

Part 2

Management and Corporate Governance

7. Securities and shareholders information

1. The Number of Registered and Paid-up Capital

As at 31 December 2018, the company has registered capital of Baht 378,659,541.75. It is divided into ordinary share of 1,514,638,167 shares, registered share with paid-up of Baht 378,257,483.50 which divided into ordinary share of 1,513,029,934 shares with a par value of Baht 0.25.

2. Shareholders Structure

Shareholding structure as at 31 December 2018 as follows:

Major Shareholders			# shares	% Shares
1.	Tanadumrongsak Group		989,602,772	65.41
	Mr. Sompol	Tanadumrongsak	415,616,844	27.47
	Ms. Atchara	Tanadumrongsak	133,833,500	8.85
	Mr. Yanyongchai	Tanadumrongsak	108,460,000	7.71
	Mr. Somkit	Tanadumrongsak	95,460,000	6.31
	Ms. Maleerat	Tanadumrongsak	60,492,000	4
	Ms. Thanpicha	Tanadumrongsak	43,621,578	2.88
	Mrs. Lawan	Tanadumrongsak	36,254,000	2.4
	Mr. Apisit	Tanadumrongsak	27,115,000	1.79
	Mr. Sangcharean	Tanadumrongsak	27,115,000	1.79
	Mr. Apirath	Tanadumrongsak	21,986,700	1.45
	Mr. Sangthavee	Tanadumrongsak	10,745,000	0.71
	Mr. Sangchai	Tanadumrongsak	8,903,150	0.5
2.	Mrs. Raweewan	Mathong	87,183,000	5.76
3.	Mr. Surapol	Piyatheerathitivorakul	52,702,700	3.48
4.	OCBC SECURITIES PRIVATE LIMITED		34,500,000	2.28
5.	Mrs. Malee	Jongsuvanit	14,883,400	0.98
6.	Mr. Thanasith	Panyataranont	12,353,700	0.82
7.	Mr. Nattapon	Karnjonchusak	11,461,800	0.76
8.	Ms. Arporn	Saeneepakornkrai	10,000,000	0.66
9.	Ms. Patsuda	Vongved	9,965,575	0.66
10.	Mr. Veera	Wongchaemcharoen	9,000,000	0.59



11.	Mr. Phisit	Piphatwilaikul	8,700,000	0.69
12.	Ms. Chatnapa	Tetanonsakul	7,612,300	0.52
13.	Ms. Jiranan	Areemitr	7,523,750	0.50
14.	Others Shareholders		257,242,437	17
Total			1,513,029,934	100.00

3. The Shareholders of the Company and their spouse

As at 31 December 2018 as follows:

	Director Name/Spouse	2016	2017	2018	+/(-)
1	Mr. Sompol Tanadumrongsak	315,044,844	315,044,844	415,616,844	+100,572,000
2	Mr. Somkit Tanadumrongsak	86,768,000	86,768,000	95,460,000	+8,692,000
3	Mr. Yanyongchai Tanadumrongsak	86,768,000	96,768,000	108,460,000	+11,692,000
4	Mrs. Raweevan Mathong	43,384,000	43,384,000	87,183,000	+43,799,000
5	Mr. Sangcharean Tanadumrongsak	21,692,000	21,692,000	27,115,000	+5,423,000
6	Mrs. Nussara Tanadumrongsak (Spouse)	622,800	678,500	378,500	-300,000
7	Mr. Anant Gatepithaya	-	-	-	No change
8	Mr. Pumipat Sinacharoen	-	-	-	No change
9	Mr. Suthanai Prasertsan	-	-	-	No change
10	Mr. Anantachai Yoonprathom	-	-	-	No change

4. Interests of the directors, either directly or indirectly in any contract during the year 2018

- None -

5. Warrants

On 2 April 2015, the Annual General Meeting of the Company's shareholders approved the issuance and offering of named and transferable warrants (FPI-W1) as detailed below.

Allocation method	:	Allocated to the existing shareholders of the Company	in a
		ratio of 1 warrant for every 4 existing ordinary	shares
Number of warrants	:	Not exceeding 302.92 million units	
Offering price	:	Baht 0 (no cost)	
Term	:	Not exceeding 3 years from the issue date	
Exercise ratio	:	1 warrant per 1 ordinary share	
Exercise price	:	Baht 2	
Exercise period	:	Last business day of each March, June, September, and December until the expiry date.	
Listing	:	Warrants to be listed on the Market for Alternative Investment	

On 9 June 2015, the Company issued the warrants of the Company No. 1 to the existing shareholders of the Company. The first exercise date of the warrants is 30 September 2015 and the last exercise date is 8 June 2018.

During the years, the Company received payment for the exercise of warrants (FPI-W1) as follows.

					Date of Stock
		Number of			Exchange of
	Number of	ordinary shares		Date of registration	Thailand approved
	exercised	issued for exercise	Exercise	with the Ministry of	ordinary shares as
Date of exercise	warrants	of warrants	price	Commerce	listed securities
	(Thousand units)	(Thousand shares)	(Baht)		
FPI-W1					
31 March 2018	21,689	21,689	2	9 April 2018	11 April 2018
8 June 2018	154,935	154,935	2	13 June 2018	18 June 2018
Total exercise in 2018	176,624	176,624			

A reconciliation of the number of warrants is provided below.

	(Unit: Thousand Units)
Number of warrants as at 1 January 2017	295,120
Exercised during the year	(116,888)
Number of warrants as at 31 December 2017	178,232
Exercised during the year	(176,624)
Number of warrants as at 31 December 2018	(1,608)
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Reconciliation of number of ordinary shares

The exercise of warrants resulted in increases in the number of issued and paid-up capital shares, the issued and paid-up share capital, and the share premium, as follows:

	Number of issued and paid-up share capital (Thousand shares)	Issued and paid-up share capital (Thousand Baht)	Share premium (Thousand Baht)
Balance as at 1 January 2017	1,218,564	304,641	229,764
Increase in capital from warrant exercise	49,453	12,363	86,543
Balance as at 31 December 2017	1,268,017	317,004	316,307
Increase in capital from warrant exercise	245,013	61,253	428,772
Balance as at 31 December 2018	1,513,030	378,257	745,079

Dividend Payment Policy

Company has dividend payment policy to shareholders in the rate of 30% of net profit after deducted corporate income tax and any reserved funds that are defined in the company's regulation and laws. Nonetheless, dividend as mentioned could be changed depends on the company's operating result, cash flow, economic, the necessity of using the company's working capital, and expansion of business in the future. In addition, the resolution of the Board of Directors for the approval of dividend payment should be proposed for the approval of Annual General Meeting of the shareholder, except the interim dividend payment that the Board of Director can authorize to pay and report in the next Annual General Meeting of the shareholder.

Dividend payment information	2016	2017	2018
Interim Dividend	0.06	0.06	0.04
Annual Dividend	0.10	0.04	0.04
Earnings Per Share	0.24	0.15	0.09
Dividend payout ratio	67.89%	67.71%	95.00%

8. Organization Structure

The Company's management structure consists of the Board of Directors, and six Sub-Committees which are Audit Committee, Nomination and Remuneration Committee, Executive Committee, Risk Management Committee, Corporate Governance and Sustainable Development Committee, and Anti-Corruption Committee. All members of the board and management of the company are qualified under Section 68 of the Companies Act, 1992 and the notification of the Capital Market Committee. The details of the company's management structure are as follows:



The Board of Directors The Board of Directors consists of 10 directors:

	Name-Surname		Position
1.	Mrs. Raweewan	Mathong	Chairman of the Board
2.	Mr. Sangcharean	Tanadumrongsak	Chairman
3.	Mr. Sompol	Tanadumrongsak	Director and Chief Executive Officer
4.	Mr. Somkit	Tanadumrongsak	Director
5.	Mr. Yanyongchai	Tanadumrongsak	Director
6.	Mrs. Nussara	Tanadumrongsak	Director
7.	Mr. Suthanai	Prasertsan	Independent director and Chairman of Audit Committee
8.	Mr. Anant	Gatepithaya	Independent director and Director of Audit Committee

9.	Mr. Pumipat	Sinacharoen	Independent director and Director of Audit Committee
10.	Mr. Anantachai	Yoonprathom	Independent director and Director of Audit Committee

Mr. Sarayuht Ouybuan is the company Secretary which is appointed in the Board of Director Meeting No. 1/2019 held on 21 February 2019.

Directors Authorized to Sign and Bind for the Company

The name of the authorized directors who may sign and bind for the company are Mr. Sompol Tanadumrongsak and Mr. Sangcharean Tanadumrongsak or Mr. Yanyongchai Tanadumrongsak or Mrs. Nussara Tanadumrongsak, in total of two people to sign jointly and affix the company's seal.

Term of Director in the Position

In every Annual Ordinary Meeting, one-third (1/3) of the directors shall retire from the company. If the number of the directors is not in a multiple of three, the number of directors nearest to one-third (1/3) shall retire. The directors retiring from the company in the first and second year after the registration shall be made by drawing lots. For the subsequent years, the directors who have been in the position the longest shall retire. The retiring directors may be re-elected.

Authorities and Responsibilities of the Board of Directors

The Board of Directors have duty and responsibility to oversee FPI's operations and ensuring strict compliance with applicable laws, objectives, regulations, shareholder resolutions, principles of good corporate governance, and best practices for directors of listed companies set forth by the Stock Exchange of Thailand. Each Director possesses suitable knowledge, capability, and the understanding of their role while performing tasks for the benefit of FPI and shareholders. Notable authorities and responsibilities of the Board are summarized below:

(1) Dedicates their time and attention to the vision, mission and strategic direction of the company. Directors of the Board of Directors should freely express their opinions and actively seek out information that could be of useful to FPI's interests and benefits.

(2) Reviews and approves strategies and significant policies, as well as objectives, financial goals, budgets, investments, projects, business contracts, important agreements beyond the authority of Chief Executive Officer and management, and FPI's plans. The Board reviews and revises FPI's plans, at least once a year. The Board also regularly supervises and monitors management to ensure their adherence to FPI's strategic plans, making sure that management could effectively use the strategies, directions, and visions of FPI to perform.

(3) Devises Corporate Governance Policy and Business Code of Conduct, which comprises of principles and guidelines for the Board of Directors, management, and employees. Their aim is to promote awareness and understanding, to encourage strict adherence to these principles and guidelines, in addition to FPI rules and regulations, and to assure fairness to all stakeholders.

(4) Ensures that accounting system, financial reporting, and auditing are credible. The Board also supervises the assessment of internal control's appropriateness and makes certain that internal audits are performed efficiently and effectively.

(5) Considers all relevant risk factors and devises comprehensive risk management plans. In extension, the Board monitors that Executives are equipped with an efficient system or process to mitigate risks, as well as to explore possible business opportunities that may arise from these risks.

(6) Monitors and manages all conflicts of interest, as well as all related transactions, that may arise. The Board places great importance on key transactions with an aim to maximize benefits to shareholders and stakeholders.

(7) Provides appropriate channels of communication with shareholders, as well as, making certain that any disclosure of information is accurate, transparent, credible and having highest standards.

(8) Conducts assessments and reviews themselves, the Chairman of Executive Committee and the Managing Director.

(9) Provides a system or mechanism that determines appropriate remuneration for the company's executives relative to the profitability of FPI's operations to create motivation in both short-term and long-term.

(10) Acts as the leaders and role models in accordance with the company's Corporate Governance Policy.

(11) Assesses the company's adherence to the Corporate Governance Policy and Business Code of Conduct at least once a year.

(12) Provides an appropriate, transparent, and fair nomination system for all significant managerial positions. FPI's Senior Executives, from Vice President to Chairman of Executive Committee, are appointed by the Board's majority votes.

(13) Reports to FPI of any conflicts of interest of themselves and their affiliates that may have towards the management of FPI or the company's subsidiaries.

(14) Each Director must attend every Board meeting, as well as every shareholders meeting. If there is any other circumstances that the attendance cannot be fulfilled, the Chairman of the Board must be notified.

(15) Importance is placed on the business operations with responsibility towards society and the environment, as well as promoting the well-being and sustainability of Thai society by starting with the improvement of living standards of communities around FPI's plants, fostering an environment where FPI's plants and the communities can sustainably live together.

(16) Provides support to all forms of anti-corruption schemes for the sake of progress and growth.

Moreover, the Board of Directors must obtain permission from Shareholders' meeting before acting on the following issues:

- Acquisition or sale of important assets or any related transaction as outlined by the laws and the Capital Market Supervisory Board
- Sale or transfer of FPI enterprises or its components to other entities
- Purchase or acquisition of enterprises on behalf of FPI
- Initiation, modification, or termination of all or some important lease contracts of FPI, including assignment of lease contracts to other individuals or entry into a partnership with another entity to share profit or loss
- Making additions or changes to FPI's Memorandum or Articles of Association
- Increasing or decreasing the registered capital
- Issuance of debentures for sales to the public
- Dissolution of FPI or merging it with another company
- Announcing annual dividends
- Sundry other activities as mandated by laws or FPI's Articles of Association to seek approval from shareholders' meeting.

Appointment of Director

1. The shareholders' meeting may vote to appoint Director(s) according to the following guidelines:
 - 1.1 A Shareholder has one vote per share.
 - 1.2 In the event that the number of nominees does not exceed the number of vacant positions during the nomination, shareholders will vote on those eligible nominees. Shareholders must allocate all of their votes to one nominee following (1), without dividing their votes.
 - 1.3 In the event that the number of nominees exceeds the number of vacant positions, shareholders will still have to allocate all of their votes to one nominee following (1), without dividing their votes. Nominees receiving the majority votes will be appointed to the Board until there are no vacancies left. Additionally, in the event that the number of nominees with equal votes exceeds the number of available positions, the Chairman of the meeting will cast the deciding vote.
2. The Board of Directors will nominate one Director as the Chairman of the Board of Directors. Decisions made during a Board meeting is based on majority votes; however, the Chairman will vote only when a deciding vote is needed. In the event that the Director's position becomes vacant for any reason other than the end of the term, the Board will nominate a new Director who is qualified and does not possess any attributes prohibited by laws. However, if the remaining term is less than two months, the new Director will only serve the remaining term of the previous Director. This decision must be made with the agreement of three-quarters (3/4) of the remaining Directors.
3. In the event that vacancies cause the number of Directors to fall below the necessary quorum, the only authority the remaining Directors have is to call for a shareholders' meeting to nominate new Directors to fill these vacancies. This must be done within one month from the date on which the number of Directors no longer constitutes the quorum. New Directors will serve the remaining terms of the Directors they replace.

Termination

1. In every Annual General Meeting, one-third of the serving Directors has to step down from the position. If the number of serving Directors cannot be equally divided into three, the number of Directors stepping down should be as nearest to the ratio of 1:3 as possible. Directors that should step down in the first and second years after company registration would be randomly selected; however, for the next years, Directors with the stay in the position for the longest should step down. Directors whose term has ended may be re-elected to the Board.

2. In addition to the end of the term, the causes for Directorship termination include death, resignation, or disqualification due to the lack of ability or prohibition by laws. Additionally, Directors can be terminated by shareholders' meeting resolution or by court orders.
3. Resigning Directors must submit their resignation notice to FPI. Resignation is effective from the day FPI receives the notice. In addition, Directors may also submit their resignation notice through the Registrar.
4. The shareholders' meeting may pass a resolution to force termination of a Director before his/her term ends with three-fourth of the attendance with eligible shareholders' votes. Additionally, these majority votes must constitute at least half of the shares held by the attendance and eligible shareholders.

Independent Directors

According to FPI's principles of Corporate Governance, Independent Directors must make up of more than half of the entire Board of Directors. Each of them may hold the position for up to three consecutive terms or up to nine years. The term begins from the date of the 2017 Annual General Shareholders' Meeting onwards, not taking into account their previous terms. These Independent Directors must be experienced and fully qualified per the Capital Market Supervisory Board's requirements. Additionally, they must not hold more than 0.5% of shares in FPI (the SEC's limitation is 1%). Qualifications of Independent Directors are disclosed in the Corporate Governance Handbook and FPI's website.

Independent Directors must attend meetings regularly. They are allowed to freely express their opinions during the meetings. They are entitled to have adequate access to financial and business information. They are also tasked with protecting stakeholders' interests and make sure to prevent conflicts of interest among FPI, its Executives, Board of Directors, and Major Shareholders.

Currently, FPI has a total of 4 Independent Directors, which is equal to one-third of the entire Board and exceeds the legal requirements. In addition, this number is in line with FPI's Corporate Governance, which stipulates that more than half of the entire Board of Director should be made up of Independent Directors. Moreover, the "Charter of Independent Directors" has been devised to ensure their clear and tangible performance. Duties and responsibilities of Independent Directors to the Board of Directors according to the Charter are as follows:

1. Provide suggestions and opinions to the Board of Directors on important issues that FPI should act up on or issues of interests to FPI, its shareholders, and other stakeholders.
2. May seek independent consultation from an outside when necessary. FPI will absorb the expenses incurred.

3. Ensure that FPI operates according to all rules and regulations that apply to Independent Directors of agencies that supervise listed companies. They also review the definition of an Independent Director to make sure that it is appropriate and complete according to legal requirements.
4. Review and make adjustments to the Charter of Independent Directors in an effort to make it more appropriate and up to date.
5. May perform other duties assigned by the Board of Directors, as long as they do not interfere with the independent nature required of Independent Directors.



As at 31 December 2018, the Audit Committee comprises of 4 members as follow;

Name - Surname		Position
1.Mr. Suthanai	Prasertsan	Audit Committee (Independent Director)
2.Mr. Anant	Gatepithaya*	Audit Committee (Independent Director)
3.Mr. Pumipat	Sinacharoen*	Audit Committee (Independent Director)
4.Mr. Anantachai	Yoonprathom	Audit Committee (Independent Director)

Remark: * The members of audit committee have knowledge and experience to verify reliability of the financial statements. Ms. Wanvimol Jongsureyapas is the secretary of the Audit Committee.

The Audit Committee is comprised of at least 3 Independent Directors. Each Director has a three-year term unless their directorship to the Board ends, or they resign or are removed from position. Each Director of the Audit Committee has qualifications, duties, and responsibilities in line with standards set forth by the Securities and Exchange Commission. Their scope of work is defined by the Capital Market Commission.

Additionally, the Board of Directors has given approval to the Charter of the Audit Committee, which identifies the composition, qualifications, term in the position, and scope of duties according to Good Corporate Governance Principles. Details of the Charter are disclosed in FPI's Corporate Governance Handbook and its website.

FPI's Audit Committee is comprised of Independent Directors. The Board believes that they are held in high esteem and possess sufficient knowledge, expertise, and experience in finance and accounting. The Audit Committee's Directors have continuously undergone training to enhance their expertise for the benefit of ensuring that FPI has accountable financial and auditing reports, in line with accounting standards, as well as applicable laws and other related standards. The Audit Committee is also tasked with ensuring sufficient and efficient internal control and risk management systems, and reviewing internal processes regarding whistleblowers and receipt of complaints. Furthermore, the Audit Committee nominates candidates for independent auditors and submits a dismissal recommendation to the Board in the event that an independent auditor cannot or neglect or wrongfully perform their duties. Moreover, the Audit Committee ensures that FPI's internal auditing system is appropriate and efficient and that Internal Audit Department carry out all their responsibilities according to internal auditing standards. The Audit Committee also reviews reports of connected transaction, vested interests or conflicts of interest to make certain of compliance with applicable laws and the Stock Exchange of Thailand's regulations, affording FPI reasonableness, the utmost benefit, and full disclosure.

In 2018, the Audit Committee held a total of 4 meetings and 1 additional meeting with auditors, carrying out its role within the scope of duties and responsibilities as stated in the Audit Committee's Charter and as assigned to them by

the Board of Directors. The Audit Committee also reports its monitoring results to the Board on a quarterly basis before further submitting a summary to shareholders in the annual report.

Authorities and Responsibilities of Audit Committee

1. To review the accuracy and sufficiency of the financial reports of the company.
2. To review the company to ensure that the internal control and internal audit systems are suitable, and effective, and to review the independence of internal audit section, including approving the appointment, transference, or termination of internal audit section supervisor (heads) or those of other workgroups responsible for internal audit.
3. To review the company to ensure that its operation is in accordance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the company.
4. To consider, propose, and appoint independent persons who shall be assigned as the company's auditor, to propose auditor's remuneration, and to participate in a meeting with the auditors at least once a year without management team.
5. To review connected transactions or any other transaction that may cause potential conflicts of interest in accordance with SET laws and SET regulations in order to ensure that those items are reasonable and of utmost benefits to the Company.
6. To publicize the audit committee report signed by the chairman of the audit committee in the Company's annual report; the report should include the following details.
 - (a) Opinions on accuracy, completeness and credibility of the Company's financial reports;
 - (b) Opinions on sufficiency of the company's internal control system;
 - (c) Opinions on the company's compliance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the company.
 - (d) Opinions on suitability of auditors of the company;
 - (e) Opinions on transactions of possible conflicts of interest
 - (f) The number of audit committee's meetings, and attendance of each audit committee member;
 - (g) Opinions or observation by the audit committee during their auditing practice according to charter; and
 - (h) Other transactions that shareholders and public investors should be informed under the scope of work and responsibilities assigned by the company's board of directors.
7. To take care of any other action assigned by the Board of Directors with the consent of audit committee.

Executive Committee



Executive committee comprises of 8 members as follows:

Name - Surname			Position
1.	Mr. Sompol	Tadadumrongsak	Chairman of Executive Committee
2.	Mrs. Nussara	Tanadumrongsak	Vice Chairman of Executive Committee
3.	Mr. Kiattisak	Chairuamkul	Executive Committee
4.	Mr. Kowit	Akkharaatimart	Executive Committee
5.	Mr. Sungvien	Meethong	Executive Committee
6.	Mr. Sarayuht	Ouybuan	Executive Committee
7.	Mr. Thongchai	Wiwong	Executive Committee
8.	Dr. Saruda	Chitchuea	Executive Committee

Scope of Authority and Duties of the Executive Committee

1. To perform any duties delegated by the Board of Directors.
2. To determine the company's short-term and long-term business strategies, with the consent of the Board of Directors.
3. To supervise and approve company's normal business activities under the authorities that has been approved by the Board of Directors.
4. To approve the appointment of relevant advisors as necessary for the company's business operation under the budget that has been approved by the Board of Directors each year.

The Executive Committee might delegate authorities to executives or any individuals to perform any particular matters as deemed appropriate by the Executive Committee. Any approvals or delegations of the Executive Committee must not fall in the category of connected transactions or transactions that might involve conflicts of interest or transactions in which the Executive Committee has any stakes as specified in the Company's regulations or the announcement of the Securities and Exchange Commission. All the approvals must comply with the Company's policy and authority regulated by the Board of Directors.

Company Secretary

The resolution of the Board of Director No. 2/2019 on 21 February 2019 appointed Mr. Sarayuht Ouybuan as a company's secretary. According to the regulation in article 89/15 of the Public Company Act 1992, the company secretary has a responsibility as follow;

1. Produces and keeps the following documents
 - (a) Registration of Members of the Board of Directors
 - (b) Board Meeting invitations, Board Meeting Reports and the company's Annual Reports.
 - (c) Shareholders' meeting invitations and shareholders' meeting reports.
 - (d) The company's Annual Reports.
2. Keeps stakeholder reports that have been submitted by members of the Board of Directors or the Executive committee
3. Be responsible for any other tasks following orders and announcements of the Capital Market Supervisory Board.
4. Ensures that all information is disclosed in accordance with The Stock Exchange of Thailand and The Office of the Securities and Exchange Commission and other related organization.

5. Communicates with shareholders, investors, and related organization as well as inform useful company information to interested person and stakeholders.
6. Provides preliminary advice and recommendation pertaining to legal, regulatory, and governance issues and practices to the Committee, Sub-committee.
7. Attends course or training aimed to improve skill and knowledge for secretary and Tend to various other tasks either unique to a company or simply "as assigned".

Brief Background of Corporate Secretary

1. Mr. Sarayuht Ouybuan

Education: Bachelor of Accounting, Ramkhamhaeng University

Master of Business Administration in management, Eastern Asia University

Training Program:

- Social Business program for executive Asian Institution of Technology
- Sustainability Risk and Materiality Analysis
- Social Responsibility Management for Sustainable Development
- Insights into the CG Report assessment criteria
- Risk management for modern organizations
- Corporate Sustainability Advisory Program 2016
- Corporate Social Responsibility Management for Sustainable Development
- Know new securities laws How to act correctly (Class action) SEC
- CSR-Management
- Advance For Corporate Secretaries
- Fundamentals For Corporate Secretaries
- Smart Disclosure Program (SDP)

Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of 3 Directors, following the company's Board of Director No. 4/2018 held on 11 May 2018. The meeting was proposed to appoint sub-committee. The Nomination and Remuneration Committee's Directors are:

Name – Surname	Position
1. Mr. Pumipat Sinacharoen	The Chairman of Nomination and Remuneration
2. Mr. Anant Gatephitaya	Nomination and Remuneration Committee
3. Mr. Anantachai Yoonprathom	Nomination and Remuneration Committee

Mr. Sompol Tanadumrongsak is the secretary of Nomination and Remuneration Committee

The Nomination and Remuneration Committee is comprised of at least 3 Directors and more than half of the Directors must be Independent Directors. The Chairman of the Nomination and Remuneration Committee must also be an Independent Director. Each Director has a three-year term unless their directorship to the Board ends, or they resign or are removed from position.

The responsibilities of the Nomination and Remuneration Committee included nomination of individuals to be considered for new Director, Sub-Committee, and Chief Executive Officer (CEO) positions. The nomination and remuneration processes must follow established guidelines and be transparent. Criteria includes experience, profession, diversity in fields of expertise, and niche qualifications needed for FPI's businesses. These criteria aim to strike a balance among all business fields and the utmost benefit to FPI. In addition, the candidates must be presented to the Board and/or the shareholders' meeting for appointment and approval.

The Board of Director has given approval to the Charter of the Nomination and Remuneration Committee, which identifies the composition, qualifications, term in the position, and scope of duties according to Good Corporate Governance Principles. Details of the Charter are disclosed in FPI's Corporate Governance Handbook and its website.

In 2018, the Nomination and Remuneration Committee held a total of 2 meetings, carrying out its role within the scope of duties and responsibilities as stated in the Nomination and Remuneration Committee's Charter and as assigned to them by the Board of Director. The Nomination and Remuneration Committee also reports its performance to the Board before further submitting a summary to shareholders in the annual report.

Risk Management Committee

Name - Surname		Position
1. Mr. Anant	Gatephitaya	Chairman of Risk Management Committee/ Independent Director
2. Mr. Suthanai	Prasertsan	Vice Chairman of Risk Management Committee/ Independent Director
3. Mr. Sompol	Tanadumrongsak	Vice Chairman of Risk Management Committee
4. Mrs. Nussara	Tanadumrongsak	Director of Risk Management Committee
5. Mr. Kiattisak	Chairuamkul	Director of Risk Management Committee
6. Mr. Kowit	Akkharaatimart	Director of Risk Management Committee
7. Mr. Sarayuht	Ouybuan	Director of Risk Management Committee
8. Mr. Sungvien	Meethong	Director of Risk Management Committee
9. Mr. Thongchai	Wiwong	Director of Risk Management Committee
10. Mr. Bunphai	Khumsaensuk	Director of Risk Management Committee
11. Dr. Saruda	Chitchuea	Director of Risk Management Committee
12. Mr. Prajak	Sripha	Director of Risk Management Committee
13. Ms. Nattiya	Klinchan	Director of Risk Management Committee
14. Mr. Natthawat	Rotkeaw	Director of Risk Management Committee
15. Ms. Sirilak	Pattatung	Director of Risk Management Committee

The Risk Management Committee is comprised of at least 3 Directors and at least 1 of Directors must be an Independent Director. Each Director has a three-year term unless their directorship to the Board ends, or they resign or are removed from position. The responsibilities of the Risk Management Committee included setting and reviewing appropriate and effective risk management policies, objectives, and frameworks that are relevant to FPI's overall operations. They also provide risk management plans, systems, and processes in an effort to reduce of FPI's exposure to various risks. In addition, the Risk Management Committee gives opinions and suggestions on organizational and investment risk mitigation. Its charter is reviewed annually to make sure of its suitability. The Risk Management Committee also monitors and assesses FPI's compliance with the risk management framework to ensure that FPI has sufficient and suitable risk management.

In 2018, the Risk Management Committee held a total of 2 meetings, carrying out its role within the scope of duties and responsibilities as stated in the Risk Management Committee's Charter and as assigned to them by the Board of Directors. The Risk Management Committee also reports its performance to the Board on a quarterly basis before further submitting a summary to shareholders in the annual report.

The Board of Directors Meetings

In 2018, the Board of Directors, Sub-Committees, and Independent Directors held pre-schedule meetings. Any Directors who could not attend these meetings due to important urgent matter had submitted written notice to the Chairman of the Board of Directors with detailing of the reasons. The Chairman informed the meeting of missing Director(s) prior to commencing every meeting.

The Anti-Corruption Committee

Approved by the Board of Directors Meeting No. 5/2018 held on 5 September 2018 has resolved to approve the guidelines for the implementation of Anti-Corruption standardization as follow:

Name - Surname		Position
1. Mr. Anant	Gatephitaya	Chairman of Anti-Corruption
2. Mr. Suthanai	Prasertsan	Vice Chairman of Anti-Corruption
3. Mr. Sompol	Tanadumrongsak	Vice Chairman of Anti-Corruption
4. Mrs. Nussara	Tanadumrongsak	Anti-Corruption Group
5. Mr. Kiattisak	Chairuamkul	Anti-Corruption Group
6. Mr. Kowit	Akkharaatimart	Anti-Corruption Group
7. Mr. Sarayuht	Ouybuan	Anti-Corruption Group
8. Mr. Sungvien	Meethong	Anti-Corruption Group
9. Mr. Thongchai	Wiwong	Anti-Corruption Group
10. Mr. Bunphai	Khumsaensuk	Anti-Corruption Group
11. Dr. Saruda	Chitchuea	Anti-Corruption Group
12. Mr. Prajak	Sripha	Anti-Corruption Group
13. Ms. Nattiya	Klinchan	Chairman of Anti-Corruption
14. Mr. Natthawat	Rotkeaw	Vice Chairman of Anti-Corruption
15. Ms. Sirilak	Pattatung	Vice Chairman of Anti-Corruption

Roles and Responsibilities of the Anti-Corruption Committee

1. The Board of Director has a duty and responsibility to set policy and oversee a system that supports anti-corruption functions effectively. To ensure that management is aware of and focus on the anti- corruption as well as cultivating corporate culture.
2. The Audit Committee is responsible for reviewing financial reporting and accounting systems, internal control systems, internal audit and risk management system to ensure that they followed the international standards, appropriate, modern and efficient.
3. Risk Management Committee has duties and responsibilities to setup policies and procedures rounded assessment and management of risks affecting the company. The major steps of risk management

process are risk identification, risk assessment, risk management control and monitoring, and reporting risk. This is to consistently provide adequate and effective risk management. The risk management process covers the strategic risk, operational risk, financial risk and the risk of non-compliance with laws and regulations, including the risk of corruption. The company has already adopted anti-corruption policies into practice and arranged the notification policy for violations of ethical misconduct or fraud as well.

4. The Executive Committee is responsible for creating the system, promote and advocate policies against corruption in order to communicate to employees and stakeholders for the appropriateness of systems and measures. This is to comply with changes in the business articles and legal requirements.
5. Managing Director and Deputy Managing Director are responsible and accountable for monitoring and review the work to ensure that it meets policy guidelines and legal requirements of regulatory agencies. This is to ensure that control systems are suitable and sufficient for the risk that corruption may occur and report to the Audit Committee.
6. Division Managers have a duty and responsibility to control operations according to the policy.
7. Committee team has been appointed by the responsible parties in the organization.

Corporate Governance Committee

The resolution of the Board of Director 2/2017 on 20 February 2017 appointed the Corporate Committee, there are 5 directors as follows;

	Name - Surname		Position
1.	Mr. Suthanai	Prasertsan	Chairman of the Corporate Committee
2.	Mr. Anantachai	Yoonprathom	Vice Chairman of the Corporate Committee
3.	Mr. Pumipat	Sinacharoen	Vice Chairman of the Corporate Committee
4.	Mr. Sompol	Tanadumrongsak	Director of the Corporate Committee
5.	Mrs. Nussara	Tanadumrongsak	Director of the Corporate Committee

Charter of the Corporate Governance Committee as follows:

1. Objectives

The Board of Directors has deemed to prescribe a Corporate Governance Committee Charter in order to compile details relating to composition, duties, responsibilities and practical guidelines for the discharge of duties as assigned by the Board of Directors. This allows the Corporate Governance Committee to fairly, appropriately and transparently act in accordance with the good corporate governance in order to create confidence and credibility of the company toward stakeholders.

2. Composition and Qualifications of Corporate Governance Committee Members

- 2.1 The Corporate Governance Committee must comprise at least a Director and more than half of these Directors must be Independent Directors. The Chairman of each Sub-Committee must also be an Independent Director.
- 2.2 The Corporate Governance Committee serves a term of three years. A Corporate Governance Committee member who has completed a term may be reappointed by the Board of Directors.
- 2.3 In the case where a Corporate Governance Committee member position becomes vacant for a reason other than completion of a term under 2.2 (e.g. expiry from Directorial position, resignation or removal), the Board of Director may appoint another person with fitting qualifications to maintain the required number of Corporate Governance Committee Members as per this Charter. The replacement member will serve only the remaining term of the Corporate Governance Committee Member whom he/she replaces.

3. Scope of Duties

To manage the organization with honest, open, transparent and verifiable, the company has therefore determined the scope of duties and responsibilities of the Corporate Governance Committee as follows:

1 Recognizing the roles and responsibilities of the Board of Directors as an organization leader that creates value for a sustainable business

- 1.1 Understand the role and awareness of the responsibility as a leader to supervise the organization to have a good management. Which covers;
 - (1) Determining objectives and goals
 - (2) Strategy formulation, operational policy, as well as allocating important resources to achieve the objectives and goals
 - (3) Monitoring, evaluating and supervising the performance report
- 1.2 Create value for sustainable business. The committee should supervise the business to lead to at least the following results;
 - (1) Able to compete and have good performance by taking into account the long-term impact
 - (2) Conduct business with ethics, respect the rights and have responsibility to shareholders and stakeholders
 - (3) Beneficial to society and develop or reduce negative impacts on the environment
 - (4) Adaptable under the change factor

1.3 Ensure that all directors and executives perform their duties with responsibility, conservative and honest with the organization. Also, ensure that the operations are in compliance with the laws, regulations and the resolution of the shareholders' meeting

1.4 Clearly understand the scope of duties and responsibilities of the Board of Director and determine the scope delegation of duties and responsibilities to the managing director and the management. Also, follow up and supervise the managing director and the management to perform the duties as assigned.

2 Determine the objectives and main goals of the business for sustainability

2.1 Determine or supervise the objectives and main goals of the business for sustainability, which are the objectives and goals that are consistent with creating value for both the business, customers, stakeholders and society as a whole

2.2 Ensure that objectives and goals, as well as strategies in the medium and / or annual periods of the business in line with the objectives and goals of the business by using innovation and technology to use appropriately and safely

3 Build efficient directors

3.1 Responsible for determining and reviewing the board structure for both the size and the composition of the proportion of independent directors that is appropriate and necessary to lead the organization to the stated objectives and goals.

3.2 Select the appropriate person to be the chairman of the board, and ensure that the elements and the operation of the committee is conducive to independent discretion in making decisions

3.3 Supervise the selection and select directors with transparent and clear processes to obtain a board that has qualifications consistent with the specified elements

3.4 Propose the remuneration for the Board of Director to shareholders for approval. The board should consider the structure and the compensation rate that is appropriate with responsibility and motivation for the board to lead the organization to operate according to both short and long term goals.

3.5 Supervise the directors to be responsible for the operations, duties and adequate time allocation

3.6 Supervise to have a framework and mechanism for overseeing the policies and operations of subsidiaries and other businesses invested by the company at an appropriate level for each

business, including subsidiaries and other businesses invested by the company to have correct understanding as well.

- 3.7 Provide an annual performance evaluation of the Board of Director, sub-committees and individual directors. The assessment results should also be used for further development of duties.
- 3.8 Supervise the Board of Director and each director to have knowledge and understanding about roles, duties, nature of business and laws related to business operations to ensure that all directors receive regular skills and knowledge for performing their duties.
- 3.9 Ensure that the operation of the Board of Director is completed with access to necessary information and the company secretary has the necessary knowledge and experience to support the Board's operations.

4 Recruitment and development of senior management and personnel management

- 4.1 Ensure that there is a recruitment and development of the managing director and senior management to have knowledge, skills, experience and the features needed to drive the organization towards the goal
- 4.2 Supervise and ensure that the compensation structure and evaluation are appropriate
- 4.3 should understand the structure and relationship of shareholders that may affect the management and operation of the business
- 4.4 Monitor the management and development of personnel to have the appropriate amount of knowledge, skills, experience and motivation.

5 Promote innovation and responsible business practices

- 5.1 Give importance and support of the creation of innovations that create value for businesses in tandem With creating benefits for customers or those involved and having social and environmental responsibilities
- 5.2 Monitor and supervise the management team to conduct business with social and environmental responsibility and reflect in the action plan to ensure that all departments of the organization conduct in accordance with the objectives, main goals and strategic plans of the business.

- 5.3 Supervise the management to allocate and manage resources efficiently and effectiveness by taking into account the impact and development of resources throughout the value chain in order to achieve the objectives and main goals sustainably.
- 5.4 Provide a framework for governance and management of enterprise information technology that corresponds to the needs of the business including supervising the use of information technology. Also, increase business opportunities and improve operations risk management to enable the business to achieve its objectives and the main goal of the business

6 Supervise to have appropriate risk management systems and internal controls

- 6.1 Ensure that the company has a risk management system and internal control that will achieve its objectives effectively and comply with relevant laws and standards.
- 6.2 Establish an Audit Committee that can perform duties efficiently and independently.
- 6.3 Monitor, supervise and manage conflicts of interest that may occur between companies, management, and the board of director or shareholders. Also, the prevention of undue use of property, information and company opportunities, and transactions with those who are connected to the company in an inappropriate manner
- 6.4 Supervise the establishment of clear anti-corruption policies and practices, and communicate at all levels of the organization and to outsiders for real implementation
- 6.5 Ensure that the business has a mechanism to receive complaints and actions in case of clues

7 Maintain financial credibility and disclosure.

- 7.1 Ensure the financial reporting system and disclosure of important information is accurate, sufficient, on time and in accordance with the rules, standards and related practices.
- 7.2 Monitor the adequacy of financial liquidity and debt repayment ability.
- 7.3 Have plans to solve problems or have other mechanisms that can solve financial problems when the business is experiencing financial problems or is likely to experience problems under the consideration of the rights of stakeholders
- 7.4 Prepare sustainability reports as appropriate.
- 7.5 Supervise the management to set up an investor relations department responsible for communicating with shareholders and other stakeholders, such as investors, analysts, in an equitable and timely manner.
- 7.6 Promote the use of information technology in information dissemination.

8 Support participation and communication with shareholders

- 8.1 Ensure that shareholders are involved in making decisions on important matters of the company.
- 8.2 Ensure that the operation on the date of the shareholders' meeting is complete, transparent, and efficient and facilitates shareholders to exercise their rights.
- 8.3 Ensure the disclosure of the resolutions of the meeting and the preparation of the minutes of the shareholders meeting are correct and complete

4. Responsibilities

The Corporate Governance Committee is responsible directly to the Board of Director in accordance with the duties and responsibilities assigned to them. Additionally, the Board of Director is also responsible to third parties for the operation of the Company.

5. Meetings

- 5.1 The Corporate Governance Committee should meet at least once a quarter. Members of the management, Executives or relevant Employees of the Company or the auditor may be invited to participate in the meetings in order to opine, submit documents or information deemed relevant or necessary.
- 5.2 For all meetings of the Corporate Governance Committee, the quorum will be met with the presence of at least two-thirds of all Corporate Governance Committee Members in position at that time.
- 5.3 Corporate Governance Committee Members with connected transaction in any matter being reviewed must be excluded from the voting on that matter.
- 5.4 Resolution is passed by means of majority votes where one Corporate Governance Committee Member has one vote. The secretary to the Corporate Governance Committee does not have the right to vote. In the case of equal vote, the Chairman of the Corporate Governance Committee can have one more voting right to make a final decision.

6. Reporting

The Corporate Governance Committee must report the outcome of their operation to the Board of Directors and publish a Corporate Governance Committee report, signed by the Chairman of the Corporate Governance Committee in the annual report of the Company.

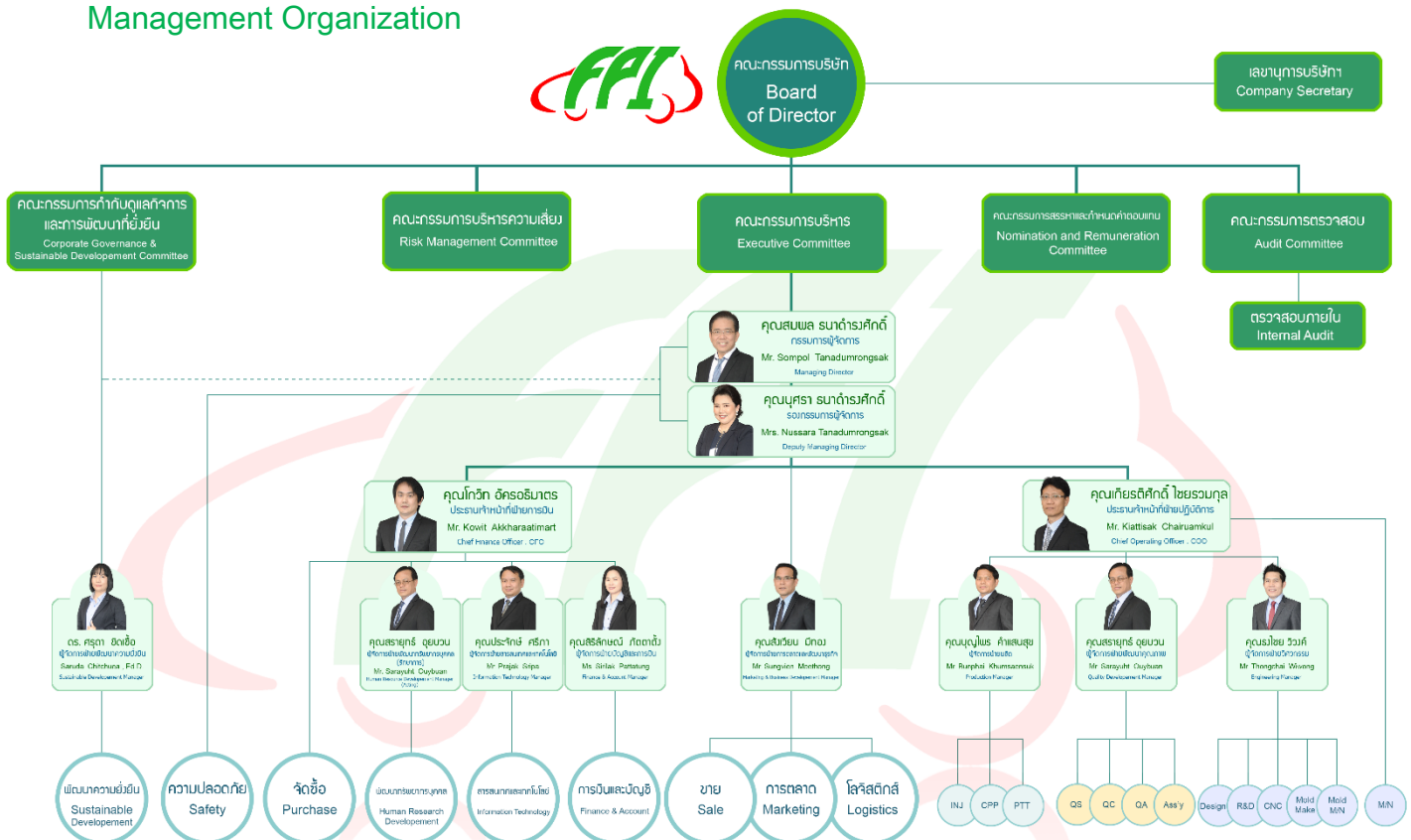
7. Performance Evaluation

The Corporate Governance Committee must evaluate their performance and submit the findings of their annual evaluation to the Board of Directors.

The composition of the Corporate Governance Committee consists of the company's directors at least 5 people and more than half of them must be independent directors. The Chairman of the Corporate Governance Committee must be an independent director with the term of office for 3 years or ending the term of office with reasons of termination of the position of the company's director, resignation or removal.

The Corporate Governance Committee is responsible for determining guidelines for policy recommendations regarding business ethics and ethics in accordance with the good corporate governance system to the Board of Directors, so that the Board of Director could set the organization's rules and regulations in order to be a guideline of the standard organization and is a correct approach.

Management Organization



The Management comprises of 11 members as follow:

	Name - Surname		Position
1.	Mr. Sompol	Tanadumrongsak	Managing Director
2.	Mrs.Nussara	Tanadumrongsak	Deputy Managing Director
3.	Mr. Kiattisak	Chairuamkul	Chief Operating Officer
4.	Mr. Kowit	Akkharaatimart	Chief Finance Officer
5.	Mr. Sungvien	Meethong	Marketing and Business Development Manager
6.	Mr. Sarayuht	Ouybuan	Quality Development Manager
7.	Mr. Thongchai	Wiwong	Engineering Department Manager
8.	Dr. Saruda	Chitchuea	Sustainability Development Manager
9.	Ms. Sirilak	Pattatung	Accounting and Finance Department Manager
10.	Mr. Prajak	Sripha	Information and Technology Manager
11	.Mr. Bunphai	Khumsaensuk	Production Department Manager

Scope of Authority and Duties of Managing Directors

1. Responsible for the management, supervision and administration of the company's daily operations, as well as the monitoring of the overall business operations in order to align with the policies, business strategies, objectives, execution plan, financial goals and budgets that have been approved of by the Board of Director.
2. Prepare the business plan and financial budgets required for business operations and annual expense projection in order to propose to the Chief Executive Officer for approval. The Managing Director is also responsible for reporting the progress, with reference to the business plan and budgets allocated.
3. Determine the organizational structure, management approaches, and selection of staff, training, hiring and termination processes, remuneration, compensation and bonus package for staff members.
4. Monitor and report the company's status and propose appropriate alternatives and strategies that are cohere with the policy and market conditions.
5. Supervise and control different aspects of operations of the company.
6. Act on the company's behalf and serve as the delegate when in contact with the government agencies or other regulatory bodies.
7. Supervise communication with the general public, such as shareholders, clients, and staff members in order to strengthen the Company's reputation and positive image.

8. Ensure that corporate governance is being strictly practiced.

9. Assume any authorities, duties or responsibilities as assigned by or to any individuals to perform any particular tasks. Such delegations and/or assignments must fall within what has been stated in the power of attorney. However, such delegations or assignments to any individuals must not involve connected transactions or transactions that potentially involve conflicts of interest with the company or its subsidiaries, or transactions in which any parties has any particular stakes, unless the transactions are according to the policies and criteria indicated by the Board of Director.

10. Perform other duties assigned by the company's board of directors. Authorizations of authority, duties and responsibilities by the executive board of directors must not be characteristic of authorizations or temporary authorizations enabling the person or persons authorized by the executive board of directors to approve of transactions in which that person or other persons have potential conflicts of interest (according to the definitions set forth in the announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies) as stakeholders or with any other conflicts of interest with the company or its subsidiaries and/ or related companies. The executive board of directors does not have the authority to approve of actions regarding the aforementioned issues. The aforementioned issues must be presented to the meeting of the board of directors and/or the meeting of shareholders (depending upon the case) for approval, except for approval of transactions under normal business and trade conditions according to the announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

The Chairman of the Board is under obligation to perform the following duties:

1. Serve as Chairman at meetings of the company's Board of Director.
2. Call the meeting of the company's Board of Director.
3. Make final vote in cases where the meeting of the company's Board of Director has voted and found the vote to be draw.
4. Serve as the Chairman at shareholders' meetings.

Directors Compensation

In 2018, the company has clearly specified compensation for 11 directors in remuneration, meeting allowances, and rewards which are accounted for Baht 4,147,232.96 in 2018, Baht 4,519,589.04 in 2017, and Baht 3,310,000 in 2016 as follows

(Unit : Baht)

Name		2016	2017	2018	No. attend the meeting (Time)
1.* Mr. Por	Tanadumrongsak	270,000	270,000	-	-
2	Mr. Tanadumrongsak	270,000	290,000	270,000	6/7
Sangcharean					
3. Mr. Sompol	Tanadumrongsak	270,000	290,000	280,000	12/12
4. Mr. Somkit	Tanadumrongsak	270,000	290,000	280,000	7/7
5. Mr. Yanyongchai	Tanadumrongsak	270,000	290,000	280,000	7/7
6. Mrs. Raweewan	Mathong	270,000	290,000	280,000	7/7
7. Mr. Naris	Chaiyasoot (Ph.D)	610,000	630,000	180,904.12	4/4
8. Mr. Anant	Gatepithaya	550,000	570,000	560,000	15/15
9. Mr. Pumipat	Sinacharoen	530,000	565,000	560,000	15/15
10. Mr. Suthanai	Prasertsan		421,835.62	626,328.84	15/15
11. Mr. Anantachai	Yoonprathom		406,835.62	550,000	13/13
12. Mrs. Nussara	Tanadumrongsak	-	205,917.80	280,000	11/11
Total		3,310,000	4,519,589.04	4,147,232.96	

Remark: 1*. Mr. Por Tanadumrongsak, Chairman of the Board of Director had passed away on 3 September 2017.

According to the Annual General Meeting of Shareholders for the year 2018 held on 25 April 2018, there was a resolution that the remuneration of directors for the year 2018 are as follows:

- ✓ the remuneration paid for chairman of the audit committee was Baht 250,000 per annum/ per person
- ✓ The Chairman of the board, director and audit committee were Baht 210,000 per annum/ per person.
- ✓ Meeting allowance for director meeting was Baht 10,000 per person/per meeting.
- ✓ Meeting allowance for Audit Committee meeting was Baht 10,000 per person/per meeting.
- ✓ The special rewards of Audit Committee for the year 2018 will be paid based upon the business performance of the Company ended 31 December 2018 but will not exceed Baht 1,090,000. The company will propose to make such payment in the year 2019 upon obtaining an approval of the Annual General Meeting of Shareholders for the year 2019.
- ✓ The Audit Committee Meetings 4 times.
- ✓ The company held Board of Directors Meetings 7 times.
- ✓ The Nomination and Remuneration Committee Meeting 2 times.

- ✓ The Risk Management Committee Meeting 2 time.
- ✓ The Corporate Governance Committee Meeting 2 times.
- ✓ The company has no other fees paid to the committee.

Management Compensation

Company's executive management compensation are clearly defined and appropriate. Remuneration is at the appropriate level sufficient to retain qualified executives which was considered by the Board of Directors. The details are as follows.

Unit: Thousand Baht

2016			2017		2018	
Type of remuneration	No.	Amount	No.	Amount	No.	Amount
Salary	7	15,121	7	16,199	10	20,001
Bonus	7	4,020	7	3,831	10	2,600
Other Compensation	7	4,968	7	5,372	10	4,809
- Provident Fund						
- Social Security						
- Employee Benefit						
Total	7	24,109	7	25,402	10	27,410

Employee Compensation and Return Characteristics

As at 31 December 2018, the company has 972 employees (excluding 10 executives) which are composed from 444 permanent employees and 528 daily employees as the following details:

Department	Permanent (Employees)	Daily (Employees)	Total (Employees)
Production	156	291	447
Engineering	58	24	82
Quality Development	87	138	225
Finance & Account	13	-	13
Management	5	-	5
Purchasing	5	-	5
MIS	8	-	8
Sale & Marketing	30	-	30
Logistics	41	69	110
Human Resource	41	6	47
Total	444	528	972



The Company has 972 employees in 2018. During the year, the company paid benefit to employees of Baht 161.71 million. The benefit are salary, bonus, overtime, social security, provident fund and other welfares. The company established provident fund with Ayudhya Master Fund to build morale and motivate employees to work with the company in the long term.

Other remuneration

The Company has provided the accidental insurance for all employees who have passed the probation period. In this year, the company has no significant change of employees to effect the company operation. There is no argument in term of labor in the past 3 years.

The Significant legal case during 3 years.

- None-

Human Resource Development Policy

The company is aware that personnel is the valuable asset to the success of the company. The company has a policy to build potential and increase happiness in the workplace to the employees. This is to enhance motivation of all employees to collaborate working and reach the company's goals and objectives. The company's plan to develop employees are as follows:

Phrase 1

Year 2016-2017 Development of human resources management and development tools:

- 1) Review the management structure and power.
- 2) Review and update job descriptions in line with corporate policies and strategies.
- 3) Review Competency, KPIs and Skill Matrix.
- 4) Review Performance Management System.

Year 2016-2017 Employee Engagement:

- 1) Strengthen corporate culture in line with core values: TALENTS
- 2) Strengthen corporate culture in line with beliefs (Belief values): think well, speak well and do well.
- 3) Happy organization: Happy 8
- 4) Raise the standard of information and communication technology services.

Phrase 2

Year 2018-2019 Development of human resources management and tools:

- 1) Review KPIs to align with organizational goals.
- 2) Review of Managerial Competency and Functional Competency
- 3) Review the individual development plan and training Road Map)
- 4) Review the structure of growth in career (Career Path).
- 5) Review Salary Structure
- 6) Review the succession planning system.

Phrase 3

Year 2020 development of working system, working process and Talent Management as follows:

- 1) Create tools for Talent Management.
- 2) Create a tool for learning organization.
- 3) Develop knowledge and knowledge management (Knowledge Management)

9. Corporate Governance

9.1 Report of the Corporate Governance Committee

Conducting business in accordance with the principles of corporate governance and business ethics is an integral part of the company's mission that has been strictly implemented. The company considers that it is an important factor that enables the organization to achieve sustainable success in the future and achieve acceptable business development goals by having standards in line with good corporate governance principles, both domestically and internationally. The Board of Director appoints the Corporate Governance Committee to set up the policy, follow-up, and promote compliance with corporate governance principles and business ethics to create a strong organizational culture. There are 5 people in the Corporate Governance Committee;

Mr. Suthanai Prasertsan (Chairman),
Mr. Anantachai Yoonprathom (Vice Chairman),
Mr. Pumipat Sinacharoen (Vice Chairman),
Mr. Sompol Tanadumrongsak (Director) and
Mrs. Nussara Tanadumrongsak (Director).

In 2018, the Corporate Governance Committee performed their duties completely in accordance with the Corporate Governance Committee Charter and regularly reported the results of operations to the Board of Directors by arranging for a total of 2 meetings, with all directors holding positions attended the meeting and complete their duties, which can be summarized as follows:

1. Ensuring compliance with applicable laws, regulations and best practices

1. The Committee oversaw the preparation of the Annual General Shareholders' Meeting (AGM) to ensure compliance with corporate governance (CG) principles and best practices. As a result, FPI's AGM has been awarded a perfect score of 86 which is a very good ranking.

2. The Committee ensured that minority shareholders were given an opportunity to propose meeting agenda items and nominate persons to be elected as members of the Board of Director for more than 2 months in advance of the 2018's AGM from 31 October 2018 to 31 December 2018.

3. The Committee has supervised compliance management processes to prevent violation of rules, regulations and laws that govern the FPI Group's businesses and to minimize risks that could arise as a result of such violation. The Committee also reviewed a summary of complaints submitted through the whistleblower system.

2. Securing compliance with Corporate Governance and Business Code of Conduct

1. The Committee approved the Corporate Governance and the Corporate Compliance Plans for 2018 in accordance with the Corporate Governance Code for listed companies 2018 (CG Code) of the Securities Exchange Commission and the ASEAN CG Scorecard, as well as FPI's strategies. The Committee also reviewed the previous year's performance.

2. The Committee reviewed the 2018 edition of the Corporate Governance and Business Code of Conduct Handbook to align its content with the CG Code.

3. The Committee reviewed the Corporate Governance report in Annual Report for the year 2018 and in the Form 56-1 to ensure complete disclosure of information and compliance with good corporate governance guidelines at both domestic and international levels. As a result of this practice, FPI was once again named "Good" in the CGR.

4. The Committee gave advice on the review of FPI's anti-corruption measures and the preparation of applying for membership Collective Action Coalition Against Corruption (CAC).

3. Supervising sustainable-development processes

1. The Committee has given advice on FPI's sustainable-development processes according to international practices and the FPI's Sustainability Framework, ensuring that our processes were in line with future change in the trend's direction. The Committee also followed up on FPI's sustainability performance as well as supervised and has given suggestions on FPI's sustainability management.

2. The Committee continued to monitor and supervise FPI's concrete operational responsibility towards various groups of stakeholders in accordance with the CG principles through the examination of reports submitted by departments responsible and community visit. The Committee also gave its opinions and advice on operational matters for FPI's sustainable growth.

4. Performance, assessment and development

1. The Committee pre-set the dates for its meetings for the entire year, arranging at least two meeting per year. Ad-hoc meetings could also take place, should the need arise. In these meetings, the Committee considered and acknowledged FPI's performance and reports, as well as made recommendations to the Board of Directors and management.

2. The Committee oversaw the development of Directors in accordance with good corporate governance principles by ensuring the provision of continuous training for the Board. We also encouraged Directors to take various classes at the Thai Institute of Directors and invited experts from outside our organization to give lectures to members of the Board.

3. The Committee reviewed and enhanced the 2018 Board Performance Assessment Questionnaire in accordance with present circumstances, the CG Code and other global standards.

4. The Committee reported its performance and the results of its 2018 individual and group performance assessments to the Board of Directors for their acknowledgement

5. The Committee reviewed and updated its charter in accordance with FPI's current business context and the CG Code. The Corporate Governance Committee has placed much importance on the role it plays in ensuring that the company strictly adheres to Corporate Governance Policy and Business Code of Conduct. The Committee shall endeavor to unceasingly develop our corporate governance in reflection of international practices. The Committee believes that good corporate governance plays a major role in ensuring FPI's efficient operation and contributes to the sustainability of our business. We hope that our efforts will help FPI earn the confidence of our stakeholders, as well as domestic and global recognition.

9.2 Corporate Governance Policy

The Board recognizes the importance and benefits of good corporate governance. Therefore, the company has established a written corporate governance policy by applying the principles of good corporate governance for listed companies of the Securities and Exchange Commission (SEC), which have adopted the principles of good corporate governance for listed companies, as well as other relevant rules and regulations from the international standards to improve and cover all of the concepts or factors that have changed. This is to ensure that the company has an effective management, honesty, free from corruption, transparent and auditable. As a result, this could build confidence with shareholders, investors, stakeholders, society and all parties involved, as well as, added value to shareholders, promoting prosperity and sustainable growth of the company.

The Board is strictly supervise the company to conduct business with the highest corporate governance standards by assigning a significant obligation of the director. All employees are also obliged to perform in order to carry out the business of the company with efficiency and effectiveness, with stability and confidence in the public's investment to continuously and sustainably increase the value of the business.

9.3 Principles of compliance following corporate governance policy



Principle 1: Recognizes the role and responsibility of the Board as the leader of the organization that creates value for the sustainable business.

1.1 The Board understands the role and aware of responsibility as a leader who must supervise the company to have good management, which covers

(1) Determining the objectives and main goals of the company

(2) Formulating strategy, operating policy, as well as, allocate important resources to achieve the objectives and goals

(3) Monitoring, evaluating and supervising the performance report to create sustainable value for the company

1.2 The Board of Director must supervise the company for governance at least as follows:

(1) Competitiveness and performance with a long-term perspective

(2) Conduct business with ethical, respect the rights and have responsibility to shareholders. Also, management of customer service fairly

(3) good corporate citizenship and reduce negative impacts on the environment

(4) corporate resilience

Furthermore, the board should determine or maintain the objectives, so that the objectives are the company as objectives and goals for sustainability, which are consistent with creating value for the whole company, all stakeholders, society and the environment as a whole.

1.3 The Board of Director is responsible for ensuring that all directors and executives perform their duties with the duty of care, duty of loyalty and ensure that the operations comply with laws, regulations and resolutions of the shareholders' meeting

1.4 The Board of Director understands the scope of duties and responsibilities of themselves in determining and reviewing the structure of the board, so that it is appropriate and necessary to lead the organization to the stated objectives and goals. The Chairman and the Chairman of the Executive Committee have different responsibilities. The Board of Directors clearly determines the authority and duties of the Chairman of the Board of Directors and the Chairman of the Executive Committee, as well as, monitors and supervises the Chairman of the Executive Committee and the Management to perform duties as assigned.

Principles of performance of the Board of Directors

In carrying out the duties, the Board of Directors must adhere to the following principles:

1. Understand and take action in supervision including understanding the acceptable risk (Risk Appetite) of the company

2. Perform duties according to "Accountability", "Integrity" (Duty of Loyalty) and "Duty of Care" according to Thai laws and regulatory standards

3. Avoid having an interest and cause that has vested such interest. Determine and enforce various measures to control and avoid conflicts that may arise from the company's personnel that is coordinating with external parties or other organizations

4. Dedicate enough time and energy to perform duties according to responsibility

5. Avoid participating in the daily management of the company except the executive directors.

6. Receive management information for the Board of Director to perform their duties to achieve the goal. It is the duty of the Board of Director to decide what type of information is needed.



7. Do not participate in decision making on matters that directors or related or connected persons with directors of the company have interests, which could cause the directors of the company to not be able to fully perform their duties and not complying with laws or relevant official regulations

8. Oversee the senior management of the company by virtue of the authority and duty to inquire and request clear explanations from the management. Also, ensure to receive sufficient information and have time to consider the performance of executives

9. Maintain the confidential business information of the company and customer information to prevent leakage to other people. Moreover, not using confidential information of the company and customers to seek benefits both intentionally and unintentionally unless obtaining consent from the company or according to the law

Authority of the Board

The Board of Directors plays an important role in policy formulation, taking care of the company, have a working process and have adequate resources to ensure that the operations are in accordance with the policy, and supervise to have a system to monitor, control and review the implementation of that policy. The Board of Director should focus and support the creation of innovations that create value for the business while creating benefits for customers or those involved, and have social and environmental responsibility. The Board of Director approves the vision, mission and business strategy of the company, and monitor the management to apply the vision, mission, and strategy of the company to practice. Furthermore, the Board of Director reviews the vision, mission and business strategy on a yearly basis in line with the changing economic conditions and competition of the board as follows;

Policy

The Board of Director is responsible for approving policies, reviewing and provide opinion of important matters relating to the company's operations, such as vision, mission, business ethics, and code of conduct, goals and strategic plans for business operations, annual budget, approve of financial statements, and supervise the management to implement the policy

Supervise the business to comply with official rules

The Board of Director is responsible for overseeing the operations of the company to ensure it complies with laws, rules, regulations and practices related official and that the company operates correctly and transparently without corruption under the principles of good corporate governance

Internal control

The Board of Directors is responsible for supervising the company, have good internal control, have an effective management system that is sufficient for acceptable risk levels, appropriate for the job or work process of that particular agency. The Board of Director would assign the Audit Committee to regularly monitor internal control, periodically assess the efficiency and adequacy of internal controls to improve the



internal control to be concise and suitable for changing situations, as well as, regularly report to the Board of Director.

Risk management

The Board of Director is responsible for supervising the company to have a risk management policy, risk management process, effective risk reporting, tools for managing various risks that are adequately and covering all risks, supervise the management to control the risk of the company to be at an appropriate and acceptable level, and regularly review the risk management process, and guidelines for anti-corruption. Therefore, the directors, executives and employees of the company would adhere to the guidelines. The Board of Director should also assign all personnel to be responsible for internal control and maintaining an effective internal control system. The Company assigns the Risk Management Committee to supervise the risk management process to operate effectively, and regularly report to the Board of Directors (As disclosed in the topic "Risk Management and Risk Factors")

Conflict of interest

Board of Director is a tool for managing to ensure that the business management is efficient and transparent for the best interest of the group of companies. Therefore the company has established policies and guidelines for considering items that have or may have conflicts of interest in the good corporate governance manual and business ethics of the company for the directors, executives and employees to observe. There are also rules for directors and executives stated that employees from the executive committee level and above, and financial related positions according to the requirements of the SEC, should report their own and related persons' interests to the company. Those employees have to reports every year when there is a transaction that may have a conflict of interest. The stakeholders in that matter must report to the company immediately. The company is careful and takes into account the compliance with the rules for connected transactions or related transactions without having to make connected transactions that violates the rules of the SEC and the SET.

The company has set up measurement to prevent conflicts of interest as follows;

1. Directors, executives, employees and related persons should avoid financial involvement and / or relationships with other third parties which will result in the loss or cause conflicts of interest of the company.
2. Directors, executives and employees with vested interests which may have conflicts of interest in the process of hiring, selecting, deciding or approving any items must report to the supervisor or those who participate in the approval. This could be done by using the report of conflict of interest of the company or avoid participating in that process

Entering into the connected transaction or the acquisition and disposal of the Company's assets

In the event that the company and joint venture company (The company holds shares, whether directly or indirectly, more than 50 percent of the paid-up capital), there are transactions that are connected transactions or acquisition or disposal of important assets of the company. According to the regulations of the Stock Exchange of Thailand, the company must comply with the regulations of the Stock Exchange of Thailand in such matters and must request the approval of the shareholders to enter into a connected transaction or acquisition or disposal of important assets of the company. It is required to have a vote of not less than three-fourths of the total votes of shareholders or proxies of the shareholders attending the meeting and having the right to vote without counting the portion of shareholders who have an interest

Performing duties as a director with good governance

Directors must perform their duties with integrity. They should not seeking for personal benefits, do not participate in or involve in decisions in transactions or businesses in which he has direct or indirect interests, should follow up on the duties of the management to be in accordance with the policies and strategies specified, supervise the company to have written business ethics or employee ethics, ensuring that the company has segregation of Duties and appropriate checks and balances

Report of interest of directors

Every director has a duty to report interest of both, their own interests and related persons as required by law. They should prepare a report of interest according to the report form the company, as well as ensuring the accuracy of the information in the report, and deliver the company within the specified period so that the company will collect and present to the Chairman of the company and Chairman of the Audit Committee signed to acknowledge the said report every quarter. In addition, the company must prepare a report on the holding of the company's shares of the executives and related persons for the Board to acknowledge and recorded in the minutes of the board meeting

Supervision of the Company's operations Joint venture Company and associated companies

Board of Directors has approved the guidelines for the supervision of companies that the company holds shares to have guidelines for the operation / management that are consistent and in accordance with the guideline of the business operation of the organization to supervise the operations of the joint venture companies and more efficient associates. The Board of Directors has determined that the Chairman of the Executive Committee is the person who has the authority to set policies, rules, regulations and procedures for determining any employee or person to serve as a director in a company in a joint venture company, which has been defined in the company's personnel management regulations. The person appointed as a director in a joint venture company has the duty to perform for the best benefit of the company that he holds the position of director.

In addition, the Board of Director has supervised the important policies of the joint venture companies such as management policies, Good Corporate Governance Policy, operational policy, Financial accounting policy, Safety, Health and Environment Management Policy, Social Responsibility Policy, Personnel management policy and other important policies, so that it is in accordance with the rules and regulations of the office SEC, SET and other related laws.

With the Board of Directors, there is a mechanism to supervise investment in companies in the joint venture by assigning executives from the company to manage the position of Managing Director in a joint venture company. For sending agents of the company to be a director in an associate company, the company has nominated executives as representatives of the company to be a guideline to executives and representatives of the company who went to perform duties in a joint venture company. There will be managed and supervised systematically in the same manner as the company to ensure that the operation is efficient, transparent and fair, achieving the operational goals as planned.

Moreover, in the case of a joint venture company, the person appointed by the company must ensure that the joint venture company has regulations regarding the connected transaction that is consistent with the company data storage and accounting that can be checked and gathered to prepare the consolidated financial statements on time.

Compliance with good corporate governance principles in other matters

In summary for the year 2018, the company has fully complied with the principles of good corporate governance. The company has added practices on the qualifications of directors that require no restrictions on sex, nationality, religion, and the determination of policy on diversity of knowledge and competency of directors, determine the period of strategy review "Annually", being an independent director of the Chairman of the company, arrangement for evaluation of all sub-committees to evaluate the annual performance, preparing financial policy, accounting, tax and budget of the company. Thus, the company could use the same standard. Also, there is an addition in the scope of duties of the Corporate Governance Committee on social responsibility in order to comply with the current duties, have an assessment of risks that may occur in every dimension, and have the assessment of corruption risks that may occur to the company and establish an internal control framework for the organization with the objective to cover corruption risk assessment at the process level and have a regular evaluation process for the internal control system of the company.

The company ensure that they have an internal control system that is sufficient and suitable for business operations by paying attention to the prevention of corruption and money laundering, good practices regarding the period of refrain from trading company securities of directors and executives using information within 30 days prior to the disclosure of financial statements.

**Sub-committee**

In order to efficiently and effectively perform the duties of the Board of Director, the Board of Director will appoint sub-committees to alleviate the burden of the Board of Directors in monitoring, supervising or considering important matters. The sub-committee has the authority to approve and make decisions on behalf of the board, regarding the authority, duties and responsibilities assigned by the Board of Directors.

The Board of Director will determine the appropriate scope of duties and responsibilities of the sub-committees that is in accordance with the strategy and assigned missions. There is a clear separation of duties, no redundant and in accordance with the requirements. The company also regularly arrange meetings with reports for the acknowledgment of the Board of Directors.

Sub-committees are consist of the following;

Audit Committee

The committee is responsible for ensuring that the company has an effective internal control system, accurate and adequate financial reports, reviewed the Company's compliance with the Securities and Exchange Act Stock market requirements, laws and other regulations related to the business of the company. They also responsible for the consideration, selection and nomination of people who are independent to act as auditors of the company, offering compensation for such person, supervision of internal audit work of the company including performing other tasks assigned by the Board of Directors.

Board of Executive Director

The Board of Executive Director is responsible for reviewing and presenting the annual budget, business plan of the company, capital plan, monitoring performance and operating results according to the company's business line, supervising the performance of companies in the group, reviewing and proposing or approving large investments related to plans and strategies according to the authority assigned, reviewing and presenting a new business plan which is a strategy for the company's business investment planning in other companies, monitoring the progress of foreign investment including performing other tasks assigned by the Board of Director.

Nomination and Remuneration Committee

Nomination and Remuneration Committee's duties are to select the person who deserves to be nominated as a new director, specific director, or recruiting the Chief Executive Officer and managing director by determining the method of nomination with transparent criteria and considering the guidelines for determining remuneration for directors and the Chief Executive Officer. This could be done by considering professional experience, diversity of skills, and specific qualifications necessary for the business of the company. This is to achieve balance in various fields, and is the most useful to propose to the Board of Directors and / or propose to the shareholders' meeting for approval.

**Risk Management Committee**

To set and review policies, objectives and risk management frameworks in order to suitable and consistent with the overall business operation. They also responsible for supervise to have a risk management plan, risk management systems or processes to reduce the impact on the business of the company and to provide comments and suggestions on corporate risk management and investment risks, annually review the appropriateness of the charter including monitoring and evaluating the implementation of the risk management framework and to ensure that the company has adequate and appropriate risk management.

Corporate Government Committee

Corporate Government Committee is responsible for recognizing the roles and responsibilities of the Board of Director as an organizational leader that creates value for a sustainable business, determine the objectives and main goals of the business that are going for sustainability, strengthen the effective board, recruitment and development of senior management and personnel management, promote innovation and responsible business practices, supervise to have a risk management system and appropriate internal control, maintain financial credibility and disclosure, support participation and communication with shareholders, as well as, being responsible for determining guidelines, guidelines for policy, guidance on business ethics and ethics in accordance with the good corporate governance system to the Board of Directors. This is to set the organization's rules and regulations in order to be a guideline of the organization that is standardized and correct approach.

Anti-Corruption Working group

The group has a duty to formulate anti-corruption policies, provide advice and recommendations on anti-corruption, training to provide knowledge about anti-corruption, investigate the facts in case of complaints or clues by complying with the policy of investigating facts and reporting performance related to this policy to the Audit Committee.

(Note that details of each committee are shown in the management structure)

Chief Executive Officer

The Board of Director appoints the Chairman of the Executive Committee in accordance with the company's regulations. The Chairman of the Executive Committee plays a role in implementing the strategy and running the company smoothly under the policy set by the Board. The Chairman of the Executive Committee is the person with the highest responsibility for the operation of the entire company.

Role of the Chairman Chief Executive Officer and Managing Director

Chairman of the Board and the Chairman of the Executive Committee should be an independent director. Their responsibility is to support the operations of the management but do not participate in the normal daily management of the company. Their primary role is to overseeing the performance of the Board of Director to be effective and independent from the management, set the meeting agenda according to the duties and responsibilities of the Board of Director0 together with the Chairman of the Executive Committee and the Managing Director. The Chairman of the company is also the Chairman of the Board of Directors' meeting and the shareholders' meeting effectively. Their role is also to encourage all directors to participate in the meeting, and supervising the directors to abide by the principles of good corporate governance and business ethics of the company, as well as, being responsible to shareholders and related stakeholders. In addition, the Chairman of the Board should not hold any positions in the sub-committee set out in the scope of duties of the Board of Directors and all sub-committees in order to perform the segregate duties and tasks In terms of independence of the Chairman of the Board. This is to perform their duties as chairman with prudence and use independent discretion with high leadership and leadership roles, taking into account the best interests of the company and have knowledge, expertise and experience in the automotive parts manufacturing business or other businesses related to the expansion of the company's investment and management for a long time. They are a qualified person that many organizations would like to bring your diverse knowledge and abilities to the benefit of the organization.

Chief Executive Officer and Managing Director

Chief Executive Officer and Managing Director are the highest commander of employees in the organization which the Board of Director select and appoint from one director according to the company's regulations. They has the responsibility to manage the company according to the policy, plan, and budget and under the authority framework received from the board of directors and defined in the company regulations.



Principle 2: Determine the objectives and main goals of the company to create sustainability.

Stakeholders should be supervised according to legal rights. The Board of Directors should consider to have a process to promote cooperation between the companies with stakeholders in creating financial stability and sustainability of the company

2.1 The Board of Director oversees the company's objectives or the main goal that is clear, appropriate and communicates to employees in the company, drive in the same direction and enhancing the objectives and main goals reflected in the work of employees at all levels until becoming a corporate culture.

2.2 The Board oversees the preparation of strategies and annual plans that are consistent with the objectives or the main goal by using innovations and technologies to be used appropriately and safely in order to create competitiveness and to meet the needs of stakeholders and based on social and environmental responsibility and provide reviews every year.

To determine the objectives and goals of business operations in the short, medium and long term, as well as determining the indicators of success in various matters in the business plan of the year 2017, which determines the operational goals each year, the goal of every employee in the organization with communication in the form of meetings, announcements, goals for work. The company determines to be a part of the evaluation of employees at all levels in the year 2018 and every year according to the plan specified in the business plan.

The company aims to develop the organization and take into account the impact of ESG by establishing guidelines for sustainable development and participation with stakeholders as follows;

1. Track and analyze the growth direction and changes of related industries including considering factors that affect the business, society and environment of the company and those involved in business such as innovation, technological change, global climate change including tracking practices and international standing standards such as Global Reporting Initiative (GRI), Sustainable Development Goals (SDGs).

2. Establish a framework for sustainable development the framework for sustainable development is the direction of sustainability of the company according to the main strategy consisting of 4 main dimensions: 1.Work place, 2.Market Place, 3.Community and 4.Environment which covers economic, social, community and environmental aspects.



Principle 3: Strengthen the Board of Directors

3.1 The committee should be responsible for determining and reviewing the board structure in terms of size, composition, proportion of independent directors which is appropriate and necessary for bringing the organization to the specified objectives and goals

The Board of Director will determine the structure of the Board to be diversified (Board Diversity) suitable for size, complexity, business characteristics and risks, consisting of leadership, professional skills, knowledge, ability, experience in business and related businesses, special skills (skill matrix) and gender, as well as, in accordance with the business strategy of management and have knowledgeable directors or at least 1 person with information technology experience. The Board of Director must have the appropriate amount in accordance with the resolution of the shareholders' meeting with clear scope of responsibilities, appropriate balance of power and does not allow any person or group to have power without restrictions.

The composition of the board consists of non-executive directors, executive director and independent directors, at least in the amount prescribed by the Securities and Exchange Commission.

**Board composition in 2018**

Board of Directors consisting of 10 directors who have experienced, professional skills and specialized expertise from a variety of professional fields. Those people are;

4 independent directors (more than 1 in 3 of the entire board) *

4 non-executive directors

2 executive directors

The Board of Director Meeting

The Board of Directors has a meeting scheduled once a quarter, except in the case of necessity. The company may arrange additional extraordinary meeting as necessary. The company has to deliver the entire meeting schedule in advance for each director to acknowledge so that the directors can allocate time to attend the meeting at all times. The Chairman of the Executive Committee will consider and approve various matters to be included in the meeting agenda for the chairman of the board to approve

The company sends the meeting invitation letter together with supporting documents to the directors at least 5 working days prior to the meeting so that the directors have enough time to study, consider and decide on various matters. Before The directors can request additional documents or additional information regarding various matters. Entering the meeting agenda from the management the meeting takes approximately 3 hours. The chairman of the board is the lead speaker. The meeting proceeded according to the agenda. Sufficient time is allocated for the management to propose the matter and enough that the director will consider such a round before deciding by voting on various agenda of the Board of Directors meeting. In this regard, the Chairman of the Board will conclude the meeting's resolution. In addition, directors who have an interest in the agenda that is considered to be absent from the meeting for that agenda and will not vote.

The company secretary is responsible for the preparation of the minutes, order the document storage for inspection including the delivery of meeting minutes to the public institution within the specified period.

In 2018, the Board of Directors Meeting was conducted 7 times: the Annual General Meeting of Shareholders 1 time, Extraordinary Shareholders' Meeting 1 time representing an average of 100 percent of the number of meetings, whereby the directors have to ask questions independently and give suggestions that are beneficial to the company in line with the corporate governance policy.



3.2 The board of directors should select the appropriate person to be the chairman and supervise Ensuring that the composition and operation of the Board is conducive to independent discretion in making decisions.

The Board plays an important role in corporate governance for the best interest of the Company. Also, the Board has a responsibility to all stakeholders and must be independent from the management

Separation of positions and balance of non-executive directors

1. The Chairman of the Board and the Chairman of the Executive Committee must not be the same person and have different responsibilities
2. The Chairman of the Board will not hold any positions in the sub-committee
3. Directors (except executive directors) will not be employees of the company and do not participate in the daily management of the company and clearly separating duties and responsibilities between the Board and the management

Role of the Chairman

The chairman of the board has a role as a director and leader of the board. The duties and responsibilities should at least cover:

1. Supervise, monitor and supervise the performance of the Board of Directors to be effective and achieve the objectives and goals of the company
2. Ensuring that all directors participate in promoting an ethical corporate culture and good corporate governance
3. Strengthen good relations between directors who are executives and non-executive directors and between the board and management

the chairman of the board will act as the chairman of the board meeting and the chairman of the shareholders' meeting of the company

Role of the Chief Executive Officer

The Chairman of the Executive Committee plays a role in operating the company in accordance with the strategy, plan and supervising the operation of the company to be smooth under the policy set by the Board of Directors. The Chief Executive Officer is the person with the highest responsibility for the operation of the entire company.

Term of office of independent directors

The Board of Directors has a policy for independent directors to hold office for a period of not more than 9 years from the date of being appointed to be the first independent director. If the independent director holds the position of an independent director for 9 years and wishes to return to be an independent director again must be removed from being a director in the company for a period of not less than 2 years by using the transitional provisions of the authorities or darker than the transitional provisions.

3.3 The Board of Directors should supervise the recruitment and selection of directors to have a transparent and clear process in order to obtain a committee that is qualified in accordance with the specified elements.

Nomination of Directors

The Board will ensure that the company has a transparent nomination process by appointing people with leadership, vision, professional skills, knowledge, ability, experience in business and related businesses Special skill (Matrix) and not limited to gender. The board will ensure it is in accordance with the business strategy of the company, as well as, having the highest responsibility for the company's performance is determined to lead the organization to grow steadily and grow with accuracy, free to express opinions and decision making for the best benefit of the company. For those who will become independent directors must have the qualifications of being an independent director as determined by the company, which is stricter than the requirements of the Securities and Exchange Commission (Qualifications of independent directors of the company can be found in the Management Structure section).

Nomination Committee will consider nominating directors from individuals in various professional following to the company's regulations and official requirements. The directors must be a person who is capable and has a strategic idea that can lead the company to a stable and sustainable growth and can fully devote time to perform duties as a director for the maximum benefit of the company before proposing to the Board of Directors or shareholders for appointment (depend on the case).

In the selection and nomination of persons to be directors will provide information that identifies the expertise in each skill matrix required for the director and disclose the policy and details of the nomination process in the annual report of the company.

Term of office of the director

In every annual general meeting of shareholders, one-third of the total number of directors is removed from the position. If the number of directors cannot be divided into exactly three parts then give out by the number nearest to the third part in which the director who has retired by rotation may be re-elected.

3.4 The Board of Directors should consider the structure and compensation rates that are appropriate to the responsibility. And propose to shareholders for approval

Directors' remuneration

1. The Board of Directors will determine the criteria, composition, and fair remuneration for directors at an appropriate level by using the principles of the duties of the Board of Directors (Fiduciary Duty) and in a manner that is comparable to the level that is in the industry, experience, obligations, scope of roles and responsibilities (Accountability and Responsibility) including the benefits expected from each director who



have been assigned additional duties and responsibilities, such as being a member of the sub-committee should receive additional remuneration at an appropriate rate.

2. Nomination Committee will review the directors' remuneration every year. Then, propose to the Board of Directors for consideration and approval as an agenda for the Annual General Meeting of Shareholders for approval at the annual general meeting of shareholders.

3. The Board of Directors will ensure that the company discloses the remuneration for each director individually in various reports according to official requirements such as annual reports.

Director's bonus

The Board of Directors plays an important role in formulating strategies, policies and supervising the operations of the company to meet the goals. The Board of Directors may consider granting remuneration to the Board at an appropriate rate, consistent with the company's performance and the level of practice in the industry. The Nomination Committee will consider the reward and propose to the Board of Directors for consideration and approval and include in the agenda of the Annual General Meeting of Shareholders for approval of the shareholders' meeting, disclose the directors' remuneration on an individual basis in various reports according to official requirements such as annual reports.

3.5 The Board of Directors should supervise all directors to be responsible for their duties and allocate sufficient time.

The Conference Board

1. The Board of Directors will arrange a meeting at least 1 time per quarter. The meeting date must be set in each year in advance so that the directors can allocate time to attend the meeting at all times unless in urgent need may arrange additional special meeting as necessary including the date of the meeting of the sub-committee in advance

2. The Board will ensure that the company send the meeting invitation letter together with supporting documents to the directors at least 5 working days before the meeting to allow directors to have enough time to study information in order to prepare to attend the meeting. The company secretary must ensure that all directors receive all relevant documents and have sufficient time to study, consider and make decisions on various matters in advance.

3. Directors can request additional information about various matters and entered the meeting agenda from the management

4. The secretary of the Board of Directors is responsible for preparing the meeting minutes in writing and organized in an orderly manner for inspection and submit the meeting report to the authorities within the specified period

5. Directors should attend every meeting or at least 75 percent of the number of meetings of the Board of Directors held each year at the time that the director holds the position unless there is reason and necessity

6. The Chairman of the Board and the Chairman of the Executive Committee will consider together in selecting the matter to be included in the meeting agenda, ensuring that important matters have been included and should allow each director the opportunity to freely propose matters that are beneficial to the company into the meeting agenda

7. The chairman of the board should allocate sufficient time for the management to present the matter and enough that the director will carefully discuss important issues together. The chairman of the board should encourage careful judgments. All directors should pay attention to every issue that leads to the meeting and the Chairman of the Board must summarize as a meeting resolution

8. Directors who have an interest in the agenda that is considered must not be present at the meeting and must not have the right to vote on that agenda.

9. Non-executive directors should meet among themselves as necessary to discuss various issues or problems regarding the management that is in the interest without the management team at least 1 time per quarter and bringing the results to the board for acknowledgment.

10. Where necessary, the Board of Directors can ask for professional opinions from external consultants regarding the operation at the expense. The company will consider disclosing the information of that consultant including independence in the annual report

Positions in other companies of directors

To ensure that directors can sufficiently devote time and be able to perform their duties and responsibilities in the company, the Board of Directors determines the number of companies that each director will serve in accordance with the requirements of the Stock Exchange of Thailand, the SEC Office as follows:

1. Director will hold no more than 5 directors in listed companies in both domestic and international markets (including companies)

2. The company's directors can be the Chairman of the Board, executive director or authorized director in one or more companies in another company, no more than 3 business groups (excluding companies), If a company is not a business group to count each company into one business group

2. Directors must disclose information about holding positions in other companies for the company to know according to official requirements and company regulations

3.6 The Board of Directors should supervise to have a framework and mechanism for overseeing the policies and operations of companies in the business groups and other businesses that the company has invested significantly.

Strategy and coordination

Each company in the business group must determine the strategy to meet the business objectives and be consistent with the company's long-term strategy before presenting to the Board of Directors and presented to the Executive Committee and the Board of Directors of the Bank for approval by having the corporate strategy unit of the company and the representative director work together

Policy implementation

The management of the company in the business group must adhere to and comply with the Consolidate Supervision Policy of the company, with the company's audit staff being the company inspectors in the business group on an annual basis.

3.7 The Board of Directors should arrange the annual performance evaluation of the Board of Directors.

Sub-committee and individual activities

Performance evaluation of the Board of Directors

1. The Board of Directors and Sub-Committees will conduct self-assessment at least once a year to allow the Board to consider the work and problems for the development and improvement of duties by having to define the norms that will be used to compare with the performance results with criteria
2. The method of evaluating the performance of the Board of Directors is (1) Self-assessment (Self-assessment) for both faculty and individual (2) Cross-assessment (Cross-assessment) and including disclosure of rules the steps and results of the overall assessment in the annual report
3. The Board of Directors may consider having an external advisor to assist in formulating guidelines and suggesting issues for evaluating the performance of the Board of Directors and disclose the said operation in the annual report

Performance evaluation of the Board of Directors

Self-Assessment of the Board

Board of Directors requires the regularly evaluation of the performance of the Board of Directors individually and in the whole group at least once a year to know about various problems and obstacles during the past year. In addition, it is to make the work of the Board more effective as there are clearly know their responsibilities and to help improve the relationship between the Board of Directors and the management including guidelines for improvement to comply with good corporate governance principles by using the form

that the company improve from the self-evaluation form of the Board of Stock Exchange of Thailand as appropriate and in accordance with the characteristics of the Board of Directors.

The evaluation criteria are detailed as follows: Operating results, policies, guidelines for corrective action if not as specified, preparation before entering the meeting, practice on corporate governance of the company, duties of Chairman of the board And monitoring of risk management, etc. Then, use the scores that the committee evaluated themselves, use the statistical analyze data and report the assessment results to the Board of Directors to lead the management's operations further. In addition, in the year 2018, the company evaluated all sub-committees, namely the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and the supervisory board with evaluation criteria as follows

1. The structure and qualifications of the sub-committees are appropriate and work effectively
2. Sub-committees perform their duties efficiently in meetings
3. Roles, duties and responsibilities of sub-committees

Performance evaluation of the Managing Director

Board of Directors requiring the evaluation of the performance of the Managing Director every year by using the form that the company updates from the example Self-evaluation form of the Managing Director of the Stock Exchange of Thailand as appropriate and in accordance with the organization's goals and strategic plans by assessment criteria divided into the following topics:

- | | |
|----------------------------------------------------|---------------------------------------|
| 1. Leadership | 2. Strategy formulation |
| 3. Compliance with the strategy | 4. Planning and financial performance |
| 5. Relationship with the Board of Directors | 6. External relations |
| 7. Administration and relationship with personnel. | 8. Succession. |
| 9. Knowledge of products and services | 10 Personal characteristics |

Collect the score that the committee evaluated to analyze the statistical data for improvement and development of various weaknesses and for determining remuneration and appropriate incentives

Board of Directors

In 2018, Board of Director review the performance evaluation form of the Board of Directors to evaluate the directors annually, for the Board of Directors to review the performance, problems and obstacles during the past year. This can be done by evaluating the entire Board of Directors, self-assessment by dividing the criteria to 5 levels and summarizing the overall assessment results to the Board of Directors and disclosed in the annual report In order for the evaluation to have appropriate criteria. The company has improved the questions and assessment criteria in accordance with the guidelines of the Board of Directors assessment. The assessment to the Board of Directors, which the Board of Directors has acknowledged the result of such

assessment and bring suggestions from the evaluation to formulate guidelines to improve the performance of the Board of Directors with concrete efficiency.

1. Evaluation of the performance of the Board of Directors (whole board)

The questions are composed of 6 main categories:

1. Structure and qualifications of the Board of Directors	2. Role, duty and responsibility of the Board of Directors
3. Meeting of the Board of Directors	4. The duties of directors
5. Relationship with the management	6. Self-development of directors and executive development

The evaluation committee is the director who holds the position during the evaluation period as of December 2018, a total of 10 persons.

Summary of the assessment of the Board of Directors (the whole group) has an average **score level 88.63%**

2. Performance evaluation of individual directors (self)

The question consists of 3 main categories:

1. Compliance with ethics and business ethics
2. Responsibility for performing duties
3. Self-development and teamwork

Summary of individual director assessment (self) with average **score level 97.95 %**

Sub-committee

Sub-committees, which are the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Anti-Corruption Working Group and the Corporate Governance Committee, has conducted a performance evaluation on a specific topic for both the faculty and individuals. In 2018, there is an improvement of assessment topics

Questions and criteria for assessment to cover the performance according to good practices

1. **Audit Committee** consisting of the topic of the Audit Committee Charter Elements of the Audit Committee, meetings, training and resources, responsibilities of the Audit Committee Relationship with the Department Manager, Internal auditors, auditors and management report to the Board of Directors, shareholders and maintaining operational quality by summarizing the evaluation of the performance of the Audit Committee as follows;

Evaluate the whole group: the average **score 95.24 %**

Individual assessment: the average **score 98.30%**

2. Nomination and Remuneration Committee Consists of topics to evaluate the subject Elements and features Scope / Performance of the meeting, performance evaluation report by summarizing the evaluation results of the Nomination and Remuneration Committee as follows

Evaluate the whole group: the average **score 98.33 %**

Individual assessment: the average **score 97.73 %**

3. Corporate Governance Committee Consists of topics to evaluate the subject Elements and features Scope / Performance of the meeting, performance evaluation report by summarizing the evaluation results of the Corporate Governance Committee as follows

Evaluate the whole group: the average **score 96.00%**

Individual assessment: the average **score 99.55 %**

4. Risk Management Committee Consists of topics to evaluate the subject Elements and features Scope / Performance of the meeting, performance evaluation report by summarizing the assessment of the performance of the Risk Management Committee as follows

Individual assessment: the average **score 92.50 %**

Evaluate the whole group: the average **score 96.02 %**

5. Anti-Corruption Working Group Consists of topics to evaluate the subject Elements and features Scope / Performance of the meeting, performance evaluation report by summarizing the assessment of the performance of the Risk Management Committee as follows

Evaluate the whole group: the average **score 93.33 %**

Individual assessment: the average **score 97.16%**

3.8 The Board of Directors should supervise the Board and each director to have knowledge, understand of roles, nature of business and laws related to business operations, as well as encouraging all directors to receive various skills and knowledge relating to the performance of directors regularly

Director Development

1. The Board of Directors will promote and support the education of directors in acting as directors of the company by training courses of the Thai Institute of Directors Association (IOD) related to at least 1 director, namely the Director Accreditation Program (DAP) or the Director Certification Program (DCP), including any other courses related to supervision, good business acting as a director under the law and the requirements of relevant authorities or the business of the company to increase the skills of supervision. The company is responsible for all of the expenses.

2. The Board of Directors will supervise the management to arrange internal training courses for the company to the directors in order to increase knowledge in relation to the business of the company and responsibility as a director of the company

3. The Board of Directors should set up an orientation for every new director to create knowledge and understanding in the business including the various operations of the company in order to prepare them for their duties as the directors. The directors should have a policy to enhance knowledge and new perspectives for all directors to learn corporate governance, industry conditions, technology business and new innovations so that directors can take the position as quickly as possible with efficiently. The company secretary would act as the coordinator in various matters as follows

1. Matters to note: business structure, board structure, scope of authority, Laws that need to be known
2. General knowledge of the business: guidelines for operating various policies and visiting the production process
3. Provide a meeting Discussions with all Board members to inquire in-depth information about business operations. For the year 2018, the company has no new directors.
4. The Board of Directors will ensure that the company discloses training and director development information in various reports, according to the principles of good corporate governance, such as annual reports

Training of Directors

The company has directors who are knowledgeable, capable and always seeking knowledge in directors and business functions, and the company encourages all directors to study and train more to continuously increase knowledge about directors' duties, including

1. The Board of Directors have participated in national activities that help promote and enhance the level of good corporate governance and exchanging opinions with those with regional experience, such as establishing a Plant visit of the companies' work site that have participated in overseas joint ventures to allow the Board of Directors understand the business of the company and bring knowledge and experience to benefit the company.

2. All directors have attended the training course with the Thai Institute of Directors Association (IOD). The company also encourage the directors to attend other training courses associated which gives a useful perspective to apply to the business of the company

In addition, the top executives of the company also participated in the discussion exchange activities various knowledge seminar activities that is related to the operation, as well as, being a guest speaker in various seminars to exchange knowledge, experiences and opinions with various institutions.

3.9 The Board of Directors should ensure that the operation of the Board is completed. Can access the necessary information and has a company secretary who has the necessary knowledge and experience

Company Secretary

The Board of Directors will appoint persons with appropriate qualifications and experience to perform duties as the Company Secretary. The Board of Directors will determine the roles, duties and responsibilities of the Company Secretary to be in accordance with the legal requirements and best practices, which the Company Secretary will monitor various operations. Of the Board of Directors, the management, and the Company in accordance with the requirements of laws, rules, regulations, relevant authorities Company regulations as well as supporting the operation of Board of Directors, Sub-committee, management and the company to be in accordance with the good corporate governance guidelines and disclose the information, qualifications and experience of the company secretary in the annual report and on the company's website.



Principle 4: Recruitment and development of senior management and personnel management

4.1 There is a recruitment and development of high-level executives to have knowledge, skills, experience and features necessary to drive the organization.

Recruitment of executives

Recruiting and appointing the highest level of directors and executives

Nomination and appointment of directors and independent directors, the Board of Directors has appointed the Nomination and Remuneration Committee to act as a recruiting person with knowledge, ability, expertise and experiences that are useful and consistent with the company's business strategy. If the position of the director of the company vacant or directors due to retire, by rotation, the committee will prescribe criteria for considering the person who deserves to be nominated for appointment as a director, both from minority shareholders and major shareholder, by considered with the criteria for nomination of directors of the Stock Exchange of Thailand. The company gives priority to those with skills, experience, professional qualifications, specific qualifications in accordance with the business strategy of the company and to make the board composition with integrity and utmost benefit of the company, including consideration of the conflict of interest and conflict of interest of the directors in a transparent and comprehensive manner.

Director

1. Appointment of new directors considering the composition, including qualification in accordance with relevant laws and regulations being a qualified person with diverse knowledge and experience in various professional fields, which is useful for the performance of the directors and the necessity of the composition of the board structure that is consistent with the business strategy by considering skills matrix in engineering, law, finance, accounting, economics, security and society Management. They will combine knowledge and



capabilities that are beneficial to the operations of the company and having interests or conflicts of interest that may have with the company

2. Appointment of the same director considering the performance in the past year, giving feedback, comments that is useful to devote time and participation in various activities of each director to consider.

Independent Director

In the selection and nomination of independent directors will consider the number of independent directors on the composition of the Board of Directors to be consistent and in accordance with the requirements of the SEC. As of December 31, 2018, there are 4 independent directors from the total number of 10 directors. There are 40 percent of the Board of Directors, which is greater than the requirements of the SEC and according to the information disclosed in the management structure section by independent directors. There are definitions and qualifications as defined in the Good Corporate Governance Handbook and disclosed on the Company's website.

Recruitment and appointment of the Chief Executive Officer

Recruitment of the Chief Executive Officer and Managing Director in replacement of the vacancy Nomination Committee will consider from those with skills, experience, professional qualifications in various fields that is necessary and the most beneficial to the business of the company which must be approved by the Board of Directors Such criteria include

- Being a director of the company according to the company's regulations
- Knowledge, ability to conduct business
- Experience in the automotive parts manufacturing business Or other businesses related to the expansion of the investment of the company
- Experience in leadership of the organization
- High leadership
- Acceptance from related business organizations

(More details on the topic "Director and Executive Development" and "Talent Group Management and Succession Plan")

Succession Plan

The Board of Directors will establish a succession plan for the management since the implementation of such plans is an important component of personnel strategy planning. The Board of Directors must ensure that the company has policies, plans and processes that is linked to the vision, mission, and business goals including corporate culture to ensure that the succession of executive positions is smooth including the preparation of replacement personnel for the continuing company's business operations.

Positions in other companies of the Executive Chairman

The Chairman of the Executive Committee will perform full time for the company. Of the Chairman of the Executive Board, other companies or organizations must be approved by the Board of Directors

4.2 The Board of Directors should monitor, supervise and develop personnel to have the appropriate amount of knowledge, skills, experience and motivation.

Development of senior management

The company has continuously developed the potential of employees with regular training at all levels, which are divided into both business, own profession, leadership and collaboration, learning from direct experience and from others. There are in-house training through classroom training, E-learning and sending employees to train outside the company.

4.3 The Board of Directors should supervise the structure of compensation and appropriate evaluation

The Company considers the payment of remuneration in the form of salary and remuneration based on performance to be comparable to the payment of the same industry and to be fair in the company. In addition, in order to increase the ability to cope with various situations by focusing on the organization "Flat Organization" which will have flexibility in doing business, adapt quickly because it reduces the work process and make decisions more quickly and to support this approach. The company has adjusted the compensation information to be appropriate with the scope of duties and responsibilities and provide tools to work according to the roles and duties without adhering to the employee level and the overall compensation framework In order to drive the culture under the concept of "Pay for Performance", which will vary according to the performance of the employees and the operating results of the company.

(Year 2018 Directors' remuneration Executives and employees Already reported on the topic Remuneration for directors, executives, employees)



Principle 5: Promote innovation and responsible business practices

The Board gives importance and supports the creation of innovations that create value for the company and to create business opportunities coupled with creating benefits for customers or those involved and have responsibility to society and the environment including allocating and managing resources efficiently.

The Board will monitor the management to conduct business with ethics and having responsibility to society and the environment and reflected in the action plan to ensure that the management manage resources efficiently and effectively, taking into account the impact and development of resources throughout the value chain, including information technology management and risk supervision under the objectives, goals, principles and strategic plans of the company in a sustainable manner.

1 Treatment of stakeholders

The Board of Directors emphasizes the importance of treating all stakeholders equally so that the stakeholders receive full, fair and appropriate rights. There is a system to receive complaints from customers and to resolve problems with care and justice. Keeping customer information confidential and strictly complying with the contract terms provided to the business partner. The company would conduct business with fair and ethical competition principles, honest, without corruption, treat all employees fairly and equally by focusing on the development of training to increase knowledge, ability, and potential and provide opportunities for employees to relocate their duties in order to increase work efficiency and have a fair compensation comparable to the same industry including enhancing the corporate governance culture in the organization.

The Board of Directors defines guidelines for treating stakeholders in each group as follows.

Shareholder:

The Board of Directors will supervise the business operations of the company to be transparent and free from corruption by taking into account the continued growth of sustainable performance in the long run on the potential and capability of the company to create additional value for the company both in the form of increased stock value and dividend payment at attractive rates.

Staff:

Aim to develop the organization to be a learning organization, strengthen culture and working atmosphere, promote teamwork, provide fair returns, supervise the safety and maintain the working environment, attach importance to development, transfer knowledge and the ability of employees, listening to comments and suggestions from employees at all levels equally and equitably, defining and extending the cultivation of corporate culture. The company recognizes that every employee is one important and valuable factor, bring success, progress and sustainable growth. The company adheres to the principles of good corporate governance and the United Nations that respects human rights, which the company has planned and set up a plan to manage human resources management in line with business operations, adjust the management structure of research and development and innovation units to support the business group of the company to be linked to business in foreign countries and enhancing the business context with greater size and diversity. Therefore, the company is emphasizing the recruitment of personnel in groups that are essential to driving the organization's strategy to be successful, prepare to recruit employees to prepare for the retirement of employees and to be in line with the business expansion to foreign countries. The company is recruiting and hiring both locally and internationally through Social media, as well as building a network in foreign countries to be known in the labor market.

The company encourages employees to be happy in their work and to have good quality of life, safety and good health, as well as, striving to improve and strengthen the capabilities of the organization and



personnel management since personnel are considered valuable resources for building a strong and sustainable growth of the organization, details of operations and human resource management appear in the topic Employee Management and Development Policy.

Customer:

The company committed to create satisfaction and confidence for customers and the public to receive good quality products and services at a reasonable price level and continuously raise standards, as well as, maintaining good and sustainable relationships. The company adheres to the mission to take care and improve the quality of products and good service to be the best choice for customers with innovative products and services to create maximum confidence and satisfaction. The company has a fair, appropriate, transparent and auditable management to create satisfaction and confidence for customers and the public to receive good quality products and services at a reasonable price level and raise the standard to be higher. Moreover, the company maintains good and sustainable relationships, responsible for customer care in trading raw materials and products through various activities namely marketing excellence (Customer Excellence) that is centered in 5 areas:

- | | |
|-------------------------------------------------------|----------------------------------|
| 1. Creating value for customers | 2. New product development |
| 3. Price strategy | 4. Distribution channel strategy |
| 5. Development of quality and efficiency of personnel | |

For the customer satisfaction survey in 2018, the company has improved and organized satisfaction measurement to meet international standards and to compare with the same industry. The results of the Customer Satisfaction Survey in 2018 showed that the average satisfaction of 87.77% was able to reflect the success in building relationships and responding to customer needs at a good level. The company regularly hosts / visits customers' businesses to listen to opinions and exchange information in the industry with customers, to provide information for customers to use in business operations, as well as, arranging for customers to visit the factory and production process to give customers confidence in the production process and product quality control of the company. The company arrange to receive and manage complaints about products / services and operate systematically for customers to receive a quick response. There are many channels, including websites, emails and phones, and create guidelines for solving and preventing problems that may arise in the future with continuous monitoring and evaluation of customer complaints management to use the results for future business development and planning.

Partners:

Taking into account equality and integrity in business operations, maintain mutual benefits with partners by strictly complying with the laws and regulations and have a code of business conduct, the company has



business ethics in procurement and treatment of business partners, criteria for selection and treatment of trade partners fairly including organizing the company regulations on the supply of goods to streamline product operations. The company also has good control and auditable. The company is able to conduct business with business partners in an appropriate manner with the benefit of both parties in a fair and transparent manner. In addition, the company also considers equality and integrity in conducting business, maintaining mutual benefits with partners by strictly complying with laws and regulations that are jointly defined such as improving the quality of products and services with product and service guarantee. There is a full disclosure of information about products and services, a system for receiving and managing complaints about products and services. The company has a satisfaction survey of partners, organize activities to educate and strengthen good relationships with partners and determine the code of conduct of the purchasing agency.

The company considers not accepting or paying any benefits that is not honest in trading with partners in the good corporate governance manual and business ethics and the policy of supervising the operation to be in compliance with the law (Corporate Compliance Policy), requiring employees to comply with the law on prevention and anti-corruption (Corruption), giving or receiving bribes (Bribery) with officials of government agencies or private agencies, both at home and abroad. The company considers any actions, which is a violation of such law that is incorrect and does not comply with the operational supervision policy. The personnel at all levels must resist and ignore that action and must perform duties with transparency for the benefit of the company or only companies in the group to prevent conflicts of interest and must not encourage others to act or ignore any action, which is against the law. The company has signed a contract of purchase in writing and strictly complying with the contract. In addition, there is a continuously meeting with partner to develop and improve joint operations as well as finding solutions to problems in the event that the conditions cannot be met with the partners by organizing a meeting to find the cause of the problem and find solutions together by the solution must be a way for all parties to be satisfied together and to solve problems until completed and finding ways to prevent such problems from happening again.

The company has procedures and procedures for selecting partners or contractor project arrangement or guidelines for anti-corruption including supporting activities that encourage and instill all employees to comply with the law and related regulations.

Creditor

The company adhere to fair practices in accordance with the conditions and responsible for creditors including repayment on schedule. The company treats creditors with responsibility, fairness, adheres to good practices according to the guidelines, conditions, terms of the contract and strict financial obligations, especially the conditions of guarantee capital management, debt settlement and fairness to creditors including repayment on schedule, as well as not using dishonest methods to conceal information or facts that

may cause damage to creditors. In the event of failing to comply with any of the conditions, the company must notify the creditors in advance to jointly consider finding solutions. The company has focused on information disclosure to stakeholders with emphasis on accuracy, completeness, speed and transparency of information disclosed consisting of financial and non-financial information and the company has not sued for any default from all creditors.

Competitors

The Board will ensure that the company conducts business based on free competition, fairness, honesty, honesty without corruption, not destroying, causing damage, obstructing, preventing or limiting the business of competitors. The Board of Directors must ensure that the company performs under the rules of good competition, do not seek confidential information of competitors by dishonest or inappropriate means, such as giving bribes or bribery to competitor's employees, etc., and not destroying the reputation of competitors by malicious accusations.

Investor

The Board will ensure that the company has disclosed accurate, complete and sufficient information for investors' decisions within a reasonable time.

Government

The Board will ensure that the company conducts the business by strictly complying with laws, rules, regulations and regulations of relevant authorities and provide good cooperation to government agencies.

Community, society and environment

The Board will ensure that the company conducts business together with corporate social responsibility (CSR) with support in various activities to promote and develop the quality of society and the environment sustainably including building good relationships with communities that the company operates. In addition, the Board of Directors will ensure that the company discloses the activities and promotes employee participation in corporate social and environmental responsibility in the annual report.

2. Compliance with international human rights principles

The Board recognizes the importance of equality of employees and will take care of the company to not commit any acts that violate human rights by unfairly discriminating against individuals due to differences in origin, race, language, age, education, institution, gender, disability, physical or health condition, person status and economic or social status.

3. Non-infringement of intellectual property

The Board will ensure that the company does not violate intellectual property, act or seek benefits from copyrighted work or intellectual property (copy rights and intellectual property rights) unless the company will be allowed by the copyright owner to legally do one under that right.

**Principle 6: Supervise to have an integrated control system and appropriate risk management**

The Board gives importance and supports the creation of innovations that create value for the company and to create business opportunities coupled with creating benefits for customers or those involved and have responsibility to society and the environment including allocating and managing resources efficiently.

Fraud prevention Anti-corruption and giving and receiving bribes

The company operates its business by giving importance to good corporate governance under the ethical management framework. The company conducts business with transparency and can be checked with the control and inspection process to reduce and prevent the risk of fraud occurring within the organization including the corruption in all forms, whether direct or indirect, which apart from defining the good corporate governance policy of the company. The company has prepared anti-corruption policies, giving or receiving bribes as a written anti-corruption practices. The company has also become a party related to anti-corruption both at the national level as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) by conducting an expression of commitment to anti-corruption of the company and the preparation for examination (Recertification) that IOD requires to be evaluated every 3 years. The audit committee of the company is required to be assessed every year. In 2018, the company has taken important matters summarized as follows:

1. Arrange for a fraud risk assessment project to analyze and assess the risk of fraud opportunities and the effects that may occur from fraud in various processes within the organization by applying risk assessment tools developed from the Risk Assessment of Enterprise Risk Management (ERM) to be used in the implementation of such information to consider the measures Internal control And internal audit regarding corruption And corruption for the benefit of supervising, monitoring, controlling and reducing the potential for corruption within the organization
2. Review anti-corruption measures and risk assessment in the existing work process of the company by the internal department with relevant responsibilities In order to be complete and current In accordance with the changing circumstances and risks and report to the Audit Committee and the Board of Directors to be informed accordingly
3. Improve the complaint handling system (Whistleblower System) by adding channels to receive complaints and provide a work system that collects complaints more efficiently to comply with the criteria of the Thai Private Sector Collective Action Coalition against Corruption (CAC)
4. Promote and communicate to create knowledge and understanding so that employees are aware of the importance of anti-corruption as well as guidelines for anti-corruption for executives and employees.

5. Communicate with customers / partners of the company In regard to anti-corruption and not calling / not accepting gifts or other benefits through the Supplier Conference for the year 2018 in order to allow business associates have been informed and have guidelines in line with the company's policy

Clues or complaints

The company has established a policy for all stakeholders to report clues or complain of improper actions, infringement Illegal or unethical behavior inaccurate financial reports or the defective internal control system of the company including a policy to protect whistleblowers the complainant can choose not to reveal himself. The recipient of the complaint will keep the information confidential and disclose as necessary, taking into account the safety and damage of the complainant and those who have suffered damage will receive relief through appropriate and fair procedures (Details about receiving clues Published on the company's website).

The Company has provided measures and channels to report clues or complaints of all stakeholders, which can report clues, complaints and comments to the company through the following channels

Letter: Company Secretary / Managing Director / Audit Committee

Fortune Parts Industry Public Company Limited

11/22 Moo 20 Nimitmai Road, LamLukka Subdistrict, LamLukka District, PathumThani 12150

Phone: 02-993-4970-77 ext. 108 (Company Secretary)

Fax: 02-993-0602

Website: www.fpiautoparts.com

Email: o.saryuht@gmail.com

In the event that employees are able to report clues or complaints through supervisors that they trust the agency responsible for that matter directly or executives who supervise the regulatory agencies.

Contact channels to the Audit Committee / the Board of Directors

Stakeholders who wish to contact the Audit Committee / the Board of Directors Can complain through

Channel 1 The Company's Audit Committee

Mr. Sutanai Prasertsan Tam.prasertsan@gmail.com

Mr. Anan Ketpittaya gatepithaya@gmail.com

Mr. Bhumipat Sincharoen pumipat@ap-thai.com

Channel 2: Company Secretary or Board of Directors assigned by the Board of Directors

Mr. Sompol Thanadumrongsak paulfpi@hotmail.com

Mrs. Nusara Thanadumrongsak apple_fpi@hotmail.com

Mr. Sarayuht ouybuan o.saryuht@gmail.com

**Action when receiving complaints**

The company has prepared and announced the implementation process according to the complaint receipt policy (The Whistleblower Policy Procedure) consists of the following main processes:

1. **Screening complaints** The assigned person reviews the important information and the steps according to the policy. If the information is reasonable with a clear evidence, the complaints will be considered and report to the stakeholders who is the complainants to know
2. **Fact Investigation** Prepare the report of the investigation with comments and suggestions to propose to the Chief Executive Officer and Managing Director to appropriately order the action.
3. **Consideration of the order** The Chairman of the Executive Committee and the Managing Director consider ordering the investigation committee to file complaints following the work regulations of the company to be fair to all parties
4. **Reporting** As the complaint has been terminated, it will be reported to the stakeholders who are the complainants in the event that the complainant person has informed the way to contact. Then, report to the Corporate Governance Committee and the Audit Committee for acknowledgment

Measures to protect complainants or those who cooperate

Complainants or those who cooperate in the examination will be protected in accordance with the criteria and the complaints policy as follows;

1. The complainant or stakeholders or those who cooperate in good faith at all stages of the investigation process will be protected or non-Retaliation
2. Information of the complainant and related persons will be concealed in the confidentiality layer following the company regulations regarding the definition of confidentiality and security regarding documents
3. The complainant or the affected person will receive remedies and relief according to the appropriate steps of the company

In 2018, no clues or complaints relating to illegal acts or ethics of infringement, inaccurate financial reports, corruption and the defective internal control system of the company were reported to such channel.

Caring for conflicts of interest

The Board of Directors will be strictly monitoring transactions that may have conflicts of interest or related transactions or related transactions. In considering such transactions, the Board will ensure that the company's implementation is in accordance with relevant regulations and rules. The company will specify these transactions as they are the transaction with an external third party (arm's length basis), which any interested person in the transaction will not be involved in the approval process of the said transaction. The company has a policy of conducting transactions with individuals who may have conflicts of interest with the



employees, so that the transactions that may have conflicts of interest would be treated fairly, transparently, in accordance with relevant regulations and must ensure that the disclosure of information is complete and accurate according to the principles of good corporate governance.

In considering the agenda with any director in the Board of Directors having an interest, the director must notify his / her interest at least before considering that agenda and the secretary of the board of directors shall record in the minutes of the board meeting including refraining from participating in the meeting for consideration in that agenda.

Prevention of internal data usage

1. The Board will ensure that the company has policies and guidelines for keeping and preventing the use of internal information in written document. The document should include information that has not been disclosed to the public in general, which is significant to changes in the price or value of securities and take care to be taken seriously in order to prevent directors, executives, employees and related person who are in a position or status that has the opportunity to know the inside information of the company. The company would ensure that these people would not exploit that information for oneself or others, such as trading securities before the information is publicly disclosed, using information or secrets of the company / customers to use in doing business, competing with the company / customers of the company or exploitation of authority in wrongful ways

2. The Board of Directors will require the directors, executives from the Chairman of the Executive Committee, Executive Director, managing director or assistant managing director, Chief Financial Officer, Chief Operating Officer, Chief Financial Officer to responsible for disclosing information and reports on holding of securities issued by the company, both for themselves, spouses and underage children to the Office of the Securities and Exchange Commission (SEC) including reporting changes in such securities holding every time when buying, selling, transferring or accepting transfer of such securities regarding to the report form and within the period specified by the SEC

In addition, the management has a duty to prepare a report of the shares of the company hold by the directors, executives and spouses, children who have not reach 20 years old to the board for acknowledgment. The management also has to prepare a summary report of changes in the holding of the Company's securities of the Board of Directors, the Chairman of the Executive Committee, Executive Director, managing director or assistant managing director, Chief Financial Officer Chief Operating Officer, and Management including spouses and underage children and disclosure those information in the annual report

Internal control

The Board of Directors will ensure that the company has an internal control system both at the management level and the operational level and has a framework for overseeing risk management and

information technology management that is in line with the needs of the company that is efficient, appropriate and sufficient. The company frequently assesses the internal control system of the company, and supervise various departments of the company to comply with laws and relevant regulations, policies and regulations of the company to ensure that the interests of the company and stakeholders are best taken care of

Business ethics and ethics

The Board recognizes good practices in order to maintain and promote honor and reputation of the company. The Board will oversee the business ethics and the code of conduct for directors, executives and employees so that everyone understands the ethical standards that the company uses in business operations. Therefore, there will be a proper conduct of the business, showing virtue and ethics in daily work that will lead to the creation of trust and trust from stakeholders



Principle 7: Maintain financial credibility and disclosure.

Disclosure and transparency

The company has a policy to disclose information of both financial information and important general information related to the business and operating results of the company that is true, complete, sufficient, reliable, straightforward and timely. The company would also demonstrate the status of the business, the true financial status of the company, as well as, the direction of the company's business operations in the future, so that shareholders and stakeholders can conveniently and quickly access information on various matters in both Thai and English. The company would disclose the information in the SET Portal of the Stock Exchange of Thailand and the website www.fpiautopts.com. The Company adheres to the laws, rules and regulations that is determined by the SEC, the Stock Exchange of Thailand and those that other agencies strictly stated. The company also regularly follow up on changes to ensure that what the company has treated is correct and is a guarantee for shareholders to believe in transparent of the business operations that are straightforward, with investor relations (IR) and company secretary (Corporate Secretary) takes care in providing information and answering questions.

Disclosure

1. The Board will ensure that the company discloses both financial and non-financial information related to the business and the operating results of the company that is true, accurate, complete, sufficient, reliable and timely by showing the status of the business and the true financial status of the company for the stakeholders of the company to receive sufficient information through various channels. The shareholders can access information equally on the company's website with both Thai and English version

2. The Board of Directors will ensure that the company discloses important information to the public in accordance with the rules and regulations for disclosure of information of the Stock Exchange of Thailand, the SEC, as well as the principles of good corporate governance.

3. The Board of Directors attaches importance to managing relationships with both domestic and foreign institutional and individual investors by considering the accuracy and completeness, quality and adequacy of the company's information disclosed to investors, securities analysts, etc. that are accurate, transparent Thorough and timely. The Board will ensure that the management of the company regularly meet with investors and securities analysts by holding a meeting to clarify the operating results at least twice a year, as well as, regularly attending seminars with investors and securities analysts both domestically and internationally to create confidence in the operations of the company and building good relationships in the long term

4. The Board will ensure that the company prepares management explanations and analysis (Management Discussion and Analysis or MD&A) for the disclosure of quarterly financial statements in order to allow the investors to get information and understand the changes in the financial position and results of operations in each quarter

5. The Board of Directors will establish an Investor Relations unit to communicate with investors, general securities analysts and etc. They will receive information about the company of both financial and general information of the company that is accurate, complete, timely and in accordance with the law or various rules to be useful for investment decisions, building confidence and create a good image for the company

6. The Board of Directors will ensure that the company discloses general information of the company on the website or annual report of the company in Thai and English for the shareholders, investors, the public or interested persons to have easy access to the company information with the following minimum information;

1. Vision and Mission of the company
2. Nature of the company's business
3. List of directors and executives
4. Financial statements and reports on current and previous financial and operating results
5. Form 56-1 and annual report that can be downloaded
6. Any other information or documents that the company brings to analysts Fund manager or various media
7. Group structure including subsidiaries, associates, joint ventures
8. Shareholding structure of major shareholder groups, both direct and indirect, which hold shares from 5% of the paid-up shares all with voting rights
9. Shareholding of directors and senior management
10. Invitation to the Annual General Meeting and Extraordinary General Meeting of Shareholders
11. Company regulations and memorandum of association



12. Corporate Governance Policy and anti-corruption policy

13. Risk management policy of the company Information Technology Supervision and Management Policy

14. Roles and Responsibilities of the Board and sub-committees

15. Ethics for directors and employees

16. Contact Information or the person responsible for investor relations, such as the name of the person who can provide information telephone number Information for the person responsible for the company secretary

17. Other information in accordance with good corporate governance principles or according to relevant official rules



Principle 8: Support participation and communication with shareholders

The board should ensure that shareholders participate in important decisions of the company, including supervising the disclosure of the resolutions of the meeting and the preparation of the minutes of the shareholders meeting that is accurately and completely following the basic rights

Rights of Shareholders

The company recognizes the importance of the rights of shareholders with responsibility in managing the company with care and prudence, taking into account the rights and equality of the shareholders and maintaining the best interests of the shareholders by the shareholders of the company have the following basic rights

1. Right to trade or transfer shares
2. Right to attend the shareholders' meeting
3. The right to appoint a proxy to attend the meeting and vote
4. Rights to propose additional agenda
5. Right to receive dividends
6. Rights to nominate persons as directors
7. The right to vote, elect or remove directors individually
8. The right to vote, appoint and determine the auditor's remuneration
9. The right to vote for various agenda of the company

10. Rights to express opinions and ask questions at the shareholders' meeting and sending questions in advance

11. The right to receive information and company information adequately and timely

12. Facilitating shareholders to exercise their rights to attend and vote fully

The company gives importance and respects the rights of every shareholder. Regardless of whether the shareholder is a major or minority shareholder, institutional investor or foreigner. In 2018, the company has conducted the right of shareholders' as summarized below;

1. Providing important and necessary information for shareholders that is clear and up-to-date business operations although some of them are not in the criteria required by law to be disclosed. If the company considers that it is necessary that the shareholders should be informed, the company will disclose that information on the company's website and the information will be disseminated in system of the SET immediately

2. The Annual General Meeting of Shareholders for 2018 held on Tuesday 25 April 2018 at 14.18 at the Emerald Hotel, Panorama Room 1, 14th Floor, 99/1 Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok The Company took care of the shareholders who attended the meeting and provide them with the convenience. The important points of the meeting is summarized as follows:

Before meeting

1. Allowing shareholders to propose matters for consideration as agenda items and nominating qualified persons to be elected as directors before the Annual General Meeting of Shareholders for the year 2018. The company announced the criteria for nominating persons and specify the clear steps. The nomination period was between 31 October 2017 and 31 December 2017, via the channel of the SET and published on the website of the company www.fpiautoparts.com in the topic of shareholder information Shareholders' meeting in order to show the right of shareholders, as well as, treating every shareholder fairly and equally.

According to the criteria set by the company by the Nomination and Remuneration Committee, they will selected qualified individuals and the Corporate Governance Committee will consider and scrutinize matters that are appropriate to be proposed as meeting agenda in accordance with the criteria before proposing to the Board of Directors' meeting to consider again. The Board of Directors will notify the result of the consideration together with the reasons for the shareholders to know in the shareholders' meeting, which appears that the year 2018, no shareholder proposed the agenda and nominate persons to be elected as directors to the Company

2. In order for all shareholders to receive information that is clear enough and has time to study information in advance, the company has reported to the Stock Exchange of Thailand to disseminate to shareholders immediately after the Board of Directors held on 20 February 2017. It was resolved to set the date of the 2017 Annual General Meeting of Shareholders on Tuesday, 4 April 2017 and also informed the date of the right to Shareholders attending the meeting (Record date) on March 8, 2017 and in receiving dividends Book closing date for share transfer Including dividend payment by notifying the company website

3. Publish meeting invitation both Thai and English on the company website in advance over 30 days before the meeting date with meeting documents proxy procedure, important documents used to attend

meetings and proxies that are convenient and not difficult to attend the meeting, as well as, travel maps to attend the meeting, and telephone numbers to inquire about meeting attendance conveniently, the meeting agenda, objectives and reasons, opinions of the Board of Directors on each proposed agenda are provided with clear information. The invitation letter was sent in advance by mail to shareholders for 21 days before the meeting date

4. In the event that the shareholders are unable to attend the meeting by themselves, the company allows shareholders to appoint independent directors who have no interest in the proposed agenda or any person to attend the meeting on their behalf. They can choose to use the proxy form as specified by the Ministry of Commerce in any form that the company have been sent together with the invitation letter which the company suggesting to use a format that shareholders can set the voting direction. Download Proxy Form Both Thai / English through the Company's website so that shareholders can be more convenient and faster. In addition, the company also gives shareholders the rights to attend the meeting after the chairman of the meeting has opened the meeting. The shareholders can attend the meeting and vote on the agenda that is being considered and has not yet voted and counted as a quorum from the agenda that had been attended, which will increase the number of shareholders attending the meeting in the minutes of the meeting

Meeting date

1. The company held a shareholders' meeting on Tuesday, April 25, 2018 at 14.18 at The Emerald Hotel, Panorama Room 1, 14th Floor, 99/1 Ratchadaphisek Road, Din Daeng Subdistrict, Din Daeng District, Bangkok The company has selected the meeting place where shareholders can travel easily and prepare a meeting room that supports a large number of shareholders attending the meeting so that shareholders can attend and ask questions, as well as, expressing opinions in the same meeting room, which will make the meeting run smoothly and effectively. In addition, the exhibition provides knowledge about the business and operating results of the company by the speaker who is the employee of the company in front of the meeting room to allow shareholders to receive information and asked question about the operations of the company in, as well as providing adequate food and beverages to the number of attendees

2. The company has determined that the meeting procedure is legal and consider the convenience, rights and equitable treatment of shareholders by registering to attend the meeting with a barcode system for convenience. This makes the registration process faster and has arranged by the staff with appropriate and adequate technology knowledge to facilitate the examination of shareholder documents in advance. It was opened for shareholders to register before the meeting for more than 2 hours

3. At the 2018's Annual General Meeting of Shareholders, there were 10 directors attending the meeting. The Chairman of the Board did not attend the meeting but she assigned the independent director and the chairman of the audit committee to act on behalf. All sub-committee members attended the meeting along with high-level executives, auditors, legal counsel, rights volunteer Including lawyers and shareholders who

volunteer to act as witnesses in the vote counting, where the chairman acts as the chairman of the meeting, introducing the attendees and announced the number of attendees, the total number of shares entitled to vote, to the meeting. In the Annual General Meeting of Shareholders for 2018, there were a total of 56 attendees. In addition, the voting method was explained and counting votes for shareholders to acknowledge before the meeting starts. Chairman of the meeting conducted the meeting according to the agenda without adding any other agenda other than those specified in the meeting invitation. They have arranged for ballots in every agenda, both agree, disagree and abstain. The chairman of the meeting has allocated sufficient time to allow the shareholders to have equal rights in expressing opinions and asking questions relating to the agenda and the operations of the company by the chairman. At the meeting, the chairman of the sub-committee as well as the Chief Executive Officer and the President were assigned. Also, related senior executives answered questions of shareholders on various issues including having to record important questions and comments in the meeting report completely

4. The company has given the right to select and appoint directors who are retire by rotation according to the company's regulations and also gives shareholders the right to consider and approve remuneration for the board of directors and sub-committees, with details about each director proposed to be elected along with details about the remuneration of the board and adequate sub-committees that shareholders can use for consideration In addition to the rights of such shareholders. The Company does not prevent or create obstacles to allow shareholders to communicate between each other.

After the shareholders' meeting

1. The company disclosed the resolutions of the 2018 Annual General Meeting of Shareholders through the news system of the Stock Exchange of Thailand. Within the next working day after the meeting, the resolution stated that the votes of the shareholders were both agreed, disagree and abstain in each agenda and prepared the minutes of the meeting, which indicated the names of directors, executives and related persons attending the meeting important explanations, Questions / answers, complete summary both Thai / English are delivered to the Stock Exchange of Thailand, shareholders and related agencies within 14 days from the date of the meeting and published on the company's website www.fpiautoparts.com to allow the shareholders to be able to check from the continuous development and improvement of the shareholders' meeting in 2018, the company received the assessment results of the 2018 Annual General Meeting of Shareholders in accordance with the criteria "Very good. (3 stars) "From the Annual General Meeting: AGM Quality Assessment Program from the Thai Investors Association

Equitable Treatment of Shareholders (The Equitable Treatment of Shareholders)

The company is aware of the duty to take care of the interests of both major and minor shareholders, institutional, investors or foreign shareholders. According to fair rights that has a policy to treat all shareholders equally when they are attending the shareholders' meeting and voting to receive information, performance and consistent and timely management policies as follows

1. Give importance to every shareholder regardless of gender, age, color, nationality, religion, belief, political opinion or disability. Define supervision guidelines to protect the basic rights of shareholders equally and fairly, creating confidence in investment with the company, to operate efficiently, to create sustainable growth for the organization and for the shareholders to continuously receive appropriate returns and stakeholders with sustainable and fair care by using modern management tools that are accepted in the monitoring of results

2. Practice and take care of every shareholder. All shareholders can suggest and comment or report to the Chairman of the Corporate Governance Committee (Independent Director) and Company Secretary via email o.sarayuht@gmail.com. The independent directors of the company will consider and screen various matters and announce appropriate actions. In the case that it is necessary to propose to the Board of Directors for consideration and that it is beneficial to the business of the company, the matter will be proposed to the Board of Directors' meeting for consideration as an agenda in the shareholders' meeting. In addition, there is a channel for institutional investors can request information or comment via email ir@fpi.co.th, which has an investor relations unit responsible for providing information to investors and in the event that the shareholder wishes to appoint a person to attend the meeting and vote on behalf of the company, the company sends a proxy form that shareholders can specify the vote to approve, disagree or abstain in each agenda as desired, as well as details about the name and history of the independent directors of the company as an option for shareholders to appoint proxies, including identifying evidence documents and proxy procedures along with the invitation letter in both Thai and English

3. Strengthening good relations with shareholders. In 2018, the company has also organized activities that are benefit to society. It also creates a good relationship with the shareholders of the company, which gives equal rights to shareholders regardless of whether they are major or minor shareholders by organizing activities for shareholders including organizing the shareholders' visit to the company "Company Visit 2018" at the company's office. Shareholders meet with executives, listen to the business information, and visit the factory location of the company on December 25, 2018. In addition, they also met with shareholders through various activities, such as the "Mai. Forum 2018", "Roadway to Mai. No. 1 and No. 2 SMEs Preparation Project to enter the Mai. Market", which the company jointly organized. The company has organized various activities with the cares to shareholders and ready to disclose transparent information.

9.4 Audit fee and Non-Audit fee

1. Audit Fee

The company paid the audit fee to EY Office Limited, which is the auditor of Company amounting to Baht 2,120,000 in 2018.

Audit Fee		Baht
Audit fee of the Company	2,120,000	Baht
Amount	2,120,000	Baht

2. Other Service Fee

The Company paid other service fees including accounting, finance and tax services to:

- EY Office Limited, the auditor, which are travelling and photocopies expenses in 2017, accounted for Baht 155,839.43

10. Corporate Social Responsibility

Sustainable Business Development with the Environment and Society Policy

Fortune Parts Industry Public Company Limited is committed to managing in accordance with good corporate governance and Focus on business development and achieve sustainable economic, social and environmental. The company is recognized by all sectors of both domestic and international. The company also encourage stakeholders to operate the business with responsibility to social and environmental or CSR, follows the international model as well as international business development along with environmental and social guidelines of Global Reporting Initiative (GRI) and Sustainable Development Goal (SDGs) which published annually. The company implements leading practices in corporate social responsibility and the environment as a part of the management of business processes. The policies are as follows:

Good business supervision

Operate business under the related law and regulations with transparency and disclose significant information that could be examined. Follow the operational policy by considering the benefits of the shareholders, employees, community and society at large, business partners, media, customers, competitors, creditors, public sector and every stakeholder.



Fair business operation

Support free trade and business competition. Avoid operations against beneficial discrepancies and intellectual property infringement. Resist every form of corruption and support social responsibility in every step of the business chain.

Human rights and staff treatment

Hold firm the corporate culture. Support and respect human rights protection. Treat staff with equality and justice. Provide welfare, safety and good hygiene in the workplace including following the institutional learning and staff development promoting policies for professional staff development. Develop the working systems and innovations in the institution. Encourage staff to take part in direct and indirect social responsibility activities.

Consumers' responsibility

Develop products and services which are not harmful to consumers, have no effect on the environment and society under law, regulation and fair condition, meet or outdo customers' expectations of quality under fair conditions and provide accurate, adequate and unexaggerated information about the products and services. Keep the customers' secrets safe, do not use them for one's own benefit and do not use them wrongfully.

Environment and safety

Be aware of and logically analyze the risk and effect concerning the environment and safety in every step of business including the efficient use of resources and energy saving according to international regulations.

Community and Social development

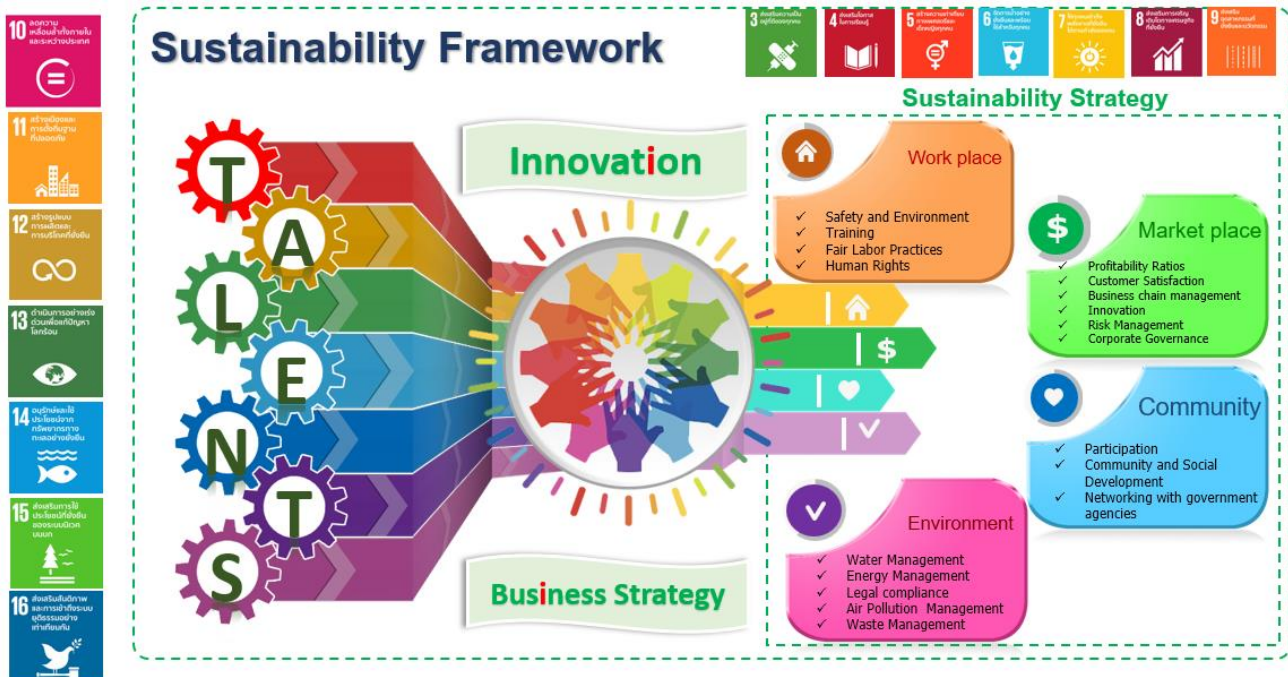
Support business process to develop the living quality, and help building economic and strength to the community and Thailand's society.

Innovation development and publication from social responsibility

Support creativity and encourage stakeholders' involvement in developing innovations that balance the value and benefits for the community, society and environment in harmony with sustainable business growth.

The Road to Sustainability

The company uses innovation as a guideline to drive business, either to change products or services. And the change in the manufacturing process or product presentation process to the market is a guideline for targeting, and business strategy. For sustainable development and focus on meeting the needs and expectations of 4 stakeholders



Marketplace

- Focus on business chain management to quickly gather and analyze data that will enable businesses to tailor and grow their needs

Workplace

- Focus on creating happiness by treating employees fairly. Develop and build a secure enclosure.

Environment

- Focus on process development by using heat energy, electricity, water efficiency and reducing emissions to the environment.

Community

- Focus on being with the community and improving the quality of life in the community.

11. Internal control and risk management

11.1 Internal control and risk management

Fortune Parts Industry Public Company Limited always places a great deal of emphasis on risk management to ascertain its performance under the uncertainty context. To achieve the objectives, create a value added for the business, and to build sustainable growth, the company is supervised by the Risk Management Committee which is composed of qualified professionals with experience and expertise in risk management. Their role is to monitor and manage the organizational risk following the responsibilities and accountabilities assigned by the Board of Directors. In 2018, there were a total of four Risk Management Committee meetings. The major issues of what the Risk Management Committee has done can be demonstrated as below.

1. Reviewed the Risk Management Committee Charter, present to the Board of Directors for approval and implement. Also, deliberate the policies and frameworks related to the risk management to correspond with FPI's business context as appropriate.
2. Gave consent to risk management framework related to the price of raw material and foreign exchange rate. During the past year, there is high volatility in raw materials' price, and exchange rate; without adequate risk management measures, FPI's performance could be affected. Therefore, the Risk Management Committee closely monitored hedging position under the risk management framework. There were special Risk Management Committee meetings to reconsider the framework suit with the changed situation to effectively manage risks.
3. Reviewed and made recommendations on the risk mitigation measures and key risk indicators (KRIs) for corporate risks to ensure that FPI's risk management covered all of important issues were all are in acceptable levels. The Risk Management Committee also monitored the risk management progress by quarter.
4. Reviewed and provided recommendations on risk assessment and risk management measures for FPI's major investment projects, e.g., Biomass Project Power Plants, to ascertain the appropriateness and sufficiency of risk management measures for the Board of Directors' consideration.
5. Provided opinions and recommendations on 2018 corporate risk factors to ensure the alignment on business directions, strategies, organizational goals, with the changed environment.
6. Quarterly reported the risk management performance to the Board of Directors.
7. Annually evaluated the Risk Management Committee's performance and of each individual members. The results were presented to the Board of Directors for their acknowledgement.

Overall, the Risk Management Committee greatly values their roles, which ensure both efficiency and effectiveness in the risk management. Rigorously work of the Risk Management Committee to allow FPI to achieve its goals and objectives, as well as create a long-term sustainable value added to FPI for its shareholders and stakeholders.

11.2 Opinion of the Board of Directors regarding the internal control system of the company

The Board of Directors of Fortune Parts Industry Public Company Limited assigned the Audit Committee to review the suitability and effectiveness of the internal control that the management has provided to ensure that the company has an effective internal control system and adequate oversight of operations to ensure compliance with goals, objectives, laws, and requirements which consistent with the SEC and the Stock Exchange of Thailand. The company also see the importance of the internal control system in accordance with the international standards of the Committee of Sponsoring Organization of the Treadway Commission: COSO to support the work of the company that has accuracy, transparency, verifiable, and can reduce or prevent any potential damage.

Regarding the committee meeting of 1/2019 on 21 February 2019, the committees including four people participated in the meeting. The committees assessed the company's internal control system for the year 2018 by following assessment format of SEC. The assessment of internal control system focused on five sections: 1) organization and control environment 2) Risk Assessment 3) Management control 4) Information and Communication 5) Monitoring. Management has performed and the results of reviewing the internal control system evaluated by the Audit Committee that the Board of Directors considered stated that FPI's internal control system has adequate and sufficient personnel to effectively operate the system, including an internal control system to monitor and control the company's operations to protect the company's assets from the use of directors or executives in misleading way or without authorization.

FPI's Internal Control System can be summarized as follows;

1. Control Environment

The Board and the management strive to promote corporate culture values that focused on integrity and ethics in operation. They also provide supervision of FPI's operations to ensure its compliance with the organizational vision and missions and to ensure that FPI's control environment is appropriate and effective. The details are described below;

The Board maintains its independence from the management who has responsibility to supervise the overall operation of FPI as well as expressing views on the directions and strategy of FPI which will be used as guidelines to formulate business and operating plan. Furthermore, the Board regularly monitors the performance of FPI and its Sub-committees to ensure achievement of FPI's objectives and goals.



The Board and the management have established Corporate Governance Policy, Business Code of Conduct, Corporate Compliance Policy, Internal Control System Policy and Anti-Corruption Guidelines which provide preferred practices for all directors, management and employees. All employees are accountable for their internal control activities and maintain effective internal control system. The policies have regularly been communicated and promoted to all employees through training courses, activities, regarding corporate governance and business code of conduct, corporate compliance, risk management, and internal control.

FPI's corporate structure has been grouped into business units and functions in a way to best support its business operations in an efficient manner and good governance. This structure comes with a system of checks and balances which delegates duties and responsibilities appropriately.

FPI has specified personnel qualifications for individual positions. These qualifications form the basis for recruitment and personnel development. FPI has also put in place succession plan for important management positions to ensure business continuity. Furthermore, it has established performance management and fair rewarding system as incentives provided to motivate employees towards employees.

2. Risk Assessment

The Board and the management recognize the significance of risk management which enables FPI to achieve its short-term and long-term goals. Therefore, the Risk Management Committee appointed by the Board is responsible for oversee the appropriateness, effectiveness, and efficient of FPI's risk management as following details;

1. Objective Setting

The company established objective of risk management that is consistent with FPI's strategic direction and the company's acceptable risk to implement the precise and suitable goals of the company's risk management.

2. (Risk Identification

Management of each section will gather the possible incidents that could happen in the section and process, including both internal risk and external risk that if happen could affect the company's objective and goal; for instance, management policy, employees, operation, finance, information and communication, laws, rules and regulations. Entirely to understand the incident and situation, so the management could consider the way and policy to manage potential risk.

3. Risk Assessment

Risk assessment is way to measure the degree of risk that could impact in order to rank the significant of the existing risk by assessing from the likelihood and the impact of the risk.



4. Risk Response

The company will response to the risk after the company can identify and assess the risk. The company would mitigate the likelihood that the risk will occur and reduce the impact to the degree that is acceptable by using appropriate risk management and worth the investment.

5. Control Activities

To develop activities and framework to reduce or control the risk in order to build the confidence that the company has the best way to manage risk. Therefore, the company could operate the business to meet objectives and goals of the company, prevent and reduce the risk to the acceptable level.

6. Information and Communication

The company has effective information and communication system because it is the important basis to consider in managing the risk following the company's stipulate process and conduct.

7. Monitoring

The company set up a policy to follow up the result of risk management in every 6 months to acknowledge the appropriateness of the business operation and whether the activities could effectively manage the risk or not.

For risk management, the company assesses and control the risk of all of the organization including: 1. Prepare risk profile for organization level, business unit, and business section, 2. Investment risk management, 3. Process risk management. Risk assessment take into account for both internal and external factors, as well as, the opportunity of occurrence of fraud and corruption. What is more, the company implement plan to manage and mitigate the risk to acceptable level. The company also frequently reviews and monitors the operation following the risk management plan which are the responsibility of all the business unit in the company to manage and control the risk into acceptable level.

3. Control Activities

FPI has developed efficient and effective control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels. They have been detailed as below;

FPI has designed its control activities which follow internal control principles. These include the segregation of duties, policies and good practices for conflicts of interest transactions. In addition, business is operated in transparent, fair and auditable manner. There is a transparent transaction approval process which takes into account the utmost benefit of the organization.

The company has adequately implemented manual and automated control of crucial processes.



FPI has established Information Technology Security Policy in accordance to ensure efficiency and effectiveness of FPI's information technology security.

FPI has written rules, regulations, policies, and procedures to specify work process and appropriately limit the power and authority of Chief Executive Officer, the Management, as well as all levels of Employees. Furthermore, operations are reviewed regularly to ensure their compliance with rules, regulations, policies, and procedures.

FPI has established guidelines to govern and manage companies invested by FPI. The purpose of this is to ensure that these companies align with FPI in terms of operating direction as well as comply with FPI's policies, procedures and strategic direction. Operations of these companies are monitored regularly and continuously.

4. Information and Communication

FPI recognizes the quality of Information & Communication which largely supports the effectiveness of FPI's Internal Control System, as has been detailed below;

FPI has set information classification, instructions for filing important documents and controlled documents. This includes information from both internal and external sources. This process is intended to ensure that important information concerning FPI and its business operations is accurate, complete, adequate and timely.

FPI has appropriately communicated the relevant information to the Board, the management, employees and stakeholders. Crucial information relevant to FPI's performance will be delivered to Directors prior to the Board of Directors meetings in order that they will have sufficient time to study, review and make decisions. When necessary, the Board may request additional information from relevant specific departments or personnel.

FPI has set up several internal communication channels, for example, the organization's intranet, e-mail, etc. In addition, new employees receive important information through orientation.

FPI has set up external communication channels to communicate with stakeholders, such as FPI website, e-mail, Facebook and twitter. In addition, assigned departments are responsible to disclose important information to all stakeholders regularly.

FPI has established an open communication channel managed by Whistle Blower System. This allows employees and external individuals to be confident that the complaints will be handled with transparency, fairness and confidentiality in timely manner.



5. Monitoring Activities

FPI has monitored and evaluated the sufficiency of its internal control system. Development and improvement processes have also been in place to ensure the efficiency and effectiveness of FPI's Internal Control System. They have been detailed below;

FPI evaluates sufficiency of corporate's internal control system on an annual basis. In addition, FPI has implemented Control Self-Assessment to evaluate internal control mechanisms at process level. The adequacy and appropriateness of Control Self-Assessment results will be verified by the Internal Auditor's P&L Internal Audit Co., Ltd., which also provides recommendations for improvement on internal control deficiencies, if any. A reporting and monitoring process is also in place to report deficiencies to the Management and track remediation progress on a timely basis. The Internal Auditor, which is an independent unit reporting directly to the Audit Committee, examines and evaluates the effectiveness of internal control activities according to the audit plan approved by the Audit Committee. Deficiencies and recommendations are communicated to parties responsible for implementation. The audit reports and findings are presented to the Audit Committee on a quarterly basis.

In 2018, the company assessed the internal control of sales, purchase, production, quality control, store and deliver, receive and payment, accounting process by independent internal auditor whose is directly under the Audit Committee. The internal auditor has audited and assessed the effectiveness of the company's internal control following the approval of audit plan from the Audit Committee. The audit plan is based on the company's strategy and the crucial risk that could affect the company's operation. Moreover, the internal auditor also provides suggestion to enhance effectiveness and efficient of internal control to the company's management. However, in 2018, the Audit Report did not find any significant issues related to conflicts of interest, fraudulent activities, or any other significant deficiencies in the Internal Control System. Furthermore, no violations of SEC and SET rules and regulations or other laws related to FPI were found.

11.3 Report of the Audit Committee

The Audit Committee of Fortune Parts Industry Public Company Limited (FPI) consists of four independent directors who are experienced in the fields of management, finance, accounting, economics, and law. Currently, the Audit Committee are consisted of Mr.Suthanai Prasertsan, president over the committee as chairman. The other three directors are Mr. Anant Gatepithaya, Mr. Pumipat Sinacharoen, and Mr. Anantachai Yoonprathom. Each of them meets all requirements and criteria set forth by the Stock Exchange of Thailand.

The Audit Committee performs its duties as laid out by FPI's Board of Directors and in its Charter. These are consistent with announcements from the Stock Exchange of Thailand and the Securities and Exchange Commission. In performing its duties, the Audit Committee has emphasized the adherence to principles of Good Corporate Governance and compliance with related laws, rules and regulations in both domestic and international operations



including given precedence to the adequacy and effectiveness of the Company's internal control and internal audit systems, as well as reviewing operating results of all business groups and major investments.

In 2018, the Audit Committee held a total of four meetings. The Audit Committee, Mr. Suthanai Prasertsan, Mr. Anant Gatepithaya, Mr. Pumipat Sinacharoen, and Mr. Anantachai Yoonprathom attended all four. The following is a summary of opinions and key activities undertake by the Audit Committee:

1. Review of Financial Reports and Non-Financial Reports

The Audit Committee reviewed FPI's quarterly and annual financial statements for the year 2018, as well as any transactions that could have led to a conflict of interest. The reviews were attended by related members of management and auditor, to give explanations and clarify any questions that arose related to the accuracy, completeness, significant adjusted entries that affected the financial statements, sufficiency of the information disclosure, and audit results. The Audit Committee has opinion that FPI's financial reports present fairly in all material respect in accordance with Thai Financial Reporting Standards. In addition, the meeting between the Audit Committee and auditors without the presence of management was held to make independent discussion on the preparation process of financial statement and reporting, namely the auditor's annual audit plan and framework, risks, internal control, internal audit, allegation, fraud, and other related issues. The Audit Committee realized that auditor received good cooperation and supported from management, independently performed his duties with sufficient knowledge, experience and appropriate audit approach.

2. Review of Risk Management

The Board of Directors, the Risk Management Committee, and management in general have given precedence to risk management. Internal and external risk factors have been identified and assessed for their impacts and likelihoods, risk mitigation plans were developed, implemented and regularly monitored to ensure those risks were mitigated down to the acceptable level. Key risk indicators were set to monitor the changing factors and enhance the effectiveness and timeliness of the risk responses. The Management reported the progress of risk management activities to the Board of Director on a regular basis. Additionally, the Audit Committee reviewed the effectiveness of risk management based on business groups' performance reports, internal audit reports and auditor reports. These could reasonably assure that the company would be able to mitigate potential risks down to acceptable level.

3. Review the Effectiveness of Internal Control Systems

The Audit Committee reviewed FPI's internal control system by reviewing the result of internal control assessment performed by the management in accordance with the guidelines set forth by the Securities and Exchange Commission (SEC), the internal audit reports and auditor reports. From this review, no major irregularity that could significantly affect the company was discovered. Moreover, management continuously improves internal control system based on suggestions from the Audit Committee, the auditor, and the internal auditor. These lead to the conclusion that the company has given precedence to internal control, which could be reasonably assured in its adequacy and effectiveness.

4. Oversight of Internal Auditing

The company has appointed Acc Plus Consultant Co., Ltd. as an internal auditor. The Audit Committee approved an improvement of internal audit charter, risk based internal audit plan covering significant controls of company and its subsidiaries, the internal audit strategic plan which focused on the development of internal audit capabilities, alignment with company strategies, and built good relations with stakeholders including the key performance indicators (KPIs) of Internal audit. From monitoring and assessing the execution of those plans, the Audit Committee found that Internal Audit succeeded in carrying out its tasks as described in the plans and International Standards for the Professional Practice of Internal Auditing and international leading practice were applied. Internal audit has emphasized the adherence to the Code of Ethics, is independent according to the defined structure and has well collaboration with management and auditor. These indicate that the Company has independent and effective internal audit which operate in accordance with the international practices.

5. Compliance with Related Laws and Regulations set by Stock Exchange of Thailand and other applicable Laws

Internal audit was assigned by the Audit Committee to review the compliance of applicable laws, rules and regulations that effect the company's operation. The review result indicates that the Company had laid down a system to ensure compliance, including compiling applicable laws and monitoring changes and new laws. The company had also appointed responsible persons to oversee compliance. There is no non-compliance that would significantly affect the company was found. Furthermore, the Audit Committee did not receive any reports from the auditor, allegation from outsiders, or management's information disclosure which indicated that the company had breached any law and regulations that would significantly affect it. It could be concluded that the company has effective control of legal compliance and there is no non-compliance that would significantly affect it.

6. Review of Connected Transactions or Other Transactions that may result in Conflicts of Interest to comply with law and Stock Exchange of Thailand's regulation

Internal audit was assigned by the Audit Committee to randomly review feedstock and service purchase and sale transactions between company and related parties. The review result indicated that there was no connected transaction which irregularities from approved contracts those were processed in accordance with the announcements of the Securities and Exchange Commission (SEC).

7. Appointment of External Auditor for the year 2018

The Audit Committee selected auditors from auditors who proposed their service to the company. The company take into consideration their qualifications, capabilities, and service fees. The Audit Committee nominated the following auditors to the Board of Director, who then proposed these names to the shareholder meeting to be appointed as the 2018's auditor: Miss Manee Ratanabunnakit, C.P.A. License No. 5313 or Miss Kosum Chaeam, C.P.A. License No. 6011 or Mr. Ritda Lertwasana, C.P.A. License No. 4985 from EY Office Limited. All of the nominees were from the list approved by the SEC; they possessed sufficient experience and hadn't audited or expressed their opinions on FPI's financial statements for more than five fiscal years.

8 . Review of Company's Self-Assessment on Anti-Corruption Measures according to The Collective Action Coalition against Corruption (CAC)

The Audit Committee reviewed the result of anti-corruption program review and fraud risk assessment performed by company in 2018, the Audit Committee found that the company has improved its fraud risk assessment program. Moreover, the company implements many activities to promote and communicate anti-corruption stance. Among these were knowledge sharing from outside speakers and informative exhibitions for executives and employees to increase their understanding, and awareness. The Audit Committee believes that



these are testaments to the company's commitment to the battle against corruption and its dedication to improving the effectiveness of existing measures.

9. Reviews of Audit Committee Charter and the Charter for Internal Audit

The Audit Committee has reviewed its requirements to be suitable and in accordance with its established duties and responsibilities as well as relevant legal provisions by performing its duties with due care, independence and transparency for maximum benefits of the company. Accordingly, the Audit Committee is confident that the financial statements of Fortune Parts Industry Public Company Limited is correct, reliable and in accordance with generally accepted accounting principles. Also, its financial reporting standards have been adopted according to the risk management as well as effective and sufficient internal control system, while being consistent with relevant laws and official requirements in all respects. In addition, the Audit Committee has reviewed the Charter of the Internal Audit Department to ensure its suitability and consistency with the responsibilities of the Internal Audit Department as the Charter would be used as operational guidelines. This will also raise awareness of the importance of corporate governance. The Internal Audit Department can perform its duties independently, while the Audit Committee can provide recommendations, consultation and information useful for making decision in making improvement of the company's operations.

10. Performance Reports of Audit Committee

The Audit Committee provided reports on its operations and activities to the Board of Directors on a regular basis. In 2018, a total of four reports were made.

From the above-mentioned activities throughout 2018, the Audit Committee believes that the Company has good corporate governance, sufficient internal control that is suitable for its business, effective risk management, credible accounting, and financial reporting, as well as compliance with laws, rules, and regulations applicable to its business. The Audit Committee received good collaboration throughout 2017 from the Board of Directors, management, the auditor, and relevant parties. As such, we'd like to express our gratitude to all of them

12. Related Party Transaction

12.1 Connected transactions with related companies

The company has related party transactions with related person and related parties who may have conflict of interest in which all of these being made in a normal course of business of the company. To approve the related party transactions, the company implement policies to proceed according to normal trading terms by referring to appropriate market prices and conditions. In case when the transaction is not the ordinary business transaction or trading terms, such transaction must be approved in the Board of Directors' meeting. For the approval of the related party transaction, the directors, person and parties who may have conflict of interest will not be entitled to vote of such transaction. Moreover, the transactions must be reported to the company's Board of Directors for further acknowledgement accordingly and it must be ensured that the transaction provides maximum benefit to the company.

To examine the transactions, the Audit Committee must attend the meeting for review its necessity and reasonableness by considering price and rate of return of such transaction unless the transaction is the normal business transaction or has normal trading terms which can be approved by the Executive Board of Directors or Chief Executive Officer within the predetermined authorized limit. Nonetheless, if the Audit Committee does not have expertise in reviewing the arisen transaction, the company would arrange to have person with expertise and skill such as the company's auditor and independent expert to provide opinion on the related transaction. Opinion of the Audit Committee or expert may be used to support the decision making of the company's Board of Directors or shareholders.

Furthermore, the information of related party transactions will be disclosed in the notes to financial statements which is audited by the company's independent auditor. The related party transaction must be made in accordance with the Securities and Exchange Act, rules and regulations, notifications, orders or terms and conditions of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand which concern the related party transactions or the acquisition and disposal of the company's asset in a strictly manner. The company must also comply with the procedure concerning the disclosure of information of the related transaction, and the acquisition or disposal of major assets of the company.

To enter in the potential related party transaction in the future, the company has approval procedures of the transactions stipulated above. The company has policy to operate in accordance with the ordinary course of business by referring to applicable market prices and condition to maximize the benefit of the company.

Details of Related Party Transactions

According to the resolution from the Board of Directors meeting No. 2/2019 on 21 February 2019 with the participation of Audit Committee and the independent directors to review the related party transaction for the period ended 31 December 2018 and 31 December 2017. The Board of Directors provided an opinion regarding the company's related party transactions that such related party transactions were necessary for the ordinary course of business while the terms of such related party transactions with related person and parties during the period followed the market prices, purchase prices from other sellers and weight average price of the region which are reasonable and in accordance with the business. The details of the transaction can be summarized as follows:

(Unit: Thousand Baht)

Related person and parties	Type of transactions	Value of related party transaction for the year ended		Nature of the transactions
		31 Decemb er 2018	31 Decemb er 2017	
Sangthong Auto Partsworld Co., Ltd. Company owned by related person of the company's management	Sales Trade Receivable	52,070 25,521	56,519 25,812	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Sangthong Auto Partsworld Co., Ltd. Company owned by related person of the company's management	Purchases of Goods Trade Payable	37,892 5,602	59,767 12,971	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
United Auto Co., Ltd. (Previous name: Tongfong Automobile (Thailand) Co., Ltd.) Company owned by related	Sales Trade Receivable	- 6,225	- 6,225	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the



person of the company's management				Board of Directors.
EMP Innovation Co., Ltd. (Previous name: United Engine Co., Ltd.)	Sales Trade Receivable	- 6,472	- 6,472	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Company owned by related person of the company's management				
ALP FPI PARTS PRIVATE LIMITED	Sales Trade Receivable	17,387 6,642	52,527 9,855	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Joint Venture				
ALP FPI PARTS PRIVATE LIMITED	Other Receivable	26	11,122	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Joint Venture				
Safe Energy Holdings Co., Ltd.	Other Receivable	35,496	38,790	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Joint Venture				
ALP FPI PARTS PRIVATE LIMITED	Other Payable	-	-	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit
Joint Venture				



				Committee and approved by the Board of Directors.
FORTUNE-PARTS INDUSTRY ECUADOR CIA.LTDA Joint Venture	Other Payable	8,361	8,421	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Fortune Box Industry Co., Ltd. Company owned by related person of the company's management	Sales Trade Receivable	23 2	28 2	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Fortune Box Industry Co., Ltd. Company owned by related person of the company's management	Purchase of Goods Trade Payable	27,340 5,210	25,801 7,027	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
S.C.G. Industry Co., Ltd. Common director and shareholding	Purchase of Goods Trade Payable	1,310 663	899 286	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
S.C.G. Industry Co., Ltd. Common director and shareholding	Services	5	8	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit



				Committee and approved by the Board of Directors.
Imperial Cable Industry Co., Ltd.	Sales Trade Receivable	- -	285 -	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Common shareholding				
Imperial Cable Industry Co., Ltd.	Purchase of Goods Trade Payable	11 -	37 17	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Common shareholding				
Joint Ventures	Non-Current Assets	-	51,724	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
K-Mart Service Co., Ltd.	Oil and Gas Other Payable	280 48	337 62	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Common director and shareholding				
S C G Hatairath Co., Ltd.	Oil and Gas Other Payable	343 55	285 53	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit
Common director and shareholding				



				Committee and approved by the Board of Directors.
Super Central Gas Co., Ltd.	Service fees	149	-	Related party transactions are in accordance with an ordinary course of business and support the operation of the company to maximize profit. This transaction is reviewed by Audit Committee and approved by the Board of Directors.
Common director and shareholding				

Measures or Process of Related Party Transaction Approval

To prevent any conflict of interest that could be arisen from the transaction, the process to perform the related transaction between the company and related person/parties, and the benefit that is not in the normal course of business or normal commercial terms must be presented to the Board of Directors' meeting for approval. Directors and any person with interest or potential conflict of interest in such transaction will not be entitled to vote on such matter and must report the Board of Directors accordingly. Such transaction must be entered for the maximum benefit of the company.

To examine the transactions, the Audit Committee must attend the meeting for review its necessity and reasonableness by considering price and rate of return of such transaction unless the transaction is the normal business transaction or has normal trading terms which can be approved by the Executive Board of Directors or Chief Executive Officer within the predetermined authorized limit. The related party transaction must be made in accordance with the Securities and Exchange Act, rules and regulations, notifications, orders or terms and conditions of the Office of Securities and Exchange Commission and/or the Stock Exchange of Thailand which concern the related party transactions or the acquisition and disposal of the company's asset in a strictly manner. The company must also comply with the procedure concerning the disclosure of information of the related transaction, and the acquisition or disposal of major assets of the company.

Policy or Tendency of Related Party Transactions

To enter in the potential related party transaction in the future, the company has approval procedures of the transactions stipulated above. The company has policy to operate in accordance with the ordinary course of business by referring to applicable market prices and condition to maximize the benefit of the company. The Audit Committee and/or Independent Directors are required to audit and provide opinion, taking into account the necessity and appropriateness of price and return of the transactions. To enter in the potential related party transaction in the future, the company has approval procedures of the transactions stipulated above. The

company has policy to operate in accordance with the ordinary course of business by referring to applicable market prices and condition to maximize the benefit of the company.

The company has a policy to sell and buying with people who may have conflicts as well as customers or other vendors. The main policy is Products that are traded must be based on market prices. According to normal business conditions. The policy of selling and buying products with persons who may have conflicts can be summarized as follows:

Product sales policy	Product purchase policy
<p>The selling price is determined from the cost price plus the margin. Which is the price according to normal business conditions Based on the market price of that product Which the price is close to the competitor's price Or in the average selling price range of Asia and the Middle East. The selling price may be higher or lower than plus / minus 15% depending on</p> <ul style="list-style-type: none"> - Product quality - Order quantity - Competition in each market - Special product characteristics <p>In the case of not being in the plus / minus 15% range, the Managing Director can approve up to 800,000 baht per product item. And with a total value of not more than 1,200,000 baht per item per month, more than 800,000 baht per product item Or with a total value of more than 1,200,000 baht per month, must be approved by the Audit Committee</p>	<p>OEM products - purchases must be purchased from various dealers Of each brand The price will be equal to all companies. Because it is determined from the parent company as the market price, with the Price List referenced by each dealer giving discounts with a similar price range, approximately plus / minus no more than 5 percent</p> <p>REM - Purchase Group will compare prices from other vendors. By considering the price Including the ability to deliver products according to the schedule of each vendor In the case of REM products with a few major manufacturers such as starter, generator, car cable Will be the price that is similar to the supplier who may have a conflict of interest to sell to other customers The said price may be different from other customers depending on market conditions and competition of each country and the amount ordered.</p> <p>In the case of depositing goods to the cabinet - in some cases, the company's customers Contact to buy directly from the supplier. But because the order cannot be delivered in full The customer therefore gave the company As a buyer and delivery of goods, including making export documents In order to deliver with other products purchased by the customers with the Company, which the Company will buy from suppliers who are in conflict with the Company At the same price as the supplier who may have a conflict Set the selling price for such customers but use the exchange rate less than Baht 1.50 -2.00. The difference is considered as an expense for the export operation.</p>



Product sales policy	Product purchase policy
	Or accounted for approximately 5 -8 percent of the operation cost, which is the same rate as if the customer bought from another supplier who is not a person who may have a conflict And let the company Manage export matters