

PART II

MANAGEMENT AND CORPORATE GOVERNANCE

7. Securities and shareholders

7.1 Registered capital and paid-up capital

The registered capital and issued and paid-up capital as of December 31, 2017 were as follows:

Registered capital	692,868,493	Baht
Paid-up capital	566,998,107	Baht
Divided into ordinary shares	566,998,107	shares
Par value	Baht 1.00 per share	

7.2 Shareholders

(1) Major shareholders

(a) **Largest shareholders** – First 10 shareholders holding more than 0.5% of shares as of December 29, 2018.

Shareholders	Number of shares (share)	% of total shares held
1. Mrs. Kanoktip Chanpalangsri	200,000,038	34.919
2. Mrs. Sidyin Chanpalangsri	36,302,775	6.338
3. Mr. Sutus Heangdansakun	19,769,000	3.452
4. Thai NVDR Co., Ltd.	15,670,900	2.736
5. Miss Sirin Kongudomsin	13,642,925	2.382
6. Mr. Aunrang Boonsawang	12,770,900	2.230
7. Miss Chanyanuch Nantakwang	10,104,600	1.764
8. Mr. Nop Ubonthip	9,290,801	1.622
9. Miss Chantakarn Chanpalangsri	7,264,957	1.268
10. Mr. Chainarong Chanpalangsri	6,633,333	1.158
Total 10 shareholders holding shares more than 0.5%	331,450,229	57.869
Total 4,211 shareholders	241,309,255	42.131
Total	572,759,484	100.000

(b) Group of major shareholders whose movement had a marked influence on the establishment of corporate policy and strategy.

Shareholders	Number of shares (share)	% of total shares held
Chanpalangsri Family		
Mrs. Kanoktip Chanpalangsri	200,000,038	34.919
Mr. Sahaskorn Chanpalangsri	4,392,229	0.767
Mrs. Sidyin Chanpalangsri	36,302,775	6.338
Miss Chantakarn Chanpalangsri	7,264,957	1.268
Mr. Chainarong Chanpalangsri	6,633,333	1.158
Total	254,593,332	44.450

7.3 Issuance of other securities

The issuance and offer for sales of warrants to purchase ordinary shares of TPOLY (TPOLY-W2) – The Extraordinary Meeting of Shareholders, No. 1/2015 dated May 27, 2015 approved the issuance of warrants to purchase ordinary shares of Thai Polycons Public Company Limited (TPOLY-W2) to its existing shareholders under the following details:

Issuer and Seller	:	Thai Polycons Public Company Limited (“Company”)
Name of Warrant	:	Warrants to purchase ordinary shares of Thai Polycons Public Company Limited No.2 (“Warrants” or “TPOLY-W2”)
Number of Warrants Issued	:	Not exceeding 125,976,090 units
Terms of Warrant	:	Not exceeding 3 years from the issuance date
Issuance Date	:	29 June 2015, which is on the same date when the increasing in paid-up capital due to the capital increase for the issuance and offer for sales of capital-increase ordinary shares to the existing shareholders in accordance with the rights offering subject to the approval of the Extraordinary Meeting of Shareholders, No. 1/2015 dated May 27, 2015, has been registered.
Expiration Date	:	28 June 2018
Exercise Price	:	3 Baht per share (unless subsequently adjusted in accordance with the

		conditions on the right adjustment)
Exercise Ratio	:	1 unit of warrant has the right to purchase 1 new ordinary share (unless subsequently changed in accordance with the conditions on the right adjustment)
Exercise Date	:	Warrant Holders who are not the shareholders of TPOLY can exercise their rights to purchase the company's ordinary shares on the last business day of every quarter (the last business day of March, June, September, December) of each calendar year throughout 3 years from the issuance date, except the last exercise date to purchase the Company's ordinary shares shall be the date that such warrants aged 3 years from the issuance date which is falling on 28 June 2018. If the exercise date falls on a day which is not a business day, then the last exercise date shall be moved up to the business day prior to such exercise date.
Notification period for the exercise of warrant	:	Warrant Holders who wish to exercise their rights to purchase the Company's ordinary shares shall give notification to the Issuer within 5 days prior to each exercise date, except the last exercise date that the Warrant Holders must notify the Issuer within 15 days prior to the last exercise date. If the exercise date (each exercise date as well as the last exercise date) falls on a day which is not a business day of the Company, such exercise date shall be moved up to the business day prior to such exercise date, excluded the last notification period which shall notify within 15 days prior to the last exercise date

For the exercise of warrants to purchase the ordinary shares of Thai Polycons Public Company Limited (TPOLY-W2) to its existing shareholders in the total warrants of 125,976,090 units, the shareholders have exercised their rights as follows:

Exercise Date (No.)	Number of Shareholders Exercising the Rights		Exercise Price	Amount of Payment Received
	Number (person)	Number (shares)		
30 Sep 15 (No.1)	1	92	3	276
30 Dec 15 (No.2)	-	-	-	-
31 Mar 16 (No.3)	1	164	3	492
30 Jun 16 (No.4)	-	-	-	-
30 Sep 16 (No.5)	-	-	-	-
30 Dec 16 (No.6)	3	288	3	864

31 Mar 17 (No.7)	1	2,410	3	7,230
30 Jun 17 (No.8)	-	-	-	-
30 Sep 17 (No.9)	2	102,750	3	308,250
30 Dec 17 (No.10)	-	-	-	-
30 Dec 18 (No. 11)	4	707,500	3	2,122,500
28 Jun 18 (Last exercise)	13	5,053,877	3	15,161,631

Regarding the amount of payment received from such exercise of rights, TPOLY has used it as the working capital. The warrants shall **expire on June 28, 2018, and the remaining unexercised warrants totaled 125,870,386 units** (data as of December 31, 2017).

7.4 Dividend payment policy

Dividend payment policy of Thai Polycons Public Company Limited – TPOLY places the policy of making dividend payments to its shareholders for not less than 40 percent of the net profit according to separate financial statements after legal reserve and other reserves, except in case that the Company makes investments in other assets. However, such dividend payment must depend on the Company's cash flow. For the Company's subsidiaries/associated companies, their dividend payment policy to shareholders is relevant to the Company, that is, the Board of Directors of these subsidiaries/associated companies shall make the dividend payment by considering the operating results and investment plan according to necessities and appropriateness considered by the Board of Directors of these subsidiaries/associated companies.

Operating Result Year	2019	2018	2017	2016	2015
Earning per share (Baht)	0.11	0.31	0.21	(0.52)	(0.61)
Dividend per share (Baht)	-	0.05	0.01153	-	-
Dividend payout (%)	-	25.44%	40.0%	-	-

Dividend payment policy of the subsidiary or TPC Power Holding Public Company Limited ("TPCH"), which is a holding company.

TPCH and its subsidiaries place the policy of making dividend payments to their shareholders for not less than 40 percent of the net profit according to separate financial statements of TPCH or subsidiaries as the case may be after legal reserve. However, such

dividend payment may be changed depending on the operating performance, financial status, liquidity, necessity in investment, additional investment, business expansion, conditions and restrictions as specified in the loan agreements, and other factors relating to the management as the Board of Directors and/or shareholders of TPCB or its subsidiaries consider it deems appropriate.

8. Management Structure

8.1 Board of Directors. The Regulations of the Company specifies that the Board of Directors of the Company shall comprise at least 5 directors and not less than a half of total directors must have domicile in the Kingdom of Thailand. Each director of the Company shall possess qualifications as required by law. In operating the Company's business, every director must perform his or her duties in accordance with laws, objectives, and Articles of Association of the Company as well as resolutions of the shareholders with integrity and care for the Company's interest.

As of December 31, 2018, the Board of Directors consists of 9 directors as listed below.

List of Directors	Title
1. Dr. Thanu Kulachol	Director/ Chairman of the Board/ Independent Director
2. Mrs. Kanoktip Chanpalangsri**	Director/ Chairman of the Executive Board
3. Mr. Pathompol Saosap	Director/ Executive Director/ President
4. Mr. Jackrit Pongprasert	Director/ Executive Director
5. Mr. Chainarong Chanpalangsri**	Director
6. Mr. Cherdasak Wattanavijitkul	Director
7. Dr. Supong Limtanakool	Director/ Chairman of the Audit Committee/ Independent Director
8. Mr. Pornthep Sawetwannakul	Director/ Member of the Audit Committee/ Independent Director
9. Dr. Srisuda Chongsithiphon*	Director/ Member of the Audit Committee/ Independent Director

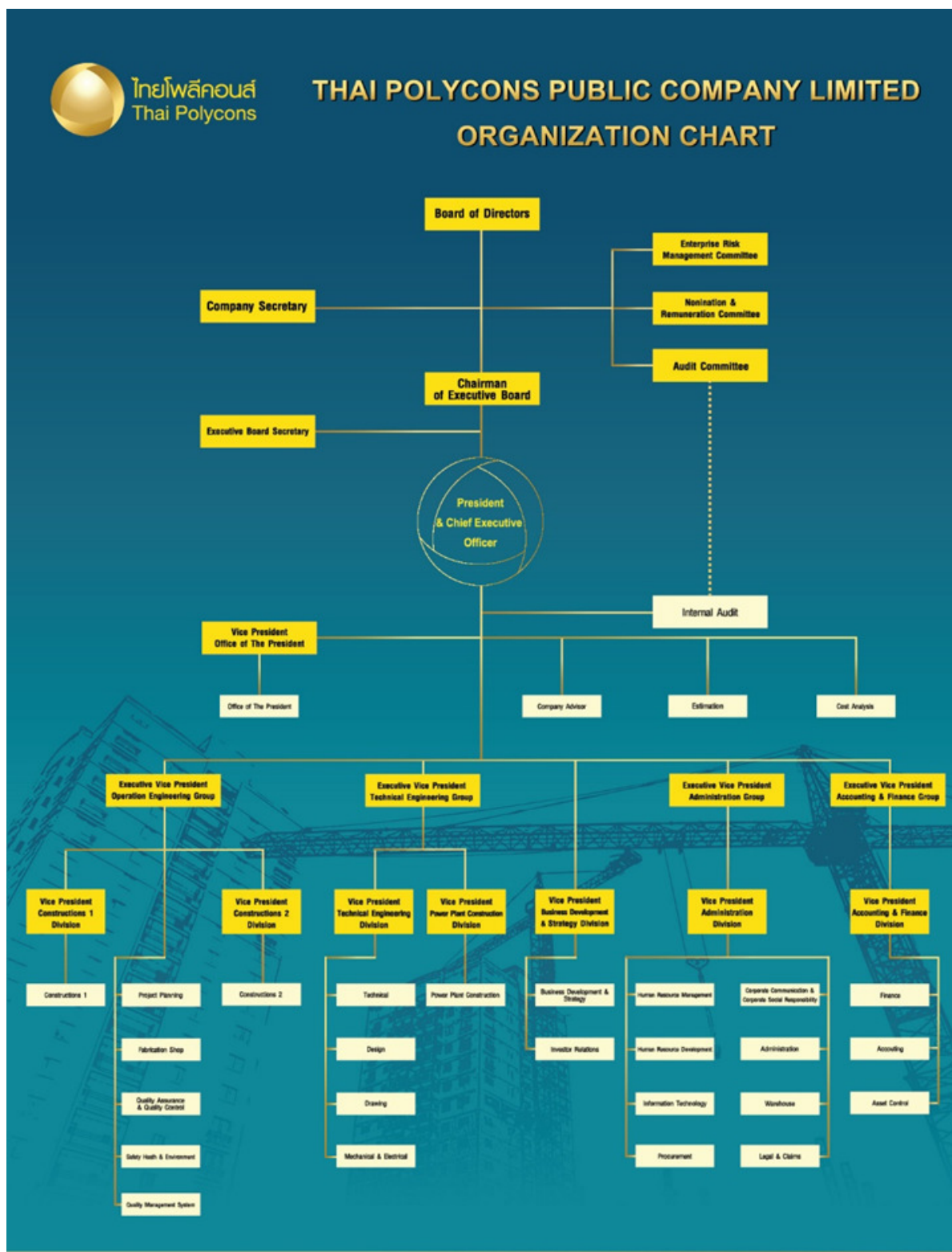
The authorized directors to put signature on behalf of the Company are Mr. Pathompol Saosap, Mrs. Kanoktip Chanpalangsri, Mr. Jackrit Pongprasert, either two of them who jointly sign with the company seal affixed.

Details about directors, Management, controlling persons, and Company Secretary were presented in Attachment 1.

Details about directors and controlling persons of the Company and subsidiaries were presented in Attachment 2.

8.2 Management Structure

8.2.1 Management structure of TPOLY as of December 31, 2018 is shown below.



8.2.2 List and titles of executives as of December 31, 2018

List of Management	Title
1. Mrs. Kanoktip Chanpalangsri	Chairman of the Executive Board
2. Mr. Pathompol Saosap	President
3. Mr. Jackrit Pongprasert	Executive Vice President, Operation Engineering Division
4. Mr. Vikul Lohamongkol	Executive Vice President, Technical Engineering Division
5. Mr. Rattapat Rattanapun	Executive Vice President, Office Support Division
6. Mr. Adisorn Srisooksai	Executive Vice President, Finance and Accounting Division

Note: All executives are those defined by the Notification of the Office of the Securities and Exchange Commission

8.3 Company Secretary

The Board of Directors resolved to appoint Ms. Jariya Pinpet, a qualified person who has attended all training courses relating to the performance of duties as a company secretary from Thai Institute of Directors (IOD), as the Company Secretary, effective on July 1, 2015 to perform the following duties in accordance with Section 89/15 of the Securities and Exchange Act:

- (1) To centralize the documentation and document keeping;
 - (2) To prepare and keep a register of directors;
 - (3) To arrange meetings of shareholders, and prepare a notice calling shareholder meeting and a minute of shareholders' meeting;
 - (4) To keep a report of interest filed by a director or an executive;
 - (5) To arrange activities to strengthen the relationship between directors and executives;
 - (6) To coordinate for compliance with resolutions of the Board of Directors; and
 - (7) To perform other acts as assigned by the Board of Directors.
- The qualifications of the Company Secretary were shown in Attachment 1.

8.4 Remuneration for Directors and Management

8.4.1 Money Remuneration

8.4.1.1 Remuneration for directors. The Company's remuneration of directors is fixed at the same rate paid by other companies in the same industry, and it must

be high enough to retain the directors with relevant qualifications as needed by the Company.

The remuneration of directors for the year of 2019, which must be approved by the 2019 Annual General Meeting of Shareholders held on April 24, 2019, is detailed below.

Title/ Remuneration	Attendance Fee (Baht/ Meeting)	Annual Remuneration (Baht)
Chairman of the Board of Directors	20,000	1,900,000
Chairman of the Audit Committee	20,000	1,000,000
Member of the Audit Committee	10,000	500,000
Director	10,000	-

- Note: 1. A director shall receive the meeting attendance fee for 4 times a year only (a meeting with an agenda regarding the consideration and approval of financial statements), and he or she shall not be paid for any other meeting allowance apart from these 4 meetings.
2. Bonus for a non-executive director shall be paid provided that the Company earns the profit from its operating performance only. Bonus payment rate shall not exceed 0.5 percent of the net profit according to the Company's consolidated financial statements, but the maximum bonus payment shall not exceed Baht 1,625,000.
3. Remuneration for all directors shall not exceed Baht 6,000,000.

In Year 2018 ended December 31, 2018, the remuneration paid to the Company's directors was as follows:

List of Directors	Title	Number of Attendance*	Remuneration for Directors (Baht)	
			Attendance Fee	Annual Remuneration
1. Dr. Thanu Kulachol	Chairman of the Board/ Independent Director/ Director	4	80,000	1,900,000
2. Mrs. Kanoktip Chanpalangsri	Director	4	40,000	-
3. Mr. Pathompol Saosap	Director	3	30,000	-

List of Directors	Title	Number of Attendance*	Remuneration for Directors (Baht)	
			Attendance Fee	Annual Remuneration
4. Mr. Jackrit Pongprasert	Director	4	40,000	-
5. Mr. Chainarong Chanpalangsri	Director	4	40,000	-
6. Mr. Cherdsak Wattanavijitkul	Director	4	40,000	500,000
7. Dr. Supong Limtanakool	Chairman of the Audit Committee/ Independent Director/ Director	4	80,000	1,000,000
8. Mr. Pornthep Sawetwannakul	Member of the Audit Committee/ Independent Director	4	40,000	500,000
9. Dr. Srisuda Chongsithiphon	Member of the Audit Committee/ Independent Director	4	40,000	500,000

Note: *Number of attendance after taking up office

Table comparing the remuneration payments between Year 2017 and 2018

List of Directors	Title	Remuneration for Directors			
		2017		2018	
		Attendance Fee	Annual Remuneration	Attendance Fee	Annual Remuneration
1. Dr.Thanu Kulachol	Chairman of the Board	80,000	1,900,000	80,000	1,900,000
2. Mrs.Kanoktip Chanpalangsri	Director/ Chairman of the Executive Director	40,000	-	40,000	-

List of Directors	Title	Remuneration for Directors			
		2017		2018	
		Attendance Fee	Annual Remuneration	Attendance Fee	Annual Remuneration
3. Mr.Pathompol Saosap	Director/ Executive Director	40,000	-	30,000	-
4. Mr.Jackrit Pongprasert	Director/ Executive Director	30,000	-	40,000	-
5. Mr.Chainarong hanpalangsri	Director/ Executive Director	40,000	-	40,000	-
6. Mr.Cherdsak Wattanavijitkul	Director	30,000	-	40,000	500,000
7. Dr.Supong Limtanakool	Chairman of the Audit Committee/ Independent Director/ Director	80,000	1,000,000	80,000	1,000,000
8. Mr.Pornthep awetwannakul	Director/ Member of the Audit Committee/ Independent Director	40,000	500,000	40,000	500,000
9. Dr.Srisuda Chongsithiphol	Director/ Member of the Audit Committee/ Independent Director	40,000	500,000	40,000	500,000
Total		420,000	3,900,000	430,000	4,400,000

8.4.1.2 Remuneration for executives. Remuneration for executives is in conformity with the principle and policy defined by the Board of Directors of the Company, and it is also related to the operating performance of the Company, and work performance of each executive.

Unit: Baht	Number of Persons	Year 2017 (million)	Number of Persons	Year 2018 (Million)
Salary, Bonus	9	22.62	7	22.84

***Remuneration for executives as shown in Notes to the Financial Statements has already included the remuneration for top executives for project works.

8.4.2 Other remuneration

8.4.1.2 Other remuneration for directors

- None –

8.4.2.2 Other remuneration for executives

- None –

8.4.3 Policy of Director Development

The Board of Directors has the policy of encouraging all directors to develop their knowledge regularly. Therefore, certain training courses are continuously provided for the directors for their higher competency and improved performance, e.g. designating the directors to attend various training courses or seminars for higher potential and better knowledge and experience.

8.5 Personnel

8.5.1 Number of personnel

As of December 31, 2017, the Company had 308 employees (excluding daily employee), which may be divided by division as follows:

Division	Number of Employees Year 2017	Number of Employees Year 2018
Operation Engineering - Construction - Fabrication Shop	170	145
Technical Engineering Power Plant Construction Technical Design Drawing Mechanical and Electrical	29	64

Division	Number of Employees Year 2017	Number of Employees Year 2018
Office Support Human Resource Management Human Resource Development Information Technology Procurement Corporate Communication and Social Development Administration Warehouse Legal	61	67
Accounting and Finance - Finance - Accounting - Asset Control - Investor Relation	22	23
Others	73	44
Total	355	343

8.5.2 Compensation for employees

The Company and its subsidiaries have considered and offered the compensation to all staff members fairly, either short-term compensation in forms of salary, living expenses, welfare, and bonus, or long-term compensation in other forms associated with the creation of added value for the Company and its subsidiaries, e.g. establishment of the provident fund, right in withdrawing medical expenses, health insurance, loans granted to staff members in emergency cases, workplace improvement for staff members and their families who have stayed in temporary residence of each division, 5S or project for the good, clean and healthy workplace, etc. to enable these staff members to use their potential completely, and to work efficiently and safely.

The Company and its subsidiaries paid compensation to employees in forms of salary, bonus, cost of living, health insurance benefits, special benefits, social security fund, and provident fund and others as detailed below.

Company	Year 2017 (Million Baht)	Year 2018 (Million Baht)
Thai Polycons Plc.	170.89	191.51
TPC Asset Co., Ltd.	9.74	9.11
TPC Bangkok Supply Co., Ltd.	2.02	1.87
Total	182.65	202.49

8.5.3 Human Resource Development Policy

In providing the construction service, human resources are so essential. The Company and its subsidiaries, therefore, focus on strengthening spirit and morale among their employees, and offering well-being to them so that they will be able to perform their work efficiently, which will subsequently drive the organization to grow securely and sustainably. In this regard, the Company provides the cost of living, health insurance benefits, special benefits, provident fund, and others to all employees.

The Company formulates the policy of developing its employees at all levels consistently with an aim at improving their knowledge, skills, expertise, and work efficiency. The Company and subsidiaries encourage all personnel to enhance on the job-training knowledge and expertise. New-coming employees will be trained by supervisors of each line. The Company and subsidiaries also send their employees and executives in each field to attend other external training courses and seminars on matters relating to their work.

The Company and subsidiaries prioritize the personnel competence development, and attempt to build the qualified personnel for the corporate growth. The personnel development strategy involves:

- 1) Continual development of executives and employees at all levels to shift their work competency by promoting and encouraging all of them to continue studies or attending training courses and seminars.

2) Preparation of training road map of each title so that all staffs have competence most relevant to their titles and career path, and they are prepared for work succession.

3) Promotion for personnel development by coaching and on the job training.

4) Encouraging staffs to perform works on the principle of morality and corporate governance by paying respect to and promoting good persons.

5) Encouraging staffs to adhere to the corporate culture, have the entrepreneurship attitude, have awareness of team-working, and provide good and impressive services to all internal and external clients.

The Company has arranged some training and development programs for its personnel every year. These programs focus on personnel's knowledge, ability, and potential improvement to be relevant to their titles and duties whether they have worked for the construction or supporting sectors for the utmost interest for themselves and the Company. In the previous year, a total of 10 programs were arranged as listed below.

- 1) Preparation to Be Supervisor Needed by the Organization program
- 2) Harmony as Power to Build up the Organization program
- 3) Basic MS Project for Project Management program
- 4) MS Project for Cost Management program
- 5) Effective Management for Administration Works program
- 6) Safety Officer for Supervisor Level program
- 7) Safety Officer for Management Level program
- 8) Risk Management of ISO program
- 9) Proactive Working for Success program
- 10) Basic Fire Extinguishing and Fire Drill program

The Company has assigned its staff members to attend the training courses arranged by external organizations. In 2018, the training courses attended by the Company's staff members were listed below.

Title	Number of Persons	Number of Hours	Average Hours/Year
1. Management Level	3	30	10
2. Supervisor Level	10	126	12.60

Title	Number of Persons	Number of Hours	Average Hours/Year
3. Staff Level	37	372	10.05
4. Daily employees in the position of labor	520	3,120	6
5. Daily employees in the position of technician	3	30	10

9. Corporate Governance

Good Corporate Governance

The Board of Directors extremely prioritizes the good corporate governance, and has continuously arranged the good corporate governance system, and defined the corporate governance policy as it foresees that this is so important and essential for a sustainable business growth. The Board of Directors has determination and strong intention to comply with such principle. The Company's policy and operation direction are formulated by focusing on the internal control system and internal audit so that the Company's Management could implement the established policy efficiently for the long-term interest to the Company's shareholders under applicable laws and business ethics.

The Company has determination to improve and develop the good corporate governance, and make any of its practice guidelines internationalize based on benefits of shareholders, all groups of stakeholders, and general public, which shall be beneficial to competitiveness and growth of Thai capital market.

The Board of Directors wishes that the Company has a sustainable development, transparency, and genuine corporate governance, which must be responsible for and retain the interest of all stakeholders and general public, develop the personnel to be good and morale people, promote knowledge and quality of life, and improve the environment for social responsibility.

The Board of Directors provides "Good Corporate Policy" to promote the principle of corporate governance in the organization. This policy focuses on business operation under transparency, morality, ethics, and integrity based on "Code of Conduct" to be good guidelines for the Company's directors, executives and employees, and all groups of stakeholders, which shall make the Company a sustainable organization eventually.

9.1 Corporate Governance Policy

The Company highly prioritizes the formation of good corporate governance system as the practice guideline for the Board's transparency and accountability. Therefore, the Company's policy on corporate governance in accordance with the CG Code provided by the Office of the Securities and Exchange Commission is defined; the implementation of this policy shall promote the Company's sustainable value.

The Company establishes "Corporate Governance Policy" and "Code of Conduct" as working guidelines for all directors, executives, and employees. The Board of Directors provides a written good corporate governance policy of the Company. The good corporate governance policy (revised) was approved by the Board of Directors in the Meeting of the Board of Directors.

9.1.1 Contents contained in "Code of Conduct" are:

- 1) Code of Conduct for business operation
- 2) Business undertaking guideline
- 3) Anti-corruption policy
- 4) Policy of preventing events inducing corruption
- 5) Code of Conduct of executives and staffs
- 6) Requirements prohibiting executives and staffs' practices possibly provoking conflicts of interest, as well as penalties in case of violation
- 7) Policy of regulating the use of internal information
- 8) Code of Conduct for stakeholders
- 9) Submission of complaints and suggestions
- 10) Discipline

Note: All details of each topic are posted via <http://www.thaipolycons.co.th/investor>

The Company communicates its good corporate governance policy via several channels such as written manual, dissemination via the Company's internet system (www.thaipolycons.co.th), etc. with an aim at allowing staffs, shareholders, and all groups of stakeholders of the Company to be aware of and realize the Company's intent to move forward with better retention of good corporate governance.

9.1.2 The Company has the corporate governance policy in accordance with the Principle of Good Corporate Governance as described below.

Chapter 1 Rights of Shareholders:

The Company has given priority to rights and equal treatment of shareholders in receiving any information about the Company and subsidiaries accurately, completely, adequately, timely, and equitably for their decision-making on all matters. The Board of Directors, therefore, has policy as follows:

1) The Company shall deliver the meeting notice as well as enclosures of agenda items adequately for shareholders' consideration. The meeting notice shall be delivered in advance at least 14 days prior to the meeting date to ensure that the shareholders have time to study all information completely. The shareholders who are unable to present at the meeting may appoint an independent director or any person to attend the meeting on their behalf by using the proxy form as delivered together with the meeting notice. The Company also facilitates every shareholder equitably for his/her meeting attendance by fixing the most appropriate venue and time.

2) In a meeting of shareholders, the shareholders shall consider and vote based on the sequence of agenda items without changing any significant information or adding agenda items urgently. The shareholders have an equitable right to examine the operations of the Company and subsidiaries by raising questions, and expressing opinions and advice. The directors and all related executives must attend the meeting of shareholders together to clarify questions raised in the meeting.

3) The Company uses technology in the meeting of shareholders to facilitate the attendance registration and vote counting, and to present the voting results so that the meeting is undertaken rapidly and accurately. Independent persons are also assigned to count and check the votes in each ordinary meeting or extra-ordinary meeting of shareholders, which shall be disclosed to the meeting for acknowledgement, and recorded in the minutes of meeting.

4) The shareholders have one more channel to receive the information via the Company's website. All related information and details are posted at the Company's website, especially the meeting notice, which shall be disseminated prior to the meeting

date to enable the shareholders to download the information and agenda items conveniently.

Chapter 2 Equitable Treatment to Shareholders:

The Company determines the equitable treatment to every shareholder; therefore, the Board of Directors of the Company places the following policy:

1) The meeting notice together with enclosures of all agenda items must be delivered to the shareholders at least 14 days prior to the meeting date to ensure that they are able to study all information completely before the meeting.

2) To facilitate the shareholders unable to attend the meeting, they may appoint a person or an independent director as their proxies to attend the meeting and vote on their behalf. The list of independent directors is indicated in the meeting notice.

3) Every shareholder shall be treated equitably, either major or minor shareholder, Thai or foreign shareholder.

4) The Company prioritizes the oversight of internal information use by providing a written Code of Conduct covering the internal information used by its staffs and executives. Penalties for information disclosure or internal information use for personal interest are also imposed in accordance with the preventive policy of internal information misuse.

Chapter 3 Consideration for Role of Stakeholders:

The Company and subsidiaries are aware of and recognize the rights of all groups of stakeholders, either internal stakeholders like shareholders and employees, or external stakeholders like clients, creditors, competitors, government sector, and other agencies as well as neighboring communities so that every group shall be treated equitably and fairly because the Company and subsidiaries have been supported by these stakeholders; this provokes competitiveness and profit to the Company and subsidiaries, which creates the long-term value for the Company and subsidiaries in the long run. The policy on this matter involves:

1) Policy and practice guideline to employees

The Company and subsidiaries attach significance to their staffs as they are a factor of success in goal attainment set by the Company and subsidiaries. They would be



cared for work opportunities, compensation, promotion and rotation, potential development, and sufficient work safety. The policy implementations are as follows:

1.1) The Company and subsidiaries offer appropriate and fair compensation to every employee.

1.2) The Company and subsidiaries maintain the workplace environment to be safe for their life and properties.

1.3) Appointment and rotation, and reward and penalty by the Company and subsidiaries are undertaken by equality, honesty, and fairness and based on knowledge, ability, and appropriateness of each employee.

1.4) The Company and subsidiaries encourage the employees to improve knowledge and abilities thoroughly and regularly.

1.5) The Company and subsidiaries comply with all related laws and regulations on employees stringently.

2) Policy and practice guideline to shareholders

The Company and subsidiaries have always realized that the shareholders are the business owner. The Company and subsidiaries have a duty of adding the long-term business value for these shareholders. Therefore, the Company and subsidiaries' directors, executives, and employees must comply with the following policy:

2.1) The Company and subsidiaries attempt to arouse the business growth to ensure that the shareholders shall obtain good returns.

2.2) The Company and subsidiaries respect the shareholders' right in receiving any necessary information for their assessment on the Company and subsidiaries' Management. Therefore, the Company and subsidiaries' operating performance together with financial statements shall be disclosed to the shareholders accurately and regularly in accordance with the international standards as accepted by local and international capital markets.

2.3) The Company and subsidiaries record the accounting transactions accurately and completely in accordance with accounting standards and related laws, which are certified by the internal auditor, the Audit Committee, and the independent auditor of the Company.

3) Policy and practice guideline to clients



The Company and subsidiaries recognize the importance of clients, the policy of best practices toward clients is established as follows:

3.1) The service must be provided to clients enthusiastically and politely. They must obtain the sincere, willing, and pleasant care and welcome while the service must be provided rapidly, precisely, and creditably.

3.2) The clients' information must be confidential, which must not be used for personal interest or be used by any related persons unlawfully.

3.3) The accurate, adequate, and timely service information must be provided to clients without exaggerated information, which may make them misunderstand about the service quality or conditions provided by the Company and subsidiaries.

3.4) The advice on service procedures provided by the Company and subsidiaries must be efficient and most beneficial to clients.

4) Policy and practice guideline to partners and competitors

The Company and subsidiaries operate the business based on integrity, ethics, and morality, which is the guideline of the right and sustainable business operation. Therefore, the Company and subsidiaries stringently adhere to laws applicable to business under transparency, morality, and accountability.

4.1) The Company and subsidiaries wish that the product and service supplies are based on standards and ethics and under the following principles:

4.1.1) Competition among bidders to be selected appropriately and fairly

4.1.2) Criteria of partner assessment and selection

4.1.3) Preparation of an appropriate and international contract

4.1.4) System establishment for arranging and monitoring the compliance with the contract to ensure that the provisions set forth in the contract are complied with completely in order to prevent any corruption and misconduct at every stage of the procurement process.

4.2) The Company and subsidiaries intends to improve and retain a sustainable relationship with clients who have the precise purposes regarding technical quality, product and service value suitable to the money value, and trust on each other.

4.3) The Company and subsidiaries have no policy permitting their directors and employees to privately receive any interest from partners.

4.4) The Company and subsidiaries shall conduct under good competition criteria.

4.5) The Company and subsidiaries shall acquire the business competitors' confidential information by any dishonest or inappropriate methods.

4.6) The Company and subsidiaries shall not make allegation against business competitors without ungrounded facts.

5) Policy and practice guideline to the creditors

The Company and its subsidiaries shall conform to all obligations made with every creditor by:

5.1) The Company and its subsidiaries shall comply with the conditions set forth in any loan agreement, and shall not conceal the Company's actual financial status.

5.2) In case of any circumstances possibly affecting the Company's creditors, e.g. unsecure financial status or business closedown of the Company, they shall be promptly remedied.

6) Policy and practice guideline to the society and environment

6.1) The Company and subsidiaries set a business operation policy of caring for environment, and complying with any and all applicable laws and regulations.

6.2) The Company and subsidiaries shall encourage their employees to have awareness and responsibility to the environment.

6.3) The Company and subsidiaries shall consistently and regularly share knowledge and experience with other persons and agencies regarding environmental conservation, and improvement of production and work performance to be suitable to the environment.

6.4) The Company and subsidiaries shall pay respect to the tradition and culture of each locality.

6.5) The Company and subsidiaries shall give cooperation in activities arranged by communities where the Company and subsidiaries operate the business as it deems appropriate.

7) Anti-corruption policy

The Company and subsidiaries position the business operation based on transparency and morality. They adhere to the responsibility to the society and all groups of

stakeholders according to the Principle of Good Corporate Governance as well as the policy and best practices to those stakeholders. To ensure that the Company has policy defining responsibility, best practices, and appropriate requirements for further undertaking to prevent corruption in every business activities of the Company and subsidiaries, and to make any decision-making and business operation risky to corruption be considered and treated prudently and appropriately, A written “Anti-corruption policy” is provided by the Company as a clear practice guideline in the business operation.

Chapter 4 Information Disclosure and Transparency:

The Board of Directors intends to supervise the compliance with any related laws, rules, and regulations regarding information disclosure. The Company and subsidiaries attach significance to accurately, completely, and transparently disclose information of the Company and subsidiaries, as well as other financial and non-financial information so that all related parties obtain the information equitably. The Company’s information shall be disclosed to the shareholders and general people via information disclosure channels and media provided by the Stock Exchange of Thailand and the Company’s website.

The Company also attaches great significance to its financial statements to reflect its actual financial status and operating results. Such financial statements must be based on the complete, accurate, and adequate accounting information in accordance with generally accepted accounting principles. Details about each director of the Company and subsidiaries, as well as roles and duties of the Board of Directors, and sub-committees, remuneration for directors and top Management are also disclosed in the Company’s Annual Report (Form 56-2) and Annual Registration Statement (Form 56-1).

Chapter 5 Responsibility of the Board of Directors:

The Board of Directors takes responsibility to the shareholders for business operation of the Company and subsidiaries, and business supervision to be in line with purposes and guideline for the shareholders’ best interest, and to consider the interest of all stakeholders. The Board of Directors must perform duties in compliance with laws, objectives and regulations of the Company, and resolutions of the shareholders’ meeting and in good faith for utmost interests of the shareholders and stakeholders in the short and long term. To ensure that the operations of the Company and subsidiaries provoke the

utmost interests to the shareholders and stakeholders, the Board of Directors supervises the preparation of vision, mission, goals, policies, operation direction, strategic plans, work plans, and annual budget of the Company and subsidiaries. The Board of Directors shall jointly share opinions for a mutual understanding of business overview before giving approval. The Board of Directors has policy of the minimum meeting quorum that a resolution by the board meeting must be passed by not less than two-thirds of votes of the total directors. The Board of Directors also monitors the Company's Management to ensure that it is in line with the established goals by adhering to the guidelines given by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission. It is required that this matter shall be reviewed on a yearly basis.

1) Composition of the Board of Directors

The Board of Directors comprises the directors with knowledge, abilities, and experience in business operation. The Board has duty of placing policies, vision, strategy, goals, mission, business plan, and budget of the Companies and subsidiaries, and of directing the management team to perform work in accordance with the established policies efficiently and proficiently under applicable laws, objectives, Articles of Association, and resolutions of the shareholders' meetings and board meetings based on accountability, integrity, and prudence subject to the Principle of Best Practices in order to enhance the highest economic value for the business, and the highest security for the shareholders.

The Board of Directors consists of 9 members; 4 of them are executive directors and 5 of them are non-executive directors whereas 4 out of 5 directors are independent directors. The proportion of independent directors of the Company exceeds one-thirds of total number of directors. Each independent director holds full qualifications in accordance with the Notification of the Capital Market Supervisory Board, and the Notification of the Stock Exchange of Thailand in order that the management inspection would be independent.

2) Roles and duties of the Board of Directors

The Company imposes that the Board of Directors must comply with the Code of Best Practice as established by the Stock Exchange of Thailand. The Board of Directors must understand and realize the roles, duties, and responsibilities. Meanwhile, it must perform duties in full conformity with laws, objectives and regulations of the Company, and resolutions of the shareholders' meeting and in good faith for utmost interests of the



shareholders and stakeholders. The Board of Directors has a duty of formulating the policies, business goals, business plans, as well as budget of the Company, and of directing the Management to perform acts in line with such policies, work plans, and budget efficiently and proficiently for utmost interests of the Company and shareholders.

3) Meeting of the Board of Directors

The meeting of the Board of Directors held on November 9, 2018 resolved that there shall be at least 7 board meetings per year. All meetings in each year shall be scheduled in advance to ensure that all directors shall be present at each meeting. Any extraordinary meeting may be held as necessary, which must be informed in advance for at least 7 days. The Company Secretary has a duty of delivering a meeting notice together with the meeting agenda items and all related enclosures in advance so that the directors have adequate time to study all information prior to the meeting. Not less than a half of total directors shall constitute the quorum.

The Chairman of the Board of Directors shall preside over the meeting. He/she has a duty of allocating sufficient time for each agenda while each director has independence to share his/her opinions in significant issues by considering interests of the shareholders and other related persons.

In each meeting, a director with conflicts of interest in a particular agenda item must leave the meeting while considering the said agenda and he/she has no right to vote for such agenda item.

A resolution depends on the majority vote. An objection to such resolution by any director shall be recorded in the minutes of meeting.

In considering any agenda item, a director holds the right to see or inspect any related documents. The Board may ask the executives relating to such agenda item to attend the board meeting to clarify additional information.

The Company Secretary has duties of note-taking and completing the minutes of meeting within 14 days, keeping the minutes of meeting and enclosures, supporting the Board of Directors to perform duties as required by laws, Articles of Association, and resolutions of the shareholders' meeting, and coordinating with all related persons.

Schedule of Meetings of the Board of Directors for Year 2019

Board Meetings

Date	Time	Objectives	Conditions
Tue, Feb 26, 2019	13.00 – 15.00	To certify the 2018 financial statements	Within 2 months upon the end of the accounting period (Dec 31, 2018)
Fri, Mar 29, 2018	13.00 – 15.00	To review the operating performance	Before the annual general meeting of shareholders
Fri, May 10, 2019	13.00 – 15.00	To certify the Q1 financial statements	Within 45 days upon the end of the accounting period (Mar 31, 2019)
Fri, Jun 28, 2018	13.00 – 15.00	To review the half-year operating performance	Assessment of current circumstances
Fri, Aug 9, 2019	13.00 – 15.00	To certify the Q2 financial statements	Within 45 days upon the end of the accounting period (Jun 30, 2019)
Fri, Nov 8, 2019	13.00 – 15.00	To certify the Q3 financial statements	Within 45 days upon the end of the accounting period (Sep 30, 2019)
Fri, Dec 20, 2019	13.00 – 15.00	To review the operating performance of the year	To review the corporate vision, mission and goals

List of Directors Present at the Meeting

- | | |
|----------------------------------|---|
| 1. Dr. Thanu Kulachol | Chairman, Independent Director |
| 2. Mrs. Kanoktip Chanpalangsri | Director, Executive Director |
| 3. Mr. Pathompol Saosap | Director, Executive Director |
| 4. Mr. Jackrit Pongprasert | Director, Executive Director |
| 5. Mr. Chainarong Chanpalangsri | Director |
| 6. Mr. Cherdasak Wattanavijitkul | Director |
| 7. Dr. Supong Limtanakool | Director, Chairman of the Audit Committee, Independent Director |

- | | |
|-------------------------------|--------------------------------|
| 8. Mr. Pornthep Sawetwannakul | Director, Independent Director |
| 9. Dr. Srisuda Chongsithiphol | Director, Independent Director |

Meetings of Independent Directors and Non-executive Directors

Date	Time	Objective
Tue, Feb 26, 2019	16.00 – 18.00	To evaluate the management's work performance
Fri, May 10, 2019	16.00 – 18.00	To evaluate the management's work performance
Fri, Aug 9, 2019	16.00 – 18.00	To evaluate the management's work performance
Fri, Nov 8, 2019	16.00 – 18.00	To evaluate the management's work performance

List of Directors Present at the Meeting

- | | |
|----------------------------------|--|
| 1. Dr. Thanu Kulachol | Chairman, Independent Director |
| 2. Dr. Spong Limtanakool | Director, Chairman of the Audit Committee,
Independent Director |
| 3. Mr. Pornthep Sawetwannakul | Director, Independent Director |
| 4. Dr. Srisuda Chongsithiphol | Director, Independent Director |
| 5. Mr. Chainarong Chanpalangsri | Director |
| 6. Mr. Cherdasak Wattanavijitkul | Director |

4) Remuneration to the Board of Directors

The Company's remuneration for directors is determined precisely and transparently based on its operating results, mission, responsibilities, and performance of duties of the Board of Directors, which must be beneficial to the Company. The said remuneration is fixed by comparing it with other companies in the same size and business nature, but it should be adequate to retain the directors with qualifications needed by the Company. The remuneration includes:

- 1) Meeting attendance fee
- 2) Annual remuneration
- 3) Bonus for non-executive directors.

The total amount of remuneration for 3 items above must not exceed Baht 6,000,000. The Board of Directors shall initially consider the remuneration for directors before proposing it to the shareholders' meeting for approval in each year.

5) Development of Directors and Top Executives

The Board of Directors determines that every new director must attend the orientation program to shape his/her knowledge and understanding in the Company's business and activities. Meanwhile, the Board has a policy of offering new knowledge and viewpoints to all directors by encouraging the regular meetings between directors and top executives to share opinions, and to prepare them for the duty of directorship. At the same time, the Board of Directors has policy of promoting and facilitating for training and education to any persons related to the Company's corporate governance system, including directors, members of the Audit Committee, and executives so that they would improve their performance consistently such as training and seminar courses arranged by Thai Institute of Directors Association, The Stock Exchange of Thailand, and The Office of Securities and Exchange Commission, etc. The Board of Directors also plans for the management succession to ensure that the Company would engage capable and qualified executives to perform duties, and the company management would be consistent.

6) Annual Report of the Board of Directors

The Board of Directors is responsible for the preparation of the Company's financial statements and financial information as presented in the Company's Annual Report. The financial statements are, at all time, prepared in accordance with generally accepted accounting principles under an appropriate accounting policy, regular practice, and prudent discretion. The Board of Directors assigns the Audit Committee to supervise the quality of financial statements, and to give opinions toward them to the Board of Directors.

7) Board Self-evaluation

The Company places the policy that the Board of Directors of the Company must have at least one performance evaluation in each year in order that the Board of Directors reviews its work performance. Each director shall provide his or her opinion toward the performance of the Board whether it imposes, performs, and take actions appropriately or not. Such evaluation shall be beneficial to the Board of Directors' performance of duties as it enables the Board of Directors to analyze any and all obstacles, and to find out the solutions for the Board's higher work efficiency.

The Company Secretary shall deliver the board evaluation form, in accordance with the evaluation form stipulated by the Stock Exchange of Thailand, to every director for the board self-evaluation and individual evaluation. The completed evaluation form shall be returned to the Company Secretary to calculate the entire evaluation scores. The board's performance evaluation in a particular year shall be analyzed and reported to the Board of Directors for consideration pursuant to the foregoing objectives. In 2018, the Company's board self-evaluation was provided in the Meeting of the Board of Directors, No. 1/2018 dated February 26, 2018. The evaluation criteria were calculated from full scores in each item as listed below.

100	scores	=	Excellent
81-99	scores	=	Very Good
61-80	scores	=	Quite Good
41-60	scores	=	Fair
0-40	scores	=	To be improved

There were 2 types of board's performance evaluation:

- 1) Performance evaluation conducted on the entire board
- 2) Performance evaluation conducted individually

Both types of evaluation involve the following aspects:

- 1) Structure and qualifications of the Board of Directors
- 2) Meeting of the Board of Directors
- 3) Role, duty, and responsibility of the Board of Directors
- 4) Performance of duties by directors
- 5) Relationship with the management
- 6) Self-development of directors and the management's development

Number of board meetings and number of meeting attendance by each director

List of Directors	Title	Board Meetings (After taking up office)	
		Number of Meeting 2017	Number of Meeting 2018
1. Dr. Thanu Kulachol	Chairman of the Board/ Independent Director/	4	4

List of Directors	Title	Board Meetings (After taking up office)	
		Number of Meeting 2017	Number of Meeting 2018
	Director		
2. Mrs. Kanoktip Chanpalangsri	Director/ Executive Director	4	4
3. Mr. Pathompol Saosap	Director/ Executive Director	4	3*
4. Mr. Jackrit Pongprasert	Director/ Executive Director	4	4
5. Mr. Chainarong Chanpalangsri	Director/ Executive Director	4	4
6. Mr. Cherdasak Wattanavijitkul	Director	4	4
7. Dr. Supong Limtanakool	Chairman of the Audit Committee/ Independent Director/ Director	4	4
8. Mr. Pornthep Sawetwannakul	Director/ Member of the Audit Committee/ Independent Director	4	4
9. Dr. Srisuda Chongsithiphol	Director/ Member of the Audit Committee/ Independent Director	4	4

8) Policy and Practice of Directors and the President for Holding Directorship in Other Companies

The Board of Directors focuses on efficient performance of duties of every director who must be able to fully contribute his or her time to manage the Company's business. Therefore, it is stipulated in the Company's policy that each director is entitled to hold directorship for not more than 5 listed companies. At present, no director of the Company holds directorship in more than 5 listed companies.

The Board of Directors also defines the policy of holding directorship in other companies by directors and the President of the Company that a director and the President are prohibited to operate the business, which is in the same nature to the Company or competes with the Company, not become the partner in an ordinary partnership or the general partner in a limited partnership or the director of a private company or other

companies whose business operations are similar to those of the Company, or compete with the Company's business, either such holding of directorship is done for his or her personal interest or others' interest unless it is informed to the shareholders' meeting before passing the resolution for such appointment.

At present, the directors and the President of the Company have not held directorship in any companies whose business operations are similar to those of the Company, or compete with the Company's business. The directors and the President have not yet been involved as the partner in an ordinary partnership or the general partner in a limited partnership or the director of a private company or other companies whose business operations are similar to those of the Company, or compete with the Company's business.

9) Directorship Term

The Company complies with the Public Limited Company Act B.E. 2535, that is, one-thirds of the total number of directors of the Company shall vacate office in every annual general meeting of shareholders. The Board of Directors must comprise the knowledgeable and skillful directors. The number of directors must also fit to the business size of the Company. At present, the Board of Directors consists of 9 members, which includes 4 executive directors, 1 non-executive director, and 4 independent directors. Tenure of each director is 3 years.

For terms of an independent director for no longer than 9 consecutive years, the Company's Board of Directors considers that the consecutive terms of each independent director shall benefit both the Company and shareholders as he/she has engaged knowledge and experience about the Company's business operations while he/she is still able to express opinions freely.

10) Securities Holding Report

A qualified person elected as director is required to report the securities held by him or her or his or her spouse and minor children to the meeting of the Board of Director. Whenever any director, his or her spouse and minor children makes the transaction of trading securities of the Company, it must be reported to the next meeting of the Board of Directors. The securities held by directors as of 28 December 2018 were as follows:

List of Directors	Holding of Securities of Thai Polycons Public Company Limited						
	As of 1 January 2018			Changes during the year	As of 28 December 2018		
	Held by director	Held by spouse and minor children	%		Held by director	Held by spouse and minor children	%
1. Dr. Thanu Kulachol	-	-	-	-	-	-	-
2. Mrs. Kanoktip Chanpalangsri	199,341,938	-	35.157	Yes	200,000,038	34.919	-
3. Mr. Pathompol Saosap	699	-	0.000	Yes	960	0.000	-
4. Mr. Jackrit Pongprasert	-	-	-	Yes	70,000	0.012	-
5. Mr. Chainarong Chanpalangsri	5,833,333	-	1.029	Yes	6,633,333	1.158	-
6. Mr. Cherdsak Wattanavijitkul	1,136,484	-	0.200	No	1,136,484	0.198	-
7. Dr. Supong Limtanakool	-	-	-	-	-	-	-
8. Mr. Pornthep Sawetwannakul	-	-	-	-	-	-	-
9. Dr. Srisuda Chongsithiphol	-	-	-	-	-	-	-

11) Report on Connected Transactions

The Company requires that any of its directors and executives or related persons who have interest in connected transactions relating to the management of the Company and its subsidiaries shall report such connected transactions to the Company. Such report enables the Company to have the information to perform further actions in accordance with the requirement on connected transactions, which may be those possibly causing a conflict of interest, and lead to the manipulation of interest from the Company and its subsidiaries. The directors and executives must submit their first report on connected transactions within 7 business days following the date of appointment. They must report on any change in connected transactions within 3 business days following the date such change occurs. The Company Secretary shall inform the Company's directors and executives to review such report twice a year.

9.2 Committees

The Company's directorship structure involves the Board of Directors, 2 committees, e.g. The Audit Committee and the Executive Board, and Management.

The directors, the Audit Committee, executive directors, and Management of the Company hold full qualifications with no forbidden characteristics as defined in Section 68 of the Public Limited Company Act, B.E. 2535. They have neither characteristic indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by public shareholders as specified in Section 89/3 and 89/6 of the Securities and Exchange Act, B.E. 2535, and in any related notifications of the Capital Market Supervisory Board. Each committee has the power, duties, and responsibilities as described below.

9.2.1 The Board of Directors. As of December 31, 2018, the Board of Directors consists of 9 directors as listed below.

Directors	Title	Total Number of Meeting Attendance (after taking up office)	
		Year 2017	Year 2018
1. Dr. Thanu Kulachol	Chairman of the Board/ Independent Director	6/6	4/4
2. Mrs. Kanoktip Chanpalangsri**	Director	6/6	4/4
3. Mr. Pathompol Saosap	Director	6/6	3/4
4. Mr. Jackrit Pongprasert	Director	5/6	4/4
5. Mr. Chainarong Chanpalangsri	Director	6/6	4/4
6. Mr. Cherdsak Wattanavijitkul	Director	5/6	4/4
7. Dr. Supong Limtanakool	Director	6/6	4/4
8. Mr. Pornthep Sawetwannakul	Director	6/6	4/4
9. Dr. Srisuda Chongsithiphol	Director	6/6	4/4

Note : Directors No. 1-9 have already attended the training courses arranged by Thai Institute of Directors Association for Director Accreditation Program (DAP) arranged by Thai Institute of Directors Association.

Scope of Authority and Duties of the Board of Directors

1) Have the authority and duties in accordance with the Civil and Commercial Code together with any other laws prescribing it is the authority or duty of a director or the Board of Directors of a public limited company.

2) Have the authority and duties of directors in accordance with the Articles of Association of the Company.

3) Consider and approve long-term plans, work plan, budget and annual investment budget.

4) Operate the Company's business in conformity with laws, objectives, Articles of Association of the Company, and resolutions of shareholders' meetings.

5) Establish the Company's management plan and policy, and examine the Company's operating performance.

6) Formulate the Company's regulations.

6.1) appoint the Executive Board of Directors, or delegate a director or several directors or any other person to act on behalf of the Board of Directors and under the scope of authority permitted to the Board of Directors, and also have the right to cancel, revoke, alter, or change such authority.

6.2) consider and approve any other important activities relating to the Company or it deems appropriate to undertake such activities for the Company's interest, except the following matters that can be undertaken upon approval of the shareholders' meeting. For a transaction in which a director or person who may have a conflict, interest, or any other conflict of interest with the Company and subsidiaries, the said director with a conflict of interest in such matter has no right to vote for it, including:

6.2.1) a matter required by law that it must be resolved by the shareholders' meeting.

6.2.2) a transaction in which a director has interest and it is prescribed by laws or requirements of the SET that it must be approved by the shareholders' meeting.

6.2.3) in either of the following cases, it must be passed by votes for not less than three-fourths of the total votes of the shareholders who attend the meeting and have the right to vote:

6.2.3.1) sale or transfer of business of the company, in whole or in essential part, to other persons

6.2.3.2) purchase or acceptance of transfer of business of other companies or private companies by the company

6.2.3.3) entering into, amending, or terminating a lease of business of the company in whole or in essential part; entrusting other person with the Management of the company; or amalgamating business with other persons with the objective to share profit and loss

6.2.3.4) amendment of the memorandum of association or the articles of association of the company

6.2.3.5) capital increase, capital reduction, issuance of debentures, amalgamation or dissolution of the company

6.2.3.6) other matters as required by law

9.2.2 The Audit Committee. Members of the Audit Committee as of December 31, 2018 were as follows:

Name	Title	Number of Meeting Attendance/ Total Meetings (after taking up office)	
		2017	2018
1. Dr. Supong Limtanakool	Chairman of the Audit Committee/ Independent Director	4/4	4/4
2. Mr. Pornthep Sawetwannakul	Member of the Audit Committee/ Independent Director	4/4	4/4
3. Dr.Srisuda Chongsithiphol	Member of the Audit Committee/ Independent Director	4/4	4/4

Note: 1) Mr. Pornthep Sawetwannakul and Dr. Srisuda Chongsithiphol are members of the Audit Committee who have engaged sufficient knowledge and experience to review the reliability of the Company's financial statements.

2) Mr. Vatcharachai Somboonying acted as the Secretary to the Audit Committee

Scope and Duties and Authority of the Audit Committee

1) Review the accuracy and adequacy of the Company's financial reports by coordinating with external auditors and executives of the Company, who are responsible for preparing the Company's quarterly and yearly financial reports. The Audit Committee may give advice to the auditors to review or audit any transaction it deems necessary or significant while the Company's account is being audited.

2) Review the appropriateness and efficiency of the Company's internal control and internal audit in collaboration with the Company's external and internal auditors; consider the independence of the Internal Audit Section including comments on appointment, rotation, termination for the head of the Internal Audit Section or any other works related to the internal audit.

3) Review the Company's operation to ensure that it complies with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand, and any other laws relevant to the Company's business.

4) Consider, select, and nominate an independent person to act as the Company's Auditor, including remuneration for the Auditor based on reliability, sufficiency of resources, and scope of audit work performed by such audit firm, as well as experience of persons assigned to audit the Company's account; and attend the meeting with the Auditors except the Company's executives at least once a year.

5) Consider connected transactions, and transactions involving conflicts of interest to ensure that they are in compliance with the related laws and regulations of the Stock Exchange of Thailand reasonably, and most beneficial to the Company.

6) Perform any other acts as assigned by the Board of Directors and approved by the Audit Committee; review the financial management and risk management policy; review the compliance with the Code of Conduct by the Company's executives; review with the Company's executives any important reports to be disclosed to the public as required by laws, e.g. Management Discussion and Analysis, etc.

7) Prepare and disclose the "Reports of the Audit Committee" as approved by the Chairman of the Audit Committee in the Company's annual report. The said report must cover at least the following details:

7.1) comments on accuracy, completion, and reliability in the preparation and disclosure of information in the Company's financial report

7.2) comments on sufficiency of the Company's internal control system

7.3) comments on the Company's compliance with the Securities and Exchange Commission Act, regulations of the Stock Exchange of Thailand, and other laws relevant to the Company's business

7.4) comments on appropriateness of the independent auditor

7.5) comments on transactions involving conflicts of interest

7.6) disclosure of the number of Audit Committee meetings and the individual meeting attendance of the Audit Committee

7.7) comments or notices that have arisen as the Audit Committee performed its duties as defined in its charter

7.8) any other concerns that should be made available to shareholders or general investors under the scope of duties and responsibilities assigned by the Board of Directors

9.2.3 Executive Board of Directors. The Executive Board of Directors as of December 31, 2018 included:

Name	Title
1. Mrs. Kanoktip Chanpalangsri*	Chairman of the Executive Board
2. Mr. Pathompol Saosap	Executive Director
3. Mr. Jackrit Pongprasert	Executive Director
4. Mr. Vikul Lohamongkol	Executive Director
5. Mr. Adisorn Srisooksai	Executive Director

Name	Title	Number of Meeting Attendance/ Total Meetings (after taking up office)	
		2017	2018
1. Mrs. Kanoktip Chanpalangsri	Chairman of the Executive Board	23/24	24/24
2. Mr. Pathompol Saosap	Executive Director	24/24	24/24
3. Mr. Jackrit Pongprasert	Executive Director	24/24	21/24
4. Mr. Vikul Lohamongkol	Executive Director	24/24	23/24
5. Mr. Adisorn Srisooksai	Executive Director	24/24	23/24

Scope of Duties and Authority of the Executive Board

1) Have authority to make decisions on the Company's important operating activities by defining the scope, type, or size of mission, objectives, direction, and policy; and oversee the Company's overall operation, output, and customer relationship under the scope of work plan and budget approved by the Board of Directors.

2) Consider and approve the procurement, additional investments, sales and purchase of permanent assets by the Company under the scope as approved by the Board of Directors.

3) Have authority to purchase general construction materials in the amount not more than Baht 20 million, purchase steel and concrete in the amount not more than Baht 80 million, and employ a contractor and/or sub-contractor in the amount not more than Baht 150 million.

4) Have authority to enter into transactions with financial institutions, as well as borrowing and opening bank accounts under the scope defined by the Board of Directors.

5) Have authority to perform acts and present himself/herself to the outsiders as the Company's representative in the business relating and beneficial to the Company.

6) Consider the Company's mobilization to be proposed to the Board of Directors.

7) Approve the appointment of consultants necessary to the Company's operation.

8) Proceed with the activities relating to the Company's general operation.

9) Consider and approve the operating plan of each department in the Company; and consider and approve the requests from the Company's departments that are beyond their authority.

10) If the operation based on the work plan as approved by the Board of Directors needs a budget higher than the approved budget for 10 percent, propose such operation to the Board of Directors for approval.

For the aforesaid delegation, the Executive Board of Directors must comply with any and all requirements and rules as approved by the Board of Directors of the Company. The Executive Board must not approve any transactions in which it or person with potential conflicts of interest has or may have the conflicts of interest in any other manner with the Company and subsidiaries. Such transactions must be disclosed to the Board of Directors for consideration as well.

The Executive Board is not permitted to undertake other businesses beyond those mentioned above, except as specifically assigned by the meeting of the Board of Directors from time to time.

9.2.4 Executives. As of December 31, 2018, the Company's executives include:

List of Management	Title
1. Mrs. Kanoktip Chanpalangsri**	Chairman of the Executive Board
2. Mr. Pathompol Saosap**	President
3. Mr. Jackrit Pongprasert	Executive Vice President, Operation Engineering Division
4. Mr. Vikul Lohamongkol	Executive Vice President, Technical Engineering Division
5. Mr. Adisorn Srisooksai	Executive Vice President, Finance and Accounting Division
6. Mr. Rattapat Rattanpan	Executive Vice President, Office Supporting Division

Note: *Executives No. 1-6 are the executives as defined in the Notification of the Office of the Securities and Exchange Commission

Scope of Duties and Authority of the President

1) Consider the allocation of annual budget to be proposed to the Board of Directors for approval; and also consider and approve any alteration and addition of the annual expenditures when the meeting of the Board of Directors has not been arranged, and further propose such altered or added annual expenditures to the next meeting of the Board of Directors for acknowledgement.

2) Have authority to procure construction materials in the amount not exceeding Baht 10 million per transaction, and to procure goods, device, equipment, tools, etc. in the amount not exceeding Baht 10 million per transaction. The procurement amount beyond the approval authority must be approved by the meeting of the Executive Board or the Board of Directors.

3) Approve the important investment spending as specified in the annual expenditures as approved or previously approved in principle by the Board of Directors.

4) Approve in principle an investment for business expansion as well as a joint investment with other entrepreneurs, and propose it to the next meeting of the Board of Directors for approval.

5) Approve the appointment of authorized persons for cheque payment or payment documents of the Company as well as other contracts, accounting/financial documents, and general documents.

6) Act as the management consultant in financial policy, marketing, human resource management, and other operations relating to the Company's business operation.

7) Allocate the gratuity or compensation as approved by the Board of Directors to the Company's staffs or employees or any other persons operating the business for the Company.

8) Approve the appointment, rotation, and dismissal of employees.

9) Have a duty of reporting to the Board of Directors and the Executive Board promptly in case of bribery, possible bribery, violation against laws, and other irregular actions, which may materially affect the Company's reputation and financial status.

For the aforesaid authorization, the President must comply with all requirements and regulations as approved by the Board of Directors. The President shall not approve any transactions in which he or any person with possible conflicts of interest or interest or may have the conflicts of interest in other manners with the Company and subsidiaries. The said transactions must be also disclosed to the Board of Directors for consideration.

The President is not permitted to undertake other businesses beyond those mentioned above, except as specifically assigned by the meeting of the Board of Directors from time to time.

9.2.5 Meeting attendance by the Company's directors in committees in

2018

List of Directors	Title	Meeting Attendance/ Total Meetings (After taking up office)	
		Executive Board	Audit Committee
1. Dr. Thanu Kulachol	Chairman of the Board/ Independent Director	-	-
2. Mrs. Kanoktip Chanpalangsri	Director/ Chairman of Executive Board	23/24	-
3. Mr. Pathompol Saosap***	Director/ President	24/24	-
4. Mr. Jackrit Pongprasert	Director/ Executive Director	24/24	-
5. Mr. Chainarong Chanpalangsri	Director	24/24	-
6. Mr. Cherdsak Wattanavijitkul	Director	-	-
7. Dr. Supong Limtanakool**	Director/ Chairman of the Audit	-	4/4

List of Directors	Title	Meeting Attendance/ Total Meetings (After taking up office)	
		Executive Board	Audit Committee
	Committee/ Independent Director		
8. Mr. Pornthep Sawetwannakul	Director/ Member of the Audit Committee/ Independent Director	-	4/4
9. Dr. Srisuda Chongsithiphol**	Member of the Audit Committee/ Independent Director	-	4/4

9.2.6 Term of Directorship

Name of Directors	Year of Appointm ent	Year of Last Election	Type of Directorship	Nominatio n/ Appointme nt of Directors in 2019	Next Appoint ment
1. Dr.Thanu Kulachol	2008	2018	Chairman of the Board Independent Director	-	2020
2. Mr.Chainarong Chanpalangsri	1988	2018	Director	-	2020
3. Mr.Jackrit Pongprasert	2015	2016	Director	√	2019
4. Mrs.Kanoktip Chanpalangsri	2013	2015	Director	-	2021
5. Mr. Pathompol Saosap	2013	2015	Director	-	2021
6. Mr.Chersak Wattanavijitkul	2013	2016	Director	√	2019
7. Dr.Supong Limtanakool	2008	2018	Director Independent Director	-	2020
8. Mr.Pornthep Sawetwannakul	2008	2016	Director Independent Director	√	2019
9. Dr. Srisuda Chongsithiphol	2016	-	Director Independent Director	-	2020

9.3 Nomination and Appointment of Directors and Committees

9.3.1 The Board of Directors

Nomination of the Board of Directors

The Board of Directors prioritizes the nomination and appointment the qualified directors to supervise the Company for the best interest of the Company. Every director shall have the preliminary qualifications as described below.

1) Having qualifications relevant to requirements of all related laws and notifications, notifications of the Capital Market Supervisory Board and the SET Board of Governors, as well as the Company's Articles of Association regarding qualifications of a director of the Company.

2) Having integrity, morality, initiative, excellence, responsibility, fairness, independence and fair treatment to the Company's shareholders, educational background, and working experience beneficial to his or her business supervision.

3) Having been trained for business supervision and advanced policy-setting.

4) Having determination to care for the shareholders' interest equitably.

5) Devoting time and competence to shift the Company's business development.

The Board of Directors shall consider each appropriate person to be appointed the director, either the director who is the shareholders' representative or the independent director based on suitable skills and experience in order to strengthen the Board of Directors, which will be revised from time to time as appropriate.

Appointment of the Board of Directors. The election of directors of the Company is subject to the following criteria and procedure:

1) The Board of Directors shall comprise at least five directors of which not less than one half shall have domicile in the Kingdom.

2) One shareholder has votes in a number equal to number of shares he/she holds. One share is regarded as one vote.

3) In case that a shareholder exercises his/her right to elect more than one director, he/she has the right to vote for each director according to the number of votes he/she holds. His/her number of votes is indivisible.

4) Voting to elect a director shall be by a majority of votes of the shareholders present at the meeting and voting. In case of an equality of votes, the chairman of the meeting shall have the casting vote.

5) In every annual ordinary meeting of shareholders, one-thirds of directors shall vacate office. If the number of directors cannot be divided exactly into three parts, directors in a number closest to one-third shall vacate office.

In case of a vacancy of directorship for reason other than expiration of term of office, the Board of Directors shall elect a person possessing appropriate qualifications as the replacement director in the next meeting of the Board of Directors. The replacement director shall hold office only for the remainder of term of office of the respective director he/she replaces.

9.3.2 Audit Committee/ Independent Director

The Board of Directors or the annual general meeting of shareholders of the Company have the power to appoint the Audit Committee/ Independent Directors, which must involve at least 3 members who are selected from the Board of Directors. At least one director elected as the Audit Committee must have knowledge in accounting or finance. The term of the Audit Committee is 3 years. The criteria of selecting the Audit Committee/ Independent Director are as follows:

- 1) Holding shares no more than 0.5% of the total voting shares of the Company.
- 2) Not having a business relationship and a vested interest, whether directly or indirectly, financially or administratively, in the Company or its subsidiaries, its associated companies, or a major shareholder or not being a person with potential conflict of interest, which may deprive his independence, during the period of 2 years before the appointment as the Audit Committee/ Independent Director.
- 3) Not being a close relative to any executive or major shareholder of the Company or its subsidiaries, associated companies or person with potential conflict of interest, and not being appointed as a representative to retain the interest of any director, executive, or major shareholder of the said companies.
- 4) Being a person with knowledge and experience and being able to perform duties, and share his opinions independently without any influence from any group of persons.

9.3.3 Board of Executive Directors

The Board of Directors has the power to appoint the Board of Executive Directors of the Company, which must comprise at least 3, but not more than 5 persons who are selected from the Company's directors or staffs who engage good knowledge and abilities and must not be the Audit Committee members. The Board of Executive Directors has the duty of managing the Company's business as assigned by the Board of Directors, and it directly reports to the Board of Directors.

9.3.4 Top Executive (President)

To nominate the President, the Board of Executive Directors shall preliminarily consider and seek for a person with full and complete qualifications who must have knowledge, abilities, skills, and experience beneficial to the Company's business operation, good understanding in the Company's business undertaking, and management skills to attain the objectives and goals established by the Board of Directors. This qualified person shall be further proposed to the Board of Directors for consideration and approval.

9.4 Supervision for operations of subsidiaries and associated companies

Mechanism of supervision and responsibility for operations in subsidiaries and/or associated companies

The Company places both direct and indirect supervision mechanisms for its subsidiaries and/or its associated companies, as well as certain measures in monitoring their management so that the benefits in the Company's investments are thoroughly cared, and the operation of such subsidiaries could be controlled and managed like a department of the Company. The supervision mechanisms include:

- 1) The Company monitors and supervises the management and operating activities of its subsidiaries and/or associated companies to ensure they are in conformity with the Company's policy, all laws relating to business operation, as well as the securities and exchange law, notifications of the Capital Market Supervisory Board, requirements of the Stock Exchange of Thailand, which are not contrary or inconsistent to other laws. The Company also supervises its subsidiaries and/or associated companies to disclose their financial status and operating performance, entering into significant transactions that are

deemed the connected transactions, or an acquisition or disposal of assets by such subsidiaries and/or associated companies or any other important transactions that are not under normal business courses, which must be reported to the Company before entering into such transactions duly and completely within the determined period.

2) The Company appoints its representatives to be directors and executives in its subsidiaries and/or associated companies based on the proportion of shares held in them. In this regard, the Company defines a regulation that the Company's Management shall nominate a person to act the Company's director, executive, or controlling person in its subsidiaries and/or associated companies to the Board of Directors for approval. The said representative must perform duties for the best interest of those subsidiaries and/or associated companies (not to the Company), except his/her performance of duties may be restricted by any other laws or conditions on joint investment with the government sector, or any other cases as stipulated by the securities and exchange law, notifications of the Capital Market Supervisory Board, or regulations of the Stock Exchange of Thailand.

3) In case that a subsidiary of the Company agrees to enter into a connected transaction with a person having relationship with such subsidiary or the transaction relating to an acquisition or disposal of assets in such subsidiary is subject to the criteria as specified in the notifications of the Capital Market Supervisory Board and/or the notifications of the Stock Exchange of Thailand (as the case may be), the Company and its subsidiary must comply with any and all criteria and procedure as specified in those notifications before entering into such connected transaction *mutatis mutandis*. The said subsidiary must comply with the criteria and procedure as specified in those notifications as if the Company entered into such transaction itself.

If such connected transaction needs an approval from the meeting of the Board of Directors and/or the shareholders' meeting of the Company according to the notifications of the Capital Market Supervisory Board and/or the notifications of the Stock Exchange of Thailand, the Company and its subsidiary must take into account the transaction value by comparing it with the Company's consolidated financial statements.

4) In case that the Company's subsidiaries and/or associated companies undertake any acts, which may materially affect the Company's financial status and operating performance or any other interest to be received by the Company as their shareholder; this must be considered and approved by the shareholders' meeting and/or the meeting of the Board of

Directors as the Board of Directors deems appropriate. The details of the said act shall be determined by the Board of Directors.

9.5 Internal Information Control Policy

The Company gives importance to the use of internal information to ensure that it is in line with the Principle of Good Corporate Governance as it adheres to the Principles of Corporate Governance, and business integrity. To ensure that the investors in the Company's securities would obtain the reliable information fairly and timely, the Company defines the regulation on supervision for the use of internal information so that it is relevant to the securities law and the Company's business operation is transparent. The policy on this matter has been revised and approved by the Meeting of the Board of Directors, No. 1/2019 dated February 26, 2019. The main issues are as follows:

1) The directors, executives, and staffs at all levels of the Company and its subsidiaries must not use their internal information materially affecting the price of the Company's securities that has not yet been disclosed to the public or the Stock of Thailand so that trading of the Company's securities may provoke benefits for themselves or other persons.

2) The Company has the duty of disclosing information about important operations of the Company and subsidiaries to the public timely and thoroughly via media and methods determined by the Stock Exchange of Thailand and based on the Company's information disclosure policy, and via any other media of the Investor Relation Department. Such information disclosure must be also publicized to ensure that the Company's information reaches all groups of investors timely and fairly.

3) The Company imposes that the Board of Directors and Management as well as their spouses and minor children shall provide reports on their holding of the Company's securities to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (as amended) ("SEC Act") and the Notification, No. SorJor 12/2009 of the Office of the SEC regarding Preparation and Disclosure of Report on Securities Holding of Directors, Executives and Auditor. The Board of Directors and Management are required to submit a copy of such report to the Company on the same date it is submitted to the Office of the SEC. A summary report on the holding and trading of the Company's securities of the Board of Directors, Management, and auditors must be submitted to the Board of Directors meeting on the quarterly basis for acknowledgement.

4) The directors, executives, or employees of the Company and its subsidiaries who have received the internal information shall not be allowed to disclose it to the third person or unrelated individuals nor shall they sell securities of the Company within 1 month prior to the Company's dissemination of financial position statements to the public.

5) The directors, executives, or employees of the Company and its subsidiaries shall not purchase, sell, transfer, or receive the transfer of securities of the Company by using the internal information of the Company and its subsidiaries, and/or shall not enter into any other juristic act by using their internal information, which may cause damage to the Company, either directly or indirectly. This requirement shall include the spouses and minor children of the directors, executives, and employees of the Company and its subsidiaries. It shall be deemed that any person violating this regulation commit a serious offence.

6) The Company places the stringent regulation on safety of the computer system and information to prevent the disclosure of significant information. The Company establishes certain punishment for any directors, executives or employees who use the Company's internal information wrongfully. The violation of this regulation deems a serious offence and the wrong doer shall receive the disciplinary punishment and other punishment as prescribed by law. In this regard, the Company limits the right of access to the internal information that has not yet been disclosed to the public. The right of access to such information is given to certain related employees, e.g. accounting and financial staff, investor relation staff, etc.

7) The Company's information disclosure must be relevant to various laws and regulations; meanwhile, it must be accurate, complete, timely, and consistent whether or not such information may give the positive or negative effect to the Company, investors, or capital market. The important information not shown publicly shall be fairly disclosed to every investor, but it must be approved by the President or an authorized person, e.g. Public Relation Department, Investor Relation Department, etc. prior to a particular disclosure.

9.6 Compensation for the Auditor

1) Audit Fee

The Company and its subsidiaries paid the audit fee to D I A International Audit Company Limited, the Auditor of the Company and subsidiaries for the fiscal year ended December 31, 2018, in the amount of Baht **3,365,000**.

2) Non-audit Fee

During the previous fiscal year, the Company and its subsidiaries made no payment for any other services to the Company's Auditor or the audit firm where the Auditor has worked for, person or business relating to the Auditor and the audit firm where the Auditor has worked for.

9.7 Compliance with the Principle of Good Corporate Governance in other matters

Internal Control System and Internal Audit

The Company arranges the internal auditors to conduct internal audit activities in order to ensure the Company's financial control and operation are in line with the established guideline efficiently. These internal auditors also inspect any compliance with laws and regulations relating to the Company. The audit report is directly submitted to the Audit Committee and top executives.

10. Corporate Social Responsibilities (CSR)

10.1 General Policy

The Company and its subsidiaries have operated the business under good corporate governance and Code of Conduct along with deep care for the society and environment, and strong attention to all internal and external stakeholders starting from shareholders, employees, clients, communities, and general public, which would finally lead to the sustainable business development.

The Company and its subsidiaries value the environment and surrounding societies so that a happy community can get together with the business operation, that is, every operating step of the Company is to create and share happiness with surrounding communities, and to care for the quality of life and environment. The Company strongly believes that beneficence between employees, clients, and shareholders including society and environment would provoke the sustainable growth under a business operation policy that the Company's service must be provided rapidly, cost-efficiently, and full of quality for clients' highest satisfaction and social and environmental development.

10.2 Operation

The Company and its subsidiaries operate the business by paying great attention to community and social interest. Except determining the precise business operation guideline, the Company and its subsidiaries give great importance to anti-corruption as a good model for the society. Their business operation must be also based on morality, and relevant to the Principle of Good Corporate Governance, which will lead to the sustainable development in the society and environment.

1) Fair business operation

The Board of Directors of the Company places the policy, which has been implemented consistently, on fair treatment to business partners under integrity, respect to intellectual properties, and compliance with commitment to the Company's stakeholders.

Best Practices

- 1) Arranging for competition between price bidders, and fair and appropriate selection.
- 2) Defining the criteria of business partner assessment and selection.
- 3) Providing an appropriate and international contract form containing various conditions and agreements.
- 4) Providing a system for managing and monitoring the stringent compliance with the contract and other related conditions. In case that any condition cannot be complied with, the Company shall promptly inform the business partner for mutual solution.
- 5) Giving the accurate, adequate, and timely information and advice on the Company's products and services to business partners.
- 6) Delivering the products or services with high quality, relevantly to conditions agreed with business partners, and at fair price.

2) Anti-corruption

The Board of Directors has the policy that the business operation of the Company and its subsidiaries must not involve any bribery. It determines the tangible guideline on this matter by defining responsibilities, best practices, and requirements on proper undertakings, and preventing possible bribery in every business activity performed by the Company and its subsidiaries in order that their business operation risky to bribery is considered and treated carefully and appropriately.

Best Practices

1) Defining the disciplinary and legal punishment when finding any person related to the Company and its subsidiaries commits any corruption.

2) Determining the dissemination, educating, and making understanding with all internal and external persons whose performance of duties must relate to the Company and its subsidiaries in ensure that their performance is relevant to the anti-corruption policy.

3) Giving fairness and protecting the persons reporting misconduct relating to the Company and its subsidiaries.

3) Respect for human rights

The Board of Directors prioritizes and places this issue as a main business operation policy for its sustainable growth. It recognizes human rights and human dignity in every employee, which is a foundation of quality and worthwhile business operation.

The Company realizes that employees are a main factor for its quality products. Therefore, it always treats all employees fairly, including giving a chance, compensation, promotion, rotation, and potential development along with moral development so that the Company's employees become competent and good for the society; for example, providing the fair employment to employees and giving them the appropriate compensation based on their competence, environmental care, organizing the working system enabling safety in life and properties and good health among employees, encouraging employees to improve their skills and competence thoroughly, and allowing employees to be aware of the Company's information consistently.

The Company always complies with all related laws, rules and regulations stringently, fairly and equitably. Its employees are allowed to share their opinions independently as a way to the sustainable corporate development and management.

4) Fair treatment to labors

The Board of Directors focuses on fair treatment to all employees, and also respects their individualism and human dignity based on the universal human rights principle and morality principle in order to enhance the social peace and order, and the sustainable corporate growth.

Best Practices

1) Paying respect to working based on the human rights principle by not discriminating against employment, not forcing persons unwilling to work, not exploiting child labor, paying respect to rights and freedom of employees.

2) Giving the social protection and working condition of employees by formulating fair employment conditions, giving appropriate compensation and welfare that are relevant to applicable laws, and avoiding any unfair treatment possibly affecting the employees' work stability, or threatening or pressing the employees' mind.

3) Protecting the employees' health and work safety; maintaining the work environment; and arranging the work system enabling the employees to have safety in life and properties as well as good health.

5) Community and Social Development

The Company promotes a happy living with communities and society by focusing on giving educational opportunities to youths and underprivileged people so that they have knowledge, self-reliance, and strength. In respect with the vocational education, the Company has supported the undergraduate internship program by accepting various university students to do an internship in the Company's construction sites. The Company also focuses on working with various communities, and promoting the activities done by close and remote communities according to the Company's policy, and relevant to the development path of the government sector and community lifestyle in order to enhance the quality of life and sustainable community economy.

6) Environmental Care

The Company emphasizes that its employees at all levels must be involved in caring for the working environment through 5-S Activities and Big Cleaning Day in order to regularly satisfy all clients and project visitors. For the construction process, the Company gives importance on using any resources cost-effectively. The Company places certain measures to control, treat, and inspect the environmental quality in the project and adjacent communities to ensure that its activities would be environmentally friendly and consistently improved.

Best Practices

- 1) Improving and acquiring knowledge to manage and prevent the pollution thoroughly.
- 2) Realizing the exploitation of resources cost-effectively and sustainably.
- 3) Promoting the business operation that could help minimize the global warming.
- 4) Promoting the knowledge transfer between the Company's employees about environment so that they have good understanding and this becomes the corporate culture, which would lead to the sustainable practice.

7) Innovations and dissemination of innovations from business operation

The Board of Directors determines the corporate vision that “The Company is oriented to become a full service organization in the construction industry, continuing to develop and grow to create stability and sustainability”, which shall lead to the Company's added-value in the long run. The Company's knowledge would be developed together with new technologies and human resource development. These would provoke conceptual changes and efficient working process under the Company's international standard quality, which can eventually satisfy the clients and enhance the Company's competitive work quality that is also relevant to the market demand and trend of changing technologies.

10.3 Social and Environmental Activities

Apart from normal business operations, the Company has always considered the social interest and environment as well as other stakeholders, business partners, shareholders, and other related parties. Therefore, the Company assigns the Corporate Communications & Corporate Social Responsibility (CC&CSR) to be in charge of arranging various CSR activities for the social interest and environment, either in process or after process, as a type of compensation to the society by the Company's genuine social responsibility.

10.3.1 CSR in Process

1) Responsibility toward related persons

The Company cultivates all staffs to recognize both quality and morality as sources of value and merit while its business operation must be lawful, transparent, and fair in accordance with the Principle of Corporate Government and Code of Conduct.

2) Responsibility toward business partners, shareholders, employees, and other related persons

The Company values all shareholders, business partners, and employees. It aims at boosting the profit by trimming the cost and expenses, making the anti-corruption campaign by promoting smart and honest people, wiping out the deceivers, and promoting morality, and encouraging its employees to solve any problems tangibly.

3) Responsibility toward employees

3.1) every employee is the most valuable resource of the Company; therefore, each would be developed to be a valuable person. The Company also makes each employee recognize both quality and morality in his/her working; meanwhile, it offers the reasonable compensation, progress, and other welfare.

3.2) paying respect to human rights of every employee; for example, placing the management system for fair compensation; arranging meeting activities between executives and staffs, caring for employees' safety by providing the safety manual (TPOLY-HSE-MAN-01), employees' health insurance, saving project, home opening for health care of employees in every project, mind-guided by Buddhism moral code, etc.

3.3) developing all communication and public relation channels (E-mail, website, intranet, Facebook, YouTube, Line, printing media).

3.4) activities for knowledge and problem sharing by raising His Majesty the King's royal guidance to be shared as the working model in the Company's monthly meeting.

3.5) making an internal public relation called "Pee Tu Word of Mouth" in order to disseminate the Company's information internally in order to encourage the corporate care.

3.6) Technical and Design Department, Information System Department, and Legal Department disseminate the construction, IT, and legal knowledge in the organization on the monthly basis.

3.7) making energy saving campaigns, e.g. water, electricity, paper, etc.

10.3.2 CSR After Process

The Company recognizes that its business operation is to create and share happiness with neighboring communities in every operating step. The Company cares for the quality of life and environment as it do believe that beneficence with each other will make us enjoy the sustainable growth. Therefore, “Non-stop Doing Good Deeds” project was established to offer the Company’s supports to the society, e.g. School Facilities from Elder to Younger project, One-Baht at Dawn and One-Baht at Dusk for Students’ Lunch project, Love Share to Younger project, Disaster Victim Mitigation project, etc. These projects allow the Company’s employees to take part in supporting the society, and learn how to give before taking. The social projects in respect with education were as follows:

School Facilities from Elder to Younger project

1. In 2008, construction of a library for Wat Bang Toei Ni School at Pathum Thani.
2. In 2011, construction of a school building, Thai Polycons 1” with 4 classrooms for Ban Mab Lao Cha-on School at Tambon Sak Pong, Amphoe Klaeng, Rayong.
3. In 2012, construction of a school building, Thai Polycons 2” with 4 classrooms for Wat Pak Klong Phra Ajarn School at Tambon Bang Somboon, Amphon Ongkarak, Nakhon Nayok.
4. In 2014, construction of Ban Khiri Lom Borker Police Patrol School (Charoen Chanpalangsri Building), which is a 2-storey school building with 8 classrooms to be offered to H.R.H. Princess Maha Chakri Sirindhorn, located at Moo 8, Tambon Chang Raek, Amphoe Bang Saphan Noi, Prachuap Khiri Khan.
5. In 2017, an existing library of Wat Bang Toey Nai School, Amphoe Sam Kok, Pathum Thani province was renovated to be an honorable room for the presentation of art, culture, and history of Pathum Thani Province.

Photo of opening ceremony
Of Hall of Honour of Wat Bangtoei Nai School, Amphoe Sam Khok, Pathum Thani



Photo of Border Patol Police Education Center (Charoen Chanparangsri Building)
Bann Kirilon, Chang Raek, Amphoe Bang Saphan, Prachuab Khiri Khan



Photo of school building of Thai Polycons 2 at Wat pak klong Phra Ajarn School
at Tambon Bag Somboom, Amphon Ongkarak, Nakhon Nayok.



Photo of school building of Thai Polycons 1 at Ban Mab Lao Cha-on School at
Tamboon Sak Pong, Amphoe Klaeng, Rayong



One-Baht at Dawn and One-Baht at Dusk for Students' Lunch project

This project aims at rooting the Company's employees in respect with offering or donation. In 2017, this project has been carried out at Wat Bang Toei Nai School at Pathum Thani, Wat Pak Klong Phra Ajarn School at Nakhon Nayok, Ban Mab Lao Cha-on School at Rayong, Wat Phra Baht Nam Phu at Lop Buri, and Wat Chan Kra Por School at Pathum Thani, etc.

Love Share to Younger project

This project aims at delivering teaching and learning materials, and sports facilities. It goes together with School Facilities from Elder to Younger project. This project also supports activities held in many communities on Children's Day, e.g. Nium Klum Community in Bangkok and close to the Company's head office, Wat Bang Toey Nai Community in Pathum Thani, Wat Chan Kra Por Community in Pathum Thani and close to the Company's warehouse at Sam Kok, Pathum Thani.

11. Internal Control and Risk Management

11.1 Summary of Opinions of the Board of Directors about the Company's Internal Control System

The Board of Directors of the Company perpetually places importance on the internal control system to prevent and mitigate potential risks. It, therefore, assigns the Audit Committee, comprising certain independent directors, to review the assessment of the Company's internal control system. The Internal Control Department, which directly reports to the Audit Committee, has the duty of auditing the operating system of every department and project subject to the Company's annual audit plan to ensure that those operations are full of efficiency and proficiency while the Company's resources are employed cost-effectively and usefully. The said internal control system also covers the control of operations, accurate, reliable and timely financial statements, policy implementation, and compliance with any laws and regulations required by the government and related authorities. The efficiency of this internal control system has been regularly reviewed so that the Company's business operation offers the highest interest to its shareholders on the basis of equity and interest of all stakeholders. The Audit Committee also has the duty of considering, selecting, and proposing the appointment of auditors and auditors' fee, and of

considering the disclosure of the Company's information that must be accurate and complete in case that a connected transaction or a transaction possibly causing the conflict of interest occurs.

In 2018, the Audit Committee had 4 meetings, and the Audit Committee had another 4 joint meetings with the auditors without the Company's Management, to review the Company's financial statements so that the Audit Committee were able to raise questions about the audit plan and various issues discovered in the auditing activities independently, which were further proposed to every meeting of the Board of Directors attended by the Management so that those doubtful issues are remedied.

Regarding the risk management, the Company focuses on implementing the risk management system to control all risks at an acceptable level. The Company's Management shall consider all risk factors the Company has encountered or may encounter, analyze the potential impact and possibility before determining the preventive measures to control them at an acceptable level and to be relevant to the Company's policy. The risk management system and its efficiency shall be reviewed and assessed annually or at any time it is found that the risk level is changing. The Internal Control Department shall monitor all risks constantly and report them to the Company's Management.

In the Meeting of the Board of Directors, No. 2/2017 dated February 24, 2017, the Board of Directors assessed the adequacy and appropriateness of the Company's internal control system from the assessment report submitted by the Audit Committee based on the adequacy of internal control system assessment form. There are 5 assessment issues, including organization and environment, risk management, operation control by Management, information system and communications, and monitoring system. It was concluded that the Company's internal control system was adequate and appropriate for the business operation. It had no material defects, and could prevent the use of assets of the Company and subsidiaries improperly or without authorization. The Company's financial statements were prepared subject to the generally accepted accounting principles. The disclosure of such financial statements was accurate and reliable. The Company's business operation was absolutely in conformity with law on securities and exchange and other related laws. The Board of Directors, the Audit Committee, and auditors of the Company had a relevant opinion that the Company's operation has been transparent under the Corporate Governance Principles, and proper and efficient internal control system, which

were able to prevent the Company's Management or employees to use the assets unlawfully or without authorization.

11.2 Internal Control Chief. Mr. Watcharachai Somboonying is the Manager of the Internal Audit Department. The Audit Committee was of opinion that Mr. Watcharachai Somboonying was qualified to act as the Manager of the Internal Audit Department efficiently. The appointment, removal, and transfer the Manager of the Internal Audit Department must be approved by the Audit Committee.

Report of the Audit Committee

The Audit Committee of Thai Polycons Public Company Limited consists of the independent directors who hold full qualifications and experience in law, accounting, and corporate management. In 2018, the Audit Committee consisted of 3 members; namely, Dr. Supong Limtanakool as Chairman of the Audit Committee, Mr. Pornthep Sawetwannakul and Dr. Srisuda Chongsithiphol as members of the Audit Committee.

The Audit Committee has performed all duties as assigned by the Board of Directors and regulations of Thai Polycons Public Company Limited on Criteria and Best Practices of the Audit Committee, which were also relevant to the requirements of the Stock Exchange of Thailand. The Audit Committee's main policy was to comply with the Principles of Corporate Governance, laws, good internal control system, and other related rules and regulations under international standards so that the Company's management was under fairness and responsibility of the Board of Directors for all shareholders. Then, the Company's operation could assure that the Board of Directors and the Management have conformed to the Company's corporate policy appropriately and completely. The Audit Committee has constantly reviewed the financial statements and internal control system to ensure that it would be suitable and appropriate for various changing circumstances. The Audit Committee has also assessed the Company's risk management, regulated the internal audit and auditing activities of the Company, and performed other duties as assigned by the Board of Directors. The performance of the Audit Committee could be summarized as follows:

- Focus on preventive auditing to enhance the systematic working, and on knowledge creation to make the Company's workers had the good knowledge and understanding so that their working would be proper, under the same standard, in compliance with all related rules and regulations, and fewer defects.
- The Management and employees' performance must comply with all related laws, rules, and regulations.
- Manage the operating risks by focusing on identifying risk factors in operating.

In 2017, the Audit Committee had 4 meetings and each member of the Audit Committee attended all meetings. It has discussed with the Management, internal auditors, and external auditors in related matters, which were summarized below.

1. Review of financial statements – The Audit Committee together with the Management and the Internal Audit Department have mutually reviewed the quarterly financial statements and budget for the year 2017 of the Company, as well as consolidated financial statements, connected transactions, and transactions with conflicts of interest. The auditors were invited to attend every meeting in which the quarterly and yearly financial statements were reviewed. In the said meetings, the Audit Committee enquired the auditors about adequacy and completeness of the financial statements, significant adjustments possibly affecting the financial statements, adequacy and appropriateness of accounting record method and auditing scope, accurate, complete, and adequate disclosure of information, and auditors' independence to ensure that the preparation of those financial statements were in compliance with legal requirements and generally accepted accounting principles, which had to be reliable and timely.

2. Review of efficiency of the internal control system – The Audit Committee has reviewed the internal control system with the auditors and the head of the Internal Audit Department in every quarter. The reviewed issues included the Company's operation, utilization of resources, maintenance of assets, prevention or reduction of errors, damages, leakage, wastage or fraud, reliability of financial statements, and compliance with laws, rules and regulations.

3. Review of Good Corporate Governance – The Audit Committee has reviewed the Company's operation according to the established working system, which determined that the Company's business operation had to be based on morality while it had to be in conformity with law on securities and exchange, requirements of the Stock Exchange of Thailand as well as other laws relating to the Company's business operation, especially connected transactions and related transactions between companies in the Group to ensure that the Company conformed to normal business conditions reasonably.

4. Oversight of internal audit – The Audit Committee has reviewed the internal audit plan and implementations. It has also provided and monitored the correction of significant issues as stated in the auditing report so that the Company would have the good corporate governance and adequate internal control. The Audit Committee had an opinion that the

Company's internal audit system and information management were adequate, proper, and efficient.

5. Appointment of the external auditors for Year 2019 – The Audit Committee has reviewed and approved the appointment of auditors of D I A International Company Limited to be the Company's auditors for Year 2019. This appointment and audit fee were proposed to the Board of Directors for consideration before being further proposed to the 2019 Annual General Meeting of Shareholders for consideration and approval.

Briefly, the Audit Committee has performed its duties and responsibilities as defined in the Charter of the Audit Committee approved by the Board of Directors by using its skills and abilities with prudence and independence for fair interest of all stakeholders. The Audit Committee was of opinion that the financial statements of the Company were accurate, reliable, and relevant to the generally accepted accounting standards. The Company's internal control and internal audit systems were also proper and efficient. The Company's operations were in conformity with the Principles of Good Corporate Governance, laws, requirements, and obligations relating to its business operation.

In 2017, the Audit Committee had 4 meetings with the auditors to independently discuss about the Company's financial statements and the discussion outcome has satisfied both parties.

On behalf of the Audit Committee



Dr. Supong Limtanakool
Chairman of the Audit Committee

Internal Control

In the Meeting of the Board of Directors of Thai Polycons Public Company Limited, No. 1/2019 on February 26, 2019 in which all three members of the Audit Committee attended, the Audit Committee assessed the Company's internal control system by enquiring the Management about the following issues:

1. Organization and environment

The Company defined the exact and measurable business operation goals, which were stated in its quality objectives. The Company also determined certain indicators as employees' operating guideline, provided the quality manual as the policy document communicated from the Management to the operating level, and determined the corporate structure enabling the Management to control the operation efficiently and the system proficiency continuously according to those requirements. For example, ISO 9001:2015, which is a quality management system, has been used as a tool of operation and planning. The Company placed the procurement control system so that any financial transactions and general management of the Company were concise and able to prevent corruption. An on-line computer program was installed to link the entire operations to quickly obtain the information in the Company's head office and projects. This was beneficial to make decision on management and to improve work efficiency consistently.

By recognizing the importance of the employees' work achievements, the Company has regularly reviewed the working goals, and analyzed the motives given to the employees reasonably by mainly considering the shareholders' interest. The compensation given had to motivate the employees to work with full capacity and provoke the highest profit to the Company. Besides, for the Company's long-term interest, the Company defined certain written requirements that the Management and employees would not have any conduct possibly causing the conflicts of interest against the Company, and the penalties were imposed as well. The morality in details was defined for the employees. The Company adhered to morality for every business partner, gave the good work care and support, had the punctual payments, and did not exploit any business partner.

2. Risk management

The Company has regularly arranged for the risk assessment meetings to consider all internal and external risk factors, which might materially affect its business operation. The

Meeting considered various problems, and analyzed the circumstances that were the risk factors before imposing certain measures to solve and prevent any future risks. The Company also determined some measures and the department responsible in monitoring the events originating those risks so that such measures could be implemented and such risks could be prevented timely in the future. Every related employee was informed of those measures and he/or had to conform to those risk management measures. All related employees were also trained to be aware of those risk management measures for further implementations.

3. Control of the Management's performance

The Company defined the scope of duties, authority, and budget approval limit for its executives at each level precisely in writing. The duties and responsibility for transaction approval based on each working line were segregated clearly while such transaction approval was examined seriously. The documents attached to accounting records, and information, as well as collection of properties were kept carefully. The departments in charge of overseeing these were separated clearly. If the Company made any transaction with a major shareholder, director, executive, or person related to such persons, the Committee in charge of overseeing such transaction would have the meeting to consider the case carefully in order to prevent the transfer of interest whereas the Company's highest interest was regarded. Such transaction would be also considered like the transaction made with the third person. The Company also defined some measures to examine whether the Company's operation was in compliance with all related laws or not. This aimed at minimizing the business risks, and retaining the Company's reputation and prestige. Every transaction made by the Company would be reported to the Audit Committee for transparency and it would be checked whether it was the Company's normal business or not.

4. Information and communication system

The Company arranged for an adequate and qualified access to the important information so that it could be used by its directors, executives, shareholders, or other related persons for their decision-making. The Company outlined the characteristics of qualified information, which had to contain necessary and adequate contents for decision-making, was accurate and complete, up-to-date, understandable, and well-kept. It was so essential to promote the efficiency of the internal control system. In each board meeting,

each director would receive the notice to the meeting and enclosures within the period as required by law. The documents attached to accounting records and other accounting would be kept completely in separate sections. The Company has never been advised by the auditors on this defect. In addition, the Company determined that the Executive Board meetings would be arranged in order to monitor the Executive Board of Directors' management. Such meeting would be arranged in every month to which all facets of information including management, techniques, finance, accounting, and law would be presented to the executives for consideration.

5. Monitoring system

The Company established its business goals while the Board of Directors consistently reviewed and compared whether or not the Management's performance was relevant to such established goals, and operating procedure specified in ISO 9001:2015. Once the operating outcome was defective or different from the established goals, the Executive Board had power to order for remedies within the reasonable period whereas every related party would have the meeting to inform and monitor its working at all time. The Company also arranged for the regularly inspection of the internal control system; this was under responsibility of the Company's internal auditors who had adequate independence to inspect and ask for any related information from various departments before reporting the inspection results to the Board of Directors or the Audit Committee of the Company. The Company placed the policy that the Management had to report to the Board of Directors immediately once corruption or doubtful fraud, violation against law and/or wrongful conduct occurred, which might negatively affect the Company's reputation and financial status.

After the assessment, the Board of Directors was of opinion that the Company has achieved an adequate and appropriate internal control system in making transactions with its major shareholders, directors, executives, or related persons. The internal control system in 5 areas was appropriate and adequate to prevent the unlawful or unauthorized use of properties by the Company's Management. The Company's internal auditing had independence to monitor and assess the internal control activities. The Company also established a system of collecting important documents so that they might be checked by the directors, auditors, authorized persons as permitted by law in the appropriate time.

12. Connected Transactions

12.1 Measures or approval procedure on connected transactions

The previous connected transactions included the sales and purchase of construction materials, lease of machinery, provision of administration service, lease of office space, and loans between companies. These transactions have been inspected by the Audit Committee that had opinion that the said transactions were under normal business courses, which were beneficial to the business operation, and were reasonable whereas the prices were fixed fairly without transfer of interest with each other.

For future connected transactions in the normal course of business operations such as purchase or sale of goods or service provision, the Company has the policy that they must be considered by the Audit Committee that will give opinion about such transactions in every quarter if they are the same prices or service rates to those agreed between the Company and the third party, and they must be close to the market prices. The Company's directors with interest in such transactions are not permitted to vote for any connected transactions that are not the normal course of business operations, e.g. purchase or sale of land. The Company has the policy that the Audit Committee must consider and give opinion toward such transaction before the Company enters into it. A director with interest in such transaction is ineligible to vote for it. However, entering into such transaction in the future also depends on the Company's rationale and necessity. The compensation to be received and paid must be under a normal price agreed with the third parties. The Audit Committee of the Company shall give opinion about it; meanwhile, the Accounting Department shall compare between the market price and the price of that connected transaction before further proposing the compared prices to the Audit Committee for consideration.

Policy or tendency of connected transactions

In the future, if the Company must enter into a connected transaction with a person with conflicts of interest against the Company, the Company has the policy of defining conditions in accordance with the normal course of business operations, and under market prices, which may be compared with the prices incurred with the third parties. The Company also prescribes that the Audit Committee or auditors of the Company or independent experts must consider and give opinion about the price appropriateness and transaction reasonability.

For future connected transactions, every director of the Company must comply with all related regulations, and he or she shall not approve any transaction in which he/she or a person may have conflicts of interest with the Company in any manner. Such transaction must be disclosed to the Board of Directors for consideration. The Company must comply with law on securities and exchange, as well as regulations, notifications, orders, or requirements of the Stock Exchange of Thailand, especially the requirement on Disclosure of Connected Transactions and Acquisition or Disposal of Assets of the Company and Subsidiaries, and comply with the regulations, notifications, orders, or requirements of the Securities and Exchange Commission and Capital Market Supervisory Board.

In case of a connected transaction between Thai Polycons Public Company Limited and a person with conflicts of interest or interest or conflicts of interest that are not the normal course of business operations, the Company shall request the Audit Committee to give opinion about price, compensation, necessity, and appropriateness of such transaction. If the Audit Committee has never had any expertise in considering the said connected transaction, the Company shall ask for opinions from an independent appraisal or expert to be used in making decision by the Audit Committee, the Board of Directors, or shareholders as the case may be. The Company's connected transactions are generally disclosed in Notes to the Financial Statements, the Company's Annual Registration Statement (Form 56-1), and the Company's Annual Report (Form 56-2).

12.2 Summary of connected transactions between the Company, subsidiaries, and related companies or persons with potential conflicts of interest in 2018 and 2017

Name/ Nature of Business	Relationship	Transaction Features	Transaction Type	Year 2018	Year 2017	Rationale and Necessity
1. Thai Polycons and Laem Thong Phatthalung Joint Venture/ Construction Business	Subsidiary	<p>- TPOLY leased out the machinery for business operation.</p> <p>- TPOLY granted to the Joint Venture a short-term loan with interest of 6% per annum.</p> <p>- Interest income</p> <p>- Accrued interest</p>	<p>Trade account receivable</p> <p>Rental income</p> <p>Short-term loan</p> <p>- Opening balance</p> <p>- Increasing during the period</p> <p>- Decreasing during the period</p> <p>- Ending year balance</p> <p>- Interest income</p> <p>- Accrued interest</p>	<p>2.45</p> <p>40.56</p> <p>0.14</p> <p>-</p> <p><u>40.70</u></p> <p>2.54</p> <p>6.15</p>	<p>2.45</p> <p>38.74</p> <p>1.82</p> <p>-</p> <p><u>40.56</u></p> <p>3.51</p> <p>8.61</p>	<p>- Lease of machinery on the market price to the Joint Venture to avoid spending much money in the investment.</p> <p>- To boost the liquidity of the Joint Venture.</p> <p>- Calculated by a short-term loan with interest of 6% per annum. TPOLY has already set aside the allowance for bad debts for the entire amount of loan and interest.</p>
2. Thai Polycons P.S.M. Joint Venture/ Construction	Jointly controlled entity	<p>- TPOLY granted a short-term loan with interest of 6% per annum to the Joint</p>	<p>Short-term loan</p> <p>- Opening balance</p> <p>- Increasing during the period</p> <p>- Decreasing during the period</p>	<p>1.17</p> <p>0.04</p> <p>-</p>	<p>1.12</p> <p>0.08</p> <p>(0.03)</p>	<p>- Since a project of the Joint Venture has not yet received the advance payment for its operation; the Joint Venture borrowed a loan</p>

Name/ Nature of Business	Relationship	Transaction Features	Transaction Type	Year 2018	Year 2017	Rationale and Necessity
Business		Venture. - Interest income - Accrued interest	- Ending year balance - Interest income - Accrued interest	<u>1.21</u> 0.07 0.17	<u>1.17</u> 0.10 0.10	from TPOLY for its working capital. - Calculated by a short-term loan with interest of 6% per annum. TPOLY has already set aside the allowance for bad debts for the entire amount of loan and interest.
3. TPCI Joint Venture/ Construction Business	Subsidiary	- TPOLY sold construction materials to the Joint Venture for business operation. - TPOLY sold materials/ equipment, leased out the machinery to be used in business operation. - TPOLY assigned its staff to control the construction works.	Income from sales Rental income Trade account receivable - Other receivables Short-term loan	- - 31.38 -	- - 31.38 0.04	- In 2014, the Joint Venture purchased the deformed bars steel for its construction through Thai Polycons Plc. subject to the price agreed with the supplier. - Lease of machinery on the market price so that the Joint Venture needed not to spend much money for investment. - To reduce and control the construction cost, the staff of TPOLY were sent to control the work.

Name/ Nature of Business	Relationship	Transaction Features	Transaction Type	Year 2018	Year 2017	Rationale and Necessity
		<ul style="list-style-type: none"> - TPOLY granted a short-term loan with interest of 6% per annum to the Joint Venture. - Interest income - Accrued interest 	<ul style="list-style-type: none"> - Opening balance - Increasing during the period - Decreasing during the period - Ending year balance - Interest income - Accrued interest 	32.17 7.42 (7.13) <u>32.46</u> 1.95 0.96	35.36 30.90 (34.09) <u>32.17</u> 2.62 0.05	<ul style="list-style-type: none"> - To make the Joint Venture have the working capital. - Calculated by a short-term loan with interest of 6% per annum
4. Thung Sung Green Co., Ltd./ Energy Business	Subsidiary	<ul style="list-style-type: none"> - TPOLY leased out the properties. - TPOLY has been engaged for the power plant construction. 	Rental income Other receivable Advance Construction revenues Administration revenues Retention receivable	- - - - - -	0.02 - - 19.65 - 31.3	<ul style="list-style-type: none"> - TPOLY leased out the vehicles to facilitate the operation. - Subject to the power plant construction contract
5. Mahachai Green Power Co., Ltd./ Energy Business	Jointly controlled entity	<ul style="list-style-type: none"> - TPOLY has been engaged for power plant construction. 	Revenues from construction Trade receivable Advances Other payables Retention receivable	- - - - -	- - - - -	<ul style="list-style-type: none"> - Subject to the power plant construction contract
6. Maewong Energy Co., Ltd./	Subsidiary	<ul style="list-style-type: none"> - TPOLY has been engaged for power 	Revenues from construction Advances	- -	- -	<ul style="list-style-type: none"> - Subject to the power plant construction contract

Name/ Nature of Business	Relationship	Transaction Features	Transaction Type	Year 2018	Year 2017	Rationale and Necessity
Energy Business		plant construction.	Other payables Retention receivable	- -	- -	
7. Satun Green Power Co., Ltd./ Energy Business	Subsidiary	- TPOLY has been engaged to proceed with the application for license. - TPOLY has been engaged for power plant construction.	Administration revenue Revenues from construction Advances Retention receivable Revenue from control of landfill work	- 34.36 3.56 31.69 -	- 400.56 15.71 58.51 -	- Subject to the operation contract - Subject to the power plant construction contract - To make the work complete on schedule, TPOLY has been engaged to control the landfill work.
8. Patthalung Green Power Co., Ltd./ Energy Business	Subsidiary	- TPOLY has been engaged to proceed with the application for license. - TPOLY has been engaged for power plant construction.	Administration revenue Revenues from construction Advances Retention receivable Revenue from control of landfill work	- 4.27 - 5.26 -	- 150.56 3.45 63.42 0.50	- Subject to the operation contract - Subject to the power plant construction contract - To make the work complete on schedule, TPOLY has been engaged to control the landfill

Name/ Nature of Business	Relationship	Transaction Features	Transaction Type	Year 2018	Year 2017	Rationale and Necessity
			Other receivables	-	0.02	work.
9. Pattani Green Co., Ltd./ Energy Business	Subsidiary	- TPOLY controlled the landfill work.	Trade receivable Retention receivable Advances Administration revenue Revenues from construction	160.67 13.30 141.32 0.21 317.61	- - - 0.28 3.77	- To make the work complete on schedule, TPOLY has been engaged to control the landfill work. - Subject to the power plant construction
10. TPC Power Holding Public Company Limited	Subsidiary	- TPOLY leased out the office space. - TPOLY borrow short-term loans.	Rental income Short-term loan Interest expense Accrued interest Other receivables Other income Dividend income	0.10 30.00 2.24 - - - 9.32	0.30 50.00 1.36 - 0.08 0.48 4.97	- From lease of office space - To boost the liquidity - Calculated from a short-term loan with interest of 5% per annum. - Accrued rent - Vehicle
11. TPCH Asset Co., Ltd./ Real	Subsidiary	- TPOLY granted a short-term loan.	Short-term loan - Opening balance	158.35	222.55	- To help the Subsidiary have the working capital during the initial stage of its operation.

Name/ Nature of Business	Relationship	Transaction Features	Transaction Type	Year 2018	Year 2017	Rationale and Necessity
Estate		<ul style="list-style-type: none"> - Increasing during the period - Decreasing during the period - Ending year balance - Interest income - Accrued interest - TPOLY leased out some Construction tools. 	<ul style="list-style-type: none"> - Increasing during the period - Decreasing during the period - Ending year balance Interest income Accrued interest Rental income Other receivables Other income 	<ul style="list-style-type: none"> 105.58 (26.73) <u>237.20</u> 8.39 0.94 0.004 0.02 - 	<ul style="list-style-type: none"> 4 (68.20) <u>158.35</u> 10.48 0.01 0.002 0.07 0.004 	<ul style="list-style-type: none"> - Calculated from a short-term loan with interest of 5% per annum.
12. TPC Bangkok Supply Co., Ltd./ Trading Business	Subsidiary	<ul style="list-style-type: none"> - TPOLY granted a short-term loan. - Interest income - Accrued interest - TPOLY purchased some goods. 	<ul style="list-style-type: none"> Short-term loan - Opening balance - Increasing during the period - Decreasing during the period - Ending year balance Interest income Accrued interest Cost of construction materials Trade receivables Other receivables 	<ul style="list-style-type: none"> 3.00 0.61 (3.61) <u>0.00</u> 0.06 - 24.02 7.06 0.01 	<ul style="list-style-type: none"> 18.50 8.10 (23.60) <u>3.00</u> 0.66 0.008 20.02 5.67 0.07 	<ul style="list-style-type: none"> - To help the Joint Venture have the working capital during the initial stage of its operation. - Calculated from a short-term loan with interest of 5% per annum.
13. Sunray Power		- TPOLY engaged	Advance payment for lump-	-	1.92	- Subject to the power plant construction

Name/ Nature of Business	Relationship	Transaction Features	Transaction Type	Year 2018	Year 2017	Rationale and Necessity
& Engineering Co., Ltd./ joint director with Green Power Plant Co., Ltd./ shareholder of Pattani Green Co., Ltd.		Sunray Power Co., Ltd. to construct the power plant.	sum construction fee Trade payables Retention payable Payroll	4.15 3.92 10.34	15.95 9.25 105.77	contract
14. Suntech Engineering & Energy Co., Ltd./ shareholder of Maewong Energy Co., Ltd. and Pattani Green Co., Ltd.		- TPOLY engaged Suntech Power Co., Ltd. to construct the power plant.	Advance payment for lump-sum construction fee Trade payables Retention payable Payroll	- 0.71 9.32 6.70	1.43 10.65 14.37 264.09	- Subject to the power plant construction contract
15. Green Power Plant Co., Ltd./ shareholder of Pattani Green Co., Ltd.		- TPOLY engaged Green Power Plant Co., Ltd. to construct the power plant.	Advance payment for lump-sum construction fee Trade payables Other payables Retention payable Payroll	- - 0.03 1.00 -	- 2.17 - - 5.24	- Subject to the power plant construction contract

Name/ Nature of Business	Relationship	Transaction Features	Transaction Type	Year 2018	Year 2017	Rationale and Necessity
16. TPCH Power 6 Co., Ltd./ Energy Business		- TPOLY has been engaged for power plant construction.	Advance Retention payable Other income	- - -	- - 0.03	- Subject to the power plant construction contract - Operation fee (LG)
17. TPCH Power 1 Co., Ltd./ Energy Business		- TPOLY has been engaged for power plant construction.	Advance Revenues from construction Other income	99.93 51.16 0.43	- - -	- Subject to the power plant construction contract
18. TPCH Power 2 Co., Ltd./ Energy Business		- TPOLY has been engaged for power plant construction.	Advance Revenues from construction Other income	98.03 37.65 0.43	- - -	- Subject to the power plant construction contract