with the use of recycled water from the generation process.



- Saket Island Ecosystem Restoration Project**

Saket Island is a small island of approximately 10 rai area and is about 300 meters from Maptaphut Industrial Port to the east. Before industrial development, Saket Island had an abundance of coral reefs. However, most of them have been damaged and only 10%-20% is left today. Therefore, BLCP has initiated a project to restore the ecosystem surrounding the island to maintain its abundance being habitat of aquatic animals, covering an around 5-year period during 2014-2018. The company has joined hands with experts in the aquatic ecological system to conduct study on the current conditions of this area, covering quality of seawater, underwater residue, existing coral reefs and causes of diminishing coral reefs, and consult with local fishery groups and nearby community, as well as prepare a master plan on sustainable development of Saket Island. Relevant communities and government agencies including provincial fishery authorities, regional fishery authorities, Maptaphut municipality, Maptaphut Industrial Estate, and local fishery groups have taken part in proposing guidelines on development of Saket Island by establishing Saket Island Development and Rehabilitation Committee, as a provincial working committee, chaired by Rayong Deputy Governor.

In 2015, there was project progress with completion of the master plan and proposal to the committee being underway for consideration of guidelines on rehabilitation, prioritization of rehabilitation activities, and appointing local volunteers to carry on the project to be as outlined in the master plan and suitable for the area accordingly.



- **Release of aquatic animal breeds in honor of HM The Queen on Birthday Anniversary 12th August and HM The King on Birthday Anniversary 5th December**

In honor of and as merit-making for HM The King and HM The Queen, about 5 million aquatic animals are annually released to increase and disseminate aquatic animals in the eastern region sea (Rayong estuary-Baan Chang district), in collaboration with 13 small local fishery groups. Since 2012, collaboration has been expanded to the government and private sector alliances in the area consisting of Maptaphut Industrial Port Office, Glow, SCG and PTT Groups, in releasing aquatic animals eight times a year, and in an increased number to around 10 million aquatic animals a year.



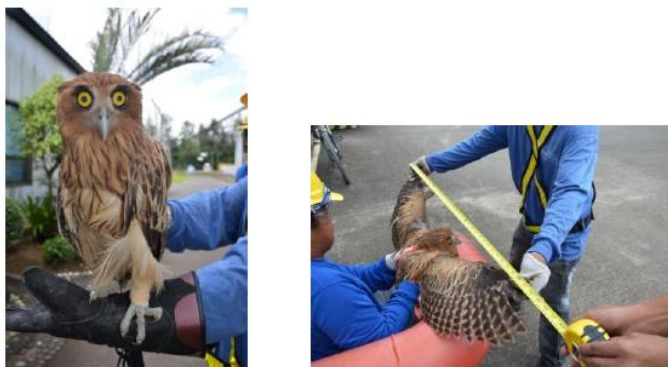
Quezon Power Plant

Realizing the importance of living creatures to the ecosystem, Quezon Power Plant has joined hands with employees and surrounding community to keep record of animals found in the area since 2007 until present as regards size, weight and quantity, and reported to Environment Management Committee of the power plant. The information has also been forwarded to related agencies for verification of species and status in comparison with the IUCN list of animal species at risk (IUCN Red List Species) and the List of CITES Species. After that, the animals have been released to the natural setting where they are taken for research with the objective of preserving the population of local animals and preventing impact on biodiversity.

- **Tracking of quantity of living population, rescuing wild animals, and protection of biodiversity of animal species on IUCN and CITES lists**

From the tracking and survey of living things in the ecosystem since 2007 up to present, a total of 85 wild animals have been found, recorded, and rescued. During January-October 2015, 15 types of animals have been found and recorded, comprising birds, monitor lizards, snakes, and others. Some important examples are as below:

Eagle Owl rescued Mar 4, 2015



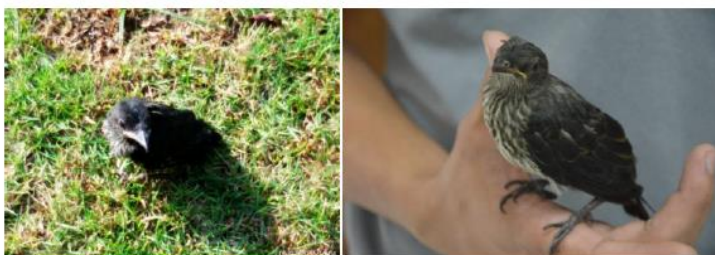
Philippine Sailfin Lizard rescued Mar 18, 2015



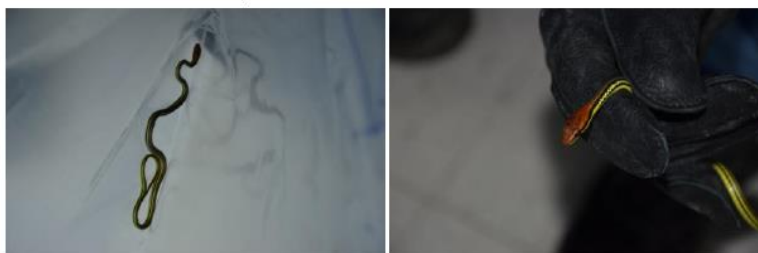
Monitor Lizard rescued May 1, 2015



Asian Glossy Starlings rescued May 7 and 8, 2015



Painted Bronzeback Snake captured Oct 19, 2015



- Sea Turtles Preservation Project** The project was initiated as sea turtles had been found at risk of being detained or consumed by people, hence risk of extinction, which may affect the overall marine ecosystem. Quezon Power Plant thus joined the sea turtle preservation project conducted by government agencies in the local area to alleviate the problem, starting from holding knowledge dissemination activity and training for local community, especially fishermen group to take part in the sea turtle preservation through taking photo, measuring found animals, recording, specification of species, record keeping and submission of records to relevant local authorities for data recording, rescuing, and releasing animals into the sea respectively. Since 2005 up to present, 37 sea turtles have been found and recorded. In 2015, two sea turtles were found and saved. The first one was a large green sea turtle, weighing 154 kilograms, found in an intake area which brought seawater into the power plant in January. The second one, found by local fishermen in October, was olive ridley turtle, weighing 27 kilograms. Bruises were found in necks and legs of the turtles injured by fishermen's equipment. The turtles were found near Cagbalete island. The working committee recorded data in detail before releasing them into the sea.



Green Sea Turtle rescued on Jan. 2, 2015



Olive Ridley Turtle rescued on Oct. 23, 2015

- **Protection and restoration of submarine ecosystem**

Quezon Power Plant has conducted a survey of the environment and population of submarine plants and animals vital 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 every three years. In addition, during difficult weather and monsoon season, the agencies and communities in the area collaborate in moving plants and animals at risk of experiencing severe conditions to an area suited to their survival. The goal is to help protect and preserve the abundance of marine ecosystem and marine biodiversity.

- **Plantation and beach cleaning activity**

In 2015, Quezon Power Plant volunteer employees and communities surrounding the power plant joined hands in an activity to clean up the beach near the power plant and plant trees and mangrove forest, altogether three times in April, June, and September. Throughout the year, over 300 volunteers and local people collected 294 pieces of garbage and planted 1,500 trees/mangrove plants.

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. 1/2016 on January 28, 2016 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 2015 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 by the Board 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.
- The Board set 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.
- The Board set regulations, orders and table of authority for accounting, finance, budgeting, procurement, and human resource management in writing and publicly announced to be abided by all employees. Failure to comply with the regulations and orders could be resulted in disciplinary actions.
- The Board set Anti-Corruption Policy and endorsed the Anti-Corruption Manual in 2015 as a practice guideline to be complied by directors and employees.

Risk Assessment

- According to the organization structure, risk management function is under the Corporate Planning and Project Assessment Division so that business plan, corporate objectives, and corporate risks could be linked and effectively managed. 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.
- 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 which was not less than 7 days except urgent cases. 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 every 2 months 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 for corporate information on policies, regulations, orders, and good corporate governance including Anti-Corruption Manual. In 2015, Anti-Corruption campaign was launched through the company's intranet to educate employees.
- Accounting records and supporting documents of the financial statements are completely kept in orderly manner. There was no report on the deficiency in those documents from the auditors.
- Governing laws, regulations, and orders 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 reviewed, and compliance with Anti-Corruption Policy was monitored by the Internal Audit Division regularly.
- In accordance with SET's notification : The Audit Committee's Qualifications and Scope of Works B.E. 2558, the Audit Committee Charter defined its responsible to approve the appointment, rotation, and removal of the Chief Internal Audit
- 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.
- 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 2015, there was no significant finding for improvement on internal control systems.

Head of Internal Audit Division and Compliance Unit

Senior Vice President – Internal Audit

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

Audit Committee in the meeting no. 1/2014 dated January 14, 2014, 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. The details of Chief Internal Audit is shown in attachment 3.

Compliance Unit

EGCO's organizational structure does not include a specific regulatory unit. A department under Corporate Secretary Division is however responsible for governing EGCO's operation and the Board of Directors to ensure compliance with Securities and Stock Exchange Act, SEC's and SET's rules, regulations and announcement. The Legal Division has been assigned to be responsible for both legal compliance and supervision activities.

Apart from this, each power plant has its own units responsible for compliance monitoring to ensure that its operation and management or conducted efficiently with adherence to all obligatory laws and regulations.

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 42 of the Notes to Financial Statements for the year ended December 31, 2015.

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 2015

EGCO's related transactions in 2015 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 2015 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 2015 in detail:

1.1 Electricity Sales with EGAT

Three subsidiaries of EGCO namely KEGCO, EGCO Cogen and Roi Et Green were engaged in the Power Purchase Agreement ("PPA") with EGAT. The PPA term for KEGCO is 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 as at December 31, 2015 (million baht)			
		Sales Revenue	Trade Receivables	Service under PPA	Trade Receivable
EGCO Cogen	Subsidiaries	1,337	-	-	238
KEGCO		-	269	609	1,498
Roi-Et Green		-	28	239	366

In addition, four subsidiaries namely, KEGCO (Khanom Project 4), Klongluang, Banpong, and Chaiyaphum have entered into 25 years PPA with EGAT, however, those subsidiaries have not been commercially operated.

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 as at December 31, 2015 (million baht)			
		Sales Revenue	Trade Receivables	Service under PPA	Trade Receivable
GEC Group	Joint Ventures	3,937	1,898	6,578	1,564
BLCP		-	594	5,316	1,216
NTPC		3,315	-	-	445
NED		953	-	-	180

1.2 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 are defined as the normal transactions of which the general trading items and conditions are applied. The fee can be calculated from the venue of assets or the referred price in accordance with SET's guidelines.

- KEGCO has entered into Major Maintenance Agreement with EGAT to engage EGAT for major maintenance services, repair services, administrative service, and additional service to their power plants. The service fees are charged on a cost plus basis with the normal CPI escalation. The contract of KEGCO has engaged EGAT for major maintenance occasionally.

Companies	Relationship	Transaction value as at December 31, 2015 (million baht)	
		O&M Fee	Account Payables
KEGCO	Subsidiaries	2	4

- 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 as at December 31, 2015 (million baht)	
		Maintenance Advisory Fee	Account Payables
GEC Group	Subsidiaries	-	2

1.3 Advisor and Other Services for Power Plant Construction

- KEGCO (Khanom Project 4) engaged EGAT for technical services such as civil engineering and other services related to power plant construction from December 26, 2012 to December 2015 with the contractual amount of 95 million baht. Additionally, KEGCO entered into a PPA with EGAT for reserve power with the contractual amount of 52 million baht during the period from August 2015 – January 2016. With respect to this, the contractual amount under all contracts between KEGCO and EGAT totals 147 million baht as at reporting date.

Companies	Relationship	Transaction value as at December 31, 2015 (million baht)	
		Construction	Trade Receivables
KEGCO	Subsidiaries	105	19

- KEGCO has entered into a civil engineering and other service agreement with EGCO Engineering and Service Co., Ltd. (ESCO) for construction of Khanom Project 4 from October 22, 2013 to December 2015 with the contractual amount of 173 million baht.

Companies	Relationship	Transaction value as at December 31, 2015 (million baht)	
		Construction	Trade Receivables
KEGCO	Subsidiaries	144	6

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

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 2015 in detail:

Technical Service Agreement

- KEGCO (Khanom Project 4) has entered into a technical service agreement for Khanom Project 4 with Tokyo Electric Power Company (TEPCO) which indirectly holds some stakes in TEPDIA. The agreement has been effective since June 4, 2013 with the contract amount of 4.54 million USD.

Companies	Relationship	Transaction value as at December 31, 2015 (million baht)	
		Constructions	Account Payables
KEGCO	Subsidiary	85	3

- KEGCO (Khanom Project 4) has entered into Engineering, Procurement and Construction Contract (EPC Contract) with Mitsubishi Corporation (MC) which indirectly holds some stakes in EGCO via TEPDIA. The agreement has been effective since May 18, 2013, with the contractual amount of 13 million USD and 1,356 million baht.

Companies	Relationship	Transaction value as at December 31, 2015 (million baht)	
		Constructions	Account Payables
KEGCO	Subsidiary	1,460	28

- KEGCO (Khanom Project 4) has entered into an Engineering, Procurement and Construction Contract (EPC Contract) with Mitsubishi Corporation Machinery, Inc, a subsidiary of MC which indirectly owns some stakes in EGCO via TEPDIA. The contract has been effective since May 18, 2013, with the contractual amount of 109 million USD, 23,319 million JPY, and 12 million EUR.

Companies	Relationship	Transaction value as at December 31, 2015 (million baht)	
		Constructions	Account Payables
KEGCO	Subsidiary	11,261	8

- Banpong Utilities Company Limited (“Banpong” or “SK & TP Cogen”) has entered into an EPC Contract with MC which holds some stakes in TEPDIA. The agreement has been effective since November 1, 2014 with the contractual amount of 0.27 million USD, 0.47 million EUR, 14.43 million Swedish Krona and 3,785 million baht.
- Klongluang Utilities Company Limited (“Klongluang”) has entered into an EPC Contract with MC which holds some stakes in EGCO via TEPDIA. The contract has been effective since April 1, 2015 with the contract mount of 10.77 million USD.

Companies	Relationship	Transaction value as at December 31, 2015 (million baht)	
		Constructions	Account Payables
Banpong	Subsidiary	440	-
Klongluang		80	-

- Banpong Utilities Company Limited (“Banpong” or “SK & TP Cogen”) has entered into an EPC Contract with Mitsubishi Corporation Machinery, Inc., a subsidiary of MC which indirectly holds some stakes in EGCO via TEPDIA. The contract has been effective since November 1, 2014 with the contractual amount of 4,351 million JPY, 18 million USD, 1.34 million EUR and 534 million SEK.

Companies	Relationship	Transaction value as at December 31, 2015 (million baht)	
		Constructions	Account Payables
Klongluang	Subsidiary	803	23

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, Quezon, Theppana, SPP2, SPP3, SPP4, SPP5, Yanhee EGCO, Solarco, BLCF, GPS, and NED. 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 (Khanom Project 4).

3.4 Land Rental Agreement for construction with Klongluang Utility Company Limited.

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, 2015 (million baht)
		Financial Statements
KEGCO	Subsidiaries	5
KEGCO (Khanom Project 4)		21
ESCO		5
EGCO Cogen		8
EGCO Green		1
Roi-Et Green		8
Egcom Tara		1
Chaiyaphum		107
PEPOI		24
Quezon		10
Theppana		6
SPP2		5
SPP3		4
SPP4		4
SPP5		4
Yanhee EGCO		1
Solarco		14
Banpong		13
Klongluang		31
EGCO BVI		1
Total for subsidiaries		273
NTPC	Joint Ventures	14
BLCP		14
GPS		6
NED		2
Total for joint ventures		36

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, 2015.

4.1 Loan

Companies	Relationship	Transaction values by December 31, 2014 (million baht)	Terms and conditions
SPP 2	Subsidiaries	103	On January 7, 2013, EGCO entered into the loan agreement providing the loan of 103 million baht to SPP 2. Such loan has fully 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.
SPP 3		80	On January 7, 2013, 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.
SPP 4		80	On January 7, 2013, 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.
SPP 5		78	On January 7, 2013, 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	1,548	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 on a yearly basis.
Theppana	Subsidiaries	29	On October 8, 2012, EGCO entered into the loan agreement providing

Companies	Relationship	Transaction values by December 31, 2014 (million baht)	Terms and conditions
			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.

4.2 Commitments and Liabilities

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

4.2.1 Guarantee of Loan

EGCO's liability under Counter Guarantee, Standby Letter of Credit and Bank Guarantee for its subsidiaries and joint ventures as at December 31, 2015 as follows:

Klongluang

EGCO was liable under the Letter of Guarantee for the electricity sales proposal in the amount of 465 million baht.

Banpong

EGCO was liable under the Letter of Guarantee for the electricity sales proposal in the amount of 945 million baht.

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, with the total amount of 46 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 Project 4 in the amount of 3,678 million baht.

NTPC

EGCO has the liability under 2 standby letters of credit issued by Mizuho Corporate Bank to guarantee the debt obligation in reserve accounts for Nam Theun project 2, in the amount of 5 million USD (equivalent to 172 million baht) and 707 million baht, respectively.

GPS

EGCO has the liability under the Standby Letter of Credit amounted to 128 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.