

## 7. Capital and Shareholders

### 7.1 Registered capital and Paid up capital as of 31 December 2015

Registered Capital : 14,828,650,350 Baht divided by  
Common Shares 1,482,865,035 shares and par 10 Baht per share

Paid up Capital : 14,628,650,350 Baht divided by  
Common shares 1,462,865,035 shares and par 10 Baht per share

### 7.2 Shareholders

The following table sets out our major shareholders as of 31 December 2015.

Major shareholders	# Shares	percent
1. GDF SUEZ Energy (Thailand) Co., Ltd. <sup>1</sup>	615,059,773	43.71
2. GDF SUEZ Energy International Global Developments B.V. <sup>2</sup>	359,916,260	25.39
3. Littledown Nominees Limited	71,675,200	4.90
4. Thai NVDR Co., Ltd.	47,926,647	3.28
5. HSBC (Singapore) Nominees Pte Ltd	45,270,759	3.10
6. Social Security Office (2 KorRaNee)	40,645,200	2.78
7. State Street Bank Europe Limited	19,098,470	1.31
8. Chase Nominees Limited 28	14,120,665	0.96
9. BNY Mellon Nominees Limited	13,666,043	0.93
9. Krungsri Dividend Stock LTF.	12,828,400	0.88
10. Norbax Inc., 179	9,716,200	0.66
11. Boon Rawd Brewery Co., Ltd.	8,000,000	0.55
12. Others	168,941,418	11.54
	1,462,865,035	100.00

**Note:** <sup>1</sup> GDF SUEZ Energy (Thailand) Co., Ltd. and <sup>2</sup> GDF SUEZ Energy International Global Developments B.V. are wholly owned subsidiaries of ENGIE S.A. (formerly known as "GDF SUEZ S.A.")

### 7.3 Other securities

The following table displays our debentures which have not reached their maturity date as of 31 December 2015

Debenture	Amount (Million Baht)	Coupon (percent)	Tenor (Yrs) / Maturity Date	Rating (by Tris Rating)
GLOW156A	1,500	5.84 percent Semi-annually Payment	7 Years Maturity Date; 5 June 2015	A+
GLOW173A	1,000	4.52 percent Semi-annually Payment	7 Years Maturity Date; 31 March 2017	A+
GLOW175A	2,000	4.56 percent Semi-annually Payment	10 Years Maturity Date; 21 May 2017	A+
GLOW170A	1,600	4.56 percent Semi-annually Payment	7.5 Years Maturity Date; 8 October 2017	A+
GLOW186A	2,500	6.34 percent Semi-annually Payment	10 Years Maturity Date; on 5 June 2018	A+
GLOW18NA	1,500	4.20 percent Semi-annually Payment	6 Years Maturity Date; on 15 November 2018	A+
GLOW194A	2,000	4.72 percent Semi-annually Payment	9 Years Maturity Date; on 8 April 2019	A+
GLOW190A	1,400	4.77 percent Semi-annually Payment	9.5 Years Maturity Date; on 8 October 2019	A+
GLOW218A	5,555	5.00 percent Semi-annually Payment	10 Years Maturity Date; on 31 August 2021	A+
GLOW259A	4,000	3.95 percent Semi-annually Payment	10 Years Maturity Date; on 3 September 2025	A+

**7.4 Dividend policy**

Glow Energy's board of directors' decisions to declare dividends are, (in the case of annual dividends being available), subject to the approval of shareholders at each year's annual general meeting. Declarations of interim dividends, however, do not require shareholder approval.

Our board of directors' current policy with regard to annual dividends is to recommend to shareholders that dividends be distributed in an amount not less than 50 per cent of our net income for each year. This amount is normalized by excluding net foreign exchange gains/losses, deferred tax revenues or expenses, and deducting all specified reserves, and is subject to our investment plans and other considerations deemed appropriate by the board.

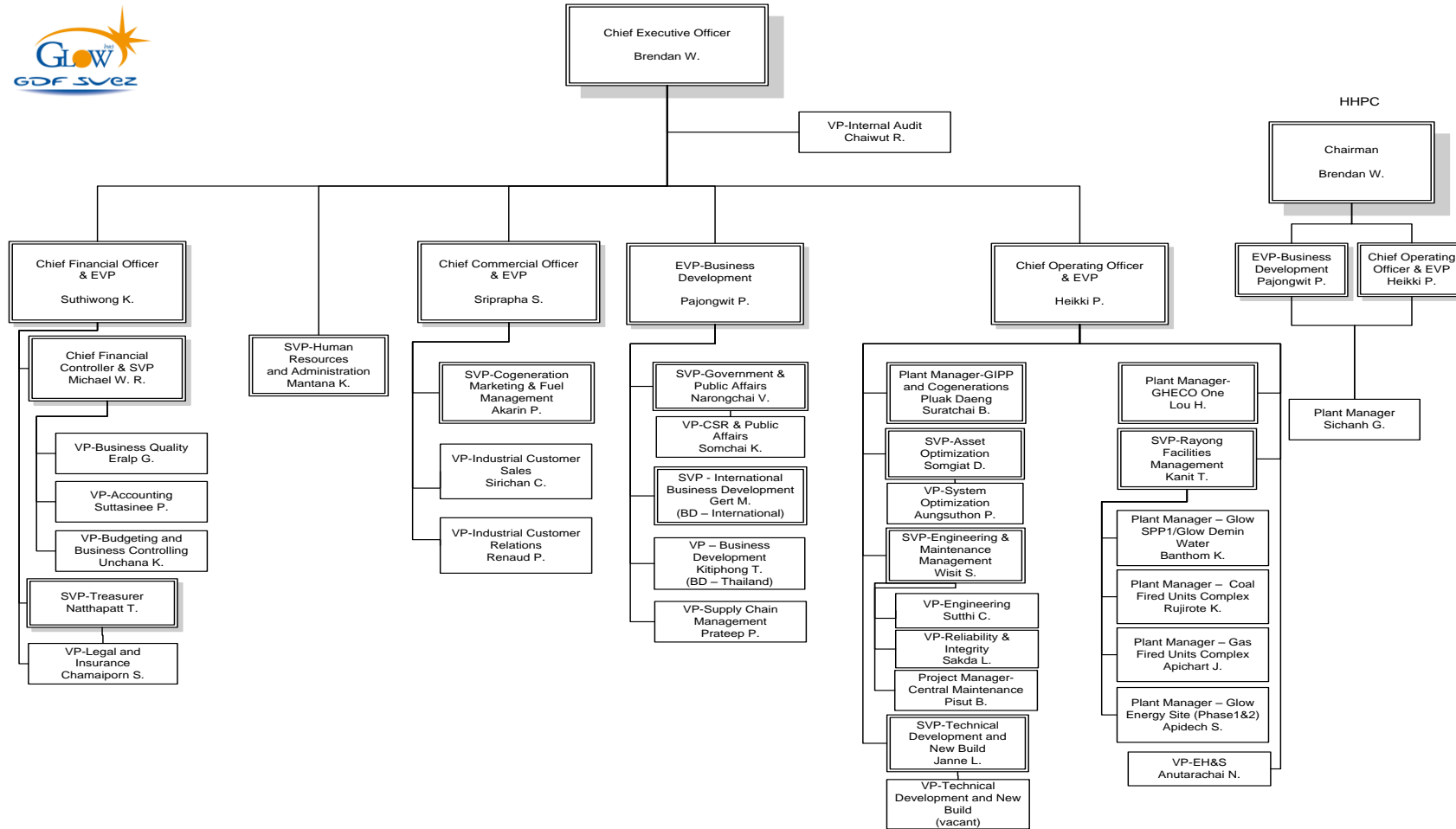
The Public Company Limited Act ("PLCA"), requires dividends to be distributed from our net income. It prohibits dividend payments if our retained earnings are negative, even when a positive annual net income is recorded. The PLCA also requires that we set aside a legal reserve equal to 5 percent of our annual net income until our total legal reserve is equal to at least 10 percent of our total registered capital. This can reduce the amount of net income available for dividend payments.

As of 31 December 2015, our registered capital was Baht 14,828.7 million, our paid-up capital was Baht 14,628.7 million, and our legal reserve was Baht 1,598.3 million. Our total unappropriated retained earnings (company only) as of 31 December 2015 were Baht 11,533.6 million.

The Board of Directors of our other Subsidiaries can declare interim dividend payout, but must submit dividend proposals to shareholders for approval for distributing annual dividends.

## 8. Management Structure

### 8.1 Management Structure (as of 31 December 2015)



Definition of executive according to SEC's notification

**8.1.1 Board of Directors**

<b>Name</b>	<b>Appointed as member of the Board since</b>	<b>Position</b>
1. Mr. Jan Franciscus Maria Flachet	24 February 2014	Chairman of the Board of Directors
2. Mr. Brendan G.H. Wauters <sup>1</sup>	14 August 2014	Director, Vice Chairman of the Board of Directors and Chief Executive Officer
3. Mr. Kovit Poshyananda	12 November 2001	Independent Director and Chairman of Audit Committee
4. Mr. Vitthaya Vejajiva	8 August 1995	Independent Director and Audit Committee member
5. Em. Prof. Supapun Ruttanaporn	28 October 1999	Independent Director and Audit Committee member
6. Prof. Dr. Borwornsak Uwanno	25 March 2013	Independent Director
7. Mr. Anut Chatikavanij	9 November 2000	Director
8. Mr. Guy Richelle	28 February 2007	Director
9. Mr. Esa Heiskanen <sup>2</sup>	29 October 2008	Director
10. Mr. Marc J.Z.M.G. Verstraete	11 November 2013	Director
11. Mr. Pierre Jean Bernard Guiollot	9 May 2014	Director
12. Mrs. Csilla Kohalmi-Monfils	9 May 2014	Director

**Note:**

- 1) Appointed to be member of the Board of Directors as a replacement of Mr. Daniel Pellegrini since 14 August 2014, Chief Executive Officer and Vice Chairman of the Board of Directors as a replacement of Mr. Esa Heiskanen since 1 October 2014 and 20 February 2015 respectively.
- 2) Resigned from Chief Executive Officer Position and Vice Chairman of the Board of Directors since 30 September 2014 and 20 February 2015 respectively.

**Authorized Directors**

Any two of the eight directors listed below are authorized to jointly sign company documents, which must also be affixed with the Company's seal.

Mr. Jan Franciscus Maria Flachet, Mr. Anut Chatikavanij, Mr. Esa Heiskanen, Mr. Brendan G.H. Wauters, Mrs. Csilla Kohalmi-Monfils, Mr. Guy Richelle, Mr. Marc J.Z.M.G. Verstraete, and Mr. Pierre Jean Bernard Guiollot.

**(1) Scope of Authority and Responsibilities of the Board of Directors**

- The Company's Board of Directors performs its duties in accordance with laws, objectives and articles of association of the Company, regulations of the SET as well as in accordance with the

resolutions of Shareholders' Meeting. The Board of Directors may authorize one or more Directors or any person to act on its behalf.

- The Board of Directors has the power to make decisions and oversee the operations of the Company, except in the following cases, for which an approval from the Shareholders' Meeting has to be obtained first:
  - any activity that laws and/or articles of association of the Company, has specified that it must have approval from the Shareholders' meeting first;
  - any undertaking of any related transaction which needs to comply with relevant regulations of the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC");
  - any acquisition or disposal of the assets which needs to comply with relevant regulations of the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC").
- The Board of Directors has the power to declare payment of interim dividends from time to time if it deems that the Company has enough profit and available cash flow to do so.

## **(2) Board meeting**

The Board has at least four (4) fixed and confirmed meetings each year respectively scheduled for February, May, August and November, during which the quarterly financial statements are considered. Extraordinary meetings may be arranged if and when necessary. For each meeting, a clear agenda that includes supporting documents for the matters to be considered during the meeting is submitted to each board member at least seven (7) days in advance. This is designed to provide each board member with sufficient time to study important information before attending the meeting. Each board member can openly discuss and express his/her opinion during board meetings. The Chairman is responsible for collecting and summarizing information addressed during the meeting.

The Company's secretariat is responsible for recording the meeting's minutes in writing. Minutes from previous meetings are made available for the board members and concerned parties to inspect at any time once they have received Board approval.

In 2015, the Board organized four 4 ordinary meetings and 1 extraordinary meeting. The participation of each director is summarized below:

## The attendance of the Directors in 2015

Name	Position Holding since	Participation / Total Meeting				Total Attendance vs Total no. of 2015 BoD meeting
		Ordinary Meeting (4 meetings)		Extraordinary Meeting (1 meeting)		
		Present at the meeting	Present via VDO or Call Conference	Present at the meeting	Present via VDO or Call Conference	
1. Mr. Jan Franciscus Maria Flachet	24 February 2014	4	-	1	-	5/5
2. Mr. Brendan G.H. Wauters	14 August 2014	4	-	1	-	5/5
3. Mr. Esa Heiskanen	29 October 2008	4	-	-	1	5/5
4. Mr. Anut Chatikavanij	9 November 2000	4	-	1	-	5/5
5. Mr. Marc J.Z.M.G. Verstraete	11 November 2013	3	-	1	-	4/5
6. Mr. Kovit Poshyananda	12 November 2001	4	-	1	-	5/5
7. Em. Prof. Supapun Ruttanaporn	28 October 1999	4	-	1	-	5/5
8. Mr. Vitthaya Vejajiva	8 August 1995	4	-	1	-	5/5
9. Prof. Dr. Borwornsak Uwanno	25 March 2013	3	-	-	-	3/5
10. Mr. Guy Richelle	28 February 2007	1	1	-	-	2/5
11. Mrs. Csilla Kohalmi-Monfils	9 May 2014	3	-	1	-	4/5
12. Mr. Pierre Jean Bernard Guiollot	9 May 2014	1	2	-	1	4/5

**The attendance of the Audit Committee in 2015**

Name	Position	Position Holding since	Participation / Total Meeting		Total Attendance vs Total no. of 2015 BoD meeting
			Ordinary Meeting (4 meetings)	Extraordinary Meeting (1 meeting)	
			Present at the meeting	Present at the meeting	
1. Mr. Kovit Poshyananda	Independent Director	12 November 2001	4	1	5/5
2. Em. Prof. Supapun Ruttanaporn	Independent Director	28 October 1999	4	1	5/5
3. Mr. Vitthaya Vejajiva	Independent Director	8 August 1995	4	1	5/5

**The attendance of the Nomination and Remuneration Committee in 2015**

Name	Position	Position Holding since	Participation / Total Meeting		Total Attendance vs Total no. of 2015 BoD meeting
			Ordinary Meeting (3 meetings)		
			Present at the meeting	Present via VDO or Call Conference	
1. Mr. Jan Franciscus Maria Flachet	Non-executive Director	24 February 2014	3	-	3/3
2. Mr. Vitthaya Vejajiva	Independent Director	8 August 1995	3	-	3/3
3. Mr. Guy Richelle	Non-executive Director	28 February 2007	-	2	2/3

**Training Program of the Director in 2015**

Director	Training Program
1. Mr. Brendan Gustaaf H. Wauters	Director Accreditation Program (DAP), Class 115/ 2015
2. Mr. Jan Franciscus Maria Flachet	Director Accreditation Program (DAP), Class 115/ 2015
3. Mr. Marc Verstraete	Director Accreditation Program (DAP), Class 115/ 2015



## 8.2 **Management team**

The Management Team is comprised of 33 individuals:

<b><u>Name</u></b>	<b><u>Position</u></b>
1. Mr. Brendan G.H. Wauters	Chief Executive Officer, and Executive Management Committee Member
2. Mr. Heikki Pudas	Chief Operating Officer and Executive Vice President, and Executive Management Committee Member
3. Ms. Sriprapha Sumruatruamphol	Chief Commercial Officer and Executive Vice President, and Executive Management Committee Member
4. Mr. Pajongwit Pongsivapai	Executive Vice President – Business Development, and Executive Management Committee Member
5. Mr. Suthiwong Kongsiri	Chief Financial Officer and Executive Vice President, and Executive Management Committee Member
6. Mr. Kanit Thangpetch	Senior Vice President - Rayong Facilities Management
7. Mr. Louis Stephen Holub	Plant Manager – GHECO-One
8. Mr. Wisit Srinuntawong <sup>1</sup>	Senior Vice President – Engineering and Maintenance Management
9. Mr. Michael W.Reiff	Chief Financial Controller and Senior Vice President
10. Mrs. Mantana Kunakorn	Senior Vice President – Human Resources and Administration, and Executive Management Committee Member

11. Mr. Narongchai Visutrachai	Senior Vice President – Government & Public Affairs
12. Mr. Janne Olavi Lujala <sup>2</sup>	Senior Vice President – Technical Development and New Build
13. Mr. Suratchai Bangluang	Plant Manager-GIPP and Cogenerations Pluak Daeng
14. Dr. Somgiat Dekrajangpetch	Senior Vice President – Asset Optimization
15. Mr. Gert Meersman <sup>3</sup>	Senior Vice President - International Business Development
16. Mr. Akarin Prathuangsit	Senior Vice President – Cogeneration Marketing and Fuel Management
17. Mr. Natthapatt Tanboon-ek <sup>4</sup>	Senior Vice President – Treasurer
18. Ms. Chamaiporn Soonthorntasanapong	Vice President – Legal and Insurance
19. Mr. Anutarachai Nathalang <sup>5</sup>	Vice President – EH&S
20. Mr. Sakda Lacharochana <sup>6</sup>	Vice President – Reliability and Integrity
21. Ms. Sirichan Chotchaisathit	Vice President – Industrial Customer Sales
22. Mr. Prateep Puthamrugsa	Vice President – Supply Chain Management
23. Mr. Somchai Klinsuwanmalee	Vice President – CSR and Public Affairs
24. Mr. Apichart Jamjuntr	Plant Manager – Gas Fired Units Complex
25. Mr. Renaud Pilleul	Vice President – Industrial Customer Relations
26. Mr. Sutthi Chuesook	Vice President – Engineering
27. Ms. Suttasinee Pengsupaya	Vice President – Accounting
28. Mr. Chaiwut Rattanapornsinchai	Vice President – Internal Audit
29. Mr. Eralp Gullep	Vice President – Business Quality
30. Mr. Kitiphong Thunnom <sup>7</sup>	Vice President – Business Development
31. Mr. Banthom Krasang <sup>8</sup>	Plant Manager - Glow SPP 1/Glow Demin Water

32. Mr. Rujirote Kasirerk	Plant Manager – Coal Fired Units Complex
33. Mr. Apidech Siriphornoppakhun <sup>9</sup>	Plant Manager – Glow Energy Site (Phase1&2)
34. Mr. Pisut Boonvongsobhon <sup>10</sup>	Project Manager – Central Maintenance
35. Mr. Sichanh Gnabanhdith	Plant Manager –HHPC
36. Ms. Unchana Kittipiyakul	Vice President – Budgeting and Business Controlling
37. Mr. Aungsuthon Puboonterm	Vice President – System Optimization

**Note:**

- 1) Became Senior Vice President-Engineering and Maintenance Management since 1 September 2015
- 2) Became Senior Vice President-Technical Development and New Build since 1 March 2015
- 3) Became Senior Vice President-International Business Development since 1 April 2015
- 4) Became Senior Vice President-Treasurer since 1 August 2015
- 5) Promoted to be Vice President – Reliability and Integrity since 1 September 2015
- 6) Became Vice President-EH&S since 1 September 2015
- 7) Joined the company as Vice President-Business Development since 2 November 2015
- 8) Became Plant Manager-Glow SPP1/Glow Demin Water since 1 September 2015
- 9) Became Plant Manager-Glow Energy Site (Phase1&2) since 1 September 2015
- 10) Became Project Manager-Central Maintenance since 1 September 2015

**Report of Changes in Securities Holdings of Executive Management Committee**

Directors	Ordinary shares (shares)		
	As at January 1, 2015	As at December 31, 2015	Increase/(Decrease) during the year
1. Mr. Brendan Wauters	-	-	-
2. Mr. Heikki Pudas Spouse	- -	- -	- -
3. Mrs. Sriprapha Sumruatruamphol Spouse	30,000 -	30,000 -	- -
4. Mr. Pajongwit Pongsivapai Spouse	- -	- -	- -
5. Mr. Suthiwong Kongsiri Spouse	- -	- -	- -
6. Mrs. Mantana Kunakorn Spouse	- -	- -	- -

**Scope of Authority and Responsibilities of the CEO**

The Company's Chief Executive Officer (the "CEO") has the authority to supervise, manage, and perform all normal business operations excluding the following matters, which require the approval of either the Board or Shareholders:

- Authorization of internal power of attorneys;
- Amendment of the Company's Articles of Association;
- Any merger, separation or general modification to the Company's structure;
- Dissolution of the Company;
- Increase, decrease or transfer of the Company's registered capital;
- Taking a lien or any other security on the Company's assets;
- Any material change to the Company's main agreements, (i.e. Power Purchase Agreement with EGAT, Gas Supply Agreement, Coal Supply Agreement, and EPC Contracts);
- Negotiation and execution of documents related to the opening of credit lines with banks for any amount exceeding the amount allotted in the daily management powers as granted by the Board to the CEO;
- Commencement or discontinuance of any business;
- Removal and appointment of CEO;
- Approval of long-term strategic plans; and
- Approval of annual budget.

**8.3 Company Secretary**

The Board of Directors has appointed Ms. Duangporn Kijlertbunjong as the Company Secretary in February 2015.

**8.4 Remuneration****8.4.1 Remunerations of the Board of Directors**

A resolution was passed concerning the remuneration of the chairman and other non-executive members of the Board during the 24 April 2015 Annual General Shareholders' Meeting. The resolution was based on taking into account the profit of the Company, number of factors compared within the same industry together with the business expansion. The remuneration of Directors for the year 2015 as below:

	(Unit: Baht)		
	Fixed Remuneration (Per Year)	Meeting Allowance (Per Meeting)	Other Privilege
<b>Chairman</b>	445,000	102,000	None
<b>Non-Executive members</b>	445,000	102,000	None

#### 8.4.2 Remunerations for Committees

- The Annual General Meeting of Shareholders dated 24 April 2015 approved the Meeting Allowances for the Audit Committee and Nomination and Remuneration Committee, taking into account the profit of the Company, number of factors compared within the same industry together with the business expansion, as listed in the table below:

	(Unit: Baht)		
	Fixed Remuneration (Per Year)	Meeting Allowance (Per Meeting)	Other Privilege
<b>The Audit Committee</b>			
Chairman	150,000	40,000	None
Members	100,000	34,000	None
<b>The Nomination and Remuneration Committee</b>			
Chairman	50,000	28,000	None
Members	50,000	20,000	None

#### 8.4.3 Remuneration of the Management Team

The total remuneration paid by the Company to the 37 individuals of the management team during fiscal year 2015, including salary and provident fund payments as well as other types of remuneration such as bonuses, totaled 254,298,845 Baht.

#### 8.5 Human Resource Management

As of 31 December 2015, there were a total number of 804 people employed by the Company, as indicated below:

Company	Head Officer	Employee Plants	Total
Glow Energy Plc.	-	103	103
Glow Co., Ltd.	148	195	343
Glow IPP Co., Ltd.	-	39	39
Glow SPP 1 Co. Ltd.	-	32	32
Glow SPP 2 Co., Ltd.	-	60	60
Glow SPP 3 Co., Ltd.	-	28	28

Glow SPP 11 Co., Ltd.	-	37	37
GHECO-One Co., Ltd.	-	85	85
Houay Ho Power Co., Ltd.	3	74	77
<b>Total</b>	<b>151</b>	<b>653</b>	<b>804</b>

### **Employees Remuneration**

As of 31 December 2015, the total remuneration paid to employees amounted to 1,045,479,222 Baht including salaries, overtimes, bonuses, provident funds, and other types of income.

### **The Company and its Subsidiaries' Policy for Employees**

At Glow, our people are the foundation of our success. We have 789 employees in Thailand at a variety of locations including our Head Office in Bangkok, Power plants in Rayong and Chonburi Provinces as well as Houay Ho Power in Laos.

Our employees enjoy a safe and satisfying work environment that encourages teamwork and creativity and seeks to cultivate a sense of belonging and commitment. This is supported by our leadership, high technical standards, and a passion for safety.

We are committed to being a world class operator of power generation and co-generation facilities. This commitment requires that we play close attention to relevant Environmental, Health and Safety standards in order to protect our employees, clients and the communities within which we operate.

Both collectively and individually, our employees' depth of knowledge and experience creates value for our shareholders and customers. Our human resources department has the crucial role of facilitating our employees' professional development. We devote substantial resources to training our employees, which enhances our organization's competitiveness. Our major shareholder plays an important support and guiding role in these processes.

We also seek to attract and retain qualified professionals capable of working well within Glow's corporate values, which is based on Communication, Commitment, Adaptability, Ambition, and Sustainable Business Relations.

We encourage and support employees to realize their full professional potential by offering challenging work, on-the-job development, formal training and external educational opportunities. Management Training courses provided to the employees include Problem Solving and Decision Making, Developing English Conversation, Change Management, etc. In terms of Technical training, we cover all major technical skills and a comprehensive range of environment, health and safety courses. The average training time for our employees in 2015 was 55 hours per person. We also offer our employees highly competitive remuneration packages including basic salary, a bonus scheme, a long-term incentive scheme, and a numbers of allowances and other benefits.

Glow employees treat each other with trust and respect, and seek to maintain a healthy balance between work and family life. Our operational excellence, our ability to consistently deliver high quality products as well as the reliability and availability of our generating units are our most valued strengths.

## 9. Corporate Governance

### 9.1 *Principle of Good Corporate Governance*

The Board of Directors is committed to the principles of good corporate governance in compliance with the recommended best practices for listed company and relevant rules, regulations and guidelines of the Stock Exchange of Thailand (“SET”), the Office of the Securities and Exchange Commission (“SEC”), the OECD Principles of Corporate Governance and ENGIE best practices. The Company therefore has put in place a compliance unit, comprises of VP – Legal & Insurance Department (also acting as Glow Group’s Ethics Officer), and the Company Secretary to oversee corporate and compliance matters of the Company.

#### 9.1.1 *Rights of Shareholders and Shareholders Meeting*

The Company’s Shareholders shall have the following basic rights:

- Rights to buy, sell, or transfer shares;
- Rights to share in the profit of the Company;
- Rights to have access to the Company’s information in a timely fashion and on a regular basis;
- Rights to participate and vote in the Shareholders Meeting, including the rights to:
  - Elect or remove members of the Board of Directors;
  - Propose and approve the appointment of the external auditor;
  - Participate in the decision making of any transactions that affect the Company and/or the shareholders in a material manner.

The Board of Directors provides the Shareholders, in advance of the meeting, information regarding the time, venue (sufficiently convenient for the Shareholders to attend the Shareholders Meeting) and all agenda items to be discussed during the meeting, including adequate supporting documents. Shareholders are also informed of the criteria and procedures governing the Shareholders Meeting, including the voting procedure and use of proxy. At the Shareholders Meeting, the Company arranges to have a lawyer appointed to witness and review the voting process throughout the meeting.

#### 9.1.2 *Equitable Treatment of Shareholders, and Responsibilities of Stakeholders*

The Board of Directors recognizes the rights of Stakeholders, and therefore encourages cooperation between the Company and the Stakeholders, as well as other concerned parties including staff, customers, trading partners, creditors, government agencies, communities where the Company operates and the society at large. Directors and employees are required to comply with the “Code of Conduct” that is established to ensure fair and balance dealings with Stakeholders.

In addition, the Board of Directors requires that operational information be reported to Stakeholders and related parties through Form 56-1, the annual report, the Company’s website, and other relevant channels. Two-way communication channels are established to ensure Stakeholders and other parties to express their views or file grievances. An Ethics Whistleblower Inbox has been made available for employees (internally on Glow Intranet) and external parties (on Glow website) to register concerns on non-ethical incidents.



The Board of Directors represents all Shareholders and, in every case, must act in the Company's corporate interests. Each Director verifies that decisions do not favor the interest of a infrastructure portion or a category of Shareholder over those of any other.

The Board of Directors facilitates the minority Shareholders to propose, in advance of Shareholder Meetings, any issues for consideration in the Shareholders Meeting. The Board of Directors has established procedures to allow the Shareholders to make proposals, including a procedure to nominate nominees. The Company has posted on the Company website, as well as announced via the website of the Stock Exchange of Thailand, the procedures and timeline set forth for the minority Shareholders to propose the agenda items, and to nominate their nominee to be included in the agenda of the Shareholders Meeting.

The Company arranges to have an Investor Relations contact and mailbox (IR contact and mailbox) on the Company website ([www.glow.co.th](http://www.glow.co.th)) where Stakeholders can voice their concerns and/or complaints with respect to possible violation of their rights directly to the Company.

The Board has established the following policies, among other policies, and authorizes the Management to internally announce them:

- Anti-Bribery Policy in order to ensure employees do not engage in corrupt acts. The Ethics Officer provides training on the Anti-Bribery Policy to all employees including management. In addition, this policy, as part of Corporate Governance Policy, is communicated to all Directors for acknowledgement and awareness.
- Ethics Reporting (“Whistleblowing”) Policy in order to express the commitment to operating our business ethically in accordance with laws/regulations and ENGIE Group principles and policies.
- Gifts and Hospitality Policy in order to enhance a culture of integrity and to be in line with ENGIE’s Rules on Gifts and Hospitality.
- Insider Trading Policy in order to prevent the abusive use of inside information.
- Related Party Transaction Policy in order to ensure transparency and equitable treatment of shareholders and in compliance with Clause 89/1 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008) regarding transactions to be entered into between the Company or its subsidiaries and a Director or an Executive or a Related Person (hereinafter called “Related Party Transaction”), and to the Notification of the Capital Market Supervisory Board No. Tor Chor 21/2551: “Rules on Related Party Transactions” (dated 31/Aug/2008). The types of transaction and transaction values requiring approval of the Board of Directors and/or Shareholders Meeting, in accordance with requirements of the Stock Exchange of Thailand, are stipulated in the Policy.
- Risk management policies, including Cash Surplus Investment Policy, Counterparty Risk Management Policy, Foreign Exchange Risk Management Policy, Interest Rate Risk Management Policy, Funding Policy, Coal Risk Management Policy, in order to ensure that the risks relating the Company’s operations are properly considered and mitigated where possible.
- Environmental Policy in order to ensure continuous and sustainable development of the business, without compromising the ability of the current and the future generations to enjoy the environment.
- Health and Safety Policy in order to pay full attention to the health and safety concerns that affect our employees, contractors, customers and the community.

Implementation of this policy includes mandatory safety training program as well as having safety statistics includes as part of the company-wide key performance indicators.

- Non-Discrimination Policy in order to ensure the Company does not discriminate directors, employees, interns, volunteers, customers, suppliers, contractors and consultants on the basis of race, creed, color, ethnicity, national or social origin, religion, gender, gender expression, sexual orientation, political opinion, age, height, weight, physical disability, health status, maternal status, marital status, veteran status and military obligations. This policy applies to all activities and operations of the Company.
- Software License Compliance Policy in order to provide the rules and guidelines for the use of licensed software applications.
- Sustainability Policy in order to ensure the commitment to conducting all business operations responsibly with due regard to achieving the economic, ecological and social responsibility objectives of sustainable development.

### **9.1.3 Disclosure and Transparency**

The Board of Directors discloses accurate, relevant, complete, adequate, and timely corporate information related to the Company's business and performance on a regular basis.

The Board of Directors ensures strict adherence to all relevant laws and regulations relating to the disclosure of information and transparency. The Finance & Investor Relations Department is designated to disseminate financial information to Shareholders and other Stakeholders, and to equitably and appropriately assist investors and securities analysts to understand the Company and its business. Information posted in the Company's website is in both Thai and English. In addition, the Corporate Communications Department is assigned to publicize corporate business performance information via various media on a timely basis.

### **9.1.4 Responsibilities of the Board of Directors**

#### **(1) Roles and Responsibilities**

The Board of Directors performs its duties in accordance with laws and regulations, guidelines of the SET and the SEC, the Company's Articles of Association and corporate objectives, as well as in accordance with the resolutions of Shareholders Meetings. The Board of Directors is authorized to appoint one or more Directors or any person to act on its behalf.

The Board of Directors has the power to make decisions and oversee the activities and operations of the Company, except in the following cases for which an approval from the Shareholders Meeting is required to be obtained first:

- Any activity that laws and regulations and/or the Company's articles of association specifies that it must have approval from the Shareholders Meeting beforehand;
- Any undertaking of any related transaction which must comply with relevant laws/regulations and guidelines of the SET and the SEC;
- Any acquisition or disposal of the assets which must comply with relevant laws/regulations and guidelines of the SET and the SEC.

Moreover, the Company's Board of Directors has considered the followings key matters:

- The Board of Directors has the power to declare payment of interim dividends from time to time if it deems that the Company has enough profit and available cash flow to do so.
- The Board of Directors approves the vision, mission, key strategies and policies of the Company each year, and has followed up and monitored progress of strategy implementation periodically.
- The Board of Directors has a policy to encourage to attend ongoing professional education programs, and assures the Board members participate in accredited directors training programs.
- The Board of Directors ensures that any new director appointed receives relevant corporate documents, manuals, guidelines to introduce the Company, and the roles and responsibilities of being a director of a listed company.

## **(2) Role and Responsibilities of the Chairman**

The chairman's primary role is to ensure that the board is effective in its tasks of setting and implementing the company's direction and strategy.

**The main roles of chairman are as follows:**

- as well as being chairman of the board, he/she is expected to act as the company's leading representative which will involve the presentation of the company's aims and policies to the outside world;
- to take the chair at general meetings and at board meetings. With regard to the latter this will involve: the determination of the order of the agenda; ensuring that the board receives accurate, timely and clear information; keeping track of the contribution of individual directors and ensuring that they are all involved in discussions and decision making. At all meetings the chairman should direct discussions towards the emergence of a consensus view and sum up discussions so that everyone understands what has been agreed;
- to take a leading role in determining the composition and structure of the board. This will involve regular reviews of the overall size of the board, the balance between executive and non-executive directors and the balance of age, experience and personality of the directors.
- to ensure effective communication with shareholders.

## **(3) Meetings**

The Board of Directors holds at least four (4) meetings a year to consider and approve the quarterly financial statements during the months of February, May, August and November and if it is necessary, an additional meeting is arranged. At the end of each year, the Board of Directors agrees to the Board of Directors' next year meeting plan.

For each Board Meeting, a clear agenda is specified with accurate, complete and adequate supporting documents submitted to each Director at least 7 days in advance of the meeting, so that the Directors have adequate time to study the information before attending the meeting. Each Director is encouraged to openly discuss and express his/her opinion. The Chairman collects all comments, and summarizes information gathered from the meeting. The Company's secretariat

records the minutes of the meeting in writing. All approved minutes of meeting of the Board Meetings are kept, and are available for the Directors and relevant parties to inspect any time.

#### **(4) Qualification, Composition and Structure**

##### **(4.1) Qualification and Composition**

The Company's Board of Directors is the key to good corporate governance. Each Director has knowledge, expertise and experience considered beneficial to the Company and its operational strategy. They endeavour and devote their time to perform their duties.

As such, the Company stipulates details in respect of the composition, primary credentials and election of the Board of Directors as follows:

- The Board of Directors is comprised of a minimum of five (5) members, but not exceeding fifteen (15) members.
- At least one-third ( $\frac{1}{3}$ ) of the Board of Directors is comprised Independent Directors or as required by relevant laws/regulations and guidelines of the SET and the SEC.
- The Company values the diversity as well as equality in the composition of the Board of Directors. The Board of Directors is comprised of a good mixture of professional backgrounds and genders, including at least three (3) Directors who have knowledge of the energy and power industry, at least one (1) with knowledge of law, and at least (1) with knowledge of finance and accounting. The Company currently has 2 female directors.
- Directors shall be qualified and shall have no restricted qualifications as stipulated in the Public Company Act.
- The election of Directors to the Board of Directors is transparent.
- Adequate information on the candidates is provided through the Nomination and Remuneration Committee, before the Board of Directors considers presenting them to the Shareholders Meeting for approval.
- Details of the background and experience of each Director is disclosed and updated, if there are any changes.
- One of the Company's key considerations in assessing the qualification of a director is that the number of the companies listed on the SET in which each director holds a directorship shall not exceed 5 companies.

##### **(4.2) Structure and Independence**

- The Company ensures clear segregation between the roles and responsibilities of the Chairman and the CEO, so that the Board of Directors, under the guidance of the Chairman, has the authority and is able to control the Company's activities and operations effectively and efficiently. The Chairman of the Board is not an Independent Director.
- The Board of Directors includes professional external Independent Directors, who attend meetings regularly, and have adequate access to financial and other business information, so that they are able to demonstrate independent judgment, in order to protect Shareholders' interests.

- Regarding the qualifications and scope of work of the Audit Committee, Directors shall be independent according to the SEC's notification and other qualifications as required by the Company. This is to enable the Directors to work for the best interest of all Shareholders on an equitable basis, and to prevent conflicts of interest between the Company and management of major Shareholder(s) or other companies that have management or major Shareholders in common. In addition, Directors are able to express their opinion independently.

#### **(4.3) Terms of Directorship**

- Directors are elected for a period of three (3) years, after which, the Director is required to resign.
- It is permitted to re-nominate the Directors who retired or resigned.

#### **(5) Committees**

In order to ensure that the Company implements good corporate governance, the Board of Directors has two (2) specific Committees, as follows:

**(5.1) Audit Committee** is comprised of at least three (3) Independent Directors, with at least one (1) member having finance and/or accounting knowledge, as required by the SEC. The Audit Committee is independent in accordance with the notification of the SEC regarding qualifications and scope of work. The Audit Committee's duties shall involve reviewing the Company's activities and operations, financial reports and internal control systems, the selection of auditors (internal and external), and the consideration of conflicts of interest, including related party transaction and risk management. The Audit Committee's scope and responsibilities are further described in the Audit Committee Charter.

Among all Audit Committee members, Em.Prof. Supapun Ruttanaporn has strong accounting expertise, and is reviewing the Company's financial reports (including related party transaction). The Audit Committee is the key body reviewing the Company's activities and operations, financial status and internal control systems, the selection of auditors (internal and external), any consideration of conflicts of interest, and risk management and other relevant key attributes impacting the Company's operational activities.

The Audit Committee is acting as the Corporate Governance Committee to ensure the Company complies with good corporate governance to protect the reputation of the Company and the interest of all Stakeholders.

**(5.2) Nomination and Remuneration Committee** is comprised of three (3) directors from the Board of Directors, at least one (1) of whom is an Independent Director. The Nomination and Remuneration Committee selects appropriate candidates for the positions of Director, CEO, and top executives of the Company. The nomination process for Directors is set up in accordance with defined transparent criteria to ensure a good mixture of professional backgrounds and to ensure that the Board comprises of Directors who have knowledge of the energy and power industry, knowledge of law, and knowledge of finance and/or accounting. The Nomination and Remuneration Committee also considers the policy and guidelines for the remuneration of the Board of Directors, the subcommittees of the Board, the CEO and the Executive Vice Presidents in order to ensure that the basis is fair and reasonable for submission to the Board of Directors and/or the Shareholders Meeting for approval. The Nomination and Remuneration Committee's scope and responsibilities are further described in the Nomination and Remuneration Committee Charter.

**(5.3) A Risk Committee** is not formally and separately established; but risk assessment falls under the general responsibility of the Board and Executive Management Committee/Management.

#### **(6) Self-Assessment**

The Chairman of the Board of Directors ensures that, at least every year, the Directors assess the performance of the Board of Directors and its Committees as a whole or on specific issues.

The Chairman acts on the results of the performance evaluation by recognizing the strengths and addressing the weaknesses of the Board of Directors, and, where appropriate, proposing new Directors to be appointed to the Board of Directors, or seeking the resignation of Directors.

The Board of Directors has conducted a self-assessment for its 2014 performance (in 2015). The assessment criteria are in line with the guidelines of the Stock Exchange of Thailand and the appraisal has been performed by each individual director by evaluating the previous year's performance of the Board as a whole. The complete evaluation form was then returned to the Company Secretary, to collect and analyse the assessment results and to debrief the Chairman of the Board. The Chairman then announced the assessment results during the following Board of Directors meeting for acknowledgement.

### **9.2 Subcommittees of the Board of Directors**

#### **9.2.1 Audit Committee**

In accordance with the SET Notification Bor.Jor./Ror. 01-07, dated 22/Jan/2001 ("Re: Maintaining the Status of Listed Companies in the Exchange, 2001"), listed companies are required to have a good corporate governance system by forming an Audit Committee to govern activities and operations, in order to ensure effective internal controls, compliance with laws/regulations, adherence to relevant standards, and efficient operations.

Hence, the Company's Board Meeting prescribes this Audit Committee Charter, as follows.

#### **(1) Appointment**

The Board of Directors of the Company shall appoint the members of the Audit Committee.

#### **(2) Composition and Qualifications**

The Audit Committee shall consist of at least three (3) Independent Directors who are members of the Board of Directors of the Company, one (1) of whom shall act as the Chairman.

The Audit Committee qualifications shall comply with the relevant laws/regulations of the SET, and at least one (1) member should have finance or accounting management expertise.

Appointment of a secretary shall be at the discretion of the Audit Committee.

The Audit Committee is currently comprised of the following three (3) committee members:

<u>Name</u>	<u>Position</u>
1. Mr. Kovit Poshyananda	Independent Director and Chairman of the Audit Committee
2. Mr. Vitthaya Vejajiva	Independent Director and Audit Committee Member
3. Em.Prof. Supapun Rattanaporn	Independent Director and Audit Committee Member

Meetings of the Audit Committee shall be held at least four (4) times a year. In 2015, there were four (4) ordinary meetings and one (1) extraordinary meeting without management.

### **(3) Duties**

Duties of the Audit committee according with the SET requirements shall be as below:

- To review the sufficiency, reliability and objectivity of the financial reporting by coordinating with the external auditors and management who are responsible for preparing the quarterly and yearly financial reports.
- To review the adequacy and effectiveness of internal control systems and internal audit functions by coordinating with the external auditors and internal auditors.
- To review compliance with the Securities and Exchange Act, relevant laws/regulations and guidelines of the, and any other relevant laws/regulations of Thailand.
- To consider and advise the appointment of the external auditors including the audit fee by considering the credibility, the adequacy of its resources, the volume of engagements, the experience and the independence of the external auditors.
- To review the non-audit services of the external auditor, in order to maintain the independence of the auditors (internal or external) in conducting the audits.
- To consider the connected transactions, or the transactions that are likely to lead to conflicts of interests, to ensure that they are in compliance with relevant laws /regulations of the SEC and the SET, and are reasonable, and for the highest benefit of the Company, including having appropriate disclosure of these transactions.
- To report the activities of the Audit Committee in the Company's annual report, as signed by the Chairman of the Audit Committee.
- To act as the Corporate Governance Committee to ensure that the Company has effectively complies with good corporate governance framework to protect the reputation of the Company and the interest of all Stakeholders.
- To perform other matters assigned to it by the Board of Directors and agreed to by the Audit Committee.
- The Chairman of the Audit Committee and its members shall attend the Company's Annual General Meeting of the Shareholders.

## **9.2.2 The Nomination and Remuneration Committee**

### **(1) Purpose and Objectives**

The role of the Nomination and Remuneration Committee is to propose to the Board of Directors, in the first instance, any new appointments, whether of executive or of non-executive directors, and recommend a successor to the CEO and top executives when considered necessary, as well as make recommendation for development of a succession plan for the CEO and top executives of the Company The Nomination and Remuneration Committee reviews Board membership on a



regular basis, considering *inter alia* (i.e., among other things), the length of service of members, their contribution to the work of the Board of Directors and the breadth of expertise of the Board of Directors as a whole in order to formulate and oversee the implementation of the Company's business strategies.

The Nomination and Remuneration Committee is also responsible for recommending to the Board of Directors the remuneration arrangement for non-executive and independent directors of the Board of Directors.

In performing its duties, the Nomination and Remuneration Committee maintains effective working relationships with the Board of Directors, and each Committee member obtains an understanding of the detailed responsibilities of Nomination and Remuneration Committee membership as specified in this Charter.

The Nomination and Remuneration Committee defines, on behalf of the Board of Directors and the Shareholders, the Company's remuneration policy for the CEO and Executive Vice Presidents, and determines their specific remuneration, benefits and terms of employment, including pension rights and any compensation payments, and monitors implementation of the Company's human resources vision and strategy. On an annual basis, the Nomination and Remuneration Committee, on behalf of the Board of Directors, conducts an annual performance assessment of the CEO and the top management.

## **(2) Authority**

The Board authorizes the Nomination and Remuneration Committee, within the scope of its responsibilities, to propose candidates with proper qualifications to the Board of Directors, and make all decisions relevant to this Charter (other than where the approval of Board of Directors is specifically required), and to have access to professional advice inside and outside the Company at the Company's expense, subject to the prior approval of the Board of Directors.

## **(3) Organization**

### **(3.1) Membership**

- The Nomination and Remuneration Committee shall be appointed by the Board of Directors.
- The Nomination and Remuneration Committee shall be comprised of Non-Executive Directors.
- The Nomination and Remuneration Committee shall be comprised of three (3) members from the Board of Directors, one (1) of which shall be an Independent Director.
- The quorum for the Nomination and Remuneration Committee meetings shall be at least two-thirds ( $\frac{2}{3}$ ) of all of its members.
- Each member shall be capable of making a valuable contribution to the Nomination and Remuneration Committee.
- The Chairman of the Nomination and Remuneration Committee shall be the Chairman of the Board of Directors, or a Non-executive Director appointed by the Board of Directors.
- The term of office for Nomination and Remuneration Committee members shall be three (3) years to ensure continuity. Members shall be permitted to be re-elected for another term, if the Board of Directors or the Shareholders Meeting deems it necessary.



- The secretary of the Nomination and Remuneration Committee shall be nominated by the Board of Directors.
- All members shall be totally independent with no financial interest, other than as Shareholders, in the matters to be decided, no potential conflicts of interest in the decisions made arising from cross-relationships, and no involvement in the day-to-day management of the Company.

The Nomination and Remuneration Committee is currently comprised of the following three (3) members:

<u>Name</u>	<u>Position</u>
1. Mr. Guy Richelle	Non-executive Director and Chairman of the Nomination and Remuneration Committee
2. Mr. Vitthaya Vejajiva	Independent Director and Nomination and Remuneration Committee Member
3. Mr. Jan Franciscus Maria Flachet	Non-executive Director and Nomination and Remuneration Committee Member

### **(3.2) Attendance**

- The Nomination and Remuneration Committee shall be authorized to invite such other persons (e.g., Management representatives, external advisors) to its meeting as it deems necessary.
- Meetings shall be held at least one (1) time per year. Additional meetings shall be convened as deemed necessary.
- All members of the Nomination and Remuneration Committee shall be expected to attend meetings in person or via telephone/video conference.
- Meeting agendas shall be the responsibility of the Chairman of the Nomination and Remuneration Committee, with input from members of the Nomination and Remuneration Committee. Meeting agendas, along with appropriate briefing materials, shall be provided to the Nomination and Remuneration Committee members in advance of meetings.
- Minutes of Meetings shall be prepared by the secretary and distributed to all members within 48 hours of each meeting. Minutes of the meetings shall be confirmed at the next meeting of either the Board of Directors or the Nomination and Remuneration Committee.

## **(4) Roles and Responsibilities**

### **(4.1) Nomination**

Nomination responsibilities include:

- Review and recommend the criteria for Board of Directors membership and required qualifications.
- Review the composition, size and experience of the Board of Directors on a regular basis, including current and future requirements, having regard in part to regulatory constraints.
- Make recommendations to the Board of Directors of candidates with proper qualifications for the Board of Directors to submit for appointment to the Annual General Meeting of Shareholders.
- Seek proposals of individuals for appointment as independent members of the Board of Directors.

- Ensure that new members to the Board participate in the orientation program for new Directors.
- Review and recommend to the Board of Directors the remuneration arrangements for non-executive and independent directors of the Board of Directors, including their responsibilities for Nomination and Remuneration Committee activities, for subsequent approval by Shareholders.
- Make recommendations to the Board of Directors for the successor to the CEO, when considered necessary.
- Develop a succession plan for the CEO that considers both potential internal and external candidates.

#### **(4.2) Remuneration**

Remuneration responsibilities include:

- Review the Company's annual remuneration strategy, and recommend strategy to the Board of Directors for endorsement.
- Establish guidelines for remuneration on the initial appointment of the CEO and the Executive Vice Presidents of the Company.
- Ensure that a proper system of long-term and short-term compensation is in place to provide performance-oriented incentives to management.
- Monitor implementation of the company's human resources vision and strategy, including management development programs for Executive Vice Presidents.
- Evaluate the CEO's performance based on a personal development plan, which incorporates short-term and long-term objectives, together with performance targets linked to the Company's strategy. Determine the salary and benefits annually at the end of each financial year.
- Ensure that the Company's remuneration packages are competitive in view of industry practices, and judge where to position the Company relative to other similar companies with respect to salaries and relevant performance of comparable peers.
- Establish a remuneration policy and package designed to attract, retain and motivate staff of outstanding ability and of the quality required; however, the Nomination and Remuneration Committee shall avoid, where possible, paying more than is necessary for this purpose.
- With respect to early retirements for the and Executive Vice Presidents, the Nomination and Remuneration Committee should avoid rewarding poor performance, while dealing fairly with cases where departure is not due to poor performance.
- Ensure that succession plans for CEO and Executive Vice Presidents are reviewed periodically through assessment of specific Executive Vice Presidents positions and qualified potential replacements.

##### ***(4.2.1) Salary and Benefits of CEO and Executive Vice President***

- Review the salary and benefits of the CEO, and on the recommendation of the CEO, review the salaries and benefits of individual Executive Vice Presidents, at the end of each financial year, based on performance assessment and operational performance of the Company.

##### ***(4.2.2) Bonus of CEO and Executive Vice Presidents***

- Implement an annual performance related bonus scheme for the CEO and Executive Vice Presidents.
- Approve the objectives and the compensation (which, for Executive Vice Presidents, is proposed by the CEO).

- Annual performance bonus should be a percentage of base salary, and depend upon the achievement of individual performance targets, which reflect the Company's strategic objectives and the individual's contribution to such objectives.
- Bonuses shall be aligned to give the CEO and Executive Vice Presidents incentives to perform at the highest levels.

#### ***(4.2.3) Long Term Incentive Plan***

- Review and approve employee long term incentive plans for the Company.

#### ***(4.2.4) Pensions and Life Assurance Benefits***

- Assess reasonableness of pensions and life assurance benefits of employees. In principle, pensionable salary shall not include annual bonuses or the value of other contingent benefits.

#### ***(4.2.5) Aggregate Salary and Bonuses***

- Review the aggregate salary, benefit and bonus package of employees, with a review of each individual package that exceeds the maximum level under the applicable Company grading system.

#### ***(4.2.6) Notice Period for Resignation of CEO and Executive Vice Presidents***

- Establish notice periods for the CEO and Executive Vice Presidents at initial appointment. Notice periods shall not be less than 3 months.
- Approve the terms and conditions of early retirement for the CEO and Executive Vice Presidents.

### **9.3 Code of Conduct**

The Company is committed to conducting its activities and operations in full compliance with laws/regulations of the countries in which we operate, as well as complying with ENGIE Ethics Charter. This includes conforming to locally accepted standards of good corporate citizenship, complying with ethical principles as occasionally announced by ENGIE, and ensuring that interests of its Shareholders are best served.

- (1) The Company's activities and operations shall be carried out in strict compliance with all applicable laws, and relevant rules and regulations of the countries in which the Company operates, and in line with **ENGIE Ethics Charter and the Company's Anti-Bribery Policy**.
- (2) In each of its decisions regarding its activities and operations, the Company shall respect the environment (both our natural and human environment), and take into account the direct and indirect impact of its activities and operations on the environment in order for the Company to conduct itself as a business leader responsible for the sustainable development of its business. Under this environmental and social responsibility, the Company shall be committed to its **Environmental Policy** in order to encourage concern and respect for the natural and human environment.
- (3) Employees shall ensure that the Company deals in all fairness with its customers, suppliers, competitors and any stakeholders in order to conduct its activities and operations. In its relations with government authorities, customers and suppliers, the Company shall not, directly or indirectly, engage in bribery, kickbacks, payoffs, or other activities which may be construed as corrupt business practices.

- (4) The use, directly or indirectly, of the Company funds for political contributions to any organization or to any candidate for public office shall be strictly prohibited, where such contributions are forbidden by applicable laws/regulations. Where such contributions are lawful and organized within a legal framework, they shall be kept at a minimum, shall be made in a fair and prudent way avoiding any partisan or one-sided attitudes, shall not be made to organizations or candidates holding extremist views, and shall be approved by CEO.
- (5) Sales and marketing agents, representatives and consultants shall be retained and paid only if they operate independently from the Company, and in conformity with applicable laws/regulations. All contracts and agreements shall be in writing. Compensation shall be comparable to that paid to similar agents for similar work, and shall be in accordance with the applicable detailed policy.
- (6) The Company funds and assets shall be utilized solely for lawful and proper corporate purposes. Transfer or expenditure of such funds or assets shall be undertaken only if the stated purpose is in fact the actual purpose. The transfer or expenditure of such funds and assets shall be authorized in writing in accordance with established policies/procedures. No false or artificial entries shall be made in the Company books and records for any reason, and all financial transactions shall be accurately and properly accounted for in those books and records.
- (7) Employees shall not take advantage of, commercialize, or exploit any of the Company's information or property, or their position with the Company for the purpose of inappropriate personal gains or opportunities.
- (8) In principle, employees shall not offer/accept gifts or hospitality in connection with, or because of, the Company's activities and operations. Nevertheless, in accordance with Gifts and Hospitality Policy, courtesy considerations may lead to their acceptance, and such gifts or hospitality must be limited in number and associated local occasions which justify them in according to local custom. Employee shall not offer/accept cash from any the Company customer, supplier or business associate, and only offering/accepting gifts or hospitality of a reasonable amount shall be permitted. Employees shall be permitted to offer/accept gifts or hospitality, only if such gifts or hospitality have no influence on their decision making, and are not illegal under applicable laws/regulations (Please refer to **Gifts and Hospitality Policy** for detailed guidance on this topic).
- (9) Employees shall avoid conflict of interest situations between their direct or indirect personal interests (including their immediate family members) and the interests of the Company. Typical conflict situations include providing services to (whether as an employee or otherwise), or owning shares or stock options, in business entities which are competitors, customers or suppliers of the Company (exception: minor shareholdings of less than 1% in listed companies are not considered to result in conflict of interest situations).
- (10) The Company employees shall not accept shares or stock options of any related companies, other than the Company.
- (11) Employees shall notify their Direct Superior of any actual or potential conflict of interest situation, and obtain a written ruling as to their individual case (which, in the case of Directors or EVPs can only be given by the Board of Directors or one of its committees, and shall also be disclosed to Shareholders).
- (12) Employees shall not buy or sell shares or other securities of a business undertaking, or give advice on the same, if he/she has access by reason of his/her professional activities with the Company, to any non-public information about that business undertaking (whether a part of

the Company or not). Trading by employees of the Company shares or stock options shall be permitted only in accordance with **Insider Trading Policy**.

- (13) All employees shall be treated fairly and equally in terms of accountability, rights, remuneration and labor practices, and in compliance with the labor laws/regulations. All benefits provided to the Company employees in addition to their standard remuneration (salary and bonus) shall be awarded in full compliance with corporate guidelines and laws/regulations (including tax regulations), and shall remain in line with local practice.
- (14) The Company shall respect the privacy of data relating to individual persons (whether employees or third parties) that it holds or handles as part of its information processing activities or otherwise, and shall support and respect, within its sphere of influence, the protection of international human rights set out in the United Nations Universal Declaration of Human Rights.
- (15) Employees shall maintain the confidentiality of the Company's all corporate non-public information that is made available to them. The Company shall recognize Intellectual Property Rights and other proprietary information as a central Shareholder value. The Company shall take every appropriate action to preserve and enhance its Intellectual Property, and shall respect the Intellectual Property Rights of others.
- (16) All Directors and employees in the Company shall strictly comply with this Code of Conduct accordingly, and shall be responsible for the continued enforcement of, and compliance with, this Code of Conduct, including necessary communication and training, in order to ensure their knowledge and compliance. Non-compliance with this Code of Conduct shall result in disciplinary measures.
- (17) Any employee facing difficulties in understanding or application of this Code of Conduct shall consult with their Direct Superior. Any reports of violations of this Code of Conduct by an employee to his/her Direct Superior, or directly to the Company's Ethics Officer, shall be treated seriously and confidentially, provided that they are made in good faith and properly documented. The Company shall not take any retaliatory action against employees or Directors who make such reporting in aiming to comply with this Code of Conduct.

This Code of Conduct shall be treated as a part of the Company's rules and regulations, and all Directors and employees shall strictly comply with it accordingly.

#### **9.4 Anti-Bribery Policy**

The Company does not tolerate bribery or any other form of corrupt business behaviour.

- (1) This policy applies to all the Company activities and operations with the public and private sectors.
- (2) Bribery is against the laws of many countries, and it is the very opposite of everything the Company stands for. The Company requires compliance with the highest ethical standards and all laws/regulations that apply to our business. The Company values integrity and transparency, and prohibits corrupt activities of any kind, whether committed by the Company employees or by third parties acting for or on behalf of the Company.
- (3) This anti-bribery policy fully reflects the values and ethical principles set out in the ENGIE Ethics Charter and Code of Conduct.
- (4) Violations of this anti-bribery policy have serious, including criminal, consequences for individuals, as well as for the Company. Hence, the Company employees and third parties

acting for, or on behalf of, the Company will be held accountable, if they do not comply with this anti-bribery policy.

- (5) The Board of Directors closely oversees the Company's bribery prevention policies, procedures and processes. It is the firm intention of the Company Executive Management team to ensure that anti-bribery policies, procedures and processes are embedded in the Company organization, and the conduct of our business, under the responsibility of the Company line managers and business process owners. To support this policy, a dedicated ethics and compliance responsibility is included in the mission of the Company Ethics Officer.
- (6) The Company is committed to conducting business in full compliance with anti-bribery laws/regulations and ENGIE Ethics Charter. The Company regards compliance with anti-bribery laws/regulations as crucially important, and everyone who acts for the Company is expected to apply the highest standards of integrity to all their activities, and to comply fully with the Company ethical principles, policies, procedures and processes. This will ensure that the Company's activities and operations are aligned with ethical responsibilities, and maximize the long term sustainability of our business and of the communities in which we operate.
- (7) No one acting for the Company is allowed to offer or to give any form of advantage, whether monetary or otherwise, to any individual or company, in order to influence their behaviour contrary to honesty or integrity, or with the aim of gaining a commercial advantage. Further, no one is allowed to request, to agree to receive, or to accept such an advantage.

This Anti-Bribery Policy shall be treated as a part of the Company's rules and regulations, and all Directors and employees shall strictly comply with it accordingly.

### **9.5 Insider Trading Policy**

The Company is a listed company on the SET since 21 April 2005.

In order to comply with the insider trading guidelines as published by the SET Notification in "RE: Guidelines on Disclosure of Information of Listed Companies", Management notifies all employees of the Company's Insider Trading Policy as follows

- (1) All Directors and employees with the position at equal or higher than SVP shall report to VP Finance & IR all purchases and sales of their Company's securities within 3 working days after completion of such transaction.
- (2) All Directors and employees shall strictly take all reasonable precaution of information which has not been publicly released or which is intended to be used solely for the Company purposes or which the Company temporarily withholds, and shall not use such information to obtain personal benefit or disclose or exchange any of such information with or to any person for any personal use.
- (3) All Management, including but not limited to, Directors, Executive Management Committee (the "EMC"), employees in Finance, Accounting, and Budgeting functions, who are exposed to the Company's relevant financial information, shall be prohibited from carrying out any transaction involving the shares of the Company over a period of 30 calendar days leading up to the publication of the annual and quarterly consolidated financial statements and financial information.

This Insider Trading Policy shall be treated as a part of the Company's rules and regulations, and all Directors and employees shall strictly comply with it accordingly.

#### **9.6 Ethics Reporting (Whistleblowing) Procedure**

The Company provides a channel through which an informant, be it an employee or somebody from third party, can report unethical business practices, any non-compliance of the Company's Corporate Governance Policy (especially the anti-bribery policy and the insider trading policy), any violation of rights, or any other ethical concerns. The Company's Ethics Officer is responsible for receiving such reports from the informant, and then proceeds with the investigation if the Ethics Officer considers that such report has valid grounds. The report, as well as the information relating to the informant, is kept strictly confidential, shall not be publicly disclosed, and shall be used only for the purpose of the investigation.

The Company also provides protection measures, as well as non-retaliation measures, to the whistleblower, as well as all relevant witnesses, during and after the investigation, provided that the complaint is made in good faith.

The Company's Ethics Officer prepares a summary and progress of the investigation in accordance with the process under the Ethics Compliance Management Procedure on an annual basis.

#### **9.7 Resources**

The Company has issued a policy regarding the efficient utilization of resources. Especially given the fact that the Company is in the energy business, it recognizes the value of all resources, including water, electricity and other supplies. The Company for instance encourages its employees to reuse paper for internal matters, as well as to switch off the computers and other electricity before they leave the office.

#### **9.8 Management Control of subsidiaries/affiliates**

The Company appoints and nominates its member of the Board of Directors and/or managements to be members of the Board of Directors of subsidiaries and affiliates. For existing subsidiaries in which we hold more than 90% stake, including Glow IPP, Glow SPP 1, Glow SPP 2, Glow SPP3, Glow SPP 11, Glow Company, Glow IPP 2 Holding, and Glow IPP 3, all board members are appointed by the Company. For other subsidiaries and affiliates, the number of Board members who are nominated by, and represent the Company are:

- GHECO-One (65% stake): 5 out of 8 board members
- Houay Ho Power (67.25% stake; direct and indirect holding): 4 out of 9 board members
- Houay Ho Thai (49% stake): 2 out of 5 board members
- Glow Hemaraj Wind (49% stake ): 4 out of 8 board members

Although separate companies within our corporate group own our key operating assets, we maintain a single centralized management structure for all of our companies and assets. This allows us to effectively monitor and coordinate our operation and management of all key operating assets.

**9.9 Auditor's Fee**

**Auditor's remuneration for the period of 1 January 2015 to 31 December 2015 consists of**

(Unit: Baht)

	<b>The Company</b>	<b>Subsidiaries</b>
Audit fee	1,719,763.00	7,958,329.00
Non - audit fee		
- Review of Financial ratios	400,000.00	-
- Agree-upon procedure	500,000.00	480,000.00
- Others	-	221,205.00



## 10. Corporate Social Responsibility

### 10.1 Overview of sustainability policies and practices

Sustainability is our approach to managing current and future economic, environmental and social opportunities and risks in order to achieve profitable growth and to provide sustainable and reliable energy solutions to our customers.

#### *10.1.1 Our Sustainability Vision*

To become a leading power generation company providing sustainable and reliable energy solutions based on innovative use of diversified energy sources.

#### *10.1.2 Our Core Values on Sustainability*

- Operational excellence and profitable growth
- Providing reliable energy solutions
- Occupational health and safety
- Having knowledgeable employees who are part of a network of expertise
- Strong corporate governance, ethics and compliance
- Environmental sustainability
- Improving the quality of life for communities in areas where we do business

#### *10.1.3 Our Commitment to Sustainability*

- Reduce production costs and increase productivity
- Satisfy and retain existing customers, and attract new customers
- Ensure Health and Safety of all stakeholders
- Skills development and vocational training for staff
- Compliance with applicable laws, relevant rules and regulations
- Control and improve emission levels
- Build relationships and maintain trust with communities

#### *10.1.4 Sustainable Development Policy*

Glow Energy and its affiliated companies (hereinafter collectively referred to as “Glow Group”) are committed to conducting all its business operations responsibly with due regard to sustainable development. We work with governments, inter-governmental and non-governmental organizations and other interested parties to develop and support projects that benefit the communities associated with our business operations. We are committed to achieving the economic, environmental and social responsibility objectives of Sustainable Development. We recognize that integrating sound Sustainable Development principles into our operational safety, business conduct, social, environmental and economic practices is both good for society and good for our business.

We adhere to the following **Sustainable Development Policy** statements that direct our efforts towards achieving these objectives:

- (1) We shall operate in compliance with our Code of Conduct and Anti-Bribery Policy, as well as all applicable sustainable development laws and regulations and international norms of behavior.
- (2) We shall establish a culture of integrity in our company, and encourage all employees to strictly follow business ethics and rules specified in the Code of Conduct.
- (3) We shall consistently identify and implement policies and standards to continuously improve Sustainable Development practices in our business operations.
- (4) We respect the protection of human rights and shall not tolerate any form of workplace discrimination, bullying, harassment or physical assault. We value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organization without bias.
- (5) We shall implement all projects by taking into account the expectations and interests of our stakeholders, and shall be accountable for the impact of our activities and operations, both direct and indirect, on employees, society, the environment (both our natural and human environment) and stakeholders.
- (6) All our projects shall be managed in accordance with applicable health and safety rules and regulations, without bringing harm to any community, employee or the environment.
- (7) We shall continue to ensure and improve the availability and reliability of our services to all our customers and remain good business partners.
- (8) We shall encourage employees to identify and act upon opportunities to improve Sustainable Development practices in the areas where they work. We shall also promote Sustainable Development practices among our contractors, suppliers and customers.
- (9) We recognize that environmental impact is a serious issue that demands attention and action from the business community. Glow Group will continue to take actions to reduce emissions where possible from both direct and indirect business operations and maintain reliable water management practices.
- (10) We shall regularly review our performance and report on our progress publicly in an open and transparent manner. We shall also provide communication channels for all stakeholders so that they will be able to file their complaints and suggestions.
- (11) We shall engage our stakeholders in our objectives and targets, and shall periodically communicate our progress to the Board of Directors, shareholders, customers and members of the public.

## 10.2 Sustainability

### 10.2.1 Approach to Managing Sustainability

#### (1) Governance

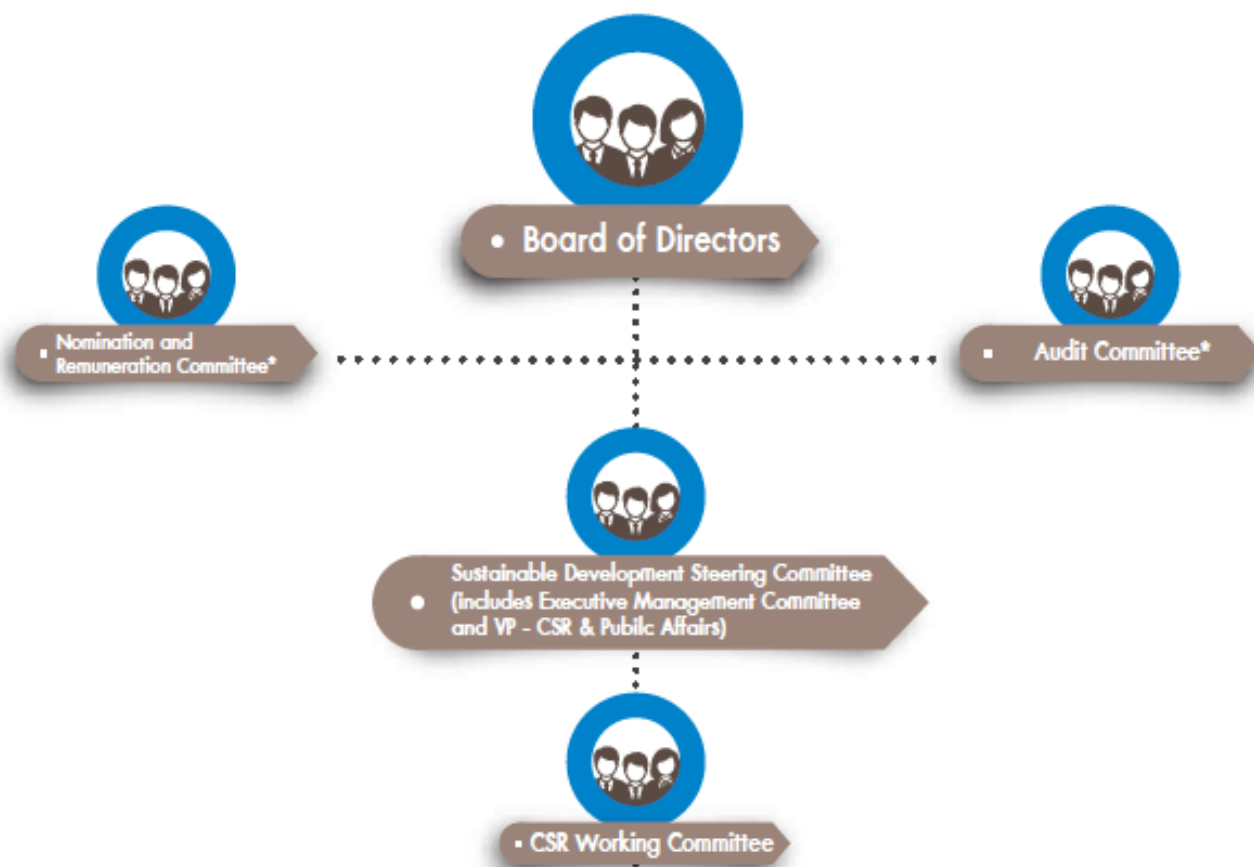
Glow acknowledges that our decisions and activities can impact society and the environment. We recognize the importance of our stakeholders and their roles in our sustainable development.

The Board of Directors and Executive Management Committee (EMC) are Glow's highest governing bodies. They are responsible for the strategic direction of the organization and the effective monitoring of the performance. The EMC, which as of end 2015 was comprised of four men and two women, meets monthly to discuss performance and future plans. The Board of Directors, which as of

end 2015 was comprised of ten men and two women from five different countries, being Thailand, Belgium, France, Finland and Hungary, meets quarterly, as well as on other occasions, to approve the quarterly financial statements and to provide guidance on strategic matters, including in the area of sustainable development.

In an effort to go beyond our CSR program and strive further towards sustainability, we have decided to reorganize our sustainability management structure by putting in place a “Sustainable Development Steering Committee” in December 2015. This Committee is to define our strategies and targets in the area of sustainability, and will report to and seek advice and support from the Board of Directors on sustainability-related issues. The new committee will work closely with the existing CSR Working Committee.

#### Sustainability Management Structure as of 2015



## (2) Compliance

Glow's activities and operations are carried out in full compliance with all applicable laws and relevant rules and regulations of the countries in which we operate which are in line with **the Ethics Charter** of ENGIE, our parent company.

ENGIE regards compliance with anti-bribery laws as crucially important and everyone who works for ENGIE is expected to apply the highest standards of integrity to all their activities and to comply fully with the ENGIE ethical principles, policies, procedures and processes.

Glow established its first **Code of Conduct** in 2005 and we have updated and revised this code several times, to include new clauses such as human rights and anti-bribery which will help us achieve our sustainability goals. Our Code of Conduct (and related policies) sets out ethical principles that guide the work we undertake and our interactions with stakeholders, including government agencies, customers and suppliers, and communities. The principles cover accountability, transparency, integrity, ethical behavior, respect for stakeholder interest, respect for the rule of law and human rights.

Glow's Ethics Officer ensures implementation of ethical principles in Glow's development strategies and activities; answers employees' questions and gives advice on ethics and compliance; runs awareness-raising, training and communication initiatives and identifies the entity's ethical risks.

To fight against corruption and fraud in all forms, Glow also has an Anti-Corruption Section in every O&M Agreement to ensure that our suppliers comply with Glow's business practices.

Glow has signed a declaration of intent to join the Private Sector Collective Action Coalition Against Corruption (CAC) on 21 March 2014. We are currently in the process of further reinforcing our procedures, in order to comply with the certification requirements. In 2015 we have also conducted an anti-corruption risk assessment with an external advisor. We expect to complete this application process by the CAC within the first quarter of 2016.

To view the Code of Conduct and all related policies mentioned above, please visit our website at <http://www.glow.co.th/index.php?op=policies-index>.

### 10.2.2 What Matters

#### (1) Value Chain

Our vision is to optimize profitability through operational excellence and value-creative growth in Thailand and neighboring countries. We have crafted a business strategy that takes into account four perspectives: commercial, operational, financial and human resources. We balance short-term and long-term objectives to create a well-defined set of priorities and action plans.

To provide sustainable and reliable energy solutions, we use diversified energy sources, including, hydropower, solar, natural gas and high quality bituminous coal with a sulfur content of less than 1%. Transportation, coal handling and ash management systems are efficient and in line with our Environmental Management Systems (EMS). We use a closed coal conveyor system and dust suppression devices to prevent dust dispersion.

We use state-of-the-art and environmentally-friendly technology, such as Supercritical Pulverized Coal Boiler Technology, a high-efficiency boiler system that consumes less fuel than conventional boilers and which results in lower emissions.

Glow provides electricity to the Electricity Generating Authority of Thailand (EGAT) as well as electricity, steam, clarified and demineralized water to industrial customers in Map Ta Phut Industrial

Estate (MIE) and Siam Eastern Industrial Park (SEIP). To ensure a continuous utility supply, many of our cogeneration facilities are interconnected to each other by high voltage underground transmission lines and this is further enhanced by a back-up supply from EGAT and the Provincial Electricity Authority (PEA) for power and package boilers for steam. We are a highly-reliable energy source for our customers due to dedicated (and, in the case of our facilities in Map Ta Phut, underground) transmission lines and a steam piping network covering the entire service area. This network reduces the risk of supply interruption and pressure loss.

Knowing our value chain helps us to improve our sustainability by increasing opportunities to reduce environmental impact and increasing resource efficiency across the entire value chain. By working closely with value chain partners and other key stakeholders we can discover optimal solutions and drive impactful action.



## (2) Stakeholder Engagement

Stakeholder management is considered of the utmost importance within the ENGIE group. Solving conflicts before they happen is good for business, and a good knowledge of stakeholders' needs helps companies to develop new products and services. We have a range of internal and external stakeholders that we engage through a variety of mechanisms. The frequency of engagement is designed to enable regular communication with stakeholders on key issues and is adapted as needed. By finding out what stakeholders' needs are, we identify valuable information that will help us to make choices in terms of our future business strategy.

Glow has applied stakeholder mapping and managements tool developed by ENGIE. We have used the tool to map stakeholders in relation to issues that matter to Glow. We have reviewed the 2014 stakeholder list and identified a revised list, comprising of 18 main categories of stakeholders as follows:

1. Employees
2. Customers
3. Local Communities
4. NGOs and Non-profit Organizations (NPOs)
5. Analysts
6. Financial Institutions

7. Shareholders/Partners
8. Professional Consultants
9. Contractors
10. Fuel Suppliers
11. Technology Suppliers
12. Private Industrial Estates
13. Media
14. Competitors
15. Government Authorities (Energy)
16. Government Authorities (Others)
17. Independent Organizations
18. Embassies

Category	Engagement Channel	Frequency
1. Employees	<ul style="list-style-type: none"> <li>- Internal Affairs Committee meetings</li> <li>- Welfare Committee meetings</li> <li>- CEO Briefings</li> <li>- Suggestion box</li> <li>- Ethics Officer</li> <li>- Intranet</li> <li>- Email/Telephone</li> <li>- Glow website</li> </ul>	<ul style="list-style-type: none"> <li>- At least 4 times/year</li> <li>- Quarterly</li> <li>- Quarterly</li> <li>- Regularly</li> <li>- Regularly</li> <li>- Regularly</li> <li>- Regularly</li> <li>- Regularly</li> </ul>
2. Customers	<ul style="list-style-type: none"> <li>- Meetings</li> <li>- Email/Telephone</li> <li>- Annual Report</li> <li>- Glow website</li> <li>- Seminar</li> </ul>	<ul style="list-style-type: none"> <li>- Monthly</li> <li>- Occasionally</li> <li>- Once a year</li> <li>- Regularly</li> <li>- Occasionally</li> </ul>
3. Local Communities	<ul style="list-style-type: none"> <li>- Tri-partite Committee meetings</li> <li>- Green Star Committee meetings</li> <li>- EIA Monitoring committee meetings</li> <li>- Environmental Monitoring Committee meetings</li> <li>- Knock-door visits</li> <li>- Open-house</li> <li>- Plant visits</li> <li>- Public hearings</li> <li>- Jai Diaw Kan (One Heart) newsletters</li> <li>- Local media, such as newspapers, radio, billboards, etc.</li> <li>- Glow website</li> <li>- Email/Telephone</li> </ul>	<ul style="list-style-type: none"> <li>- Quarterly</li> <li>- Annually/ bi-annually</li> <li>- Annually</li> <li>- Monthly (during construction phase)</li> <li>- Monthly</li> <li>- At least once a year</li> <li>- Average 5 times/year</li> <li>- Every time there is a new project</li> <li>- Quarterly</li> <li>- Occasionally</li> <li>- Regularly</li> <li>- Occasionally</li> </ul>

Glow communicates with these stakeholders through multiple channels and always take into consideration transparency and openness. Our CSR Working Committee, for instance, conducts dialogues with relevant stakeholders at regular intervals to identify and respond to their needs and expectations. These regular dialogues allow us to better meet the needs and expectations of our stakeholders.

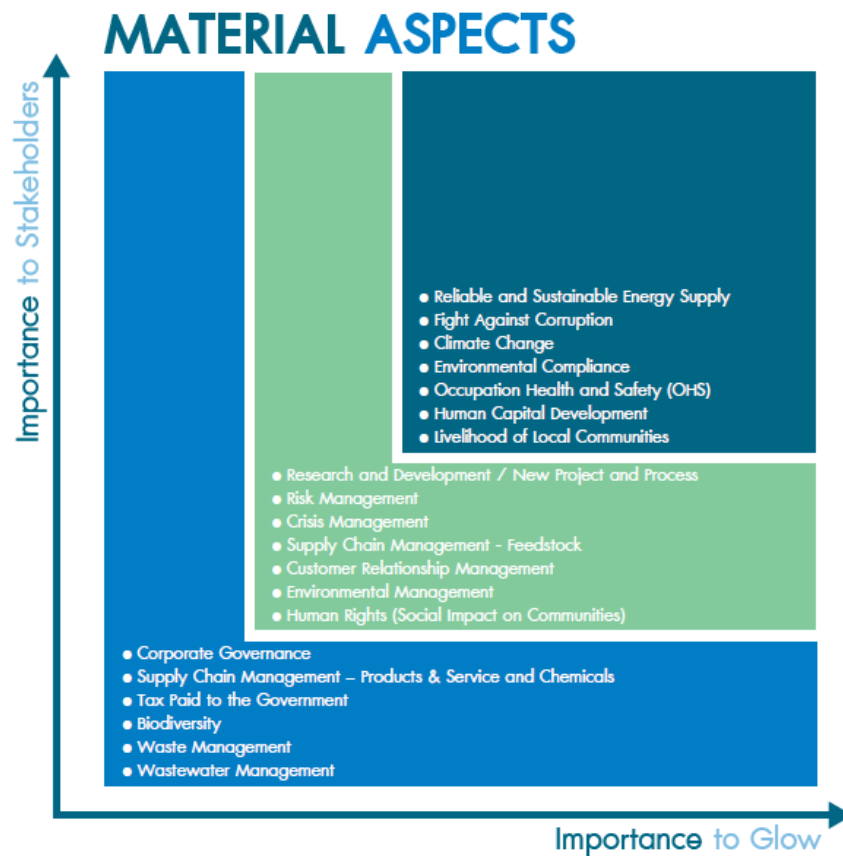
In addition to those mechanisms, the company also has procedures that enable internal and external stakeholders to file complaints or make recommendations at all times. The channels or steps to file complaints are as follows:

- 1) The procedure for employees to file a complaint is included in the employees' manual to inform them of their rights, with complaint and settlement procedures, investigation and verification procedures and protection for informers and relevant parties.
- 2) The Ethics Reporting Process is available for all employees and outside stakeholders to file their complaints in the case that a discriminatory or unethical practice is found. The company has a designated ethical officer to be directly responsible for the code of conduct governance to ensure fair treatment to all parties. In addition, we have put in place an "ethics box" which is a new channel allowing "whistle blowing" with respect to any ethical issues and which all employees and external parties can access.
- 3) A Suggestion Box is available for employees to submit complaints and recommendations to the company. The suggestion boxes are placed in different spots which are easily visible.
- 4) Complaints or recommendations may be made by telephoning the Bangkok office 02 670 1500 or the Rayong (Map Ta Phut) office 038 698 400-10 or by sending an Email to pr@glow.co.th

Apart from providing channels to receive complaints, the company has also set a deadline to address an issue. If a complaint is verified and proven to be valid, the company will assign a responsible person to resolve the issue within 7 days, or within 24 hours for an emergency case.

### (3) Material Aspects

We have reviewed our list of material aspects that we identified last year and conducted a stakeholder mapping to select issues that are most material to us. The revised list comprises of 20 material aspects, seven of which are considered our most material aspects.



Our materiality matrix highlights seven “highest priority” aspects for Glow and its stakeholders as follows:

- 1) Reliable and Sustainable Energy Supply
- 2) Fight Against Corruption
- 3) Climate Change
- 4) Occupational Health and Safety (OHS)
- 5) Human Capital Development
- 6) Environmental Compliance
- 7) Livelihood of Local Communities

As the largest producer and supplier of electricity for industrial customers in Thailand, the above aspects are considered important factors for Glow to obtain a “social license to operate” from our stakeholders. We have furthermore identifies 13 other aspects which are important for Glow to meet different levels of stakeholders’ expectations in three areas: economic, environmental and social..



# ECONOMIC ENVIRONMENTAL SOCIAL



We recognize the need to engage regularly with our stakeholders to understand, prioritize and manage our sustainability impacts better. As part of our commitment to be a highly responsible business we have continued to engage with our key stakeholders and improve our processes.

## 10.2.3 Most Material Aspects

By mapping our value chain and engaging our stakeholders at all levels, we can identify the aspects that are most important to our business. These “most material aspects” are the elements of our business requiring our greatest focus.

### (1) Reliable and Sustainable Energy Supply

Supplying reliable and sustainable energy are central to our vision.. It is one of our aims to provide reliable energy to both Electricity Generating Authority of Thailand (EGAT) and our industrial customers.

We believe that operational efficiency and reliability of our power plants not only reduce our costs and improve our financial performance but also contributes to conserving resources, protecting the environment and minimizing our impact on the global ecosystem.

As part of our aim to continuously improve our customer service,.

Glow is continuously maintaining and improving the efficiency and reliability of the power plants. To measure the performance of the cogeneration plants under SPP contracts, Glow's optimization team annually reports both electrical and thermal cogeneration efficiency to EGAT. EGAT expects an electrical efficiency that is greater than 45%, a thermal process that has an efficiency greater than 10% and Primary Energy Saving (PES) capacity that is in line with the SPP contract. If our efficiency is lower than accepted then our prices will be impacted.

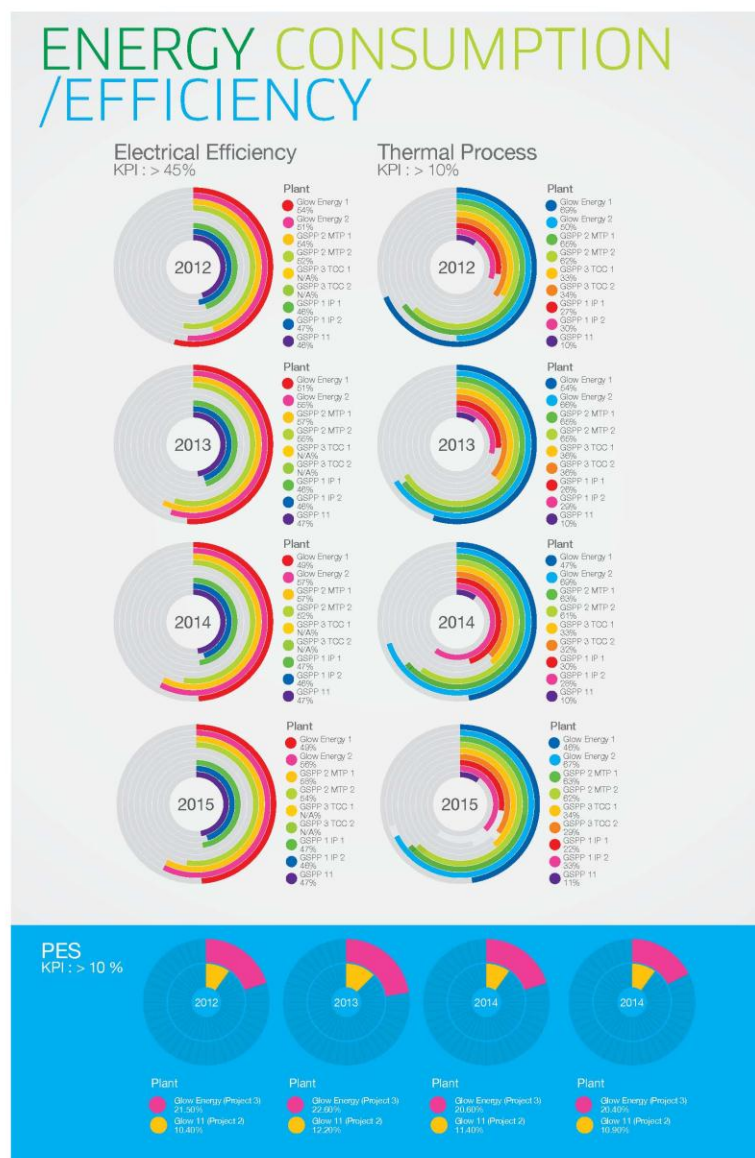
Glow's Operation and Maintenance Team monitors, maintains and improves the operational excellence and effective maintenance in order to supply quality products with high power plant efficiency. The graph here indicates the efficiency of each plant under SPP contract whereby, over the past three years, Glow has continued to reach EGAT's efficiency acceptance level.

Continuous focus on reliability is fundamental in our aim to satisfy and retain our existing customers, and to attract new customers. It is our commitment to provide reliable products to our customers by the continual supervision and maintenance of our facilities, including our transmission and distribution system, in accordance with the best engineering practices, aiming to avoid unplanned incidents and to eliminate unsafe conditions at our plants.

Customer satisfaction is fundamental as we strive to maintain business excellence and increase and solidify Glow's good reputation to retain customers and to attract new customers.

We offer our customers a highly reliable supply of energy with our dedicated transmission lines and a steam piping network covering the entire service area that substantially reduces the risk of supply disruption or pressure drop.

To ensure a continuous utility supply, all cogeneration facilities at Map Ta Phut are interconnected and further enhanced by a back-up supply from the Electricity Generating Authority of Thailand (EGAT) for power and by package boilers to support our steam supplies. In Siam Eastern Industrial Park (SEIP) our two cogeneration plants are connected and supported by fast-start gas engine units for peak supply. As in Map Ta Phut a back-up power agreement with the Provincial Electricity Authority (PEA) provides the final element of security.



One key challenge with respect to the availability and reliability of transmission lines is to prevent unplanned supply disturbances. Glow's Operation & Maintenance Team therefore constantly monitors our transmission and distribution system, and engages in maintenance activities on an ongoing basis. We use the System Average Interruption Frequency Index (SAIFI), an indicator for reliability widely used in the power industry, as one of Glow's core KPI's (with respect to both our electricity and steam supply).

In 2015 we have further enhanced our real-time monitoring system and outage management capabilities by adding a "gas engine control system" for our SPP11 plants, which enhances our ability to respond to changes in demand from our customers.

An important decision which our Board made in late 2015 is that going forward we will not invest in any additional coal-fired units to be added to our generation fleet. We will therefore focus our business development efforts exclusively on "carbon-light" solutions, including gas-fired units, hydro plants and (non-hydro) renewable projects. Our CSR effort is well aligned with our decision to focusing our business development efforts exclusively on "carbon-light" solutions, and with our ongoing focus on energy efficiency. Initiatives such as the "Energy Conservation for the New Generation", and "Solar for Schools", which are described hereunder, are good examples in this respect.

- **Energy Conservation for New Generation**

Our ambition towards clean energy sources resonates with our CSR activities. In 2015, Glow kick-started the "Energy Conservation for New Generation" project which encourages university students to identify innovative ways of enhancing their field of study in feasible alternative fuel project that contribute to the society they live in. One of the teams who won the research fund from Glow proposed developing the gasification units for a local pottery in Khon Kaen province.

- **Solar for Schools**

Glow's corporate social responsibility team inaugurated during 2014 and 2015 the "Solar for Schools" project with an ambition to make electricity accessible and affordable to people in remote area that are not covered by PEA's distribution network. The team had cooperated in installing solar electric systems for 31 schools and childcare centers in the area around Thailand-Myanmar border.

## **(2) Corruption**

Glow is committed to conducting all its activities and operations in strict compliance with all applicable laws, relevant rules and regulations of the countries in which we operate.

We take into account the strong focus on ethics at the level of, among others, our parent company (ENGIE), the Federation of Thai Industries (FTI), the Institute of Directors (IOD), the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

We promote ethics and compliance awareness among all Glow employees, our executive management, and our board members. Our target is to provide training to all employees on ethics and compliance practices. By the end of 2016 100% of our employees will have completed the mandatory compliance training.

Glow has established in Jul/2014 its Gifts and Hospitality Policy which emphasizes that gifts and hospitality must be made in good faith, be of a professional nature and be linked to promoting Glow's activities, developing business or improving the quality of working relationships between Glow and its

customers and partners. Any employee who is found to be in willful violation of this policy is subject to disciplinary action as deemed appropriate by his/her Division Head, in consultation with SVP HR & Administration and/or the CEO.

On 21 March 2014, we have signed a declaration of intent to join the Private Sector Collective Action Coalition Against Corruption (CAC). We are currently in the process of further reinforcing our procedures in order to comply with the certification requirements. We expect to complete this application process with the CAC within the first quarter of 2016.

From 2016 onwards, we will conduct an anti-corruption risk assessment on an annual basis, and ensure with all business process owners that there is “zero” non-compliance.

To view our Anti-Bribery Policy and related policies, please visit our website at <http://www.glow.co.th/index.php?op=policies-index/>.

### **(3) Climate Change**

ENGIE, Glow’s parent company, participated in 2015 to the United Nations’ Climate Change Conference, known as the 21<sup>st</sup> Conference of the Parties (COP21), held in the period 30 November - 11<sup>th</sup> December in Paris.

Glow employees, both from executive and operational levels, actively participated in a roundtable discussion among Thai ENGIE affiliates prior to the event. Individual opinions and concerns, as well as insights gained from group discussions regarding global climate and energy situations, were gathered and, after having been consolidated with results from similar exercises in other parts of the world, were conveyed through to COP21. At the conference an agreement was reached aiming to keep the planet from getting more than 2 degrees Celsius warmer by the end of this century.

At Glow we obtained in 2015a certification for our Carbon Footprint for Organization (CFO) initiative from the Thailand Greenhouse Gas Management (Public Organization) for our Glow Energy Phase 2 plant. The organization’s Carbon Footprint or Corporate Carbon Footprint (CCF) is an indicator which quantifies the greenhouse gases emitted in tons of carbon dioxide equivalent from all activities of an organization; such as fuel combustion, electricity use, waste management and transportation.

- With awareness of the potential effects we might have on natural resources; water or f

In general terms, Glow places a strong emphasis on optimizing our use of resources, not only at our operating sites, but also in our headquarters. All our team members are encouraged to reuse, recycle, and minimize usage of the resources.

### **(4) Occupational Health and Safety (OHS)**

We are committed to achieving the best possible health and safety performance and to develop correct safety behavior throughout our organization. Every effort is made to sustain an excellent safety culture.

We aim to take all necessary precautions to limit accidents. We are utilizing international best practices available through the extensive network of our parent company ENGIE. Such best practices target is to reduce and ultimately eliminate the occurrence of accidents by focusing on structural protection, eliminating the possible causes of accidents, training employees and enhancing vigorous job safety analysis. Glow is extending the same principles beyond its own organization and aims to apply the same standards to its contractors.

If, despite all our efforts, an incident occurs, we have defined procedures with respect to investigation and reporting. Through an in-depth analysis of possible causes we aim to identify corrective and preventive actions and to communicate such actions to all relevant parties.

Glow has defined the following fundamental principles that direct our efforts toward reducing occupational accidents at work:

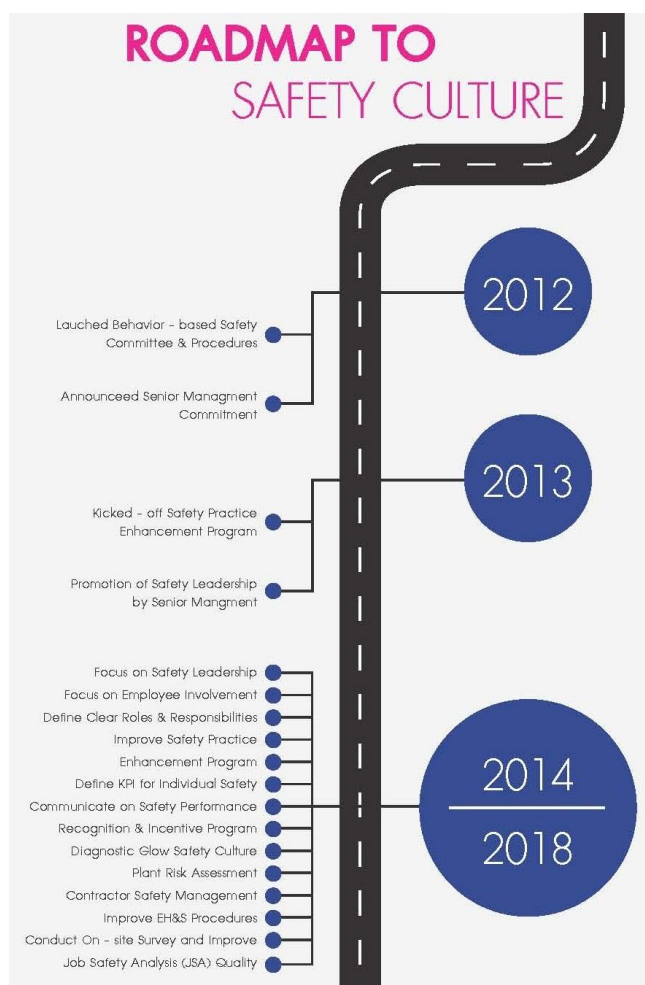
- Making the initial **commitment** that health and safety is a primary responsibility of all Glow employees.
- Maintaining **compliance** with the applicable health and safety legislation and Glow's safety rules.
- **Involving** employees at all levels to promote effective working relationships with appropriate health and/or safety agencies and to avoid working situations that may have an unfavorable effect on an employee's health.
- **Integrating** health and safety in our management systems to drive a proactive and shared safety culture throughout the organization.

It is our goal to reduce the number of occupational accidents at work by implementing a Five-Year Safety Culture Roadmap (2014-2018).

In 2015 Glow IPP received, for the 7<sup>th</sup> time, and Glow SPP11 received, for the 3<sup>th</sup> time, a national-level Plant Safety Award for outstanding performance in the area occupational safety, health and environment. We continually measure our safety performance through core KPI's including Frequency Rate of Occupational Accidents (FR) and (absence of) Major Incidents.

In 2015, we have continued progress on our safety roadmap, including by conducting safety culture assessment workshops. The workshops aimed to understand the existing maturity level of safety culture at the power plant sites in the Group with the following objectives:

- To obtain the baseline data and look for the directions to improve safe behavior of employees.
- To know the level of safety culture, strengths and weaknesses of the existing management systems.
- To select and implement the right tools and to set priorities for improvements.
- To understand the employees' thoughts and attitude on managing the health and safety system.
- To promote safety awareness and involvement of employees and contractors.

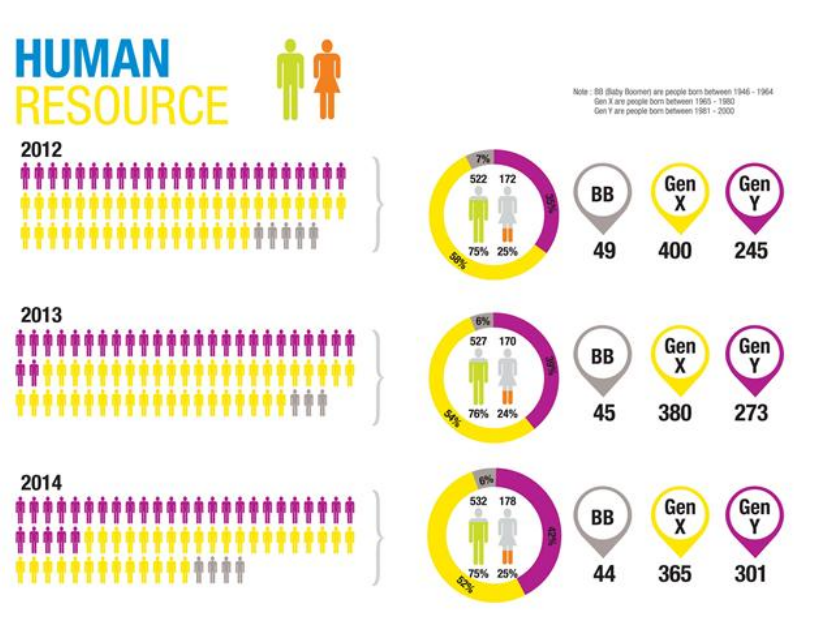




Results and feedback from the workshops and our employees will help us to develop and prioritize specific actions needed for safety culture improvements.

### (5) Human Capital Development

The energy business requires skills from a diverse field to meet the growing demands of our business. At Glow, we encourage and motivate our employees to show their capabilities and to share their different ideas with one another to increase their capacity and to prepare them for the changing business environment. Employee development begins with attracting and hiring talented individuals and students.



We ensure that our employees receive adequate training and support to strive in the company. In 2015 we have made progress, among others, in implemented an “Employee Passport” which is intended to accompany and guide employees in each step of their continuous development which should contribute to self-actualization and, ultimately, a high degree of job satisfaction among our employees.

### (6) Environmental Compliance

Government regulations set the minimum level for our environmental compliance. In our operations and in the development of new business we take into consideration international best practices and standards

Glow takes compliance seriously beginning with the planning stage onwards. We aim to maintain a relationship of trust by practicing open communication with the community, authorities, policy-makers, customers and other stakeholders who have concerns regarding the environmental impact of our business and facilities.

Our operational and environmental performance meets Thailand’s environmental regulations and any other applicable regulation. Glow strictly follows the environmental impact mitigation and the monitoring measures presented in the environmental impact assessment (EIA) action plan. Glow’s EH&S Team report on a bi-annual basis the results of the implementation of our action plan to the Office of Natural Resources and Environmental Policy and Planning (ONEP). We conform to all of ONEP’s reporting processes and meet all standards established in the environmental regulations, site permits

and corporate objectives. We respond promptly and effectively to any incident resulting from our operations and in so doing we co-operate with industry organizations and authorized government agencies.

Glow's Community Relations Team, consisting predominantly of residents of Rayong, engages with local communities and gathers feedback on an ongoing basis.

It is our goal to be in full compliance with all applicable environmental regulations at all times. We therefore maintain a "zero environmental non-compliance target" on the "fines or non-monetary sanctions for non-compliance with environmental laws and regulations" KPI.

In October 2015, Glow Energy Phase 2 was certified by the Federation of Thai Industries (FTI) as an "Eco-Factory", demonstrating a clear focusing on continuous and sustainable improvement of the production process and environmental management, based on social responsibility principles both inside and outside the organization, and including its supply chain.

In November 2015, Glow SPP1 (Demin) and Glow Energy Solar received the environmental management system (ISO14001:2004) certification from AJA Registrars.

Glow is committed to control emission levels to meet, and where possible to be below all applicable standards as well as fully comply with the EIA's and EHIA's requirements at all times. We have installed the online measurement systems for continuous measurement and control at the source of emissions, for instances in front of GLOW SPP2 and3 power plant sites in Map Ta Phut Industrial Estate, and at the Glow SPP11 power plant site in Siam Eastern Industrial Park in Rayong Province.

To ensure quality and reliability of our data, third parties assess the environmental performance of our power plants on a regular basis, measuring progress and conducting periodic audits of environmental performance.

Environmental Reporting									
Results of Stack Emissions Monitoring at Glow Group Power Plant Sites in 2014									
Power Plant	Type of Fuel	Power Generation Business	NOx (ppm) <sup>(1)</sup>		SO <sub>2</sub> (ppm)		TSP (mg/Nm <sup>3</sup> ) <sup>(2)</sup>		
			Emission (% better than standard)	EIA <sup>(3)</sup> Standard	Emission (% better than standard)	EIA <sup>(3)</sup> Standard	Emission (% better than standard)	EIA <sup>(3)</sup> Standard	
Glow IPP	Natural Gas	Gas - fired combined cycle unit 1 - 2		100		20		20	
Glow Energy Phase 1	Natural Gas	Natural gas - fired boiler unit A/S	(4)	96	-	-	-	-	
Glow Energy Phase 2	Natural Gas	Gas - fired combined cycle unit 1 - 6		120		20	-	-	
Glow Energy Phase 4	Natural Gas	Gas - fired cogeneration unit 1 - 2		103 - 105		0.95		5	
Glow Energy Phase 5	Natural Gas	Gas - fired combined cycle		55		0.95		5	
Glow Energy CFB 3	Bituminous Coal	Coal - fired thermal cogeneration		100		170		55	
Glow SPP 1	Natural Gas	Gas - fired combined cycle unit 1 - 2		108	-	-	-	-	
Glow SPP 2	Natural Gas	Gas - fired cogeneration unit 1 - 6		101 - 118		0.95		5	
Glow SPP 3	Bituminous Coal	Coal - fired cogeneration CFB1/CFB 2		100		180		55	
Glow SPP 11 <sup>(5)</sup> (Project 1)	Natural Gas	Gas - fired combined cycle unit 1 - 2		108	-	-	-	-	
Glow SPP 11 (Project 2)	Natural Gas	Gas - fired combined cycle unit 1 - 2		35		10		27	
GHECO - One	Bituminous Coal	Coal - fired supercritical boiler		56		53		55	

0 - 30%
 30 - 60%
 >60%

Note: (1) ppm means part per million  
 (2) mg/Nm<sup>3</sup> means milligram per normal cubic meter  
 (3) EIA Standard means Control values as required by Environmental Impact Assessment (EIA) and/or Environmental Health Impact Assessment (EHIA) for GHECO - One  
 (4) Not under construction  
 (5) Glow SPP 11 (Project 1) included gas engine unit 1 - 4 in operation, unit 5 - 6 under construction

Glow has invested significantly in technologies to reduce NO<sub>x</sub>, SO<sub>2</sub>, and TSP pollution. We list hereunder some examples in this respect. We purchase low sulfur bituminous coal with less than 1% sulfur content and use limestone injection techniques in the combustion of coal in our circulating fluidized bed (CFB) boilers. GHECO-One, our newest coal-fired power plant, incorporates a sea water flue gas desulfurization system to significantly reduce SO<sub>2</sub> emissions. NO<sub>x</sub> reduction is achieved in the CFBs by ammonia injection into the flue gas and in GHECO1 by using Low NO<sub>x</sub> burners and a Selective Catalytic Reduction (SCR) unit.

In the Map Ta Phut area, the government has put in place an 80:20 measure in accordance with a resolution from the National Environmental Board (NEB), which requires reducing NO<sub>x</sub> and SO<sub>2</sub> emissions from existing facilities in order to enable the expansion of existing facilities or the construction of a new plant. In compliance with this rule, Glow has for instance successfully implemented an air emission reduction program at the GSPP3 power plant located in Map Ta Phut Industrial Estate which has enabled the construction of GHECO-One.

## **(7) Livelihood of Local Communities**

Community relations and development is an activity that Glow is actively involved in, not only to obtain a license to operate but also to coexist with communities and to maximise the benefits for society. Building relationships and maintaining trust with communities requires open communication and engagement. Our Community Relations team proactively communicates with the community through regular visits and meetings.

We have carried out many community development activities, either by ourselves or in collaboration with other business partners and alliances, such as the Community Partnership Association (CPA), Microsoft Thailand, and the First Naval Area Command., to demonstrate our responsibility towards the community, society and the environment in parallel with the company's business operations.

Glow organizes activities aimed at creating benefits to society in three main areas, including education, the improvement of the quality of life, and environmental conservation at both local and national levels. Our CSR flagship projects in 2015 include:

### **Education**

- **Teach the Kids:**

As experts in energy business, Glow's employees have volunteered to share their knowledge and experience in energy and energy conservation with students in nearby schools. To motivate the students to consider working with us in the future, we have also invited them to visit our power plant. 100 students from a school in Pluak Daeng joined the activity in 2015. This project will benefit society by creating awareness in terms of energy efficiency a children who in turn can become advocates for this issue, and who may become interested to work in the energy sector. We plan to continue this program and involve more schools in the area.

- **Energy Conservation for the New Generation**

To attract promising young research talent in the engineering field as part of a CSR activity which is closely related to our core business, Glow has invited students of target universities, including King Mongkut's University of Technology Thonburi (KMUTT), King Mongkut's Institute of Technology Ladkrabang (KMITL), King Mongkut's University of Technology North Bangkok (KMUTNB) and Khon Kaen University, to team up and submit energy-related project ideas to the



company. The team which comes up with the most creative energy saving innovation idea that can be applied in practice can win up to Bt300,000 to implement the proposed project. In 2015, which was the first year we launched this project, there were two winning projects. The first one was “Wang Tua Gasifier” from Khon Kaen University; the second was “Electrical generation from bio-fermented water” from King Mongkut’s Institute of Technology Ladkrabang. The project provides students with the opportunity to gain experience outside the classroom by applying their knowledge of engineering to help the community development. We intend to continue this program. Project applications will be open in August-September of every year.

### **Environmental Conservation**

- **Reforestation and Check Dam Project:**

Glow started the reforestation project in 2013 by growing 2,500 trees in the degraded forest of Houay Mahad hill. Since the beginning of the project we have planted 2,500 trees every two years. We have monitored the growth of the planted trees and the availability of wildlife in the forest. Monitoring results have been provided by the Community Forest Committee on a yearly basis.

We also started a check dam project in 2015 by building the initial 12 check dams of the “89 Check Dams Project for His Majesty the King's 89<sup>th</sup> Birthday Anniversary Celebration” on Phudorn-Houy Mahad hill, in collaboration with the Map Ta Phut Municipality and local communities. Apart from the environmental advantages of the dams, i.e. to control water velocity, conserve soil, and improve land, they also provide economic benefits to people in the communities by increasing their income from selling natural products which they can find in the evergreen forest.

### **Improvement of the Quality of Life**

- **Solar for Schools:**

Glow, together with its parent company ENGIE, has installed 46 solar electric systems at 31 off-grid schools and childcare centers along the Thailand/Myanmar border in Mae Sot, with support from the Border Green Energy Team (BGET), an NGO based in Mae Sot. BGET also hosted short-term and long-term trainings on sustainable living and other employable and income generating skills for orphaned refugee children and other marginalized people. Some 1,800 people benefited from this project, which started in April 2014 and was completed in September 2015.

### 10.3 Achievement and Awards

In 2015 Glow Group received many awards and certifications which are summarized in the table below:

## ACHIEVEMENT AND AWARDS



#### Glow Energy



ISO14001  
Phase 1 & 2



Green - Star  
Flags\*  
Phase 1 & 2 and 4 & 5



Gold - Star  
Flags\*\*  
Phase 4 & 5



Thailand Coal  
Awards 2013  
Glow Energy CFB3  
under the Best Practices -  
Clean Coal Use and  
Technology in Power  
Generation Category



Asian Utility  
Award 2014  
in "Small Capitalization" category  
\*Note: The awards are given  
to Asian utility companies  
that produced the highest  
three - years returns  
through 30 June 2014.

#### Glow SPP 2/Glow SPP 3



ISO14001



Thailand Coal  
Awards 2013  
under the Best Practices -  
Clean Coal Use and  
Technology in Power  
Generation Category

#### Glow SPP 2 Co., Ltd



Green - Star  
Flags\*



Gold - Star  
Flags\*\*

#### GHECO 1



ISO14001



ISO9001



Thailand Coal  
Awards 2013  
under the Best Practices -  
Clean Coal Use and  
Technology in Power  
Generation Category



ASEAN Coal  
Award 2013  
under the Best Practices -  
Clean Coal Use and  
Technology in Power  
Generation Category

#### GIPP



ISO14001



OHSAS18001



TIS18001



EIA Monitoring



Zero Accident  
Campaign



Plant Safety  
Award  
\*Note: For outstanding  
performance in  
the occupational safety,  
health and environment  
category for six  
consecutive years

#### GSPP 11 Plant 1



ISO14001



ISO9001



OHSAS18001



TIS18001



EIA Monitoring



Zero Accident  
Campaign



Plant Safety  
Award  
\*Note: For outstanding  
performance in  
the occupational safety,  
health and environment  
category for two  
consecutive years

#### GSPP 11 Plant 2



ISO14001



OHSAS18001



TIS18001

\* An award given by the Industrial Estate Authority of Thailand (IEAT)  
to a company with good environmental governance

\*\* An award presented to those who have joined the IEAT program  
and received green - star flags for six consecutive years for excellent environmental performance

**11. Internal Control and Risk Management****INTERNAL CONTROL**

The Audit Committee consists of three (3) members who are also members of the Company's Board of Directors. The Company's Internal Auditor reports to the Audit Committee and the CEO. Some of the internal audits are performed in cooperation with ENGIE Internal Audit.

In 2015, the Audit Committee assessed the adequacy of the Company's existing internal control systems to ensure the effectiveness of all operational and financial controls. Taking into account the current business environment and organizational characteristics, the Audit Committee concluded that the internal control systems in place are adequate and appropriate. Additionally, the Company's Statutory Auditor commented that there were no material deficiencies in the Company's internal control systems in accordance with Thai Standards on auditing.

**THE ORGANIZATION AND THE ENVIRONMENT**

- The Company's current organizational structure allows the Company's management team to operate objectively and efficiently by clearly specifying the roles and responsibilities of each person.
- During the past years, the Company has dedicated substantial time and effort on continuing to improve the internal control framework.
- Comprehensive policies and procedures have been developed and thereafter implemented for every significant business processes. Employees are required to comply with these policies and procedures within the context of their respective functional responsibilities.
- A Code of Conduct has been implemented, and, along with the ENGIE Ethics Charter, has been communicated to all employees.
- Internal Audit formally reports its activities and its findings to Company's CEO and to the Audit Committee at least four (4) times each year.
- The Company is also subject to audits performed by ENGIE Internal Audit, which works closely with the Company's Internal Audit function, the latter of which is responsible for coordinating and following-up on the implementation of all audit recommendations.
- The Company's COO, CFO and CEO commit to, by signing an annual internal control attestation letter, formulating internal control systems within the scope of their respective responsibilities. This is based on existing monitoring programs, and must take into consideration the conditions and constraints relevant to the internal control function. This process includes evaluations that are carried out using self-assessment questionnaires on the general control environment.

**RISK MANAGEMENT**

- Business risks, present and future, deemed as having a potential impact on the business's ability to achieve its objectives are formally assessed and managed within the context of the strategic, financial, operational and compliance environment. The impact and likelihood of each risk and associated risk factors are identified and assessed, as well as development of risk responses and measure to reduce such risks.
- Identified risks are monitored continuously.
- Risks are discussed during the Board Meetings and monthly management meetings.

**OPERATION CONTROLS OF THE MANAGEMENT**

- Internal and General Power Of Attorney (“POA”) have been established and communicated to all Company employees. Both documents are updated as required and approved by the Board of Directors. The POA clearly specifies authorization limits for capital and operational expenditures on a functional basis.
- For other transactions with major shareholders, directors, management, staff or other persons related to those parties, the Company has established strict rules in Related Party Transactions Policy in order to prevent any conflicts of interest, which take into consideration the optimization of the Company’s value on behalf of shareholders and other stakeholders. In addition, all related-party transactions must be completed on an “arms-length” basis — the same basis applicable to all third party transactions.

**INFORMATION AND COMMUNICATION SYSTEMS**

- Important and reliable business and financial information is made available to the Board of Directors to assist them in all decision making processes.
- The Company strives continuously to improve information and communication systems.
- Before the Board Meeting, and within the minimum period of time prescribed by law, the members of the Board of Directors receive an invitation, meeting agenda, and all related supporting documentation for consideration during official Board Meetings. Moreover, the minutes of the Board Meetings are available for shareholders to inspect, and to ensure the appropriateness of the actions of the Board of Directors.
- The Company maintains and retains all documentation used in the recording of accounting transactions, as well as all other relevant supporting documentation, in an organized manner and in compliance with laws regulating the documentation retention period.
- The Company applies generally accepted accounting principles and policies in accordance with Thai Accounting Standards (“TAS”) and other applicable International Financial Reporting Standards (“IFRS”), as aligned with the characteristics of the Company’s business.

**MONITORING SYSTEMS**

- Internal Audit promptly reports all material internal control deficiencies to the management and to the Audit Committee. The Audit Committee evaluates these deficiencies, assesses the adequacy of the remediation plans in place, and reports these findings to the Board of Directors for their consideration within a reasonable period of time.
- The Board of Directors monitors and compares the operational performance of the organization and management using agreed upon objectives, key performance indicators and budgets.
- The Company’s internal control systems are audited continuously.
- Each year, the Company agrees on an Internal Audit Plan based for identified high-risk business processes to be included in the Internal Audit’s planning.

**REGULATIONS ON INTERNAL CONTROL**

- The Company’s corporate governance principles and internal control requirements have been undergoing reforms for several years.
- In September 2003, ENGIE launched the Control Disclosure Program (“CODIS”) in response to increasing regulatory pressures regarding internal control and disclosure requirements, such as the French Law on Internal Control (“LSF”). Beyond the importance of ensuring compliance, the Program was seen as an opportunity to add value by reinforcing the Company’s existing financial reporting processes, as well as our group of companies’ internal control systems.
- The CODIS program was renamed to the INCOME (Internal Control Management and Efficiency) program in 2009 for the purpose of focusing on management of internal controls and their efficiency benefits.

- The INCOME Internal Control program required a significant effort. All processes and relevant internal control procedures related to operational processes and financial statements have been documented and assessed by the Business Process Owners (“BPOs”) for design effectiveness (completeness of documentation of the internal controls) and operating effectiveness (effective execution of the internal controls). This self-assessment process reinforces ownership and responsibility. It also guarantees the sustained operational effectiveness of the internal control system, and ensures its ability to adapt to organizational, procedural, or regulatory changes. Accounting management, asset management, sales management, procurement management, inventory management, operations management, corporate governance, and IT management are among the processes that are documented.
- BPOs are assisted by an Internal Control Coordinator (“ICC”). The ICC ensures the Internal Control program’s proper implementation within the company, and prepares information in support of the COO, CFO and CEO’s signing of the annual internal control attestation letter.
- Internal Audit and Statutory Auditor conduct extensive tests on the Company’s most critical internal controls in business processes. These tests, which include assessments of design and operating effectiveness, help improve internal control systems by recommending action plans designed to remedy identified deficiencies and opportunities for improvement.
- The management develops the necessary remediation plans for all deficiencies identified during these tests. The implementation of remediation actions is closely monitored and subject to ongoing tests to ensure effective implementation.
- On 28 September 2015, the Company’s COO, CFO and CEO signed the Internal Control Attestation Letter for the 2015 Financial Year, which was subsequently submitted to CEO and CFO of ENGIE Asia-Pacific Business Area.
- The Company will continue to embed the above noted internal control systems into the corporate culture and business processes of its organization.

**INTERNAL AUDIT**

Management appoints, removes and replaces the Internal Auditor with the consent of the Audit Committee.

Mr. Chaiwut Rattanapornsinchai has been appointed to serve as Internal Auditor of the Company.

## **12. Related Party Transactions**

### **12.1 Details of Related Party Transactions**

The Company has business transactions with its subsidiaries, associated companies and related companies as details disclosed in the note to the financial statements No. 25.

In addition, the Company and its subsidiaries, comprising of Glow Co., Ltd., Glow SPP 1 Co., Ltd., Glow SPP 2 Co., Ltd., Glow SPP 3 Co., Ltd., Glow SPP 11 Co., Ltd., Glow IPP Co., Ltd. and Gheco-One Co., Ltd. jointly entered into Support Services Agreement and Engineering Services Agreement dated 9 February 2009 and Novation Agreement dated 25 November 2014 with GDF Suez Energy Asia Co., Ltd. whereby, GDF Suez Energy Asia Co., Ltd. shall provide consulting services in respect of engineering, operational, financial and auditing system, investment, project finance, insurance, etc. The service fee is based on reference market rate and will be determined in the agreed hourly rate depending on the type of services. The term of the agreements is 2 years from 11 July 2008, automatically renewed for successive one- year term unless termination is notified by either party. Nevertheless, the agreements shall be automatically terminated on the date that ENGIE S.A. (the ultimate shareholder) holds directly or indirectly less than 25 percent of the shares of Glow Group.

### **12.2 Necessity and reasonableness of the Related Transactions**

The related transactions of the Company and the person who might have conflict of interest for the past year have been done by taking into consideration the maximum benefit of the Company, and the Audit Committee has considered and agreed that such transactions were normal course of the business and there was no benefit transfer between the Company and the person who might have the conflict of interest. In addition, price fixing, fee rate and interest rate of the transactions all were in accordance with general trade conditions. Price fixing was comparable to market price and competitive mechanism or was the reasonable price and did not have condition that differed from making transactions with other third parties.

### **12.3 Approval Procedures of Related Transactions**

For related transactions with the normal course of business operations, the approval procedures are in accordance with the regulations of the company, the subsidiaries, and the associated companies, just like the transactions provided to other unrelated business. For other related transactions, the Company has control measures in compliance with related regulations of Securities Exchange Commission (SEC) and Stock Exchange of Thailand (SET). In addition, for the consideration of the related transactions between the Company and the persons who might have conflict of interest and are a shareholder or the management of such company, such shareholder or such management shall not take part in the approval process.

### **12.4 Policy and Trend of Related Transaction in the Future**

The Company anticipates that there will be related transactions incurred in the future because the related transactions of the Company have been done in accordance with the normal business of the Company and the Company has the policy to operate such related transactions for the maximize benefit

of the Company. For the related transactions in the future, the Company shall comply with the laws concerning securities and stock exchange and the regulations, announcements, orders or requirements of the Stock Exchange of Thailand as well as to comply with the requirements concerning the disclosure of the related transactions and the acquisition and disposal of the material assets of the Company including compliance with the accounting standard specified by the Accountants and the Certified Public Auditors Association of Thailand and Federation of Accounting Professional.

However, if there is a related transaction of the Company with a person who might have conflict of interest or the stakeholders or who might have conflict of interest in the future, the Company shall appoint the Audit Committee to give opinion on necessity and reasonableness of such transaction and the appropriateness of price fixing of other items so as to be in accordance with the general market price and with the conditions that is not different from other third parties or at prime cost. In addition, the Company shall disclose the related transactions in the note to the financial statements, which has been audited by the auditors of the Company.