

## Section 2 Management and Corporate Governance

### 7. Security and Shareholder Information

#### 7.1 The Company's Securities

As of December 31<sup>st</sup>, 2014, The Company has registered capital of 2,054,265,670 Baht, comprising of 2,054,265,670 ordinary shares, with the par value of 1 Baht, and paid-up capital of 2,054,265,670 shares, with the par value of 1 Baht.

#### 7.2 Shareholders

The list of the Company's shareholders and their respective share portions as recorded in the shareholder register book as of December 4<sup>th</sup>, 2014 are shown below:

Shareholder's Name	Number of Shares	%
<u>Group of Techakraisri's family</u>		
1. Mr. Sorapoj Techakraisri	1,105,312,550	53.81
2. Mr. Sumate Techakraisri	102,000,000	4.97
3. Mr. Chotipol Techakraisri	24,000,100	1.17
4. Mr. Chumpol Techakraisri	10,000,000	0.49
<b>Total shares owned by Group of Techakraisri's family</b>	<b>1,241,312,650</b>	<b>60.43</b>
5. Mr. Sakesan Sethasakok	59,300,000	2.89
6. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, FUND SERVICES DEPARTMENT	53,485,000	2.60
7. Mr. Narit Chia-Apar	39,685,600	1.93
8. ROSALIND DEVELOPMENT LTD.	38,000,000	1.85
9. Thai NVDR Co., Ltd.	37,836,600	1.84
10. Mr. Pathompop Chuenpanichkij	26,500,000	1.29
11. Mr. Wuttisak Limpanich	25,671,800	1.25
12. Mr. Thanawat Kraipisitkul	19,318,000	0.94
13. HSBC BANK PLC-CLIENTS GENERAL A/C	16,250,000	0.79
14. Others	556,206,020	27.08
<b>Total</b>	<b>2,054,265,670</b>	<b>100.00</b>

### 7.3 Dividend Policy

The Company's Board of Director determines dividend policies for the Company and its subsidiaries, as in the followings:

1) The Company's dividend policy

The Company determines its dividend payout ratio to be not lower than 40% of its net profit after corporate tax and legal reserves, provided that such dividend payout does not significantly affect the Company's normal course of operation. The dividend payment is subjected to adjustment depending on the Company's growth prospect, investment plan, liquidity, work expansion, loan covenants or debenture covenants of the Company's and its subsidiaries, as well as suitability and necessity to create value for the Company's shareholders in the future.

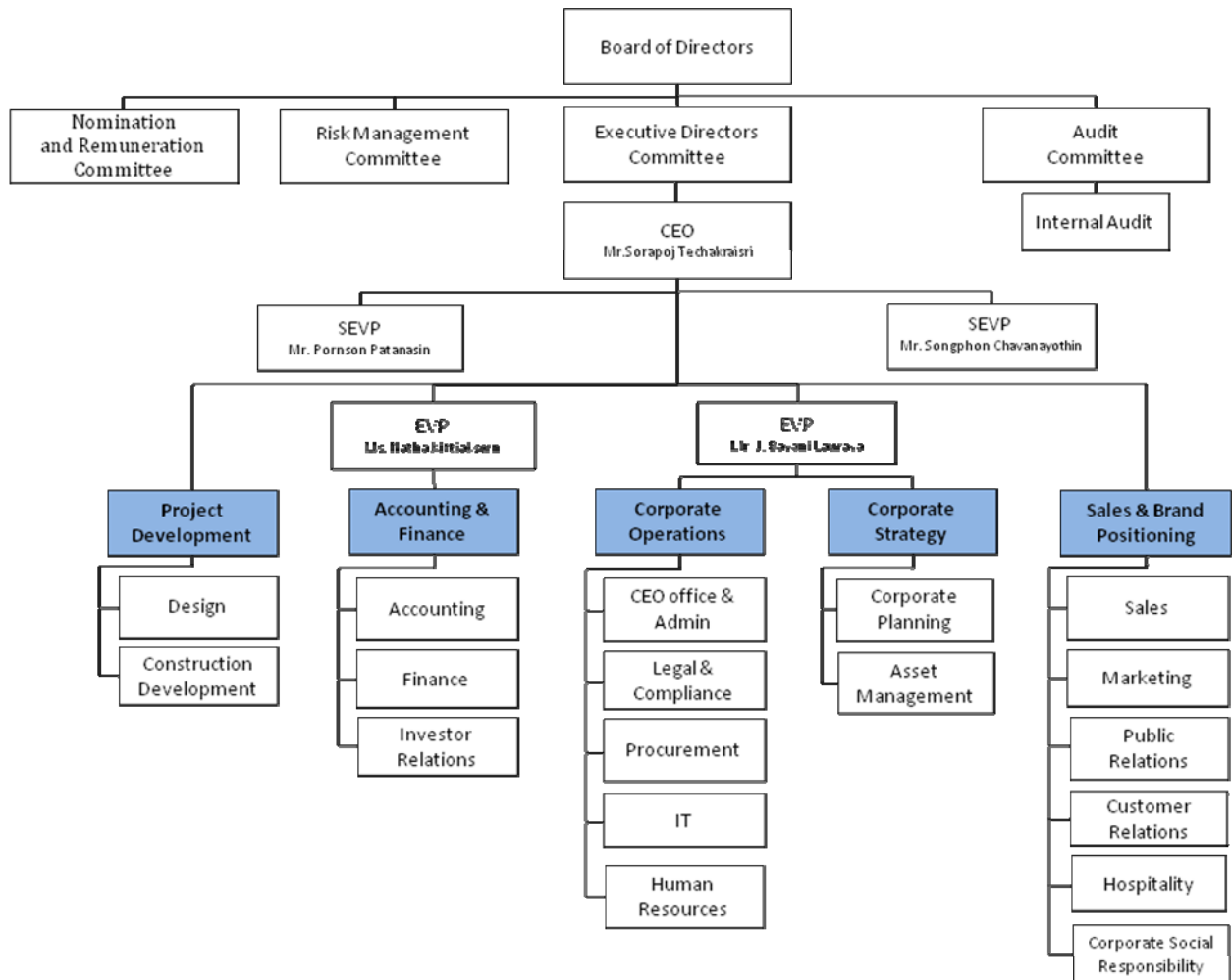
2) Dividend policy of subsidiaries

For a subsidiary in which PACE holds 100% of its shares, such subsidiary maintains a policy to pay dividend of no less than 40% of its net profit after corporate tax and legal reserves, provided that such dividend payout does not significantly affect its normal course of operation. The dividend payment is subjected to adjustment depending on the company's growth prospect, investment plan, liquidity, work expansion, loan covenants or debenture covenants of the company's and its subsidiaries, as well as suitability and necessity to create value for its shareholders in the future.

Therefore, PACE One, PACE Two, PACE Three, and PRE cannot pay dividends to their shareholders unless the loans from financial institutions, loans from shareholders, and the interests borne from the aforesaid loans are entirely paid off.

## 8. Management

### Organization Chart



## 8.1 Board of Directors

As of December 31st, 2014, The Company's Board of Directors consists of 9 members as following below:

Name	Position	Number of meeting held	Number of meeting attended
1. Mr. Kraithip Krairiksh	Chairman of the Board	9	9
2. Mr. Chotipol Techakraisri	Vice Chairman of the Board	9	9
3. Mr. Sorapoj Techakraisri	Director	9	9
4. Mr. Chumpol Techakraisri	Director	9	9
5. Mr. Theera Vayakornvichitre	Director	9	8
6. Mr. Pornson Patanasin	Director	9	9
7. Ms. Ladda Siri wattanakosol	Director, Chairman of Audit Committee, and Independent Director	9	9
8. Mr. Prasert Patradhilok	Director, Member of Audit Committee, and Independent Director	9	9
9. Ms. Benjaporn Prisuwanna	Director, Member of Audit Committee, and Independent Director	9	9

Note: The Company's directors and executives perform their functions to maintain the maximum benefits of the Company's and its shareholders with a clear, balanced and verifiable structure by:

1. The Board of Directors understands its fiduciary roles and responsibilities to shareholders and shows that it can perform such roles and assume such responsibilities
2. Directors and management have a balanced structure that facilitates examination and verification by:
  - 2.1 Having Audit Committee that consists of at least 3 independent directors whose qualifications are consistent with the ones defined by the rule of Stock Exchange of Thailand and who have sufficient knowledge and experiences to be able to verify reliability of financial statements and perform other functions as members of the Audit Committee.
  - 2.2 Having delegation of authorities from the Board of Directors to Management

Corporate secretary is Mr. Sarath Pavorndechapong.

## 8.2 Management

As of December 31<sup>st</sup>, 2014, The Company's management team consists of 8 members as the followings:

Name	Position
1. Mr. Sorapoj Techakraisri	Chief Executive Director
2. Mr. Pornson Patanasin	SEVP / Executive Director
3. Mr. Songphon Chaovanayothin	SEVP / Customer Relations Director
4. Ms. Natha Kittiakson	EVP / Chief Financial Officer
5. Mr. J. Bayani Lauraya	EVP / Chief Operating Officer

Note: The Company's management according to the definitions in the announcement of Securities and Exchange Commission

## 8.3 Corporate Secretary

The Board of Directors' Meeting No. 1/2011, held on 21<sup>st</sup> September 2011, appointed Mr. Sarath Pavorndechapong to be the Company's corporate secretary so as to conform with the Securities and Exchange Act B.E. 2535 (and subsequent amendments). Scope of duties and responsibilities of the corporate secretary are shown below:

- To produce and maintain the following documents:
  - Record of Directors
  - Notice of Board of Directors' Meeting, Minutes of Board of Directors' Meeting and Company's Annual Report
  - Notice of Annual General Meeting of Shareholders and Minutes of General Meeting of Shareholders.
- To keep all interest or conflicts of interest reported by directors or any member of management team
- To submit the interest and conflict of interest report which is conducted by directors to Chairman of the Board of Directors and Chairman of the Audit Committee within 7 days upon receiving by the Company.
- To perform any other action as determined by Capital Market Supervisory Board.

The details of Corporate Secretary is attached in Attachment 1.

## 8.4 Compensation for Directors and Executives

The form and the criteria to consider compensation packages paid to the Company's directors and executives are determined based on suitability, fairness, transparency, clarity, and adequacy. In practice, such packages are defined by comparing the rates in the same industry and proposed to the Board of Directors for approval. Compensation for directors and members of Audit Committee is determined and approved in the Shareholder Meeting. To ensure fairness, attractiveness of the positions, and maximum benefits of the Company, compensation for each executive is determined based on both the performance of the Company and the performance of each individual executive.

#### 8.4.1 Directors' Compensation

The following table shows the directors' compensation in 2014

Directors	2014				
	Number of meetings attended				Compensation and attendance fee (Baht)
	Board of Directors	Audit Committee	Nomination & Remuneration Committee	Risk Management Committee	
1. Mr. Kraithip Krairiksh	9/9	-	-	-	348,000
2. Mr. Chotipol Techakraisri	9/9	-	3/3	1/1	302,000
3. Mr. Sorapoj Techakraisri	9/9	-	3/3	1/1	302,000
4. Mr. Chumpol Techakraisri	9/9	-	-	-	270,000
5. Mr. Theera Vayakornvichitre	8/9	-	-	-	260,000
6. Mr. Pornson Patanasin	9/9	-	-	-	270,000
7. Ms. Ladda Siri wattanakosol	9/9	6/6	3/3	1/1	350,000
8. Mr. Prasert Patradhilok	9/9	6/6	3/3	1/1	350,000
9. Ms. Benjaporn Prisuwana	7/7	6/6	3/3	1/1	350,000

#### 8.4.2 Executives' Compensation

In 2014, the Company provided compensations to its executives in the form of salary, bonus, and other compensations in the amount of 44.3 million baht, respectively.

The following table shows the executives' compensation in 2014.

Executive compensation (Million Baht)	2014
Number of executives (persons)	5
Salary	23.2
Bonus	6.5
Contribution to provident fund	0.4
Total	35.1

Note: The Company's executives according to the definitions in the announcement of Securities and Exchange Commission

The Company's executives are provided with special position-based welfares, which are car allowance, gas allowance and mobile phone allowance.

## 8.5 Human Resources

The Company believes that human resources are one of the most valuable resources of the Company. It thus places high importance on the management and development of its personnel in order to retain knowledgeable, expereinced personel to fortify the foundation of the Company's competetiveness.

### 8.5.1 Total Number of Employees

As of December 31<sup>st</sup>, 2014, the Company had total employees of 106 persons.

Details of the number of employees in each function as of December 31<sup>st</sup>, 2014 are shown in the following table:

Functional line	31 Dec 2014
Executives of the Company and its subsidiaries	6
Accounting - Finance	13
Public Relations - Marketing	10
Sales	12
Legal	5
Design - Construction	25
Technical Management	2
Administration	10
Procurement	4
Internal Audit	1
Human Resources	1
CEO Office	4
Property Management	3
Hospitality Development	7
CSR	1
Compliances	1
Invertors Relations	1
<b>Total</b>	<b>106</b>

### 8.5.2 Significant Change in the Number of Employees in the Previous 3 Years

-none-

### 8.5.3 Major Labor Dispute in the Previous 3 Years

-none-

### 8.5.4 Compensation for Company's Employees

The Company provides compensation to its employees in the forms of salary, bonus, medical allowance, annual health check allowance, accommodation and travelling allowance (in case of working in other provinces), life insurance, uniform allowance, cost of living allowance, scholarship, and other allowances to help employees lighten the expense loads and to hopefully elevate their standards of living. Compensation for employees in 2014 are shown below:

Unit: Million Baht

Type of compensation	2014
Salary, bonus, and other	130.4
Other welfares	1.2
Contribution to provident funds*	1.7
<b>Total</b>	<b>133.3</b>

### 8.5.5 Labor Dispute

-none -

### 8.5.6 Human Resource Development Policy

The Company highly values human resource development as it truly believes that, in order for a corporate to grow sustainably, it needs teamplayers that are knowledgeable, skillful, experienced in subject matters supporting the Company's business conducts, and decisive. These desirable characteristics will be collectively merged together to form a solid corporate culture. Human resource development indeed starts with a proper hiring process that is able to identify preferred candidates with knowledge, skills, and attributes that correspond with the Company's culture.

The Executive Committee Meeting No. 2/2012 held on March 28<sup>th</sup>, 2012, reviewed the Company's human resource development plan and human resource management policy, and approved the said human resource management policy and the rules and guidelines for human resource development. In the policy part, the Company viewed that employees are valuable resources; therefore, it is determined to maintain and improve its employees continually and systematically to enhance their potentials, to lift their working spirits, to encourage employee unity, and to create the sense of pride as a part of the Company. The Company's human resource management policy can be summarized as follows:

- Select and hire candidates that are knowledgeable, skillful, accountable, and ethical to join the Company
- Develop its human resources to have knowledges, abilities, expertises, skills, and management capabilities to ensure proper job security and professional advancement



- The Company supports and encourages its employees to maintain job security and have professional advancement by ways of promotions. The Company will consider and select internal candidates to resume vacant positions.
- improve and provide various employee benefits that are suitable for employees' positions, experiences, and qualifications, and satisfied with the Company's performance, economic and social conditions
- Instill awareness and sense of respect of the rules of the Company and the society in the mind of its employees
- Retain and support good employees to stay and grow with the Company as long as possible

The Company holds that it is a responsibility of heads of each function to deeply understand human resource development system, as well as to join the Company and lead their subordinates in the collaboration to steer the organization in the directions defined by the Company's policies

## 9. Corporate Governance

The Company profoundly recognized that Corporate Governance (CG) is a key driver to the business efficiency and the sustainable growth, which ultimately lead to the maximum returns for all stakeholders including employees, investors, shareholders and other interested persons. The Board of Directors (BOD) thus agreed to establish the policy of Good Corporate Governance, covering major substances including the structure, roles and responsibilities of the BOD, as well as the executives' managing principles that must be transparent, clear, and measurable. This is to ensure that all of the Company's business maneuvers are done with fairness and on the ground of the maximum benefits of the Company's shareholders and stakeholders.

The BOD and the Company's management team strongly adhere to determination and uprightness. The Company determines its vision, policies, and guidelines to be abided by all of its directors, executives, and employees to create the culture of continual CG mindset and build sustainable grounds for value creation for all stakeholders. This is an important engine to accomplish the goals set by the BOD, who designed the Company's structure to be transparent and facilitative to justifiable business conducts according to the CG framework under the rules set forth by the Stock Exchange of Thailand.

### 9.1 CORPORATE GOVERNANCE POLICY

The Company's BOD places high importance on stringent conforming to the CG principle. Recognizing the importance of the roles and responsibilities of the BOD and the management team in building a good CG environment that will strengthen the Company's competitiveness, fortify effective and transparent management, and increase the level of trust from shareholders, investors, and other stakeholders, PACE established its CG policy, covering 5 main principles as the followings:

#### *Principle 1 Shareholders' Rights*

The Company respects shareholders' rights to make decisions pertaining to the Company's major changes and the rights to receive correct, complete, sufficient, and timely information evenly. Consequently, The BOD set the following policies:

- 1) The Company must send to the directors meeting invitations, relevant supporting documents and opinions of the previous committees for every agenda at least 14 days prior to the meeting of the BOD to provide the directors sufficient time to study the materials. In the case that any director cannot participate in the meeting, such director is allowed to grant the authority to independent directors or any other proxies to attend the meeting, using the authorization form attached to the invitation letter.
- 2) The Company will facilitate shareholders in the shareholder's meeting by selecting a highly accessible venue and a convenient meeting date and attaching the map to the venue with the invitation letters. The meeting time is also designed to be sufficient and of proper length.

- 3) Before the commencement of the shareholders' meeting, the Company will declare to the shareholders proper approaches to vote, express opinions, and make inquiries in the Meeting for each agenda. Every shareholder maintains equal rights to express opinions and make inquiries during the meeting. The Meeting's chairman is responsible for proper time allotment so that there is sufficient time for all shareholders wishing to make comments. Relevant directors and executives will also attend the meeting to respond to comments or inquiries brought up in the Meeting.
- 4) The Company will increase its communication channel to its shareholders using the Company's website, on which news and details are constantly posted and updated. Meeting invitations will be posted on the website prior to the shareholder's meeting date so that the attendants can download and study the meeting agenda and supporting documents before being given the hard copies from the Company.
- 5) The Company must maintain meeting minutes that are complete, precise, timely, and transparent and record all major opinions and inquiries in the minutes so that shareholders can review them later. In addition, the Company must upload minutes of its shareholders' meeting on the Company's website to allow shareholders to review and also send the hard copy of such minutes to the Stock Exchange of Thailand within 14 days since the meeting date.
- 6) The Company will facilitate its shareholders by distributing dividend payment through bank transfer (in case of dividend payment) to help shareholders get the payment on time and to prevent against lost, damaged, or delayed checks.

#### ***Principle 2 Fair Treatment of Shareholders***

The Company requires that all shareholders be treated fairly and equally. Consequently, the BOD set up the following policies:

- 1) Facilitate minority shareholders to nominate directors and suggest additional agenda before the commencement of the shareholder meeting.
- 2) Determine a clear rule in advance as to whether and how to add additional agenda suggested by minority shareholders into the exiting agenda, and as to how minority shareholders can nominate candidates for the Company's directors.
- 3) Include only the agenda determined in advance without changing major information or adding new untold agenda unnecessarily, especially in the meeting with agenda that require extensive time to study and thorough understandings from shareholders.
- 4) Facilitate shareholders unable to attend the meeting by allowing such shareholders to grant the authority to attend and vote in the meeting to at least one of the independent directors or any individual of choice. The names of the selected independent directors must be informed in the meeting invitation letter.

- 5) Treat every shareholder fairly and equally, regardless of being majority or minority shareholders, Thai or foreign shareholders.
- 6) Encourage the use of voting cards in every agenda to prove transparency and measurability in the voting process, in case of a later dispute. In the director nomination agenda, the Company grants each shareholder the right to nominate directors person by person.
- 7) Establish a written guideline to maintain internal information and prevent misuse of such information and communicate the guideline to all entities in the organization. The Company also requires that all directors and executives report their securities holding and submit the report to the Company's BOD.

### ***Principle 3 Responsibilities to Stakeholders***

The Company truly recognizes and respects the rights of internal stakeholders, such as shareholders and employees, and external stakeholders, such as customers, trading partners, competitors, governmental entities, and other entities including surrounding communities, as they are important contributors to the Company's competitiveness and profitability, the main drivers of PACE's long-term value creation. The Company, therefore, set up the following policies:

#### **1) Proper Conducts and Responsibilities Towards Shareholders**

PACE realizes that shareholders are the true owners of the Company and wholeheartedly accepts fiduciary duty to create long-term value to its shareholders. It therefore requires that its employees adhere to the following guidelines:

- Behave in an honest, upright manner and always base one's decision on thorough considerations and fairness to every shareholder in order to maximize overall shareholders' value.
- Monitor and control the operation to ensure that the Company's financial status and performance are well maintained, and regularly report the Company's business status, performance, financial status, accounting information and other information in a true, unbiased manner.
- Report the Company's positive and negative trends, based on probabilities, solid evidence and backup reasoning, to every shareholder in an equal, unprejudiced fashion.
- Refrain from exploiting the Company's undisclosed information to one's or other's personal benefits and abstain from any other actions that may result in conflicts of interest with the organization.
- The Company must treat all shareholders equally in the shareholders' meeting.

#### **2) Proper Conducts and Responsibilities Towards Governmental Entities**

The Company highly values compliance with laws, rules, and regulations set forth by the regulating bodies, especially when transacting with governmental entities. In such exposures, it will avoid maneuver that may lead to misuses of authorities and misconducts. The Company, instead, tries to build relationships with the governmental

bodies in a lawful way, such as normal greetings in public venues and paying visits in normal traditions. Guidelines for dealing with governmental bodies are as follows:

- Properly and carefully conduct oneself when contacting with governmental bodies or persons.
- Always realize that the laws, rules, and regulations set by different governmental entities may require different procedures, which the Company must know by heart and follow accordingly.

### **3) Proper Conducts and Responsibilities Towards Employees**

The Company realizes that all employees are the most valuable assets and the key drivers for the organization's achievement.

It thus determined the policy to ensure fair treatment in employment opportunity, compensation, nomination, job rotation, and skill development as the followings:

- Treat all employees with respects in their honors, dignities, and individual rights.
- Always maintain a working environment that is safe for the lives and properties of employees.
- Nomination, rotation, awards giving, and penalty giving must be done with genuine intention, taking into account such employee's knowledge and appropriateness.
- Support the development of knowledge and skills of employees by constantly engaging them in learning opportunities, such as seminars, trainings, and workshops, which are equally accessible to all employees.
- Set fair remuneration rates consistent with the market condition, business competition, job type, performance, and the Company's ability to pay.
- Avoid any unfair treatment that may negatively affect employees' job security.
- Create opportunities for employees to give comments or file complaints in the subjects related to their professions and to suggest possible recommendations that will benefit all parties involved and create relationships and good working environment.

### **4) Proper Conducts and Responsibilities Towards Customers**

The Company is determined to stay in real estate development business with the main purposes to create, present, and administer its products and services in the quality-focused, ethical principles as shown below:

- Be determined to procure and develop products and services to best serve the need of the clients.
- Deliver quality products and services with fair terms and conditions.
- Provide precise and sufficient information related to products and services that customers can utilize in their decision making process without exaggerating the qualifications, quality, quantity, or any conditions of the products and services in the Company's advertisement or in other communicating channels.

- Arrange to have communicating mechanism for customer complaints in place should there be any problems related to the Company's products or services so that the Company can immediately resolve such problem and utilize the information to improve the quality of its products and services.
- Maintain customers' confidential information and abstain from revealing or misuse of such information.

#### **5) Proper Conducts and Responsibilities Towards Trading Partners and Counterparties**

Realizing that trading partners and other counterparties are quintessential to the success of the Company, PACE has a strong policy to treat its trading partners and counterparties fairly and equally, placing mutual benefits before its own benefits. Guidelines for treatment of trading partners and counterparties are as follows:

- The company will arrange to procure products and services efficiently by applying the following principles:
  - Competition on equivalent information
  - Clear rules on trading partners and counterparty selection and assessment
  - Have proper agreements that are fair to both sides
  - Put in place management and tracking system to ensure that the conditions in the agreement are followed through completely and accurately to prevent fraud and corruption in every step of the procurement process
  - Make payment to trading partners and counterparties in a timely manner according to the agreed payment terms
- The Company is strongly resolute to develop and preserve sustainable relationship with its trading partners and counterparties that are reliable and determined to provide quality products and services worth of the Company's cost.
- All executives and employees must abstain from taking personal benefits from trading partners and counterparties directly or indirectly in any circumstance.
- All executives and employees must abstain from abusing information on procurement or purchasing for personal gains of oneself or of others.

#### **6) Proper Conducts and Responsibilities Towards Lenders**

The Company is determined to conduct its business based on solid principles and strict disciplines to create trust for lenders. In so doing it follows these rules:

- Rigorously follows the terms and conditions defined in the contracts or agreements.
- If the Company, in any circumstances, cannot satisfy the said terms and conditions, it will promptly inform relevant lenders in advance to seek for mutually agreed resolutions.

## 7) Proper Conducts and Responsibilities Towards Competitors

The Company is determined to be sustainably successful and to stand to be a leading real estate developer that competes fairly and ethically by following these principles:

- Conduct oneself according to a fair competition framework.
- Abstain from acquiring competitors' confidential information wrongfully or inappropriately and abusing such information for the Company's sake.
- Refrain from making false allegations or false statements that may destroy the reputation of the competitors.
- Abstain from engaging in activities that violate intellectual property rights of the Company's competitors or other entities.

## 8) Proper Conducts and Responsibilities Towards Society

Recognizing its role in the sustainable development of the society and environment, the Company has been active in arranging several altruistic activities in its surrounding communities applying the following principles on responsibilities towards communities and environment:

- Put in place a policy to responsibly conduct business, taking into account environmental concerns, and strictly adhere to the laws and regulations on environment conservation currently in use.
- Have a clear set of CSR policies and enforce such policies in the organization.
- Encourage the Company's employees to be aware of and responsible for environment and society.
- Pay respects to local traditions, customs, and cultures in which the Company operates.
- Constantly engaging in activities that improve the living conditions of the surrounding communities, society, and environment held both by the Company itself and through collaboration with other governmental, local, or private entities.
- Suitably participate in the activities held by communities surrounding the project sites.
- Respond promptly and efficiently to the incidences that may affect the environment, communities, lives, and properties of others due to the business conducts of the Company, and unduly cooperate with governmental agents or other relevant parties to resolve such incidences

In addition, the Company's interested persons can make inquiries, give comments, file complaints, or give information on illegal actions, financial statement inaccuracy, flawed internal control, and unethical actions to the Company's independent directors or members of the Audit Committee. The information will be classified and protected. Independent directors and members of Audit Committee will arrange to have the information investigated and find solutions (if any) and report to the Boards of Directors.

**Principle 4 Information Disclosure and Transparency**

- 1) The BOD has a policy to disclose financial information and other information pertaining to the business and the performance of the Company in a precise, complete, sufficient, regular, and timely manner to represent the true financial status, current performance, and the future trend of the Company's business.
- 2) The BOD is determined to ensure that the Company complies with laws, rules, and regulations regarding information disclosure and transparency. It arranges to have such information presented both in Thai and English versions on the Company's websites, public communication channels, and SET's communication channel to provide to its shareholders and other stakeholders a convenient access to the Company's information. It will also adjust its communication means to comply with guidelines set forth and enforced by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
- 3) The Company will arrange to have staff in Investor Relations Department to be responsible for communicating with shareholders, institute investors, and retail investors, and to set up regular analyst meetings, as well as to distribute financial and general information to the Company's shareholders, analysts, rating agencies, and other governmental entities through several channels, such as reports submitted to the SET and the SEC and on PACE's website. In addition, the Company regularly discloses its information in both Thai and English versions through the Company's website to provide its shareholder a convenient access to updated company's information. The information posted on the website, including the Company's visions, missions, financial reports, news, annual reports, organization structures and executives, shareholder structure, and major shareholders will be regularly updated to reflect the most current status of the Company.
- 4) The Company places high emphasis on its financial reports and make sure that they reflect the true financial status and performance of the Company based upon correct, complete, and sufficient data according to the generally accepted accounting standards.
- 5) The Company will disclose the information regarding each director, roles and responsibilities of the Board of Directors and sub-committees, the number of meeting held and the number of meeting attended by each directors in the past year in its annual report (Form 56-2) and annual registration statement (Form 56-1).

**Principle 5 Board of Director's Responsibilities**

The BOD owes its fiduciary duty to the Company's shareholders to ensure that the Company complies with the governing laws, company's objectives, company's articles of association, and resolutions of shareholders' meetings

**1) Structure of the Board of Directors**

- 1.1) The Company's BOD consists of 9 members, each serving a 3-year term in position. Three of the members are executive directors. The other 6 members are non-executive directors, three of whom are independent directors. This structure is satisfied with the rules set forth by the SEC requiring that



all listed companies must have the ratio of 1 independent director per 3 directors. All directors are knowledgeable in Engineering, Accounting or Finance.

- 1.2) The Company appointed corporate secretary to provide opinions and suggestions on legal points and regulations that the BOD must acknowledge, to support the activities of the BOD, and to coordinate with various entities in the execution of the BOD's resolution

## 2) Sub-committees

- 2.1) The Company has 4 sub-committees, namely Audit Committee, Executive Committee, Remuneration Committee, and Risk Management Committee. These sub-committees are set up to conform to the principle of good corporate governance and to provide assistance to the BOD.
- 2.2) Chairman of Audit Committee, Chairman of Remuneration Committee, and Chairman of Risk Management Committee are all independent directors. This is to ensure independence and transparency in their job function.

## 3) Roles, Duties, and Responsibilities of the Board and Committees

The roles, duties, and responsibilities of the BOD and sub-committees will be covered in topic 9.2

## 4) Meeting of the Board of Directors

- 4.1) The BOD determines at least 1 meeting per 1 quarter in advance and will arrange to have special meetings based on necessity and appropriateness on the case-by-case basis. In case of special meetings, the Company must inform the attendants at least 7 days prior to the meeting date. The meeting's constituted quorum is achieved when at least half of the directors attend the meeting.
- 4.2) The meeting agenda are clearly determined in advance by Chairman of the BOD and Chief Executive Officer (CEO). Corporate secretary is responsible for ensuring that all the directors receive supporting document in a sufficient time period prior to the meeting to allow all attendants to study the agenda and make informed voting decision.
- 4.3) The BOD must receive sufficient, complete, and timely information before the commencement of every meeting. Directors can contact corporate secretary directly and freely to request recommendations pertaining to legal and regulation issues.
- 4.4) Chairman of the BOD is responsible for managing the meeting time properly to allow adequate time for management to present the information and sufficient time for the Board to discuss important agenda and give opinion on each agenda before summarizing the Meeting's resolution.
- 4.5) The BOD has a policy to allow non-executive directors to have a separated session to discuss management related issues of interest without the presence of management. The result of such meeting is to be informed to the CEO.

- 4.6) The BOD supports the decision of the CEO to invite high-level executives to the meeting of the BOD to give additional information to the Meeting as directly operative agents. This also gives the directors an opportunity to know high-level executives to be considered in the Company's succession plan.
- 4.7) During the consideration and the voting of every agenda, the directors who have conflicts of interest in such agenda must leave the meeting and refrain from voting.
- 4.8) Written meeting minutes are required in all of the meeting of the BOD. The minutes must be approved by the BOD and be maintained in a form that is ready to be reviewed by directors and/or other relevant parties.

## **5) Directors' Self-Assessment**

After being listed in the SET, the Company's BOD will arrange to have an annual self-assessment procedure in which the directors will assess his/her performance in the past year and use the result to improve the efficiency of the BOD in the next years.

## **6) Remuneration**

The Company's BOD delegates the authority to recommend remuneration protocols to the Remuneration Committee. Such protocols are to be approved in the shareholders' meeting and will be embodied in a remuneration policy. Such remuneration protocols are based on the following criteria:

- 6.1) The Company's performance and the size of the business, by comparing with remuneration of directors in other listed companies of the same nature and size
- 6.2) Experiences, roles, duties and responsibilities of each director
- 6.3) Expected value contribution from each director
- 6.4) Remuneration rate should be sufficient to attract qualified candidates to join the Company as directors or executives
- 6.5) Responsibilities of each director

## **7) Directors and Executives Development and Training Programs**

The BOD has a policy to support and facilitate trainings for directors engaging in the Company's corporate governance process, such as directors, members of the Audit Committee, and high-level executives, to continually improve the Company's CG procedures. In the case of changing directors or appointing new directors, the Company's management will prepare document containing useful information for the work of the new directors and also arrange to have a session in which the Company's business nature and its operations are introduced to the new directors.

As of present, all directors have passed director training programs from Thai Institute of Directors. Some of them have passed Director Accreditation Program (DAP) and Director Certification Program (DCP) offered by the same institution.

## 8) Conflicts of interest

The BOD has determined the guidelines to handle conflicts of interest satisfied with the ones provided by the SET and Securities and Exchange Act for the ultimate benefit of the Company. It is the duty of personnel in every level to resolve the situations at risk of conflicts of interest with a careful, upright, and independent mindset based on a well-laid ethical framework, and to transparently disclose necessary information with the Company's interest at heart.

## 9.2 COMMITTEES AND BOARDS

The Company's committee structure consist of 5 committees, which are

- 1) Board of Directors
- 2) Audit Committee
- 3) Executives Committee
- 4) Nomination & Remuneration Committee
- 5) Risk Management Committee

### 9.2.1 Board of Directors

As of December 31st, 2014, the Company's Board of Directors consists of 9 members as the followings:

1.1	Name	1.2	Position
1.	Mr. Kraithip Krairiksh		Chairman of the Board
2.	Mr. Chotipol Techakraisri		Vice Chairman of the Board
3.	Mr. Sorapoj Techakraisri		Director
4.	Mr. Chumpol Techakraisri		Director
5.	Mr. Theera Vayakornvichitre		Director
6.	Mr. Pornson Patanasin		Director
7.	Mrs. Ladda Siriwattanakosol	Director, Chairman of Audit Committee, Independent	Director
8.	Mr. Prasert Patradhilok	Director, Audit Committee, Independent Director	
9.	Ms. Benjaporn Prisuwanna	Director, Audit Committee, Independent Director	

**Note:** The Company's corporate secretary is Mr. Sarath Pavorndechapong, appointed on September 21st, 2011.

**Authorized directors**

The Company's authorized directors as defined in the Company's Affidavit is Mr. Sorapoj Techakraisri, signing his signature together with the Company's seal or Mr. Chotipol Techakraisri and Mr. Chumpol Techakraisri, signing their signatures together with the Company's seal.

**Authorities, Roles and Responsibilities of the Board of Directors**

The Board of Director's no. 1/2011 held on September 21st, 2011 determined the authorities, roles and responsibilities of the Board of Directors as the followings:

1. Perform its duties in a manner that conforms to the governing laws, the company's objectives, the company's articles of associations, resolutions of the Board of Directors, and resolutions of shareholder's meeting with accountability, caution, and integrity.
2. Review in details and give approval on visions, business strategies, business direction, policies, objectives, guidelines, plans, and budgets of the Company, its affiliates, and its subsidiaries that the Executive Committee and the Company's management team propose.
3. Supervise and track the performance of the Company's executive committee, CEO, management, and any other persons delegated the management functions to make sure that such persons undertake their functions in a fashion consistent to the policy given by the BOD.
4. Continually monitor the Company's performance to match with the Company's plan and budget.
5. Ensure that the Company, its affiliates, and its subsidiaries have proper and efficient accounting system, effective internal control, and effective internal audit systems in place.
6. Arrange to have the Company's balance sheet and income statement completed for the end of the Company's accounting period and present them in the annual shareholders' meeting for approval.
7. Review and approve the Audit Committee's selection and nomination of the Company's auditor and compensation to such auditor and present them in the annual Shareholder meeting for approval.
8. Arrange to have a written corporate governance policy and make sure that such policy is effectively executed in the organization to establish the perception that PACE is responsible for fair treatment to every stakeholder.

9. Give approval on the appointment of qualified persons that have no prohibitive characteristics defined in the Public Company Act B.E.2535 (and subsequent amendments), the Securities and Exchange Act B.E. 2535 (and subsequent amendments), and other relevant announcements, rules, and/or regulations pertaining to the appointment of directors in the case that the position becomes vacant due to reasons other than expiration of terms, and agree on the appointment of directors to replace the ones whose terms expire and the determination of directors' compensation that the Remuneration Committee proposes to the shareholders' meeting for approval.
10. Appoint sub-committees, including Audit Committee, Executive Committee, Remuneration Committee, Risk Management Committee and other sub-committees, and determine roles and responsibilities of such committees to assist and support the work of the Company's directors.
11. Make decision on the determination of or alteration of the Company's authorized directors.
12. Appoint the Company's management, according to the definition provided by The Securities and Exchange Commission (SEC) or Capital Market Supervisory Board, and the corporate secretary, and decide on giving approval on the Remuneration Committee proposal of executive compensation.
13. Request professional opinions from external organizations, if needed, to support in the BOD's decision making process.
14. Encourage the Company's directors and management to participate in seminars held by Thai Institute of Directors in the subject matters relevant to the roles and responsibilities of such persons.

The authorization of roles and responsibilities must not be done in such a way that the directors or the person given the power of attorney from the directors can make approval/disapproval on the transactions that such persons or the persons having conflicts with such persons may have interests upon or the transactions that may entail conflicts of interest with the Company, its affiliates, and its subsidiaries (according to the definition provided by notifications of the SEC or notifications of the Capital Market Supervisory Board), except the approval on such transactions are done on the policy or the rules that the shareholders' meeting or the Board of Directors have previously approved.

## 9.2.2 Audit Committee

As of December 31st, 2014, Audit committee consists of 3 members as in the following:

Name	Position
1. Mrs. Ladda Siri Wattanakosol	Chairman of Audit Committee
2. Mr. Prasert Patradhilok	Member of Audit Committee
3. Ms. Benjaporn Prisuwanna*	Member of Audit Committee

Note: Ms. Benjaporn Prisuwanna is the member of audit committee who has knowledge and experience in Accounting or Finance

Ms. Montakan Teannetinun appointed as secretary of Audit Committee on December 25th, 2013

### Authorities, roles, and responsibilities of Audit Committee

The Board of Directors' Meeting no. 1/2011, held on September 21st, 2011, approved the authorities, roles and responsibilities of the Audit Committee as in the followings:

- Review and ensure that the Company has correct and sufficient financial reporting.
- Review and ensure that the Company has proper and effective internal control and internal audit system.
- Review and ensure that the Company complies with the securities laws, rules of the SET, and other relevant regulations.
- Consider, select, nominate and propose the compensation package of an independent auditor to act as the Company's auditor and attend the meeting with such auditor without the presence of the Company's management at least once a year.
- Consider and review related transactions or transactions at risk of conflicts of interest according to the definition provided by the laws and the rules of SET and hold a meeting of Audit Committee at least once a year or as frequently as necessary.
- Prepare the report of Audit Committee and disclose such report in the Company's annual report. The report must be signed by Chairman of Audit Committee and have the following information at the minimum:
  - Opinion upon correctness, completeness, and reliability of the Company's financial reports
  - Opinion upon adequacy of the Company's internal control system
  - Opinion upon the Company's compliance with the laws concerning securities and exchanges, rules of the SET, and other relevant regulations

- Opinion upon appropriateness of the Company's auditor
  - Opinion upon related transactions and transaction at risk of conflicts of interest
7. Review the work of Internal Audit Department in the following topics:
- Review the department's scope of work, annual audit plans, budget, and personnel to make sure that the department's resources are consistent with the scope of work and enough to support the work of Audit Committee
  - Review the nomination, rotation, or termination of Head of Internal Audit Department
  - Review the presentation of performance report
  - Review the independence of Internal Audit Department
8. Review and verify that the rules of and the protocols used in internal audit work is suitable for the dynamic of the business environment.
9. Summarize the task of Audit Committee and report to the Board of Directors.
10. Report the findings of suspected transactions that may significantly affect the Company's financial status or performance to the Board of Directors to seek for resolutions in the appropriate time frame determined by the Audit Committee. Such findings include:
- Transactions at risk of Conflicts of Interest
  - Fraud, irregularities, or fatal flaws in the internal control system
  - Violations of the laws concerning securities and exchanges, rules of the SET, and other relevant regulations

If the Board of Directors or the Company's executives do not arrange to have resolutions to the reported transactions defined in paragraph one above within the time period determined by the Audit Committee, one of the members of Audit committee may report such transaction to the SEC or the SET.

11. Execute its authorities, roles and responsibilities defined in (1)-(10) to the Company's affiliates and subsidiaries as requested by the Company's affiliates and subsidiaries or as far as it is allowed by the defined authorities, roles, and responsibilities.
12. Exercise other roles as requested by the Board of Directors with the approval from the Audit Committee.

The Company's Audit Committee has authority to do some tasks, such as inviting the Company's directors and employees to discuss on, present, or give answers to topics falling under the responsibilities of Audit Committee, seeking consultation from experts or the Company's advisory agents (if any), hiring external experts from time to time as needed with the Company's expense, requesting supporting document or evidence necessary for an auditing purpose from the Company's employees, investigating doubtful topics or transactions, and delegating to the Company's employee(s) the tasks that fall under the scope of the Audit Committee and is completed for the auditing purpose. The Committee also execute its authorities, roles and responsibilities aforementioned to the Company's affiliates and subsidiaries as requested by the Company's affiliates and subsidiaries or as far as it is allowed by the defined authorities, roles, and responsibilities

#### Qualifications of Independent Directors

Independent directors must not have businesses or take part in managing businesses that share interest with the Company and, therefore, may sabotage independent decision making of such directors. Independent directors must have the following qualifications:

1. Hold not more than 1% of the shares with voting rights of the Company, its parent company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities, with the inclusion of such shares held by relating parties of such independent directors.
2. Must not be or have been directors who are involved in the management of the employees, salaried advisory agents, or controlling entities of the Company, its parent company, its affiliates, its subsidiaries, the subsidiaries of the same rank, its major shareholders, or its controlling entities except such position has been terminated at least 2 years prior to the appointment date.
3. Must not be relatives or by legal registration in the form of parents, spouses, brothers and sisters, children of, or spouses of the children of the Company's executives, major shareholders, controlling entities, or any other persons nominated to be executives or controlling entities of the Company, its affiliates, or its subsidiaries.
4. Have no prior business relationship with the Company, its holding company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities in a fashion that may prevent such directors from making independent judgment, and must not be or have been significant shareholders or controlling entities of the persons having business relationships with the Company, its parent company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities except such relationship has been terminated at least 2 years prior to the appointment date.



Business relationships mentioned in paragraph one includes ordinary business transactions in the real estate lease or rent business, transactions related to properties or services, or provision or receiving of financial supports by means of receiving, lending, guaranteeing, giving assets as collaterals for the loans, or similar transactions that result in one counterparty, or a requester, having a binding obligation to repay to the other counterparty the amount equal to or higher than 3% of net tangible of the requester or 20 million Baht, whichever is lower. Such debt obligation is calculated using the formula of the value of related transactions as defined in the Notification of Capital Market Advisory Board on Related Transactions, with the inclusion of debt obligation incurred within 1 year prior to the date on which such relationships take place.

5. Must not be or have been auditors of the Company, its holding company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities, and must not be significant shareholders, controlling entities, or partners with the audit offices in which the auditor of the Company, its holding company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities operates except such position has been terminated at least 2 years prior to the appointment date.
6. Must not be or have been professional service providers, including legal advisers or financial advisers, who were compensated with more than 2 million baht worth of compensation per year from the Company, its parent company, its affiliates, its subsidiaries, its major shareholders, or its controlling entities, and must not be significant shareholders, controlling entities, or partners of such professional service providers except such position has been terminated at least 2 years prior to the appointment date.
7. Must not be appointed as a representative of any directors, major shareholders, or shareholders that are related to the Company's major shareholders.
8. Must not have businesses that have the same nature and can be viewed as competitors of the Company, its affiliates, and its subsidiaries, and must not be significant partners in partnerships or directors that participate in the management of, employees of, salaried advisory agents of, or hold more than 1% of the shares with voting rights of other companies that have the same nature and can be viewed as competitors of the Company, its affiliates, and its subsidiaries.
9. Must not have any other qualities that may prevent such directors from providing independent opinion related to the operation of the Company

The Audit Committee reports directly to the Board of Director. The term of each members of the Audit Committee is 3 year since the appointment date. Members of the Audit Committee whose term has expired can be reappointed, with the condition satisfied with rules and regulations defined by relevant government entities.

### 9.2.3 Executive Committee

As of December 31st, 2014, the Company's Executive Committee consists of 6 members as the followings:

Name	Position
1. Mr. Chotipol Techakraisri	Chairman of Executive Committee
2. Mr. Sorapoj Techakraisri	Member of Executive Committee
3. Mr. Chumpol Techakraisri	Member of Executive Committee
4. Mr. Teera Vayakornvichitre	Member of Executive Committee
5. Mr. Pornson Patanasin	Member of Executive Committee

Note: Mr. Sarath Pavorndechapong appointed as secretary of Executive Committee on September 21st, 2011.

#### Authorities, roles, and responsibilities of Executive Committee

The Board of directors' Meeting no. 1/2011 held on September 21st, 2011 approved the authorities, roles and responsibilities of the Executive Committee in the followings:

- Executive Committee is responsible for the management of the Company to satisfy with the Company's objectives, the Company's policy, memorandum of association, or any other orders given by the Board of Directors. In addition, the Executive Committee is responsible for reviewing and selecting agenda to be proposed to the Board of Directors for agreement for approval.
- Prepare and formulate visions, business strategies, business directions, objectives, guidelines, plans, and budgets of the Company, its affiliates, and its subsidiaries and propose such things to the Board of Directors for approval.
- Monitor and track the execution of the Company's policies and management guidelines to make sure that such policies and guidelines are effectively executed in the manner satisfied with the intentions of the Board of Directors.
- Have authority to give approval on or execute transactions deemed to be normal business activities under the limits or budget approved by the Board of Directors. In so doing, the Executive Committee cannot incur indebtedness or contingencies of more than 450 million baht with maturity of more than 5 years. This applies to all kinds of indebtedness and contingencies, including project financing facilities from financial institutions.

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5. Prepare the following reports and submit to the Board of Directors within a specified timeframe
    - 5.1 Quarterly performance report within the time frame set by the Stock Exchange of Thailand (SET)
    - 5.2 Auditor's report on the Company's financial statements, including annual and quarterly financial statements, within the time frame set by the Stock Exchange of Thailand (SET)
    - 5.3 Other reports deemed necessary by the Executive Committee
  6. In the meeting of executive committee to execute any of its authority, the meeting's constituted quorum is achieved and the execution of authority is plausible when at least half of the directors attend the meeting.
  7. Each member of the Executive Committee has 1 vote per person. In the case that the votes are equal, Chairman of the Executive Committee has the power to exercise 1 final decisive vote.
  8. To give approval on any agenda, the Meeting must have at least half of the votes from the total votes from attendants in such meeting.
  9. The Company must hold Meeting of Executive Committee at least once a year and as necessary. Any members of the Executive Committee can call a special meeting on the condition that he/she must inform the agenda of such special meeting to other members in advance to allow sufficient time for the meeting attendants to prepare for such meeting.
  10. The Executive Committee can appoint a taskforce and/or other persons to select the agenda to present to the Executive Committee or to perform other tasks beneficial to the work of the Committee or to perform any other delegated tasks under the authority of the Executive Committee.
  11. The Company allows the Executive Committee to give its authority to and/or assign other persons to perform its tasks, if such giving of authority/assignment falls under the scope of the letter of power of attorney (POA) and/or is done according to the rules, regulations, orders that the Board of Directors has provided. The authorization of the Executive Committee's roles and responsibilities must not be done in such a way that the members of the Executive Committee or the person given the power of attorney form can make approval/disapproval on the transactions that such persons or the persons having conflicts with such persons (according to the definitions given in notifications of Capital Market Advisory Board or notifications of Securities and Exchange Commission) may have interests upon or the transactions that may entail conflicts of interest with the Company, its affiliates, and its subsidiaries.
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The Executive Committee reports directly to the Board of Director. The term of each members of Executive Committee is 2 year since the appointment date. Members of Executive Committee whose term has expired can be reappointed.

#### 9.2.4 Remuneration Committee

As of December 31st, 2014, the Remuneration Committee consists of 5 members as the followings:

Name	Position
1. Ms. Benjaporn Prisuwanna	Chairman of Nomination & Remuneration Committee
2. Mr. Prasert Patradhilok	Member of Nomination & Remuneration Committee
3. Mrs. Ladda Siri wattanakosol	Member of Nomination & Remuneration Committee
4. Mr. Sorapoj Techakraisri	Member of Nomination & Remuneration Committee
5. Mr. Chotipol Techakraisri	Member of Nomination & Remuneration Committee

Note: Secretary of the Remuneration Committee is Mr. Piya Petchsod, appointed on March 20th, 2012

#### Authorities, roles, and responsibilities of Remuneration Committee

The Board of Directors' Meeting no. 1/2011 held on September 21st, 2011 approved the authorities, roles and responsibilities of the Remuneration Committee in the followings:

1. Consider the policy and rules in the selection of qualified candidates for directors and high-level executives, as well as the selection or the nomination of qualified persons for directors and high-level executives and seek for approval from the Board of Directors or shareholders' meeting. The Company must hold Meeting of Remuneration Committee at least one a year and as necessary.
2. Consider and review remuneration and compensation policy and rules applied to directors and high-level executives.
3. Give opinion to the Board of Directors in the presentation of remuneration for directors or high-level executives in the Board of Director Meeting or Shareholder Meeting. The Board of Directors has authority to give approval on remuneration packages for high-level executives; and the Shareholder Meeting has the authority to give approval on remuneration packages that the Board of Director propose for its members.

Remuneration Committee reports directly to the Boards of Directors. Each member of the Remuneration Committee has a 2-year term since the appointment date, and can be reappointed after the expiration of term.

### 9.2.5 Risk Management Committee

As of December 31st, 2014, the Risk Management Committee consists of 5 members as the followings:

Name	Position
1. Mr. Prasert Patradhilok	Chairman of Risk Management Committee
2. Ms. Benjaporn Prisuwanna	Member of Risk Management Committee
3. Mrs. Ladda Siri wattanakosol	Member of Risk Management Committee
4. Mr. Sorapoj Techakraisri	Member of Risk Management Committee
5. Mr. Chotipol Techakraisri	Member of Risk Management Committee

Note: Secretary of the Risk Management Committee is Mr. Nuthapon Luckkanalawan, appointed on September 21st, 2011

#### Authorities, roles, and responsibilities of Risk Committee

The Board of Directors' Meeting no. 1/2011 held on September 21st, 2011 approved the authorities, roles and responsibilities of the Risk Management Committee as the followings:

- Review the Company's overall risk management policies and guidelines covering all important risks, such as financial risk, investment risk, and reputation risk, and present to the Board of Directors for approval. The Company must hold Risk Management Committee Meeting at least once a year and as necessary.
- Formulate risk management strategies and guidelines that are consistent with the Company's risk management policies to help assess monitor and control the Company's risk in an acceptable level.
- Monitor and track the execution of the risk management policies to ensure that it is consistent with the framework given by the Board of Directors.
- Determine the Company's risk measurement criteria and risk tolerance level.
- Determine risk mitigations that are suitable for the current business circumstances.
- Review the adequacy of the risk policies and risk management system, including the effectiveness of the system and the policy execution.
- Report regularly to the Board of Directors the subjects pertaining to the Company's management, operations, and the status of the Company's risk, as well as any changes in risk factors and measures needed to be done to mitigate the risks a consistent with the risk policies and strategies.
- Constitute risk management taskforces when necessary.

9. Support the risk management taskforces in such aspects as personnel, budget, and other resources suitable for the scope of task.

Risk Management Committee reports directly to the Boards of Directors. Each member of the Risk Committee has a 2 year term since the appointment date, and can be reappointed after the expiration of term.

### 9.3 SELECTION OF DIRECTORS AND MANAGEMENT

Remuneration Committee is in charge of nominating qualified persons to be considered for the positions of the Company's directors, independent directors, and executives and seeking approval from the Board of Directors and/or Shareholder Meeting (on a case-by-case basis). In so doing, the Committee will consider the candidate's qualifications, knowledge, abilities, and relevant experiences with consideration on desirable characteristics defined in Public Company Act. In addition, the candidates must not have prohibitive characteristics defined in Tor Chor 24/2551 Notification of the Capital Markets Supervisory Board on Rules and Procedures for Complying with the Notification Regarding the Acquisition of Securities for Business Takeovers (and subsequent amendments)

#### Components and Appointment of the Board of Directors

The Board of Directors determines the rules to appoint and release the Company's directors as follows:

1. The Board of Directors consists of at least 5 directors, who will collectively select, among themselves, one person to be Chairman of the Board of Directors, and may select other members to be Vice Chairman of the Board of Directors and other positions as deemed suitable. At least half of the members of the Board of Directors must domicile in the Kingdom of Thailand.
2. The Company's directors do not need to also be the Company's shareholders.
3. The Meeting of the shareholders has authority to appoint the Company's directors based on majority rule by the following procedures
  - (1) Each shareholder has his/her voting rights equal to the number of shares held by such shareholder
  - (2) Each shareholder can use all of his/her voting rights to vote for one person or many persons, but he/she cannot divide the voting rights into pools of different size and give to many persons
  - (3) Candidates will be selected based on their ranks in the voting process. The number of candidates selected will equal the number of vacant positions. If two or more candidates share the same rank, Chairman of the Meeting has authority to ultimately select the candidates.
4. In each annual general of shareholders' meeting, 1 in 3 of the Company's directors must resign. If the number of the directors is not divisible by 3, the number of directors who must resign will be the closest to 1/3 of the directors. The Company uses lot method to define the directors to resign in the first and second

year after the Company is listed. In the following years, the directors with the longest term in position must resign, yet with the chance of being reelected.

5. Besides termination by term expiration, the director status may end when the directors:
  - (1) Decease
  - (2) Resign
  - (3) Lack required qualifications or have prohibitive characteristics according to the Public Company Act
  - (4) The Meeting of shareholders resolute early termination of the director status by voting at least 3 in 4 of the shareholders with voting rights who present in the Meeting and have the combined shares at least half of the shares held by shareholders who present in the Meeting
  - (5) The status is terminated by court decree
6. In case that the director position becomes vacant for the reasons other than expiration of term, the Board of Directors may select qualified persons who have no prohibitive characteristics according to the Public Company Act to be a representative of the directors, except such term will be expired within 2 months. The persons who represent in the Board will assume the position only for the remaining term of the previous director. Selecting of such representative requires 3 in 4 approvals from the remaining directors.

#### **Components and Appointment of Audit Committee**

1. Audit Committee consists of 2 independent directors, at least 1 of them possesses adequate knowledge or experiences of Accounting and Finance to be able to verify the reliability of the Company's financial statements.
2. Qualifications of independent directors are stated in topic 2.2 Qualifications of independent directors, which is consistent with the minimum requirements defined by the SEC and the SET
3. The Board of Directors or the annual general of shareholders' meeting has the authority to appoint the Audit Committee. Each member of the Audit Committee has a 2 year term, and can be reappointed once after the expiration of term. Reappointment is subjected to the approval of the Board of Directors or the Shareholder Meeting.

#### **Components and Appointment of Executive Board and the Company's Executives**

Remuneration Committee has the authority to search for, review, and nominate the qualified candidates to the Board of Directors for approval as already mentioned in topic 2.

#### **Components and Appointment of Remuneration Committee**

1. Remuneration Committee consists of 5 directors, at least 1 in 3 (1/3) of whom are independent directors. Chairman of Remuneration Committee must be an independent director.

2. The Board of Directors owns authority to appoint the members of the Remuneration Committee.
3. Each member of the Remuneration Committee has a 2-year term, and can be reappointed once after the expiration of term. Reappointment is subjected to the approval of the Board of Directors.

#### **Components and Appointment of Risk Management Committee**

1. Risk Management Committee consists of 5 directors, at least 1 in 3 (1/3) of whom are independent directors. Chairman of the Risk Management Committee must be an independent director.
2. The Board of Directors owns authority to appoint the members of the Risk Management Committee
3. Each member of the Risk Management Committee has a 2-year term, and can be reappointed once after the expiration of term. Reappointment is subjected to the approval of the Board of Directors.

#### **9.4 MONITORING OF THE OPERATION OF AFFILIATES AND SUBSIDIARIES**

In the past operation of the Company, the nomination and the voting to appoint directors of the Company's affiliates and subsidiaries are performed by the Company's management. Nevertheless, starting from 2014 onwards, the nomination and the appointment of such persons must be approved by the Company's Board of Directors. Directors of the affiliates and subsidiaries are responsible for maximizing the benefits of such companies, not those of the Company. Moreover, such persons must be approved by the Company's Board of Directors before being able to vote in the subject matters that requires the power of the Board of Directors should they be the subject matters of the Company.

In addition, in the case of subsidiaries, the directors of such subsidiaries are responsible for arranging to have a recording system of related transactions to ensure that such transactions be recorded, maintained in the proper fashion that is easy to verify and used for timely financial statement preparation.

#### **9.5 CONTROLLING MEASURES FOR THE USE OF INTERNAL INFORMATION**

Realizing the importance of transparency in corporate governance, the Company's Board of Directors put in place the following policies to prevent the misuse of the Company's undisclosed information for personal benefits:

- 1) Educate the Company's directors, executives, and managers in charge of Accounting or Finance Department with the rank of First Vice President and higher about the duty to prepare and submit the report of securities holding of oneself, spouses, and minor children to the SEC and SET according to the rules defined in Chapter 59 and penalty clauses in Chapter 275 of the Securities and Exchange Act B.E. 2535
- 2) The Company requires directors, executives, and managers in charge of Accounting or Finance Department with the rank of First Vice President and higher to always prepare and submit the report of securities holding of oneself, spouses, and minor children through corporate secretary before submitting to the SEC and the SET within 30 days since the date that such persons are appointed to assume the positions of directors or



executives, as well as to prepare and submit the report of change of securities holding within 3 days since the date of the purchase, sale, transfer, or receiving of such securities.

- 3) The Company requires that its directors, executives, managers in charge of Accounting or Finance Department with the rank of First Vice President or higher, and other persons having access to the Company's material undisclosed information that may affect the price of the Company's securities refrain from selling or buying such securities before the disclosure of financial statements, financial status, or business status prior to the disclosure of such information to the public. In so doing, the Company will notify its directors, executives, and managers in charge of Accounting Department or Finance Department with the rank of First Vice President or higher to refrain from aforementioned action in written notices at least 30 days prior to the public disclosure date. In addition, such persons must wait at least 24 hours after the public disclosure before they can start transacting the securities and must not reveal such information to others by themselves.
- 4) The Company determines a range of disciplinary penalties for the misuse of internal information for personal benefits from written warnings, compensation deduction, suspension without payment, and dismissal. Execution of appropriate penalties depends on the offender's intention and the seriousness of the offensive actions.

## 9.6 COMPENSATION OF AUDITORS

The compensation paid to the auditor for the review of interim financial statements and the auditing of financial statements for the accounting period 2014 of the Company and its subsidiaries totals 3.97 million Baht.

## 10. Corporate Social Responsibility

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

2014 proved to be another successful year for PACE in terms of Corporate Social Responsibility. PACE has created an internal CSR department to be responsible for all PACE CSR activities as well as employee well-being matters. The CSR department works in accordance with the Corporate Social Responsibility Institute (CSRI). Moreover, PACE also participates in Thailand's Private Sector Collective Action Coalition against Corruption (CAC) together with other top companies in the Kingdom by declaring the Company intent to be a part of the fight against any form of corruption. The PACE anti-corruption program is incorporated to ensure that PACE will become one of the listed companies that run its businesses responsibly as well as enhancing trust among its key stakeholders. PACE's Anti Corruption Policy is now being put in place and will play a major role in the efforts among private and government sectors with transparency and good governance which facilitate PACE's long-term Corporate Sustainability.



Sustainability Dimension

Businesses that are socially responsible need to focus on responsibilities towards economy, social and environment since this is the way for genuine sustainability as any business could be pushed hard by external driving forces and expectations of relevant stakeholders that get impact from our business operations. We shall discuss the issue later in details.

Aiming to integrate 360 degrees of socially and environmentally responsible, PACE as the Thai high-end property developer as well as lifestyle offerings company, has integrated sustainability concept into its operations enabling ethical culture that supports compliance, accountability and transparency together with participation in CSR initiatives from Board of Directors, Committees, Top Executives and all employees. PACE also analyzes trends and changes in social and environmental aspects for precaution as stated below.

- Consumers, tenants have tendency in demanding or appealing directly with the press and related authorities in case they encounter direct impact on the environment and welfare without prompt compensation as per their expectation. Therefore, stakeholder engagement is needed to voice their concerns towards PACE's business operations.
- The Stock Exchange of Thailand and private investors prefer to have listed companies that perform extensive responsibility In-house Training in environment, social and governance so-called ESG. They also use ESG as an index for investors to carefully select only those that have done well in ESG and CSR. In this regard, CSR Department has proposed the matter to the management and Investor Relations Department already.
- The press has become more aware of the importance of CSR. Topic of new Releases including news articles have been shifted into CSR more and more. Therefore, press engagement in CSR activities will play a great role and to be in consideration.
- Quality Labor market will become an issue in CSR since talented workforce tends to consider workplace based on CSR performance. They expect to be employed lifelong. Corporate sustainability is then one of major factors for them to choose new employer. Any employer must have an empirical CSR Policy especially CSR in process that attracts potential employees to join the company.
- Once Thailand gets into the AEC era in late 2015, there will be a free flow of labor market which could result in a higher turn-over rate in workforce. To avoid this possibility, employer needs to continuously improve welfare and benefits of employees so that they do not leave the company and join the competitors. Employee Engagement shall be implemented to retain talents with the organization.

Throughout the year 2014, PACE Corporate Social Responsibility Department had managed many activities to achieve corporate CSR goals as follows:

#### 1. CSR INITIATIVES (INTERNAL DIMENSION)

The internal dimension starts from the recruitment. PACE recognizes the importance of our internal stakeholders so-called "employees" who in fact are virtually our customers. PACE therefore needs to take a good care of and retain them with the Company. The ongoing activities include;

- **Initial work training:** The Company encourages continuous learning and development of our human capital since their first day at work. During the orientation, PACE has added knowledge and practices in Corporate Social Responsibility and Anti Corruption to the program to create awareness among newly recruited staff how important CSR and Anti Corruption Policy mean to PACE.
- **Additional Training on CSR and Anti Corruption Policy:** PACE provides additional 3 hours training in CSR and Anti-Corruption Policy for all staff at operational level up to Assistant Vice President (AVP) level for better understanding in CSR management and practices together with Anti Corruption practices. The employees also have a room to share and discuss or even brainstorm on real incidents and case studies that have

happened in this regard. The course participants gain knowledge in stakeholder engagement and materiality assessment as well since the material issues are very important for PACE to better focus on matters that are based on expectations of both PACE and its stakeholders. Then the participants could use the knowledge to engage with their relevant stakeholders under their own responsibility effectively. In 2014, there are 4 training batches with a total number of 51 employees or 69% of all operation level staff up to the AVP level. Those who have not attended the training will attend the course next year. PACE aims to have full company attendance by 2015.

- **CSR Day Activity:** CSR department has planned to set up CSR Day in cooperation with the Stock Exchange of Thailand and Corporate Social Responsibility Institute (CSRI) as a brainstorming session for Top Executives (Vice President and above) in total of 36 persons to manage CSR in the same direction with correct principles and scope by initiating CSR activities that are appropriate for Property and Construction industry. Material issues will also be discussed on the day.



CSR Day Activity

Apart from training and development, safety, security and health of all employees are one of PACE primary concerns since healthy staff leads to improved quality and potentiality of corporation.

- **Establishment of Badminton Club:** PACE has set up badminton club for staff interested in exercising after work. Sporting activity would also bring joy, health and harmony among employees for a better team work. PACE supports the badminton court fees for 2 hours Thursdays. Many employees are interested in badminton and come to play on regular basis.

- **Office branch expansion:** With rapid business expansion bringing a larger number of employees, In order to have a better management PACE provides another office located at Teo Hong Silom in addition to the Company's headquarter at All Seasons Place to support the increasing number of staff. The new office is located nearby MahaNakhon project.

#### Safety and security in the workplace

There was no report of injury and accident among PACE employees during working hours throughout 2014.

#### Employee Engagement in CSR Activities

To continuously support PACE Learning Centre at The Beaumont Ruampattana School in Chaiyaphum province, PACE engages to donate clothes, stationery and books to the students in this school. The donation received great feedback and participation. This shows voluntary spirit of PACE staff and the engagement that all employees are willing to contribute back to the underprivileged group of people in Thai society.

Another group of PACE volunteer staff participated in PACE Playground delivery to Khunyuam District Local School in Mae Hong Son Province during 19-20 December 2014 as proposed by PACE's Chairman of Audit Committee, Khun Ladda Siri Wattanakosol who foresees that many schools in remote areas are still in need of assistance for their students in terms of facilities and learning equipments and PACE could be a part to help those in need. This proves that PACE's corporate social responsibility practices are implemented throughout the organization even the committees. They are willing to participate in PACE's CSR initiatives with voluntary spirit which would become foundation for good corporate culture in the near future.

Badminton Club



Office Branch Expansion



## CSR Activities



## 2. CSR INITIATIVES (EXTERNAL DIMENSION)

The external dimension includes corporate social responsibility practices in economic, social and environmental aspects. However, PACE has put emphasis primarily on social aspect especially the knowledge in Architecture and Engineering including underprivileged children in Thai society. It can be summarized in details as follows.

### Economy

PACE employs 3 experienced local staff in Hua Hin to work for the MahaSamutr project located in Hua Hin Soi 112 and will continue to recruit more once there is necessity in the future. The local employment can be counted as income distribution to Hua Hin and it supports local people to have a secure job at their hometown without having to work in Bangkok. Moreover, the benefits are equal to those employed in Bangkok with the same standard. Apart from local employment, PACE is now considering disabled employment to join our professional team since we realize that disabled people have special skills that could support our company. At MahaNakhon CUBE, we will soon have a BTS connection to the building to facilitate mass transportation for the employee, the customers and the tenants. At the moment, there are several stores ready for operation in the CUBE such as Dean & DeLuca, "Vogue Lounge Bangkok" World class concept bar, and "L'Atelier de Joël Robuchon Bangkok" World Class Restaurant with 25 Michelin Stars. These big names will attract local and international tourists to the area to enjoy superb food and beverages. This is another revenue generator for the country. Imagine what if the main tower of MahaNakhon is fully finished! PACE could be another big part that generates even more revenues for Thailand.

### Social

PACE realizes one of the social problems in Thai society is related to our corporate expertise. We found out that we have limited resources and know how in high rise building management among the students in the field.



- Knowledge sharing for architectural students from various Thai universities

PACE is upgrading the knowledge of the students in the architectural and engineering fields by creating share value (CSV) for them by providing knowledge and real life experience in High Rise Building management (our core expertise) during their MahaNakhon Construction site visits. The students gain knowledge in the development of a skyscraper in many aspects such as the system, techniques, the design, problem solving and Q&A session. It is a great outside class room opportunity for the students to visit the construction site. In return, PACE gets more awareness and reputation from the visit by famous institutions in Architecture and Engineering and could attract potential and prospect customers and future employees at the same time once they finish their degree. In 2014, PACE has inspired the young generation in the field for 273 persons in 7 different groups. The students are from various universities including Chulalongkorn University, Chiangmai University, Silpakorn University and Bangkok University etc.

- Scholarship for underprivileged Architect Student

Apart from CSV initiative, PACE also offers a scholarship to assist an Architect student named Rorkeeyoh Radang from Rajamangala University of Technology Thanyaburi whose family is affected by the political unrest in Yala province, Southern part of Thailand. PACE pays 1 year monthly expenses for 7,000 Baht to the student starting from October 2014 onwards with condition of Grade Point Average (GPA) improvement each semester. Once the student performs better in her GPA each term, PACE will consider extending the monthly expenses to 3 more years until she finishes her degree in Architecture. Miss Rorkeeyoh only needs to help administrative matters at PACE's Annual General Meeting of the shareholders (AGM) in return for the scholarship. PACE hopes the student could learn a lot during her time at our AGM and gain direct experience in the field.

- Establishment of PACE Day Care Center

Another social initiative of PACE for the year 2014 is Day Care center for the children of MahaNakhon's construction workers. There are 17 children of both Thai and Cambodian nationalities aged 1-10 years old. PACE in cooperation with Bouygues Thai and Melissa Cosgrove's Children Foundation have agreed to set up a Day Care Center for the children of MahaNakhon's construction workers nearby the site to look after them while their parents are away for work at the construction site. PACE is responsible for monthly expenses of 15,000 Baht starting from November 2014 for 1 year with an aim of improved quality of life for the children. In this regard, PACE also engages its staff to participate in the project by teaching the children at the center and donating learning facilities and UHT milks etc. This proves PACE has continuously supported the community around the area where we operate as part of our Good Corporate Citizenship campaign with emphasis on our relevant stakeholders' expectation.

## Environment

PACE has initiated a project with Bangrak District Office to help planting trees and flowers on street isle at the Narathiwas Rajanagarindra/Silom intersection and will continue to do so around the area of MahaNakhon Project to become verdant. Even in front of MahaNakhon CUBE has already been verdant by many different types of trees and more to grow at a later stage. Moreover, PACE realizes the Bangkok traffic problem, we are therefore going to bridge the MahaNakhon CUBE with BTS Chongnonsi station to easily access MahaNakhon and offer a more convenient way to reach the tower which could reduce the use of private cars into town and be a part in solving the traffic jam problem.

Inside the MahaNakhon Project itself, PACE selected sanitary ware that is environmental friendly with automatic function to save water. In order to efficiently manage the building with socially and environmentally responsible, PACE employs CUBE Building Manager to minimize environmental impact and take good care of waste management for the whole building so that people can be ensured the project is committed to environment preservation by using and developing technology and equipments that are environmental friendly.

### 3. ANTI-CORRUPTION PRACTICES

PACE believes that trust and reliability among shareholders and investors can be strengthened by having strong commitment & policy in Anti Corruption to prove that the company runs business with transparency, compliance and accountability. Therefore, PACE takes part in promoting a fight against any form of corruption by declaring with Collective Action Coalition (CAC) among Thai private companies. PACE's Chairman has signed the Declaration of Intent in Thailand's Private Sector Collective Action Coalition against Corruption on 14 August 2014. PACE expects to be certified by the Private Sector Collective Action Coalition Council within 2016. The important details of the declaration of intent are as follows.

1. To provide and assess any possible risks associated with fraud within the company together with policy implementation and regulatory compliance against fraud. And to provide manual and/or guidance on business best practices in Anti Corruption to the management and all employees
  - 1.1 These policies prohibit bribery in all its forms in every activity to make sure they are well under control. Donation must be made for charity. To ensure that donation for political party, gift and sponsorship must be done with transparency without intention to convince government officials in inappropriate manner.
  - 1.2 These policies will be published in the form of Corporate "Code of Conduct" to guide the management and employees to conduct and behave in an ethical and accountable way for any occasion. And impose penalties if they do not comply.
  - 1.3 To provide training to employees for enhancing probity and honesty and being accountable for their duties and responsibilities and to show commitment of the organization in following the best practices of businesses.



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- 1.4 To provide appropriate internal control systems for prevention of improper conduct by employees to make sure the business has good governance. And to elevate integrity, honesty and accountability values as part of corporate culture.
  - 1.5 To provide a mechanism for financial reporting with transparency and accuracy.
  - 1.6 To provide a channel of communication to employees and all stakeholders for the identification of any suspicious clues and ensure that the giver is securely protected. And there will be appointed officials to inspect all clues received.
  2. To share and exchange internal policies, experiences and best practices including guidelines for the success in supporting the transaction of business with integrity and transparency in the country.
    - 2.1 We will support any national initiative to set up the conditions for fair competition with transparency in business operations to ensure that there is good governance.
    - 2.2 We will participate in any discussion/forum and comment in any meeting to offer better understanding in concerns and ongoing problems that affect private business regarding integrity, honesty and transparency in business operations.
  3. To cooperate with other companies, partners and other stakeholders in the same industry in creating unified practices and participation in anti-corruption activities.
    - 3.1 We will share best practices and framework to ensure every other companies following the same actions to achieve goals of the project.
    - 3.2 We will join Integrity Pacts with other organizations and governmental agencies in bidding and purchasing goods, materials and construction equipments.
    - 3.3 We will cooperate and contribute ideas to develop code of conduct that can be applied to all organizations and be accepted by all participating organizations.
    - 3.4 We are engaged in creating and monitoring measures to promote transparency, integrity and honesty in business.
    - 3.5 We will work with civil society and the media to create awareness and educate the public in order to shift the value to oppose and condemn corruption in all its forms.
    - 3.6 We will support the development and monitoring of the program including the compliance certification process together with training to consulting staff and auditor as part of a guideline for any participating companies in conducting business ethics to leverage the process to become a corporate culture and promote the project for its sustainability.
    - 3.7 We are willing to be audited and certified by the CAC Committee every 3 years.
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In order to effectively implement Anti Corruption practices with international standard throughout the organization, PACE provides training to relevant departments to attend the Anti-Corruption The Practical Guide (ACPG 14) organized by Thai Institute of Directors: IOD etc.

#### PACE's Donation and Sponsorship in 2014

Name of Receivers	Objectives	Total Amount Spent
Princess Maha Chakri Siridhorn Foundation	Social development	10,000.00 Baht
The Beaumont Partnership Foundation	Social development (underprivileged children)	99,677.23 Baht
Phradhomklao Foundation	Social development	5,000.00 Baht
Sodsri-Saritwong Foundation	Economic development	10,000.00 Baht
Real Estate Business Program Thammasat Business School	Economic development (research funding for Real Estate study)	50,000.00 Baht
Operation Smile Thailand	<b>Economic:</b> Fund raising <b>Social:</b> Support a cleft lip or cleft palate operation costs for underprivileged Thai Children	100,000.00 Baht
Miss Rorkeeyoh Radang, Architect Student from Rajamangala University of Technology Thanyaburi whose family is affected by the political unrest in Yala	<b>Economic:</b> lighten the load from her family <b>Social:</b> Scholarship for Architect student	21,000.00 Baht
Young Women's Christian Association of Bangkok	<b>Social:</b> Sponsored prize ticket sales	5,000.00 Baht
Raksthai Project	Social development	2,000.00 Baht
Ploenchit Fair at Bangkok Patana School 2014	Social development	2,500.00 Baht
Khunyuam District Local School, Mae Hong Son	Social development PACE Playground	189,300.00 Baht
Engineering Mahidol University Foundation	<b>Economic:</b> support in scholarship funding <b>Social:</b> support in Civil Engineering and Environment Engineering study	20,000.00 Baht
Children of MahaNakhon Construction Workers	Social development	45,000.00 Baht
	<b>Total Amount</b>	<b>559,477.23 Baht</b>

## 11. Internal Control

### OPINIONS OF BOARD OF DIRECTORS AND AUDIT COMMITTEE

In the meeting of the Board of Directors (BOD) number 9/2014 on December 23th, 2014, with the presence of the Audit Committee, the Board of Directors and the Audit Committee jointly assessed the Company's internal control process and compared it to the standards provided by referencing the Internal Control System Assessment Form of the Securities and Exchange Commission. There are 5 components of the SEC standards, namely Control Environment, Risk Management, Control Activities, Information & Communication, and Monitoring Activities.

The BOD concluded that the Company has an internal control system that is sufficient and suitable for its business. In addition, the BOD supported the Company's management to continually improve the quality of the internal control system to bolster PACE's Good Corporate Governance. The summary of the assessment is as follows:

#### 1. Control Environment

The Company's organization is well-arranged and suitable for the type of business. The organization's objectives are clearly identified and the operational guidelines are well-planned and measurable. Moreover, the Company's policy, regulation, and code of conducts on business ethics are clearly written to prevent the management and employees from engaging in any activities that may give rise to conflicts of interest.

#### 2. Risk Management

The Company places high importance on risk management. It, hence, set up the Risk Management Committee to monitor the overall risk level of the Company, established a process to analyze external and internal risk factors that may affect the business, and arranged to have regular Risk Management Committee Meetings to assess risk factors and indentified mitigation measures to reduce or avoid any event that may post a threat to the Company's performance or reputation. The Risk Management Committee is obliged to report directly to the Board of Directors. The identified measures are then communicated to relevant officers for execution, after which regular monitoring and reassessment will be done.

#### 3. Control Activities

The Company puts a proper process in place to appropriately control management's actions. It clearly identified the rights, duties and approval authorities for each level of management persons in the written form. The roles and responsibilities in giving approvals, recording, asset custody, and auditing are distinctly segregated. In the case of a transaction with major shareholders, directors, executives, and their relating parties, the Company will strictly follow the approval regulation with the Company's interest as the ultimate consideration and as if the transaction was being done with other unrelated parties.

#### 4. Information & Communication

The Company arranged to have sufficient data reporting to support the decision making of the Board of Directors. In practice, the BOD receives meeting invitations and all support documents that contain sufficient information at least 7 days prior to the meeting. The minutes are kept both as hard copies and electronic copies that are easy to be retrieved yet cannot be altered. The minutes contain complete details that shareholders can use to assess the appropriateness of the directors' conducts. In addition, the Company set up a systematic approach to store supporting documents for account recording. A complete set of documents are sorted in a pattern that is ever-ready for auditors. Financial reports are prepared for the Board of Directors in a manner that truly represent the performance of the business.

#### 5. Monitoring Activities

The Company has the meeting of the Board of Directors (BOD) arranged 9 meeting and the meeting of the Audit Committee arranged 6 meeting. For Consider and monitor the performance of the management team to Achieve the Target. The Audit Committee considered and approved the annual internal audit plan and reviews identified issues with the Internal Audit Department on a regular. The Committee requires the department to submit audit reports to it directly so that the auditors can do their job independently and free from management's interference, if any. In the case that significant errors are singled out, the Company will report the findings to the Board of Director and the Audit Committee to seek immediate remedies. After that, the progress on remedies will be reported to the Board of Directors.

Moreover, the Company determined the policy requiring that executives immediately report to the Board of Directors if any fraud, illegal action, violation of laws, or any event that may significantly affect the Company's reputation or financial status take place.

#### HEAD OF INTERNAL AUDITS AND HEAD OF COMPLIANCE

##### Head of Audits

Miss Montakan Teannetinun Vice President, Internal Audit Department

##### Head of Compliance

Mr. Sarath Pavorndechapong Senior Vice President, Legal & Compliance Department

## 12. Related Party Transactions as of December 31<sup>st</sup>, 2014

Persons that may have conflicts of interest and nature of relationships as of December 31<sup>st</sup>, 2014 are shown below:

Legal Persons That May Have Conflicts of Interest (Legal entity)	Abbreviation	Nature of Business	Nature of Relationship
Dean and Deluca (Thailand) Co., Ltd.	DEAN	Restaurant	Mr. Sorapoj Techakraisri holds 100% of its shares.
Fourteen Points Co., Ltd.	FP	Restaurant	Mr. Sorapoj Techakraisri holds 100% of its shares.
PACE Development Co., Ltd.	PACED	Project management services	Mr. Sorapoj Techakraisri and Mr. Chotipol Techakraisri hold 50% and 50% of its shares, respectively.
Fierce Publishing Co., Ltd.	FIERCE	Publish advertisements on newspapers, journals, and magazines	Mr. Sorapoj Techakraisri holds 88.6% of its shares.
Fourteen Points Holding Co., Ltd.	FPH	Holding company	Mr. Sorapoj Techakraisri holds 100% of its shares.
Lumpini Property Management Co., Ltd.	LUMPINI	Buy, procure, rent, rent out, lease out, and manage real estate properties	Mrs. Yupa Techakraisri, mother of Mr. Sorapoj Techakraisri, Mr. Chotipol Techakraisri and Mr. Chumpol Techakraisri, is the company's director.

Legal Persons That may have Conflicts of Interest (Persons)	Nature of Relationship
Mr. Sorapoj Techakraisri	The Company's authorized director and major shareholders, holding 53% of the Company's shares
Mr. Chotipol Techakraisri	The Company's authorized director and shareholder, holding 1.2% of the Company's shares, and older brother of Mr. Sorapoj Techakraisri.
Mr. Sumate Techakraisri	The Company's shareholder, holding 0.5% of the Company's shares, and father of Mr. Sorapoj Techakraisri, Mr. Chotipol Techakraisri, and Mr. Chumpol Techakraisri
Mr. Chumpol Techakraisri	The Company's authorized director and shareholder, holding 0.5% of the Company's shares, and younger brother of Mr. Sorapoj Techakraisri.
Mr. Theera Vayakornvichitre	The Company's director

In 2013 and 2014, the Company engaged in transactions with the persons who may have conflicts of interest; however, such transactions did not result in conflicts of interest. Such transactions are as follows:

(1) Sales of Products and Services

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Conditions	Audit Committee's Opinions
			In the year ending on December 31 <sup>st</sup> , 2013 (Million Baht)	In the year ending on December 31 <sup>st</sup> , 2014 (Million Baht)		
PACE Two	DEAN	Income from equipment, furniture, and space rentals			<ul style="list-style-type: none"> <li>On Jan 25<sup>th</sup>, 2012, PACE Two allowed DEAN to rent total area of 205 sq.m. and pay the rental rate of 104,500.0 baht/month (510 baht/sq.m./month). Such Service Agreement was effective from Feb 1<sup>st</sup> – Aug 15<sup>th</sup>, 2012.</li> </ul>	<ul style="list-style-type: none"> <li>According to the appraisal report on 23<sup>rd</sup> August 2011, prepared by Sims Property Consultant Co., Ltd., an SEC-approved independent appraiser, such property should yield market rental rate of 82,000 baht/month.</li> </ul>
		Beginning balance	0.7	0.7		
		Income from equipment and furniture rentals during the period	0.4	0.4		
		Income from space rentals	1.3	0.3		
		Payment during the period	(1.7)	(0.9)		
		Ending balance	0.7	0.5		

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Conditions	Audit Committee's Opinions
			In the year ending on December 31 <sup>st</sup> , 2013 (Million Baht)	In the year ending on December 31 <sup>st</sup> , 2014 (Million Baht)		
PACE Two	DEAN	Income from equipment, furniture, and space rentals (Cont')			<ul style="list-style-type: none"> <li>On Aug 28<sup>th</sup>, 2012, the service agreement was further extended by 1 year, resulting in such agreement being ended on Aug 15<sup>th</sup>, 2013. After that, PACE Two will continue to rent out the space to DEAN at the same rate without further extension of the agreement, as DEAN will relocate to Cube Building, which belongs to PACE Three, at the beginning of 2014</li> <li>The Board of Director terminated the Services Agreement since April 1<sup>st</sup>, 2014; however, they allow DEAN for equipment and furniture rental with the rental rate of 35,000.0 baht/month.</li> </ul>	<ul style="list-style-type: none"> <li>Audit Committee agreed to enter into a Service Agreement, in which the rent would be adjusted to be consistent with updated market prices</li> </ul>



## (2) Purchase of Products and Services

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Condition	Audit Committee's Opinions
			In the year ending on December 31 <sup>st</sup> , 2013 (Million Baht)	In the year ending on December 31 <sup>st</sup> , 2014 (Million Baht)		
PACE Three	DEAN	Income from space rentals and services			<ul style="list-style-type: none"> <li>DEAN entered into a Rental and Service Agreement dated Oct 10<sup>th</sup>, 2013 with PACE Three for the rent of space in Cube Building with the total rental space of 770.20 sq.m. for 3 years. Monthly rental and service rates for each year are defined as:  <u>Year 1</u>: 587,840.00 baht/month  <u>Year 2</u>: 689,210.00 baht/month  <u>Year 3</u>: 891,950.00 baht/month  Such agreement is effective from Nov 15<sup>th</sup>, 2013 to Feb 14<sup>th</sup>, 2016.</li> </ul>	<ul style="list-style-type: none"> <li>Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee</li> </ul>
		Beginning balance	-	2.0		
		Increase in income from space rentals and service during the period	2.0	25.2		
		Payment during the period	-	4.4		
		Ending balance	2.0	22.8		

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Condition	Audit Committee's Opinions
			In the year ending on December 31 <sup>st</sup> , 2013 (Million Baht)	In the year ending on December 31 <sup>st</sup> , 2014 (Million Baht)		
PACE Three	FP	Income from space rentals and services			<ul style="list-style-type: none"> <li>PF entered into a Rental and Service Agreement for 2 contracts as of dated Dec 1<sup>st</sup>, 2013 and May 15<sup>th</sup>, 2014 with PACE Three for the rent of space in Cube Building with the total rental space of 531.29 sq.m. and 785.46 sq.m., respectively for 3 years. Monthly rental and service rates for each year are defined as:  The First Contract: <u>Year 1</u>: 291,217.50 baht/month <u>Year 2</u>: 331,297.50 baht/month <u>Year 3</u>: 411,457.50 baht/month  Such agreement is effective from Dec 1<sup>st</sup>, 2013 to Nov 30<sup>th</sup>, 2016.  The Second Contract: <u>Year 1</u>: 578,597.50 baht/month <u>Year 2</u>: 680,042.50 baht/month <u>Year 3</u>: 882,932.50 baht/month  Such agreement is effective from May 15<sup>th</sup>, 2014 to May 14<sup>th</sup>, 2017.</li> </ul>	<ul style="list-style-type: none"> <li>Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee</li> </ul>
		Beginning balance	-	0.6		
		Increase in income from space rentals and service during the period	0.6	12.8		
		Payment during the period	-	-		
		Ending balance	0.6	13.4		
			Section 2 - Page 92			

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Condition	Audit Committee's Opinions
			In the year ending on December 31 <sup>st</sup> , 2013 (Million Baht)	In the year ending on December 31 <sup>st</sup> , 2014 (Million Baht)		
DEAN	PACE One, PACE Two, and PACE Three	Entertainment expenses and Marketing expenses			<ul style="list-style-type: none"> <li>Compensation paid equals to the compensation that DEAN would get from providing services to other persons</li> </ul>	<ul style="list-style-type: none"> <li>Such transaction is considered a trading transaction with normal conditions</li> </ul>
		Beginning balance	0.1	-		
		Entertainment expenses incurred in the period (including VAT recorded as expenses)	1.1	0.1		
		Marketing expenses during the period (including VAT recorded as expenses)	0.1	0.4		
		Payment during the period	(1.3)	(0.5)		
		Ending balance	-	0.0		
DEAN	The Company	Selling and Administrative expenses			<ul style="list-style-type: none"> <li>During 2013, the Company bought beverage and food gift baskets from DEAN.</li> <li>During 2014, the Company bought food and beverages from DEAN.</li> </ul>	<ul style="list-style-type: none"> <li>Such transaction is considered a trading transaction with normal conditions</li> </ul>
		Beginning balance	0.1	0.02		
		Expenses incurred during the period	0.3	1.20		
		VAT	-	-		
		Payment during the period	(0.4)	(0.38)		
		Ending balance		0.84		

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Condition	Audit Committee's Opinions
			In the year ending on December 31 <sup>st</sup> , 2013 (Million Baht)	In the year ending on December 31 <sup>st</sup> , 2014 (Million Baht)		
FIERCE	The Company	Selling, General, and Administrative Expenses (SG&A)			<ul style="list-style-type: none"> <li>The Company hired FIERCE to take a photo for PR.</li> </ul>	<ul style="list-style-type: none"> <li>The pricing of such transaction was calculated based on market price</li> </ul>
		Beginning balance	0.0	0.0		
		Expenses incurred in the period (including VAT recorded as expenses)	0.0	0.1		
		Payment during the period	(0.0)	(0.1)		
		Ending balance	0.0	0.0		
FIERCE	PACE Two	Marketing Expenses			<ul style="list-style-type: none"> <li>PACE Two hired FIERCE to take a photo of showroom unit and model for advertisement.</li> </ul>	<ul style="list-style-type: none"> <li>The pricing of such transaction was calculated based on market price</li> </ul>
		Beginning balance	0.0	0.0		
		Expenses incurred in the period (including VAT recorded as expenses)	0.0	0.2		
		Payment during the period	(0.0)	(0.2)		
		Ending balance	0.0	0.0		
FP	The Company	Selling, General, and Administrative Expenses (SG&A)			<ul style="list-style-type: none"> <li>During 2014, the Company bought food and beverages.</li> </ul>	<ul style="list-style-type: none"> <li>The pricing of such transaction was calculated based on market price</li> </ul>
		Beginning balance	0.0	0.0		
		Expenses incurred in the period (including VAT recorded as expenses)	0.0	0.05		
		Payment during the period	(0.0)	(0.05)		
		Ending balance	0.0	0.0		

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Condition	Audit Committee's Opinions
			In the year ending on December 31 <sup>st</sup> , 2013 (Million Baht)	In the year ending on December 31 <sup>st</sup> , 2014 (Million Baht)		
FP	PACE One, PACE Two, and PACE Three	Entertainment expenses and Marketing expenses			<ul style="list-style-type: none"> <li>During 2014, the Company bought food and beverages.</li> </ul>	<ul style="list-style-type: none"> <li>The pricing of such transaction was calculated based on market price</li> </ul>
		Beginning balance	0.0	0.0		
		Entertainment expenses incurred in the period (including VAT recorded as expenses)	0.0	0.1		
		Marketing expenses during the period (including VAT recorded as expenses)	0.0	0.1		
		Payment during the period	(0.0)	(0.1)		
		Ending balance	0.0	0.1		
DEAN	YLP	Selling, General, and Administrative Expenses (SG&A)			<ul style="list-style-type: none"> <li>During 2013, YLP bought DEAN's products and other expenses.</li> <li>During 2014, YLP bought gift baskets and food and beverages from DEAN.</li> </ul>	<ul style="list-style-type: none"> <li>The pricing of such transaction was calculated based on market price</li> </ul>
		Beginning balance	-	-		
		Expenses incurred in the period (including VAT recorded as expenses)	0.01	0.002		
		Payment during the period	(0.01)	(0.002)		
		Ending balance	-	-		

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Condition	Audit Committee's Opinions
			In the year ending on December 31 <sup>st</sup> , 2013 (Million Baht)	In the year ending on December 31 <sup>st</sup> , 2014 (Million Baht)		
LUMPINI	PACE Two	Selling, General, and Administrative Expenses (SG&A)			<ul style="list-style-type: none"> <li>On Jan 5<sup>th</sup>, 2011, PACE Two hired LUMPINI to provide maintenance services for its sales offices and mock-up rooms with a 1-year contract term, starting from Jan 5<sup>th</sup>, 2011 to Jan 4<sup>th</sup>, 2012, and service fee of 42,800 baht/month (price including VAT)</li> <li>On Jan 5<sup>th</sup>, 2012, the Company extended the contract for 1 year, resulting in the contract being valid from Jan 5<sup>th</sup>, 2012 to Jan 4<sup>th</sup>, 2013, with the previous service fee.</li> <li>On Jan 5<sup>th</sup>, 2013, the Company extended the contract for 1 year, resulting in the contract being valid from Jan 5<sup>th</sup>, 2013 to Jan 4<sup>th</sup>, 2014, with the previous service fee.</li> <li>On Jan 5<sup>th</sup>, 2014, the Company extended the contract for 1 year, resulting in the contract being valid from Jan 5<sup>th</sup>, 2014 to Jan 4<sup>th</sup>, 2015, with the previous service fee.</li> </ul>	<ul style="list-style-type: none"> <li>Such expenses were calculated based on market price and passed the review of Audit Committee</li> </ul> <p><u>Note:</u> After the contract ends, PACE Two does not plan to extend the contract, yet it will continue to use LUMPINI's cleaning service and will pay relevant service fee to LUMPINI each time it provides such services at market prices. It will also compare such fees with other service providers every time.</p>
		Beginning balance	0.1	0.1		
		Expenses incurred in the period (including VAT recorded as expenses)	0.5	0.5		
		Payment during the period	(0.5)	(0.5)		
		Ending balance	0.1	0.1		

## (3) Advanced payment

Payee	Payer	Type of Transaction	Outstanding as of December 31 <sup>st</sup> , 2012 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 <sup>st</sup> , 2013 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 <sup>st</sup> , 2014 (Million Baht)	Pricing and Conditions	Audit Committee's Opinion
YLP	Mr. Theera Vayakornvichitre	Advanced payment from customers	6.4	-	(6.4)	-	-	-	-	On Dec 6 <sup>th</sup> , 2008, the Company sold 1 residential unit to Mr. Theera Vayakornvichitre for 25.4 MB. According to the sales contract, 25% of the sale price is made at sales and 75% on ownership transfer date. On Nov 9 <sup>th</sup> , 2013, Mr Theera Vayakornvichitre transferred the right to purchase such residential unit to other person, and the ownership transfer occurred on Nov 28 <sup>th</sup> , 2013.	Such transaction occurred in the past with a then-current market price. The ownership of such residential unit was transferred in 2013

Payee	Payer	Type of Transaction	Outstanding as of December 31 <sup>st</sup> , 2012 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 <sup>st</sup> , 2013 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 <sup>st</sup> , 2014 (Million Baht)	Pricing and Conditions	Audit Committee's Opinion
The Company	Dynasty Apparel Co., Ltd.	Advanced payment from customers	-	0.3	-	0.3	-	-	0.3	On Jun 28 <sup>th</sup> , 2013, the Company sold a life-time membership of Country Club Hua Hin to Mr. Theera Vayakornvichitre.	Such transaction is a normal business transaction with a then-current market sales price.
The Company	Mr. Sumate Techakraisri	Advanced payment from customers	-	0.3	-	0.3	-	-	0.3	On Jul 9 <sup>th</sup> , 2013, the Company sold a life-time membership of Country Club Hua Hin to Mr. Sumate Techakraisri.	Such transaction is a normal business transaction with a then-current market sales price.
The Company	Mr. Chumpol Techakraisri	Advanced payment from customers	-	0.3	-	0.3	-	-	0.3	On Jun 28 <sup>th</sup> , 2013, the Company sold a life-time membership of Country Club Hua Hin to Mr. Chumpol Techakraisri	Such transaction is a normal business transaction with a then-current market sales price.



Payee	Payer	Type of Transaction	Outstanding as of December 31 <sup>st</sup> , 2012 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 <sup>st</sup> , 2013 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 <sup>st</sup> , 2014 (Million Baht)	Pricing and Conditions	Audit Committee's Opinion
PRE and PACE Two	PACED	Advance Received	0.5	-	-	0.5	-	-	0.5	Due to PACE Two and PRE do not have petty cash, PACED as a project developer paid all relevant operating expenses. PACE Two was required to pay back monthly and PRE was required to repay when the project completed.	Such transaction already occurred in the past. Presently, the Company is responsible for advance payment for PACED and already signed that agreement.

#### (4) Loans and Interest Expenses

Borrower	Lender	Type of transaction	Outstanding Balance as of Dec 31 <sup>st</sup> , 2012 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 <sup>st</sup> , 2013 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 <sup>st</sup> , 2014 (Million Baht)	Pricing and Condition	Audit Committee's Opinions
PRE, PACE One, PACE Two, and PACE Three	Mr. Sorapoj Techakraisri	Loans	-	-	-	-	-	-	-	<ul style="list-style-type: none"> <li>Important details of the loan are: <ul style="list-style-type: none"> <li>- Interest rates of 14% and 15% per annum</li> <li>- Interest payable longer than 1 year will incur interest upon interest</li> <li>- Repayment is made on Lender's request</li> <li>- No collateral</li> </ul> </li> <li>On Aug 11<sup>th</sup>, 2011, the loan outstanding was reduced by 906.3 MB. as a result of the transfer of the loan from Mr. Sorapoj Techakraisri (Lender) to the Company</li> <li>- Such transfer resulted in the cessation of accruing interest payable of more than 1 year on the amount equal to such transferred amount, starting from the transfer date</li> </ul>	<ul style="list-style-type: none"> <li>Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity</li> </ul>
		Accrued Interest Payable	386.3	-	-	386.3	-	-	386.3		

Borrower	Lender	Type of transaction	Outstanding Balance as of Dec 31 <sup>st</sup> , 2012 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 <sup>st</sup> , 2013 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 <sup>st</sup> , 2014 (Million Baht)	Pricing and Condition	Audit Committee's Opinions
PRE, PACE One, PACE Two, and PACE Three	Mr. Sorapoj Techakraisri	Loans and Accrued Interest Payable (Cont')								<ul style="list-style-type: none"> <li>The lender will transfer assignment of interest to the assignee after 60 days since the borrower receives Form Or.6 from government authority.</li> </ul>	
PACE One, PACE Two, and PACE Three	FPH	Loans  Accrued Interest Payable	-  76.9	-  -	-  -	-  76.9	-  -	-  -	-  76.9	<ul style="list-style-type: none"> <li>Important details of the loan are: <ul style="list-style-type: none"> <li>Interest rate of 14% per annum</li> <li>Repayment is made on Lender's request</li> <li>No collateral</li> </ul> </li> <li>On Aug 11<sup>th</sup>, 2011, the loan outstanding was reduced by 157.9 MB. as a result of the transfer of FPH's loan to the Company</li> <li>The lender will transfer assignment of interest to the assignee after 60 days since the borrower receives Form Or.6 from government authority.</li> </ul>	<ul style="list-style-type: none"> <li>Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity.</li> </ul>

Borrower	Lender	Type of transaction	Outstanding Balance as of Dec 31 <sup>st</sup> , 2012 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 <sup>st</sup> , 2013 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 <sup>st</sup> , 2014 (Million Baht)	Pricing and Condition	Audit Committee's Opinions
The Company	Mr. Sorapoj Techakraisri	Loan	505.8	27.0	532.8	-	-	-	-	<ul style="list-style-type: none"> <li>Important details of the loan are: <ul style="list-style-type: none"> <li>Interest rate of 7.075% – 7.275% per annum</li> <li>1<sup>st</sup> repayment started when the Company received the funds from its IPO</li> <li>No collateral</li> <li>On Aug 1<sup>st</sup>, 2013, the Company completed its IPO and used the proceeds to pay interest and payoff the loan on Aug 7<sup>th</sup>, 2013.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity</li> </ul>
		Accrued Interest Payable	26.4	18.1	44.5						

(5) **Guarantees and Collateral Securities provided to Financial Institutions (as of December 31<sup>st</sup>, 2014)**

The Company, its subsidiaries, and its jointly-controlled entities entered into credit facilities agreements with financial institutions whereby the Company's directors and related parties provided guarantee to the loans. Guarantors did not ask for guarantee fees from the Company, subsidiaries, and jointly-controlled entities for such transaction. The transaction is as follows:

Guarantors	Receiver of the Loans from FIs	Lenders	Loan limit (Million Baht)	Loan Outstanding (Million Baht)	Details of Guarantee/Collateral Securities	Audit Committee's Opinion
Mr. Sorapoj Techakraisri	PACE One, PACE Two, and PACE Three	The Siam Commercial Bank Public Company Limited	532	532	<ul style="list-style-type: none"> <li>On Feb 6<sup>th</sup>, 2014, the Company entered into the Credit Facility Agreement to have loan amount of 532 MB of which to buy land for MahaNakhon project and the Company's stock with the total of 750 million shares from shareholders and directors, Mr. Sorapoj Techakraisri is the guarantor.</li> </ul>	<ul style="list-style-type: none"> <li>The transaction occurred in the past and was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.</li> </ul>
Mrs. Yupa Techakraisri	PACE One, PACE Two, and PACE Three	The Siam Commercial Bank Public Company Limited	532	532	<ul style="list-style-type: none"> <li>On Feb 6<sup>th</sup>, 2014, the Company entered into the Credit Facility Agreement to have loan amount of 532 MB of which to buy land for MahaNakhon project and Mrs. Yupa Techakraisri, a mother of Mr. Sorapoj Techakraisri, Mr. Chotipol Techakraisri, and Mr. Chumpol Techakraisri, is the director and the personal guarantor.</li> </ul>	<ul style="list-style-type: none"> <li>The transaction occurred in the past and was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.</li> </ul>
Mr. Sorapoj Techakraisri	The Company	The Siam Commercial Bank Public Company Limited	1,154.3	1,154.3	<ul style="list-style-type: none"> <li>On Dec 2<sup>nd</sup>, 2014, the Company entered into the Facility Agreement to have loan amount of 1,154.3 MB of which consists of the Company's stock of 231 million shares from shareholders and directors, Mr. Sorapoj Techakraisri is the guarantor.</li> </ul>	<ul style="list-style-type: none"> <li>The transaction occurred in the past and was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.</li> </ul>

Guarantors	Receiver of the Loans from FIs	Lenders	Loan limit (Million Baht)	Loan Outstanding (Million Baht)	Details of Guarantee/Collateral Securities	Audit Committee's Opinion
Mr. Chotipol Techakraisri	The Company	The Siam Commercial Bank Public Company Limited	1,154.3	1,154.3	<ul style="list-style-type: none"> <li>On Dec 2<sup>nd</sup>, 2014, the Company entered into the Facility Agreement to have loan amount of 1,154.3 MB of which consists of the Company's stock of 17 million shares from shareholders and directors, Mr. Sorapoj Techakraisri is the guarantor.</li> </ul>	<ul style="list-style-type: none"> <li>The transaction occurred in the past and was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.</li> </ul>
Mr. Sumate Techakraisri	The Company	The Siam Commercial Bank Public Company Limited	1,154.3	1,154.3	<ul style="list-style-type: none"> <li>On Dec 2<sup>nd</sup>, 2014, the Company entered into the Facility Agreement to have loan amount of 1,154.3 MB of which consists of the Company's stock of 102 million shares from Mr. Sumate Techakraisri, a father of Mr. Sorapoj Techakraisri, Mr. Chotipol Techakraisri, and Mr. Chumpol Techakraisri, and a shareholder of the Company who is the guarantor.</li> </ul>	<ul style="list-style-type: none"> <li>The transaction occurred in the past and was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.</li> </ul>