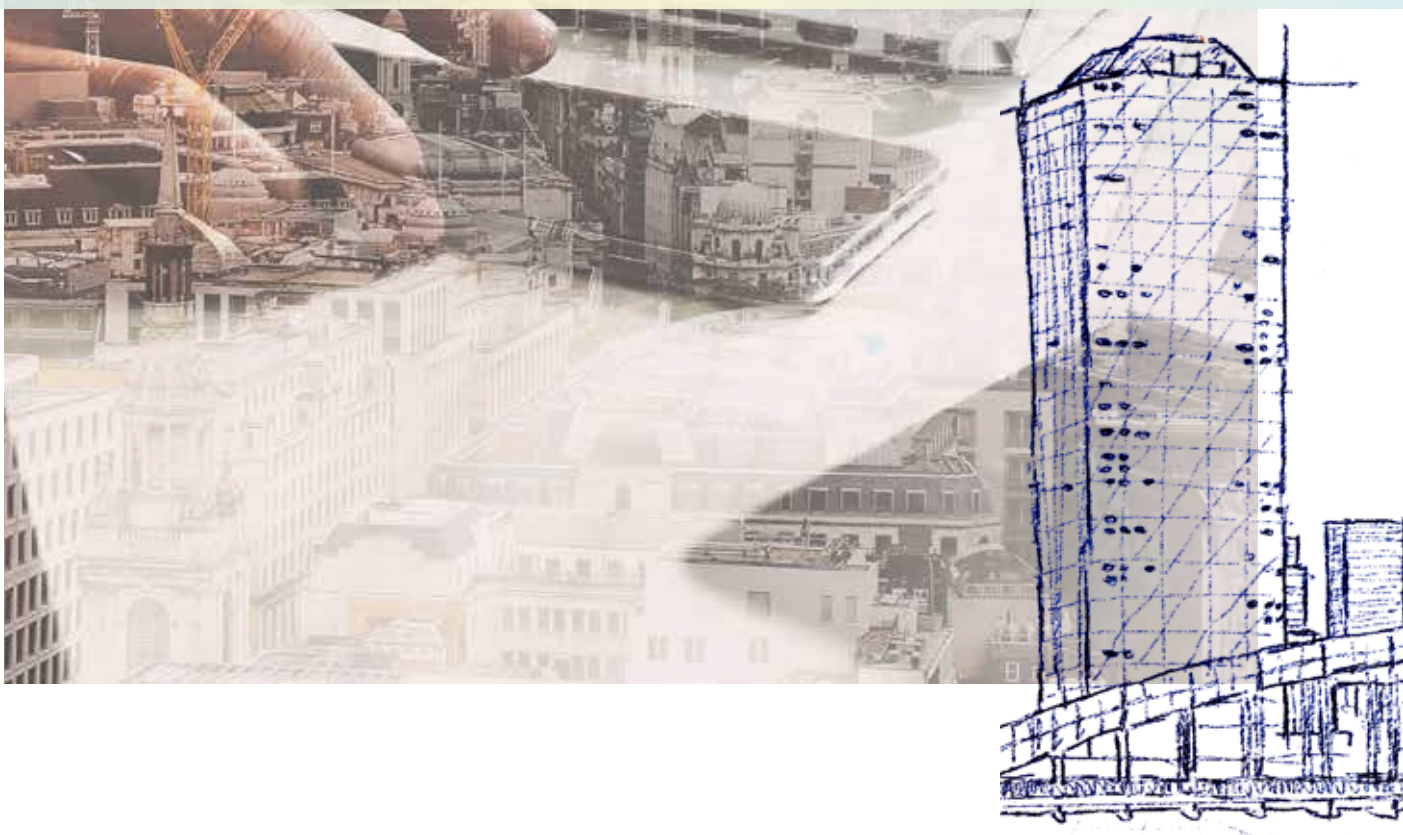




## Part 2 Management and Corporate Governance



## 2.1 Information on Securities and Shareholders

### 2.1.1 Registered and Paid-Up Capital as of 31 December 2018

Registered Capital : 227,760,073 Baht divided into 227,760,073 ordinary shares with a par value of 1 Baht each.

Paid-Up Capital: 190,080,063 Baht divided into 190,080,063 ordinary shares with a par value of 1 Baht each.

The Company has no other type of share apart from ordinary shares, every shareholder then has an equality in voting , i.e. one share on vote.

### 2.1.2 Top Ten Major Shareholders as of 7 March 2019

| No. | List of Shareholders          | No. of Shares | Shareholding (%) |
|-----|-------------------------------|---------------|------------------|
| 1.  | Mrs. Naparat Sihanatkathakul  | 66,525,800    | 35.00            |
| 2.  | Mr. Thaninchot Tantiphanrak   | 11,600,000    | 6.10             |
| 3.  | Miss Kalayarat Kruawan        | 8,080,000     | 4.25             |
| 4.  | Mr. Sinchok Piriyotasakul     | 7,744,600     | 4.07             |
| 5.  | Miss Orachon Charoenphonganan | 5,062,400     | 2.66             |
| 6.  | Mr. Jakkrapon Thongcharoen    | 5,000,000     | 2.63             |
| 7.  | Miss Piyanan Charanrattanasri | 2,554,500     | 1.34             |
| 8.  | Miss Paphada Thawalkitdamrong | 2,500,000     | 1.32             |
| 9.  | Mr. Prachauab Iamrum          | 2,100,000     | 1.10             |
| 10. | Mr. Bancha Phanthoomkomol     | 2,000,000     | 1.05             |

**Remarks:** (1) Mrs. Naparat Sihanatkathakul is the sister of Mr. Anucha Sihanatkathakul who is the Chairman of the Board and Executive Chairman of the Company.

(2) Mrs. Naparat Sihanatkathakul does not participate in the management of the Company.

### 2.1.3 Changes of Registered Capital

1. On 26 December 2002, the Extraordinary General Meeting of Shareholders No.1/2002 had resolved to reduce the registered capital from 300,000,000.- Baht to 100,000,000.- Baht. The Company had registered the said capital reduction with the Ministry of Commerce since 12 March 2003.

2. On 28 February 2003, the Extraordinary General Meeting of Shareholders No.1/2003 resolved to increase the registered capital from 100,000,000.- Baht to 125,000,000.- Baht by issuing new 25,000,000 ordinary shares. The Company had registered the said capital increase with the Ministry of Commerce since 14 March 2003.

3. On 5 November 2008, the Extraordinary General Meeting of Shareholders No.1/2551 resolved to increase the registered capital from 125,000,000.- Baht to 400,000,000.- Baht by issuing new 275,000,000 ordinary shares with the par value of 1 Baht each as follows:

1. To support the exercise of warrants to purchase ordinary shares of the Company of the existing shareholders in the amount of 62,500,000 units

2. To support the exercise of warrants to purchase ordinary shares of the Company of directors and staff in the amount of 12,500,000 units

3. To offer for sale by the private placement in the amount of 200,000,000 shares

The Company had registered the said capital increase with the Ministry of Commerce since 19 November 2008.

4. On 22 April 2016, the Annual General Meeting of Shareholders 2016 resolved to reduce the registered capital from 400,000,000.- Baht to 126,720,042.- Baht. The Company had registered the said capital reduction with the Ministry of Commerce since 26 April 2016.

5. Increase in Registered Capital from 126,720,042 Baht to 227,760,073 Baht

On 28 April 2017, Annual General Meeting of Shareholders 2017 has resolved to increase the Company's registered capital from 126,720,042 Baht to 227,760,073 Baht, by issuing 101,040,031 new ordinary shares with the par value of 1.00 Baht each, as follows:

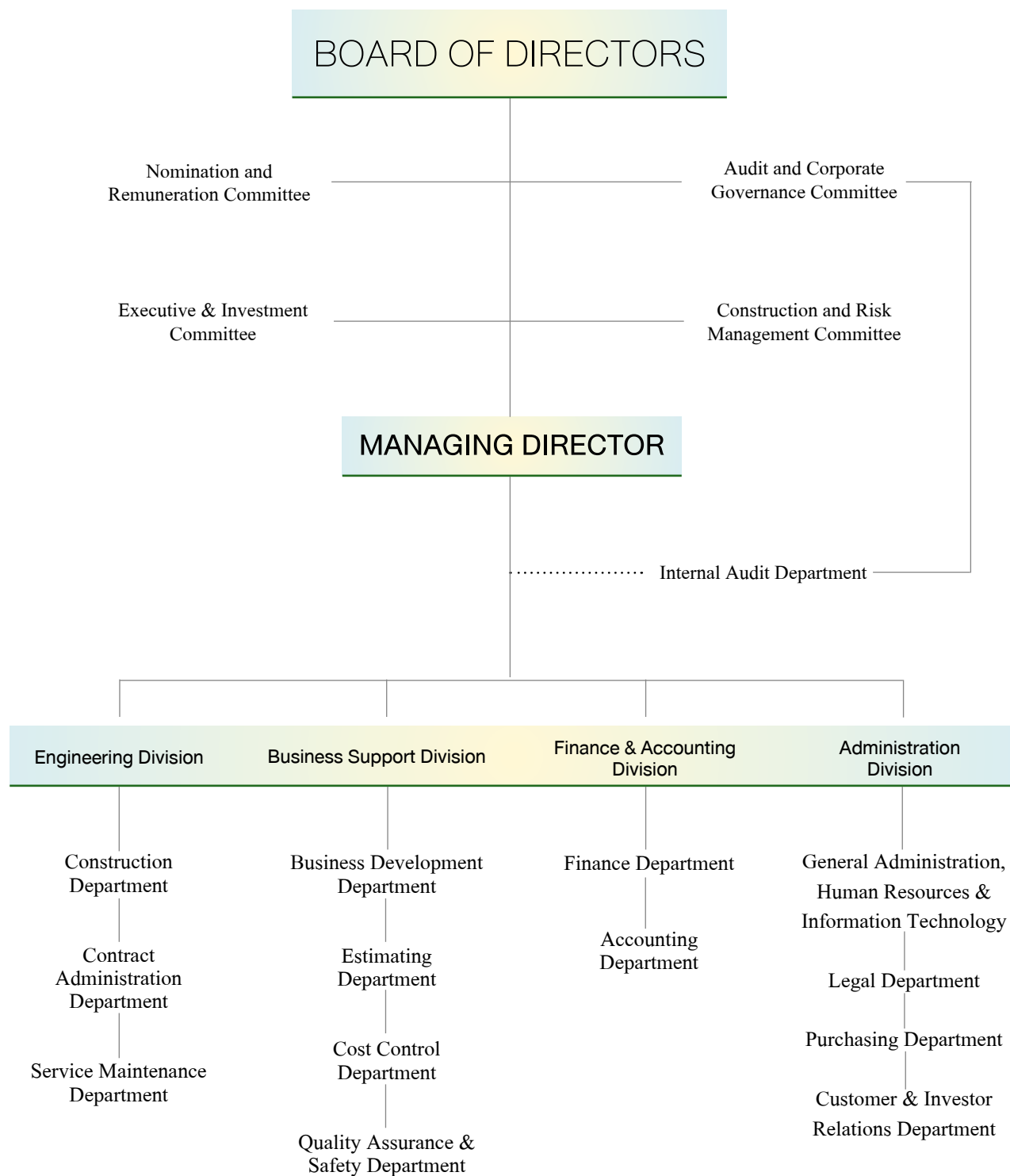
|                                                                                          |             |        |
|------------------------------------------------------------------------------------------|-------------|--------|
| 1) To be allocated to the existing shareholders (Rights Offering) for not exceeding      | 63,360,021  | shares |
| at the ratio of 2 existing shares per 1 new share at the price of 1.20 Baht per share    |             |        |
| 2) To accommodate the exercise of FOCUS-W2 for not exceeding                             | 31,680,010  | shares |
| at the ratio of 1 new share per 1 warrant with the exercise price of 1.80 Baht per share |             |        |
| 3) To accommodate the exercise of ESOP Warrants for not exceeding                        | 6,000,000   | shares |
| at the ratio of new share per 1 warrant with the exercise price of 1.80 Baht per share   |             |        |
| Totally                                                                                  | 101,040,031 | shares |

In addition, the Company has registered the paid-up capital from 126,720,042 Baht to 190,080,063 Baht with the Ministry of Commerce on 26 June 2017,

### 2.1.4 Dividend Payment Policy

The Company has a policy to pay dividend to shareholders at the rate not less than 40 percent of the net profit after tax with an approval from the shareholders' meeting. However, the Company has the loss of 41.03 Million Baht as at 31 December 2018, and the accumulated loss of 133.56 Million Baht no dividend can then be paid to shareholders as specified by law.

## 2.2 Management Structure



## 2.2.1 Structure of Company Directors and Sub-Committees

The structure of company directors consists of the Board of Directors, the Audit and Corporate Governance Committee, the Nomination and Remuneration Committee, the Executive & Investment Committee, and the Construction and Risk Management Committee as follows:

### 2.2.1.1 The Board of Directors

As of 31 December 2018, the Company's Board of Directors consists of 8 directors whose meeting attendance records in 2018 are as follows:

| Name                              | Position                                                  | Attendance |
|-----------------------------------|-----------------------------------------------------------|------------|
| 1. Mr. Anucha Sihanatkathakul     | Chairman of the Board of Directors and Executive Chairman | 4/4        |
| 2. Mr. Jeremy Lechemere King      | Vice Chairman of the Board of Directors                   | 3/4        |
| 3. Mr. Phasunsook Ayanaputra      | Independent Director                                      | 4/4        |
| 4. Pol.Maj.Gen.Sunthorn Boonruang | Independent Director                                      | 4/4        |
| 5. Mr. Wera Suriyaarchanon        | Independent Director                                      | -          |
| 6. Mr. Patrick Michael Davenport  | Director                                                  | 4/4        |
| 7. Mr. Nontawat Thongmee          | Director and Managing Director                            | 4/4        |
| 8. Mr. Tanakorn Leelasiri         | Director and Assistant Managing Director -Administration  | 4/4        |

**Remarks:** Mr.Wera Suriyaarchanon was appointed as a company director in place of Mr.Thompson by the Board of Directors No.4/2018 on 14 November 2018.

### Duties and Responsibilities of the Board of Directors

- Acting in a best interest of shareholders (fiduciary duty) by observing the following four main practices:
  - Performing its duties with responsibility and all due circumspection and caution (duty of care).
  - Performing its duties with faithfulness and honesty (duty of loyalty).
  - Performing its duties in compliance with laws, objectives, Articles of Association, the resolutions of the Board of Directors and resolutions of Shareholders' Meetings (duty of obedience).
  - Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness (duty of disclosure).
- Defining and reviewing the structure of the Board of Directors, number of directors, proportion of independent directors as well as Board diversity and director qualifications to align with the Company's business operations.
- Directing the Company's visions, missions, and business strategies, with an annual revision and approval.
- Reviewing the major operating plan, budgets, business goals, and business policies and enhancing the capabilities of the Company.
- Overseeing and monitoring the implementation of the Company's strategies; overseeing and monitoring of each business unit's and the Company's overall performance by requiring their performance reports periodically; and setting policies to develop and improve the business operations with concern for safety, hygiene, social and environmental responsibility and development of the Company's employees.

6. Devoting their time and efforts to the Company without seeking benefits for themselves or others and not acting in conflict of interest or in competition with the Company.
7. Directing the Company's operation in compliance with the laws, objectives, Articles of Association, resolutions of the Board of Directors and resolutions of Shareholders' Meetings in good faith and with care to preserve the highest interests of the Company and fairness to all involved parties.
8. Specifying risk management policies and overseeing to ensure effective risk management systems together with reviewing and assessing the systems periodically and in the wake of a change in risk levels.
9. Overseeing and developing the Company's corporate governance to keep it consistent with the guidelines of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand to provide guidelines for business operations while monitoring to ensure compliance and being a role model in complying with the principles of good corporate governance and the Company's Code of Conduct.
10. Encouraging staff at all levels to be conscious of ethics and morality and comply with the Company's principles of corporate governance, Code of Conduct and the Anti-corruption policy while promoting awareness of the importance of internal control system and internal audits to reduce the risk of fraud and abuse of authority and prevent any illegal act.
11. Protecting the fair rights and interests of both major and minor shareholders along with supporting shareholders in exercising their rights to protect their own interests, and receive accurate, complete, transparent, veritable, and timely information.
12. Recognizing the roles, duties, and responsibilities of the Board of Directors, respecting the rights of shareholders and equitable and transparent treatment to all stakeholders, establishing a clear process and channels for receiving and handling complaints from informants or stakeholders effectively and ensuring an opportunity for all stakeholders to contact or lodge complaints about potential issues directly to the Board of Directors.
13. Reviewing top executive development plans and the succession plan for the Managing Director while overseeing to ensure the effective performance assessment of top management on an annual basis and determining appropriate remuneration in line with the Company's operating results to provide both short-term and long-term incentives.
14. Assessing the performance of the Board of Directors, the Sub-committees and each individual director on an annual basis together with monitoring the assessment results of the Board and its Sub-committees which will be jointly deliberated by the Board of Directors as well as reviewing the assessment results of the Board and Sub-committees on a regular basis.
15. Overseeing and monitoring to ensure the selection and nomination process of a director is carried out transparently and the remunerations for directors and Sub-committee members are determined appropriately.
16. Attending all meetings of the Board of Directors and Shareholders' Meetings, except in unavoidable circumstances. The directors who are unable to attend a meeting must notify the Chairman or the Secretary to the Board in advance prior to the meeting.
17. Developing their knowledge and competency related to their duties consistently through courses or curricula related to directorial duties or seminars that enhance their knowledge. In performing its duties, the Board of Directors may seek external consultation from independent consultants or experts in various fields, as deemed necessary and appropriate.

18. The Company's directors may act as director in other listed companies at the maximum of 5 companies (including FOCUS).

**Policy on the Board Meetings**

- (1) Board of Directors' Meetings will be held at least 4 times a year with at least one Board meeting will be discussed only among non-authorized directors and independent directors without the Company's management.
- (2) Notice of the Board meeting will be given to all directors at least 7 days in advance unless with the case of emergency or necessity for the rights and benefits of the Company, such notice may be shorter than 7 days as appropriate.
- (3) The Chairman of the Board and the Managing Director shall jointly consider determining the meeting agenda while each director is entitled to propose any matters for consideration of the Board meeting. In case the Chairman of the Board is also the top management of the Company, the agenda of the Board meeting shall also be reviewed and agreed by the Chairman of the Audit and Corporate Governance Committee and/or an independent director as appropriate.
- (4) Significant matters shall require the Board resolutions passed by at least 2/3 of all directors of the Company.
- (5) A summary report of the monthly operating results will be prepared and given by the Company to all directors for their information, except with the month in which the Board meeting also takes place.

**Roles and Responsibilities of Chairman of Board of Directors**

- (1) Oversee, monitor, and ensure that the board efficiently carries out its duties to achieve the Company's objectives.
- (2) Ensure that all directors contribute to the Company's ethical culture and good corporate governance.
- (3) Set the Board meeting agenda by discussing with the Managing Director where important matters should be included in the agenda. In case the Chairman of the Board is also one of the top management of the Company, the consultation on such agenda must be made with the Chairman of the Audit and Corporate Governance Committee or an independent director as appropriate.
- (4) Allocate sufficient time for management to propose topics and for directors to debate important matters thoroughly. Encourage directors to exercise independent judgement in the best interest of the Company.
- (5) Promote the good relationship between executive and non-executive directors, and between the board and management.

**Roles and Responsibilities of the Managing Director**

- (1) To monitor and supervise the management of the Company and its subsidiaries to be in line with the vision, mission, value and policies, board resolutions, shareholders' resolutions, regulations and objectives of the Company for the highest efficiency and legitimacy of the business operations of the Company and its subsidiaries.
- (2) To manage and supervise the Company and its subsidiaries general administration and ensure that it is in line with the objectives, policies, rules and regulations of the Company as well as to monitor the performance of the management to report the overall operations of the Company and its subsidiaries and performance to the Board of Directors on a regular basis.

- (3) To determine the human resource management policy and encourage the operations of all functions to be in line with the guidelines of the Board of Directors.
- (4) To give advice and hand down the experience in business operations to the management and staff for the benefits of the business operations of the Company and its subsidiaries.
- (5) To manage the financial matters and the spending of the budget for the highest benefits and efficiency of the Company and its subsidiaries.
- (6) To perform any other tasks as assigned by the Board of Directors of the Company and/ or the shareholders' meeting of the Company according to the objectives, rules and related laws.

#### **Evaluation of the Board of Directors of the Company**

The Company has the policy on the evaluation of the performance of the Board of Directors of the Company every year.

In 2018, the Company Secretary sent the evaluation forms to the Board and received the good cooperation from the Board in filling 4 forms in total in order to improve the efficiency of the work performance as follows:

- (1) Entire Board Evaluation Form
- (2) Director Self Evaluation Form
- (3) Evaluation Form for Chairman of the Board
- (4) Evaluation Form for the Managing Director

The results of the evaluation come out at a good level.

#### **New Director Orientation**

The Company has the policy to arrange an orientation for a newly appointed director in order to prepare him/her to perform his/her duty by presenting and providing the key information to the new director as follows:

- (1) Summary of the background of the Company
- (2) Overall summary of the Company's business operations
- (3) Summary of the rules and regulations of the relevant government regulators
- (4) Summary of the rules and regulations of the Company
- (5) Summary of the corporate governance policy and code of conduct for directors, management and staff of the Company
- (6) Summary of the past meetings of the Board of Directors, the Audit and Corporate Governance Committee and the Nomination and Remuneration Committee
- (7) Provide any other information which is useful for the performance of duty of the new director

#### **Policy on Management Succession Plan**

The Company has a plan to select personnel to become management of all levels as appropriate and transparent in order to ensure that the Company will have professional management. The Nomination and Remuneration Committee will be responsible for the succession plan for the position of Executive Chairman, Managing Director and Assistant Managing Directors of the Company to be presented to the Board of Director for consideration as per the following guidelines:

### **Acting as the Key Personnel During Recruitment of Successors**

Upon the vacancy of the Executive Chairman or the Managing Director or Assistant Managing Directors or they are unable to perform their duties for any reasons, the Company has the system that the equivalent position or his deputy or assistant will be acting in that position during the recruitment and selection of a qualified person as specified by the Company with the vision, knowledge, competency, experience and he fits in with such position.

### **Succession Plan**

The Company will analyze the situation on the Company's business operations in terms of strategies, policies, investment plan, expansion plan and evaluation of the manpower readiness to match with the Company's strategies, both in short term and long term; determine the manpower readiness plan, develop staff or recruit staff to replace those who retire, create the recruitment plan, staff training and development plan in advance before staff retirement or resignation, determine competencies (i.e. knowledge, skills, personality and attitude desired for such position) and prepare individual development plan; select, evaluate performance and evaluate the potentials of staff as appropriate; test and evaluate in order to analyze the potential of personnel; identify successors from the evaluation and analyze the potentials and accomplishment of staff, notify the staff in advance in order to prepare to take on and learn a new assignment; determine alternative successors; develop and evaluate staff who is expected to be a successor whether he can develop and actually creates an accomplishment as expected. If not, the successors can be changed.

In addition, the Company has a job rotation plan for the key personnel of the Company to be assigned to some other departments, and probably attend the Board meetings or sub-committee meetings in order to prepare such person as the successor as the Company may consider appropriate.

### **Roles and Responsibilities of the Company Secretary**

- (1) To act as Secretary to the Board of Directors Meetings, Shareholders Meetings, Audit and Corporate Governance Committee Meetings, Construction and Risk Management Committee Meetings and all other committees as may be assigned by the Company;
- (2) To arrange meetings and prepare agenda and documents of the Board of Directors, Shareholders, Audit and Corporate Governance Committee, Construction and Risk Management Committee and all other committees as may be assigned by the Company;
- (3) To prepare Minutes of the Board of Directors Meetings, Shareholders' Meetings, Audit and Corporate Governance Committee Meetings, Construction and Risk Management Committee Meetings and all other committees as may be assigned by the Company;
- (4) To ensure that the Company complies with the SEC and SET laws and regulations and all other laws relating the Company's business; and
- (5) To perform any other related duties in accordance with the Company's policies

### 2.2.1.2 Audit and Corporate Governance Committee

As of 31 December 2018, the Company's Audit and Corporate Governance Committee consists of 3 members whose meeting attendance records in 2018 are as follows:

|    | Name                           | Position                                                 | Attendance |
|----|--------------------------------|----------------------------------------------------------|------------|
| 1. | Mr. Phasunsook Ayanaputra      | Chairman of the Audit and Corporate Governance Committee | 4/4        |
| 2. | Pol.Maj.Gen Sunthorn Boonruang | Audit and Corporate Governance Committee                 | 4/4        |
| 3. | Mr. Wera Suriyaarchanon        | Audit and Corporate Governance Committee                 | -          |

**Remarks:** Mr.Wera Suriyaarchanon was appointed as a company director in place of Mr.Thompson by the Board of Directors No.4/2018 on 14 November 2018.

### Term of Appointment of the Audit and Corporate Governance Committee

The term of appointment of the Audit and Corporate Governance Committee is 2 years which will be completed on 30 April 2019. There are at least 4 meetings of the Audit and Corporate Governance Committee in each year.

### Roles and Responsibilities of Audit and Corporate Governance Committee

1. To review that the Company has accurate and adequate financial reporting.
2. To review that the Company has suitable and efficient internal control system and internal audit system.
3. To determine independence of an internal audit office including agreement of appointment, transfer and dismissal of the chief of the internal audit office or any other unit in charge of internal audit.
4. To review that the Company comply with laws concerning securities and exchange, regulations of the Stock Exchange of Thailand, and other laws related to the Company's business.
5. To consider, select and nominate independent persons to be the Company's auditor, and propose such person's fees, as well as to attend a non-management meeting with the auditor at least once a year.
6. To consider that connected transactions or transactions that may have conflicts of interests are complied with the laws and the regulations of the Stock Exchange of Thailand in order to ensure that they are reasonable and for the best benefit of the Company.
7. To prepare the Report of the Audit and Corporate Governance Committee and have it disclosed in the Company's Annual Report, to which must be signed by the Chairperson of the Audit and Corporate Governance Committee which contains at least the following information:
  - a. An opinion on the accuracy, completeness and reliability of the Company's financial report.
  - b. An opinion on the adequacy of the Company's internal control system.
  - c. An opinion on compliance with the laws concerning securities and exchange, the regulations of the Stock Exchange of Thailand, or other laws related to the Company's business.
  - d. An opinion on the suitability of the auditor.
  - e. An opinion on transactions that may have conflicts of interests.
  - f. The number of the Audit and Corporate Governance Committee Meetings, and its attendance record of each committee member.

- g. An opinion or overview comment that the Audit and Corporate Governance Committee perceived from its performance under the charter.
  - h. Other transactions that the shareholders and general investors should know under its scope of duties and responsibilities assigned by the Board of Directors.
8. In carrying out the Audit and Corporate Governance Committee's duties, if it found or has any suspects that there are transactions or the following doings which may have a considerable impact on the Company's financial status and performance; it should report them to the Board of Directors in order to correct them within a suitable time frame set by the Audit and Corporate Governance Committee;
    - a. Transactions causing conflicts of interests.
    - b. Fraud or irregularity or have key mistakes in the internal control system
    - c. Breach of laws concerning securities and exchange, regulations of the Stock Exchange of Thailand, and other laws related to the Company's business If the Board of Directors or its executives failed to arrange to have them corrected within due course, any member of the Audit and Corporate Governance Committee may report such transactions or doings to the Securities and Exchange Commission or the Stock Exchange of Thailand.
  9. To support and follow up that the Company has effective risk management system.
  10. To improve the Charter of the Audit and Corporate Governance Committee and present it to the Board of Directors for approvals.
  11. To propose and review the Corporate Governance Policy of the Company annually and make recommendations for consideration of the Board;
  12. To make recommendations on the best practice of the corporate governance for consideration of the Board;
  13. To oversee the compliance with relevant laws and regulations of the Company; and
  14. To perform any other matters as assigned by the Board of Directors with the Audit and Corporate Governance Committee's consensus under the Company's Articles of Association and laws.

### **Independent Directors**

Presently, the Company has 3 independent directors from the total 3 directors as follows:

1. Mr. Phasunsook                      Ayanaputra
2. Pol. Maj.Gen Sunthorn      Boonruang
3. Mr. Wera                              Suriyaarchanon (possessing knowledge and skills in finance and accounts)

### **Qualifications of Independent Directors**

- (1) holding shares not exceeding one per cent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director;
- (2) neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of filing an application with the SEC Office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company;
- (3) not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary company;
- (4) neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the SEC Office.

The term 'business relationship' under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

- (5) neither being nor used to be an auditor of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the SEC Office;

- (6) neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the SEC Office;
- (7) not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;
- (8) not undertaking any business in the same nature and in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one per cent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiary company;
- (9) not having any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

### 2.2.1.3 Nomination and Remuneration Committee

As of 31 December 2018, the Company's Nomination and Remuneration Committee consists of 3 members whose meeting attendance records in 2018 are as follows:

| Name                              | Position                                              | Attendance |
|-----------------------------------|-------------------------------------------------------|------------|
| 1. Mr. Phasunsook Ayanaputra      | Chairman of the Nomination and Remuneration Committee | 1/1        |
| 2. Pol.Maj.Gen Sunthorn Boonruang | Nomination and Remuneration Committee                 | 1/1        |
| 3. Mr. Wera Suriyaarchanon        | Nomination and Remuneration Committee                 | -          |

**Remarks:** Mr.Wera Suriyaarchanon was appointed as a company director in place of Mr.Thompson by the Board of Directors No.4/2018 on 14 November 2018.

### Qualifications and Constituents of Nomination and Remuneration Committees

1. The members of Nomination and Remuneration Committees shall be the Company's directors who have been appointed by the Company Committees.
2. The number of Nomination and Remuneration Committees shall consist of at least 3 people and consist of no less than half of its total members who are qualified as independent committees, in which the Chairman of Nomination and Remuneration Committees shall also be the independent committee.
3. The Nomination and Remuneration Committees shall be qualified as Non-Executive Directors in order to prevent the conflict of interest and devote themselves for the duty of Nomination and Remuneration committees.
4. The Nomination and Remuneration Committees shall nominate any member of Nomination and Remuneration Committees or any employee to be the secretary of Nomination and Remuneration Committees.

### **Term of the Nomination and Remuneration Committee**

The Nomination and Remuneration has 3 years term of appointment from 9 May 2017 to 8 May 2020.

### **Scope of Authority and Responsibilities of Nomination and Remuneration Committees**

1. Providing the guideline and reviewing any method of remuneration payment, including the annual bonus and the meeting allowance, whether it is monetary or not, any fringe benefits provided to any committee, managing director, chief executive officer and any sets of subcommittees appointed by the Board of Committees and offering it to the Board of Committees for consideration.
2. Determining the criteria for assessing the performance of the Chairman, managing director for purpose of setting their remuneration before offering to the Board of Committees for annual consideration.
3. Considering any conditions if there are any securities (or share subscription warrant) offered to any committee and officer, including considering the appropriateness and giving the resolution if any committee or officer is allocated the securities more than 5% of total allocated securities, provided no any member of the Nomination and Remuneration Committees shall be allocated the securities more than 5% and then they are entitled to pass any resolution.
4. Reporting any progress and performance to the Board of Committees all the times after holding the Nomination and Remuneration Committees' meeting and reporting the performance of the last year to the shareholders through the Company's annual report and the annual ordinary shareholder meeting.
5. Reviewing the Charter of the Nomination and Remuneration Committees and offering it to the Board of Committees for the approval for purpose of proper adjustment and update.
6. Performing of any other duties assigned by the Board of Committees; According to the duty performance under the scope of their power and authority, the Nomination and Remuneration Committees are able to invite the Management Division, heads of any working units or relevant officers to give their opinion, related and necessary information in the meeting. Besides, for performing the duties under the scope of their power and authority specified herein, the Nomination and Remuneration Committees can ask for any advice from the independent consultants or other specialists if, in their opinion, it is necessary and proper to do so. However, the Company shall be responsible for all expenses.
7. Determining criteria and policy in nominating director of the Board and Director in other committee of Company.
8. Considering appropriate person to propose to be member of Board of Directors and/ or propose to Shareholder to appointment.
9. Considering appropriate person to propose to be Executive Chairman Managing Director in case vacancy.

### **Rights of Minority Shareholders to Nominate a Person to be Elected as Company Director**

The Company has given the opportunity to minority shareholders to nominate a person to be considered elected as company director before the annual general meeting of shareholders every year in advance according to the rules and procedures determined by the Company as per details in the website of the Company [www.focus-pcl.com](http://www.focus-pcl.com)

## Recruitment and Selection of Top Management

### Recruitment of Management

The Company recruits persons to be appointed as management by selecting competent person with ethics and morality to join the Company and develops them to be ready and have the opportunity to be management in the future through the potential evaluation process. Staff who has good potentials will be assigned for more challenging and higher responsibility. The Company is prepared to develop the staff of all levels for replacement in case of vacancy.

#### Recruitment of Top Management

For recruiting the top management of the Company, the Nomination and Remuneration Committee will consider selecting from the existing management or others who has knowledge and experience with appropriate qualifications and good understanding in the business of the Company and ability to manage to achieve the objectives and targets of the Company and shall not have the prohibited characteristics in order to be appointed by the Board of Directors.

#### 2.2.1.4 Executive & Investment Committee

As of 31 December 2018, the Company's Executive & Investment Committee consists of 5 members as follows:

| Name                           | Position                                              |
|--------------------------------|-------------------------------------------------------|
| 1. Mr. Anucha Sihanatkathakul  | Chairman of the Executive & Investment Committee      |
| 2. Mr. Jeremy Lechemere King   | Vice Chairman of the Executive & Investment Committee |
| 3. Mr. Nontawat Thongmee       | Executive & Investment Committee                      |
| 4. Mr. Tanakorn Leelasiri      | Executive & Investment Committee                      |
| 5. Mrs. Wilaiporn Siripoorikan | Executive & Investment Committee                      |

#### Executive & Investment Committee's Responsibility

1. Set forth method and strategy on investment.
2. Consider and approve investment on instruments and securities of each type under the Investment Procedure required by Company.
3. Consider and select the instruments and security that are invest able in accordance with the Investment Procedure required by Company.
4. Consider acquisition and distribution of the invest able securities under the Investment Procedure required by Company
5. Handle report on investment situation.
6. Handle other matters as assigned.

#### Scope of Executive & Investment Committee

1. Make an investment on short-term security or trading portfolio amounted not exceeding 25 Million Baht under amount limit of not exceeding 50 Million Baht.
2. Make an investment on long-term security or stock security amounted not exceeding 25 Million Baht or accounted for 5% of paid-up capital under amount limit of not exceeding 50 Million Baht.
3. Make an investment on large-scale and costly properties under make amount limit of not exceeding 50 Million Baht.

### 2.2.1.5 Construction and Risk Management Committee

As of 31 December 2018, the Company's Construction and Risk Management Committee consists of 4 members as follows:

| Name                           | Position                                                   |
|--------------------------------|------------------------------------------------------------|
| 1. Mr. Anucha Sihanatkathakul  | Chairman of the Construction and Risk Management Committee |
| 2. Mr. Nontawat Thongmee       | Construction and Risk Management Committee                 |
| 3. Mr. Tanakorn Leelasiri      | Construction and Risk Management Committee                 |
| 4. Mrs. Wilaiporn Siripoorikan | Construction and Risk Management Committee                 |

#### Roles and Responsibilities of Construction and Risk Management Committee

Board of Directors delegated the authorities to Construction and Risk Management Committee as an authorized person, to work on behalf of the Company within the scope and conditions as follow;

1. To operate and manage the Company's operation in accordance with the objectives, rules, and resolutions undertaken at Shareholders Meeting and Management Committee Meeting in all cases.
2. To examine and authorize general operations of the Company, for example, purchase of vehicles, machinery and equipment.
3. To authorize the approval of project operations with the value not exceeding 700 Million Baht, such as construction contracts including approval of projects, purchase of construction materials, and hire of sub- contractors, etc.
4. To set business plans and management authority, to approve annual budget and expenditure for business operation, to implement business plans and strategies in accordance with the policies and business directions approved by Board of Directors.
5. Executive Committee does not have authority to approve or to involve in or to undertake any businesses or transactions that the executive committee member or other persons may have any conflicts, interests, or conflicts of interests with the Company.
6. To propose and review the risk management policies and procedures for consideration of the Board;
7. To oversee the implementation of the risk management policies and procedures;
8. To make recommendations concerning the risk factors and mitigation measures to the Company's business for consideration of the Board;
9. To perform any other duties as assigned by the Board of Directors.

## 2.2.2 Remuneration of Directors and Management

### 2.2.2.1 Monetary Remuneration

**Remuneration of the Company's Directors, Audit and Corporate Governance Committee and Remuneration Committee**

The Company's directors consists of 8 members as of 31 December 2018 and the Company has paid the monetary remuneration to directors, the Audit and Corporate Governance Committee and the Nomination and Remuneration Committee in 2018 as follows:

| Name                               | Position                                                                                                                        | Board's Meeting Allowance | *AC's Meeting Allowance | **RC's Meeting Allowance | Directors' Bonus |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------|--------------------------|------------------|
| 1. Mr. Anucha Sihanatkathakul      | Chairman of the Board                                                                                                           | 60,000                    | -                       | -                        | -                |
| 2. Mr. Jeremy Lechemere King       | Vice Chairman                                                                                                                   | 36,000                    | -                       | -                        | -                |
| 3. Mr. Phasunsook Ayanaputra       | Director and Chairman of the Audit and Corporate Governance Committee and Chairman of the Nomination and Remuneration Committee | 48,000                    | 60,000                  | 15,000                   | -                |
| 4. Mr. Nontawat Thongmee           | Director and Managing                                                                                                           | 48,000                    | -                       | -                        | -                |
| 5. Pol Maj Gen. Sunthorn Boonruang | Director and Audit and Corporate Governance Committee and Nomination and Remuneration Committee                                 | 48,000                    | 48,000                  | 12,000                   | -                |
| 6. Mr. Wera Suriyaarchanon         | Director and Audit and Corporate Governance Committee and Nomination and Remuneration Committee                                 | -                         | -                       | -                        | -                |
| 7. Mr. Patrick M. Davenport        | Director                                                                                                                        | 48,000                    | -                       | -                        | -                |
| 8. Mr. Tanakorn Leelasiri          | Director and Assistant Managing Director-Administration                                                                         | 48,000                    | -                       | -                        | -                |
| <b>Total</b>                       |                                                                                                                                 | <b>336,000</b>            | <b>108,000</b>          | <b>27,000</b>            | <b>-</b>         |

**Remarks:**\* AC means the Audit and Corporate Governance Committee

\*\* RC means the Nomination and Remuneration Committee

### Management's Remuneration

In 2018, the remuneration and benefits after retirement of the Company's Management is 11,177,581 Baht.

### 2.2.3 Personnel

As of 31 December 2018, the Company has 63 employees as follows:

| Description | Regular | Contract Employees | Total |
|-------------|---------|--------------------|-------|
| Engineers   | 8       | 1                  | 9     |
| Architects  | 3       | -                  | 3     |
| Head Office | 30      | -                  | 30    |
| Field       | 21      | -                  | 21    |
| Total       | 62      | 1                  | 63    |

Note : As of 31 December 2018, the Company has 35 daily paid workers

During the past 3 years, the Company has no any significant labor disputes. The total remuneration for 2016 to 2018 provided to the employees was in the amount of 47.7 Million Baht, 38.85 Million Baht and 35.57 Million Baht respectively. The said remuneration consists of salary, overtime, bonus and other remuneration.

The Company's policy enhances to continuously improve its personnel of all levels regarding the aspects of knowledge and competence, both engineer and any staff of other positions. Moreover, the Management Division is aware that its personnel are deemed as a value and vital resource, so that the Company's policy determines to enhance and support its personnel at all levels to the improvement of knowledge, skill and positive attitude towards their working.

Previously, the Company sent its personnel to attend the training courses in various fields which conform to their function, both inside and outside of the Company, whether they are provided by the public or private agency, such as the project of construction danger acknowledging enhancement and protection measures under the law regarding working safety, project of construction risk management for reducing any loss, and construction planning and period determination project, etc. Accordingly, such projects can increase the competence and effectiveness for their working, decrease any mistakes or trial and error, and enhance any personnel to gain more knowledge, vocational progress and working satisfactoriness leading to the corporate development and achievement of the operative objectives under the state of technology change and fierce business competition.

In 2018, the Company has sent 25 staff members from relevant departments to join the training program of Mango ERP Software which is the system for project management, procurement, finance and accounts. This system would help increase the capability and efficiency of the company staff.

## 2.3 CORPORATE GOVERNANCE

### **Corporate Governance Policy and Code of Conduct for Directors, Management and Staff of the Company**

The Company's Board of Directors No.1/2018, held on 27 February 2018 has resolved to agree with the revisions made to the Corporate Governance Policy and Code of Conduct for Directors, Management and Staff of the Company as follows:

1. Policy and Code of Conduct on Shareholders' Rights and Equitable Treatment to Shareholders
2. Policy and Code of Conduct on the Roles of Stakeholders
3. Policy and Code of Conduct on Disclosure of Information and Transparency
4. Policy and Code of Conduct on the Responsibilities of the Board of Directors, Chairman of the Board, Managing Director and Sub-Committees
5. Policy and Code of Conduct on Human Resource Management and Development
6. Policy and Code of Conduct on Accounting and Finance
7. Policy and Code of Conduct on Internal Control
8. Policy and Code of Conduct on Related Party Transactions
9. Policy and Code of Conduct on Anti-Fraud and Corruption
10. Policy and Code of Conduct on Non-Violation of Intellectual Property
11. Policy and Code of Conduct on Non-Violation of Human Rights
12. Policy and Code of Conduct on Whistle Blowing
13. Policy and Code of Conduct on the Safety, Health and Environment
14. Policy on Management Succession Plan
15. Policy on the Board Meetings
16. Policy and Procedures for Directors' Evaluation

Please see more details of the Corporate Governance Policy and Code of Conduct for Directors, Management and Staff of the Company in the Annual Registration Form (Form 56-1) of the Company at the website [www.sec.or.th](http://www.sec.or.th) or the Company's website [www.focus-pcl.com](http://www.focus-pcl.com) which have also been posted and announced at the head office of the Company and circulated to all management and staff for their acknowledgement and compliance.

In addition, the management was assigned to prepare the guidelines and details in order to comply with the said Corporate Governance Policy and Code of Conduct.

**Remarks:** The Company has already applied the Good Corporate Governance of the Office of the Securities and Exchange Commission B.E. 2560 (“CG Code 2017”) to the Company’s business while the non-compliance matters are as follows:

| Non-Compliance Matters under<br>CG Code 2017                      | Explanation                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. The term of independent directors should not more than 9 years | The Board of Directors has not yet determined this matter since the independent directors can still perform their duties independently without any personal conflict of interests with the Company and their decisions are made based on the highest benefits of the Company, including they are independent from the management and the major shareholders of the Company |
| 2. The Chairman of the Board should be an independent director    | The Board of Directors has considered that even though the Chairman of the Board is not an independent director, he has knowledge and expertise in the Company’s business can perform their duties independently. In addition, the Company has 3 independent directors who can express their opinion and suggestions independently for the benefits of the Company.        |

## 2.4 Corporate Social and environmental Responsibility

### 2.4.1 Company Policy on Corporate Social and Environmental Responsibility

According to the new CG Policy of the Company code of conduct for directors, management and staff of the company 2017, approved by the Board of Directors' Meeting No.3/2014 on 27 February 2017, the Company has realized the importance of the social responsibility by providing the participation of all related stakeholders, responsibilities to the community, society and environment in the Company's vision, mission and value for sustainable development of the Company.

Stakeholders shall mean shareholders, employees, customers, creditors, suppliers, competitors, community, society and environment. The Company's policy is to treat all stakeholders according to their rights as required by law and agreements. The Company shall encourage and support the participation of all stakeholders for sustainable growth of the Company and shall disclose sufficiently the key information and news to stakeholders. Therefore, the Company's CSR policy and practice for the benefits of our stakeholders is as follows:

#### 2.4.1.1 Responsibilities to Shareholders

- (1) The Company shall carry out the business according to the laws, objectives, Articles of Association, resolutions of the shareholders' meetings and Board meetings.
- (2) The Company shall carry out the business in good faith and in a transparent and fair manner. Any decisions shall be made carefully taking into account the highest benefits of shareholders.
- (3) The Company is committed to creation of the sustainable growth to the Company's business with quality and stability for the long term performance of the Company.
- (4) The Company shall respect the shareholders' rights to receive news and information equally and shall completely and correctly disclose the important information of the Company, both financial and non-financial information in a timely and transparent manner through the online news of the SET and/or the Company's website [www.focus-pcl.com](http://www.focus-pcl.com).

### Our Practice

The Annual General Meeting for the Year 2018, held on 27 April 2018 was duly convened and the Minutes of the meeting were completely recorded and reported to the shareholders via the online news of the Stock Exchange of Thailand within 14 days from the meeting day as required by law.

### **2.4.1.2 Responsibilities to Customers**

- (1) The Company is committed to develop and provide quality service in order to respond the customers' requirements with the safety and standards at reasonable price and shall hand over the work to customers within a specified period of time for the customers' satisfaction.
- (2) The Company shall strictly comply with the terms and conditions of agreements. If any contract terms cannot be complied with, the parties shall consult with each other to prevent any possible damage which may occur.
- (3) The Company shall not take any advantage from customers or gain too much profits and shall determine fair trade terms.
- (4) The Company shall deal with customers in a polite, speedy and efficient manner with customers' trustworthiness and shall provide customers complaint system to solve customers' problems and improve the quality of service.
- (5) The Company shall listen to opinion or suggestion of customers on a regular basis in order to improve its service.
- (6) The Company shall give a service warranty under specified conditions.
- (7) The Company shall keep confidential information of customers as secret under the terms and conditions of agreement and shall not disclose the same to any third party without prior written consent from the customers.

#### **Our Practice**

Eventhough there were some delays in our construction projects due to various factors, an agreement with our customers can be reached to compensate each other for such delays in the ordinary course of business of the construction industry.

### **2.4.1.3 Responsibilities to Suppliers**

- (1) The Company shall strictly comply with agreements and guidelines on procurement. If any contract terms or guidelines cannot be complied with, the parties shall consult with each other to prevent any possible damage which may occur.
- (2) The negotiation on procurement shall be conducted in a transparent and auditable manner by comparing the quality and price.
- (3) The Company shall not demand, receive and give any benefits in return which is not in good faith or not in the ordinary course of business.

#### **Our Practice**

There was no complaint on any give or take of any other benefits apart from the ordinary course of business.

#### **2.4.1.4 Responsibilities to Creditors**

- (1) The Company shall strictly comply with the conditions of agreements made with creditors in a transparent and equitable manner. If any contract terms cannot be complied with, the parties shall consult with each other to prevent any possible damage which may occur.
- (2) The Company shall disclose its complete and correct financial position to creditors in good faith.

#### **Our Practice**

The repayment of debts to our financial institutions and creditors has been made within the period of time as agreed by the parties.

#### **2.4.1.5 Responsibilities to Trade Competitors**

- (1) The Company shall support the trade competition for the benefits of customers and shall comply with the free and fair trade competition laws and regulations.
- (2) The Company shall not seek for any confidential information of competitors which is not in good faith or not in a proper manner.
- (3) The Company shall not ruin the reputation of the trade competitors with an unfair trade competition.
- (4) The Company shall not tackle the trade competitors or make them lose their trade opportunity in an unfair manner.

#### **Our Practice**

The Company complied with the relevant laws and regulations regarding the free and fair trade competition.

#### **2.4.1.6 Responsibilities to Community, Society and Environment**

- (1) The Company shall carry out the business with the responsibilities to community, society and environment.
- (2) The Company shall support and encourage the conservation and optimization of the use of natural resource and energy in the work process.
- (3) The Company shall support and encourage the staff of all levels to jointly create and participate in activities or projects for community, society and environment.
- (4) The Company shall strictly comply with the laws on natural resource and environment and all other relevant laws.

#### **Our Practice**

The Company conducted CSR in Process activities as part of our responsibilities to the community, society and environment including without limitation to hiring the local sub-contractors and purchasing construction materials from the local suppliers where our construction sites were located in order to promote and support their business in such community.

#### **2.4.1.7 Responsibilities to Staff**

- (1) The Company shall provide reasonable and fair remuneration to staff, based on their knowledge, competency, experience, responsibility and performance.
- (2) The Company shall take care of the working environment for the safety of life and property of the staff.
- (3) The Company shall promote, transfer, give a reward or do any act to the staff in good faith, taking into account their knowledge, competency, experience, responsibility and performance.
- (4) The Company shall support and encourage the staff to educate themselves for additional knowledge in order to develop and improve themselves to be competent in knowledge and capability and working experience in order for the better efficiency and effectiveness.
- (5) The Company shall strictly comply with the labour laws and regulations and all other relevant laws.
- (6) The Company shall listen to the opinion and suggestion of staff of all levels on an equal basis.
- (7) The Company shall treat staff in a polite manner and shall respect the human dignity.
- (8) The Company shall provide staff complaint system in order to provide fairness to all staff.

#### **Our Practice**

- (1) Apart from the monthly remuneration received by the staff, the Company also provides the following welfares to our staff subject to the specified conditions:
  - the provident fund
  - health insurance
  - life insurance
  - accident insurance
  - per diem for working upcountry and at the construction sites
  - travelling and accommodation allowances, etc.
- (2) The Company provided in-house trainings for our construction workers, sub-contractors, office staff, etc. in order to enhance their knowledge and experiences for the sustainable growth of the Company as part of our CSR in Process activities.





## Samples of the Company's CSR in Process Activities

### Sample 1 - On-the-Job-Training for Construction Workers

The Company provided on-the-job training on brick foundation and plaster work for our construction works in order to develop unskilled labour to be skilled labour for higher efficiency to the Company's construction work and also for higher income for construction workers which is a win-win situation for a long-term development and sustainability of the Company.

### Sample 2 - Tree Cutting Around Construction Project for Better Vision of Road Users and Accident Prevention

### Sample 3 - Drain Clearing and Cleaning Around the Construction Project for Better Environment and Better Water Flow

### Sample 4 - Clearing Around the Construction Project Site for Better Environment and Prevention of Undesirable Animals

### Sample 5 - Safety Standards Training for Construction Workers

### Sample 6 - Training on Tax and Accounting for Sub-Contractors

For the sub-contractors who would like to set up a company or would like to understand more on the tax and accounting matters, the Finance and Accounting Department of the Company is prepared to share with them the knowledge on these fields for the purpose of business development and tax and accounting planning.



## **2.5 Internal Control and Risk Management**

### **2.5.1 Conclusion of the Board's Opinion on the Internal Control**

The Board of Directors continuously realizes the significance of the internal control system to prevent and minimize potential risks by assigning the Audit Committee and Corporate Governance Committee comprising 3 independent directors to review the evaluation of the internal control system for the purpose of ensuring that the work performance is efficient and effective, that the Company's resources are used cost efficiently, that the financial reporting is properly controlled to ensure correctness, reliability and timeliness, that it complies with the policy in accordance with the provisions of the laws and regulations of the relevant authorities and agencies, and that the efficiency of the internal control system is regularly reviewed, to ensure the best interest of the shareholders on the basis of fair returns to all stakeholders.

In addition, the Audit and Corporate Governance Committee also has the duty to consider selecting and nominating the auditor, including the audit fee; and consider disclosing the Company's correct and complete information in case of connected transactions and transactions which may have conflict of interest. In 2017, the Audit and Corporate Governance Committee convened 4 meetings, so as to independently make inquiries on the audit plan and other matters found during the audit.

The Board of Directors' Meeting No. 1/2019, held on 20 February 2019 has evaluated the adequacy and suitability of the Company's internal control system as per the evaluation report by the Audit and Corporate Governance Committee in various aspects as per the internal control adequacy evaluation form, comprising five elements, namely, organization and environment; risk management; operational control of the management; information technology and communications system; and monitoring system. The Board concluded that the Company's internal control system is adequate and suitable to the business operations without any material fault, which would prevent the Company's assets from misuse or unauthorized use by the Management.

### **2.5.2 Head of the Internal Audit Department**

The appointment, removal or transfer of the Head of the Internal Audit Department must be approved by the Audit and Corporate Governance Committee of the Company. At present, Mrs. Anchana Samohsaman is the Head of the Internal Audit Department of the Company.

## 2.6 Connected Transactions

In 2018, the Company has the connected transactions with the following 3 related parties:

| Persons who may have conflict of interest            | Relationship                                                                                                                                                                                                                                                                                                            | Type/Size of Transactions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Necessity and Reasonableness of the Transactions                                                                                                        |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Mr. Anucha Sihanatkathakul                        | FOCUS's Authorized Director                                                                                                                                                                                                                                                                                             | <p>FOCUS borrowed 29.90 Million Baht short term loan from its director by issuing demand promissory notes without collateral security to be used as the working capital for 13.50 Million Baht and the remaining amount was lent to the joint venture company to relend to its subsidiary to build the waste management factory building</p> <p>As at 31 December 2018, the principal balance remains at 29.90 Million Baht with 0.35 Million Baht accrued interest payable.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Interest Rate : at the same rate as the project finance rate the Company borrows from domestic commercial banks (MOR Rate)                              |
| 2. Focus Wheig Corporation Limited ("Joint Venture") | <p>Mr. Anucha Sihanatkathakul and Mr. Nontawat Thongmee are the authorized directors of FOCUS and Focus Wheig Corporation Limited.</p> <p>Focus Wheig Corporation is jointly controlled by FOCUS and the joint investor from Hong Kong Special Administrative Region of the People's Republic of China (Wheig Asia)</p> | <p>Focus Wheig Corporation Limited was registered as juristic person on 5 October 2016 with 15 Million Baht registered capital. FOCUS and the joint investor from Hong Kong Special Administrative Region of the People's Republic of China (Wheig Asia) are the shareholders who have the right to vote at the ratio of 60% and 40% of the registered capital respectively.</p> <p>In 2018, FOCUS increased its investment for 15.75 Million Baht in the joint venture.</p> <p>As at 31 December 2018, Focus Wheig Corporation Limited has 85 Million Baht registered and paid-up capital.</p> <p>In 2018, FOCUS granted 17.63 Million Baht short term loan to the joint venture under demand promissory notes without collateral security in order to relend to its subsidiary with the purpose of constructing the waste management factory.</p> <p>As at 31 December 2018, the loan balance was 17.63 Million Baht with 0.15 Million Baht accrued interest receivable.</p> | <p>To carry out the integrated waste management business and energy business from the waste the Refuse Derived Fuel</p> <p>Interest Rate : MLR + 1%</p> |

**Remarks:**

- (1) "Focus" means Focus Development and Construction Public Company Limited  
(2) The connected transactions have been made on the fair basis and at arm's length.

| Persons who may have conflict of interest                     | Relationship                                                                            | Type/Size of Transactions                                                                                                                                                                                                                                                                                                                                                                                                                          | Necessity and Reasonableness of the Transactions |
|---------------------------------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| 3. Focus Wheig Bangna Limited (“Subsidiary of Joint Venture”) | Mr. Nontawat Thongmee is an authorized director of FOCUS and Focus Wheig Bangna Limited | <p>During 2018, FOCUS has the total income of 46.61 Million Baht from construction of the waste management factory of the Subsidiary of Joint Venture.</p> <p>In addition, FOCUS also earned the management fee of 4.20 Million Baht.</p> <p>As at 31 December 2018, the balance of the trade account receivable was 24.44 Million Baht, the retention account receivable from construction was 1.33 Million Baht, totally 25.77 Million Baht.</p> | as agreed under the contract                     |

**Remarks:**

(1) “Focus” means Focus Development and Construction Public Company Limited

## Focus Wheig Corporation Limited

In 2018, Focus Wheig Corporation Limited (“Joint Venture”) has entered into the connected transaction with 1 person who may have conflicts of interests as follows:

| Persons who may have conflicts                                | Relationship | Characteristics/Transaction Size                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Necessity and Reasonableness of Transactions                                                                                                            |
|---------------------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Focus Wheig Bangna Limited (“Subsidiary of Joint Venture”) | Subsidiary   | <p>On 18 October 2016, Focus Wheig Corporation Limited (“Joint Venture”) purchased 99.99% ordinary shares of the registered capital of the Subsidiary of Joint Venture.</p> <p>As at 31 December 2018, the Subsidiary of Joint Venture had 81 Million Baht registered and paid-up registered capital. In 2018, the joint venture increased the investment of 33 Million Baht.</p> <p>Focus Wheig Corporation Limited granted 43.50 Million Baht short term loan by issuing demand promissory notes without collateral security in order to be used for the construction of the waste management factory.</p> <p>As at 31 December 2018, the loan balance was 43.50 Million with the accrued interest receivable of 0.48 Million Baht.</p> | <p>To carry out the integrated waste management business and energy business from the waste the Refuse Derived Fuel</p> <p>Interest Rate : MLR + 1%</p> |