

Section 2 Management and Corporate Governance

7. Security and Shareholder Information

7.1 The Company's Securities

As of 31 December 2017, the Company has registered capital of 16,782,648,000 Baht, comprising of 16,782,648,000 ordinary shares, with the par value of 1 Baht, and paid-up capital of 3,758,028,197 Baht, comprising of 3,758,028,197 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 29 December 2017 are shown below:

Shareholder's name	Number of shares	%
<u>Group of Techakraisri's family</u>		
1. Mr. Sorapoj Techakraisri	1,361,174,032	36.22
2. Mrs. Yupa Techakraisri	158,289,114	4.21
3. Mr. Sumate Techakraisri	106,572,446	2.84
4. Mr. Chotipol Techakraisri ¹⁾	245,084	0.01
Total shares owned by Group of Techakraisri's family	1,626,280,676	43.27
5. Mr. Wiwat Kraipisitkul	277,658,004	7.39
6. Mr. Korsak Chairassameesak	114,190,000	3.04
7. Mrs. Nuchara Vayakornvichitre	103,619,310	2.76
8. BANK LOMBARD ODIER & CO LTD	80,648,600	2.15
9. Thai NVDR Co., Ltd.	77,963,859	2.07
10. Mr. Wichai Vachirapong.	55,948,700	1.49
11. Mr. Somsak Vayakornvichitre	48,325,221	1.29
12. Mr. CHANTHANOME PHOMMANY	42,324,000	1.12
13. Others	1,331,069,827	35.42
Total	3,758,028,197	100.00

Note: 1) Including shareholding of spouse.

7.3 Dividend Policy

The Company's Board of Directors 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.

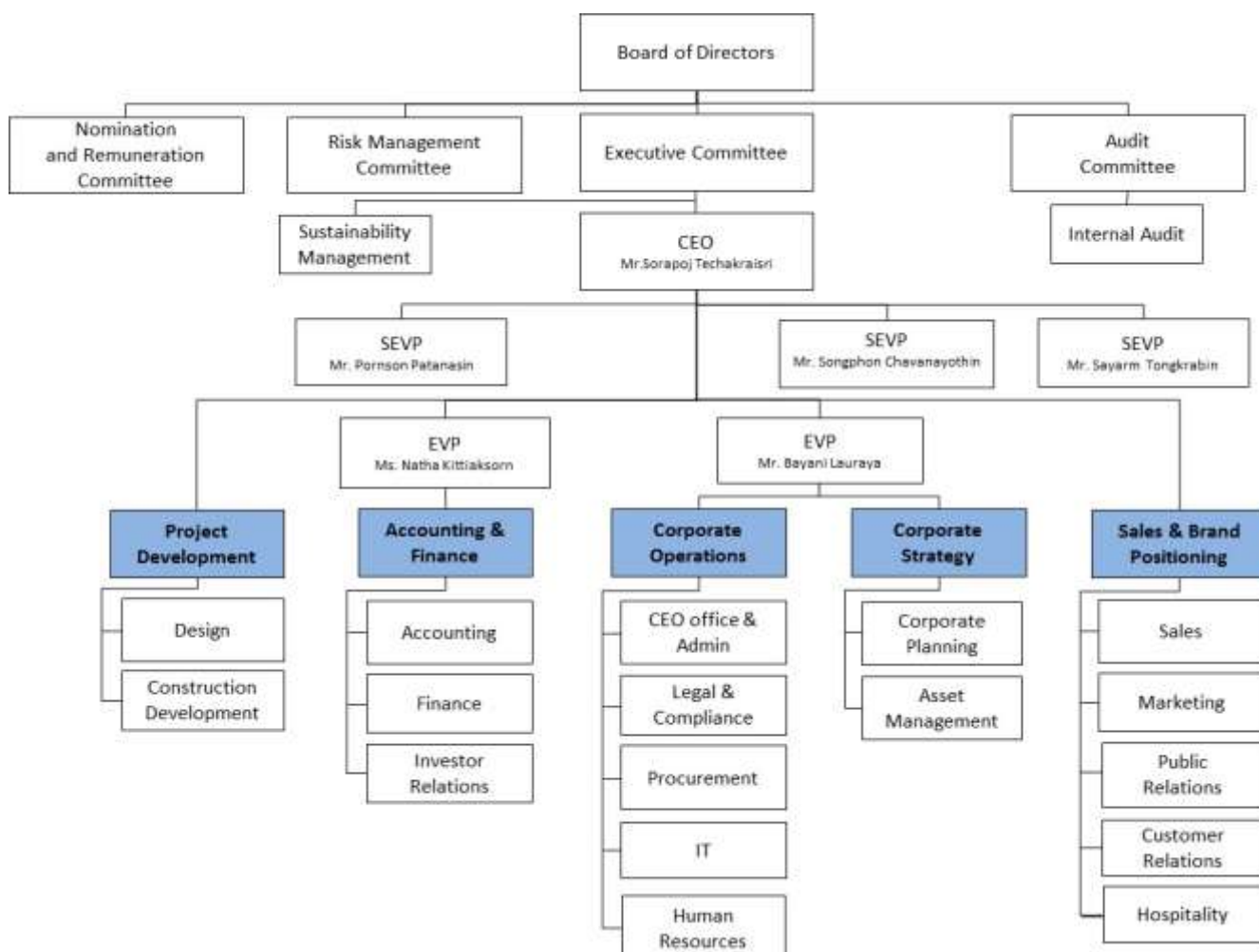
2) Dividend policy of subsidiaries

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 Two, PCC, PFR, 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 31 December 2017, 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 and Independent Director	14	12
2. Mr. Chotipol Techakraisri	Vice Chairman of the Board	14	14
3. Mr. Sorapoj Techakraisri	Director	14	14
4. Mr. Chumpol Techakraisri	Director	14	14
5. Mr. Theera Vayakornvichitre	Director	14	13
6. Mr. Pornson Patanasin	Director	14	13

	Name	Position	Number of meeting held	Number of meeting attended
7.	Mrs. Ladda Siriwattanakosol	Director, Chairman of Audit Committee, and Independent Director	14	12
8.	Mr. Prasert Patradhilok	Director, Member of Audit Committee, and Independent Director	14	14
9.	Mr. Wisit Kanjanopas*	Director, Member of Audit Committee, and Independent Director	3	2

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

Company Secretary is Mr. Sarath Pavorndechapong.

* Has been appointed to be director, independent director and member of Audit Committee effective from 7 November 2017 onwards.

8.2 Management

As of 10 January 2018, the Company's management team consists of 6 members as the followings:

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

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

* Has been appointed to be Senior Executive Vice President effective from 10 January 2018 onwards.

8.3 Company Secretary

The Board of Directors' Meeting No. 1/2011, held on 21 September 2011, appointed Mr. Sarath Pavorndechapong to be the Company Secretary so as to conform to the Securities and Exchange Act B.E. 2535 (and subsequent amendments).

Scope of duties and responsibilities of the Company Secretary are shown below:

1. To produce and maintain the following documents:
 - (a) A register of directors;

- (b) A notice calling a director meeting, minutes of the meeting of the Board of Directors and an annual report of the Company;
- (c) A notice calling a shareholders meeting and minutes of the shareholders' meeting.
- 2. To keep all interest or conflicts of interest reported by directors or any member of management team.
- 3. 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.
- 4. To perform any other action as determined by Capital Market Supervisory Board.

The details of Company Secretary is attached in Attachment 3.

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 Shareholders 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 Company considers compensation packages paid to the Company's directors by comparing the rates in the same industry and proposed to the Nomination and Remuneration Committee, the Board of Directors, and it's been approved from the Annual General Meeting of Shareholders. The details are such following below:

A. Annual allowance (quarterly payment)	Baht/Year
Chairman	240,000
Member	180,000
B. Meeting allowance (pay per attendance)	Baht/Attendance
Chairman	12,000
Member	10,000

The following table shows the directors' compensation in 2017.

Directors	2017				
	Number of meetings attended				Compensation and attendance fee (Baht)
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	
1. Mr. Kraithip Krairiksh ¹⁾	12/14	1/1	-	-	392,000
2. Mr. Chotipol Techakraisri	14/14	-	4/4	2/2	368,000
3. Mr. Sorapoj Techakraisri	14/14	-	4/4	2/2	368,000
4. Mr. Chumpol Techakraisri	14/14	-	-	-	320,000
5. Mr. Theera Vayakornvichitre	13/14	-	-	-	310,000
6. Mr. Pornson Patanasin	13/14	-	-	-	310,000
7. Mrs. Ladda Siri wattanakosol	12/14	5/5	4/4	2/2	388,000
8. Mr. Prasert Patradhilok	14/14	5/5	4/4	2/2	408,000
9. Mr. Wisit Kanjanopas ²⁾	2/3	0/1	-	1/1	54,902.17
10. Ms. Benjaporn Prisuwan ³⁾	3/3	2/2	1/1	1/1	95,000

Note: 1) Has been appointed to be Chairman of Audit Committee effective from 7 June 2017 and resigned from such position effective from 7 November 2017.

2) Has been appointed to be director, independent director and member of Audit Committee effective from 7 November 2017 onwards.

3) Resigned from director, independent director and member of Audit Committee effective from 8 March 2017 onwards.

8.4.2 Executives' Compensation

The Company has set a clear policy on compensation for executives by linked to the operating results of the Company and individual job evaluation. In 2016 and 2017, the Company provided compensation to its executives in the form of salary, bonus, and other compensation for 5 executives in the amount of 46.6 million Baht and 46.6 million Baht, respectively.

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, experienced personnel to fortify the foundation of the Company's competitiveness.

8.5.1 Total Number of Employees

As of December 31st, 2017, the Company had total employees of 167 people, and paid the compensations with the total amount of 369.9 million Baht of which consists of salary, the cost of living allowance, bonus, social security funds, and provident funds, etc.

	Company	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	
2017	PACE Development Corporation PLC.	PACE Country Club Co., Ltd.	PACE Interior Services Co., Ltd.	DEAN & DELUCA (Thailand) Co., Ltd.	DEAN & DELUCA Airport Co., Ltd.	DEAN & DELUCA INC.	YLP Co., Ltd.	PACE Creative Agency Co., Ltd.	Total
Operation Employee (person)	156	36	309	319	74	714	9	14	1,631
Executive Management (person)	11	5	2	3	-	11	1	-	33
Total (person)	167	41	311	322	74	725	10	14	1,664
Total of compensation (million baht)	369.9	23.3	52.4	114.9	14.5	965*	12.2	19.8	1,572

Remark: * USD 29,576,643, the exchange rate of a commercial bank as of December 29th, 2017

Details of the number of employees in each function as of December 31st, 2017 are shown in the following table:

Unit: Person

Functional line	31 Dec 2017
Executives of the Company and its subsidiaries	6
Accounting - Finance	24
Public Relations - Marketing	12
Sales	8
Legal	10
Design - Construction	31
Technical Management	7
Administration	25
Procurement	6
Internal Audit	3
Human Resources	5
CEO Office	11

Functional line	31 Dec 2017
Property Management	4
Hospitality Development	6
CSR	2
Compliances	1
Investor Relations	1
Corporate Strategy	5
Total	167

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, overtime, social security fund and provident fund to help employees lighten the expense loads and to hopefully elevate their standards of living. Compensation for employees in 2017 are shown below:

Unit: Million Baht	
Type of compensation	2017
Salary, bonus, and other	362
Contribution to provident funds*	7.9
Total	369.9

* The Company established a provident fund for employee on 1 October 2011 onwards.

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 team players 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 28th, 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, expertise, 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. In addition, the BOD has established the Code of Conduct to all directors, executives and employees which serve as guidelines for performing their duties in accordance with ethical standard and fair treatment to all 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 (SET).

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 Company has performed as the following:

1. Shareholders' Rights Protection

- 1.1 The Company emphasize the protection of shareholders' rights and the promotion of exercising the basic legal rights i.e. the rights to obtain the relevant and adequate information of the Company, to participate and vote in the shareholders' meeting, to elect and remove members of the board, appoint the external auditor, and make

decisions on any transactions that affect the Company such as the amendment to the Company's articles of association and memorandum of association, the capital decrease or increase etc.

- 1.2 The Company recognizes the importance of shareholders' rights by facilitating shareholders more than legal requirement i.e. providing the current important information via the Company's website and providing Management Discussion and Analysis (MD&A) on a quarterly basis.
- 1.3 The shareholding structure of the Company comprises of numerous minority shareholders to balance with the majority shareholders, not contributing to any person or group to control vote or control of the Company, while enhancing the good corporate governance to shareholders. Currently, the Company has free float at 47.57%, no cross shareholding, and no pyramid structure.

2. The Shareholders' Meeting

- 2.1 The Company held the Shareholders' Meeting once a year within 4 months after the end of the accounting period. In 2017, the meeting was held on 26 April 2017, where Chairman of the Board of Directors, Chairman of Audit Committee, Chairman of Nomination and Remuneration Committee, Chairman of Risk Management Committee, directors, Chief Executive Officer, management, external auditor, and legal advisor attended the meeting to respond questions.
- 2.2 The Company has provided Legal Advisor of Weerawong, Chinnavat & Partners Limited and shareholders' volunteers checking the vote counting in the shareholders' meeting, which was disclosed in the minutes of shareholders' meeting.

3. Delivering the Meeting Invitation Letter

- 3.1 The Company assigned Thailand Securities Depository Company Limited, the Company's share registrar, to send the meeting invitation letter to shareholders 14 days in advance, while posted such information, which is the same information as sent to shareholders, in www.pacedev.com, the Company's website to allow shareholders sufficient time to study such information in advance. The Company also advertised the meeting invitation in daily newspapers for 3 consecutive days and 3 days in advance before the meeting in order to inform such shareholder meeting.
- 3.2 The meeting invitation provide sufficient and complete information, including date, time, place, agenda with details whether each agenda is for acknowledgement or consideration, enclosures of each agenda, purpose and reason, the directors' opinion, articles of association relating to the meeting, map, document or evidences required to be presented on the meeting date, and meeting attendance procedure. The Company has also provided meeting invitation letter in English to facilitate foreign shareholders.
- 3.3 The Company recognizes the importance of shareholders' rights, encourages shareholders to exercise their rights, and does not infringe or curtail shareholders' rights. At the shareholders' meeting, the Company provides significant issues for shareholders consideration and includes important items as required by laws, SET's regulations and the Company's regulations.

3.4 In the meeting invitation, agendas are clearly categorized for shareholders' consideration and approval. Details included in the invitation are:

- **Director Appointment:** The Company allows shareholders to appoint individual director by providing information about name, age, educational background, work experience, number of listed and non-listed companies served as director, nomination criteria and method, types of director that is proposed for appointment and meeting attendance in case of proposing previous director, which is screened by the Nomination and Remuneration Committee.
- **Director Remuneration:** The Company provides details of proposed the director remuneration policy and conditions, which is screened by the Nomination and Remuneration Committee.
- **Appointment of External Auditors:** The Company provides details of external auditor's name and company, audit fee, consideration method of audit fee appropriateness, which is screened by the Audit Committee.
- **Allocating Profit and Dividend Payment:** The Company provides details of profit allocation and reserve fund, no dividend payment together with the reason in accordance with law, regulation and dividend policy.

4. Facilitating Shareholders

- 4.1 The Company's policy is to facilitate and encourage institutional investors, major and individual shareholder to attend the meeting.
- 4.2 The Company held the shareholders' meeting at W Hotel, Bangkok, the convenient place which is easily accessible by shareholders. The Company also facilitated all shareholders in a fair manner by providing adequate officers to take care of them.
- 4.3 The Company allows registration of shareholders two hour before the meeting, does not limit the rights of shareholders who come late, and facilitates shareholders to fully use their meeting rights.
- 4.4 The Company uses a barcode system detailing each shareholder's information as printed on the registration form. This is to facilitate fast and accurate registration, vote counting and display.
- 4.5 The Company gives shareholders who show up late a chance to vote on agenda items still under deliberation.

5. Conduct of the Shareholders' Meeting

- 5.1 At the beginning of the meeting, the Company introduces the Board of Directors, Chairman of each sub-committee, management, external auditor, and legal advisor attending the meeting and informs shareholders of the meeting rules and voting procedure, as well as the voting right.
- 5.2 The Company provides enough time for the meeting, encourages equal opportunities for shareholders to express their opinions and raise any questions in the meeting, where directors and management address and answer all questions clearly and precisely.
- 5.3 The Company conducts the shareholders' meeting in sequence detailed in the agenda as informed in the meeting invitation letter. There was no additional important material or information or agenda other than that printed in the meeting invitation added during the shareholders' meeting.

- 5.4 The Company provides separate voting card for each agenda for transparency and further investigation in case of argument afterwards, and in case that an agenda includes various topics, such as director appointment, the Company opens the opportunity for the shareholders to separately appoint individual director.

6. After the Shareholders' Meeting

- 6.1 The Company disclosed the resolutions of the meeting, together with the votes of each agenda, via SET and will announce on the Company's website within 9.00 AM of the day after the shareholders' meeting date.
- 6.2 The minutes of meeting was correct, complete and could be verified by shareholders. The minutes covered the name and position of directors who attended the meeting, voting method and counting, shareholders' opinions, the director's clarification and clear resolution, classifying into agree, disagree or abstain votes. The minutes was sent to the SET within 14 days after each meeting as well as posted on the Company's website.

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 existing agenda, and as to how minority shareholders can nominate candidates for the Company's directors.

The Company provides channel for shareholders to propose agenda item and nominate person for election as a director for the 2018 Annual General Meeting of Shareholders, which is disclosed via the Company's website. One or several shareholders, holding not less than 1% of total shares can propose meeting agenda and director nominee, for 3 months, from 1 October – 31 December of each year. This proportion facilitates the shareholders more than specified by the law, which specifies that one or several shareholders, holding minimum share in the amount of 5% can propose meeting agenda.

- 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, four 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 and Finance.
- 1.2) The Company appointed Company 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, Nomination and 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 Nomination and 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, is scheduled in advance throughout the year 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). Company 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 Company 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

Despite the fact that the Board of Directors and each committee have completely performed their responsibility, they arranged for self-assessment of the Board of Directors and Nomination and Remuneration Committee, in order to continually improve operational effectiveness. The self-assessment covers assessment for the entire Board of Directors and individual director. Audit Committee and Risk Management Committee are subjected to assessments for the entire committee. The performance assessment of the Board of Directors and each committee has the same rating criteria, and is consistent with the example of self-assessment of the board, provided by the SET. Furthermore, the assessment has been reviewed regularly to ensure its appropriateness.

The Company has in place an assessment procedure. The Company Secretary and the secretary of each committee sent the assessment form to the directors. After filling in the assessment form, the directors would send it back to the Company. To provide an independent evaluation, the name of the director would be concealed. The assessment result was proposed in the meetings of the Board of Directors and each committee for discussion and sought for the performance improvement.

The Board's entire assessment consists of 6 main items i.e.

- 1. Director's structure and qualifications
- 2. Roles, duties, and responsibilities of director

3. Director's Meeting
4. Director's Act
5. Relationship with management
6. Training and other information.

The Board's individual assessment consists of 3 main items i.e.

1. Director's structure and qualifications
2. Director's Meeting
3. Roles, duties, and responsibilities of director

6) Remuneration

The Company's BOD delegates the authority to recommend remuneration protocols to the Nomination and 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 (IOD). 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 BOARD STRUCTURE

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

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

9.2.1 Board of Directors

As of 31 December 2017, the Company's Board of Directors consists of 9 members as follows:

Name	Position
1. Mr. Kraithip Krairiksh	Chairman of the Board and Independent Director
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 Siri Wattanakosol	Director, Chairman of Audit Committee and Independent Director
8. Mr. Prasert Patradhilok	Director, Member of Audit Committee and Independent Director
9. Mr. Wisit Kanjanopas*	Director, Member of Audit Committee and Independent Director

Note: The Company Secretary is Mr. Sarath Pavorndechapong, appointed on 21 September 2011.

* Has been appointed to be director, independent director and member of Audit Committee effective from 7 November 2017 onwards.

Authorized directors

The Company's authorized directors as defined in the Company's Affidavit is Mr. Sorapoj Techakraisri can solely sign with the Company's seal affixed or Mr. Chotipol Techakraisri and Mr. Chumpol Techakraisri can jointly sign with the Company's seal affixed.

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 follows:

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 General 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 General 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 Annual General Meeting for approval.
10. Appoint sub-committees, including Audit Committee, Executive Committee, Nomination and 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 Company Secretary, and decide on giving approval on the Nomination and 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.

Separate the Board of Directors and management's role

The Chairman is non-executive director and is not the same person as CEO. The role of Chairman and CEO are clearly separate for check and balance purposes by means of separation of supervision and management roles.

Chairman play a major role in care and support of the Board of Directors for fully capable of acting in accordance with direction and strategy such as sharing determine, give a consultation and recommendation to management, supervision and control the Board of Directors' Meeting and Shareholders' Meeting effectively, as well as driving and enhance corporate governance standard to the Board of Directors.

CEO is the head of management and reports to the Board of Directors to ensure that policy and strategic plan have been properly implemented.

In addition, the Company separate roles and responsibilities of the Board of Directors and management, including the authority of the Board of Directors and management power to approve the assignment of the Company's Board of Directors and management in various significant i.e. procurement authority and payment authority.

Non-executive directors' Meeting

The Board of Directors has a policy to encourage non-executive directors to meet as necessary to discuss interested management issues without presence of the management. In 2017, there is no issue regarding performance and management which must convene non-executive directors' meeting.

9.2.2 Audit Committee

As of 31 December 2017, the Audit committee consists of 3 members as follows:

Name	Position
1. Mrs. Ladda Siri wattanakosol*	Chairman of Audit Committee
2. Mr. Prasert Patradhilok*	Member of Audit Committee
3. Mr. Wisit Kanjanopas	Member of Audit Committee

Note: Mrs. Ladda Siri wattanakosol and Mr. Prasert Patradhilok are the member of the Audit Committee who have knowledge and experience in Accounting or Finance

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

Authorities, roles, and responsibilities of Audit Committee

The Board of Directors' Meeting no. 1/2016, held on 7 January 2016, approved the authorities, roles and responsibilities of the Audit Committee as follows:

1 Authority

- 1.1 The Audit Committee is empowered to request director, management or any employee to attend the meeting with the Audit Committee in order to clarify or provide information which the Audit Committee deems necessary. The Chairman and all members are empowered to request documents, explanations or information at all times regardless of Audit Committee's meeting.
The management and employees who have been contacted, inquired or requested for the information shall fully cooperate.
- 1.2 The Audit Committee shall under the Board of Directors' approval, hires the external advisor should they are of the opinion that it is necessary to advise and provide guidance for the performance to the internal auditor and Audit Committee.
- 1.3 The Audit Committee has the authority to approve the third party employment from time to time to help the internal auditor in case the workload exceeds the capability of the internal auditor to perform for the best interest of the Company.
- 1.4 The Audit Committee has authority to examine rules, regulations and operational method of the Company, which are potential to affect the business, finance, account, assessment, and risk management. The Audit Committee is also empowered to examine the Company's internal control so that advice on the Company's development, correction or improvement can be rendered.
- 1.5 The Audit Committee has authority to approve and revise the Company's internal Charter before formal announcement to employees.
- 1.6 The Audit Committee has authority to other matters assigned by Board of Director further to this Charter.

2 Duties

The Audit Committee has the duties as follows:

- 2.1 To review the financial reports and accounts of the Company by emphasizing on the transparency, accuracy and completeness and to disclose the information sufficiently as required under the generally accepted and reliable accounting principles.
- 2.2 Selecting and nominate a name of a certified public accountant that should be appointed to be the auditor of the Company including to evaluate the performance and propose the remuneration for the auditor. The first step is the audit committee to propose to the Board of Directors level and then the Board of Directors shall propose to the shareholders' annual general meeting for approval. The shareholders' annual general meeting will consider and approve the appointment of the auditor and the remuneration of the auditor as stipulated by applicable laws.
- 2.3 To review the Company's corporate governance, internal audit and risk management systems in order to ensure that it is in compliance with the guidelines of SET and SEC.
- 2.4 To review and ensure that there is no conflicts of interests among the Company, director, management or employee, including to review if the employee and the management's work compliant to the policy, regulations and articles in relation to laws and ethics.
- 2.5 To review, give advice and support internal auditor to enhance efficiency and effect of the comments after auditing. To ensure that those auditor's comment are brought into action, the Audit Committee shall promote understanding among the Board of Directors, management, employees and the internal auditor.
- 2.6 To recruit and give comments to the Board of Directors for assessment, appointment, rotation, removal and compensation of internal auditor.
- 2.7 To review and approve year plan of internal auditor, i.e. budget plan, audit plan, manpower plan and human resources development plan with the emphasis on financial and operational audit, development of knowledge, skill and characteristic of internal auditor including to follow up the performance of the said plan.
- 2.8 To follow up, review external auditor's performance comply with Thai Standards on Auditing.
- 2.9 To promote the good coordination between management, directors, employee, internal auditor and external auditor.
- 2.10 To review compatibility of the Company's accounting policy, the adequacy of financial statement disclosure, and the consistency of provision of accounting standard in relation to such matters as well as the understanding on the effect from the financial statement.
- 2.11 To examine the management letter by considering the significant weakness or disadvantage, and the advice reported by the auditor in order to ensure that the useful advice shall be implemented. In the case where the disadvantage has not been remedy without reasonable grounds, it should be consulted with the management and be proposed to the Board of Directors for their acknowledgement and further action as necessary.
- 2.12 To review the internal audit control and technology information processing system.

- 2.13 To have a meeting regularly or at least one meeting a year with External Auditors without management's presence to ensure that External Auditors have a freedom opinion on the financial statements and comply with an accounting standards and auditing standard.
- 2.14 To conduct reviews to ensure that the Company complies with Anti-Corruption policy and in case the Company's employees or management are suspected that there is a transaction with a corruption or an irregularity which incurred damages to the Company and to propose those summaries to the Company's Board of Directors to consider immediately
- 2.15 From the performance of the Audit Committee, if the Committee suspects that there are any transactions or acts which will affect the Company's financial status or business operation, the Committee shall report to the Company's Board of Directors in order to remedy within the appropriate period especially the transactions as follows:
- (1) a transaction which causes a conflict of interest;
 - (2) any fraud, irregularity, or material defect in an internal control system; or
 - (3) an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's business.

If the Company's Board of Directors or management fails to make a rectification within the period of time prescribed by the Office of the Securities and Exchange Commission or the Exchange, any Audit Committee member may report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or the Exchange.

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 member of the Audit Committee is 3 years 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 31 December 2017, the Executive Committee consists of 5 members as follows:

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. Theera 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 as follows:

1. 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.
2. 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.
3. 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.
4. 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.
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.

The Executive Committee reports directly to the Board of Director. The term of each member of Executive Committee is 3 years since the appointment date. Members of Executive Committee whose term has expired can be reappointed.

9.2.4 Nomination and Remuneration Committee

As of 31 December 2017, the Nomination and Remuneration Committee consists of 5 members as follows:

Name	Position
1. Mr. Wisit Kanjanopas	Chairman of Nomination and Remuneration Committee
2. Mr. Prasert Patradhilok	Member of Nomination and Remuneration Committee
3. Mrs. Ladda Siri wattanakosol	Member of Nomination and Remuneration Committee
4. Mr. Sorapoj Techakraisri	Member of Nomination and Remuneration Committee
5. Mr. Chotipol Techakraisri	Member of Nomination and Remuneration Committee

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

Authorities, roles, and responsibilities of Nomination and Remuneration Committee

The Board of Directors' Meeting no. 3/2017 held on 28 February 2017, approved the authorities, roles and responsibilities of the Nomination and Remuneration Committee as follows:

- To consider the recruitment and selection of qualified persons to take a position of director and top executive by defining guidelines with clear and transparent process to present to the Board of Director meeting and/or the Annual General Meeting for approval.
- To consider on remuneration and interest of the Board of Directors, Committees and Chief Executive Officer (CEO with suitable, clear and transparent manner and present to the Board of Director meeting and/or the Annual General Meeting for approval by
 - Board of Directors shall approve compensation and other benefits of CEO.
 - Compensation and other benefits of the Board of Directors shall be presented in the Annual General Meeting.
- To screen the evaluation of the CEO and top executives on annual basis and present to the Board of Directors for consideration.
- To self-assess the performance of Nomination and Remuneration Committee on regular basis.
- To act any other tasks related to remuneration as assigned by the Board of Directors.
- To consider the Board of Directors' structure including appropriate number of board members to fit with the business type and complexity as well as qualifications of individual director in accordance with SET's regulation and good corporate governance.
- To consider and set up director development and training program ensuring that their key roles and gain updated information on business environment, law and related regulation among other things.
- To formulate succession plan ensuring business continuity when the current directors and top managements retired or are not able to perform their duties for any reason.

The Nomination and Remuneration Committee reports directly to the Boards of Directors. The term of each member of Nomination and Remuneration Committee is 3 years since the appointment date. Member of Nomination and Remuneration Committee whose term has expired can be reappointed.

9.2.5 Risk Management Committee

As of 31 December 2017, the Risk Management Committee consists of 5 members as follows:

Name	Position
1. Mr. Prasert Patradhlok	Chairman of Risk Management Committee
2. Mrs. Ladda Siri Wattanakosol	Member of Risk Management Committee
3. Mr. Wisit Kanjanopas	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 21 September 2011

Authorities, roles, and responsibilities of Risk Management Committee

The Board of Directors' Meeting no. 3/2017 held on 28 February 2017, approved the authorities, roles and responsibilities of the Risk Management Committee as follows:

1. Review the Company's overall risk management policies and guidelines covering all important risks, such as operational risk, financial risk, marketing risk, investment risk, reputation risk, and corruption 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.
2. 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.
3. 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.
4. Provide an opinion to management on setting risk measurement criteria and acceptable risk level before proposing to the Board of Directors.
5. Provide an opinion to management on setting appropriate risk management measures to cope with different situations before proposing to the Board of Directors.
6. Review the adequacy of the risk policies and risk management system, including the effectiveness of the system and the policy execution.
7. 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.
8. 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. The term of each member of Risk Management Committee is 3 years since the appointment date. Members of Risk Management Committee whose term has expired can be reappointed.

9.3 SELECTION OF DIRECTORS AND MANAGEMENT

The Nomination and 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 Shareholders' 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 of desirable characteristics defined in Public Company Act. In addition, the candidates must not have prohibitive characteristics defined in Notification of the Securities and Exchange Commission No. KorChor. 3/2560 on Determination of Untrustworthy Characteristics of Company Directors and Executives (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 the Audit Committee

1. The Audit Committee consists of 3 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 9.2.2 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 3-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 Shareholders' Meeting.

Components and Appointment of Executive Committee and the Company's Executives

The Nomination and 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 9.2.4.

Components and Appointment of the Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee consists of 5 directors, at least 1 in 3 (1/3) of whom are independent directors. Chairman of Nomination and Remuneration Committee must be an independent director.
2. The Board of Directors owns authority to appoint the members of the Nomination and Remuneration Committee.
3. Each member of the Nomination and Remuneration Committee has a 3-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 the Risk Management Committee

1. The 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 3-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 order to monitor the operation of its affiliates and subsidiaries, the Company will send a representative, whose may be Chairman of the Board of Directors, CEO, directors, top management, or any person who has the qualifications and experience of those, to be directors in affiliates and subsidiaries. A representative shall not have a conflict of interest and shall perform by based on rule and regulation of affiliates and subsidiaries as set out in the article of association, related law of affiliates and subsidiaries, including regulation of SET and SEC such as the acquisition and disposal of asset, and connected transaction.

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. 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 Company 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 working 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 shall 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 2017 of the Company and its subsidiaries in Thailand totals 9 million Baht and the subsidiaries in USA total amount USD 250,000. The Company and its subsidiaries have no the expense of non-audit fee for the year 2017.

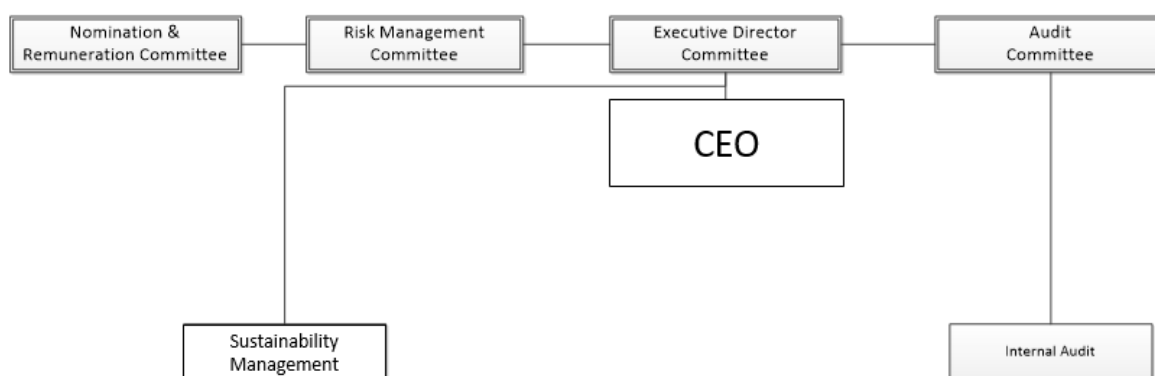
10. Corporate Social Responsibility

Sustainability Objective

The Board of Directors of Pace Development recognize the importance of the role of business in contributing to sustainable development beyond regulatory compliance and philanthropic activities. In July 2017, the Sustainability Management Department was established as an in-house advisor on adopting world-class management practices with a long-term view of both risks and opportunities to create stakeholder value in the economic, social, and environmental dimensions. The long-term objective is to integrate sustainability into the mindset for PACE's daily operations and contributing to a better common future.

Sustainability Governance

The Sustainability Management Department reports directly to the Executive Director Committee and is supervised by a Senior Executive Vice President who is a member of the Board of Directors. The Executive Director Committee oversees PACE's sustainability strategy and implementation.



Embarking On Our Sustainability Journey

In September 2017, a management workshop for executives of the Company was held to provide an overview of Corporate Sustainability principles, drivers, best practices, and assessment, as well as to define PACE's sustainability priorities in the process of Materiality Assessment as per the guidelines of the Global Reporting Initiative (GRI). Following the management workshop, the Sustainability & Anti-Corruption Workshop was held in November as part of PACE's learning & development program, covering 89% of all employees of PDC.

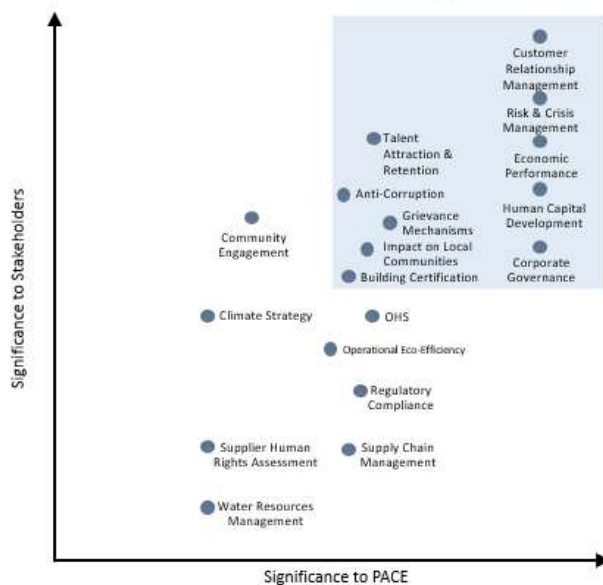
Stakeholder Engagement

The establishment of Sustainability Management laid the foundation for integrating stakeholder value in PACE's business strategy and operations. Our first step was to identify our priority stakeholder groups and assess their interests and concerns, as well as how to improve upon our engagement and response going forward. Gathered from internal review, stakeholder interviews, and peer benchmarking, our stakeholder groups, interests, and method of engagement are summarized in the following table.

Stakeholder Group	Stakeholder Interests/Concerns	Method of Engagement
Shareholders/ Investors	<ul style="list-style-type: none"> Information disclosure in a transparent manner Sustainable growth and returns Good corporate governance Long-term plan and continuous improvement 	<ul style="list-style-type: none"> Annual General Meeting Extraordinary General Meeting 56-1 Report Annual Report Press release Quarterly financial results announcement Investor meetings and roadshows Equity analyst meetings
Employees	<ul style="list-style-type: none"> Fair compensation Direction and communication Employee engagement Employee development 	<ul style="list-style-type: none"> Training workshop and evaluation Intranet and email communication Merit making activities
Customers	<ul style="list-style-type: none"> Quality products and services Communication and engagement 	<ul style="list-style-type: none"> Active engagement and consumer insights for continuous development of quality products and services Regular activities and communication Responsiveness to complaints and feedback
Business Partners & Suppliers	<ul style="list-style-type: none"> Responsible and fair treatment Sustainable growth Timely payments 	<ul style="list-style-type: none"> Weekly meetings Communicate Supplier Code of Conduct New vendor prequalification Vendor-Buyer evaluation
Community	<ul style="list-style-type: none"> Impact on health, safety, and environment Communication and engagement 	<ul style="list-style-type: none"> EIA process Continuous online group communication TZF meetings
Government	<ul style="list-style-type: none"> Good corporate governance Regulatory compliance Environmental and social impact management 	<ul style="list-style-type: none"> Regular engagement with relevant government agencies and regulators Monitor regulatory matters and changes Utilize assessment feedback from regulators Attend seminars on regulatory changes

Materiality Assessment

PACE's executive management considered relevant sustainability issues, gathered from global megatrends, industry leaders and peers, and international sustainability frameworks such as the Global Reporting Initiative (GRI), Dow Jones Sustainability Index (DJSI), Sustainability Accounting Standards Board (SASB), and Global Real Estate Sustainability Benchmark (GRESB). The material sustainability issues were ranked by significance to PACE and to PACE's stakeholders. The ranking of issues of significance to stakeholders was confirmed by qualitative input from diverse stakeholder interviews between August-October 2017. Below is the materiality matrix as a result of the materiality assessment.



Sustainability Management Framework

Based on PACE's vision and mission, the sustainability framework has been created to define our strategic objectives of sustaining stakeholder value for shareholders, employees, customers & business partners, society and the environment. PACE aims to continuously improve its management approach, especially in the top material issues, and set targets and sustainability indicators to measure progress in 2018 onwards.

<i>Purpose</i>	Vision <i>To be a leader in premium quality lifestyles</i>		Mission <i>To innovate customer-centric experiences in property, hospitality and retail</i>		Values <i>Professionalism Achievement Collaboration Ethics</i>	
	Shareholders		Employees		Customers & Business Partners	
	Society & Environment					
<i>Objectives</i>	<i>Sustainable Growth</i>		<i>Healthy & Innovative Workplace</i>		<i>Innovative Luxury Lifestyles</i>	
<i>Strategy</i>	<i>Impactful & Measurable Benefit</i>					
	We are determined to deliver sustainable returns through innovation, risk management, and good governance.		We foster a balanced work culture of creativity and continuous development, well-being, and professionalism.		We ensure responsible sourcing and innovate high-end properties and lifestyle experiences that exceed expectations.	
	We proactively engage with communities and civil society to ensure responsible and beneficial impact on people and the environment.					

11. Internal Control

11.1 OPINIONS OF BOARD OF DIRECTORS AND AUDIT COMMITTEE

In the meeting of the Board of Directors (BOD) number 7/2018 on 28 February 2018, 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 identified mitigation measures to reduce or avoid any event that may pose a threat to the Company's performance or reputation. The Risk Management Committee is obliged to report directly to the Board of Directors.

3. Control Activities

The Company has put 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 related 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 supporting documents that contain sufficient information 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 14 meeting and the meeting of the Audit Committee arranged 5 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 every quarter. 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.

11.2 HEAD OF INTERNAL AUDIT AND HEAD OF COMPLIANCE

Head of Audit

Ms. Montakan Teannetinun Vice President, Internal Audit Department

Head of Compliance

Mr. Sarath Pavorndechapong Deputy Executive Vice President, Legal & Compliance Department

12. Related Party Transactions as of December 31st, 2017

Persons that may have conflicts of interest and nature of relationships are shown below:

Legal Persons That May Have Conflicts of Interest (Legal entity)	Abbreviation	Nature of Business	Nature of Relationship
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.
WM Imagineer Co., Ltd	WM-IM	Construction	Mr. Pongsak Mahattanasakul is the company's director.
WM Advisory Co., Ltd	WM-AD	Consultancy services	Mr. Pongsak Mahattanasakul is the company's director.
MahaNakhon Bespoke Tailoring Co., Ltd.	BeSPK	Tailor shop	Mr. Sorapoj Techakraisri holds 100% of its shares.
Dynasty Apparel Co., Ltd.	Dynasty	Garment exporter and manufacturer	Mrs. Thitima Vayakornvichitre is the Company's director
Finch & Partners Group	F&P	Consultancy services	The Company under control of Mr. Charles Finch
Prairie Marketing Co., Ltd.	Prairie	Sale of consumer goods	Mr. Sumate Techakraisri is the Company's director
Grovepark International Limited	Grovepark	Consultancy services	The company under control of Mr. Charles Finch
Verita MHK (Thailand) Co., Ltd.	Verita	Health care services	A subsidiary of Verita Thailand Pte. Limited where Mr. Sorapoj Techakraisri holds 50% of its shares
Apollo Asia Sprint Holding Company Limited	Apollo	Holding Company	Holding company of Pace Project One Co., Ltd. and Pace Project Three Co., Ltd.



Legal Persons That May Have Conflicts of Interest (Legal entity)	Abbreviation	Nature of Business	Nature of Relationship
Mercer Investment (Singapore) Pte	Mercer	Holding Company	Related company of Goldman Sachs Investments Holding (Asia) Limited which is the holding company of Pace Project One Co., Ltd. and Pace Project Three Co., Ltd.

Legal Persons That may have Conflicts of Interest (Persons)	Nature of Relationship
Mr. Sorapoj Techakraisri	The Company's authorized director and major shareholders, holding 36.2% of the Company's shares
Mr. Chotipol Techakraisri	The Company's authorized director and shareholder, holding 0.01% of the Company's shares through his spouse, and older brother of Mr. Sorapoj Techakraisri.
Mr. Sumate Techakraisri	The Company's shareholder, holding 2.8% of the Company's shares, and father of Mr. Sorapoj Techakraisri, Mr. Chotipol Techakraisri, and Mr. Chumpol Techakraisri
Mrs. Yupa Techakraisri	The Company's shareholder, holding 4.2% of the Company's shares, and mother of Mr. Sorapoj Techakraisri, Mr. Chotipol Techakraisri, and Mr. Chumpol Techakraisri
Mr. Chumpol Techakraisri	The Company's authorized director and shareholder and younger brother of Mr. Sorapoj Techakraisri.
Mr. Theera Vayakornvichitre	The Company's director
Mr. Pongsak Mahattanasakul	The director of Pace Interior Services Co., Ltd. which is the subsidiary of the Company
Mr. Charles Finch	The director of Dean & DeLuca Inc.
Ms. Nichaya Chaiyawan	Spouse of Mr. Sorapoj Techakraisri
Mrs. Thitima Vayakornvichitre	Spouse of Mr. Theera Vayakornvichitre
Mr. Prakarn Raiva	Shareholder and director of Dean & DeLuca Airport Co., Ltd. which is the subsidiary of the Company
Ms. Ploy Bhinsaeng	Shareholder and director of Dean & DeLuca Airport Co., Ltd. which is the subsidiary of the Company
Mr. Seree Thajongrak	Shareholder of Dean & DeLuca Airport Co., Ltd. which is the subsidiary of the Company

In 2017 and 2016, 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) 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 st , 2017 (Million Baht)	In the year ending on December 31 st , 2016 (Million Baht)		
PACE Three	FP	Income from space rentals and services			<ul style="list-style-type: none"> FP entered into a Rental and Service Agreement at Cube Building for 2 contracts -1st Contract for Vogue, the 4th amendment agreement dated 1 Oct 2016 (original agreement dated Dec 1st, 2013) to extend the rental and services period for 3 years (since 1 Dec 2016 to 30 Nov 2019) with total rental space of 563.8 sq.m. Monthly rental and services rates are the higher of Baht 522,675 or 5% of monthly net sales. -2nd Contract for L'Atelier de Joel Robuchon, the 3rd amendment agreement dated 1 Nov 2015 (original agreement effective date May 15st, 2014 ending May 14th, 2017) to rent more space from 803.46 sq.m to be 841.46 sq.m, Then, FP entered into 4th amendment agreement dated 1 Oct 2016 to revise monthly rental and service rates are the higher of Baht 973,390 or 5% of monthly net sales. <p>Such agreement is effective from May 15th, 2017 to May 14th, 2020.</p>	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee
		Beginning balance	45.2	41.9		
		Increase in income from space rentals and service during the period	6.8	31.2		
		Payment during the period	-	(27.9)		
		Net	52.0	45.2		
		Effect from loss control in subsidiary	(52.0)	-		
		Ending balance	-	45.2		

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Condition	Audit Committee's Opinions
			In the year ending on December 31 st , 2017 (Million Baht)	In the year ending on December 31 st , 2016 (Million Baht)		
PACE Three	BeSPK	Income from space rentals and services			<ul style="list-style-type: none"> BeSPK entered into a Rental and Service Agreement dated Aug 17th, 2015 with PACE Three for the rent of space in Cube Building with the total rental space of 107 sq.m. for 3 years. Monthly rental and service rates of Baht 107,000. Such agreement is effective from Aug 17th, 2015 to Aug 16th, 2018. 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee.
		Beginning balance	1.7	0.5		
		Increase in income from space rentals and service during the period	0.3	1.4		
		Payment during the period	-	(0.2)		
		Net	2.0	1.7		
		Effect from loss control in subsidiary	(2.0)	-		
		Ending balance	-	1.7		
PACE Three	Verita	Income from space rentals and services			<ul style="list-style-type: none"> Verita entered into a Rental and Service Agreement dated 1 August 2016 with Pace Three for the rent of space in Cube Building with the total rental space of 876.2 sq.m. for three years. Monthly rental and services rates are the higher of Baht 1,055,675 or 10% of monthly net sales. Such agreement is effective from 1 August 2016 to 31 July 2019. 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee.
		Beginning balance	2.4	-		
		Increase in income from space rentals and service during the period	3.4	3.2		
		Payment during the period	(0.8)	(0.8)		
		Net	5.0	2.4		
		Effect from loss control in subsidiary	(5.0)	-		
		Ending balance	-	2.4		

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Condition	Audit Committee's Opinions
			In the year ending on December 31 st , 2017 (Million Baht)	In the year ending on December 31 st , 2016 (Million Baht)		
PACE Creative	FP	Income from creative services Beginning balance Increase in creative service during the period Payment during the period Ending balance	0.1 0.3 (0.4) -	- 0.3 (0.2) 0.1	<ul style="list-style-type: none"> During 2016 and 2017, Pace Creative provide the creative service to FP 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
Dean & DeLuca (Thailand)	FP	Income from sales of foods and beverages Beginning balance Increase in income from sales of foods and beverages during the period Payment during the period Ending balance	0.3 0.8 (0.8) 0.3	0.1 0.8 (0.6) 0.3	<ul style="list-style-type: none"> During 2016 and 2017, FP bought foods and beverages from Dean & DeLuca (Thailand). 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
Dean & DeLuca (Thailand)	Fierce	Income from sales of foods and beverages Beginning balance Increase in income from sales of foods and beverages during the period Payment during the period Ending balance	0.5 0.9 - 1.4	- 0.5 - 0.5	<ul style="list-style-type: none"> During 2016 and 2017, Fierce bough foods and beverages from Dean & DeLuca (Thailand). 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Condition	Audit Committee's Opinions
			In the year ending on December 31 st , 2017 (Million Baht)	In the year ending on December 31 st , 2016 (Million Baht)		
Dean & DeLuca (Thailand)	Verita	Income from sales of foods and beverages			<ul style="list-style-type: none"> During 2017, Verita bough foods and beverages from Dean & DeLuca (Thailand). 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	-	-		
		Increase in income from sales of foods and beverages during the period	0.1	-		
		Payment during the period	(0.1)	-		
		Ending balance	-	-		
Dean & DeLuca (Thailand)	Mr. Sorapoj Techakraisri	Income from sales of foods and beverages			<ul style="list-style-type: none"> During 2017, Mr. Sorapoj Techakraisri bough foods and beverages from Dean & DeLuca (Thailand). 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	-	-		
		Increase in income from sales of foods and beverages during the period	0.3	-		
		Payment during the period	-	-		
		Ending balance	0.3	-		
FIERCE	The Company	Selling, General, and Administrative Expenses (SG&A)			<ul style="list-style-type: none"> During 2016, The Company hired FIERCE to take a photo for advertising and marketing at MahaSamutr event at Hua Hin. 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	0.2	-		
		Expenses incurred in the period	-	0.8		
		Payment during the period	(0.2)	(0.6)		
		Ending balance	-	0.2		

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Condition	Audit Committee's Opinions
			In the year ending on December 31 st , 2017 (Million Baht)	In the year ending on December 31 st , 2016 (Million Baht)		
FIERCE	PACE Country Club	Selling, General, and Administrative Expenses (SG&A)			<ul style="list-style-type: none"> During 2017, Pace Country Club hired FIERCE to take a photo for advertising and marketing 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	-	-		
		Expenses incurred in the period	0.7	-		
		Payment during the period	-	-		
		Ending balance	0.7	-		
FP	The Company	Selling, General, and Administrative Expenses (SG&A)			<ul style="list-style-type: none"> During 2016 and 2017, the Company bought food and beverages, and gift voucher for marketing event from FP. 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	0.6	0.1		
		Expenses incurred in the period	2.1	1.4		
		Payment during the period	(0.3)	(0.9)		
		Ending balance	2.4	0.6		
FP	PACE Country Club	Selling, General, and Administrative Expenses (SG&A)			<ul style="list-style-type: none"> During 2016 and 2017, Pace Country Club bought food and beverages, and gift voucher from FP. 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	0.1	0.1		
		Expenses incurred in the period	0.1	0.5		
		Payment during the period	(0.1)	(0.5)		
		Ending balance	0.1	0.1		

Seller/Service Provider	Buyer	Type of Transaction	Transaction Size		Pricing and Condition	Audit Committee's Opinions
			In the year ending on December 31 st , 2017 (Million Baht)	In the year ending on December 31 st , 2016 (Million Baht)		
FP	PACE Two	Entertainment expenses and Marketing expenses			<ul style="list-style-type: none"> During 2016 and 2017, PACE Two bought food and beverages for entertaining and marketing expense from FP. 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	0.7	-		
		Expenses incurred in the period	1.8	2.0		
		Payment during the period	(0.4)	(1.3)		
		Ending balance	2.1	0.7		
FP	PACE Food Retail	Selling, General, and Administrative Expenses (SG&A)			<ul style="list-style-type: none"> During 2016, Pace Food Retail bought foods and beverages from FP. 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	-	0.1		
		Expenses incurred in the period	-	-		
		Payment during the period	-	(0.1)		
		Ending balance	-	-		
WM-IM	PACE Interior Services	Purchase of fixed assets (include VAT)			<ul style="list-style-type: none"> During 2016, Pace Interior Service hired WM-IM to demolish such temporary office and create another temporary office on 53rd Floor for construction work in construction area of MHNK project 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	-	-		
		Increase during the period	-	1.0		
		Payment during the period	-	(1.0)		
		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 st , 2017 (Million Baht)	In the year ending on December 31 st , 2016 (Million Baht)		
WM-AD	PACE Interior Services	Selling, General, and Administrative Expenses (SG&A)			<ul style="list-style-type: none"> During 2016, Pace Interior Services entered into 2 new Managed and Interior Services Agreement for construction management and interior services of MahaNakhon project dated January 1st,2016 and July 1st,2016 amounted to Baht 20 million During 2017, Pace Interior Services entered into 2 new Managed and Interior Services Agreement for construction management and interior services of MahaNakhon project dated January 6st, 2017 and July 1st,2017 amounted to Baht 20 million. 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	10.7	10.0		
		Increase during the period	21.4	21.4		
		Payment during the period	(26.8)	(20.7)		
		Ending balance	5.3	10.7		
F&P	The Company	Selling, General, and Administrative Expenses (SG&A)			<ul style="list-style-type: none"> The company entered into Consultancy agreement dated April 1, 2015 with F&P. F&P will provide the services as indicated in agreement for the period of one year expiring on March 31, 2016. The consultancy fee is USD 800,000. 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions..
		Beginning balance	-	-		
		Increase during the period	-	7.7		
		Payment during the period	-	(7.7)		
		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 st , 2017 (Million Baht)	In the year ending on December 31 st , 2016 (Million Baht)		
F&P	Dean & DeLuca Inc.	Selling, General, and Administrative Expenses (SG&A)			● F&P provide consultancy service to Dean & DeLuca Inc.	● Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	-	-		
		Increase during the period	3.3	83.9		
		Payment during the period	(3.1)	(83.9)		
		Ending balance	0.2	-		
Grovepark	Dean & DeLuca Inc.	Selling, General, and Administrative Expenses (SG&A)			● Grovepark provide consultancy service to Dean & DeLuca Inc.	● Such transaction is considered a trading transaction with normal conditions.
		Beginning balance	7.1	-		
		Increase during the period	6.3	7.1		
		Payment during the period	-	-		
		Ending balance	13.4	7.1		
F&P	PACE Food Retail	Selling, General, and Administrative Expenses (SG&A)			● F&P provide consultancy service to Pace Food Retail	● Such transaction is considered a trading transaction with normal conditions and has passed the review of Audit Committee.
		Beginning balance	-	-		
		Increase during the period	-	2.1		
		Payment during the period	-	(2.1)		
		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 st , 2017 (Million Baht)	In the year ending on December 31 st , 2016 (Million Baht)		
Pace Two	Ms. Nichaya Chaiyawan	Revenue from sales of residential condominium units	260.2	-	<ul style="list-style-type: none"> During the 1st quarter of 2017, Pace Two has entered into sale and purchase agreement of The Ritz-Carlton Residences, Bangkok project with Khun Nichaya Chaiyawan amounted to Baht 260.3 million which is novated from Mr. Asgar Shakoor Patel who purchase this residential unit from Pace Two since January 2013. Pace Two recorded revenue from sales of residential condominium units in statement of comprehensive income in year 2017. 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.
Pace Two	Mrs. Thitima Vayakornvichitre	Revenue from sales of residential condominium units	34.4	-	<ul style="list-style-type: none"> During the 1st quarter of 2017, Pace Two has entered into sale and purchase agreement of The Ritz-Carlton Residences, Bangkok project with Khun Thitima Vayakornvichitre amounted to Baht 34.4 million which is novated from Mr. Polpat Suwanpimolkul who purchase this residential unit from Pace Two since August 2014. Pace Two recorded revenue from sales of residential condominium units in statement of comprehensive income in year 2017. 	<ul style="list-style-type: none"> Such transaction is considered a trading transaction with normal conditions.

(2) Advanced received

Payee	Payer	Type of Transaction	Outstanding as of December 31st, 2015 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 st , 2016 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 st , 2017 (Million Baht)	Pricing and Conditions	Audit Committee's Opinion
The Company	Dynasty Apparel Co., Ltd.	Advanced received from customers	0.3	-	-	0.3	-	-	0.3	On Jun 28 th , 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 received from customers	0.3	-	-	0.3	-	-	0.3	On Jul 9 th , 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 received from customers	0.3	-	-	0.3	-	-	0.3	On Jun 28 th , 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 31st, 2015 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 st , 2016 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 st , 2017 (Million Baht)	Pricing and Conditions	Audit Committee's Opinion
The Company	Mr. Theera Vayakornvichitre	Advanced received from customers	0.5	-	(0.5)	-	-	-	-	On Feb 15 th , 2015, the company has made the agreement to purchase and sales a condominium unit of Nimit Langsuan Project with Mr. Theera. Subsequently on 30 March 2016, Khun Theera novate such purchase and sales condominium unit to other party.	Such transaction is a normal business transaction with a then-current market sales price.
The Company	Mr. Sorapoj Techakraisri	Advanced received from customers	-	40	-	40	-	-	40	On June 27 th , 2016, the company has made the agreement to purchase and sales a condominium unit of Nimit Langsuan Project with Mr. Sorapoj Techakraisri.	Such transaction is a normal business transaction with a then-current market sales price.

Payee	Payer	Type of Transaction	Outstanding as of December 31st, 2015 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 st , 2016 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 st , 2017 (Million Baht)	Pricing and Conditions	Audit Committee's Opinion
The Company	Ms. Ploy Bhinsaeng	Advanced received from customers	-	-	-	-	32.4	-	32.4	On Feb 16 th , 2015, the Company has entered into purchase and sales a condominium unit of Nimit Langsuan Project with Ms. Ploy Bhinsaeng	Such transaction is a normal business transaction with a then-current market sales price.
Dean and DeLuca (Thailand)	PACED	Advance Payment and accrued royalty	3.5	-	-	3.5	-	-	3.5	Dean & DeLuca (Thailand) has royalty payable and advance received from PACED in totaling amount of Baht 3.5 million	Such transaction is a normal business transaction with a then-current market sales price.

Payee	Payer	Type of Transaction	Outstanding as of December 31st, 2015 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 st , 2016 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 st , 2017 (Million Baht)	Pricing and Conditions	Audit Committee's Opinion
F&P	Pace Food Retail	Advance Payment	2.1	-	(2.1)	-	-	-	-	F&P provide consultancy service to Pace Food Retail and Pace Food Retail made advance payment to F&P for travelling expense of Baht 4.6 million. Such amount was cleared as expense in year 2015 and 2016 amounting to Baht 2.5 million and Baht 2.1 million, respectively.	Such transaction is a normal business transaction with a then-current market sales price.
Mr. Pongsak Mahattanasa kul	Pace Interior Services	Advance Payment	-	-	-	-	9.0	(9.0)	-	Advance payment of Baht 5 million has been issued and received in June 2017 and Baht 4 million has been issued and received in Dec 2017.	Such transaction is a normal business transaction.

Payee	Payer	Type of Transaction	Outstanding as of December 31st, 2015 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 st , 2016 (Million Baht)	Increase during the period (Million Baht)	Decrease during the period (Million Baht)	Outstanding as of December 31 st , 2017 (Million Baht)	Pricing and Conditions	Audit Committee's Opinion
Mr. Sorapoj Techakraisri	Dean and DeLuca (Thailand)	Advance Payment	-	3.8	-	3.8	-	(3.8)	-	During 2016, Dean and DeLuca (Thailand) issue cheque to Mr. Sorapoj in order to invest in new company "Dean and DeLuca Airport Co., Ltd". Subsequently on January 5 th , 2017, Dean and DeLuca Airport was registered at MOC	Such transaction is a normal business transaction.

(3) Loans and Interest Expenses

Borrower	Lender	Type of transaction	Outstanding Balance as of Dec 31 st , 2015 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2016 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2017 (Million Baht)	Pricing and Condition	Audit Committee's Opinions
PRE, PACE One, PACE Two, and PACE Three	Mr. Sorapoj Techakraisri	Loans Accrued Interest Payable	- 386.3	- -	- (386.3)	- -	- -	- -	- -	<ul style="list-style-type: none"> ● Important details of the loan are: <ul style="list-style-type: none"> - Interest rates of 14% and 15% per annum - Repayment is made on Lender's request - No collateral ● The lender will transfer assignment of interest to the assignee after 60 days since the borrower receives Form Or.6 from government authority. ● In second quarter of 2016, lender decrease such interest rate to be zero percentage. 	<ul style="list-style-type: none"> ● Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity

Borrower	Lender	Type of transaction	Outstanding Balance as of Dec 31 st , 2015 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2016 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2017 (Million Baht)	Pricing and Condition	Audit Committee's Opinions
PACE One, PACE Two, and PACE Three	FPH	Loans Accrued Interest Payable	- 76.9	- -	- (76.9)	- -	- -	- -	- -	<ul style="list-style-type: none"> ● Important details of the loan are: <ul style="list-style-type: none"> - Interest rate of 14% per annum - Repayment is made on Lender's request - No collateral ● The lender will transfer assignment of interest to the assignee after 60 days since the borrower receives Form Or.6 from government authority. ● In second quarter of 2016, lender decrease such interest rate to be zero percentage. 	<ul style="list-style-type: none"> ● Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity.

Borrower	Lender	Type of transaction	Outstanding Balance as of Dec 31 st , 2015 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2016 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2017 (Million Baht)	Pricing and Condition	Audit Committee's Opinions
Dean & DeLuca Inc.	Mr. Sorapoj Techakraisri	Loan	-	85.1	(85.1)	-	86.2	-	86.2	<ul style="list-style-type: none"> During 2016, Dean & DeLuca Inc. entered into loan agreement with Mr. Sorapoj Techakraisri USD 2.4 million. This loan shall not be subject to interest and already repaid in 2016. On Feb 16, 2017 and July 4, 2017, Dean & DeLuca Inc. entered into loan agreements with Mr. Sorapoj Techakraisri USD 0.6 million and USD 2.04 million, respectively. This loan shall not be subject to interest. Repayment term of the loan USD 0.6 million and USD 2.04 million are on 15 May 2018, and on demand, respectively. 	<ul style="list-style-type: none"> Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity.

Borrower	Lender	Type of transaction	Outstanding Balance as of Dec 31 st , 2015 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2016 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2017 (Million Baht)	Pricing and Condition	Audit Committee's Opinions
Grovepark	Dean & DeLuca Inc.	Loans Accrued Interest Receivable	- -	75.2 0.8	- -	75.2 0.8	57.0 1.4	- -	132.2 2.2	<ul style="list-style-type: none"> During 2016 and 2017, Grovepark has outstanding loan with Dean & DeLuca Inc. amounted to USD 2.1 million and USD 4.1 million, respectively, and accrued interest of USD 22,993 and USD 66,328, respectively. The loan will be paid in full upon the end of term 60 months or earlier 	<ul style="list-style-type: none"> Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity.
Dean & DeLuca Airport	Mr. Prakarn Raiva	Loans Accrued Interest Payable	- -	- -	- -	- -	9.6 0.6	- -	9.6 0.6	<ul style="list-style-type: none"> Here is significant details of loan <ul style="list-style-type: none"> Interest rate of 7.5% Repayment term on January and June 2018 Insecure loan 	<ul style="list-style-type: none"> Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity.

Borrower	Lender	Type of transaction	Outstanding Balance as of Dec 31 st , 2015 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2016 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2017 (Million Baht)	Pricing and Condition	Audit Committee's Opinions
Dean & DeLuca Airport	Ms. Ploy Bhinsaeng	Loans Accrued Interest Payable	- -	- -	- -	- -	9.1 0.6	- -	9.1 0.6	<ul style="list-style-type: none"> Here is significant details of loan <ul style="list-style-type: none"> Interest rate of 7.5% Repayment term on January and July 2018 Insecure loan 	<ul style="list-style-type: none"> Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity.
Dean & DeLuca Airport	Mr. Seree Thajongrak	Loans Accrued Interest Payable	- -	- -	- -	- -	4.8 0.3	- -	4.8 0.3	<ul style="list-style-type: none"> Here is significant details of loan <ul style="list-style-type: none"> Interest rate of 7.5% Repayment term on January and June 2018 Insecure loan 	<ul style="list-style-type: none"> Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity.

Borrower	Lender	Type of transaction	Outstanding Balance as of Dec 31 st , 2015 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2016 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2017 (Million Baht)	Pricing and Condition	Audit Committee's Opinions
Pace Food Retail	Prairie	Loans Advance Interest Payment	- - - -	- - - -	- - - -	- - - -	10.0 (0.3)	- 0.3	10.0 -	<ul style="list-style-type: none"> Here is significant details of loan <ul style="list-style-type: none"> Interest rate of 6.5% Repayment term on January 2018 Insecure loan 	<ul style="list-style-type: none"> Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity.
Mr. Pongsak Mahattanasa kul	YLP	Loans Accrued Interest Receivable	- - - -	- - - -	- - - -	- - - -	45.0 0.7	(45.0) (0.7)	- -	<ul style="list-style-type: none"> Here is significant details of loan <ul style="list-style-type: none"> Interest rate of 7.75% Repayment term is on demand Insecure loan Already repaid on 14 November 2017 	<ul style="list-style-type: none"> Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity.

Borrower	Lender	Type of transaction	Outstanding Balance as of Dec 31 st , 2015 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2016 (Million Baht)	Increase during period (Million Baht)	Decrease during period (Million Baht)	Outstanding Balance as of Dec 31 st , 2017 (Million Baht)	Pricing and Condition	Audit Committee's Opinions
Mr. Pongsak Mahattanasa kul	Pace Interior Services	Loans Accrued Interest Receivable	-	-	-	-	30.0	30.0	-	<ul style="list-style-type: none"> Here is significant details of loan <ul style="list-style-type: none"> Interest rate of 7.5% Repayment term is on demand Insecure loan Already repaid on 14 November 2017 	<ul style="list-style-type: none"> Such transaction occurred in the past and was necessary for enhancement of the Company's liquidity.

(4) Guarantees and Collateral Securities provided to Financial Institutions (as of December 31st, 2017)

The Company, and its subsidiaries 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, and subsidiaries for such transaction. The transactions are as follows:

Guarantors	Receiver of the Loans from FIs	Lenders	Credit Facility (Million Baht)	Loan Utilization (Million Baht)	Details of Guarantee/Collateral Securities	Audit Committee's Opinion
Mrs. Yupa Techakraisri	PACE One, PACE Two, and PACE Three	The Siam Commercial Bank Public Company Limited	532.0	532.0	<ul style="list-style-type: none"> On Feb 6th, 2014, the Company entered into the Credit Facility Agreement to have loan amount of 532 MB of which to buy land for MahaNakhon project. Mrs. Yupa Techakraisri is the guarantor. 	<ul style="list-style-type: none"> The transaction that occurred was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.
Mrs. Yupa Techakraisri Mr. Sorapoj Techakraisri	Dean and DeLuca (Thailand)	The Bangkok Bank Public Company Limited	80.0	80.0	<ul style="list-style-type: none"> On Sep 22th, 2014, Dean & DeLuca (Thailand) entered into the Credit Facility Agreement to have long term loan amount of 80 MB are guaranteed by <ol style="list-style-type: none"> The company's shares held by Mr. Sorapoj Techakraisri of 30 million shares. Shares of related party held by Mrs. Yupa Techakraisri of 20 million shares Guarantee by Mr. Sorapoj Techakraisri and Mrs. Yupa Techakraisri Overdraft 5 MB is guaranteed by the Company's share held by Mr. Sorapoj Techakraisri of 30 million shares. 	<ul style="list-style-type: none"> The transaction that occurred was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.
			5.0	-		

Guarantors	Receiver of the Loans from FIs	Lenders	Credit Facility (Million Baht)	Loan Utilization (Million Baht)	Details of Guarantee/Collateral Securities	Audit Committee's Opinion
Mr. Sorapoj Techakraisri Mr. Chotipol Techakraisri Mrs. Yupa Techakraisri	Dean and DeLuca (Thailand)	Bank of Ayudhaya Public Company Limited	15.0	10.0	<ul style="list-style-type: none"> On May 16th, 2012 Dean & DeLuca (Thailand) entered into the Credit Facility Agreement to have long term loan amount of 10 MB and overdraft 5 MB that are guaranteed by <ol style="list-style-type: none"> Residential condominium unit of Mr. Sorapoj Techakraisri Residential condominium unit of Mr. Chotipol Techakraisri Guarantee by Mr. Sorapoj Techakraisri and Mrs. Yupa Techakraisri 	<ul style="list-style-type: none"> The transaction that occurred was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.
Mr. Chotipol Techakraisri Mrs. Yupa Techakraisri	YLP	Kasikorn Bank PCL	1,100.0	369.5	<ul style="list-style-type: none"> On Oct 29th, 2015 YLP entered into the Credit Facility Agreement to have long term loan amount of 1,090 MB and overdraft 10 MB. Guarantee by Mr. Chotipol Techakraisri and Mrs. Yupa Techakraisri 	<ul style="list-style-type: none"> The transaction that occurred was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.
Mr. Sorapoj Techakraisri	The Company	The Siam Commercial Bank Public Company Limited	4,748.0	3,206.5	<ul style="list-style-type: none"> On Nov 25th, 2015, the Company entered into the credit facility agreement to obtain long term loan facility 4,673.5 MB, overdraft 30MB, and Letter of guarantee 35MB. Guarantee by Mr. Sorapoj Techakraisri 	<ul style="list-style-type: none"> The transaction that occurred was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.

Guarantors	Receiver of the Loans from FIs	Lenders	Credit Facility (Million Baht)	Loan Utilization (Million Baht)	Details of Guarantee/Collateral Securities	Audit Committee's Opinion
Mr. Sumate Techakraisri Mrs. Yupa Techakraisri Mr. Sorapoj Techakraisri	The Company	The Siam Commercial Bank Public Company Limited	3,448.7	3,223.9	The Company has entered into credit facility agreements to obtain revolving and uncommitted credit line under promissory notes. Such credit facilities are collateral by land located in Prachinburi and Chonburi owned Mr. Sumate Techakraisri and Chonburi owned Mr. Sumate Techakraisri and Mrs. Yupa Techakraisri and Mr. Sorapoj Techakraisri.	<ul style="list-style-type: none"> The transaction that occurred was necessary and beneficial to the Company's business operation. There was no guarantee fee for such transaction.