

## **7. Shareholder Structure**

### **7.1) Securities**

As of October 31, 2020, the Company's registered capital is THB 2,205,121,824 and the paid-up capital is THB 2,205,116,309.50. It is comprised of 4,410,243,648 ordinary shares and 4,410,232,619 paid-up shares, at par value of THB 0.50 per share.

### **7.2) Debentures**

As of October 31, 2020, the non-subordinated and unsecured debentures are detailed as follows:

Name	Tenor	Expiry Date	Total Value (million THB)
KSL215A	3 years	3-May-21	1,350
KSL228A	3 years	19-Aug-22	3,000
KSL27DA	10 years	7-Dec-27	2,000
KSL285A	10 years	3-May-28	650
<b>Total Long Term Debentures</b>			<b>7,000</b>

**7.3) Shareholders**

On October 31, 2020, the top 10 major shareholders of the Company are as follows:

As of 31 October 2020			
Rank	Name	No.of Share	% of total
1	KSL Sugar Holding Co., Ltd.	1,468,242,728	33.29
2	Thai NVDR Co., Ltd.	132,503,549	3.00
3	Mr.Chanachai Chutimavoraphand	115,355,499	2.62
4	Mr.Chamroon Chinthammit	113,012,431	2.56
5	Mr.Kamondanai Chinthammit	102,498,048	2.32
6	Ms.Duangdao Chinthammit	99,799,954	2.26
7	Ms.Duangkae Chinthammit	99,733,643	2.26
8	Mr.Somchai Chinthammit	96,475,726	2.19
9	Mr.Piripon Chinthammit	94,586,024	2.14
10	CREDIT SUISSE AG, SINGAPORE BRANCH	90,398,136	2.05
	Total for top ten major shareholders	2,412,605,738	54.70
11	Other shareholders	1,997,626,881	45.30
	<b>Total</b>	<b>4,410,232,619</b>	<b>100.00</b>

**Note:**

A major shareholder of KSL Sugar Holding Co., Ltd,(which holds 33 % of shares)is the Chinthammit family However, proportion of shareholding does not indicate that members of the Chinthammit family are voting in the same way.

The registered capital and paid up capital of KSL Sugar Holding Company Limited consists of 100 million shares at par value of THB 10 per share or THB 1,000 million.

On October 31, 2020, the top 10 major shareholders of KSL Sugar Holding Co., Ltd. are as follows:

As of 31 October 2020			
Rank	Name	No.of Share	% of total
1	Ms.Nareerat Chinthammit	12,105,268	12.11
2	Ms.Duangdao Chinthammit	7,847,944	7.85
3	Ms.Duangkae Chinthammit	7,764,650	7.76
4	Mr.Chanachai Chutimavoraphand	6,971,788	6.97
5	Mr.Chamroon Chinthammit	5,370,580	5.37
6	Mr.Somchai Chinthammit	5,169,890	5.17
7	Mr.Sarun Chinthammit	4,246,828	4.25
8	Mr.Kamondanai Chinthammit	2,906,000	2.91
9	Mr.Piripon Chinthammit	2,906,000	2.91
10	Ms.Yaovanuth Dejvitak	2,900,000	2.90
	Ms.Yaovaluck Chutimavoraphand	2,900,000	2.90
	Total for top ten major shareholders	61,088,948	61.09
11	Other shareholders	38,911,052	38.91
	<b>Total</b>	<b>100,000,000</b>	<b>100.00</b>

**Note:**

The 10<sup>th</sup> major shareholders are Ms. Yaovanuth Dejvitak and Ms.Yaovaluck Chutimavoraphand who both hold equal number of shares.

**7.4) Dividend Payment Policy**

The company has a policy to pay dividends at a rate of not less than 50 % of net income after corporate income 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, etc. 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**

Year	2015	2016	2017	2018	2019
Dividend per share (Baht : share)	0.1055555556	0.10	0.05	0.05	0.05
Percentage of dividend to net profit (percent of Consolidated Financial Statement)	51.90	30.92	11.19	26.00	26.84
Percentage of dividend to net profit ( percent of Separated Financial Statement)	51.60	188.24	16.81	(dividend paid from accumulated profit)	(dividend paid from accumulated profit)

## **8. Management Structure**



### 8.1) Board of Directors

As of October 31, 2020, the Company's Board of Directors comprises the following 20 members:

1. Mr. Manu Leopaiprote	Chairman and Independent Director
2. Mr. Chamroon Chinthammit	Director
3. Mr. Pornsin Thaemsirichai	Director
4. Mr. Sukhum Tokaranyaset	Director
5. Mr. Thawatchai Rojanachotikul	Director
6. Mrs. Intira Sukhanindr	Director
7. Ms. Duangdao Chinthammit	Director
8. Mr. Chalush Chinthammit	Director
9. Mr. Somchai Chinthammit	Director
10. Ms. Duangkae Chinthammit	Director
11. Mr. Chanachai Chutimavoraphand	Director
12. Mr. Chatri Chinthammit	Director
13. Mr. Somchat Chinthammit	Director
14. Mr. Tachpong Pakornsiriwongse	Director
15. Mr. Trakarn Chunharojrit	Director
16. Pol. Gen. Boonpen Bumpenboon	Independent Director
17. Mr. Sitti Leelakasamelek	Independent Director
18. Mr. Warapatr Todhanakasem	Independent Director
19. Ms. Nongluck Phinainitisart	Independent Director
20. Mrs. Anchalee Pipatanasern	Independent Director
21. Mr. Supachai Rakpanitmanee	Independent Director

(Resigned, effective on September 30, 2020)

**Remark:** The Company is in process of appointing a new eligible director to substitute the vacancy.

During the year, members of the Board of Directors never dishonestly committed a criminal offence against property nor entered into any transaction which might cause conflict of interest against the Company.

### Composition of the Board of Directors

The Board of Directors consists of persons of knowledge, capability and specialization who have leading roles in specifying policies and goals of the Company and, together with top executives, set the short term and long term planning as well as govern and monitor the plans in each quarter.

### Authorized Directors

Mr. Chamroon Chinthammit or Mr. Pornsin Thaemsirichai or Ms. Duangdao Chinthammit or Mr. Chalush Chinthammit or Ms. Intira Sukhanindr or Mr. Sukhum Tokaranyaset or Mr. Thawatchai Rojanachotikul or Mr. Chanachai Chutimavoraphand, any two of whom may jointly sign their names and affix the Company's seal.

**Proportion and Structure of Directors**

No.	Name		Category of Director			
			Shareholder Representative	Non-Executive	Independent Director	Executive
1	Mr. Manu	Leopairote		/	/	
2	Mr. Chamroon	Chinthammit	/			/
3	Mr. Pornsin	Thaemsirichai	/			/
4	Mr. Sukhum	Tokaranyaset	/			/
5	Mr. Thawatchai	Rojanachotikul	/			/
6	Mrs. Intira	Sukhanindr	/			/
7	Ms. Duangdao	Chinthammit	/			/
8	Mr. Chalush	Chinthammit	/			/
9	Mr. Somchai	Chinthammit	/			/
10	Ms. Duangkae	Chinthammit	/			/
11	Mr. Chanachai	Chutimavoraphand	/	/		
12	Mr. Chatri	Chinthammit	/	/		
13	Mr. Somchat	Chinthammit	/	/		
14	Mr. Tachpong	Pakornsiriwongse	/			/
15	Mr. Trakarn	Chunharojrit	/	/		
16	Pol.Gen. Boonpen	Bumpenboon		/	/	
17	Mr. Sitti	Leelakasamelerk		/	/	
18	Mr. Warapatr	Todhanakasem		/	/	
19	Ms. Nongluck	Phinainitisart**		/	/	
20	Mrs. Anchalee	Pipatanasern**		/	/	
21	Mr. Supachai	Rakpanitmanee*		/	Resigned during the year	
	<b>Total</b>		<b>14</b>	<b>10</b>	<b>6*</b>	<b>10</b>
	<b>%</b>		<b>66.70%</b>	<b>47.62%</b>	<b>28.60%</b>	<b>47.62%</b>

\* Total not including the director who resigned during the year, namely, Mr.Supachai Rakpanitmanee\*

\*\*female independent directors

**Board of Directors' Meetings**

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 continuity of the Company's operations, there are monthly Executive Board meetings where the members monitors the operations or make decisions. In every meeting, the Board of Directors is informed about matters that have been approved by the Executive Board to ensure that the Board of Directors is able to supervise, control, and monitor the work of the management on a regular basis.

In 2020, the Board of Directors held 7 meetings .There was 1 additional non-executive directors meeting (excluding the management) on 10 September 2020 so that the non-executive directors could independently express their opinions regarding management and administration. Prior to each meeting, all members received the agenda and supporting documents seven days prior to the date of the meeting so as to furnish adequate time for the directors to be well-prepared for the meeting.

For the meeting of the Board of Directors, the Chairman, the Chief Executive Officer and President, and Company Secretary consider agendas together. This is to ensure that the agendas cover important matters. Each director may propose agenda independently.

During the Board meeting, the Chairman allocates adequate time for management's 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 Secretary. In case of necessity, the opinions of advisors or external professionals may be provided.

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. The minutes are saved and kept in paper and pdf files which is easy to retrieve but is not changeable. Numbers of the Board meetings and attendance are publicly disclosed. The Board sets a meeting at least every 3 months per year, and the Executive Board has monthly meetings to cope with the Company's operating results. Matters that passed the Executive Board meetings are presented to the Board of Directors for acknowledgement.



**The Attendance of Directors in 2020**

Name		Board of Directors (7 Meetings)	Executive Board (12 Meetings)	Audit Committee (5 Meetings)	Nomination & Remuneration Committee (4 Meetings)	Risk Management Committee (4 Meetings)	Corporate Governance Committee (3 Meetings)	AGM (1 Meeting)
1.Mr.Manu	Leopairote	6/7	-	-	-	-	-	1/1
2.Mr.Chamroon	Chinthammit	6/7	11/12	-	-	-	-	1/1
3.Mr.Pornsini	Thaemsirichai	7/7	11/12	-	-	-	-	1/1
4.Mr.Sukhum	Tokaranyaset	6/7	12/12	-	-	-	-	1/1
5.Mr.Thawatchai	Rojanachotikul	7/7	12/12	-	-	-	-	1/1
6.Mrs.Intira	Sukhanindr	7/7	12/12	-	-	-	-	1/1
7.Ms.Duangdao	Chinthammit	7/7	12/12	-	4/4	-	-	1/1
8.Mr. Chalush	Chinthammit	6/7	12/12	-	-	3/4	-	1/1
9.Mr. Somchai	Chinthammit	5/7	11/12	-	-	-	-	1/1
10.Ms. Duangkae	Chinthammit	7/7	12/12	-	-	-	-	1/1
11.Mr. Chanachai	Chutimavora phand	4/7	10/12	-	-	-	-	1/1
12.Mr.Chatri	Chinthammit	7/7	-	-	-	-	-	1/1
13.Mr. Somchat	Chinthammit	7/7	-	-	-	-	3/3	1/1
14.Mr. Tachpong	Pakornsiriwongse	7/7	12/12	-	-	-	-	1/1
15.Mr. Trakarn	Chunharojrit	6/7	12/12	-	-	-	-	1/1
16.Pol. Gen. Boonpen	Bumpenboon	7/7	-	-	4/4	-	3/3	1/1
17.Mr. Sitti	Leelakasamelark	7/7	-	5/5	-	4/4	-	1/1
18.Mr. Warapatr	Todhanakasem	7/7	-	5/5	-	-	3/3	1/1
19.Ms. Nongluck	Phinainitisart	7/7	-	5/5	4/4	4/4	-	1/1
20.Mrs. Anchalee	Pipatanasern	7/7	-	5/5	-	-	3/3	1/1
21.Mr. Supachai	Rakpanitmanee	6/6	-	-	3/4	2/4	-	1/1

**Remarks:**

1. Independent director: 7 directors: No. 1, 16 – 21
2. Audit Committee: 4 directors: No. 17-20
3. Nomination and Remuneration Committee: 4 directors: No. 7, 16, 19, 21
4. Risk Management Committee: 4 directors: No. 8, 17, 19, 21
5. Corporate Governance Committee: 4 directors: No. 13, 16, 18, 20
6. Annual General Meeting of Shareholders year 2019, No. 1/2020 on 25 February 2020

## 8.2) The Executives

As of 31 October 2020, the corporate top executives include:

- |                                    |   |
|------------------------------------|---|
| 1. Mr. Chamroon Chinthammit        | CEO and President   |
| 2. Mr. Pornsin Thaemsirichai       | Senior Vice President – Innovation Office   |
| 3. Mr. Sukhum Tokaranyaset         | Senior Vice President – Accounting & Finance  |
| 4. Mr. Thawatchai Rojanachotikul   | Senior Vice President – Administration  |
| 5. Mrs. Intira Sukhanindr          | Senior Vice President – Business Development  |
| 6. Ms. Duangdao Chinthammit        | Vice President – Human Resources  |
| 7. Mr. Chalush Chinthammit         | Vice President – Office of President  |
| 8. Mr. Theera Sanguandeeikul       | Vice President – Sugar Production   |
| 9. Mr. Dhajjai Subhapholsiri       | Vice President – Office of Company Secretary and Legal/Company Secretary/   |
| 10. Mr. Piripon Chinthammit        | Vice President – Raw Material Supply  |
| 11. Mr. Sommanus Potisat           | Vice President – Office of President  |
| 12. Mr. Sinchai Sirirattanaphonkun | (Acting)Senior Assistant Vice President - Accounting and Finance (CFO) */ Senior Assistant Vice President - Office of President |
| 13. Ms. Supap Chantavit            | Assistant Vice President - Accounting and Finance (Acting CFO)  |

**Remark:** No 12. retired as Acting Senior Assistant Vice President - Accounting and Finance (CFO) on 30 April 2020 and appointed as Senior Assistant Vice President - Office of President on 1 May 2020

## 8.3) Company Secretary

The Board of Directors appoints Company Secretary whose duties includes giving advice to the directors as to the compliance with laws and regulations regarding their responsibilities, arranging the meetings of the Board of Directors, Executive Board and shareholders' meeting, making and keeping minutes and other works as required by law as well as supervising the compliance unit. The Company supports the Company Secretary to gain more knowledge and training in law and company secretary duties.

Currently, the Company Secretary is Mr. Dhajjai Subhapholsiri who graduated with law degrees and has experience in legal practice for a long period. He also attended a number of courses on duties of Company Secretary and other relating courses. Description is in (Details of Directors, Executives, Controlling Persons and Company Secretary)

## 8.4) Directors' and Executives' remuneration

### Policy in respect of Remuneration for the Board of Directors and Committees

The Company prescribes policies and rules for paying appropriate remuneration to directors subject to the approval of the annual Shareholders' Meeting. The Nomination and Remuneration Committee surveys the remuneration for directors and Committee's members by taking into account responsibilities and performances of directors and Committees' members in comparison with those in leading companies in the Securities Exchange and in the same industry group having similar size and nature of business, including the survey the information provided by the Thai Institute of Directors (IOD) as well as the result of the Company's performance and payment of dividend to shareholders.

#### 8.4.1) Directors' Remuneration

Remunerations are divided into 3 parts:

- 1) Regular remuneration (Fixed Fee) is paid monthly to directors.
- 2) Meeting remuneration (Attendance Fee) is paid to Committee members who attend a meeting.
- 3) Directors' Bonus is a special remuneration paid once a year in accordance with the corporate annual operating results.

The Company prescribed the directors' remuneration which is approved by the shareholder's meeting on February 25, 2020 as follows:

	Not exceeding the amount of THB per year
1. Remuneration for Chairman of Board of Directors	THB 540,000
2. Remuneration for Chairman of Audit Committee	THB 540,000
3. Remuneration for 19 directors (THB 25,000 / person / month + bonus)	THB 8,550,000
4. Meeting allowance for members of Committee, i.e, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee who attend the meeting.	
Chairman of Committee who attends the meeting	THB 7,200/ meeting.
Each member of Committee who attends the meeting	THB 6,000/ meeting.
5. Meeting allowance for Chairman of Executive Board Executive director	THB 1,200/ meeting, THB 1,000 / meeting
6. Other Benefits : -No- No other remunerations than the above-mentioned are paid to directors.	

**8.4.2) Managing Director's Remuneration**

The Company prescribes the managing director's remuneration by taking into account qualifications, duties and responsibilities in comparison with the amount paid by other companies in the same industry listed in SET as well as operating result and size of business so as to be an incentive for developing the Company in a continuous and sustainable manner.

**8.4.3) Remuneration for Top Executives**

Remuneration for executives is in line with the Company's principles and policies, and relates to the operating result and each individual's performance. The remuneration is prescribed to motivate and keep the qualified executives with the Company.

**Remuneration in Cash****1. Remuneration for directors in 2020**

No.	Name of Directors		2020							
			Remuneration  Board of  Directors	Meeting Allowance					Bonus	Total  (THB)
				Executive  Board	AC	NRC	CGC	RMC		
1	Mr.Manu	Leopairote	360,000.00	-	-	-	-	-	-	360,000.00
2	Mr.Chamroon	Chinthammit	300,000.00	13,200.00	-	-	-	-	-	313,200.00
3	Mr.Pornsin	Thaemsirichai	300,000.00	11,000.00	-	-	-	-	-	311,000.00
4	Mr.Sukhum	Tokaranyaset	300,000.00	12,000.00	-	-	-	-	-	312,000.00
5	Mr.Thawatchai	Rojanachotikul	300,000.00	12,000.00	-	-	-	-	-	312,000.00
6	Mrs.Intira	Sukhanindr	300,000.00	12,000.00	-	-	-	-	-	312,000.00
7	Ms.Duangdao	Chinthammit	300,000.00	12,000.00	-	24,000.00	-	-	-	336,000.00
8	Mr.Chalush	Chinthammit	300,000.00	12,000.00	-	-	-	18,000.00	-	330,000.00
9	Mr.Somchai	Chinthammit	300,000.00	11,000.00	-	-	-	-	-	311,000.00
10	Ms.Duangkae	Chinthammit	300,000.00	12,000.00	-	-	-	-	-	312,000.00

No.	Name of Directors		2020							
			Remuneration	Meeting Allowance					Bonus	Total
			Board of	Executive	AC	NRC	CGC	RMC		(THB)
			Directors	Board						
11	Mr.Chanachai	Chutimavoraphand	300,000.00	10,000.00	-	-	-	-	-	310,000.00
12	Mr.Chatri	Chinthammit	300,000.00	-	-	-	-	-	-	300,000.00
13	Mr.Somchat	Chinthammit	300,000.00	-	-	-	18,000.00	-	-	318,000.00
14	Mr.Tachpong	Pakornsiriwongse	300,000.00	12,000.00	-	-	-	-	-	312,000.00
15	Mr.Trakarn	Chunharojrit	300,000.00	12,000.00	-	-	-	-	-	312,000.00
16	Pol.Gen.Boonpen	Bumpenboon	300,000.00	-	-	28,800.00	18,000.00	-	-	346,800.00
17	Mr.Sitti	Leelakasemlerk	360,000.00	-	36,000.00	-	-	18,000.00	-	414,000.00
18	Mr.Warapatr	Todhanakasem	300,000.00	-	18,000.00	-	21,600.00	-	-	339,600.00
19	Ms.Nongluck	Phinainitisart	300,000.00	-	30,000.00	24,000.00	-	28,800.00	-	382,800.00
20	Mrs.Anchalee	Pipatanasern	300,000.00	-	30,000.00	-	18,000.00	-	-	348,000.00
21	Mr.Supachai	Rakpanitmanee	234,166.67	-	-	18,000.00	-	12,000.00	-	264,166.67
	<b>Total</b>		<b>6,354,166.67</b>	<b>141,200.00</b>	<b>114,000.00</b>	<b>94,800.00</b>	<b>75,600.00</b>	<b>76,800.00</b>	<b>-</b>	<b>6,856,566.67</b>

**Remark:** 1. The directors' remunerations do not include the remunerations from subsidiary companies.

2. Mr.Supachai Rakpanitmanee (Independent Director/ Nomination & Remuneration Committee/ Risk Management Committee) No.21 resigned, effective on 30 September 2020.

## 2. Remuneration for executives in 2020

Remunerations for 13 executives (listed as corporate top executives) include salaries, bonuses and allowances amounted to THB 49,648,839.60 million.

## 3. Other Remunerations

The Company's regulations prescribe other form of remuneration for top executives, such as company car, fuel and maintenance expense and employee's welfare.

## 8.5 Personnel

As of October 31, 2020, the Company's personnel information is as follows:

	Consolidated		Separated	
	2020	2019	2020	2019
Number of Employees (Persons)				
During Production Season	5,791	6,118	1,972	2,169
During Normal Period	4,268	4,639	1,506	1,689
Expenses related to employees (Million THB)		1,461.84		624.27

As of 31 October 2020, the Company had no significant labor disputes that may have a potential negative impact on its operations.

### Personnel Development Policy

The Company always sets high value for 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 advance 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) by gathering and developing internal knowledge systematically in order that each employee can access those knowledge through Intranet and utilize them for personal development.

**To provide the appropriate welfare to the employees and other supports**

The group of companies provide welfare and service in addition to those required by law to all levels of employees to promote quality of life and to stabilize their future such as provident fund, life insurance and accident insurance, *Happy Home by Government Housing Bank providing home loan with special interest rate for KSL employees; Happy Home Phase 2 with home loan for day employees; UOB Workplace Banking*, the collaboration between KSL and UOB to provide welfares to KSL employees in the form of fixed deposit and home loan and monetary assistance including the promotion the employees' work-life balance by providing period for leave according to the years of work.

**Fair Remuneration**

Employees of all levels are important to the companies no matter of race, religion, or gender. All employees 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.

**Right and liberty**

The group of companies communicates to employees through intranet so that the employees shall get useful information and updated operation of the companies thoroughly and rapidly. The employees are encouraged to express their opinion or to negotiate various matters and take into account their opinions and suggestions which are useful for the employees and the companies.



## **9. Corporate Governance**

### **9.1) Corporate Governance towards Sustainability**

The Board of Directors, as leader of the organization, performs its duties with responsibility, transparency, and fairness with determination to operate and develop the Company to sustainability by adhering to the principles of corporate governance and business ethics.

In 2020, the Company has conducted the following activities.

1. The Board of Directors performs its duties in compliance with the principles of corporate governance introduced by the Office of the Securities Exchange Commission, Securities Exchange of Thailand, Thai Institute of Directors, Company's Corporate Governance Policy and Business Ethics as well as international criteria so as to be consistent with accepted rules such as ASEAN CG Scorecard, etc. In 2020, the Company is assessed by Survey Project on the Corporate Governance Report of Thai Listed Companies (CGR) conducted by the Thai Institute of Directors at the level of "Excellent".

2. Received a full AGM Checklist score at 100 for the 2020 Annual General Meeting of Shareholders from the Thai Investors Association

3. Received a certification as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) which is the Company's 2nd renewal of the certification.

4. The Company, on 20-22 February 2020, provides a workshop seminar (KSL Basic Knowledge 2020) to all new employees which includes the topics on business ethics and measures to prevent fraud and anti-corruption in order to promote basic knowledge and understanding to new employees.

5. On October 20, 2020, KSL Head Office organized KSL CG & Anti-Corruption Day 2020 under the theme Because CG is KSL Foundation.

6. The Company publicizes the Corporate Governance Policy, Business Ethics and Manual on Measures for Prevention of Fraud and Corruption on the Company's website and intranet so that the directors, executives and employees become aware and adopt as guidelines for their tasks.

7. There were a revision of Ethics and Code of Conduct at Work manual and a, Revision Manual on KSL Anti-Corruption Procedures

The Corporate Governance Policy consists of 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 6) Anti-Corruption and 7) Reporting Information on Misconduct and Fraudulent Activities.

During the year, the Company duly governs the business by adhering to the Policy.

## **Chapter 1: Rights of Shareholders**

1. Shareholders may propose a meeting agenda and put forward their questions concerning the Annual General Meeting of Shareholders in advance during 1<sup>st</sup> October to 30<sup>th</sup> November for the Annual General Meeting in the following February. The company notifies such process such to the shareholders via the information system of the Stock Exchange of Thailand, and the criteria and steps were clearly posted on the website of the Company at [www.ksigroup.com](http://www.ksigroup.com) at the menu “Information for Investors”.

2. Method of vote casting and counting as well as the use of voting ballots were announced before a meeting of shareholders.

3. Remuneration and criteria on providing remuneration for directors of each position, namely fixed remuneration, meeting allowances, annual remuneration, were proposed to the shareholders for consideration and approval every year.

4. The Company allowed the shareholders to cast their votes on an election of individual director, by nominating a director for voting by the shareholders one by one.

5. The Company's website where corporate shareholders and those interested may download corporate financial information, corporate profiles, and meeting information is [www.ksigroup.com](http://www.ksigroup.com). Inquiries and requests for further information may be e-mailed to [ir@ksigroup.com](mailto:ir@ksigroup.com) and [secretary@ksigroup.com](mailto:secretary@ksigroup.com)

6. The Company facilitates and encourages its shareholders to exercise their rights and votes. There is a record date for a right to a meeting and a record date for a right to receive 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 a in the middle of Bangkok, near the Company's head office. The 2019 AGM no. 1/2020 held on 25 February 2020 at 09.30 am. at Kamolthip 2-3 Ballroom , 2<sup>nd</sup> Floor, The Sukosol Hotel No.477, Sriyudhya Road, Thanonphayathai Sub-district, Rajthevi District, Bangkok. 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.

7. Agenda of the 2019 Annual Shareholders' Meeting No.1/2020 notice covered statement of financial position, profit and loss statement, dividend payment, election of replacement directors whose terms have ended, consideration of remuneration for directors, and appoint of auditor and audit fee.

8. In 2019 Annual Shareholders' Meeting, No.1/2020, the Company informed its shareholders about rules and procedure of attending the shareholders' meeting. Shareholders were given opportunities to directly inquire the corporate directors and committees. The meeting was recorded by video recorder. 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.

9. Minutes of the AGM 2019, No.1/2020 is precise and accurate. 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. The minutes were posted on the Company's website within 14 days after the AGM date

10. The Board of Directors shall not hold aggregately the shares more than 25 percent of the issued shares.

## **Chapter 2: Equitable Treatments of Shareholders**

1. A shareholder has a voting right by one share/one vote. The Company has only one type of share, namely, ordinary shares.

2. Shareholders are entitled to nominate a person of their choice for appointment as a director in advance as from 1<sup>st</sup> October until 30<sup>th</sup> November, by notifying such to the shareholders via the information system of the Stock Exchange of Thailand, and the criteria and steps are clearly posted on the website of the Company at [www.kslgroupp.com](http://www.kslgroupp.com) at the menu “Information for Investors” After that, the Board of Directors shall hold a meeting to proceed with the screening process. However, in the past there has been no nomination by the shareholders.

3. The Company attached a Letter of Proxy, per Form B with the Notice Calling Meeting, which enabled the shareholders to set their own voting direction in each agenda, so as to afford convenience to a shareholder who is unable to attend the meeting to authorize an independent director or another person to attend the meeting and cast votes on his/her behalf. The Notice Calling Meeting of both in Thai and English languages are published on the Company’s website 30 days before the date of meeting to allow shareholders to study the information beforehand. As for the Notice Calling Meeting of both in Thai and English language, the Company commissions the Thailand Securities Depository Company Limited, the Share Registrar of the Company, to send such Notice to the shareholders at least 21 days in advance in the case of normal agenda, and at least 14 days in advance in the case of special agenda.

4. The Company sets a guideline about the use of inside information in the CG Policy and disseminates to directors, executives and employees who access to significant information which would affect the price of securities to refrain from trading the securities for one month prior to the disclosure of operating result or the disclosure of such information to public (Chapter 2: Equitable treatment of shareholders). Besides, the Company by Company Secretary regularly warns the directors and executives in writing in advance of each disclosure of financial reports to refrain from the disposal of the Company’s securities as from and until the specific dates and, for transparency, informs the Meeting of Executive Board and the Board of Directors regarding the changes of the Company’s securities of each director or executive (if any) as well as informs the directors and executives of any illegal act regarding using inside information so that the directors and executives shall exercise good care in respect of the use or alleged use of any inside information before disclosure to public.

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 (Details in “Use of Inside Information”).

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, neither directors nor executives used insider trading and the Company did not violate or defy the connected transaction rules.

8. During the year, there was no related-party transaction which requires approval from the Shareholders' Meeting.

### **Chapter 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 commits to the importance of employees at all levels without discrimination on race, religion and gender. All employees are equal and are treated equally. The Company provides fair hiring conditions for the employees and undertakes appropriate policy and guidelines in respect of remuneration and welfare. Employees receive short term and long term remuneration such as salary and bonus pursuant to the employee's performance evaluation and the Company's operational result. The Company establishes a provident fund for employees' living stability. Besides, the Company supports the development of knowledge and potential so as to make them ready for their work and organizational development and discloses average training hours, accident statistics, work stoppage time and sickness from work information (Details in the Sustainability Report).

**Rights of Customers**

The Company applies international quality control system, e.g., ISO 9001:2015, FSSC 22000, GMP, HACCP, HALAL, KOSHER, Bonsucro and good governance in environment 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. 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.

**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 2019, sent letters to suppliers by informing them of the CG policies together with Anti-corruption policy. The central procurement unit requested 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 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.

**Right of Competitors**

The Company supports free and fair competition and also the Business Ethics that the personnel shall not do business by destroying or restraining the competitors with unlawful ways or apply any unlawful way to obtain the competitor's information. In practice, the competitors are members in the same associations and regularly exchange information; therefore, there has been of unfair practice among them.

**Rights of Community and Society**

The Company adheres to sustainable development under the framework of the Global Reporting Initiative (GRI) and keeps complying with relevant laws and regulations. The Company encourages the stakeholders to attend activities or participate in community and social development and supports activities that develop quality of life and benefits of communities where the Company operates its business as well as builds up the employees' conscience for community and social benefits. The Company also creates opportunities for communities and stakeholders to participate in the Company's projects or events, including the sharing of opinions and suggestions or even complaints regarding the Company's operation

**Human Rights**

The Company has the policy not to involve in human right violation by providing in the Corporate Governance Policy. 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. Each site of the Company's group has express clear intent that the Company shall not use child labour and forced labour and shall make announcement through various channels to the communities.

**Environment**

The 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. 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. The Company has made a prototype of the so-call Submerged Aerated Fixed Film (SAF) to treat condensate water from ethanol production process at Boploy district, Kanchanaburi province. The policy and guidelines regarding safety and occupational health in workplace and policy regarding business operation under environmental standards are made know to the employees. The Company encourages the employees to utilize resource in an efficient and worthwhile manner and to always work with good care of safety and environment. The relevant employees undertake training in respect of environment. (Details described in the Sustainability Report).

**Intellectual Property**

The Company shall respect intellectual property rights and exercise due care not to cause accusation of risk of being accused of infringing intellectual property rights. Unfamiliarity of the relevant laws is a legal risk; therefore, the Company sets more details in the Business Ethics that the personnel have to respect intellectual property rights of others by not using any work or intellectual property of others without permission. In case of doubt of infringement, a unit must consult the legal department. If it appears that there might be an infringement, a concerned party should consult the legal department. The Business Ethics define the meaning of intellectual property in a broad sense including copyright, patent, trademark, supplier information, customer information, formulae or any matter which is regarded trade secret. So far, there were in-house consultancy that could prevent several unintentional infringements.

**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, sub-district administration, hospital, district public health, school, police, etc. as shown in the topic “Activities on Corporate Social Responsibilities”.

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.

#### **Chapter 4: Disclosure of Information and Transparency**

The Company ensures that 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. Financial statement, other related information, and business operation are disclosed within prescribed period after audited and certified by the auditor.

1.1 The financial statements of the Company are approved unconditionally by the auditor.

1.2 There is no related transaction with affiliated companies that would cause significant conflict of interest.

2. 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.ksigroup.com](http://www.ksigroup.com). There are also updates related to the Company and the industry posted on the website to facilitate decision-making of those involved.

3. 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.

4. 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 in Form 56-1 and 56-2.

5. A Report on the Board of Directors' Responsibilities for Financial Statements is provided along with the auditor's report in 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 the financial statements are accurate, complete, and true according to accounting standards. The statement is signed by the Chairman and CEO/ President.

6. Contents of the Company's website consist of directors and executives' information consisting of name, age, gender, position, education, shareholding, experience, picture 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.

7. The Company specifies that directors and executives need to prepare a report of interests of directors, executives and related persons according to Article 89/14 of Securities and Exchange Act B.E. 2535 (1992) as amended and review a report within October every year or when information has been changed by submitting to the Office of Company Secretary within 7 days.



8. 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@kslgroup.com](mailto:ir@kslgroup.com) or the following contacts:

- |                            |   |
|----------------------------|---|
| 1. Mrs. Kanyarat Sumitra   | Telephone: 02-642-6230  |
|                            | Email: <a href="mailto:kanyarat@kslgroup.com">kanyarat@kslgroup.com</a> |
| 2. Mr. Chalush Chinthammit | Telephone: 02-642-6230  |
|                            | Email: <a href="mailto:chalush@kslgroup.com">chalush@kslgroup.com</a>   |

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.

In 2020 the Company has activities as follows:

Activities in 2020	Times per Year
1. Analyst Meeting	4 times
2. Disclosure of Business Performance through SET	4 times
3. Disclosure of Information and query	20 times

## **Chapter 5: Responsibilities of the Board of Directors**

1. The structure of the Board consisted of 21 directors. Among them, seven persons are independent directors with no business relationship or any other relationship which would influence the exercise of free discretion. (During 2020, one independent director resigned; the process of nomination new director is ongoing)

2. Chairman is an independent director who is not the same person as the Managing Director.

### **2.1 Board Diversity Policy**

The Company has a policy of acquiring diversified directors and would consider the persons who have knowledge and experience that are essential for the Company, including professionalism and specialization without discrimination of gender, age or education of the would-be directors so that the Board of Directors shall be more efficient and supportive to the Company's strategies. Also, there is at least one non-executive director who has good experience in the major business or industry of the Company. (Details of biography, knowledge, experience and shareholding are shown in the topic "Details regarding directors, executives, controlling persons and company secretary")

## **2.2 Directors' Term of Service**

The number of Independent directors are not less than one-third of the whole directors and at least three independent directors are required. An independent director may be in the position for three consecutive terms or nine years, whatever is longer. However, the Board of Directors may extend the directorship as it deems appropriate.

## **2.3 Consecutive Terms of an Independent Director**

Each office term of directors is three years; directors may be re-elected for another consecutive term.

## **2.4 Limitation of the Number of Listed Companies in Which a Director May Hold Directorship**

The Charter of the Board of Directors stipulates that a director must not be director in not more than five other listed companies so that a director shall have enough time to perform the directorship and being a director in other companies must not hinder the performance of duties as a director in the Company. At the moment, apparently, there is no director who is a director in more than five listed companies at the same time.

## **2.5 Separation of the Roles of the Board of Directors and the Management**

Duties of the directors as prescribed in the Charter of Board of Directors conform the principles of the CG Policy, Chapter 5 namely to govern the Company to have good management and to create value to the Company in a sustainable manner. The duties, therefore, do not cross over normal operation of the management. Even though the Charter prescribes the duties and authorities to approve, such authorities are within the scope as stipulated in the Authority Manual as approved by the Board of Directors. Besides, the CG Policy clearly stipulates the status and authorities of the Chairman and the Chief Executive Officer and the Chairman must not be the same person as the Chief Executive Officer.

## **2.6 Directorship in other companies by Managing Director and Executives**

The undertaking of directorship by the Managing Director or an executive in another company or entity in which the Company invests or as the Company's representative must be approved by the Board of Directors; provided that the Board of Directors, if it deems appropriate, may authorize the Managing Director to approve an executive in the same matter.

3. The Articles of Association provides that one-third (1/3) or close to one-third of corporate directors shall be rotated out each year. 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.

4. The Board of Directors has established the following committees:

4.1 The Executive Board

4.2 The Audit Committee

4.3 The Nomination and Remuneration Committee

4.4 The Risk Management Committee

4.5 The Corporate Governance Committee, as well as defined their functions and responsibilities.

5. 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, Chairman of the Board shall not be chairman or member of those committees. Each committee's term in office is 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 during the term, that director shall remain in the position as long as the committee's term ends.

6. 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.

7. There are ten Directors who are top executives in the Company ranging from Chief Executive Officer to Assistant Vice President, at present, executive directors do not hold directorship in more than two other listed companies outside the group. The Company has a non-executive director who has work experience in business that is relevant to the Company's business (At present, Mr. Somchart Chinthammit)

8. The Company's vision, missions, strategies, goals, business plans, budgets, internal control, internal audit, and risk management have been governed with effectiveness and efficiency and normally the Company will revise vision and mission every year before setting the strategy and action plan as well as monitor the management to follow the approved business plan and budget and to provide internal control system, internal audit and efficient and effective risk management. The Company provides long term and short term plans regarding projects and investments, The Company supports and helps strengthen the society by being an ethical entrepreneur pursuant to the established vision. The Board of Directors is kept informed of the operation according to the strategies in each quarter when the management submits the quarterly operating result along with financial reports.

9. The Board provides the Corporate Governance Policy and Manual of Business Ethics by taking into account the responsibility to all stakeholders within the framework of business ethics in order that they are directions for corporate administration; conducts any act with fairness by being well aware of the shareholders' maximum interest and sticks to sincerity and honesty; establishes policy, business plan, strategies, action, evaluation as well as operation and governance on risk management with transparency and accountability.

10. The Board provides whistle-blowing policy to be directions for action on investigating the wrongdoing and fraud, submission of information regarding wrongdoing and fraud, punishment on wrongdoers, protection for information giver.

11. The Board assigns the Risk Management Committee to provide risk management policy to the Board for approval. The present risk management policy was announced and effective on 1 September 2017 and provides internal control system and risk management system covering keys risk and other risks which are to be disclosed in the Annual Report. The risk management policy is subject to yearly review.

12. One significant duty of the Board according to the Charter is to supervise and act against any conflict of interest between directors, shareholders, stakeholders and the Company. The Board of Directors carefully considers transactions with may cause conflicts of interest after thorough consideration by the Audit Committee according to the SET legislation and procedure. The Board's authority to consider this issue depends on the size of transaction as stipulated by SET rules; provided that an interest person in the related transaction is not allowed to decide on those particular transactions. The correct and full disclosure of this matter shall be made in the Annual Report and Form 56-1 pursuant to the CG Policy Chapter 4: Disclosure of information and Transparency together with the guidelines under the policy.

13. 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.

14. 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.

### **Quorum of the Board of Directors**

The quorum of Board of Directors is prescribed in the Articles of Association that there must be directors attending the meeting not less than half of the whole directors to form a quorum. To set the policy on the minimum quorum of the Board of Directors by providing that, to vote at the meeting, the Director must be present at least two-thirds of all members.

### **Performance Assessment**

The Board of Director stipulates the conduct of self-assessment by applying the pattern developed by the Securities Exchange as follows: (1) Self-assessment Form of the Board of Directors (2) Self-evaluation Form of sub-committees, namely, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Governance Committee, and (3) Self-evaluation Form of individual directors so that the directors may jointly review their performance, solve problems and obstacles as well as the evaluation of the past performance and the ways to improve efficiency in the next year which leads to development in accordance with good governance.

**Self-Assessment Procedures-The Whole Board of Directors**

To evaluate the performance of the directors in 6 main items under SET guideline as follows :

1. Structure and characteristics
2. Roles/duties/responsibilities
3. Meeting
4. Performance of duties
5. Relationship with management
6. Self-development of directors and executive development

**The Criteria of Self-Assessment-The Whole Board of Directors**

1. The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified
2. The Office of Company Secretary and Legal the tabulation is processed, the result shall be sent to the Board for consideration.

**Self-Assessment Procedures-Each Director**

To evaluate the performance of the directors in 3 main items under SET guideline as follows :

1. Structure and characteristics
2. Roles/duties/responsibilities
3. Meeting

**The Criteria of Self-Assessment- Each Director**

1. The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified
2. The Office of Company Secretary and Legal the tabulation is processed, the result shall be sent to the Board for consideration.

**Self-assessment of the Committee**

To evaluate the performance of the directors in 3 main items under SET guideline as follows :

1. Structure and characteristics
2. Roles/duties/responsibilities
3. Meeting

**The Criteria of Self-Evaluation Form of Sub-Committees**

1. The Board of Directors is the one who approve and review the assessment form to be correct in accordance with the Criteria specified
2. The Office of Company Secretary and Legal the tabulation is processed, the result shall be sent to the Board for consideration.

The assessment of 2020 shows the performance score of the Board of Directors, the Committees and each individual director as excellent level. The Board of Directors in the meeting No.1/2020-2021 on 23 December 2020 acknowledges the result and make observations with suggestions for further improvement.

### **CEO Performance Assessment**

The Board of Directors and the Nomination and Remuneration Committee set the goals and performances of CEO based on 4 Aspects of Balance Scorecard.

1. Financial Performance
2. Learning & Growth
3. Market & Customer
4. Internal Business Process

And The Board of Directors consider every year

### **Director and Executive Development**

As for the Directors, the Corporate Governance Policy prescribes that the Company should encourage Directors to have continual training and knowledge development, particularly training in curriculum that is organized by external entities such as the Stock Exchange of Thailand and Thai Institute of Directors (IOD) so as to help the Directors perform their duties and govern the Company's business effectively.

Directors have already 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), 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 2020, some directors participated in training courses

Director	Training Courses
1. Mr. Pornsin Thaemsirichai	- Develop and Train sales and marketing teams - Disciplinary Investigation & Interrogation Training Course
2. Ms. Intira Sukhanindr	
3. Mr. Thawatchai Rojanachotikul	
3. Ms. Duangdao Chinthammit	
4. Ms. Duangkae Chinthammit	
5. Mr. Somchai Chinthammit	

**Orientation of Newly Appointed Directors**

The Board of Directors states that there shall be an orientation of new directors every time they assume office in the Company, so as to enable them to understand the business and various operations of the Company. In this respect, the Company Secretary is assigned to proceed with coordination in regard to related issues, such as, important information relating to the Company, the regulations which specifies the scope of powers and duties of the Board of Directors, including information relating to laws, rules and regulations, as well as numerous conditions. Besides, if a newly appointed director has not yet attended a training curriculum concerning the performance of duties of a company director, the Company will arrange for said director to attend such necessary curriculum.

In the part of executives and staff, the Company has arranged for a training curriculum for them both inside and outside the Company to increase work skills, knowledge, abilities, so as to help them achieve success in works and to create a learning atmosphere that motivates a creation of new things and work development among fellow colleagues as a team, and to set up a knowledge management for transferring to the new executives and staff.

In 2020, the Company aimed to apply more digital system in its operations. Thus, the trend of development of executives and staff is now linked to on-line skills and new work systems.

**Chapter 6: Anti-Corruption Process**

The anti-corruption policy, approved by the Board of Directors, prohibits directors, executives and staff from committing corruption and stipulates corruption-risk assessment and regular review of policy compliance and guidelines and rules for operations to be consistent with the change of laws, regulations and acceptable standards relating to the Company's business.

The Company disseminates and makes the staff be knowledgeable of the Anti-Corruption Policy for proper practices by providing Business Ethics and Manual on Anti-Corruption as well as Operation Manual relating to the Anti-Corruption Policy for various departments for the use in training, implementation, or learning by the staff. Besides, the Company provides protection for the staff who reports an incident or a lead about corruption under the prescribed criteria. A corruption doer is regarded as a discipline violator who shall be treated with disciplinary sanctions according to the work regulations of the Company as well as the criminal prosecution or the civil action, as the case may be.

On 26 September 2014, the Company declared its intention to join the Private Sector Collective Action against Corruption (CAC) and was later certified a three-year member of CAC on 9 March 2017. The Office of Risk Management is assigned to evaluate and monitor the anti-corruption risk in accordance with the self-evaluation form that the Company had submitted and to coordinate with all functions within the Company and the Internal Audit Office as well as to provide continual activities in order to communicate the understanding relating to the compliance with the policy and the guidelines of anti-corruption. The Company intends to have other stakeholders join the CAC respectively.

As regards the conduct of relevant work flows, the Company evaluate the corruption risk annually by applying COSO-ERM principles and to provide a Risk Management Manual on Fraud and Corruption to make clear practices for governance, control, prevention and monitoring the corruption risk. To ensure

the compliance with the policy and guidelines for practices by the employees, the Company assigns the Office of Risk Management to monitor and report the implementation of the Anti-Corruption Policy on regular basis. The Office of Internal Audit has the annual plan to audit the efficiency and effectiveness of the internal control system and additional control measures.

In 2020, the Company carried out important anti-corruption activities as follows:

1. Reviewed the Anti-Corruption Policy, the Manual on Anti-Corruption Measures and the Risk Management Manual on Anti-Corruption.
2. Arranged communication activities regarding fraud and anti-corruption for better understanding of executives. The communication of this year focus on channel of whistle blowing and staff of 770 attendees.
3. Developed communication channels for the Policy and guidelines through [www.kbidding.com](http://www.kbidding.com) and approved the “white procurement” to the process of procurement for fair competition and transparency.
4. Monitored and reported risk management on fraud and corruption to the Corporate Governance Policy with detailed causes so that the Management shall be able to prevent the causes more effectively.

#### **Chapter 7: Giving Information of Wrongdoing and Dishonest Act**

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. 127,  
or email: [ia@kslgroup.com](mailto:ia@kslgroup.com) or [chartchai@kslgroup.com](mailto:chartchai@kslgroup.com).
  - 2.2 Manager, Human Resources Department, Tel. 02-642-6092, Ext. 969,  
or email: [ampaporn@kslgroup.com](mailto:ampaporn@kslgroup.com).
  - 2.3 Send email to [ia@kslgroup.com](mailto: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, 22<sup>nd</sup> Floor, Sri Ayudhya Road, Thanon Phayathai Sub-District,  
Rajathevi District, Bangkok 10400,  
or email: [sitti@kslgroup.com](mailto:sitti@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 act 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**

### 9.2.1) **Board of Directors**

As of October 31, 2020, the Company's Board of Directors comprises the following 20 members:

1) Mr. Manu Leoparote	Chairman and Independent Director
2) Mr. Chamroon Chinthammit	Director
3) Mr. Pornsin Thaemsirichai	Director
4) Mr. Sukhum Tokaranyaset	Director
5) Mr. Thawatchai Rojanachotikul	Director
6) Mrs. Intira Sukhanindr	Director
7) Ms. Duangdao Chinthammit	Director
8) Mr. Chalush Chinthammit	Director
9) Mr. Somchai Chinthammit	Director
10) Ms. Duangkae Chinthammit	Director
11) Mr. Chanachai Chutimavoraphand	Director
12) Mr. Chatri Chinthammit	Director
13) Mr. Somchat Chinthammit	Director
14) Mr. Tachpong Pakornsiriwongse	Director
15) Mr. Trakarn Chunharojrit	Director
16) Pol. Gen. Boonpen Bumpenboon	Independent Director
17) Mr. Sitti Leelakasamelek	Independent Director
18) Mr. Warapatr Todhanakasem	Independent Director
19) Ms. Nongluck Phinainitisart	Independent Director
20) Mrs. Anchalee Pipatanasern	Independent Director
21) Mr. Supachai Rakpanitmanee	Independent Director

(Resigned, effective on September 30, 2020)

**Remark:** The Company is in process of appointing a new eligible director to substitute the vacancy.

As of 31 October 2020, the company has 20 directors, of which 10 are non-executives (47.60%) and 6 are independent directors (28.60%), and two of them are 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 shareholders' meeting appoints the Board of Directors. The Board appoints Corporate Secretary to advise and assist the Board in their duties so as to be compliance with relevant rules, regulations and corporate governance. The Corporate Secretary's main duties are prescribed by law, which include important meetings such as the Board's meeting and the shareholders' meeting and the promotion of good governance.

**Scope of Duties and Responsibilities**

Duties and authorities of the Board of Directors are formerly prescribed in the CG Policy Chapter 5. The Board in meeting No 7/2016-2017 on 29 September 2017 approved the Charter of the Board of Directors to be effective on 1 October 2017. The Charter revises duties of the Board to be consistent with the CG Code as follows.

1. Administer the business by creating long-term business value, namely, good operating result, ethical and responsible conduct to stakeholders, abolition or reduction of negative impact against society and environment and corporate resilience.
2. Define objectives and business goals on the basis of sustainable value creation by taking into account the impact to society and environment and direct the operations to respond to achievements set by objectives, goals, strategies and annual action plan.
3. Ensure having the Board of Directors consisting of components and qualifications that conform to good governance, transparent and efficient selection, development of skills and knowledge necessary for performing duties responsibly, framework and mechanism to govern policy and operation of subsidiaries and affiliates, appointment of sub-committees as necessary.
4. Ensure having managing director and top executives of appropriate quality for the achievement of the Company's goals and developing top executives as well as systematic succession of positions.
5. Promote innovation that creates value for the Company and business operation that is responsible to society and environment.
6. Establish effective risk management and internal control that correspond with the achievement towards objects and goals of the Company in the long run and to prevent the leakage of important information by ways of information technology; provide policy and practices for handling conflict of interest and related transactions, anti-corruption, whistle-blowing channels for fraud and corruption.
7. Ensure financial reliability and financial report making with transparent disclosure in accordance with the law.
8. Support engagement of shareholders in important matters and respect right to information of shareholders through appropriate and timely channels.

The aforementioned 8 roles and duties are divided into several principles and guidelines as referred to the Corporate Governance Code for listed companies 2017 that is developed by the Securities and Exchange Commission.

### **Approval authority of the Board of Directors**

The Board of Directors has the authority to approve the matters as prescribed by laws, Company's regulations, the Board's Charter, Manual of Authorization and the resolution of shareholders' meeting, including the making and review of policy, vision, mission, strategies and action plans as well as other important matters, e.g., financial statements, transactions which legally require the Board's approval, financial policy, investment, annual budget, appointment of executives and managing director, etc.

### **Scope of Authority of the Chairman of the Board of Directors**

Chairman is responsible for leading the Board and has the following duties.

1. Oversee, monitor, and ensure that the Board efficiently carries out its duties to achieve the Company's main objectives.
2. Ensure that all Directors contribute to the Company's corporate culture and good corporate governance.
3. Set the Board meeting agenda by discussing with the Chief Executive Officer and set up procedures to ensure that important matters are included in the agenda.
4. Allocate sufficient time for management to propose topics and for Directors to discuss important matters thoroughly and encourage Directors to exercise good discretion and pay attention to relevant issues brought to the meeting including corporate governance issues.
5. Promote good relationship between the Board and management.

### **9.2.2 ) The Board of Executive Directors**

As of October 31, 2020, the Company's Board of Executive Directors consists of:

1) Mr. Chamroon	Chinthammit	Chairman
2) Mr. Pornsin	Thaemsirichai	Executive Director
3) Mr. Sukhum	Tokaranyaset	Executive Director
4) Mr. Thawatchai	Rojanachotikul	Executive Director
5) Ms. Intira	Sukhanindr	Executive Director
6) Ms. Duangdao	Chinthammit	Executive Director
7) Mr. Chalush	Chinthammit	Executive Director
8) Mr. Somchai	Chinthammit	Executive Director
9) Ms. Duangkae	Chinthammit	Executive Director
10) Mr. Chanachai	Chutimavoraphand	Executive Director
11) Mr. Tachpong	Pakornsiriwong	Executive Director
12) Mr. Trakarn	Chunharojrit	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 2020, the committee held twelve meetings, and reports on their work were regularly presented to the Board of Directors. Meeting Attendance of the Executive Board is disclosed in (Report of Meeting Attendance of Directors in 2020)

**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 duties and responsibilities of CEO and President shall comply with laws, Manual of Authorization and the Company's regulations. The approval authority of CEO and President does not extend to transactions that would allow CEO and related persons to have interest or cause conflict of interests affecting the Company and its subsidiaries.

### **9.2.3 ) Audit Committee**

As of October 31, 2020, the Audit Committee comprises of:

- |                 |                |                                |
|-----------------|----------------|--------------------------------|
| 1) Mr. Sitti    | Leelakasamelek | Chairman/ Independent Director |
| 2) Mr. Warapatr | Todhanakasem   | Independent Director           |
| 3) Ms. Nongluck | Phinainitisart | Independent Director           |
| 4) Ms. Anchalee | Pipatanasern   | Independent Director           |

Qualifications of the Audit Committee are in line with relevant SET requirements, Capital Market Board, Corporate Governance Policy and Charter of the Audit Committee. The Audit Committee comprises four independent directors, namely, Chairman and other three members who are knowledgeable in finance, internal control, internal audit whose autography and qualifications are detailed in the Appendix. Mr. Sitti Leelakasamelek, Chairman of the Audit Committee and Ms. Anchalee Pipatanasern possesses sound knowledge, understanding, professional experience in accounting and finance.

The Chairman of the Audit Committee appoints Secretary of the Audit Committee (currently, Mr. Chartchai Poowong, Manager of Internal Audit Office).

### **Scope of Duties and Responsibilities**

1. To review that the Company has accurate and sufficiently disclosed financial reports.
2. To review that the Company has internal controls and internal audit activities appropriately and effectively, including considers sufficiency of manpower budget and independency of the internal audit department as well as the Audit Committee's consent on appointment, rotation, promotion, and termination the head of internal audit department, including other departments who are also responsible for internal audit activities.
3. To review the risk management operations of the Company. The effects may occur at a level acceptable in order to prevent fraud and corruption.
4. To review that the Company is complied with the Securities and Exchange Act and Regulations of the SET or other laws that related to the Company's industry.
5. To select, propose for appointment and termination of independent person as the Company's auditor, including consider the remuneration. The Audit Committee shall hold a meeting with the auditor without management participation at least once a year.
6. To consider compliance of connected or conflict of interest transactions, including significant asset acquisitions and disposals in accordance with the Laws and Regulations of SET and SEC in order to assure that the transactions are reasonable and provide the best interest to the Company.

7. To report activities of the Audit Committee in the Company's annual report. The report shall be signed by the Chairman of the Audit Committee and should be included at least the following information:

- 7.1 Comments on completeness and reliability of the Company's Financial Reporting
- 7.2 Comments on sufficiency of the Company's internal control systems
- 7.3 Comments on compliance with Securities and Exchange Act, Regulations of SET and SEC and other related laws to the Company's industry
- 7.4 Comments on appropriation of the auditor
- 7.5 Comments on conflict of interest transaction
- 7.6 Number of Audit Committee meetings and member's participation
- 7.7 Overall comments or observation regarding practices of the Audit Committee in accordance with the Audit Committee Charter
- 7.8 Other statements that shareholders or general investors should be informed under the scope of authorities and responsibilities of the Audit Committee as assigned to the Audit Committee by the Board of Directors.

8. To perform any assignment by the Board of Directors that agreed upon by the Audit Committee

9. While the Audit Committee are performing duties and responsibilities, the Audit Committee shall report within a reasonable period of time to the Board of Directors for corrective action if the Audit Committee observed the following transactions or events that may have material impacts to the financial status and performance of the Company

- 9.1 Conflict of interest transaction
- 9.2 Fraud or misappropriation might occur or there is significant weakness in the internal control system
- 9.3 Violation to the laws of SET, SEC or announcements of SET or other laws relating to the Company's industry

If the Board of Directors or relevant executives do not correct the aforementioned matters in due time, any Audit Committee member may further report the finding to the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Charter of the Audit Committee requires at least four meetings per year. In 2019, the Committee holds five meetings, and reported their work to the Board of Directors on quarterly basis. (Please see Report of the Audit Committee). Meeting Attendance of the Audit Committee is disclosed in (Report of Meeting Attendance of Directors in 2020)

**9.2.4) Nomination and Remuneration Committee**

As of October 31, 2020, the Nomination and Remuneration Committee consists of:

- |                                 |   |
|---------------------------------|---|
| 1) Pol. Gen. Boonpen Bumpenboon | Independent Director                        |
| 2) Ms. Nongluck Phinainitisart  | Independent Director                        |
| 3) Mr. Supachai Rakpanitmanee   | Independent Director                        |
|                                 | (Resigned, effective on September 30, 2020) |
| 4) Ms. Duangdao Chinthammit     | Director                                    |

The Chairman of the Nomination and Remuneration committee appoints Secretary of the Nomination and Remuneration committee. (Currently, Mr.Arnon Sricharnkij, Manager of Human Resources department)

**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 the Board of Directors 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 ;

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 Company requires that the Remuneration Committee and Nomination Committee be combined. The Nomination and Remuneration Committee comprises not less than three committee members, provided that Chairman and other committee members altogether being more than half of the Committee must be independent directors. The Nomination and Remuneration Committee has an office term of three years each time, and they can be re-elected, but they shall not hold office for more than three consecutive terms, except where deemed suitable by the Board of Directors. The Nomination and Remuneration Committee has the scope of powers and duties as prescribed in the Charter of the Nomination and Remuneration Committee.



The Charter of the said Committee requires at least three meetings per year or more than that if it is necessary to select corporate directors, sub-committee members or to revise remuneration. In 2020, the Nomination and Remuneration Committee holds 4 meetings, and reports their work to the Board of Directors on quarterly basis. Meeting Attendance of the Nomination and Remuneration Committee is disclosed in (Report of Meeting Attendance of Directors in 2020)

The Nomination and Remuneration Committee considers it not necessary to appoint any advisor to the Committee, because the majority of the Committee are independent directors who have appropriate fields of knowledge, expertise and specialization and can independently perform their duties in compliance with relevant laws and the Committee's charter. Moreover, the secretary of the Committee normally searches and collects updated relevant information for the Committee's consideration.

#### **9.2.5) Risk Management Committee**

As of October 31, 2020, the Risk Management Committee consists of:

1) Ms. Nongluck	Phinainitisart	Chairman/ Independent Director
2) Mr. Sitti	Leelakasamelek	Independent Director
3) Mr. Supachai	Rakpanitmanee	Independent Director (Resigned, effective on September 30, 2020)
4) Mr. Chalush	Chinthammit	Director

The Risk Management Committee appoints Secretary of the Risk Management Committee. (Currently, Ms.Lalana Wiwitsurakarn , Manager of Risk Management and System Development)

#### **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 comprises not less than three committee members, provided that Chairman and other committee members altogether being more than half of the Committee must be independent directors. The Risk Management Committee has an office term of three years each time, and they can be re-elected, but they shall not hold office for more than three consecutive terms, except where deemed suitable by the Board of Directors. The Risk Management Committee has the scope of powers and duties as prescribed in the Charter of the Corporate Governance Committee.

The Charter of the said Committee requires at least four meetings per year. In 2020, the Risk Management Committee holds four meetings, and reports their work to the Board of Directors on quarterly basis. Meeting Attendance of the Risk Management Committee is disclosed in (Report of Meeting Attendance of Directors in 2020)

#### **9.2.6) Corporate Governance Committee**

As of October 31, 2020, the Corporate Governance Committee comprises of:

- |                      |              |                                |
|----------------------|--------------|--------------------------------|
| 1) Mr. Warapatr      | Todhanakasem | Chairman/ Independent Director |
| 2) Pol. Gen. Boonpen | Bumpenboon   | Independent Director           |
| 3) Ms. Anchalee      | Pipatanasern | Independent Director           |
| 4) Mr. Somchat       | Chinthammit  | Director                       |

The Corporate Governance Committee appoints Secretary of the Corporate Governance Committee. (Currently, Mr. Dhajjai Subhapholsiri, Vice President of Company Secretary and Legal Office)

#### **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 comprises not less than three committee members, provided that Chairman and other committee members altogether being more than half of the Committee must be independent directors. The Corporate Governance Committee has an office term of three years each time, and they can be re-elected, but they shall not hold office for more than three consecutive terms, except where deemed suitable by the Board of Directors. The Corporate Governance Committee has the scope of powers and duties as prescribed in the Charter of the Corporate Governance Committee.

The Charter of the said Committee requires at least three meetings a year. In 2020, the Corporate Governance Committee holds three meetings, and reports their work to the Board of Directors on quarterly basis. Meeting Attendance of the Corporate Governance Committee is disclosed in (Report of Meeting Attendance of Directors in 2020)

### **9.3 Nomination and Appointment of Directors and Top Executives**

The Board of Directors consists of independent and non-independent directors, the proportion to warrant independence from the management, independent directors are required to have more specific qualifications than non-independent directors.

#### **9.3.1) Qualifications of Independent Directors**

Independent directors must possess all qualifications as prescribed by the Capital Market Supervisory Board and must be able to protect the interests of all shareholders equally and to avoid conflict of interest. Independent directors must attend Board of Directors' meetings and express their opinions independently.

**The Company's CG Policy prescribes qualifications of an independent director as follows.**

(1) Holding shares not more than zero point five (0.5 %) of the total number of shares with voting rights of the Company, subsidiary company, affiliated company, major shareholders, or persons with powers to control the Company, however, including the shareholding of related persons of such independent director as well.

(2) Not being or used to be a director who has or had a part in the management, an employee, a staff, an adviser receiving regular salaries, or a person with control power, of the Company, subsidiary company, affiliated company, major shareholder, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.

(3) Not being a person who is related by blood or by registration under the law in the description of a father, a mother, a spouse, a brother/sister, and a child, including a spouse of a child of an executive, a major shareholder, a person with controlling power, or a person who is to be nominated as an executive or a person with controlling power of the Company or a subsidiary company.

(4) Not having or used to have a business relations with the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, in a description that may be impediment to the exercise of discretion freely, and not being or used to be an important shareholder, or a person with controlling power of a person having business relations with the Company, a subsidiary

company, an affiliated company, a major shareholder, or a person with controlling power, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.

(5) Not being or used to be an auditor of the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, and not being an important shareholder, a person with controlling power, or a partner of an accounting firm having employed an auditor of the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, except the period thereof has lapsed for not less than two years from the date of appointment as an independent director.

(6) Not being or used to be a professional service provider, including the providing of legal consultancy service or financial consultancy service, who receives a service fee exceeding Baht two million per year from the Company, a subsidiary company, an affiliated company, a major shareholder, or a person with controlling power, and not being an important shareholder, a person with controlling power or a partner of the said professional service provider, except where the period thereof has lapsed for not less than two years prior to the date of appointment as an independent director.

(7) Not being a director who is appointed to act as an agent of a director of the Company, a major shareholder, or a shareholder who is related to the major shareholder.

(8) Not operating a business of the same nature as, and which is a competition to, the business of the Company or of a subsidiary company, or not being an important shareholder in a partnership, or a director who has a part in the management, an employee, a staff, an adviser receiving regular salaries or holding shares more than one percent of the total number of shares with voting rights of other company operating the same kind of business which is a competition to the business of the Company or a subsidiary company.

(9) Not having any other descriptions which obstruct free expression of opinions concerning the operations of the Company.

### **9.3.2) Nomination Process for Directors**

The Nomination and Remuneration Committee shall consider the persons who have qualifications in accordance with the Charter of the Board of Directors and with the diversified specialization as prescribed in the Board Skill Matrix. The source of names is from the roster of professional directors provided by Thai Institute of Directors (IOD) together with the nomination by each director. The Committee shall then examine the qualifications of the nominated persons in accordance with the Corporate Governance Policy, Charter of the Board of Directors and the Company's Articles of Associations as well as specific talents needed at the time; provided that the qualifications well respond to the Company's vision, mission and strategies.

The Nomination and Remuneration Committee shall propose the selected nominated persons to the Board of Directors. Should the Board approve the names, the Board shall propose the names to the Annual General Meeting of shareholders to appoint them directors.

The Charter of the Board of Directors prescribes the qualifications of directors as follows.

- (1) The qualifications prescribed by law and related regulations.
- (2) Knowledge, capability, experience, and expertise in specific field which are beneficial to the Company.
- (3) No conflict of interests with the Company.
- (4) Sufficient time to perform well the duties of a director of the Company, and if he/she is a director of another company, such must not be impediment to the carrying out of duties as a director of the Company; provided that a director should not be a director in more than 5 listed companies at the same time.

### **9.3.3 Election and Appointment of Directors**

Normally, the meeting of Shareholders elect directors as the Articles of Association prescribe that in each Annual General Meeting of Shareholders one-thirds or the nearest to one-thirds of directors shall retire from office. The Company shall arrange an agenda for election of directors in every AGM and propose the names that have been endorsed by the Nomination and Remuneration Committee and the Board of Directors for consideration.

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 exercise the casting vote.

However, in the case a position of directorship is vacant because of other reasons than retiring by rotation and the remaining term is longer than two months, the public company law and the Articles of Association vest the power to the Board of Directors to appoint a director in replacement. The Nomination and Remuneration Committee shall exercise the selection process as mentioned above and nominated the selected person to the Board of Directors to appoint. The new director shall hold office only for the remaining period of the director whom he/she has replaced.

When either the meeting of shareholders or the Board of Directors appoints directors as the case may be, the Company shall inform the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) of the new directors respectively.

#### **9.3.4) Selection and Succession Plan for top executives**

The Company is well aware that the executives who have capability, vision and integrity would significantly lead the Company to sustainable growth and development. Therefore, the Company has a policy regarding administration and development of high ranking executives with the purposes to prevent the shortfall of high ranking executives and to select high ranking executives who possess qualifications that serve the Company.

The Company develops work process on regular situation assessment, selection, development and succession plan to implement in case of position vacancy to ensure that the Company would sustain professionally capable executives to perform their duties. The Nomination and Remuneration Committee develops a succession plan for managing director and seek approval of the Board of Directors respectively. As for other below high ranking executives, the Human Resources prepare the succession plan before submitting to the Executive Board for approval. In order to select high ranking executives, the Company may either undertake the whole process until the wanted position is fulfilled by internal or external qualified person or commission a professional firm to conduct the selection or recruitment pursuant to the succession plan, as the case may be.

Amongst others, the succession plan consists of the following matters.

1. Specification of important or main positions
2. Specification of capability or competency of main positions
3. Analytical process in selecting a successor
4. Individual development Plan

#### **9.4 Governance for subsidiaries and associates performance**

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. The directors who represent the Company shall participate in decision of policy such as other project investments.

### **9.5 Supervision of Use of Inside Information**

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

The Company stipulates code of conduct and ethic relating to the use of inside information and trading of securities, publication and interview in public

1. The Company informs executives about their obligation to disclose shareholdings and changes of the holdings of themselves, their spouses, and their children who have not yet attained the majority according to article 59 and article 275 of the Securities and Exchange Act B.E. 2535.

2. Circular notices are sent to directors and executives advising that 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 of share holdings, the Company's directors and executives shall report to the Office of Company Secretary and Legal in order to report to SEC or SET within the prescribed period. The Office of Company Secretary and Legal shall report any changes of share holdings of directors to the Board of Directors quarterly and to the Board of Executive Directors monthly.

4. Important inside information and confidential documents which kept as hard copies or soft files are protected and limited accessible to top executives only when necessary. If any inside information needs to be disclosed to 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.

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; however, the trading of Company's securities within one month before the financial statements disclosure shall be prohibited in order to avoid conflict of interest.

## **9.6 Auditor fee**

For the year 2020, the auditor fees of the Company and subsidiaries is in the total amount of THB 6,720,000 and other fees (non-audit fee) is in the total amount of THB 420,000 which consists of BOI examination fee of THB 40,000 and other services fee of THB 380,000.

## **9.7 Application of CG code 2017**

The Company has reviewed Corporate Governance Policy by referring to the CG Code of 2017 introduced by the Securities and Exchange Commission. The Corporate Governance Committee finds that the Company has applied most of the principles and guidelines of the CG Code to the Company's CG Policy and informed of such application to the Board of directors in the Meeting No. 6/2019-2020 on 10 September 2020. However, there are a few practices that the Company deems not practical at the moment which are considered by the Board and recorded for annual review.

The matters in CG Code 2017 that are not applied in 2020 are as follows.

1.CG Code: The Board should determine the proper number of directors to function effectively. It must comprise at least 5 directors and should not be more than 12 directors, depending on the company's size, type, and complexity of the business.

- At present, there are 20 directors in the Board. The Company deems the number appropriate for the size and complexity of businesses as it needs sufficient directors and diversification of knowledge to perform its duties efficiently and to supervise a number of subsidiaries doing different businesses.

2.CG Code: The Board should establish the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of service.

- The Company does not limit the number of years in service of independent directors. The office term of an independent director is three years and he/she may be reelected, as there is no rule prohibiting the reelection of an independent director whose term has ended. Independent directorship may last not more than three consecutive office terms or not more than nine years, whichever is longer. However, the Board of Directors may, if they deem appropriate, allow longer tenure by approving the extension of office term. Even though an independent director may be in office more than nine years, the director can stay independent from the management and major shareholders in an appropriate manner and can perform the duties well by using the accumulated knowledge and understanding of the businesses of the Company and its subsidiaries, which are connected in the supply chain and can make decision for the supreme benefit of the Company.



3. The company should appoint an external consultant to assist in setting guidelines and providing recommendations for a board assessment at least once every three years. This information should be disclosed in the annual report.

- The Company does not commission an external advisor to help make guidelines and suggest issues of performance assessment of directors for every three year cycle. Alternately, the Board of Directors instructs the application of Self-assessment form provided by SET for the Company's use, namely, (1) Self-assessment form for the Board of Directors, (2) Self-evaluation of Committees, i.e., the Audit Committee, the Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance Committee, (3) Self-assessment form of individual directors. The purpose is to have the directors jointly review their performances, solve problems and hindrances and evaluate themselves for the past year so as to improve the work efficiency of the Board in the coming years.

## **10. Corporate Social Responsibilities**

The Board of Directors' Meeting No. 5/2019-2020 on 7 August 2020 reviewed and approved the Corporate Social Responsibilities Policy (CSR) of Khon Kaen Sugar Industry Public Company Limited which has set a policy to conduct its business with corporate social responsibility that covers various important aspects and relates to stakeholders inside and outside the Company as well as the general public. The policy includes seven core subjects stated in ISO 26000 and additional matters as the Company thinks appropriate to form the following nine policies.

### **1. Conducting business in accordance with business ethics and good governance**

1.1 The Company emphasizes on conducting business with honesty, fairness, ethics and is determined to abide by laws, trade ethics and fair competition. The Company pays tax correctly and timely. The personnel at all levels are advised to perceive the importance of the corporate social responsibility.

1.2 The Company conducts its business pursuant to business ethics and corporate governance with responsibility to shareholders by respecting shareholders' right, treating the shareholders equally, giving sufficient information with respect to investment decision or material change of the Company and does not disclose to any person the inside information which would cause damages or disadvantages to shareholders. The Company manages and provides remuneration to executives and directors with transparency and accountability. The financial and non-financial reports are disclosed correctly, completely and timely in accordance with the generally accepted standards.

### **2. Anti-corruption**

The Company manages its business on the basis of transparency and ethics and complies with the policy and laws related to anti-corruption, bribery and inappropriate benefits to government officials or private sectors. The Company prescribes the organization structure by clearly dividing duties, responsibility, work process and line of command in each division in order to facilitate the balance of power and intra-audit. The Company provides the Manual on Anti-Corruption which compiles policies, ethics, regulations, rules and work processes for the directors, executives and staff to implement.

In 2014 the Company committed 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 and was certified a three-year member of the Private Sector Collective Action Coalition against Corruption (CAC) on 9 March 2017.

### **3. Human Rights**

The Company supports and respects human rights protection by treating all stakeholders including staff, communities and surrounding societies with respect to human values, equality and liberty. The Company does not violate basic human rights and does not discriminate against race, nationality, religion, language, skin colour, gender, age, education, physical condition or social status. The Company averts itself from involving in human right violation, e.g. child labour, forced labour and sexual harassment, etc. as well as promotes the compliance with human rights norms by arranging the venue for expression of opinions and channels for any injured persons due to alleged human right violation to file complaints and by providing appropriate remedies to the injured persons.

The Company provides training or disseminates information as to human rights and encourages its personnel to abide by human right principles.

### **4. Fair Treatment to Employees**

The Company is well aware of the importance of human resource development and fair treatment to employees with the recognition that such matters would increase business value as well as promote competitive edge and sustainable growth of the Company. As such, policies and guidelines are prescribed as follows.

4.1 Respect to rights of employees pursuant to labour law and human rights principles.

4.2 Fair process of employment and employment conditions, including remuneration and promotion in accordance with fair evaluation.

4.3 Promotion of personnel development by providing training, seminar, workshop including assigning the personnel to relevant external seminar and workshops in order to develop their knowledge, ability, potential, attitudes, ethics and team work skill.

4.4 Providing welfare for the employees pursuant to the law, e.g., social security, provident fund etc. and additional to the law, e.g., health insurance, accident insurance, etc. including various funding, e.g. scholarship for employee's children, funeral expenses, etc.

4.5 Providing annual medical check-up to employees of all levels by taking into account risk factors relating to ranking, age, gender and work environment of each individual employee.

4.6 Providing safe working condition and sanitary workplace by issuing measures for accident prevention, encouraging awareness of safety including training, promoting good health and taking good care of workplace to keep it safe and hygienic.

4.7 Opportunity for employees to express opinions or to file complaints in respect of unfair treatment or improper conduct within the Company including due protection to such reporting employees.

## **5. Responsibility to Customers**

The Company is determined to develop products that meet the satisfaction and utmost benefits of customers and adheres to deal with customers with responsibility and honesty in accordance with the following policies.

5.1 The Company regards the quality and standard of the products as essential by focusing on high quality raw materials, production under good standard and regular improvement of product quality so that the customers shall get good quality and hygienic products with utmost satisfaction.

5.2 The Company regards product safety as essential and wants the customers to receive the products of quality and safety that matches relevant international standards and rules.

5.3 The Company respects fair marketing by providing customers the information relating to the products which is correct, undistorted, not vague or not overstated so that the customers get correct and sufficient information for making decision.

5.4 The Company provides customer relationship scheme to communicate with customers and to receive complaints regarding the products so as to respond to the customers' need in due time.

5.5 The Company keeps confidential the customers' information and does not use the information illegitimately.

## **6. Responsibility to Suppliers, Creditors and Competitors**

The Company adheres to covenants that are fair to suppliers; abides by the prescribed anti-corruption measures; respect the rights in property or ownership of suppliers; not takes advantages over suppliers and promotes joint activities with suppliers in respect of corporate social responsibility.

The Company abides by agreements concluded with creditors. In the case that the Company cannot repay the debt as scheduled, the Company shall inform the creditor so as to solve the matter together.

The Company competes fairly in business and does not cheat, obstruct or do any act against fair competition which is prohibited by law.

## **7. Environment Protection**

The Company emphasizes on caretaking of environment and avoidance of jeopardizing environment. The Company manages the manufacturing process to ensure that it strictly complies with the law relating to environment protection. The Company develops manufacturing process and selects materials which are nature and environment friendly; sets precautionary measures for any operation which contains risks relating to environment. The Company utilizes resources and energy efficiently by way of reduce-reuse-recycle as much as possible and manages the waste from production process responsibly.

## **8. Community and Social Development**

The Company is well aware of its responsibility to community and society in order to foster the strength of community. The Company, therefore, has a policy to assist and develop the society by cooperating with communities around the operating areas in various activities, providing jobs to local people, disclosing any information that would have adverse impact on community and responding rapidly and efficiently to circumstances that affect community, society and environment resulting from the Company's operation. The Company encourages its employees to build up responsibility to environment and society and cooperates with other groups or networks to develop the targeted communities each year.

## **9. Promotion of Innovation that responds to corporate social responsibility**

The Company encourages its employees to create innovation which would respond to the above-mentioned corporate social responsibility policy, e.g. saving natural resource and energy, waste management, control of waste discharge, etc. Such innovation aimed to generate more efficiency or effectiveness may vary by different types, including novelty, improvement, adjustment, modification or alteration. The Company is willing to disseminate the innovation that would be useful to society and environment in appropriate ways.

## **Monitoring and Revision of Corporate Social Responsibility Policy**

The Company is aware of the importance of continuing business operation within the context of corporate social responsibility. Therefore, the Company shall monitor, evaluate and revise the current projects and shall consider future CSR projects with care on regular basis.

The Company renders a Sustainability Report within the framework of Global Reporting Initiative (GRI) (Standard) by disclosing information at "core" level comprising economic, environmental, social aspects. The report has been made a separate part in the Annual Report since 2016 and shows reporting topics and indicating units pursuant to GRI and also reports activities regarding corporate social responsibility in the previous year.

## **11. Internal Control and Risk Management**

### **Internal Control**

The company sets focus on internal control covering finance, operation and compliance with relevant laws and regulations as well as appropriate risk management that is efficient enough to prevent or mitigate risks which may cause damage to assets or reputation. The Company evaluates the operation of work in accordance with good corporate governance.

The Company is certified a membership of the Private Sector Collective Action Coalition against Corruption (CAC) **which is the Company's 2nd renewal of the certificated.** The Board of Directors clearly defines roles and duties of each committee and the management and monitors the performance pursuant to the roles and duties and the organization structure and line of command designed to create balance of power and internal control. Goals and key performance indicators are established to evaluate efficiency and to monitor the work result in comparison to the corporate objectives regularly.

The Board of Directors annually evaluates the sufficiency of internal control system in accordance with the guidelines provided by the Securities Exchange Commission and the framework set by the Stock Exchange of Thailand with reference to the 5 elements and 17 principles of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Board of Directors and the Audit Committee consider that the Company has sufficient and appropriate internal control system suitable to the business characteristics.

#### **1. Internal Control**

The Company clearly sets measurable business goals and action plans. The goals are revised while the actual results are compared with the goals regularly. The organization structure is made with the concept to allocate duties and to establish line of command with responsibility so as to achieve objectives with the supervision of the Board of Directors. The Company prescribes business ethics, corporate governance policy, anti-corruption practices and conflict of interest policy to express its commitment to integrity and business ethics. List of authorities and operational manuals are made and regularly revised to be in line with new standards.

The Board of Directors is independent from the management. The Board is empowered to govern and develop the internal control system. The Board also promotes the development of personnel so that they shall be capable to administer and take responsibility for the internal control effectively.

As regards anti-corruption matters, the Company provides manual of anti-corruption measurement and risk evaluation of internal fraud.

#### **2. Risk Evaluation**

The Company is aware of the evaluation of the risks that may cause adverse effect to business operation. The Risk Management Committee together with the Risk Management Office evaluate risk factors both from outside and inside the organization that may have impact upon the business. The Office identifies and analyses all types of relevant risks including fraud and corruption and categorizes material risks pursuant to the effects and probability of occurrence in each business process and establishes risk management plans. The risk factors are revised every year.

### **3. Operational Control**

The Company has internal control that is consistent with the risks and types of business. The control is clearly allocated to each functional unit as defined in the manual of authorities and the manuals of operation which are made and revised to suit the organization structure and present operation. Each functional unit is designed to balance the power and to cross-examine appropriately, particularly the task that incurs significant risks so as to mitigate or reduce errors such as financial transactions, sales, procurement, asset supervision, personnel management, etc. The internal audit office is set up to audit each operation regularly in accordance with rules, regulations, manual of authorities and manual of operation to ensure sufficient and appropriate internal control. There is efficient operation of work including the use of information technology to help conduct the work more rapidly and efficiently.

### **4. Information technology and communications**

The Company strengthens information technology system and communication, promotes and supports continuous system development so that the information is correct and updated. The Company uses the information technology system that is up-to-date, efficient and data-secured to collect data, process data, store data and monitor data so that the administration, the decision-making, policy regarding information technology security and the use of information by directors, executives and staff can be done safely and correctly within reasonable time.

The Company provides appropriate communication channels to convey messages regarding duties, responsibility and other matters to personnel and specifies secured channels for submitting clues or complaints regarding fraud and corruption. Also, there is communication in respect of issues that may cause impact to internal control between internal functional units and between the Company and third parties.

### **5. Monitoring system**

The Audit Committee, by the Office of Internal Audit, audits the internal control system. The internal audit office examines, monitors and evaluates the operation to ensure that the findings arising from audit process are rectified in reasonable time. The independent Auditor evaluates the internal control regarding finance and accounting and submits the audit result to the Audit Committee on a quarterly and yearly basis. In the previous year, there is no significant flaw as to the internal control audit.

### **Risk Management**

The Risk Management Committee stipulates risk management policy, risk factors and risk management process for the management to bring to practice so as to help the management to consider control points to manage the risks to the acceptable level. The management is responsible for the business planning, the operation, the specification, analysis and evaluation of work structure by taking into consideration the internal and external risk factors.

In 2020, the Risk Management Committee and the Office of Risk Management implemented the Risk Management Activity Plans as follows:

1. The Committee revised Charter of the Risk Management Committee, objectives, scope of authority and responsibility, manual on risk management and operational manual of the risk management office year.

2. The Committee specify causes of organizational risk and the responsible persons in each division for each risk for the year 2019/2020 as approved by the Risk Management Committee.

3. The Committee provided plans to support analysis and evaluation of new risks in 2020/2021 and make preliminary guidelines with measures to respond the risks.

4. The Committee held preparatory meeting for the risk management office to work on various sites pursuant to the supporting plans.

5 The Committee supported the making of report stating risk status by the responsible person of each division in 7 sites with head office.

6. The Committee reported the risk status to the Board of Directors showing information as to risks that are stable, decreasing and increasing together with causes so that the management can use for planning and operation on quarterly basis respectively.

7. The Committee monitored a result of the Business Continuity Plan (BCP) and rehearsal an emergency plan especially situation of COVID – 19 pandemics.

By virtue of dedication and cooperation of all parties concerned, the internal control system and the risk management of the group of companies are regarded acceptable by the Company and can be developed to serve the objectives and goals of each department.



## **12. Related party transactions**

Related party transactions for the year ended October 31, 2020, 2019 and 2018 disclosed in this section comprise of transactions between the company and subsidiaries, associates, and individuals that may have the conflict of interest as follows:

### **Related Party Relationship as of October 31, 2020**

#### **Subsidiaries**

<b>Company name</b>	<b>Relationship</b>
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%.
KSL Real Estate Co., Ltd. Housing and land for agriculture estate including holiday resort for training, seminar center and Office building for rent	KSL 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 33.88%, 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 98.00% 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	Koh Kong Sugar Industry Co., Ltd. is controlled by the company which owns 88.02% 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 through Wynn In Trading Co., Ltd. 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**

<b>Company name</b>	<b>Relationship</b>
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 16.65% of the subsidiary's shares. The company also has common directors namely Mr. Kamondanai Chinthammit, Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.
BBGI Public Company Limited Manufacture and distribution of alcohol or fuel from agricultural produce	BBGI Company Limited is an associate of and controlled by the company which owns 40.00% of the associate's shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit and Mr. Chanachai Chutimavoraphand.

**Related Companies**

<b>Company name</b>	<b>Relationship</b>
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. Chattri 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 78.57% of On Nuj Construction Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Chalush Chinthammit, Ms. Duangdao Chinthammit and Mr. Chanachai Chutimavoraphand.
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 48.27% of Raja Ceramics Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset, Mr. Thawatchai Rojanachotikul 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 46.73% of Thai Fermentation Industry Co., Ltd.'s shares. The company also has common directors namely Mr. Chamroon Chinthammit, Mr. Sukhum Tokaranyaset, Mr. Thawatchai Rojanachotikul, Mr. Somchai Chinthammit and Mrs. Intira Sukhanindr
KSL Green Innovation Public Company Limited Manufacture and distribution of alcohol or fuel from agricultural produce	The company also has common directors namely Mr. Chalush Chinthammit.
Bangchak Bioethanol (Chachoengsao) Co., Ltd. Manufacture and distribution of ethanol alcohol and biogas	The company also has common directors namely Mr. Chalush Chinthammit.

**12.1 The following transactions were carried out with related parties:**

12.1.1 Sales and purchases of goods and services including its outstanding balance at the end of fiscal year (for the year ended October 31, 2020, 2019 and 2018)

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-20	31-Oct-19	31-Oct-18	
Thai Fermentation Industry Co., Ltd.	Tamaka Sugar Industry Co., Ltd.	- Sale of sugars	-	28	28	The Company and its subsidiaries sold sugar to Thai Fermentation Industry as welfare for employees. The transactions arose in ordinary course of business which carried out at market price on normal terms.
	New Krung Thai Sugar Factory Co., Ltd.	- Sale of sugars	-	28	30	
Khon Kaen Sugar Industry Public Company Limited	Thai Fermentation Industry Co., Ltd.	- Purchase of chemical	279	1,331	2,179	The Company purchased chemical product as caustic soda and hydrochloric acid from Thai Fermentation Industry Co., Ltd. to clean their machineries. The price charged between each other is the market price which has conditions according to the general normal trade.
		- Other accounts payable	18	28	199	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-20	31-Oct-19	31-Oct-18	
KSL Green Innovation Public Company Limited	Khon Kaen Sugar Industry Public Company Limited	- Sale of molasses - Trade accounts receivable - Advances received for sales of goods	498,741 321 -	1,013,327 1,821 14,593	824,633 186,844 119,129	The Company and its subsidiaries sold molasses to KSL Green Innovation Public Company Limited as raw material. The transactions arose in ordinary course of business which carried out at market price on normal terms.
	Tamaka Sugar Industry Co., Ltd.	- Sale of molasses - Trade accounts receivable - Advances received for sales of goods	199,862 - -	224,589 45,220 15,344	239,043 74,637 42,505	
	New Krung Thai Sugar Factory Co., Ltd.	- Sale of molasses - Trade accounts receivable - Advances received for sales of goods	384,845 40,751 -	164,689 1,760 49,451	453,011 52,419 13,403	
Bangchak Bioethanol (Chachoengsao) Co., Ltd.	New Kwang Soon Lee Sugar Factory Co., Ltd.	- Sale of raw sugars - Trade accounts receivable - Advances received for sales of goods	- - -	146,781 13,951 18	46,690 20,615 -	The subsidiaries sold raw sugar to Bangchak Bioethanol (Chachoengsao) Co., Ltd. as raw material. The transactions arose in ordinary course of business which carried out at market price on normal terms.

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-20	31-Oct-19	31-Oct-18	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. Export Trading Co., Ltd.	- Service fees of goods exporting	7,944	5,006	9,650	Sugar exporting has to be made by only company that authorized by Cane and Sugar Board in the Royal Gazette according to the sugar cane 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	728	1,742	1,836	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of goods exporting	3,719	2,125	3,664	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of goods exporting	544	385	665	
Savannakhet Sugar Corporation		- Service fees of goods exporting	580	400	330	

Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-20	31-Oct-19	31-Oct-18	
Khon Kaen Sugar Industry Public Company Limited	Thai Sugar Terminal Public Company Limited and its subsidiaries	- Service fees for goods custody and transfer	6,100	4,951	3,049	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 (i.e. discount)	352	-	-	
		- Other accounts payable	-	480	-	
Tamaka Sugar Industry Co., Ltd.		- Service fees for goods custody and transfer	5,823	21,572	20,908	
		- Other income (i.e. discount)	499	-	370	
		- Other accounts payable	243	1,815	932	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees for goods custody and transfer	11,102	32,944	27,527	
		- Other revenue (i.e. discount)	1,657	-	-	
		- Other accounts payable	63	7,780	4,650	



Customers	Sellers/ Service providers	Type of Transaction / Conditions	Amount (Thousand Baht)			Necessity and reasonableness
			31-Oct-20	31-Oct-19	31-Oct-18	
Khon Kaen Sugar Industry Public Company Limited	K.S.L. IT Center Co., Ltd.	- Service fees of computerized activities	6,413	7,132	5,557	K.S.L. IT Center Co., Ltd. was established as computer service center in serving the group companies. The service fee pricing is calculated based on its investment cost and related operating costs and allocated to charge each company based on the actual data usage volume.
		- Prepaid expenses	499	437	159	
Tamaka Sugar Industry Co., Ltd.		- Service fees of computerized activities	2,046	2,070	1,931	
		- Prepaid expenses	104	102	49	
New Krung Thai Sugar Factory Co., Ltd.		- Service fees of computerized activities	3,073	3,308	2,872	
		- Prepaid expenses	193	188	121	
New Kwang Soon Lee Sugar Factory Co., Ltd.		- Service fees of computerized activities	1,638	1,626	1,488	
		- Prepaid expenses	68	73	45	
KSL Real Estate Co., Ltd.		- Service fees of computerized activities	130	135	106	
K.S.L. Export Trading Co., Ltd.		- Service fees of computerized activities	187	200	164	
Savannakhet Sugar Corporation		- Service fees of computerized activities	733	602	517	
Koh Kong Sugar Industry Co., Ltd.		- Service fees of computerized activities	166	266	436	
Koh Kong Plantation Co., Ltd.		- Service fees of computerized activities	18	101	98	

## 12.1.2 Rental fee (for the year ended October 31, 2020, 2019 and 2018)

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)			Necessity and reasonableness of Connected Transaction
			31-Oct-20	31-Oct-19	31-Oct-18	
Khon Kaen Sugar Industry Public Company Limited	On Nuj Construction Co., Ltd.	Office rental area of 196.69 square meter and car park at the monthly rate of Baht 300 per square meter allowed to be renewed every 3 years (01/11/18 - 31/10/21). In the year 2020, reduce rent by 20% for 3 months from April 2020 – June 2020.	708	708	708	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.
	Thai Fermentation Industry Co., Ltd.	Warehouse rental area of 200 square meter at the monthly rate of Baht 100 per square meter allowed to be renewed annually (01/08/20 - 31/07/21). In the year 2020, reduce rent by 20% for 3 months from April 2020 – June 2020.	236	240	240	

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)			Necessity and reasonableness of Connected Transaction
			31-Oct-20	31-Oct-19	31-Oct-18	
Khon Kaen Sugar Industry Public Company Limited	Raja Ceramics Co., Ltd.	Office rental area of 495.54 square meter and car park at the monthly rate of Baht 300. It is allowed to be renewed annually (01/01/20 - 31/12/20). In the 2017, there was a temporary rental space of 202.84 square meter at the monthly rate of Baht 200 per month (01/11/17 - 31/12/17). In the year 2020, reduce rent by 20% for 3 months from April 2020 – June 2020.	1,695	1,784	1,865	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 at agreement commencement date. Office rental and asset rental condition were set mainly concern about benefit to the company.
	K.S.L. IT Center Co., Ltd.	Office rental area of 432.62 square meter and car park at the monthly rate of Baht 300 per square meter and are allowed to be renewed every 3 years (01/08/18 - 31/07/21). In the year 2020, reduce rent by 20% for 3 months from April 2020 – June 2020.	1,480	1,557	1,557	
	K.S.L. Export Trading Co., Ltd.	Office rental area of 33.48 square meter at the monthly rate of Baht 300 per square meter allowed to be renewed every 3 years (01/10/20 - 30/09/23). In the year 2020,	115	121	121	

Lessor	Lessee	Significant transaction	Amount (Thousand Baht)			Necessity and reasonableness of Connected Transaction
			31-Oct-20	31-Oct-19	31-Oct-18	
		reduce rent by 20% for 3 months from April 2020 – June 2020.				

12.1.3 Borrowings from/ Loans to related parties (as at October 31, 2020, 2019 and 2018)

Unit : Thousand Baht

For the year ended 31 October 2020							
Borrower	Lender	As at Nov 1, 2019	Loan addition during the period	Repayment during the period	As at Oct 31, 2020	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L Tower Juristic Person office	3,400	1,000	(300)	4,100	56	Khon Kaen Sugar Industry Public Company Limited has obtained 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 1.22%-1.24% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2019							
Borrower	Lender	As at Nov 1, 2018	Loan addition during the period	Repayment during the period	As at Oct 31, 2019	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L Tower Juristic Person office	3,800	-	(400)	3,400	66	Khon Kaen Sugar Industry Public Company Limited has obtained 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 1.80%-1.95% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2018							
Borrower	Lender	As at Nov 1, 2017	Loan addition during the period	Repayment during the period	As at Oct 31, 2018	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L Tower Juristic Person office	5,000	300	(1,500)	3,800	80	Khon Kaen Sugar Industry Public Company Limited has obtained 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 1.80-1.84% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2020							
Borrower	Lender	As at Nov 1, 2019	Loan addition during the period	Repayment during the period	As at Oct 31, 2020	Interest paid	Necessity and reasonableness of Connected Transaction
Khon Kaen Sugar Industry Public Company Limited	K.S.L IT Center Co., Ltd.	-	3,000	-	3,000	9	Khon Kaen Sugar Industry Public Company Limited has obtained 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 1.20%-1.22% per annum and the interest is payable at the end of each month.

Unit : Thousand Baht

For the year ended 31 October 2018							
Borrower	Lender	As at Nov 1, 2017	Loan addition during the period	Repayment during the period	As at Oct 31, 2018	Interest paid	Necessity and reasonableness of Connected Transaction
Prachaup Industry Co., Ltd.	K.S.L. Export Trading Co., Ltd.	-	278,100	(278,100)	-	1,039	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. without fee charged for the inter-credit facility guarantee.



**Policy on future related party transactions**

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

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 or 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 that 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.

Regarding the potential related party's transactions incurred in the future, 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; In addition, the Company will disclose related transactions in notes to financial statements in compliance with Thai Financial Reporting Standards as audited by the certified public accountant and further disclose those information in the Annual Registration Statements (Form 56-1) in future years.

### **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:-

#### Thai Sugar Terminal Public Company Limited (TSTE)

The individuals having potential conflict of interest own 16.65% 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.

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.