

7. Shareholder Structure

7.1) Securities

As of October 31, 2016, the Company's registered capital is THB 2,205,121,824.- ,paid up capital THB 2,205,116,309.50 of which there is 4,410,243,648 shares, paid up share 4,410,232,619 shares at par value of THB 0.50.

7.2) Debentures

Non-subordinated and non-collateral

Name	Tenor	Expiry Date	Total Value (million THB)
KSL172A	3 yrs	27-FEB-2017	1,000
KSL174A	3 yrs	30-APR-2017	1,000
KSL175A	3 yrs	16-MAY-2017	1,000
KSL185A	3 yrs	7-MAY-2018	2,000
KSL189A	3 yrs	25-SEP-2018	1,000
KSL198A	5 yrs	5-AUG-2019	1,000
KSL199A	5 yrs	18-SEP-2019	1,000
KSL203A	5 yrs	13-MAR-2020	2,000
Total			10,000

7.3) Shareholders

On October 31, 2016, the top 10 major shareholders of the Company in the past 3 years are as follows: (In 2014, calculation excluded treasury stock)

31-Oct-14				31-Oct-15				31-Oct-16			
Rank	Name	No. of Shares	% of total	Rank	Name	No. of Shares	% of total	Rank	Name	No. of Shares	% of total
1	KSL Sugar Holding Company Limited	553,958,700	33.16	1	KSL Sugar Holding Company Limited	1,330,924,480	33.20	1	KSL Sugar Holding Company Limited	1,452,000,000	32.92
2	Thai NVDR CO.,LTD	46,999,502	2.81	2	Mr.Chanachai Chutimavoraphand	104,868,636	2.62	2	Thai NVDR CO.,LTD	132,616,252	3.01
3	Mr.Chanachai Chutimavoraphand	43,695,265	2.62	3	Thai NVDR CO.,LTD	100,341,922	2.50	3	Mr.Chanachai Chutimavoraphand	113,355,499	2.57
4	CREDIT SUISSE AG SINGAPORE BRANCH	38,409,400	2.30	4	CREDIT SUISSE AG SINGAPORE BRANCH	91,150,560	2.27	4	Mr.Kamondanai Chinthammit	99,692,448	2.26
5	Ms.Duangdao Chinthammit	37,720,089	2.26	5	Ms.Duangkae Chinthammit	90,621,494	2.26	5	Ms.Duangkae Chinthammit	99,683,643	2.26
6	Ms.Duangkae Chinthammit	37,698,956	2.26	6	Ms.Duangdao Chinthammit	90,545,413	2.26	6	Ms.Duangdao Chinthammit	99,599,954	2.26
7	Mr.Somchai Chinthammit	37,261,070	2.23	7	Mr.Somchai Chinthammit	89,954,008	2.24	7	CREDIT SUISSE AG, SINGAPORE BRANCH	99,027,436	2.25
8	Mr.Kamondanai Chinthammit	36,449,139	2.18	8	Mr.Kamondanai Chinthammit	87,477,933	2.18	8	Mr.Somchai Chinthammit	96,225,726	2.18
9	Mr.Piripon Chinthammit	35,093,570	2.10	9	Mr.Piripon Chinthammit	84,224,568	2.10	9	Mr.Chamroon Chinthammit	94,133,231	2.13
10	Chinnakij Company Limited	32,901,000	1.97	10	Mr.Chamroon Chinthammit	79,672,274	1.99	10	Mr.Piripon Chinthammit	92,647,024	2.10
	Total for Top ten major shareholders	900,186,691	53.89		Total for Top ten major shareholders	2,149,781,288	53.62		Total for Top ten major shareholders	2,378,981,213	53.94
11	Others	770,360,193	46.11	11	Others	1,859,531,119	46.38	11	Others	2,031,251,406	50.66
	Total paid-up registered capital	1,670,546,884	100.00		Total paid-up registered capital	4,009,312,407	100.00		Total paid-up registered capital	4,410,232,619	100.00

Note: Major shareholders of the Chinthammit family hold 32.97 shares. However, proportion of shareholding does not indicate that members in the Chinthammit family are voting in the same way.

Chinnakij Co., Ltd. is owned by the Chinthammit family. The family members hold most of the shares. None of the shareholders holds shares more than 30 % of the authorized share capital.

The registered capital and paid up capital of KSL Sugar Holding Company Limited consists of 100 million shares at par value of THB 10.00 per share or THB 1,000 million.

On October 31, 2016, the top 10 major shareholders in KSL Sugar Holding Company Limited's shareholder record are as follows:

31-Oct-14				31-Oct-15				31-Oct-16			
Rank	Name	No. of Share	%	Rank	Name	No. of Share	%	Rank	Name	No. of Share	%
1	Ms.Nareerat Chinthammit	12,105,268	12.11	1	Ms.Nareerat Chinthammit	12,105,268	12.11	1	Ms.Nareerat Chinthammit	12,105,268	12.11
2	Ms.Duangdao Chinthammit	7,847,944	7.85	2	Ms.Duangdao Chinthammit	7,847,944	7.85	2	Ms.Duangdao Chinthammit	7,847,944	7.85
3	Ms.Duangkae Chinthammit	7,764,650	7.76	3	Ms.Duangkae Chinthammit	7,764,650	7.76	3	Ms.Duangkae Chinthammit	7,764,650	7.76
4	Mr.Chanachai Chutimavoraphand	6,971,788	6.97	4	Mr.Chanachai Chutimavoraphand	6,971,788	6.97	4	Mr.Chanachai Chutimavoraphand	6,971,788	6.97
5	Mr.Chamroon Chinthammit	5,370,580	5.37	5	Mr.Chamroon Chinthammit	5,370,580	5.37	5	Mr.Chamroon Chinthammit	5,370,580	5.37
6	Mr.Somchai Chinthammit	5,169,890	5.17	6	Mr.Somchai Chinthammit	5,169,890	5.17	6	Mr.Somchai Chinthammit	5,169,890	5.17
7	Mr.Sarun Chinthammit	4,246,828	4.25	7	Mr.Sarun Chinthammit	4,246,828	4.25	7	Mr.Sarun Chinthammit	4,246,828	4.25
8	Mr.Kamondanai Chinthammit	2,906,000	2.91	8	Mr.Kamondanai Chinthammit	2,906,000	2.91	8	Mr.Kamondanai Chinthammit	2,906,000	2.91
9	Mr.Piripon Chinthammit	2,906,000	2.91	9	Mr.Piripon Chinthammit	2,906,000	2.91	9	Mr.Piripon Chinthammit	2,906,000	2.91
10	Ms.Yaovanuth Dejvitak	2,900,000	2.90	10	Ms.Yaovanuth Dejvitak	2,900,000	2.90	10	Ms.Yaovanuth Dejvitak	2,900,000	2.90
	Ms.Yaovaluck Chutimavoraphand	2,900,000	2.90		Ms.Yaovaluck Chutimavoraphand	2,900,000	2.90		Ms.Yaovaluck Chutimavoraphand	2,900,000	2.90
	Total for Top 10 Major Shareholders	61,088,948	61.09		Total for Top 10 Major Shareholders	61,088,948	61.09		Total for Top 10 Major Shareholders	61,088,948	61.09
11	Others	38,911,052	38.91	11	Others	38,911,052	38.91	11	Others	38,911,052	38.91
	Total Registered Paid Up Capital	100,000,000	100.00		Total Registered Paid Up Capital	100,000,000	100.00		Total Registered Paid Up Capital	100,000,000	100.00

Note: The 10th major shareholders are Ms. Yaovanuth Dejvitak and Ms. Yaovaluck Chutimavoraphand who both hold equal number of shares.

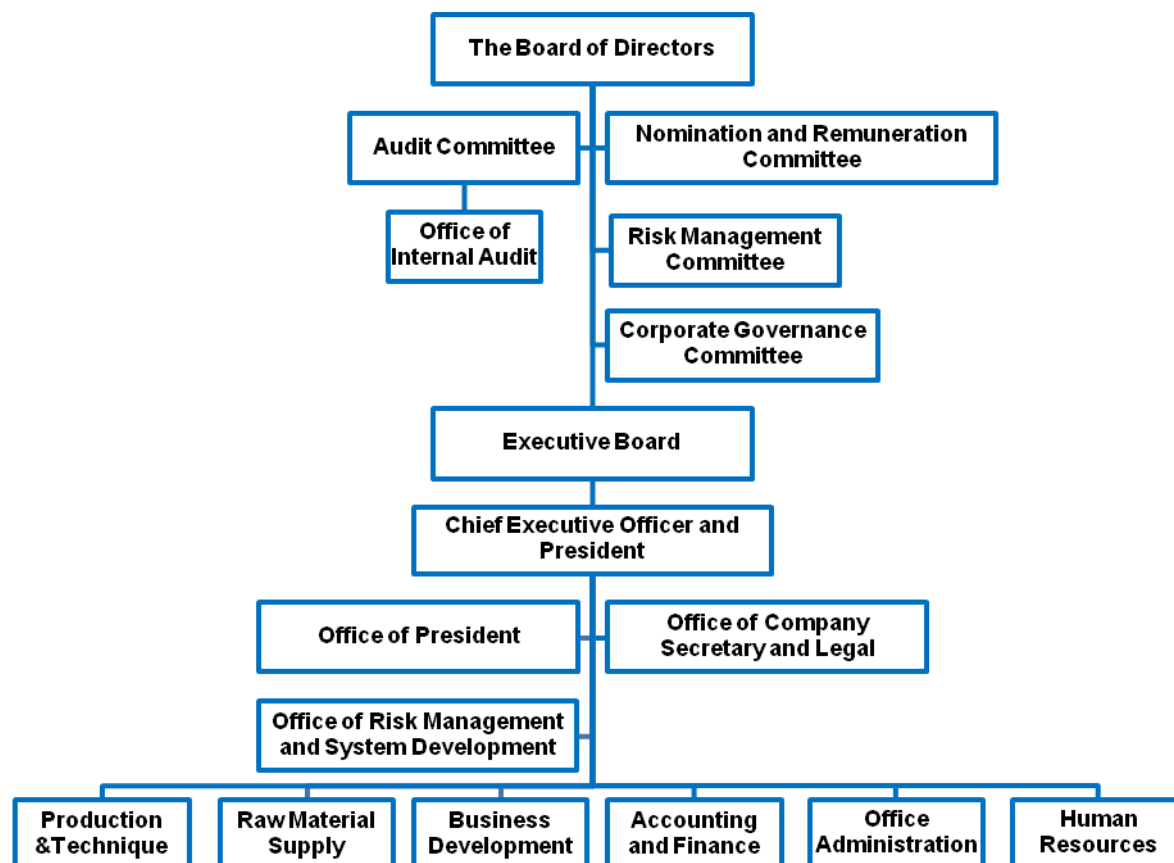
7.4) Dividend Payment Policy

The company pays dividends at a rate of not less than 50 % of its net income after tax and legal reserves of separate financial statement if there is no necessity for the use of the money, and if the dividend payment does not have an adverse effect on corporate operations significantly. Factors that are considered include corporate operation results, financial position, liquidity, and business expansion plans. The dividend payment requires approval from corporate shareholders and/or the Board of Directors. Dividend payment of the subsidiaries and associates to Khon Kaen Sugar Industry Public Company Limited depends on their cash flow, liquidity, suitability, and necessity for the use of the money. No minimum rate is specified.

7.5) Dividend Payment Record

			2013	2014	2015
1	CASH	(THB per share)	0.35	0.0811111111	0.0555555556
2	DIVIDEND STOCK	(THB per share)	-	0.10	0.05

8. Management Structure



8.1 Board of Directors

As of October 31, 2016, the Company's Board of Directors consists of:

1. Mr. Manu Leopairote	Chairman and Independent Director
2. Mr. Chamroon Chinthammit	Director
3. Mr. Prapas Chutimavoraphand	Director
4. Mr. Pornsin Thaemsirichai	Director
5. Mr. Sukhum Tokaranyaset	Director
6. Mr. Thawatchai Rojanachotikul	Director
7. Mrs. Intira Sukhanindr	Director
8. Ms. Duangdao Chinthammit	Director
9. Mr. Somchai Chinthammit	Director
10. Ms. Duangkae Chinthammit	Director
11. Mr. Chalush Chinthammit	Director
12. Mr. Chatri Chinthammit	Director
13. Mr. Somchat Chinthammit	Director
14. Mr. Tachpong Pakornsiriwongse	Director
15. Mr. Pramoon Vichiensin	Independent Director
16. Pol. Gen. Boonpen Bumpenboon	Independent Director
17. Mr. Sitti Leelakasamelurk	Independent Director
18. Mr. Karun Kittisataporn	Independent Director
19. Mr. Worapatr Todhanakasem	Independent Director
20. Ms. Nongluck Phinainitisart	Independent Director
21. Mr. Trakarn Chunharojrit	Director

Duties and responsibilities of Chairman:

1. Be the president of the board of directors.
2. Strengthen Corporate Governance standard of the board of directors
3. Be the president of the shareholder meeting and comply with the regulation and specified agenda
4. Manage correspondence to be effective between directors and shareholders
5. Comply with the law relating to chairman's duty

8.2 The Executives

As of 31 October 2016, the corporate top executives include:

1. Mr. Chamroon Chinthammit	CEO and President
2. Mr. Pornsin Thaemsirichai	Senior Vice President – Production & Technique

3. Mr. Sukhum Tokaranyaset	Senior Vice President – Accounting & Finance
4. Mr. Thawatchai Rojanachotikul	Senior Vice President - Administration
5. Ms. Intira Sukhanindr	Senior Vice President – Business Development
6. Ms. Duangdao Chinthammit	Vice President – Human Resource
7. Mr. Chalush Chinthammit	Vice President – Office of President
8. Mr. Chanachai Chutimavoraphand	Vice President – Accounting & Finance
9. Mr. Theera Sanguandeekul	Vice President – Office of President
10. Mr. Dhajjai Subhapholsiri	Company Secretary/ Vice President – Office of Company Secretary and Legal
11. Mr. Dhanapat Nachiangmai	Vice President – Office of Administration

Scope of Duties and Responsibilities of CEO and President:

1. Decide on important matters related to the Company. Determine the corporate missions, objectives, guidelines, and policies. Supervise the overall work. Be responsible for the Board of Directors.
2. Have the power to employ, appoint, and transfer personnel as necessary and appropriate to be the management or staff members for corporate operations. Define appropriate functions, responsibilities, and remunerations of employees. Have the power to dismiss, lay off, and discharge employees as appropriate.
3. Have the power to determine business terms and conditions, such as credit limits, payment terms, trade agreements, and trade term changes.
4. Have the power to act and appear as a corporate representative to outsiders regarding affairs related and advantages to the Company.
5. Approve the appointment of advisors needed in the corporate operations.
6. Deal with affairs concerning the Company's general operations.

The functions and responsibilities of President and CEO shall comply with legislation and the Company's regulations. The approval of President and CEO does not apply to approval of transactions that would allow President and CEO and related persons to have interest or cause conflict of interests affecting the Company and its subsidiaries.

A summary of approved financial amounts of transactions according to the Company's authorization manual

No.	Approved Financial Amounts for Important Transactions	BOD	EXC	PSD
1	Approval of Annual Budget	More than THB 500 Million	Not over THB 500 Million	Not over THB 100 Million
2	Approval of Changing/Increasing of Annual Budget or Investment Budget	More than THB 100 Million	More than THB 100 Million	Not over THB 100 Million

Note : (1) The power to approve the financial amounts mentioned is governed by legislation and regulations of the company, the Stock Exchange of Thailand and Securities, and Exchange Commission.

(2) BOD : Board of Director, EXC : Executive Board, PSD : President and CEO

8.3 Company Secretary

The Board of Directors had appointed the Company Secretary whose duties includes giving advice to the directors as to the compliance with laws and regulations regarding their responsibilities, arranging board of director meeting, shareholder meeting, and meeting reports and all other works required by the law.

Additionally, the Company supported the Company Secretary to gain more knowledge and training in law and company secretary duties. Qualifications and experiences of the Company Secretary disclose in the Company's annual report as the attachment 1.

8.4 Directors' and Executives' remuneration

8.4.1 Directors' Remuneration

The board of directors determines clear policies and guidelines for payment of directors' remunerations. For transparency, the remunerations are proposed to the shareholders' meeting annually for approval. They are adequate and motivational so that the company is able to keep highly qualified directors. Directors serving in committees receive appropriate remunerations based on their duties and responsibilities for those committees. Remunerations are divided into 3 parts:

- 1) Regular remunerations are paid monthly to directors.
- 2) Meeting remunerations are paid for directors who attend a board meeting.
- 3) Annual extra remunerations are paid for directors in accordance with the corporate annual operating results.

The Company determined the directors' remuneration which is approved by the shareholder meeting on February 26, 2016 as follows:

	Not Exceeding the amount of THB per year	
1. Remuneration for Chairman of Board of Directors	540,000	THB
2. Remuneration for Chairman of Audit Committee	540,000	THB
3. Remuneration for 19 directors THB 25,000 / person / month + bonus	8,550,000	THB
4. Meeting allowances for members in audit committee, nomination and remuneration committee, risk management committee, corporate governance committee who attend the meeting Chairman of the subcommittee who attend the meeting THB 7,200 Each director of the subcommittee who attend the meeting THB 6,000		
5. Meeting allowances for executive president		

* Noted: the directors' remunerations do not include the remunerations from subsidiary companies.

8.4.2 Managing Director's Remuneration

Currently, the company is considering criteria for determining the managing director's remuneration corresponding with operating results, corporate size, and amounts offered by businesses operating in the same industry. The remuneration is a motive for the managing director's developing the company's continuous and sustainable growth.

8.4.3 Remunerations for the Management

Remunerations for the Management are in line with the Company's procedures and policies, and in relation to corporate operation results and each individual's performance. Amounts of the remunerations are motivational and enable the company to achieve loyalty among the competent Management.

Remuneration in Cash

1. Remuneration for directors, paid last year

No.	Name of Directors	Position in Board of Directors	Year 2016				Year 2015			
			Remuneration		Meeting Allowance	Total (THB)	Remuneration		Meeting Allowance	Total (THB)
			Yearly	Bonus			Yearly	Bonus		
1	Mr. Manu Leopairote	Chairman	360,000	124,500	-	484,500	360,000	120,000	-	480,000
2	Mr. Chamroon Chinthammit	Executive Director	300,000	103,750	11,800	414,550	300,000	100,000	6,000	406,000
3	Mr. Prapas Chutimavoraphand	Executive Director	300,000	103,750	11,000	414,750	300,000	100,000	6,000	406,000
4	Mr. Pornsin Thaemsirichai	Executive Director	300,000	103,750	11,000	414,750	300,000	100,000	5,000	405,000
5	Mr. Somchai Chinthammit	Executive Director	300,000	103,750	11,000	414,750	300,000	100,000	5,500	405,500
6	Ms. Duangkae Chinthammit	Executive Director	300,000	103,750	11,000	414,750	300,000	100,000	6,000	406,000
7	Ms. Duangdao Chinthammit	Executive Director / Nomination & Remuneration Committee	300,000	103,750	23,000	426,750	300,000	100,000	16,000	416,000
8	Mr. Tachpong Pakornsiriwongse	Executive Director	300,000	103,750	10,000	413,750	300,000	100,000	5,500	405,500
9	Mr. Trakarn Chunharojrit	Executive Director	300,000	103,750	10,500	414,250.00	300,000	100,000	5,500	405,500
10	Mr. Chatri Chinthammit	Director	300,000	103,750	-	403,750.00	300,000	100,000	-	400,000

No.	Name of Directors	Position in Board of Directors	Year 2016				Year 2015			
			Remuneration		Meeting Allowance	Total (THB)	Remuneration		Meeting Allowance	Total (THB)
			Yearly	Bonus			Yearly	Bonus		
11	Mr. Chalush Chinthammit	Executive Director / Risk Management Committee	300,000	103,750	35,000	438,750	300,000	100,000	21,500	421,500
12	Mr. Sukhum Tokaranyaset	Executive Director	300,000	103,750	11,000	414,750	300,000	100,000	6,000	406,000
13	Mr. Thawatchai Rojanachotikul	Executive Director	300,000	103,750	11,000	414,750	300,000	100,000	6,000	406,000
14	Mr. Somchart Chinthammit	Director/ Nomination & Remuneration Committee	300,000	103,750	12,000	415,750	300,000	100,000	11,000	411,000
15	Mr. Pramoon Vichiensin	Independent Director / Chairman of Nomination & Remuneration Committee	300,000	103,750	14,400	418,150	300,000	100,000	13,200	413,200
16	Pol. Gen. Boonpen Bumpenboon	Independent Director /Chairman of Risk Management Committee /CG Committee	300,000	103,750	46,800	450,550	300,000	100,000	38,400	438,400
17	Mr. Sitti Leelakasamelurk	Independent Director / Chairman of Audit Committee / Risk Management Committee	360,000	124,500	52,800	537,300	360,000	120,000	48,400	528,400

No.	Name of Directors	Position in Board of Directors	Year 2016				Year 2015			
			Remuneration		Meeting Allowance	Total (THB)	Remuneration		Meeting Allowance	Total (THB)
			Yearly	Bonus			Yearly	Bonus		
18	Mr. Karun Kittisataporn	Independent Director / Audit Committee/ Nomination & Remuneration Committee / CG Committee	300,000	103,750	36,000	439,750	300,000	100,000	45,000	445,000
19	Mr. Warapatr Todhanakasem	Independent Director / Audit Committee/Risk Management Committee/ Chairman of CG Committee	300,000	103,750	57,600	461,350	300,000	100,000	60,600	460,600
20	Ms. Nongluck Phinainitisart	Independent Director / Audit Committee / CG Committee	300,000	103,750	30,000	433,750	300,000	100,000	29,000	429,000
21	Mrs. Intira Sukhanindr	Executive Director	300,000	103,750	11,000	414,750	300,000	100,000	6,000	406,000
	Total		6,420,000	2,220,250	416,900	9,057,150	6,420,000	2,140,000	343,600	8,903,600

* Noted: the directors' remunerations do not include the remunerations from subsidiary companies.

2. Remuneration for executives last year:

Remunerations for 11 executives (listed as corporate top executives on 8.2) include salaries, bonuses and allowances amounted to THB 48.50 million.

Other Remunerations

-None-

8.5 Personnel

As of October 31, 2016, the Company's personnel information is as follows:

	Consolidated		Separated	
	2016	2015	2016	2015
Average Number of Employees (Persons)				
During Production Season	6,722	6,862	2,316	2,264
During Normal Period	5,213	5,166	1,912	1,725
Expenses related to employees (Million THB)	1,462.41	1,608.86	557.94	558.35

As of 31 October 2016, the Company had no significant labor disputes that may have a potential negative impact on its operations.

Directorships and Executive Development

The company has provided training and human resources development programs for all of its personal through internal and external training. It allows the board to participate in its operations and ventures. Corporate directors and executives have participated in training courses organized by accredited institutions, such as Chairman Program, Director Accreditation Program (DAP), and Director Certification Program (DCP) provided by Thai Institute of Directors (IOD), also basic courses for the audit committee, courses offered by the Stock Exchange of Thailand, and cutting-edge management courses offered by other professional institutions. In 2016, some directors and executives have participated in training courses, for example, Ms. Duangdao Chinthammit (Director and Vice President) - Advanced Compensation Management Program, Mr. Chalush Chinthammit (Director and Vice President) Ultra Wealth Plus, Mr. Chanachai Chutimavoraphand (Vice President) - Executive Energy Program

New directors are required to complete training and orientation providing important knowledge and skills that are crucial for their directorships. Once there are business expansions or new ventures, the company invites corporate directors to visit the sites and monitor the progress regularly.

Succession Plans

The Board of Directors realizes that the Company growing depends on personnel who are educated, talent, and moral person. Therefore, the Board of Directors pass the policy to the executive regarding develop and manage personnel effectively.

The Company selects personnel who are in the executive position appropriately to ensure that the executive team has ability and fit for the position and smoothly manage the duty. To ensure readiness for the circumstance, the Company has prepared its human resources to be able to take on different responsibilities assigned in order to appropriately cover for their colleagues or fulfill their new positions. Executives are given opportunities to learn about the work outside their fields. This is to enable them to fill in assignments for their colleagues who are unable to take on the responsibilities. The board of directors has assigned the nomination and remuneration committee to research and coordinate with accredited consulting firms and professional institutions during development and revision of succession plans.

The Company specifies the succession plan as follows:

1. Specify the important position or major position
2. Specify the latency or capability of the major position
3. Finding a successor in succession plan
4. Set a policy for individual personnel development

Personnel Development Policy

The company has always valued its human resources. Policies on continuous training and human resource management have been established. The aims are to help employees reach their potential, ensure effectiveness at work, and allow them to grow in their fields. All employees are required to receive training that is in line with the company's direction and strategies. Training is well planned and always financially supported by the company which are held in the company and outside by other institutions. Also, the Company encourages the communication to transfer and share knowledge between employees in the organization (Knowledge Management).

In addition, the company has focused on developing better quality of life of employees. Also, the company has focused more on developing employees' knowledge and understanding about health and environmental safety in the workplace.

9. Corporate Governance

9.1) Policy of Corporate Governance

The Board of Directors deems it suitable to revise the Corporate Governance Policy, at its Meeting No. 3/2015 on 26th June 2015. The Company set the policy of Corporate Governance in 7 Chapters as follows: 1. Rights of shareholders, 2. Equitable treatment of shareholders, 3. Role of stakeholders, 4. Disclosure and transparency, 5. Role and Responsibilities of the Board of Directors (which include organization structure, qualification and structure of the Board of Directors and other committees such as the Board of Executive Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Governance Committee; this policy covers the board meetings, board self-assessment, and remuneration for directors and executives as well), 6. Anti-Corruption, and 7. Reporting Information on Misconduct and Fraudulent Activities.

9.1.1 Rights of Shareholders

1. The Company proposes a complete notice of a meeting both in Thai and English on the company's website 30 days prior to the meeting day. A notice of a meeting and supporting documents shall deliver to shareholders 7 days prior to the meeting day in case of general agenda and 14 days prior to the meeting day in case of special agenda.

2. The Company's website where corporate shareholders and those interested may download corporate financial information, corporate profiles, and meeting information is www.kslsugar.com. Inquiries and requests for further information may be e-mailed to ir@kslgroup.com and secretary@kslgroup.com

3. The Company facilitates and encourages its shareholders to exercise their rights and votes. There are two closing times of the transfer book. The Shareholders Register is first closed for shareholders' right to attend a shareholders' meeting, allowing the shareholders to consider and approve the annual dividend payment. The Register is closed again for shareholders' right to receive dividends, allowing the shareholders to choose whether they will hold the stocks for the dividends or not. Shareholders meetings are organized at convenient venues which is easily accessible by public transportation. The Company has chosen to hold annual general meetings at hotel in the middle of Bangkok, near the Company's head office. Shareholders can submit the registration form prior to the meeting day. For more convenient way, the Company uses barcode for registration. Stamps for proxy are prepared for shareholders. The meetings are notified in newspapers.

4. The Company held the Annual General Meeting 2015, No. 1/2016 on February 26, 2016. Corporate shareholders were given opportunities to directly inquire the corporate directors and committees. The Company does not deprive its shareholders of access to corporate information. All important information is included in distributed notices without any last-minute addition of agendas or changes in important matters. Shareholders who arrive late are always allowed to attend meetings. The meeting was recorded by video recorder.

5. In the annual shareholders meeting notice, the Company informed its shareholders about rules and procedure of attending the shareholders' meeting. It nominated corporate

Unofficial Translation

independent directors: Mr. Sitti Leelakasamelurk and Mr. Karun Kittisataporn as the shareholders' proxies. Shareholders were provided with proxy forms (Form A, B, and C).

6. Agenda of the 2015 Annual Shareholders' Meeting (1/2016) notice covered statement of financial position, profit and loss statement, reduction of unpaid registered capital, dividend payment, increase of capital to accommodate the share dividend, allocation of ordinary shares to accommodate the share dividend, election of replacement directors whose terms have ended, consideration of remuneration for directors, and approval of auditor for the year 2016.

7. In the AGM 2015, No. 1/ 2016 the Chairman informed corporate shareholders about procedures relevant to the meeting including voting procedure. The shareholders were given opportunities to express their opinions and ask questions. There were inquiries about the Company's financial statements and operating results. In director appointment, the shareholders voted on each nominated director. Voting cards were used.

8. In minutes of the AGM 2015, No. 1/ 2016, names of all the directors physically present/absent were shown. Summaries of clarifications, questions, answers, opinions, the voting procedure, and the vote count procedure were provided. Regarding disagreement, the meeting resolution was presented along with the total of votes in favor/ against and no vote. The minutes were posted on the corporate website within 14 days after the AGM.

9. The Company reported the financial statement certified by auditor to the SET within 60 days after the year end.

9.1.2 Equitable Treatments of Shareholders

1. A shareholder has a voting right in one share/ one vote. The Company has only ordinary shares.

2. The Company prescribes the using inside information in CG Policy and disseminate to employees, executives, and directors aware of limitation, prohibit to use inside information as well as not trading any transaction in one month before disclosing financial statement or operating result of the Company.

3. The Company allows its shareholders to propose matters to be included in a meeting's agenda, prior to the meeting, with requirements and procedures. For instance, the proposal may be submitted by one single shareholder or several shareholders holding at least 5% of total shares. A meeting agenda is presented in detail. Criteria for approving or rejecting proposed matters as part of meetings' agendas are stated clearly. There are channels and periods of time for accepting shareholders' proposals. After proposals are accepted, the Board of Directors' meeting will consider and select the proposals. Shareholders will be informed about the Board's meeting resolutions and reasons in detail regarding the proposals through the Company's website and corporate shareholders did not propose any additional matters to be included in the shareholders' meeting agendas. Moreover, the Company encourages its shareholders to electronically submit the Board their inquiries related to shareholders' meeting agendas via its website prior to shareholders' meeting dates.

4. The Company has facilitated nomination of candidates for corporate directors by shareholders. Guidelines for the procedure and criteria have been provided. For instance, registered mail can be used for shareholders' submission of their nominations to the Company's

Secretarial Division. Periods of time for accepting shareholders' director nominations are defined. Forms for nominees' profiles are provided. The procedure for nominees' declaration of their consent is explained. Detailed information regarding the nomination is posted on the Company's website. After nominations are accepted, the board of directors' meeting will consider the nominations. However, up to the present there has been no nomination from corporate shareholders.

5. Regarding the use and protection of inside information, the Company has established measures to prevent the use of inside information by directors, management, and employees for abusive self-dealing.

6. The Company requires that a director shall not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the Company's direct and indirect competition, unless the information about their position(s) is disclosed to the shareholders' meeting before the appointment. Directors shall inform the Company immediately about their direct and indirect conflicts of interest arising in any corporate contracts done between fiscal years, or due to change in their acquisition of shares or debentures of the Company or its subsidiaries between fiscal years. The Company encourages its directors, Management and those related to the Board to disclose information about their interests as part of the Board's meeting agendas. Directors who have interests in any issues being considered are not allowed to vote on those particular issues.

7. In the past year, no directors nor executives using insider trading. The Company is not violating connected transaction.

9.1.3 Role of Stakeholders

Besides protecting the benefits and rights of its shareholders, the Company realizes the significance of other stakeholders contributing to its financial stability and sustainability. These stakeholders include, customers, employees, suppliers, creditors, and the surrounding community. The Company has always ensured integrity and fair treatment for each stakeholder through its established business ethics, such as:

Rights of Shareholders: The Company abides by the Corporate Governance Policy and guidelines regarding shareholders and equal treatment to shareholders and prescribes consistent Business Ethics.

Rights of Employees: The Company prescribes the Corporate Governance Policy and guidelines regarding employees in the Chapter on Roles of Stakeholders and provides the conforming Business Ethics. Apart from respecting the employees' legal rights according to the Labour Protection Act and the related laws, the Company commits to the importance of employees at all levels without discrimination on race, religion and gender. All employees are equal and are treated equally. They are entitled to welfare without discrimination. The promotion is done by a committee which consists of executives from different units to ensure transparency and fairness.

Besides, the Company encourages the acquisition of knowledge through internal and external trainings so as to cope the future growth. The Company establishes a provident fund for employees and abides by the announced Thai labor Standard 8001-2553 which the Company is certified at the highest level from the Department of Welfare and Labour Protection, Ministry of Labour.

Rights of Customers: The Company has the Corporate Governance Policy and guidelines regarding customers in the Chapter on Roles of Stakeholders saying that the Company applies international quality control system, e.g., ISO 9001:2008, FSSC 22000, GMP, HACCP, HALAL, KOSHER, etc. so as to create the utmost satisfaction to the customers in terms of quality and product standard, timely delivery and international standard service and strict confidentiality keeping and provides consistent business ethics to ensure responsibility and long-term relationship with the customers.

The Company regularly communicates with the customers through various channels and visits the customers to know the need of the customers as well as to give useful information to the customers. The Company invites the customers to visit and audit the work system of the Company and the factories so that the customers can consider potential and readiness of the Company as a seller in accordance with the customers' standard. The Company provides the customers' satisfaction yearly survey as a part of ISO 9001 and takes into account the Customers' observation to improve its service and production, e.g. delivery, quality, after sale service, etc. Besides, the Company provides customers with channels for complaints and recommendations as deemed appropriate by the customers. By average, the Company receives approximately 40-50 complaints and recommendations per year regarding the operation of 5 sugar factories.

The Company extends full cooperation with the customers when they need certification from the Company that the latter complies with the principles of corporate governance and other significant standards. By the same token, the Company informs the customers of its corporate governance policy and anti-corruption policy as well as its implementation of the policies to ensure that the business dealing with the Company shall not conflict with any standard adopted by the customer. The Company commissions an external firm to evaluate the operation and to certify its compliance with the Thai labour standard.

Rights of Suppliers: The Suppliers hereby include, apart from contracting parties in sales and service of work, joint investors in some specific business. The Company acknowledges the legal rights and contractual rights pursuant to the joint investment by adhering to principles of honesty, equality and right to return of investment.

The Company has the Corporate Governance Policy and guidelines regarding customers in the Chapter on Roles of Stakeholders saying that it supports fair and free competition, equality in doing business and mutual benefits, transparent and fair procurement. The Company prescribes the qualifications of the customers who are entitled to offer bidding as well as announces openly and equally to the rightful bidders of the complete information and conditions regarding the procurement. The Company keeps confidential the bidding prices from the suppliers and does

not disclose to other bidders. The Company shall not demand any benefit from the suppliers in exchange of executing contracts with the Company as well as prescribes in the Business Ethics of such practices. As for the service of work in the Company's sites, the Company provides safe working conditions for the contractors and emphasizes that the contractors must strictly abide by the Company's rules of safety. Upon completion of the work, the Company has a process of transparent and fair acceptance of work and shall pay the contractors in due time.

The Company through the procurement department communicates with the suppliers through various channels of important matters and provides channels for the suppliers to send their complaints or information. In 2016, the Company held a meeting with major supplies to inform them of the implementation of the corporate governance policy and anti-corruption policy on 12 September 2016 in two sessions. 94 suppliers (75.20% of the 125 invited) attended the meeting. Besides, between late August and the beginning of September 2016, the Company sends letters to large and small suppliers by informing them of the policies together with copies of relevant policies. 91 from 125 suppliers (72.0%) acknowledge the information in writing. The procurement policy also announces the policy in front of its office for viewing by visitors. In 2017, the central procurement unit shall request all factories to extend anti-corruption policy to local suppliers so that acknowledgement of the information shall be as much as possible.

Rights of Creditors: The Company has the Corporate Governance Policy and guidelines regarding creditors in the Chapter on Roles of Stakeholders saying that shall abide by the agreement made with the creditors regarding the timely payment, appropriate use of financial service, providing and keeping collateral and other conditions such as correct financial reports for the use of credit analysis, debt-equity ratio. The Company has gained trust from the creditors through ethical operation and facilitates information for the understanding of the Company's business through the Annual Report and the Annual Statement (Form 56-1) and the financial status through financial reports which are made and audited in accordance with the generally accepted standard. The Company prescribes these practices in the Business Ethics consistently.

Rights of Community and Environment: The Company has the corporate governance policy and guidelines relating to community treatment under the role of stakeholders. The Company shall support and participate in charitable and community development activities to create good relationships and improve quality of life for communities surrounding our business operations. The Company collaborates with the government sector and agencies, helps developing public infrastructure, provides financial supports, and promotes social activities that bring understanding and sustainable development to the community. Projects supported and developed by KSL in 2016 are as follows:

1. KSL Group has been selected by Thaipat Institute as one of 100 outstanding listed companies in terms of ESG (Environmental, Social and Governance) which is on the basis of business-sustainability development.
2. Donation of goods and other necessities to help Phayao flood victims as part of a program dubbed "Good Heart for Northern Flood Victims".
3. A project dubbed "Great-hearted Giving Life" which is a group training about health care and elderly care under "CSR-DW continuous 2016 Program".

4. Activity to release 5,000 plant-eating fishes into public water sources at Nam Phong district, Khon Kaen province. The activity was aimed at increasing the fish population and propagating to the community.
5. Community leader and KSL staff jointed together to plant trees and restore forests area of 2.5 kilometres from village in order to reduce air pollution and improve air quality.
6. Establishment of the learning center of sufficiency economy to Ban Nong Mai Kaen village, Tha Maka district, Kanchanaburi province under 70 years KSL, 70 Sufficiency Economy Programs which aims to promote the principles of sufficiency economy through various community - based activities.
7. Public relation activities for the year 2016 around factory area in order to meet local people and receive their comments and complaints. Furthermore, KSL Group has also disseminated knowledge regarding cane policy, factory environmental policy and the principles of sufficiency economy which could reduce their expenses such as making soap and shampoo for household use, growing homegrown vegetables and so on.
8. The project called "CSRKSL" to pay a visit and provide the medical checkup to the people in the communities around the area by the physicians from the Nam Phong hospital and the officers from each district hospital and give the advice about health care, medical supplies usage and the disease control. Moreover, the company also invited the physical therapist to educate about the exercise.
9. The learning center of Sufficiency economy to Thairath Vittaya school. KSL CSR staff collaborated to improve the structure of mushroom cultivation farm and gave the suggestion about the correct method to grow mushroom so the teachers and students can produce and sell the product to increase their income.
10. The company has organized the project to train the employees to improve the quality of life according to the sufficiency economy philosophy.

Human Rights: The Company has the policy not to involve in human right violation by providing in the corporate governance policy saying that the Company promotes and respects human rights as well as operates its business in line with the principles and intent of the United Nations Declaration on Human rights and other international agreements that Thailand is a party and shall not participate in any act that is against the human right principles.

In respect of environment, Company has the Corporate Governance Policy and guidelines regarding environment in the Chapter on Roles of Stakeholders saying that the Company uses natural resources and energy as necessary and supports the reuse and recycling of raw materials and waste in production process. Bagasses left after cane crushing shall be made fuel for boilers in production process of sugar and electricity; Carbon dioxide derived from burning process shall be used in the carbonation process of syrup;; water from ethanol production process shall be used in fermenting biogas which is further used in factories. Each factory shall emphasize on the protection of environment by not releasing waste or pollutants to the community. The factory uses modern dust collector to prevent emission. The water treatment system is developed to ensure that the used water shall be clean enough for reuse or for discharge to natural source. As for any project that may have adverse effect to either community or environment, the Company shall conduct a study and ask for opinions of the would-be impacted group and shall prepare for the reduction of impact. The Company prescribes criteria for studying environmental and social factors and reduction of impact along with the feasibility of the new project. The Company strictly complies with the laws on environment.

The Board of Directors set a policy and guidelines as to no infringement of intellectual property by providing clearly in the corporate governance policy and the Business Ethics.

Local administration / government agencies: The Company abides by the laws which regulate the business and other relevant laws as enforced by local administration and central government agencies and cooperates with government units to develop the locality. The group of companies coordinates with the local government agencies to ensure that the companies correctly comply with the laws and regulations, e.g., coordination with municipality, provincial industry office, natural resources and environment office, underground water office, water resource office, irrigation office, regional revenue office, welfare and labour protection office, social security office, skill labour development office, etc.

The group of companies regards as highly important the cooperation with local administration / government units that ask for support to help develop community around the operating areas of the companies, e.g. municipality, Tambon administration, hospital, district public health, school, police, etc.

The Company at Nampong Branch had continually provided CSR activities with local administration. The following are examples of the activities.

1. giving money and composted fertilizer to Nampong Municipality, Amphur Nampong, Khon Kaen to support vegetable growers around Thund Theaw Swamp on 16 November 2016
2. attending meeting with Nampong Municipality, Amphur Nampong, Khon Kaen on the agenda of preventing environmental pollutions in the area of Nampong sub-district on 16 November 2016
3. giving money to support “Bun Bung Fire” tradition to District Administration Phung Thui, Amphur Nampong, Khon Kaen on 14 May 2016
4. setting up a booth on (technology transfer) Field Day and agriculture service for the startups for the new planting season 2016 at Amphur Khao Suan Kwang, Khon Kaen with provincial agriculture office and District agriculture office in Khon Kaen on 14 June 2016

Tamaka Co., Ltd. held activities with other units in the locality, such as

1. with network alliance including Electricity Generating Authority at Sri Nakarin Dam, department of National Park, wildlife and plants, Thammasat University Rotaract Club, Thai PBS, 9th regiment and others, an activity under the project “709 check dams 7009 small trees for reforestation” at Tambon Nasuan, Amphur Srisawat, Kanchanaburi.
2. with network alliance CSR including Electricity Generating Authority Kanchanaburi, Thai PBS, Region 7 Water Resource Office, Secretariate office of the House of Legislative and others, an activity under the project “709 check dams 7009 small trees for reforestation” at Tambon Maekrabung, Amphur Srisawat, Kanchanaburi.
3. with network alliance CSR including schools, municipality, Electricity Generating Authority and others, organizing the check dam project of 2016 and repair old check dams and build new check dams at Tambon Nasuan, Amphur Srisawat, Kanchanaburi.

Khon Kaen Sugar industry PLC at Nampong Branch has some activities with local entities, e.g., volunteer to be a member in Electricity Development Fund with duties to consider the projects submitted by the communities, built toilets for Kud Nam Sai Kindergarten, supported villagers with agricultural materials such as fertilizer, molasses as well as gave sporting equipments and scholarship to students in local schools.

The company always realizes the importance of all groups of stakeholders as mentioned. It also values all suggestions, opinions, and comments that enable development, improvement and

correction of the corporate operations. All stakeholders can contact the Company's management, the head of internal audit committee, the head of human resource department, or the chairman of audit committee to report improper incidents, complain, request for clarifications or correction, or make any suggestions via email. In the previous year, there was no wrongdoing reported to the company. Details information regarding procedure to report wrongdoing is provided in the Company's Corporate Governance Manual, under the heading Reporting misconduct, fraud, and non-compliance to Code of Business Ethics.

9.1.4 Disclosure of Information and Transparency

The company ensures that corporate information is provided correctly, accurately, on time, and transparently through channels that are trustworthy and equally easy to access for the public. The followings are corporate practices:

1. Annual Statement (Form 56-1) is disclosed within 3 months after accounting period end and Annual Report (Form 56-2) is disclosed within 4 months after accounting period end through the SET channels and corporate website, www.kslsugar.com. There are also updates related to the company and the industry posted on the website to facilitate decision-making of those involved.
2. In the previous year, the company's disclosure of information and transparency were approved by the Securities and Exchange Commission and the Stock Exchange of Thailand, as its practice was in accordance with disclosure requirements. Effectiveness of the corporate information disclosure procedure was evaluated by outsiders.
3. The company disclosed additional information including duties of the Board of Directors and committees, the director and executive remuneration policy, summarized corporate governance policy, environmental and social policies, the company's compliance with established policies, summarized business ethics, and directors' training background were disclosed.
4. A statement of the Board of Directors' responsibilities for the company's financial statements is provided along with the auditor's report in the corporate annual report. The contents include the certification that the company's financial statements are fairly presented in accordance with generally accepted accounting principles and regulations, and that the financial statements are accurate, complete, and true according to accounting standards. The statement is signed by the Chairman and managing director.
5. Contents of the Company's website consist of organizational information, shareholding structure, the Board structure, vision/missions, businesses and products, corporate governance policies and compliance results, business ethics, information for investors, environmental and social policies, annual reports, financial statements, news and updates in both Thai and English.
6. The company specifies that directors and executives need to prepare a report of interests of directors, executives and related persons which involved with the Company once they are being directors or executives and report when information changes and every year end. The Office of Company Secretary and Legal will send the report to the Chairman and the Chairman of the Audit Committee.

7. The company is well aware of the importance of disclosing information to investors with accuracy, transparency, and accessibility. A team set up to coordinate communications between the company, investors, and shareholders can be reached by email at ir@ksigroup.com or the following contacts:

- | | | |
|----|--------------------------------|---|
| 1. | Mr. Meechai Piyavisadpat | Telephone: 02-642-6230
Email: meechai@ksigroup.com |
| 2. | Mr. Chanachai Chutimavoraphand | Telephone: 02-642-6230
Email: chanachai@ksigroup.com |
| 3. | Mr. Chalush Chinthammit | Telephone: 02-642-6230
Email: chalush@ksigroup.com |

To promote better understanding of the company's businesses and facilitates the distribution of the information to interested investors, the company has produced an annual investor relations plan; held quarterly analyst meetings at corporate conference room. Additionally, in 2016, the Company participated in the "Opportunity Day" program organized by SET that provides an opportunity for listed companies to present their business, operating results, and give updates on their current and future projects to investors, analysts, and the press.

For foreign investors, the company collaborated with securities companies and financial analysts to prepare for various road shows presenting its operating results and project progress. In the previous year, the company attended conferences presenting corporate operating results and progress in Singapore in conjunction with the Stock Exchange of Thailand. Visits to the company have been arranged for domestic and foreign investors. Appointments can be made in advance with the company's investor relations team.

9.1.5 Responsibilities of the Board of Directors

1. The structure of the Board consisted of 21 directors. 7 out of 21 are independent directors of which one, who is not the Managing Director, is the Chairman of the Board. The company's Board of Directors possesses skills and expertise in various fields, such as accounting, finance, law, governance, production technology, personnel, purchasing, marketing, real estate, internal audit, and information technology. Detailed profiles, qualifications, experiences, and ownership of directors are included in Form 56-1.

Category of Directors

No .	Name-Family Name		Category of Director			
			Shareholder Representatives	Non- Executive Director	Independent Director	Executive Director
1	Mr. Manu	Leopairote		/	/	
2	Mr. Chamroon	Chinthammit	/			/
3	Mr. Prapas	Chutimavoraphand	/			/
4	Mr. Pornsin	Thaemsirichai	/			/
5	Mr. Somchai	Chinthammit	/			/
6	Mrs. Intira	Sukhanindr	/			/
7	Mr. Trakarn	Chunharojrit	/			/
8	Ms. Duangkae	Chinthammit	/			/
9	Ms. Duangdao	Chinthammit	/			/
10	Mr. Tachpong	Pakornsiriwongse	/			/
11	Mr. Chatri	Chinthammit	/	/		
12	Mr. Chalush	Chinthammit	/			/
13	Mr. Sukhum	Tokaranyaset	/			/
14	Mr. Thawatchai	Rojanachotikul	/			/
15	Mr. Somchart	Chinthammit	/	/		
16	Mr. Pramoon	Vichiensin		/	/	
17	Pol.Gen. Boonpen	Bumpenboon		/	/	
18	Mr. Sitti	Leelakasamelurk		/	/	
19	Mr. Karun	Kittisataporn		/	/	
20	Mr. Warapatr	Todhanakasem		/	/	
21	Ms. Nongluck	Phinainitisart		/	/	
	Total		14	9	7	12

2. It is required that during the annual general meeting, one third (1/3) or close to one third of corporate directors resign. Each director's term is three years. In case that the Board serves until the end of its term and the new Board has not yet been appointed, the former Board still continues to work until the new Board has been appointed. The company has not determined the total terms the Board can consecutively serve. The Nomination and Remuneration Committee is considering this matter in relation to feasibility of selecting personnel with experience specific to the company's business to serve in the Board.

3. The Board of Directors has established the following committees: the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Corporate Governance Committee, as well as defined their functions and responsibilities. For transparency and independence in the work , the majority of the committee members are independent directors, and chairs of the committees are independent directors. To maintain true independence of the corporate committees, the Chair of the Board is not the chair or a member of those committees. The committees serve 3 years. In case that a committee serves until the end of its term and a new committee has not yet been appointed , the former committee still continues to work until a new committee has been appointed . At the end of their term , if a director is not re- elected, their position in their current committee shall end automatically . If there is a new director in a committee , that director shall remain in the position as long as the committee's term

4. The board requires that a director must not operate or have any position in any ordinary partnership, or be a general partner in limited partnership, or be a director in any other limited company or public company limited that operates businesses of the same nature and that is the company's direct and indirect competition, unless the information about their positions is disclosed in the annual general meeting before the appointment. The requirement is applied to corporate executives as well.

5. The company's vision, missions, strategies, goals, business plans, budgets, internal control, internal audit, and risk management have been governed with effectiveness and efficiency. The current corporate vision has been reshaped from being a sugar manufacturer to a producer of alternative energy which is environmentally friendly. The new vision is based on the idea that sugar is an energy source for human beings. Ethanol fuels automobiles. Fertilizer nourishes plants. Electricity energizes appliances. Corporate investments are in line with such vision.

6. The board has established corporate governance policy as follows: "The company is committed to corporate governance to build trust among shareholders, employees, and customers, as well as to create sustainable competitive advantage. It emphasizes internal control, internal audit, and risk management, as well as ensures that managements implement policies effectively in compliance with legislation and business ethics ." The policy has been

communicated throughout the Company . The company ensures that its personnel understand and comply with the corporate governance . The work and corporate policies are always evaluated and reviewed annually.

7. The board has set a written ethics and codes of business conduct for the company's directors and employees, which cover key matters, such as honesty, integrity, conflicts of interest, and compliance with laws. Compliance to the codes is monitored, and penalties are defined. Each year the Corporate Governance Committee evaluates, reviews, and revises the codes of conduct.

8. Prevention of Conflicts of Interest, The Board of Directors thoroughly considers and deals with transactions with (potential) conflicts of interest. The Audit Committee considers related-party transactions according to the SET legislation and procedure. Stakeholders in the related transactions are not allowed to decide on those particular transactions, which are fully and accurately disclosed in annual reports and from 56-1.

9. Efficient Administrations and Internal Control, the company's internal control unit has been formed to ensure effective operations, accurate and reliable information, compliance with legislation, efficient and effective use of corporate resources, and protection and corporate assets. The corporate internal audit provides analyses, audits, evaluations, advice, and recommendations to support corporate activities. The audit committee independently reviews and audits adequacy and efficiency of the company's internal control and internal audit once a year. The opinions on the corporate internal control system are included in the annual report.

10. Risk Management. The Risk Management Committee engages in establishing the total risk management. Adequacy and efficiency of the company's risk management system will be reviewed at least once a year. The early warning system will be in place for irregularity scanning.

11. The Company sets the Board of Directors meeting dates and notifies the directors of those date in advance. The Board of Directors shall hold at least 6 meetings per year. For the flow of the company's operations, there are monthly executive meetings where the board entitles the meeting to make decisions. In every board meetings, the board of directors is informed about matters that have been approved by the Company's executive meeting to ensure that the board is able to supervise, control, and monitor the work of managements on a regular basis.

In 2016, the Board held 7 meetings, and 1 non-executive directors meeting (without management). The non-executive directors independently express their opinion regarding management.

In board meetings, the chairman, managing director, and company secretary consider agendas. This is to ensure that the agendas cover important matters. Each director may propose agendas independently.

Office of Company Secretary and Legal sent meeting documents to each director in advance at least 7 days before the meeting date with supporting documents.

In a board of directors meeting, the chairman of the board allocates adequate meeting time for managements' presentations and comprehensive directors' discussions. The chairman encourages careful consideration in the meeting. Directors pay attention to each issue presented in the meeting, including issues concerning governance of the company. Top executives from different departments attend the board meeting to present details on the issues that they are responsible for in order to facilitate the Board's decision-making. The Board also has a chance to know more about the top executives, as well as has access to important additional information through the top executives. Directors may request more information about issues in the meeting from the company's secretary.

Minutes of the board of directors' meetings include such important matters as dates, times, names of directors who are present and absent, summaries of proposals, summaries of discussions and remarks, resolutions, opinions from directors who disagree, names of people preparing minutes, and names of those approving minutes. The minutes are bound and easy to retrieve. They cannot be changed. Numbers of the board meetings and attendance are disclosed. The board sets a meeting every 3 months in a year, and the executive committee has monthly meetings concerning the company's operating results. Information from the executive committee meetings is presented to the corporate board of directors.

Each year the board evaluated its works according to the applicable SET evaluation criteria. Also, there were evaluations of directors in groups and individually including the sub committee. The board considered the evaluation results and put forward recommendations for improvement.

9.1.6 Anti-Corruption Process

The Company has a policy prohibiting directors, executives, and staff from committing any kind of corruption. There shall be assessed a risk from corruption and a review on compliance with the Policy regularly. Also, there shall be reviewed the guidelines on compliance and the regulations of each part so that they be in line with the changes of the laws, regulations, acceptable standards, and business of the Company.

Guidelines for Practices: The Company shall make this Policy on Anti-Corruption known to its staff for proper compliance widely and thoroughly, by preparing the Ethics on Anti-Corruption and Manual for various departments in the part relating to Policy on Anti-Corruption, for use in training, implementation, or learning by the staff, and for propagation via various suitable channels. Besides, the Company shall provide protection for the staff who reports an incident or a lead about a corruption under the criteria prescribed including regulations and work regulations concerned. A corruption is regarded as a wrongdoing and/or a dishonest act, as the case may be, and the person committing corruption is regarded as having violated the discipline

and shall be subjected to punishment according to the work regulations of the Company and may also be subjected to criminal prosecution in criminal and civil courts.

On 26 September 2014 the Chairman of the Board of Directors had signed a letter of intent and acknowledged the commitment terms set by the Private Sector Collective Action Coalition Against Corruption group that seeks to deter all types of corruption activities within the private sector. The Company provided the Manual of Anti - Corruption which is used in July 2016 including improving all documents, and work processes to the alignment of the said commitment terms and its self-assessment guideline. The Company submitted its improvements to the Private Sector Collective Action Coalition Against Corruption Council (CAC) for further consideration and endorsement.

For the purpose of preparing required documentation and references to gain membership to the Private Sector Collective Action Coalition as prescribed by the Private Sector Collective Action Coalition Against Corruption Council (CAC), the Company has hired a specialist consultant for this task and estimated that membership application was submitted in Q4 of 2016.

9.1.7 Giving Information of Wrongdoing and Dishonest Acts

According to Corporate Governance Policy, The Company has a channel for reporting lead or information on any commission of wrongdoing and dishonest act, or whistle-blower hotline, so that the stakeholders may provide information which is beneficial to the examination, elimination, and prevention of wrongdoing or dishonest act, or lodging of complaints, and so that such be rectified accordingly.

Channels for Giving Information

1. When a staff finds, or there is reason to believe in good faith, that there has been committed a wrongdoing or a dishonest act concerning the Company or its subsidiary companies, he/she shall inform his/her superior from the level of Manager forthwith, either verbally or in writing. If such report is ignored, he/she shall notify the higher superior according to the Form of Giving Information of Wrongdoing or Dishonest Act . However, the staff should not self-conduct further inquiry or questioning any suspicious acts.

2. If a staff is in a difficult situation or he/she is not comfortable to notify the said superior, or he/she suspects that his/her superior or any executive of the Company is connected with a wrongdoing, he/she may choose to file a report through the following channels:

2.1 Manager, Internal Audit Office, Tel. 02-642-6092, Ext. 122, or email: IA@kslgroup.com.

2.2 Manager, Human Resources Management, Tel. 02-642-6092, Ext. 969, or email: Ampaporn@kslgroup.com.

2.3 Send email to IA@kslgroup.com on the intranet of the Company.

2.4 The Chairman of the Audit Committee or the Board of Directors of the Company, at the following address:

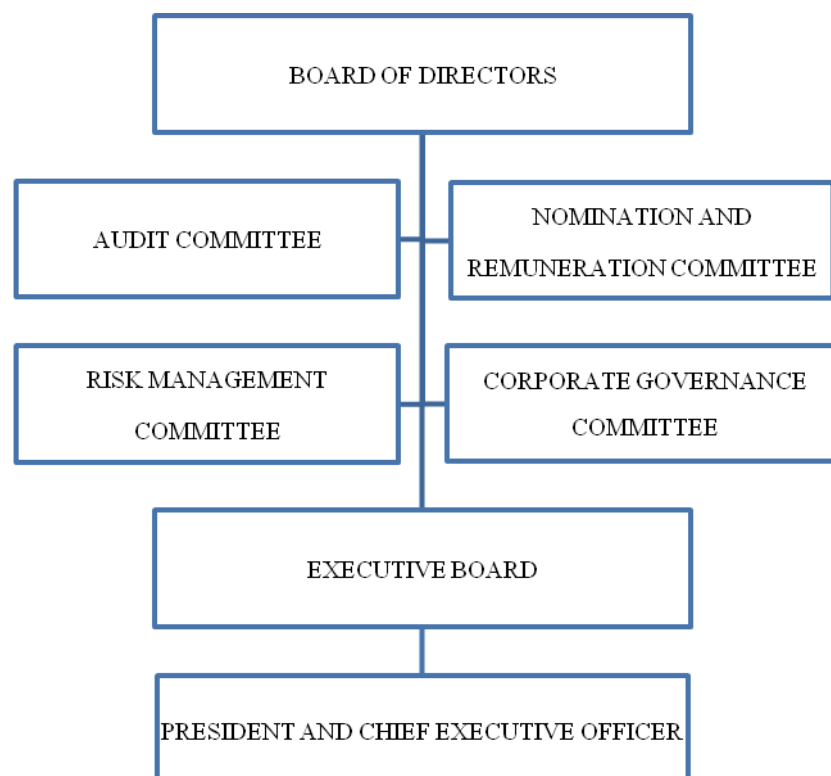
Khon Kaen Sugar Industry PCL
503 KSL Tower, 22nd Floor, Sri Ayudhya Road,
Thanon Phayathai Sub-District, Rajathevi District,
Bangkok Metropolis 10400,
or email: IA@kslgroup.com.

3. When the persons or above departments have been notified of a commission of wrongdoing or dishonest act, they must report such to the Internal Audit Office at once.
4. The Internal Audit Office shall have the duty to prepare a register of complaints and shall prepare a report summarizing the receipt of information of wrongdoing to the Audit Committee at its next meeting.
5. The Internal Audit Office shall consider initially that at which department the commission of wrongdoing occurred, and shall then send the complaint to the said department for investigation, and shall also monitor the proceeding of said department from time to time.
6. The fact-finding, the investigation, the disciplinary action, and the legal action shall be in accordance with the regulations governing such.
7. Upon completion of the complaint, the work unit concerned shall report the result to the Internal Audit Office for forwarding the matter to the Audit Committee at its next meeting.

Protection of Informant

1. The Company shall not terminate employment, suspend, inflict disciplinary action, or threaten to take any action against any staff who provided information of wrongdoing. Whoever violates this clause shall be subjected to disciplinary action.
2. The Company shall protect the informant including the person rendering cooperation or assistance in the investigation in good faith from any threat and harassment.
3. The Company shall provide protection additionally and specially according to suitability, by taking into consideration the degree of severity and the importance of complaint. In the event the informant is threatened or harassed, he/she shall report such to the Managing Director for ordering the Human Resources Department to provide protecting measures for the informant suitable to the circumstances.
4. In the event a staff has reported a complaint or has provided information of wrongdoing in good faith, even though the Company finds no wrongdoing as lodged, the Company shall not inflict any punishment on the said informant. Nevertheless, if the result of investigation finds that the complaint is baseless and it was done with ill intention or an intent to yield damage to other person, or it was a giving of false statement, the Company shall consider inflicting disciplinary action to the staff who gave the information according to the work regulations, and shall also consider taking legal action against the said person.

9.2 Organization Structure



9.3.1 Board of Directors

As of October 31, 2016, the Company's Board of Directors comprises of:

1. Mr. Manu	Leopairote	Chairman and Independent Director
2. Mr. Chamroon	Chinhammit	Director
3. Mr. Prapas	Chutimavoraphand	Director
4. Mr. Pornsin	Thaemsirichai	Director
5. Mr. Sukhum	Tokaranyaset	Director
6. Mr. Thawatchai	Rojanachotikul	Director
7. Mrs. Intira	Sukhanindr	Director
8. Ms. Duangdao	Chinhammit	Director
9. Mr. Somchai	Chinhammit	Director
10. Ms. Duangkae	Chinhammit	Director
11. Mr. Chalush	Chinhammit	Director
12. Mr. Chatri	Chinhammit	Director
13. Mr. Somchat	Chinhammit	Director
14. Mr. Tachpong	Pakornsiriwongs	Director
15. Mr. Pramoon	Vichiensin	Independent Director
16. Pol. Gen. Boonpen	Bumpenboon	Independent Director
17. Mr. Sitti	Leelakasamelurk	Independent Director
18. Mr. Karun	Kittisataporn	Independent Director
19. Mr. Worapatr	Todhanakasem	Independent Director

20.Ms. Nongluck	Phinainitisart	Independent Director
21.Mr. Trakarn	Chunharojrit	Director

The company has 21 directors, of which 9 are non-executive directors and 7 are independent directors, and one of them is a female. The Board of Directors is in charge of managing and governing the company's operations according to law, rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, Capital Market Supervisory Board, and the company's objectives and requirements. The Board performs their duties with integrity and diligence.

The Board of Directors is appointed by the shareholders' meeting. The Board has established the Corporate Secretary Office to recommend and assist the Board to conduct their duties in compliance with relevant rules, regulations and corporate governance. The office also coordinates and ensures that corporate shareholders receive appropriate treatment.

Scope of Duties and Responsibilities

The Board of Directors holds accountability to the shareholders in respect of the Company's business operation and supervision of management so as to be consistent with the policy, guidelines and goals to maximize shareholders' benefit within framework of good ethics and interest of all stakeholders.

1. Supervise the Company's administration for the best interests of the shareholders and perform duties with care, loyalty, obedience to law, avoidance of conflict of interest as well as to abide by laws, objectives, Articles of Association and resolutions of shareholders' meeting and to disclose information to shareholders in an accurate, complete and transparent manner.
2. Review and approve vision, policies, directions, strategies, and management plan including corporate governance policy and other policies relating to the Company's operations for accounting period year end.
3. Supervise the Management to comply with the determined policies, strategies, and directions with effectiveness and efficiency and regularly evaluate the Management's performance.
4. Consider and approve budgets in accordance with the Manual of Operational Power and for significant matters such as big project investment, related transactions, acquisition or disposal of assets, any other transactions prescribed by law, etc.
5. Provide accounting system, financial reporting and reliable accounting audit including evaluation process of internal control and internal audit, risk management, financial reporting and evaluation follow-up.
6. Supervise and take action to avoid conflict of interest among directors, shareholders, stakeholders and the Company.
7. Appoint sub-committees as necessary to help monitor the administration and the governance in various aspects, e.g., Executive Committee, Audit Committee, Nomination and Remuneration Committee and Corporate Governance Committee as well as to appoint Company Secretary.
8. Execute a Report of responsibility of the Board of Directors in financial reports by showing along with the report of the Auditor in Annual Report with the coverage on other significant matters according to the SET Code of Best Practice for Directors of Listed Companies.
9. Execute and submit report of shareholding of the Company's securities by the director, the director's spouse, the director's minor children to the Office of

Securities and Exchange in accordance with the format and within the stipulated time.

In 2016, the Board held 7 meetings, and 1 non-executive directors meeting (without management). The non-executive directors independently express their opinion regarding management.

9.2.2 The Board of Executive Directors

As of October 31, 2016, the Company's Board of Executive Directors consists of:

1)	Mr. Chamroon	Chinthammit	Chairman
2)	Mr. Prapas	Chutimavoraphand	Executive Director
3)	Mr. Pornsin	Thaemsirichai	Executive Director
4)	Mr. Sukhum	Tokaranyaset	Executive Director
5)	Mr. Thawatchai	Rojanachotikul	Executive Director
6)	Ms. Duangdao	Chinthammit	Executive Director
7)	Mr. Somchai	Chinthammit	Executive Director
8)	Ms. Duangkae	Chinthammit	Executive Director
9)	Mr. Chalush	Chinthammit	Executive Director
10)	Mr. Trakarn	Chunharojrit	Executive Director
11)	Mrs. Intira	Sukhanindr	Executive Director
12)	Mr. Tachpong	Pakornsiriwongse	Executive Director

The Chairman of the Board of Executive Directors appoints the secretary of the Company's Board of Executive Directors.

Scope of Duties and Responsibilities

1. Determine policies, directions, strategies, and significant management structures for the Company's operations for approval by the Board of Directors.
2. Determine business plans, budgets, and the Company's administrative power for approval by the Board of Directors
3. Establish organizational structures and manpower policy
4. Examine and monitor policies and management plans to ensure their effectiveness and suitability for the corporate operations.
5. Consider and approve the Company's operations in accordance with the Manual of Operational Power.
6. Perform other tasks as assigned by the Board of Directors.

Any power mentioned above given to the Board of Directors shall be under the law and the Company's regulations. Any activities that benefit/may benefit or affect interests of any executive director or individual, or that may lead to conflicts of interest (according to the SEC Notification), are required to be presented by the Board of Executive Directors to the Board of Directors for consideration. The particular executive director and the interested individual shall not be allowed to vote in the meeting concerning the matter.

In 2016, the committee held twelve meetings, and reports on their work were regularly presented to the Board of Directors.

9.2.3 Audit Committee

As of October 31, 2016, the Audit Committee comprises of:

- | | | |
|-----------------|-----------------|----------|
| 1) Mr. Sitti | Leelakasamelurk | Chairman |
| 2) Mr. Karun | Kittisataporn | Director |
| 3) Mr. Worapatr | Todhanakasem | Director |
| 4) Ms. Nongluck | Phinainitisart | Director |

The Chairman of the Audit Committee shall appoint the secretary of the audit committee.

Scope of Duties and Responsibilities:

1. To review and ensure that the disclosure of information in financial statements are accurate and adequate
2. To review the Company's internal control system and internal audit system ensuring their appropriateness and effectiveness
3. To review and ensure that the Company's operations are in compliance with securities and stock exchange laws, the SET regulations, or other laws applicable to corporate businesses
4. To consider, select and nominate the external auditor; and propose the external auditor's remuneration
5. To review the Company's disclosure in case of related party transactions or transactions that may lead to any conflict of interest and ensure that the disclosed information is correct and complete
6. To perform any duties as assigned by the Board of Directors and agreed upon by the Audit Committee, such as reviewing financial management and risk management policies, reviewing Management's compliance with business ethics, and reviewing with Management important reports to be presented to the public as prescribed by the law, i.e. Management's reports and analyses, etc.
7. To prepare reports of the Audit Committee for disclosing in the Company's annual report in which shall be signed by the Chairman of the Audit Committee and consist of at least the following information :
 - 7.1 Opinions on accuracy, completeness and reliability of the Company's Financial Statements
 - 7.2 Opinions on adequacy of the Company's internal control system
 - 7.3 Comments the Company's on compliance with laws on securities and the Stock Exchange of Thailand, the Set requirements, or laws applicable to the Company's businesses
 - 7.4 Comments on suitability of the auditor
 - 7.5 Comments on transactions that may lead to conflicts of interest

- 7.6 Numbers of the Audit Committee meetings and attendances of each of the Audit Committee members
 - 7.7 Comments or overview observation which the Audit Committee has obtained from performing in compliance with the Charter
 - 7.8 Any reports considered appropriate for notifying corporate shareholders and general investors under the scope, duties and responsibilities as assigned by the Board of Directors
8. To report routine activities in order that the Board of Directors shall acknowledge the Audit Committee's activities as follows:
- 8.1 The Audit Committee's minutes of meetings clearly specifying the Committee's comments on different matters
 - 8.2 The report on the Committee's opinions on corporate financial statements, internal audit and internal audit procedure
 - 8.3 Any report considered appropriate for acknowledgement of the Board of Directors
9. In performing its duties, should the Audit Committee find any doubtful transactions or conducts as shown below which may cause a significant impact to the Company's financial status and operating results, it should report to the Board of Directors for improvement and correction within time frames it deems appropriate:
- 9.1 Conflict of interest transactions
 - 9.2 Any suspicion or presumption of corruption, abnormality, or fault which are significant in the internal audit system
 - 9.3 Any suspicion that there might be non-compliance with securities and stock exchange laws, the SET regulations, or laws applicable to the Company's businesses.
- Should the Audit Committee report to the Board of Directors matters that significantly affect the Company's financial status and operating results, and discussion between the Committee and the Board of Directors on improvement and correction occurs, after the agreed due date, the Audit Committee finds that the matters have not been acted upon without any good reasons, one of the Committee's members may further report the finding to the Securities and Exchange Commission and the Stock Exchange of Thailand.
10. In case that the auditor finds any doubtful acts committed by a director, manager or any person responsible for the Company's operations that might be non compliant with the law and reports to the Audit Committee the fact about such conducts for acknowledgement and prompt inspection, the Audit Committee shall then notify the outcome of preliminary inspection to the SEC, SET and the auditor within 30 days after being notified by the auditor report. Reporting of doubtful acts and the procedure to gain the facts on such acts shall be in line with the Capital Market Commission's regulations.
11. To have authority to invite directors, Management, department heads or employees to discuss or answer the Audit Committee's inquiries
12. To review the scope of authority and responsibilities, and appraise the Audit Committee's performance on a yearly basis

The Audit Committee is delegated a three-year term and required to hold at least four meetings in a year.

The Audit Committee: Qualifications of the Audit Committee are in line with relevant SET requirements. All Audit Committee members are independent directors. Mr. Sitti Leelakasamelurk, Chairman of the Audit Committee, possesses sound knowledge, understanding, professional experience in accounting and finance. In 2016, the committee held five meetings, and reports on their work were regularly presented to the Board of Directors. Number of Meeting Attended by Directors disclose in 9.7

9.2.4 Nomination and Remuneration Committee

As of October 31, 2016, the Nomination and Remuneration Committee consists of:

- | | | |
|-----------------|----------------|----------|
| 1) Mr. Pramoon | Vichiensin | Chairman |
| 2) Mr. Karun | Kittisathaporn | Director |
| 3) Mr. Somchat | Chinhammit | Director |
| 4) Ms. Duangdao | Chinhammit | Director |

The Chairman of the Nomination and Remuneration committee shall appoint the secretary of the Nomination and Remuneration committee.

Scope of Duties and Responsibilities:

1. Nomination

- 1.1 Define qualifications of the directors to be consistent with the structure, size and compositions of various committees established by the Board of Directors so as to ensure transparency and expectation of the Board of Directors by considering the knowledge, experience, expertise, freedom and time to contribute to directorship;
- 1.2 select and nominate persons qualified to be directors for the Board of Directors' consideration to nominate to the Shareholders' meeting for appointment provided that the selection method, verification of qualifications as regulated by laws and related authorities including consent to be appointed are to be prescribed;
- 1.3 select and nominate persons qualified to be members in Executive Committee and other sub-Committees to replace the members whose office terms have ended to the Board of Directors for consideration.

2. Remuneration

- 2.1 consider or review pattern, criteria and procedures to consider remuneration so as to suit the duties and responsibilities of the Board of Directors and other sub-Committees and submit for approval from the Board of Directors and the Shareholders' meeting respectively provided that the Chairman of the Board and the sub-Committees shall receive remuneration approximately 20 per cent higher than members;
- 2.2 review data relating to remuneration of other companies in the same and similar industry yearly;
- 2.3 disclose names of directors, attendance and remuneration in all types in the Company's Annual Report as well as the brief Charter and remuneration criteria.

The Nomination and Remuneration Committee is delegated a three-year term and required to be held at least two meetings in a year.

The Nomination and Remuneration Committee: The Company required that the Remuneration Committee and Nomination Committee be combined. The Chairperson and the majority of the committee members shall be independent directors. Directors serve in this committee have expertise in several fields, such as governance, law, and human resource management. In 2016, the Nomination and Remuneration Committee held two meetings, and reports on their work were regularly presented to the Board of Directors..

9.2.5 Risk Management Committee

As of October 31, 2016, the Risk Management Committee comprises of:

- | | |
|---------------------------------|----------|
| 1) Pol. Gen. Boonpen Bumpenboon | Chairman |
| 2) Mr. Sitti Leelakasamelurk | Director |
| 3) Mr. Worapatr Todhanakasem | Director |
| 4) Mr. Chalush Chinthammit | Director |

As its position, the head of Risk Management Office is a secretary of the Risk Management Committee.

Scope of Duties and Responsibilities:

1. Develop policies to be considered by the Board of Directors regarding the overall corporate risk management that covers the Company's major risks, such as market risk, liquidity risk, management risk, investment risk, and reputation risk.
2. Design strategies in line with risk management policies to monitor and evaluate the corporate risk amount, as well as maintain the appropriate risk level.
3. Review the adequacy of risk management policies and system, as well as effectiveness of the system and policies practiced.

4. Provide recommendations in line with policies and strategies determined by the Board of Directors and present those recommendations to the Board.

The Risk Management Committee is delegated a three-year term and required to be held at least two meetings in a year.

The Risk Management Committee: The Board requires most of the Risk Management Committee members and the Chairperson to be independent directors. Directors serve in this committee have expertise in several fields, such as accounting and finance, management, investment, and corporate businesses. In 2016, the Risk Management Committee held four meetings, and reports on their work were regularly presented to the Board of Directors.

9.2.6 Corporate Governance Committee

As of October 31, 2016, the Corporate Governance Committee comprises of:

- | | | |
|----------------------|----------------|----------|
| 1. Mr. Worapatr | Todhanakasem | Chairman |
| 2. Pol. Gen. Boonpen | Bumpenboon | Director |
| 3. Mr. Karun | Kittisataporn | Director |
| 4. Ms. Nongluck | Phinainitisart | Director |

Scope of Duties and Responsibilities:

1. Consider and propose corporate governance policy, business ethics and other policies relating to the corporate governance to the Board of Directors;
2. Consider and propose practices of the Company, Board of Directors, executives, personnel and other relevant parties which are consistent with the corporate governance policy, business ethics and other policies relating to the corporate governance to the Board of Directors;
3. Monitor and supervise as well as create understanding to the Board of Directors and management for the sake of performance pursuant to the governance policy, business ethics and governance practices;
4. Review the corporate governance policy and practices at least once a year by comparison with international standard or other appropriate standards;
5. Appoint a Secretary to the Corporate Governance Committee, sub-committees or working groups with suitable duties and responsibilities;
6. Perform other duties as assigned by the Board of Directors.

The Corporate Governance Committee is delegated a three-year term and required to hold at least three meetings in a year.

The Corporate Governance Committee: All Corporate Governance members are independent directors. The Chairman has expertise in governance, management, and

investment. In 2015, the Corporate Governance Committee held three meetings, and reports on their work were regularly presented to the Board of Directors..

9.3 Selection of Directors and Management

9.3.1 The nomination and remuneration committee has determined that an independent director: (1) must possess an amount of shares that does not exceed 0.5% of the total of voting shares; (2) must not involve in corporate management and must not be an employee or advisor including an audit advisor, a legal advisor, or any other type of advisor receiving salary, or a person with controlling power over the company, its subsidiaries and associates, or a person who may have conflicts of interest or may hold a stake in that manner not less than 2 years; (3) must not have any business relationship, interest or stake both direct and indirectly; (4) must not be a close relative or have other type of relationship with management and major shareholders that might result in lack of independence. Such requirements, which are stricter than other general requirements, have been approved by the company's board.

9.3.2 In the last fiscal year, the independent directors did not have any business relationship or provide any professional services to the Company.

9.3.3 Nomination of Directors and Top Management Executives

The Nomination and Remuneration Committee has determined policies, regulations, and procedures for nomination of directors in order to select and nominate qualified personnel to the Board of Director and shareholder for consideration in annual general shareholders' meeting. However, the criteria for consideration must be not less than the qualifications specified in Section 68 of the SEC ACT B.E. 2535 (including the revised version) and related announcements of the SEC. The election of directors is organized in line with the following Company's regulations:

1. The corporate Board of Directors consists of at least ~~four~~ five directors, which not less than half of the number of directors must reside in the Kingdom. The directors must be qualified individuals who do not possess characteristics as prohibited by the laws.
2. The election of directors by the shareholder meeting is in line with the majority of votes, and the following regulations and procedure:
 - (a) One vote per share is allowed for a shareholder.
 - (b) Shareholders vote for each individual nominated as a director. The number of vote(s) received by each nominee does not exceed the number of share(s) held by the particular voter, as specified in (a). The shareholder cannot allot any of their share(s) to any other individual. Directors are those individuals receiving the highest votes. Should the individuals receive the same number of votes where only one place for a director remaining, the chairperson shall be granted the final vote.

3. In an annual general meeting, one third of the directors are required to resign. If the total number of directors does not allow such division, the number of directors to resign should be at the closest to one third of the total.

9.4 Governance for subsidiaries and associates performance

- 9.4.1 In order to comply with governance and protect the Company's investment, the Board appoints directors of the parent company to be directors in subsidiaries and associated companies in proportion to the shareholding.
- 9.4.2 The directors who represent the Company shall participate in decision of policy such as investment in projects, etc.

9.5 Supervision of Use of Inside Information

The company prohibits its directors and the Management from using inside information concerning important matters including trading of securities, information before publication for personal gains and/or that of others. Preventive measures against the use of inside information are as follows:

1. The company informs executives about their obligation to disclose security holdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority according to the Securities and Exchange Act B.E. 2535, article 59 and statutory penalty, article 275.
2. Circular notices are sent to directors and executives advising those who receive important inside information that affects prices of securities shall not trade corporate securities within that one month and not disclose the important inside information before the corporate financial statements or the particular information is publicized.
3. Should there be any changes in security holdings of the company's directors and executives, the changes must be reported to the board of directors in security holdings matter on the agenda.
4. Important inside information and confidential documents saved as hard copies or soft files are protected and access is limited to top executives only when necessary. If any inside information needs to be disclosed to corporate employees, the employees will be informed properly about the limitation of the use of that information. An employee who discloses corporate confidential information will be penalized.
5. To monitor irregularity in corporate operating results, random examination is done to security trade, the company's information system and outside information sources.

According to Corporate Governance policy, the Company prohibits its directors, the executives, and employees from using inside information concerning important matters including trading of securities before publication for others or personal gains. Directors, executives, and employees have freedom to invest in corporate security; provided that the trading of company security within one month before the corporate financial statements is to be publicized shall be prohibited in order to avoid conflict of interest.

9.6 Auditor fee

In 2016, the Auditor fee of the Company and subsidiaries shall be the amount of THB 8,130,000.- and other fees(non-audit fee) shall be the amount of 240,000 baht

9.7 Good Corporate Governance Practices

No.	Name-Surname	Position	Board of Directors		Executive Board		Audit Committee		Nomination & Remuneration Committee		Risk Management Committee		Corporate Governance Committee	
			Attend	Total	Attend	Total	Attend	Total	Attend	Total	Attend	Total	Attend	Total
1	Mr. Manu Leoparote	Chairman	7	7										
2	Mr. Chamroon Chinthammit	Executive Director	7	7	11	12								
3	Mr. Prapas Chutimavorphand	Executive Director	6	7	12	12								
4	Mr. Pomsin Thaensirichai	Executive Director	7	7	12	12								
5	Mr. Somchai Chinthammit	Executive Director	7	7	12	12								
6	Mr. Trakarn Chunharajit	Executive Director	7	7	11	12								
7	Ms. Duangkae Chinthammit	Executive Director	7	7	12	12								
8	Ms. Duangdao Chinthammit	Executive Director / Nomination & Remuneration Committee	7	7	12	12			2	2				
9	Mr. Tachpong Pakornsirivongse	Executive Director	7	7	11	12								
10	Mr. Chatri Chinthammit	Director	7	7										
11	Mr. Chalush Chinthammit	Executive Director / Risk Management Committee	6	7	12	12					4	4		
12	Mr. Sukhum Tokaranyaset	Executive Director	6	7	12	12								
13	Mr. Thawatchai Rojanachotikul	Executive Director	7	7	12	12								
14	Mr. Somchart Chinthammit	Independent Director / Nomination & Remuneration Committee	6	7					2	2				
15	Mr. Pramoon Vchiesin	Independent Director / Chairman of Nomination & Remuneration Committee	6	7					2	2				
16	Pol. Gen. Boonpen Bumpenboon	Independent Director / Chairman of Risk Management Committee / CG Committee	6	7							4	4	3	3
17	Mr. Sitti Leelakasamelurk	Independent Director / Chairman of Audit Committee / Risk Management Committee	7	7			5	5			4	4		
18	Mr. Karun Kittisataporn	Independent Director / Audit Committee/ Nomination & Remuneration Committee / CG Committee	7	7			4	5	2	2			1	3
19	Mr. Warapatr Todhanakasem	Independent Director / Audit Committee/Risk Management Committee/ Chairman of CG Committee	6	7			5	5			2	4	3	3
20	Ms. Nongluck Phinainitsart	Independent Director / Audit Committee / CG Committee	7	7			4	5					2	3
21	Mrs. Intira Sukhanindr	Executive Director	7	7	12	12								

10. Corporate Social Responsibilities

Khon Kaen Sugar Industry Public Company Limited is strongly committed to operating its businesses responsibly. The company's corporate social responsibility (CSR) programs are created to continuously support the local communities and the environment that surrounds them. The company believes in respecting human rights and the protecting the interests of its stakeholders including the society and the country at large, through ethical practice and transparent operations.

The company is determined to advance its sugar and related businesses ethically and responsibly. Its commitment towards stakeholders, communities, society, and environments are detailed as follow:

1. Corporate Governance

The company aims to become part of a leading organization in Thailand. To this effect, it looks to promote sustainable growth, to build good reputation and credibility amongst its investors and other stakeholders, to adopt ethical business practices and to strictly follow good corporate governance guidelines.

2. Respect for Human Rights

The company supports the principle of human rights. To this effect, it will conduct activities that support human rights and the right to freedom. The company believes in the principle of equality and will not tolerate discrimination of race, age, and gender. It is also against the use of child labor and any form of corruption. At present, the Company is in the process of applying for no child labor and no force labor workplace certification.

3. Fair Employee Treatment

The company will give fair compensation to its employees at the level that is appropriate to the industrial environment of Thailand and any changes in the organizational structure will be done responsibly and in accordance with the law of Thailand. The company created an Employee Benefit Committee so that its employees can participate in the management of the benefits that they will received. The objectives are to provide further benefits to employees so that they can work happily and more efficiently. The company also created a provident fund that would help employees save and invest money towards their retirement. The company received its TLS 8001-2546 certificate, the highest recognition for businesses that operate with social responsibility from Department of Labor Protection and Welfare of Thailand and has been maintaining the same standard for 8 consecutive year. Additionally, the company created Health and Safety Committee to oversee the health and safety policy and practice at all its factories. The committee is responsible for regularly testing safety alarms, placing fire extinguishers at appropriate locations, organizing fire drills and related training.

4. Care for the Environment

The company has in place an environmental policy that strictly follows the government law and regulation as well as other environmental standards such that it may be able to reduce and/or eliminate waste systematically. It also has put in place measures to ensure the efficiency of its waste management and collect data to compare and improve its waste reduction performance. For example, at its sugar mills, the company use the wet scrubber technology to catch dust from heating the steamer; at ethanol plant, the waste water from production is used to mixed with filter cake (by product of making sugar) to make bio-fertilizer that is environmentally friendly and good for local cane farmers. Prior to the start of any new project that may negatively affect the environment and local communities, the company will first conduct an environmental impact assessment (EIA) first so that it may analyze the positive and negative results from the project and set policies to prevent and reduce its environmental impact.

5. Adopt Good Business Ethics

The company intends to conduct its operations ethically, in compliance with the law and societal practice, and remain politically neutral.

6. Customer and Supplier Care

The company place great importance in producing high quality sugar that is safe for human consumption. It also aims to continuously provide good service to its customers and suppliers and hope that in return, the company will receive the same high quality and service from them and therefore able to build a longstanding relationships.

7. Community participation and development

The company considers the needs of the community and the importance of people as vehicle of building strong and ethical communities. It supports activities that help educate people, build strong culture and society, and improve quality of everyone's life. The company encourages its employees to participate and volunteer in all activities that will positively serve society.

Additionally, the company's management strongly supports his majesty King Rama 9th "Sufficiency Economy" philosophy. The company established AgriNature Center on its KSL Riverkwai estate located in Kanchanaburi province. This center becomes a member to the AgriNature Foundation that is founded to help people put his majesty's philosophy into practice. The company systematically promotes this philosophy to its employees and to interested individuals from the communities surrounding its factories through hands-on training at the AgriNature Center so that they may adopt his majesty's sufficiency economy philosophy and used it in their daily life.

The company believes that its continuous efforts in its various different CSR programs can help improve the quality of life of its stakeholders and help the company and the society at large to build a sustainable future together.

11. Internal Control and Risk Management

Internal Control

The company has focused on internal control covering its finance compliance to relevant laws and regulations with appropriate risk management measures in order to protect the company. The Company has focused on the anti-corruption measures with internal control system designed to work with all parties involved to prevent risks which may arise. The company has entrusted the Audit Committee, which consists of independent director, is assigned to review and assess the internal control system thoroughly whereas the internal audit department acts and operates independently from the executives and management who reports directly to the Audit Committee.

The Company's assessment of internal controls is under the structure of the internal control standards of Committee of Sponsoring Organizations of the Treadway Commission (COSO) is as follows.

1. Control Organization

The company is focusing on business and operational transparency. The goal of the company is to review and illustrate actual performance in comparison to targets within the organization. The organizational control consists of clear structure and management to ensure clear responsibilities to achieve the objectives under the supervision of the Commission; moreover, the company also imposes ethics policy on corporate governance, the anti-corruption and conflicts of interest in relate to the operation of the company. Focusing and demonstrating adherence to the values of integrity and appropriate ethics as the new key focus for the company established by the management and leaderships of the company.

The Board of Directors is acting independently from management and operational teams who oversees the development and implementation of internal controls. The company is committed to developing and retaining talents which is considered as valuable asset of the company, in order to establish organizations to enforce control and monitor. In the field of anti-corruption, the Company has initiated and provided a detailed assessment if potential risks associated with fraud within the Company; in conclusion, the company is dedicated to fight against corruption overall.

2. Risk Assessment

The Company's objectives on risk assessment are clearly identified and evaluated with relation to achieve the objectives of the organization. The Audit Committee has engaged with the Risk Management Committee of the company in the evaluation of risk factors, both internal and external to affect the business operation of the Company. The Risk Management Committee is to identify and analyze the risks of all aspects. Including the risk of fraud and corrupt that may affect the achievement of the objectives set for an entire organization and the level of risk that the impact and potential of each business process. To determine the risk management plan.

3. Operational Control

The company has established a significant business operations in its core business; furthermore establish a more systematic and effective operation to achieve the objectives and operation targets. Operation control measures the organization stays in the same benchmark which we have set by developing activities, selecting tools and explore new technologies to assist the achievement of overall corporate objectives. The company emphasis control through strict governed rules and policies, this has set clear stage for employees and operations clearly understand and perform under the vision of the company. With understanding authorities and responsibilities by clearly written policies, parties which involved with the operation control may execute within the range of their authorities to incorporating anti-corruption with the applicable policies. Moreover, to establish clearly instruction and level of approval flow such as separating the accounting records with the actual inventory allocations as well as monitoring the compliance with laws and regulations are strictly enforced throughout every stage of the operational control.

4. Information and Communication

The Company has provided advanced and detailed information systems, including the provision of adequate information from internal and external of the company to provide accurate, timely, and efficiency. The company encourages local control can be carried out on the timely basis. Operational objectives and the preparation of reports can be executed with every department to offer immediate decisions. Reports can be prepared with analytical purposes by the operation and management team. Actual data, transactions, communication and financial information are recorded to ensure transparency and traceability. The Audit Committee has carefully established a structure with the auditors from the internal audit team with those associated with the preparation of its financial statements on a quarterly basis providing measures of accuracy and transparency; in additional to the standard confirmation of the company's accounting policies are in accordance with generally accepted accounting principles.

Other than information systems, the company also provides an appropriate channel of communication to clearly illustrate responsibilities as well as various employee issues within the organizations. The company is proud to establishing a secure channel for potential violations or complaints regarding corruption. Overall communication within or outside of the organization are consist of important aspect for the company's view on the overall internal control.

5. Monitoring System

The company has always monitor and track the performance to meets the goals and targets of the operation to provide the Board of Directors, Executive Committee and administrators oversee the implementation relate to the development of the company and continuously implement additional programs and projects in accordance with annual business plan. Immediate adjustments can be executed if issues arise with various circumstances or economic changes. Establish a practice of comparing actual results against projections continuously due to actual operating environment and results may be different from the forecast and projections. The monitoring system could make each departments and managers a clear management tool and determine ways to improve operational efficiency. Clarity of the responsibilities and monitoring system present immediate and analysis to discover the causes

and envision direction of the potential solutions. In the same time, all of the activities, details are being recorded to ensure integrity, transparency and lower the risk of potential anti-corruption actions.

The monitoring and tracking system also provide the management to clearly carry out the control to provide proper evaluation of organizational responsibilities. In the aspect of the internal control, the monitoring system assist the company to have a clear view of the responsibilities, performance accordance to the Internal Audit Department to audit and report independently to the Audit Committee in the year 2016 by the Audit Committee.

Risk Management

The responsibilities of the Risk Management Committee of the Company are to define, analyze, evaluate and construct adequate structure. The leading risk factors concerning are the internal factors and external factors. The risk management team provides the management clear plan of setting up control points within the organization, eventually establish appropriate and acceptable risk control top the organization.

During the year 2016, the risk management committee has envisioned implementation and development as follow:

1. To emphasis more clear operation structure of the plant manager of the overall organization (seven locations including headquarter) with clear written job description (Job Description) and steps to perform tasks (Work Instruction). The plant managers understand practices of the various responsibilities and operations with the basis for each segment operations and procedures performed continuously with effectiveness.

2. Charter Review Committee; establish the duties and responsibilities of the Office of Risk Management, Risk Management Guide and operation guide of the Office of Risk Management for the year 2016/2017.

3. Prepare adequate material for appropriate training process. Establish control, compliance and audit compliance (Compliance and Compliance Audit) Risk management organization with re-checking systems of the management to ensure continuous operation effectiveness (Business Continuity Management System: BCMS) and in alignment with against fraud and corruption, along guidance using policy governance. Revised Annual 2016 is the basis for the preparation of the content.

4. Training managers and employees in seven enterprise locations including headquarter according to the content mentioned above, which the attendants will be evaluated to ensure understanding of the content which they are trained.

5. Prepare necessary practice accordance to the laws and regulations based on COSO - ERM is the process of governance. Control environment, risk control activities, information and

communication, which including monitoring and evaluation of the overall process in the seven enterprise locations including headquarter. The company will be responsible for controlling compliance (Compliance), the company used as the basis for monitoring compliance with such terms.

6. The process of evaluating the risks of fraud and corrupt. As a tool to monitor and control the risk of fraud (FRA Tool: Fraud Risk Assessment Tool), which also set guidelines on the supervision and control of the organization. The purpose is to monitor the potential risks of fraud and corrupt and protect the company from such risk. The company has the responsibilities to prevent such incident occurrences. To designated personals to be responsible for the coordinating, monitoring and evaluating of the overall activities within the operation of the company. Furthermore, the internal auditors of the company are monitoring and reviewing the information provided by the process whose responsibility is to provide risk action plan and the policies of anti- corruption.

7. Establishment of the campaign and training session with strategic partners and the company's customers to combat corruption. Such establishment was carried out on September 12, 2016 at KSL Tower, 17th floor. The Company is emphasis on operational transparency and fairness. The campaign illustrates partners and customers to understand and the importance of fight against corruption as a whole team in the future.

8. Define the risk definition and risk base lines for each risk factor for the year 2016/2017, which have been reviewed and approved by the Board Risk Management Committee.

9. Plan to support the analysis and evaluation of new risk factors for the year 2016/2017 and provide guidelines and measures in response to the potential risk. To serve as guidelines for the preparation of a joint report risk status at 4/2017.

10. The initial meeting for the Office of Risk Management to carry out the operation and necessary actions.

11. Support the preparation of the annual report risk status in 2016 according to the work of seven enterprises including headquarter.

12. The risk status report for the year 2016 was reported to the Group's Board of Directors. The data shows that the existing risk categories reduced risks categories and increased risk categories. The detailed information is presented for the management to take necessary corrective action plans.

According to the results of the operation, the committee concludes that the internal control systems of the Group remained at an acceptable status of the overall organization. However, improvement should be carried out to achieve Risk Management Committee's overall standard requirements and objectives.

12. Related party transactions

Related party transactions for the year ended 31 October 2016 and 2015 disclosed in this section comprise of transactions between the enterprises and subsidiaries, associated, and individuals that may have the conflict of interest as follows:

Related Party Relationship as at October 31, 2016

Subsidiaries

Company name	Relationship
Tamaka Sugar Industry Co., Ltd. Manufacture and distribution of sugar and molasses	Tamaka Sugar Industry Co., Ltd. is controlled by the company which owns 90.21% of the subsidiary's shares. Individuals that relate to directors of the company own 9.79% of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
New Krung Thai Sugar Factory Co., Ltd. Manufacture and distribution of sugar and molasses	New Krung Thai Sugar Factory Co., Ltd. is controlled by the company which owns 95.78% of the subsidiary's shares. Individuals that relate to directors of the company own 4.22 % of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
New Kwang Soon Lee Sugar Factory Co., Ltd. Manufacture and distribution of sugar and molasses	New Kwang Soon Lee Sugar Factory Co., Ltd. is controlled by the company which owns 98.61% of the subsidiary's shares. Individuals that relate to directors of the company own 1.39 % of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.
K.S.L. Real Estate Co., Ltd. Housing and land for agriculture estate including holiday resort for training, seminar center and Office building for rent	K.S.L. Real Estate Co., Ltd. is a subsidiary of and controlled by the company, Tamaka Sugar Industry Co., Ltd. which owns 40.77% and 50.25% of the subsidiary's shares, respectively. Individuals that relate to directors of the company own 8.98 % of the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose because the ownership proportion is less than 10%.

Company name	Relationship
K.S.L. Export Trading Co., Ltd. Export sugar as exporting agent	K.S.L. Export Trading Co., Ltd. is a subsidiary of and controlled by the company, Tamaka Sugar Industry Co., Ltd., New Krung Thai Sugar Factory Co., Ltd. and New Kwang Soon Lee Sugar Factory Co., Ltd. which own 33.87%, 20.85%, 15.36% and 9.47% of the subsidiary's shares, respectively. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Thawatchai Rojanachotikul, Mr. Sukhum Tokaranyaset and Mr. Chalush Chinthammit.
Savannakhet Sugar Corporation Agricultural Operation, Manufacture and distribution of sugar and molasses	Savannakhet Sugar Corporation is controlled by the company which owns 98.49% of the subsidiary's shares. None of major shareholders and directors of the company own the subsidiary's shares. Therefore, related transactions between the company and subsidiary are not required to disclose.
Koh Kong Sugar Industry Co., Ltd. Manufacture and distribution of sugar and molasses which are during investment process	Koh Kong Sugar Industry Co., Ltd. is controlled by the company which owns 80.00% of the subsidiary's shares. None of major shareholders and directors of the company own the shares. Therefore, related transactions between the company and subsidiary are not required to disclose.
Koh Kong Plantation Co., Ltd. Agricultural Operation	The Company holds shares indirectly which owns 80.00% of the subsidiary's shares. None of major shareholders and directors of the company own the shares. Therefore, related transactions between the company and subsidiary are not required to disclose.

Associates

Company name	Relationship
Champion Fermentation Co., Ltd. which manufacture and distribute of glutamic acid and glutamate (Present the company has Holding company.)	Champion Fermentation Co., Ltd. is an associate of and controlled by the company which owns 32.50% of the associate's shares. Major shareholders and directors of the company own 18.00% of the subsidiary's shares. Other major shareholders are a group of Taiwanese businessman. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset and Mr. Thawatchai Rojanachotikul.
Thai Sugar Terminal Public Company Limited Locating, silo warehouse and property rental	Thai Sugar Terminal Public Company Limited is an associate of and controlled by the company which owns 23.82% of the associate's shares. Major shareholders and directors of the company own 17.42% of the subsidiary's shares. The company also has common directors namely Mr. Somchai Chinthammit and Mr. Chalush Chinthammit.

Related Companies

Company name	Relationship
K.S.L. IT Center Co., Ltd. Provide computerized and database services to parent company and related parties	K.S.L. IT Center Co., Ltd. is controlled by Raja Ceramics Co., Ltd., and Thai Fermentation Industry Co., Ltd., whose stakes individually equal to 50% of K.S.L. IT Center Co., Ltd.'s shares. The company also has common directors namely Mr. Chatri Chinthammit.
Raja Ceramics Co., Ltd. Manufacture and distribution of ceramic products	Raja Ceramics Co., Ltd. is controlled by the same shareholder group of the company who owns 49.10% of Raja Ceramics Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset, Mr. Thawatchai Rojanachotikul, Mr. Trakarn Chunharojrit and Mr. Chalush Chinthammit.
Thai Fermentation Industry Co., Ltd. Manufacture and distribution of seasoning powder	Thai Fermentation Industry Co., Ltd. is controlled by the same shareholder group of the company who owns 42.76% of Thai Fermentation Industry Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset, Mr. Thawatchai Rojanachotikul, and Mr. Somchai Chinthammit.
On Nuj Construction Co., Ltd. Hotel and real estate agent	On Nuj Construction Co., Ltd. is controlled by the same shareholder group of the company who owns 70.38% of On Nuj Construction Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit, Ms. Duangkhae Chinthammit and Ms. Duangdao Chinthammit.
K.K. Wood Industry Co., Ltd. Manufacture and distribution of processing products	K.K. Wood Industry Co., Ltd. is controlled by the same shareholder group of the company who owns 88.75% of K.K. Wood Industry Co., Ltd.'s shares. There is no common director.
Amarco Co., Ltd. Distribution of pesticide products	Amarco Co., Ltd. is controlled by the same shareholder group of the company who owns 100% of Amarco Co., Ltd.'s shares. There is no common director.

12.1 The following transactions were carried out with related parties:**12.1.1 Sales and purchases of goods and services including balance transaction (for the year ended 31 October 2016 and 2015)**

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 16	31 Oct 15	
Thai Fermentation Industry Co., Ltd.	Khon Kaen Sugar Industry Public Company Limited	- Sales of molasses - Gain on sale of investments - Other accounts receivable	588 10,700 3	26,412 - 9	The Company and its subsidiaries sold molasses to Thai Fermentation Industry as raw material. The transactions arose in ordinary course of business which carried out at market price on normal terms. Tamaka Sugar Industry provided a service of modify machine to Thai Fermentation Industry which carried out at cost plus administrative expense.
	Tamaka Sugar Industry Co., Ltd.	- Sales of molasses - Other accounts receivable	15 -	- 2,589	
K.K. Wood Industry Co., Ltd.	Khon Kaen Sugar Industry Public Company Limited	- Sales of supply and parts - Trade accounts receivable Sale of sugar - Other accounts receivable Sale of supply and parts	439 11 -	456 14 4	The Company sold other product consisted of supplies and spare parts to K.K. Wood Industry Co., Ltd. to put into production process which carried out at cost plus administrative expense.
Khon Kaen Sugar Industry Public Company Limited	Thai Fermentation Industry Co., Ltd.	- Sale of chemical and water - Other accounts payable	963 140	475 74	The Company's group purchased chemical product as caustic soda and hydrochloric acid from Thai Fermentation Industry Co., Ltd. to clean their machineries. The product price of Thai Fermentation Industry Co., Ltd. was less than the others from price comparison because they were by product from production process.
Tamaka Sugar Industry Co., Ltd.		- Sale of chemical and water	12	18	
New Krung Thai Sugar Factory Co., Ltd.		- Sale of chemical and water	13	18	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Sale of chemical and water	48	28	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 16	31 Oct 15	
Khon Kaen Sugar Industry Public Company Limited	K.K. Wood Industry Co., Ltd.	- Purchase of property	54,185	-	K.K. Wood Industry Co., Ltd., which operates sift sugar grade size special to Mondelez International (Thailand) Co., Ltd. Since 2003, had the plans to out of business and the Company wishes to purchase machineries to be used in production of the Company.
Khon Kaen Sugar Industry Public Company Limited	K.S.L. Export Trading Co., Ltd.	- Service fees of goods exporting	7,743	5,803	Sugar exporting has to be made by only company that authorized by Cane and Sugar Board in the Royal Gazette according to the sugarcane and sugar act. The Company's group and Prachaup Industry Co., Ltd. therefore established K.S.L. Export Trading Co., Ltd. to only be export agent and documental support. K.S.L. Export Trading Co., Ltd. will charge service fees at cost plus administrative expenses according to volume of goods.
Tamaka Sugar Industry Co., Ltd.		- Service fees of goods exporting	1,606	2,723	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of goods exporting	2,320	6,334	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of goods exporting	803	771	
Savannakhet Sugar Corporation		- Service fees of goods exporting	304	370	
Khon Kaen Sugar Industry Public Company Limited	Thai Sugar Terminal Public Company Limited and its subsidiary company	- Service fees for goods custody and transfer	40,798	17,738	The Company needs to use wharf and transfer services for group of sugar factory. Thai Sugar Terminal Public Company Limited priced service fees of goods custody and goods exporting were charge according to volume of goods and custody time, which are general rates in the market.
Tamaka Sugar Industry Co., Ltd.		- Other income	2,164	1,391	
		- Other accounts receivable	1,264	694	
		- Other accounts payable	2,377	359	
		- Service fees for goods custody and transfer	12,663	18,072	
	- Other income	1,325	2,391		
	- Other accounts receivable	21	-		
	- Other accounts payable	105	-		

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)		Necessity and reasonableness
			31 Oct 16	31 Oct 15	
New Krung Thai Sugar Factory Co., Ltd.	Thai Sugar Terminal Public Company Limited and its subsidiary company	- Service fees for goods custody and transfer	8,599	13,982	The Company needs to use wharf and transfer services for group of sugar factory. Thai Sugar Terminal Public Company Limited priced service fees of goods custody and goods exporting were charge according to volume of goods and custody time, which are general rates in the market.
		- Other income	140	1,031	
		- Other accounts receivable	9	3	
		- Other accounts payable	1,059	110	
		- Accured Expenses	-	228	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees for goods custody and transfer	-	820	
		- Other income	-	200	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. IT Center Co., Ltd.	- Service fees of computerized activities	6,471	5,854	K.S.L. IT Center Co., Ltd. was established for serve computer service center within the group companies. The said company priced service fees calculated by investment cost and operating expense to allocate according to actual data usages of each company.
		- Prepaid expenses	665	367	
Tamaka Sugar Industry Co., Ltd.		- Service fees of computerized activities	2,710	1,876	
		- Prepaid expenses	36	204	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of computerized activities	3,001	2,851	
		- Prepaid expenses	120	245	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of computerized activities	1,690	1,438	
		- Prepaid expenses	45	90	
K.S.L. Real Estate Co., Ltd.		- Service fees of computerized activities	140	19	
K.S.L. Export Trading Co., Ltd.		- Service fees of computerized activities	164	164	
Savannakhet Sugar Corporation		- Service fees of computerized activities	558	410	
Koh Kong Sugar Industry Co., Ltd.		- Service fees of computerized activities	519	497	
Koh Kong Plantation Co., Ltd.		- Service fees of computerized activities	143	137	

12.1.2 Rental fee (for the year ended 31 October 2016 and 2015)

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)		Necessity and reasonableness of Connected Transaction
			31 Oct 16	31 Oct 15	
Khon Kaen Sugar Industry Public Company Limited	On Nuj Construction Co., Ltd.	Office rental area of 202.84 square meters and car park at the rate of Baht 300 per square meter per month and are allowed to be renewed annually (01/11/16 - 31/10/18)	730	730	The Company has rent out office space to its companies group due to locate office centrally and conveniently. Rental fees were carried out at market prices on normal trade and agreement commencement date. Office rental and asset rental condition were set mainly concern about benefit to the company.
	Chengteh Chinaware (Thailand) Co., Ltd.	Office rental area of 495.54 square meters and car park at the rate of Baht 300 and 242 per square meter per month respectively and are allowed to be renewed annually (01/01/16 - 31/12/16)	1,784	1,784	
	K.S.L. IT Center Co., Ltd.	Office rental area of 432.62 square meters and car park at the rate of Baht 300 per square meter per month and are allowed to be renewed annually (01/08/16 - 31/07/17)	1,557	1,557	
	Amarco Co., Ltd.	Land rental area of 536 square meters at the rate of Baht 1,996 per square meter per month for the period of 20 years (01/02/04 - 31/01/24) with rental rate will be raised 10% every 3 years and has canceled the rental on October 31, 2016.	21	24	

Unit : Thousand Baht

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)		Necessity and reasonableness of Connected Transaction
			31 Oct 16	31 Oct 15	
	K.K. Wood Industry Co., Ltd.	Land rental area of 1,728 square was at the rate of Baht 99,200 per annum and are allowed to be renewed every 3 years (15/01/14 - 14/01/17) with rental rate will be raised 10% every 3 years and has canceled the rental on October 31, 2016.	79	99	The Company has rent out office space to its companies group due to locate office centrally and conveniently. Rental fees were carried out at market prices on normal trade and agreement commencement date. Office rental and asset rental condition were set mainly concern about benefit to the company.
	K.S.L. Export Trading Co., Ltd.	Office rental area of 33.48 square meters at the rate of Baht 300 per square meters per month and is allowed to be renewed annually (01/10/15 - 30/09/16)	121	10	
Tamaka Sugar Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	Office rental area of 30.00 square meters with furniture at the rate of Baht 300 per square meters per month and is allowed to be renewed annually (01/09/14 - 31/08/15)	-	99	The Company has rent out office space to its companies group due to locate office centrally and conveniently. Rental fees were carried out at market prices on normal trade and agreement commencement date. Office rental and asset rental condition were set mainly concern about benefit to the company.
Champion Fermentation Co., Ltd.	Tamaka Sugar Industry Co., Ltd.	Land rental area of 270 rai at the rate of Baht 740 per rai and is allowed to be renewed every 3 years (04/08/16 - 03/08/19)	200	200	Land leasing is for a plot of experimental sugar cane plantation and sugar cane research. Rental fees were charged at market prices.

12.1.3 Borrowings from/ Loans to related parties (for the year ended 31 October 2016 and 2015)

Unit : Thousand Baht

For the year ended 31 October 2016							
Borrower	Lender	As at 1 Nov 2015	Loan addition during the period	Repayme nt during the period	As at 31 Oct 2016	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	KSL Tower Juristic Person office	6,100	900	(100)	6,900	127	Khon Kaen Sugar Industry Public Company Limited has got financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 2.05-2.55% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2015							
Borrower	Lender	As at 1 Nov 2014	Loan addition during the period	Repayme nt during the period	As at 31 Oct 2015	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	KSL Tower Juristic Person office	3,200	7,900	(5,000)	6,100	166	Khon Kaen Sugar Industry Public Company Limited has got financial support from KSL Tower Juristic Person office via short-term loans which is callable promissory notes, the loans are used for working capital, interest rates at 2.05-2.55% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2016							
Borrower	Lender	As at 1 Nov 2015	Loan addition during the period	Repayme nt during the period	As at 31 Oct 2016	Interest paid	Necessity and reasonableness of Connected Transaction
Prachaup Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	-	659,471	(659,471)	-	3,518	The loan was provided as financial supporting through K.S.L. Export Trading Co., Ltd. which was registered according to the laws and regulations of sugar exporting. The credit line from financial institution was defined and borrowed by K.S.L. Export Trading Co., Ltd. Then, K.S.L. Export Trading Co., Ltd. lent to sugar factories. Therefore, K.S.L. Export Trading Co., Ltd. represents an intermediary for credit line carried out. Prachaup Industry Co.,Ltd. pledged sugar exporting and promissory note as collaterals against credit facilities from K.S.L. Export Trading Co., Ltd. and no fee is charged for the inter-credit facility guarantee.

Unit : Thousand Baht

For the year ended 31 October 2015							
Borrower	Lender	As at 1 Nov 2014	Loan addition during the period	Repayme nt during the period	As at 31 Oct 2015	Interest paid	Necessity and reasonableness of Connected Transaction
Prachaup Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	-	956,645	(956,645)	-	8,343	The loan was provided as financial supporting through K.S.L. Export Trading Co., Ltd. which was registered according to the laws and regulations of sugar exporting. The credit line from financial institution was defined and borrowed by K.S.L. Export Trading Co., Ltd. Then, K.S.L. Export Trading Co., Ltd. lent to sugar factories. Therefore, K.S.L. Export Trading Co., Ltd. represents an intermediary for credit line carried out. Prachaup Industry Co.,Ltd. pledged sugar exporting and promissory note as collaterals against credit facilities from K.S.L. Export Trading Co., Ltd. and no fee is charged for the inter-credit facility guarantee.

Unofficial Translation

Policy on Future Related party transactions

The Audit Committee passed the resolution of related party transactions as the followings:-

The Audit Committee has reviewed the related party transactions described in the table above and given the view that it was in accordance with normal business practice and carried out at market price.

Policy on future related party transactions**1. Normal Business Transactions**

Normal business transactions include transfer and transport services and warehouse rental from Thai Sugar Terminal Public Company Limited and sales and purchases of sugar between the company and the subsidiaries. These connected transactions will firstly be brought to the company's consideration in respect of the company's interests and be ensured that they will be carried out at market price.

2. Rental Service Transactions

Rental service transactions will be carried out at market price and the same rate given to third parties.

3. Sales and Purchases of Assets and Investments

Sales and purchases of assets and investments are an increase of capital in order to maintain the same shareholding proportion as previously held. It is also an investment for the current business expansion and the future business growth. The policy of sales and purchases of assets and investments will firstly be brought to the company's consideration in respect of the company's interests and the justification for entering into the transaction, the necessity and appropriateness of such transactions.

4. Borrowings from/ Loan to persons having potential conflict of interest

Borrowings from/ Loan to persons having potential conflict of interest will firstly be brought to the company's consideration in respect of the justification for entering into the transaction, the necessity and appropriateness of such transactions.

5. Other Related Transactions

Other related transactions are transactions other than 1-4 stated above.

Related party transactions between the company and the subsidiaries and the persons having potential conflict of interest, having a stake in or possibly having a conflict of interest in the future shall be subject to the opinion of the Audit Committee for their consideration in respect of the justification for entering into the transaction, the necessity and appropriateness of such transactions. In case the Audit Committee considers it lack expertise required for the consideration of possible transactions, it is empowered to recruit experts as needed. Experts, for example, could be an auditor or an independent appraisal officer, which is independent from both the company and persons having potential conflict of interest. The opinion of these recruited experts will be used in the decision-making of the Audit Committee and/or the Board of Directors of the company and/or shareholders as the case may be.

The Board of Directors of the company ensures compliance with the laws on securities and exchange, regulations, notifications, orders or any requirements of the Stock Exchange of Thailand, including compliance with regulations on the disclosure of information on connected transactions and the acquisition or disposal of important assets of the company or its subsidiaries, and compliance with the accounting standards established by the Institute of Certified Accountants and Auditors of Thailand.

Capital structure of individuals having potential conflict of interest over 10%

Capital structure of individuals having potential conflict of interest over 10% is as the followings:-

1. Thai Sugar Terminal Public Company Limited (TSTE)

The individuals having potential conflict of interest own 17.42% of the TSTE's shares. The company owns 23.82% of the TSTE's shares and has no policy to increase its capital proportion. Moreover, the shareholders and directors have no intention to transfer their benefits to one of these two companies. In addition, Thai Sugar Terminal Public Company Limited has many directors from other sugar companies; thus, power balancing in TSTE is reasonable for both companies. To conclude, the related transactions between the company and TSTE are in line with the characteristics of normal trading in the market which will maximize highest value to both companies.

2. Champion Fermentation Co., Ltd.

The individuals having potential conflict of interest own 18.00% of Champion Fermentation Co., Ltd.'s shares. Other major shareholders are a group of Taiwanese businessman. Champion Fermentation Co., Ltd., formerly, has no business transactions except land leasing. However, Champion Fermentation Co., Ltd. has invested in cassava starch industry which does not relate to sugar industry in the end of 2004. The purpose of investment is for dividend received in the future and In the year 2016, the Company sold its all investment in Champion Fermentation Co., Ltd. to Thai Fermentation Industry Co., Ltd.

In conclusion, the shareholding structure of the company and the subsidiaries, which is owned by the individuals having potential conflict of interest over 10% in some companies, is the result from the past. Currently, the company has an intention changing its structure in order to minimize those conflicts. In addition, the company has the policy to directly invest in subsidiaries and associates in the future. Also, there will be the limitations in shareholding proportion for the individuals having potential conflict of interest except it will be done to maximize the company's value. Furthermore, the persons having potential conflict of interest will not make any investments in business that may constitute the conflicts of interest to the company or in competitive business to the company.