

Part 2

Management and Corporate Governance

7. Securities Details and Shareholding Structure

7.1 Securities of the Company

As at December 31, 2015, the Company had registered capital Baht 3,888,000,010 and paid-up capital Baht 3,860,000,010. Ordinary shares 3,888,000,010 shares, par value Baht 1 per share.

7.2 Shareholders

As at December 31, 2015, major shareholders of the company as following:

No.	Name	No. of Shares	% of Total Shares
1	Hathai Jaroon Ek Holding Co., Ltd ⁽²⁾	1,360,800,000	35.253
2	3S HOLDING COMPANY LIMITED ⁽¹⁾	972,000,010	25.181
3	BANK OF SINGAPORE LIMITED	243,638,600	6.312
4	MR. SIRAPAK SIRIVIRIYAKUL	190,698,000	4.940
5	MAYBANK KIM ENG SECURITIES PTE.LTD.	128,000,000	3.316
6	MR.SIRAPAT SIRIVIRIYAKUL	120,892,900	3.132
7	MR. POOMRERK WANGPREEDALERTKUL	114,646,200	2.970
8	KING WAN CORPORATION LIMITED	87,267,000	2.261
9	MR. POOMRATA WANGPREEDALERTKUL	62,260,600	1.613
10	MR.ARNUT REUNGKUL	49,710,700	1.288
	Total	3,329,914,010	86.266

*Remark

(1.) The registered capital and paid up capital of **3S Holding Co.,Ltd** consists of 9,724,670 shares at par value of THB.100.00 per share or THB 972,467,000

At December 31,2015, major shareholders of the company as following (exclude Treasury Stock)

No.	Name	No. of Shares	% of Total Shares
1	Hathai Jaroon Ek Holding Co., Ltd ⁽²⁾	6,807,261	69.8
2	Sumitomo Corporation	2,431,173	25.2
3	Nissin Sugar Co., Ltd	486,234	5

(2.) The registered capital and paid up capital of **Hathai Jaroon Ek Holding Co., Ltd** consists of 2,050,000 shares at par value of THB.100.00 per share or THB 205,000,000

At December 31,2015, major shareholders of the company as following (exclude Treasury Stock)

No.	Name	No. of Shares	% of Total Shares
1	Mrs.Hathai Sirirviriyakul	2,049,998	100

7.3 Other Securities

Warrants (WARRANT) represents, warrants to purchase common stock of the Company or KTIS shares.

Securities Name : KTIS-WA, the Warrant to purchase the ordinary shares of Kaset Thai International Sugar Corporation Public Company Limited issued and offered to the executives and employees of the Company

Type : In named certificates and non-transferable

Term	: 5 years from the date of the offering
Number of Warrants	: Not exceeding 28,000,000 units
Offering Price per Unit	: Baht 0 (zero baht)
Number of allocated ordinary shares	: Equivalent to the number of warrant issued and offered to accommodate the exercise rights (not exceeding 28,000,000 shares, at the par value of Baht 1 per share)
Exercise Ratio	: 1 unit of warrant per 1 ordinary share (except for future adjustment on exercise rights, whereas the employees' rights will not be reduced)
Exercise Price	: Equivalent to initial offering price of Baht 10 per share
Secondary Market	: The Company will list the ordinary shares from the exercise as the listed securities on the Stock Exchange of Thailand
Exercise Date	: December 1, 2014
Expiration Date	: November 30, 2019

7.4 Dividend Policy

It is the Company's policy to pay out dividend at a minimum of 50% of its net profit according to the Company's separate financial statements, after the deduction of all legal reserves and provisions pursuant to the Company's Articles of Association and applicable laws, unless prohibited by necessities or loan agreements. Such dividend payment, according to the Board's judgment, shall not have material effects on normal business operations of the Company and shall be for the best interest of the shareholders. Annual dividend payments shall be proposed through the Board to the shareholders' meeting for approval whereas the interim dividend payment shall be subject to the Board's approval and reported to a subsequent shareholders' meeting for acknowledgment. The Company may propose to shareholders' to approve the non-payment of dividend in order to allocate the funds to investment projects as and where appropriate.

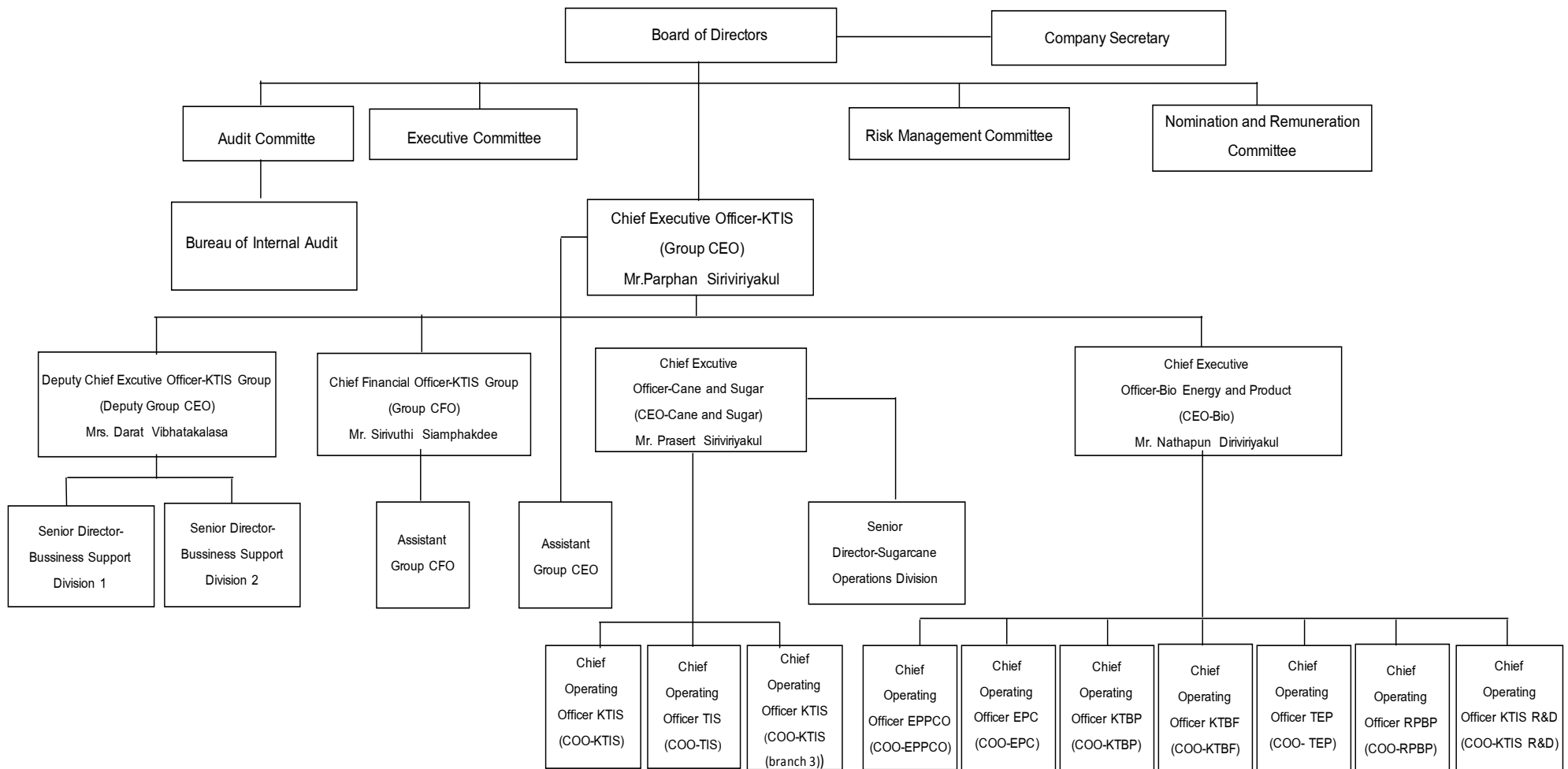
The Company's subsidiaries have the policy to pay dividend at a minimum of 50% of their net profit according to their financial statements, after the deduction of corporate income tax, statutory reserves and all other provisions. Considerations will also be given to their cash flow, financial status, liquidity position and investment plans at a particular period. Among companies in KTIS group, only Kaset Thai Bio Power Co., Ltd. is allowed by lending banks to pay dividend to shareholders, subject to prior permission from lenders, where it does not default on repayment and can maintain the debt service coverage ratio (DSCR) of 1.25x at the closing date of its annual financial statements.

Details of dividends	2013	2014	2015 (Proposed)
1. Net Profit (Baht)	774,609,481	1,129,090,738	650,528,104
2. Number of shares			
2.1 Number of shares at interim dividend	-	3,860,000,000	-
2.2 Number of shares at the annual dividend.	-	3,860,000,000	3,860,000,010
3. Total dividend per share (Baht : Share)			
3.1 Interim dividend (Baht : Share)	-	0.30	-
3.2 annual dividend (Baht : Share)	-	0.18	0.10
4. Total dividends paid (Baht)*	-	1,852,800,000	386,000,001
5. Dividend Payout Ratio	-	164.10%	59.34%

Remark In 2014 The Company paid an interim dividend of Baht 0.30 per share ,total paid 1,158,000,000 Baht from the retained earnings since year 2011 – 2012. And the Company paid dividend from operating results Baht 0.18 per share, total paid 694,800,000 Baht.

8. Management Structure

Diagram : Management Structure



8.1 Our Management Structure

We have five committees, namely, the board of directors (our "Board" and the members of the Board, "Directors"), the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Executive Committee.

8.2 Our Board

As at December 31, 2015, the structure of the board of directors consist of 15 members and 5 independent directors as follow:

Name	Position	Directors who are Authorized Signatories	Date to Appointment
1 Mr. Pricha Attavipach	Chairman	Group 2	January 29,2013
2 Mr.Sirivuthi Siamphakdee	Vice-Chairman	Group 2	January 29,2013
3 Mr.Parphan Siriviriyakul	Director	Group 1	January 29,2013
4 Mr.Nathapun Siriviriyakul	Director	Group 1	January 29,2013
5 Mrs.Darat Vibhatakalasa	Director	Group 1	January 29,2013
6 Mr.Prasert Siriviriyakul	Director	Group 1	January 29,2013
7 Mr.Sirapak Siriviriyakul	Director	Group 1	May 14 ,2015
8 Mr.Apichart Noochprayoon	Director	Group 2	January 29,2013
9 Mr.Shunsuke Tsujiyama	Director	-	May 12,2014
10 Ms. Chua Eng Eng	Director	Group 2	January 29,2013
11 Mr. Krairit Nilkuha	Independent Director/Chairman of Audit Committee	-	February 26,2014
12 Mr.Sathaporn Kotheeranurak	Independent Director/Member of Audit Committee	-	January 29,2013
13 Acting Sub Lt. T-rayooth Changpetch	Independent Director/Member of Audit Committee	-	January 29,2013
14 Mr. Issakan Krivithaya	Independent Director	-	January 29,2013
15 Mr.Phoonsak Boonsalee	Independent Director	-	January 29,2013

Mr. Suchart Pipattanachaiyapong is the company secretary .

Independent Directors of KTIS :

The present Independent Directors is equivalent to one-third of total board members. The qualification of independent director as specified by the Company is in compliance with the regulation of the Securities and Exchange Commission (SEC)and Stock Exchange of Thailand (SET),as committed to good governance as follows:

(1)holding shares not exceeding 1 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;

(2)neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same level subsidiary

or juristic person who may have conflicts of interest unless the foregoing status has ended not less than 2 years prior to the date of appointment;

(3) not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary;

(4) not having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgement, and neither being nor having been a major shareholder, non independent director or executive of any person having a business relationship with the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than 2 years prior to the date of appointment.

The term 'business relationship' in the aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences; neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and not being a major shareholder, non-independent director, executive or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than 2 years from the date of appointment;

(5) neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its parent company, subsidiary, affiliate or juristic person who may have conflicts of interest, and

(6) neither being nor having been a major shareholder, non-independent director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years from the date of appointment;

(7) not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder;

(8) not operating any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding 1 percent of the total number of voting rights of any other company operating a business which has the same nature as and is in significant competition with the business of the Company or subsidiary;

(9) not having any characteristics which make him incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as independent director with qualifications complying with the criteria under (1) to (9) of paragraph one, the independent director may be assigned by the board of directors to take part in the business decision of the Company, its parent company, subsidiary, affiliate, same level subsidiary or juristic person who may have conflicts of interest on the condition that such decision must be a collective one.

Directors who are Authorized Signatories :

Our authorized signatories can be divided into the two following groups:

Group 1

Mr. Parphan Siriviriyakul, Mrs. Darat Vibhatakalasa, Mr. Prasert Siriviriyakul ,Mr. Nathapun Siriviriyakul. and Mr. Sirapak Siriviriyakul

Group 2

Ms. Chua Eng Eng, Mr. Sirivuthi Siamphakdee, Mr. Apichart Noochprayoon, and Mr. Pricha Attavipach

Any two Directors from Group 1, or any one Director from group 1 together with any one Director from Group 2, may jointly sign on our behalf and stamped by the Company Stamp.

Term of Directorship :

One-third of all the current Directors shall resign at every annual general meeting of the shareholders. If the total number of Directors is not a multiple of three, the number of Directors closest to one-third of the total number of Directors on the Board shall retire from office. The Directors retiring from office in the first two years following our listing on the SET shall be selected by way of drawing lots. In the subsequent years, the Directors who have held office for the longest time shall retire. A retiring Director is eligible for re-election.

Scope of power and duties and responsibility of our Board :

(1) The Board shall perform its duties with due diligence and honesty in accordance with the law our business objectives, our Articles of Association and resolutions of our Board meetings and shareholders' meetings;

(2) The Board shall consider and approve the vision, business strategies, business direction business policy, targets, guidelines, operational plan and annual budget as prepared by the Executive Committee and Management;

(3) The Board shall oversee the performance of the Executive Committee, the Chief Executive Officer, the Management or any other persons assigned to perform such duties, and ensure that they conform with policies that have been set out by the Board;

(4) The Board shall continuously monitor our performance and operations and ensure that they are in line with our action plan and budget;

(5) The Board shall ensure that we adopt appropriate and efficient accounting systems, and have implemented internal control and audit systems;

(6) The Board shall prepare balance sheets and profit and loss statements on the last day of our financial period, and shall execute such financial statements prior to submitting them at the annual general meeting of shareholders for further approval;

- (7) Prior to presenting the proposal to the annual general meeting of shareholders for approval, the Board is to consider the selection and nomination of auditors and to determine their remuneration as proposed by the Audit Committee;
- (8) The Board shall implement a written corporate governance policy to ensure that the interests of each group of stakeholders is equally protected;
- (9) In appointing Directors, the Board shall appoint persons who have the requisite qualifications and who are not prohibited characters as prescribed by the Public Limited Company Act B.E. 2535 (1992) (as amended), the Securities Act, and any relevant notifications, rules and/or regulations. The Board shall also determine the remuneration of the Directors as proposed by the Nomination and Remuneration Committee before further submitting the proposal to a shareholders' meeting for approval;
- (10) The Board shall be responsible for the appointment of our sub-committee members, and shall prescribe the power and responsibilities of such sub-committees;
- (11) The Board shall ensure that our authorized signatories are changed from time to time
- (12) The Board shall appoint Executives in accordance with the definitions prescribed by the SEC or the Capital Market Supervisory Board. The Board shall also appoint the Company Secretary and determine the remuneration of our Executives;
- (13) If necessary, the Board shall seek professional advice from third-party organizations to facilitate its decision-making; and
- (14) The Board shall encourage our Directors and Executives to participate in seminars conducted by the Thai Institute of Directors.

However, the Board or its grantee shall not approve transactions in which the Board or its grantee or any person who may have any conflicts of interest (as defined in the notification of the SEC or the Capital Market Supervisory Board) or who may benefit in any manner which may give rise to a conflict of interest with the Company unless such transaction is consistent with our internal policies and criteria approved by our shareholders or the Board.

Number of Meeting Attended :

The table below shows the attendance of Directors at Board meetings in 2015.

Name	2015
1. Mr. Pricha Attavipach	7/7
2. Mr. Sirivuthi Siamphakdee	6/7
3. Mr. Parphan Siriviriyakul	7/7
4. Mr. Nathapun Siriviriyakul	7/7
5. Mrs. Darat Vibhatakalasa	5/7
6. Mr. Sathaporn Kotheeranurak	7/7
7. Mr. Prasert Siriviriyakul	7/7
8. Mr. Krairit Nilkuha	7/7
9 Acting Sub Lt. T-rayooth Changpetch	7/7
10. Mr. Issakan Krivitthaya	7/7
11. Mr. Phoonsak Boonsalee	7/7
12. Mr. Apichart Noochprayoon	6/7
13. Mr. Shunsuke Tsujiyama	7/7
14. Ms. Chua Eng Eng	5/7
15. Mr. Sirapak Siriviriyakul	4/4 (Appoint on May 14,2015)

Category of Directors:

The table below shows the category of Directors in 2015.

Name	Non-Executive Director	Independent Director	Executive Director
1. Mr. Pricha Attavipach			✓
2. Mr. Sirivuthi Siamphakdee			✓
3. Mr. Parphan Siriviriyakul			✓
4. Mr. Nathapun Siriviriyakul			✓
5. Mrs. Darat Vibhatakalsasa			✓
6. Mr. Sathaporn Kotheeranurak	✓	✓	
7. Mr. Prasert Siriviriyakul			✓
8. Mr. Krairit Nilkuha	✓	✓	
9 Acting Sub Lt. T-rayooth Changpetch	✓	✓	
10. Mr. Issakan Krivitthaya	✓	✓	
11. Mr. Phoonsak Boonsalee	✓	✓	
12. Mr. Apichart Noochprayoon			✓
13. Mr. Shunsuke Tsujiyama			✓
14. Ms. Chua Eng Eng			✓
15. Mr. Sirapak Siriviriyakul			✓

Evaluation of Board of Directors :

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Board and individual director at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:

Evaluation Category	Performance of Individual Directors	Board Performance
1. Board structure and qualifications of directors	4.37	4.55
2. Board meeting	4.55	4.56
3. Roles, duties and responsibilities of Board	4.44	4.64
4. Performance of duties of directors	-	4.63
5. Relationship with the management	-	4.63
6. Self-development of directors and executive development	-	4.52
Average	4.45	4.59

Remark: 1.Total score = 5

2. Performance evaluation of Individual Directors have only 3 category.

Onboarding Program for New Directors :

The Company has arranged an onboarding program for new directors which covers the Company's business overview and the following topics:

(1) Relevant regulatory framework (legal requirements, the Cabinet's resolution, rules and regulations)

(Unofficial Translation) Certification of information accuracy.....| Part 2 Page 9

- (2) Operations and activities
- (3) Major projects
- (4) Organizational development and business development
- (5) Corporate governance
- (6) Corporate social responsibility

As part of the onboarding program, new directors visit the Company's plants and operating sites, and are provided with information about the Company's Board of Directors and executives in support of their duty of governance in the following dimensions:

- (1) Vision, mission, values and purposes of the Company
- (2) Organizational development and business development
- (3) Profiles of directors and executives
- (4) Qualifications and remunerations of directors
- (5) Roles, duties and responsibilities of directors
- (6) Management structure
- (7) Company's profile
- (8) Corporate governance policy

Training Programs for Board of Directors :

The Company has encouraged its directors to attend training courses and programs which are related to corporate governance principles, regulatory compliance, and governance roles and responsibilities of directors. The training courses and programs attended by the Company's directors are as shown below:

Name	Director Certification Program (DCP)	Director Accreditation Program (DAP)	Director Committee Program (ACP)	Finance for Non-Finance Director (FND)	Monitoring Fraud Risk Management (MFM)
Mr. Picha Attavipach	DCP 39/2004		ACP 11/2006	FND 8/2004	
Mr. Sirivuthi Siamphakdee		DAP 54/2006			
Mr. Parphan Siriviriyakul		DAP 96/2012			
Mr. Nathapun Siriviriyakul		DAP 55/2006			
Mrs. Darat Vibhatakalasa		DAP 96/2012			
Mr. Prasert Siriviriyakul		DAP 96/2012			
Mr. Apichart Noochprayoon		DAP 96/2012			
Ms. Chua Eng Eng		DAP 96/2012			
Mr. Sathaporn Kotheeranurak		DAP 35/2009	ACP 13/2013		
Acting Sub Lt. T-rayooth Changpetch		DAP 97/2012	ACP 41/2012		MFM 8/2012
Mr. Issakan Krivitthaya		DAP 97/2012	ACP 41/2012		MFM 8/2012
Mr. Phoonsak Boonsalee		DAP 97/2012			
Mr. Krairit Nilkuha			ACP 13/2006 ACP 24/2008		
Mr. Shunsuke Tsujiyama		DAP 108/2014			

8.3 Our Committees

(1) Our Audit Committee

As at December 31, 2015, our Audit Committee consists of the following members:

Name	Position
1. Mr. Krairit Nilkuha	Chairman/Independent Director
2. Mr. Sathaporn Kotheeranurak	Member/Independent Director
3. Acting Sub Lt. T-rayooth Changpetch	Member/Independent Director

Mrs. Natthira Paisayom is the secretary of the Audit Committee.

Membership Term :

The term of Directorship of the chairman and members of the Audit Committee is three years from the date of their appointment. Any retiring member of the Audit Committee may be re-elected. Where a Director's office in the Audit Committee is vacated by reason other than retirement, the Board shall elect a sufficiently qualified candidate to ensure that the requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time as the vacating Director was entitled to remain in office.

Scope of power and duties and responsibility of the Audit Committee :

- The Audit Committee shall ensure that our financial statements are complete and accurate;
- The Audit Committee shall ensure that we have implemented appropriate and efficient internal controls and audit systems, and that the Internal Audit Bureau is independent. It shall also be responsible for the approval of the appointment, transfer or termination of the Chief of the Internal Audit Bureau, or any other unit responsible for internal audit;
- The Audit Committee shall ensure that we comply with securities and exchange laws, regulations of the SET and laws relating to our business operations;
- The Audit Committee shall recruit and nominate an independent third-party as our auditor, determine the auditor's fees and hold at least one meeting per year with the auditor, without the participation of the management;
- The Audit Committee shall ensure that our connected transactions, or transactions that may result in conflicts of interest, are conducted in compliance with the law and rules of the SET, and shall ensure that such transactions are reasonable and in our best interests;
- The Audit Committee shall prepare an Audit Committee's report which will be disclosed in our annual report. The report must be signed by the chairman of the Audit Committee and shall contain the following details:
 - an opinion on the accuracy, completeness and reliability of our financial statements;
 - an opinion on the sufficiency of our audit control system;
 - an opinion on compliance with securities and exchange laws, regulations of the SET and the laws relating to our business;
 - an opinion on the suitability of the auditor;
 - an opinion on transactions which may result in conflicts of interest;
 - number of meetings held by the Audit Committee and the attendance record of each member of the Audit Committee;
 - comments or overall remarks obtained by the Audit Committee in relation to its performance under the Audit Committee Charter; and
 - other matters of which our shareholders and general investors should be informed;

- if the Audit Committee, in the course of their duties, finds or is suspicious of one of the following transactions or actions which has significantly affected our financial standing and operating

results, the Audit Committee shall report such transaction or action to the Board such that the relevant rectifications can be made:

- a transaction resulting in a conflict of interest;
- fraud or any major irregularity or defect in our internal control system; or
- a violation of securities and exchange laws, regulations of the SET and the laws relating to our business.

If the Board or Management fails to rectify the problem within the time specified, any member of the Audit Committee may make a report to the SEC or the SET; and

- The Audit Committee shall perform any other activities as designated by the Board with the Audit Committee's approval.

Number of Meeting Attended :

The table below shows the attendance of the Audit Committee in 2015.

Name	2015
1. Mr. Krairit Nilkuha	5/5
2. Mr. Sathaporn Kotheeranurak	5/5
3. Acting Sub Lt. T-rayooth Changpetch	5/5

Evaluation of Audit Committee :

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Audit Committee at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:

Evaluation Category	Performance of Audit Committee
1. Board structure and qualifications of directors	4.67
2. Board meeting	5.00
3. Roles, duties and responsibilities of Board	4.67
Average	4.78

Remark: Total score = 5

(2)Our Nomination and Remuneration Committee

As at December 31, 2015, our Nomination and Remuneration Committee consists of the following members:

Name	Position
1. Mr. Issakan Krivitthaya	Chairman
2. Mrs. Darat Vibhatakalasa	Member
3. Mr. Phoonsak Boonsalee	Member

Mr. Suchart Pipattanachaiyapong is the secretary of Nomination and Remuneration Committee .

Membership Term :

The term of membership of the chairman and members of the Nomination and Remuneration Committee is three years from the date of their appointment. Any retiring member of the Nomination and Remuneration Committee may be re-elected. In the event that a Director's office is vacated due to reasons other than retirement, the Board shall elect a sufficiently qualified candidate such that the quorum

requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

Scope of power and duties of the Nomination and Remuneration Committee :

- The Nomination and Remuneration Committee shall review our business organization and the qualifications of our Directors and Chief Executive Officer in accordance with our business requirements;
- The Nomination and Remuneration Committee shall nominate only persons whose qualifications are appropriate for holding office as Directors and our Chief Executive Officer, and shall set up transparent nomination criteria and procedures for such persons. The nominations shall be presented at a Board meeting and/or a shareholders' meeting for approval;
- The Nomination and Remuneration Committee shall implement procedures and rules to ensure that fair and reasonable remuneration, both in cash and in kind, will be granted to our Directors and the Chief Executive Officer. The Nomination and Remuneration Committee shall propose such remuneration at a Board meeting and/or a shareholders' meeting for approval;
- The Nomination and Remuneration Committee shall report to the Board on its performance and shall prepare a Nomination and Remuneration Committee's report which will be disclosed in our annual report. The report must be signed by the chairman of the Nomination and Remuneration Committee;
- The Nomination and Remuneration Committee shall conduct performance evaluations and prepare an evaluation report for the Board; and
- The Nomination and Remuneration Committee shall perform any other activities as designated by the Board.

Number of Meeting Attended :

The table below shows the attendance of the Nomination and Remuneration Committee in 2015.

Name	2015
1. Mr. Issakan Krivitthaya	2/2
2. Mrs. Darat Vibhatakalasa	2/2
3. Mr. Phoonsak Boonsalee	2/2

Evaluation of Nomination and Remuneration Committee:

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Nomination and Remuneration Committee at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:

Evaluation Category	Nomination and Remuneration Committee
1. Board structure and qualifications of directors	5.00
2. Board meeting	4.94
3. Roles, duties and responsibilities of Board	5.00
Average	4.98

Remark: Total score = 5

(3) Our Risk Management Committee

(Unofficial Translation) Certification of information accuracy.....| Part 2 Page 13

As at December 31, 2015, our Risk Management Committee consists of the following members:

Name	Position
1. Acting Sub Lt. T-rayooth Changpetch	Chairman
2. Mr. Parphan Siriviriyakul	Member
3. Mr. Sirivuthi Siamphakdee	Member
4. Mr. Prasert Siriviriyakul	Member
5. Mr. Nathapun Siriviriyakul	Member
6. Mr. Issakan Krivitthaya	Member

Mrs. Jariya Srisakda is the secretary of the Risk Management Committee.

Membership Term :

The term of membership of the chairman and members of the Risk Management Committee is three years from the date of their appointment. Any retiring member of the Risk Management Committee may be re-elected. In the event that a Director's office is vacated due to reasons other than retirement, the Board shall elect a sufficiently qualified candidate such that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

Scope of power and duties of the Risk Management Committee :

- Before making management policy proposals to the Board for approval, the Risk Management Committee shall consider our risk management policies in light of changes in our business and circumstances;
- The Risk Management Committee shall determine business strategies in accordance with our risk management policies;
- The Risk Management Committee shall approve risk management indicators;
- The Risk Management Committee shall monitor management's compliance with our risk management policies and control the efficiency of risk management;
- The Risk Management Committee shall monitor the sufficiency of resources such as staff and systems for risk management;
- The Risk Management Committee shall implement risk management procedures and rules for evaluating significant transactions before such transactions are presented to the Board and relevant committees for approval;
- The Risk Management Committee shall monitor and report our risk status to the Board and the Audit Committee ;
- The Risk Management Committee shall integrate corporate governance, risk management and legal compliance in order to achieve integrity-driven operations;
- The Risk Management Committee shall set up a working team as may be appropriate;
And
- The Risk Management Committee shall perform any other activities as designated by the Board.

Number of Meeting Attended :

The table below shows the attendance of the Risk Management Committee in 2015.

Name	2015
1. Acting Sub Lt. T-rayooth Changpetch	4/4
2. Mr. Parphan Siriviriyakul	4/4
3. Mr. Sirivuthi Siamphakdee	4/4
4. Mr. Prasert Siriviriyakul	2/4
5. Mr. Nathapun Siriviriyakul	3/4
6. Mr. Issakan Krivitthaya	4/4

Evaluation of Risk Management Committee:

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Risk Management Committee at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:

Evaluation Category	Risk Management Committee
1. Board structure and qualifications of directors	4.17
2. Board meeting	4.39
3. Roles, duties and responsibilities of Board	4.50
Average	4.35

Remark: Total score = 5

(4)Our Executive Committee

As at December 31, 2015, our Executive Committee consists of the following members:

Name	Position
1. Mr. Sirivuthi Siamphakdee	Chairman
2. Mr. Parphan Siriviriyakul	Member
3. Mrs. Darat Vibhatakalasa	Member
4. Mr. Prasert Siriviriyakul	Member
5. Mr. Nathapun Siriviriyakul	Member

Mr. Suchart Pipattanachaiyapong is the secretary of the Executive Committee.

Membership Term :

The term of membership of the chairman and members of the Executive Committee is three years from the date of their appointment. Any retiring member of the Executive Committee may be re-elected. In the event that there is a vacancy in a Director's office for reasons other than retirement, the Board shall elect a sufficiently qualified candidate as a member to ensure that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

Scope of power and duties of the Executive Committee :

- The Executive Committee is responsible for managing our business in accordance with the objectives of our business operations, provided that management of our business shall be subject to policies, rules or orders prescribed by the Board. In addition, the Executive Committee is responsible for reviewing matters to be proposed to the Board for further approval;
- The Executive Committee shall prepare our vision, business strategies and direction, business policies, targets, guidelines, operational plans and our annual budget, and shall present the same to the Board for approval;

- The Executive Committee shall set up business policies and management authorization, shall approve our annual budget and comply with the business plan and strategy according to the policies and business model presented to the Board;
- The Executive Committee shall efficiently oversee and monitor our operations in accordance with our management policies and guidelines as approved by the Board;
- The Executive Committee shall approve matters or actions to be taken in the ordinary course of our business, so long as it is within the Board's approved budget, does not involve the incurring of liabilities or encumbrances exceeding Baht 1,000 million, and does not have a term of over five years (liabilities or encumbrances include project finance facilities granted to us);
- The Executive Committee shall have the power and authority to approve borrowing or lending transaction, including credit transactions with banks and companies in KTIS group, or obligations as a guarantor of affiliates, or payments and expenses required for the Company's operations in normal course of business.
- The Executive Committee shall have the power and authority to appoint the Company's employees at the level below Group CEO
- The Executive Committee shall make the following reports on our results of operations:
 - a quarterly report of our performance shall be submitted within the timeframe prescribed by the SET;
 - an auditor's report in respect of our financial statements, including our annual and quarterly financial statements, shall be submitted within the timeframe prescribed by the SET; and
 - other reports deemed appropriate by the Executive Committee;
- The Executive Committee shall perform any other activities as designated by the Board;

Nevertheless, the Executive Committee shall not have the power to approve any transactions in which members of the Executive Committee or any other person may have a conflict of interest (as defined in the notification of the SEC) with the Company. In such event, the Executive Committee must present the transaction to the Board and/or the shareholders for approval in accordance with the relevant articles, notifications and laws.

Number of Meeting Attended :

The table below shows the attendance of the Executive Committee in 2015.

Name	2015
1. Mr. Sirivuthi Siamphakdee	12/12
2. Mr. Parphan Siriviriyakul	12/12
3. Mrs. Darat Vibhatakalasa	10/12
4. Mr. Prasert Siriviriyakul	12/12
5. Mr. Nathapun Siriviriyakul	10/12

Evaluation of Executive Committee:

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Executive Committee at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:

Evaluation Category	Executive Committee
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1. Board structure and qualifications of directors	4.17
2. Board meeting	4.13
3. Roles, duties and responsibilities of Board	4.34
Average	4.22

Remark: Total score = 5

8.4 Our Executives

As at December 31, 2015, our Executives, as defined in the Notification of the Securities and Exchange Commission No. KorChor. 17/2551 Re: Definition under Notifications relating to Issuance and Offering of Securities, consists of the following members:

*Remarks: An executive means a Director, a manager or the next four executives succeeding the manager, a person holding an equivalent position to the fourth executive, including a person holding the position of manager or the equivalent in the accounting or finance departments.

Name	Position
1. Mr. Parphan Siriviriyakul	Chief Executive Officer – KTIS Group
2. Mr. Sirivuthi Siamphakdee	Chief Financial Officer – KTIS Group
3. Mrs. Darat Vibhatakalasa	Deputy Chief Executive Officer – KTIS Group
4. Mr. Prasert Siriviriyakul	Chief Executive Officer – Cane and Sugar
5. Mr. Nathapun Siriviriyakul	Chief Executive Officer – Bio Energy and Product
6. Mrs. Nomchit Akaramekin	Director - Accounting Department

Scope of power and duties of the Chief Executive Officer – KTIS Group :

- (1) The Chief Executive Officer – KTIS Group shall be responsible, overall, for our operations in accordance with our business objectives and the rules prescribed by the Board;
- (2) The Chief Executive Officer – KTIS Group shall implement and comply with the business strategies and directions approved by the Board;
- (3) The Chief Executive Officer – KTIS Group shall perform any activity designated by the Board and shall comply with policies prescribed by the Board;
- (4) The Chief Executive Officer – KTIS Group shall introduce regulations, notifications and memorandums in accordance with our policies;
- (5) The Chief Executive Officer – KTIS Group shall approve transactions taken in the ordinary course of our business, including transactions which do not bind any of our assets, and transactions which the Board has authorized the Chief Executive Officer – KTIS Group to approve;
- (6) The Chief Executive Officer – KTIS Group shall monitor management and officers to ensure that they are in compliance with our internal policies and business directions prescribed by the Board;
- (7) The Chief Executive Officer – KTIS Group shall review transactions affecting our rights and assets before referring proposals of such transactions to the Executive Committee or the Board for approval;
- (8) The Chief Executive Officer – KTIS Group shall monitor all expenses relating to our ordinary business operations and ensure that they are in accordance with the Board's approved budget;
- (9) The Chief Executive Officer – KTIS Group shall approve all investments in instruments and securities as approved by the Board;
- (10) The Chief Executive Officer – KTIS Group shall approve investments in business

expansion and co-investment with other operators and submit proposals of such matters to the Board for approval;

(11) The Chief Executive Officer – KTIS Group shall approve investment funds as prescribed in our annual budget or as approved by the Board;

(12) The Chief Executive Officer – KTIS Group shall monitor our employees and ensure that they are in compliance with our internal policies and regulations, including our corporate governance regulations;

(13) The Chief Executive Officer – KTIS Group shall take measures to enhance our employees' performance in order to improve our business performance;

(14) The Chief Executive Officer – KTIS Group shall appoint relevant advisors necessary for our business operations;

(15) Pursuant to the policies prescribed by the Board, the Chief Executive Officer – KTIS Group shall approve related party transactions conducted on an arm's length basis. Such transactions may involve trading at market prices, servicing with ordinary fees and the provision of credit on similar terms;

(16) The Chief Executive Officer – KTIS Group shall approve the appointment, transfer and termination of employees, and may also delegate any of his duties to such other persons as he deems fit; and

(17) The Chief Executive Officer – KTIS Group shall perform other activities as designated by the Board;

The Chief Executive Officer – KTIS Group shall not approve the following transactions:

- a related party transaction that is not in the ordinary course of our business;
- an acquisition or disposal of our material assets; and a transaction in which the Chief Executive Officer– KTIS Group, or any other person may have a conflict of interests with KTIS Group, except where the transaction is in the ordinary course of our business, is prescribed by our Board and shareholder approved policies and provisions, and is in compliance with the relevant SEC regulations.

Evaluation of Chief Executive Officer– KTIS Group:

To comply with the corporate governance principle, the Board has undertaken the performance evaluation of the Chief Executive Officer– KTIS Group at least annually by using the evaluation form developed by the Stock Exchange of Thailand (SET). Based on the 2015 evaluation, the overall rating under each category is as follows:

Evaluation Category	CEO Group
1. Leadership	4.73
2. Strategy formulation	4.62
3. Strategy execution	4.60
4. Financial planning and performance	4.75
5. Relationship with Board of Directors	4.63
6. Relationship with external parties	4.66
7. Administration and employee relations	4.65
8. Product and service knowledge	4.75
Average	4.67

Remark: Total score = 5

8.5 Our Company Secretary

Our Board, at the Board of Directors Meeting No. 5/2013 held on May 14, 2013, approved the appointment of Mr. Suchart Pipattanachaiyapong as our Company Secretary in compliance with the requirements of the Public Limited Company Act B.E. 2535 (1992) (as amended), the Securities Act.

Mr. Suchart Pipattanachaiyapong

54

• Education

- MBA, Ramkhamhaeng University
- Bachelor of Business Administration, Assumption University

• Seminar on Role and Responsibility

- CSP 53/2013
- BRP 12/2013
- EMT 30/2014
- CRP 8/2014

• Experiences during the past 5 years.

2013 – Present	Company Secretary	Kaset Thai International Sugar Corporation Pcl.
Present	Director	Kaset Thai Bio Power Co., Ltd.
Present	Director	Kaset Thai Bio Fertilizer Co., Ltd.
1996 – 2013	Factory Manager	Kaset Thai Sugar Industry Co., Ltd.
2005 – 2013	Factory Manager	Ekarat Pattana Co., Ltd.
1994 – 1996	Factory Manager	Ruampol Enterprise Co., Ltd.
1989 – 1994	Deputy to Factory Manager	Kaset Thai Sugar Industry Co., Ltd.

Scope of power and duties of the Company Secretary :

- (1) The Company Secretary shall prepare and maintain the following documents:
 - register of Directors;
 - notices of Board meetings, minutes of Board meetings and annual reports; and
 - notices of shareholders' meetings and minutes of shareholders' meetings;
- (2) The Company Secretary shall maintain reports on conflicts of interest; and
- (3) The Company Secretary shall perform any other task as required under the notifications of the Capital Market Supervisory Board.

8.6 Nomination of Directors and Executives

The Nomination and Remuneration Committee shall be responsible for recruiting, selecting and nominating persons with the appropriate qualifications to be presented to the Board and/or the shareholders for approval. Such persons shall have the qualifications prescribed under Section 68 of the Public Limited Company Act B.E. 2535 (1992) (as amended) and must not be of character prohibited under the notification of the SEC No. ThorChor. 24/2551 re: Prerequisites of Directors and Executives of Securities Issuer Companies (as amended). In appointing Directors and Executives, the candidate's knowledge, ability and work experience will also be taken into account.

The composition and appointment of the Board, Audit Committee, Corporate Governance Committee, Executive Committee, Nomination and Remuneration Committee and Risk Management Committee can be summarized as follows:

Composition and appointment of the Board :

The Board shall consist of no less than five Directors. At least half of the Directors must be domiciled in Thailand. The Directors may or may not be shareholders.

In appointing Directors, the Nomination and Remuneration Committee shall be responsible for recruiting and selecting persons with the requisite knowledge, ability and experience related to our business. The appointment of new Directors shall be approved at a Board meeting and/or a shareholders' meeting. Pursuant to our Articles of Association, the election of Directors at a shareholders' meeting shall be in accordance with the following rules and procedures:

- (1) each shareholder shall have one vote per share;
- (2) each shareholder shall use all of his votes to elect one or several persons as a Director or Directors. However, he may not divide his votes among multiple candidates; and
- (3) the persons who receive the most votes will be elected as Directors. The Chairman shall have a casting vote in the event that the election of two candidates who have equal votes will cause the number of Directors to be elected to exceed that prescribed in the meeting.

Any Director who desires to resign from office is required to submit a resignation letter. The resignation will be effective from the date the resignation letter is received.

Shareholders may, by passing a resolution by a majority consisting of three quarters or more of the total number of votes cast for and against such resolution at a shareholders' meeting, remove any Director from office prior to his retirement.

Composition and Appointment of the Audit Committee :

The Audit Committee shall consist of at least three independent directors. At least one independent director of the Audit Committee must have sufficient knowledge and experience in accounting or finance to perform audits of our financial statements. Under the relevant Capital Market Supervisory Board's notifications, the Audit Committee/independent director:

- (1) including related persons of such independent director, shall not hold shares exceeding one per cent of the total number of shares in KTIS, our parent company, subsidiaries, associates, major shareholders or controlling persons;
- (2) must not:
 - have participated in management;
 - have been an employee, staff or advisor receiving a regular salary from us; and
 - have been a controlling person of KTIS, our parent company, subsidiaries, associates, subsidiary company in the same level, major shareholders or controlling persons;
 unless the foregoing has ended not less than two years prior to the date of filing of an application with the Office of the Securities and Exchange Commission ("Office of the SEC") or if such independent director was a government official or government advisor of a unit which is our major shareholder or controlling person;
- (3) must not be the father, mother, spouse, sibling or child (including his or her spouse) of a Director or an Executive (including prospective Executives), major shareholder or controlling person (including prospective controlling persons), whether such relationship is determined by blood relations or legal relations;
- (4) must not:
 - have or used to have a business relationship³ with KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons, in a manner which may interfere with his independent judgment;

³ Such business relationships include commercial transactions made in the ordinary course of business, renting or leasing of property, transactions in relation to assets or services, granting or receipt of financial support by receiving or giving loans, guarantees, providing assets as collateral and any other similar actions, which may result in us or a

- be or used to be an indirect significant shareholder or controlling person of any person having a business relationship with KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons;

unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of the SEC.

(5) must not be or must not have been the auditor of KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons, or a significant shareholder, controlling person or partner of an audit firm carrying out the audit of KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons, unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of the SEC;

(6) must not:

- be or have been a professional service provider, including legal or financial advisor receiving fees exceeding Baht 2 million per annum from KTIS, our parent company, subsidiaries, associates, major shareholders or our controlling persons;
- be or have been a significant shareholder, controlling person or partner of such professional service provider;

unless the foregoing relationship has ended not less than two years prior to the date of filing an application with the Office of the SEC;

(7) must not be a director appointed to be a representative of Directors of KTIS, our major shareholder or shareholder who is a connected person of the major shareholder;

(8) must not undertake any business which is in competition with us;

(9) must not be

- a significant partner in a partnership;
- a Director participating in management;
- an employee; or
- an advisor;

receiving a regular salary from or holding shares in a proportion exceeding 1% of the total number of shares of another company which is in competition with us;

(10) must not have any other characteristics which may prevent him from expressing an independent opinion on our operations;

(11) must not being a Director assigned by the Board to make decisions on business operations of KTIS, our subsidiaries, associates, subsidiary company in the same level, major shareholders or our controlling persons; and

(12) must not being a director of listed subsidiaries.

Composition and Appointment of the Executive Committee :

The Board selects Members of the Executive Committee from our Directors or key Executives. The Executive Committee shall report directly to the Board.

Composition and Appointment of the Nomination and Remuneration Committee :

counterparty being subject to indebtedness amounting to an equivalent of 3% or more of our net tangible assets or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method of calculating the value of connected transactions specified in the notification of the Capital Market Supervisory Board governing rules on connected transactions. Such indebtedness shall include indebtedness incurred one year prior to the date in which the business relationship commences.

The members of the Nomination and Remuneration Committee are selected and appointed by the Board. At least one third of all the members of the Nomination and Remuneration Committee shall be independent directors.

The Nomination and Remuneration Committee shall report directly to the Board.

Composition and Appointment of the Risk Management Committee :

The members of the Risk Management Committee are selected and appointed by the Board. At least two members of the Risk Management Committee shall be independent directors. The chairman should be an independent director.

The Risk Management Committee reports directly to the Board.

8.7 Remuneration of the Board and Executives

Monetary Remuneration :

(1) Remuneration of the Board

Directors' remuneration are categorized into monthly remuneration and meeting allowance per meeting. Our shareholders determined the remuneration of Directors at the AGM Meeting held on April 23, 2015 to be as follows:

1)	Director s' Remuneration		
	Chairman of the Board of Directors	Baht50,000	per month
	Director	Baht25,000	per month
	Board of Directors' Attendance fee		
	Chairman of the Board of Directors	Baht50,000	per meeting
	Director	Baht25,000	per meeting
2)	Audit Committee Member's Attendance Fee		
	Chairman of the Audit Committee	Baht60,000	per meeting
	Audit Committee Member	Baht30,000	per meeting
3)	Risk Management Committee Member's Attendance Fee		
	Chairman of the Risk Management Committee	Baht40,000	per meeting
	Risk Management Committee Member	Baht20,000	per meeting
4)	Nomination and Remuneration Committee Member's Attendance Fee		
	Chairman of the Nomination and Remuneration Committee	Baht 40,000	per meeting
	Nomination and Remuneration Committee Member	Baht 20,000	per meeting

Remark There are not any other benefit.

The below table shows the remuneration details of our Directors for the year 2013 ,2014 and 2015.

Name of Director	Position	2013		2014		2015					
	2015	Remuneration	Meeting Allowance	Remuneration	Meeting Allowance	Remuneration	BOD	Audit Committee	Nomination and Remuneration Committee	Risk management	Total (baht)
1.Mr.Pricha Attavipach	Chairman	1,200,000.00	-	500,000.00	400,000.00	600,000.00	350,000.00	-	-	-	950,000.00
2.Mr.Sirivuthi Siamphakdee	Vice-Chairman	640,000.00	-	250,000.00	300,000.00	300,000.00	150,000.00	-	-	-	450,000.00
3.Mr.Parphan Siriviriyakul	Director	660,000.00	-	250,000.00	300,000.00	300,000.00	175,000.00	-	-	-	475,000.00
4.Mr.Nathapun Siriviriyakul	Director	660,000.00	-	250,000.00	300,000.00	300,000.00	175,000.00	-	-	-	475,000.00
5.Mrs.Darat Vibhatakalasa	Director	640,000.00	-	250,000.00	235,000.00	300,000.00	125,000.00	-	40,000.00	-	465,000.00
6.Mr.Prasert Siriviriyakul	Director	620,000.00	-	250,000.00	280,000.00	300,000.00	175,000.00	-	-	-	475,000.00
7.Mr.Sirapak Siriviriyakul	Director	-	-	-	-	175,000.00	75,000.00	-	-	-	250,000.00
8.Mr.Apichart Noochprayoon	Director	600,000.00	-	250,000.00	200,000.00	300,000.00	150,000.00	-	-	-	450,000.00
9.Mr.Shunsuke Tsujiyama	Director	-	-	175,000.00	100,000.00	300,000.00	175,000.00	-	-	-	475,000.00
10.Ms.Chua Eng Eng	Director	600,000.00	-	250,000.00	175,000.00	300,000.00	125,000.00	-	-	-	425,000.00
11.Mr.Sathaporn Kotheeranurak	Independent Director	840,000.00	-	250,000.00	410,000.00	300,000.00	175,000.00	180,000.00	-	-	655,000.00
12.Acting Sub Lt. T-rayooth Changpetch	Independent Director	990,000.00	-	250,000.00	610,000.00	300,000.00	175,000.00	180,000.00	-	-	655,000.00
13.Mr.Issakan Krivitthaya	Independent Director	660,000.00	-	250,000.00	380,000.00	300,000.00	175,000.00	-	80,000.00	-	555,000.00
14.Mr.Phoonsak Boonsalee	Independent Director	640,000.00	-	250,000.00	260,000.00	300,000.00	175,000.00	-	40,000.00	-	515,000.00
15.Mr.Krairit Nilkuha	Independent Director	-	-	250,000.00	460,000.00	300,000.00	175,000.00	360,000.00	-	-	835,000.00
Name of Director resigned from the Board between 2558											
1.Ms.Siraarpa Siriviriyakul	Director	600,000.00	-	250,000.00	200,000.00	125,000.00	100,000.00	-	-	-	225,000.00
Total		9,350,000.00	-	3,925,000.00	4,610,000.00	4,800,000.00	2,650,000.00	720,000.00	160,000.00	-	8,555,000.00

***Remark**

- 1.In 2014, Number of directors adjusted from 21 to15, Mr. Montree Lekvichittada ,Mrs. Voraya Siriviriyakul , Mr. Supoj Wangpreedalertkul , Mrs. Sauwanee Thairungroj, Mrs. Sirirak Siriviriyakul resigned from the Board as at February 26, 2014
2. Mr. Sompong Wanapha resigned from the Board as at February 26, 2014 , Mr. Krairit Nilkuha was appointed in place of Mr. Sompong Wanapha.
3. Mr. Boonchai Noochprayoon resigned from the Board as at April 30, 2014 ,Mr. Shunsuke Tsujiyama was appointed in place of Mr. Boonchai Noochprayoon.
4. Ms.Siraarpa Siriviriyakul resigned from the Board as at May 14, 2015 Mr.Sirapak Siriviriyakul was appointed in place of Ms.Siraarpa Siriviriyakul

(2) Remuneration of the Executives

The table below represents the remuneration details of our Executives in 2013 , 2014 and 2015.

Type of Remuneration	Number of Executives	2013	2014	2015
Salary ¹	6	20,996,715.00	23,367,203.00	24,874,815.00
Bonus	6	2,574,906.00	9,574,974.00	2,218,334.00
Total	6	23,571,621.00	32,942,177.00	27,093,149.00

Remark:¹The salary of the Chief Executive Officer – KTIS Group was included.

(3) Other Remuneration

There are no other forms of remuneration.

8.8 Personnel and Remuneration

The Company has a total of **3,428** employees and the remuneration expenses in 2015 amounted to Baht **1,007,100,352.56** which included expenses such as salary, overtime expenses, allowance, special bonus, special financial assistance, contribution to the Social Security Fund and contribution to the provident fund.

Company	2015				
	Service No. of Employee	Management No. of Employee	Head Office No. of Employee	Total	Total 2015 Personnel Expenses
Kaset Thai International Sugar Corporation Pcl.	1,606	63	151	1,820	560,471,444.83
Ekarat Pattana Co., Ltd.	130	6	18	154	44,790,912.40
Environment Pulp and Paper Co., Ltd.	448	12	17	477	142,743,962.76
Kaset Thai Bio Fertilizer Co., Ltd.	5	7	1	13	1,545,874.96
Kaset Thai Bio Power Co., Ltd.	64	2	4	70	10,471,323.38
Permsinpattana Co., Ltd.	-	-	-	-	-
Ruampol Bio Power Co., Ltd.	22	-	1	23	3,516,753.71
Sapsirikaset Co., Ltd.	-	-	-	-	-
Thaiekaluck Power Co.,Ltd	-	-	1	1	252,493.60
Thai Identity Sugar Factory Co., Ltd.	801	23	38	862	242,530,532.10
KTIS Bio Energy Co., Ltd.	-	2	-	2	442,175.20
KTIS R&D Co., Ltd.	-	2	4	6	334,879.62
Lopburi International Sugar Co., Ltd.	-	-	-	-	-
Lopburi Biopower Co., Ltd.	-	-	-	-	-
Lopburi Bioethanol Co., Ltd.	-	-	-	-	-
KTIS Biogas Power Co., Ltd.	-	-	-	-	-
Kaset Thai Wiwat Co., Ltd.	-	-	-	-	-
Total	3,076	117	235	3,428	1,007,100,352.56

Remark Only permanent employees of KTIS group.

None of the Company's employees is a union member. The Company believes that our employer-employee relationship is healthy and strong.

The Company has fully complied with applicable labor laws. In the past 3 accounting years, the Company never experienced any material labor dispute or strike. Presently, no pending or emerging labor dispute has come to Company's knowledge.

8.9 People Development Policy

Recognizing that people development is a key foundation for business success, the Company has consistently attached importance to development and training programs for employees through in-house and external courses to strengthen managerial effectiveness, service excellence, professional and technical expertise, teamwork and operational excellence. On-the-job training program has also been initiated to promote career growth of employees as well as to encourage them to fully utilize their skills and knowledge and optimize operational efficiency of the organization.

The Company's 2015 training and development plan evolved around the ISO 9001:2008 standard and was comprehensively designed for personnel in office function, factories, plantation fields and support units to promote continuous development and learning. In-house technical training courses related to mechanical engineering, electrical engineering, manufacturing and maintenance, and technologies related to sugar and bio power businesses were also provided for engineers in the Company.

The Company, in collaboration with our suppliers, arranged training programs for technicians and control supervisors to promote their technical knowledge and skills beneficial for the effective utilization of machinery, equipment, tools and lubricants, and machinery maintenance. Overseas field trips and plant visits were also incorporated in our people development plan to promote learning and the application of knowledge and experience gained to the improvement of the Company's hardware capabilities and management.

The Company has encouraged employees to build and develop machinery which is specifically suitable for our plants' conditions and requirements based on good engineering standards and principles. For operational effectiveness, we aim to foster technical knowledge and abilities of employees to ensure that each plant has the capabilities and resources to undertake machinery maintenance and repair which are important to our production, especially during the harvest season when the canes are trucked in to our plants 24 hours daily until early April, because interruption of the production line during such high season will have detrimental effects on cane farmers, truck drivers and our productivity. Therefore, the Company has undertaken actions to equip each plant with the ability to solve basic technical issues to some extent, to reduce the dependence on external and overseas suppliers.

In addition to the standard development program for cane sourcing personnel, the Company has also focused on research projects concerning cane breeding, soil development, biological pest control, fertilizer application analysis for productivity improvement, use of cane leaves and tops as alternative feedstock, and alternative energy crops. Experimental works have been conducted at our sugar factories and other plants in the Company. Employees of the sourcing teams have been provided with training in this regard and have formed study groups to translate knowledge and lessons learned into tangible results and practices that can effectively help farmers. The Company has also engaged specialists from Australia with strong expertise in cane farming and agricultural equipment in operation, training and consultation processes to improve cane farming and plantation management, from soil preparation, breed selection, watering and fertilizing, pest control, tool selection and use and cultivation and harvest planning based on conditions and factors specific to Thailand. The Company has engaged governmental organizations and universities having expertise in relevant subject matters in our training and research programs to ensure that they are solidly supported by academic principles and theories.

Our people development plan also encompasses initiatives which contribute to the improvement of light and heavy equipment and farm devices to offer better convenience, reduce costs and solve labor shortage issues. Concurrently, we have promoted employees' involvement in several processes by, for example, soliciting ideas for drought management were solicited from employees and this have led to several beneficial and practical solutions such as on-farm ponds, low-cost drip irrigation system, mobile irrigation system, use of water from the Company's plants and effective time-based watering techniques. For the sustainable future of cane farmers, the Company has launched the farmer workshop project to disseminate farming knowledge and techniques to our employees, cane farmers and their families and interested persons as a means to promote effective farming and their prosperous growth.

The Company has continuously developed employees at management and supervisory levels through job rotations in the Company and monthly meetings to share perspectives on businesses of companies in the Company and align their goals and business plans which eventually culminate in the Company's success. Overseas and domestic field trip program is a vehicle to introduce participants to new business ideas and technologies which can be applied to our businesses. Succession planning has also been implemented as it is the Company's policy that successors to executives at all levels must be identified and developed to achieve the continuity of our business and create opportunities for employees to growth with the company. The below table shows the training staff of the Company for the year 2015.

Training	2015			
	Level - Number of Participants (Person)			Total (Person)
	Officer	Head-Engineer	Manager or Equivalent	
Human Potential Development for Increasing Effective Work by Community of Practice & Good Governance	-	100	10	110
Safety Performance	534	55	-	589
Human Potential Development for Increasing Effective Work by Community of Practice	100	-	-	100
Risk Management of KTIS Group, Class 1	5	34	10	49
Risk Management of KTIS Group, Class 2-3	4	28	16	48
Team work skills ,Class 1	-	75	25	100
Team work skills ,Class 2-5	301	75	24	400
Development and Organizational Behavior,Class 1-4	261	117	-	378
Risk Management of KTIS Group for year 2015, Class 1-3	2	97	10	109
Innovation Technology Edge of Molub-Alloy Tribol	-	10	-	10
7 WASTES, Class 1-2	51	4	-	55
Ethics and Loyalty of the organization's staff.	55	-	-	55
Time Management Class 1	26	2	-	28
Risk Management of KTIS Group for year 2015	1	26	4	31
4G Supervisory Skill Development	5	81	6	92
Lubricants Training	52	18	-	70
OHSAS 18001 : 2007	2	19	1	22
Creative And innovation	59	15	-	74
Time Management	7	7	-	14

9. Corporate Governance

The Company endeavors to manage its business by adhering to principles of good corporate governance, as it recognizes the benefit and importance of good corporate governance, which contributes to the management of work and business operations in a transparent manner and takes into consideration the best interests of the interested parties in all respects, as well as maintaining verifiability. In order to increase its competitiveness and the shareholders' equity in the long term, the Company has, therefore, established a corporate governance policy in writing which it will communicate to the directors, executives, and all levels of employees in the Company to sign and implement, the details of which are set out below.

9.1 Rights of the Shareholders

(1) Corporate governance policy with respect to the rights of the shareholders

The Company has established its corporate governance policy with respect to overseeing the rights of the shareholders in writing, whereby it places particular emphasis on ensuring that all shareholders have equal access to the Company's operating results, and that they take part in making various important decisions, as well as ascertaining that the shareholders' rights are protected, promoted and supported, and that the shareholders are not deprived of their rights. The Company's Corporate Governance Policy is as follows:

- The Company has the duty to protect and respect the basic rights of the shareholders, which include the right to purchase, sell or transfer shares, the right to be allocated profits derived from business operations, the right to adequately receive news and information with respect to the business, the right to attend the shareholders' meeting in order to appoint or to remove directors from office, to appoint the Auditor, to allocate dividends, to determine or to make amendments to the Articles of Association or Memorandum of Association, to reduce or increase the capital, and to approve special transactions, etc.
- The Company has a duty to promote and encourage the shareholders to exercise their rights with respect to various matters in the annual general meeting of shareholders, such as the right to propose agenda items to be included in the shareholders' meetings in advance, the right to nominate persons for election as directors in advance, the right to send questions to the meeting prior to the shareholders' meeting, and the right to express their opinions and to raise questions in the shareholders' meeting, etc.
- The Company has a duty to refrain from undertaking any acts deemed to be a violation or limitation or deprivation of the rights of the shareholders to review the information which the Company is required to disclose in compliance with the various requirements and the right to attend the shareholders' meeting; for example, additional documents containing material information shall not be presented unannounced and meeting agenda items shall not be added or material information shall not be changed without prior notice being given to the shareholders.
- The Company has a duty to facilitate the shareholders in exercising their rights, such as by providing updated material information via the Company website including to support and facilitate the shareholders to attend the general meetings of shareholders by selecting meeting venues of appropriate size to serve the shareholders and where the location is not an obstacle to attending the meetings, and is safe. The Company provides opportunities for the shareholders to submit registration documents for attending the meeting in advance of the meeting date in order to minimize the time for document verification on the meeting date. The Company provides registration channels at the meeting venue and also arranges for a barcode system for registration and vote

counting to expedite the registration and vote computation process. To facilitate the shareholders, the Company provides stamp duty for the appointment of proxies.

(2) Disclosure of Information regarding the Shareholders' Meeting

- The Company's policy is to inform the shareholders of information regarding the date, time, location and agenda items for the shareholders' meetings, as well as all information relevant to the matters which will be voted on at the shareholders' meeting in advance, whereby the timeframe shall, as a minimum, be in compliance with that prescribed by the law with respect to each shareholders' meeting. The Company shall give the shareholders the opportunity to review the information prior to the date of the shareholders' meeting by accessing the said information through the Company website. This is to allow the shareholders sufficient time to study the information relevant to the meeting prior to receiving documentary information from the Company and to provide various channels for shareholders to enquire about the details of the shareholders' meetings.
- After the Shareholders' Meetings, the Company will compile the matters discussed thereat, comprising the details of the agenda items, meeting resolutions, and the voting procedure, as well as the questions and opinions of the shareholders, and incorporate them in the "Minutes to the Shareholders' Meeting". These meeting minutes shall then be published on the Company website within 14 days from the date of the meeting, which is in accordance with the rules prescribed by the Securities and Exchange Committee and the Stock Exchange of Thailand.

(3) Conducting meetings

- The Company's policy is to facilitate, to the fullest extent possible, the shareholders in exercising their rights to attend and to vote at the shareholders' meeting and will not undertake any acts that would restrict the shareholders' opportunity to attend such meeting in order to allow the shareholders to participate in making decisions regarding the matters which affect the rights and benefits available to them.
- The Company will notify the shareholders of the rules, regulations and procedures for attending the shareholders' meeting in the invitation to the shareholders' meeting, as well as at the shareholders' meeting. The person chairing the meeting shall notify the shareholders attending the meeting of the rules and regulations for conducting the meeting as well as the voting procedures thereat, at which the procedure and the system will be transparent, convenient, fast, and efficient. The resolution result will be shown in a short period of time and the shareholders will know the result immediately. The notification shall be recorded in all minutes of the shareholders' meeting. In addition, the Company may give the shareholders the opportunity to submit questions relevant to the matters to be discussed at the shareholders' meeting prior to the date of the meeting as the Board of Directors deems appropriate.
- The Company shall give the shareholders the opportunity to raise questions relevant to the meeting's agenda items or to the Company and to express their opinion, whereby the Chairman of the Board of Directors will ask the meeting regarding the questions or opinions with respect to each agenda item. All questions and comments of the shareholders with respect to the meeting agenda items or to the Company, as well as the clarifications given by the Board of Directors and/or the executives, shall be recorded in all minutes of the shareholders' meeting.
- The Company gives importance to and respects the rights of the shareholders to convene the annual general shareholders' meeting and encourages all shareholders to attend such meeting.

9.2 Equitable Treatment of Shareholders

The Company recognizes that all shareholders must be treated equally and has established the following important policies:

(1) Proposing additional matters to be discussed at the shareholders' meeting

The Company's policy is to facilitate the minor shareholders in proposing additional meeting agenda items prior to the date of the shareholders' meeting. In this regard, all additional agenda items proposed for discussion at the meeting by the shareholders and consideration thereof shall be in accordance with the regulations prescribed by the Company.

The major shareholders who hold executive positions shall not add additional meeting agenda items without giving advance notice thereof unless in the case of necessity, particularly important agenda items which require the shareholders to take time to study the information before making a decision.

(2) Nomination of candidates for directorship

The Company's policy is to facilitate its minor shareholders in nominating candidates for the position of directors. In this regard, all nominations by the shareholders and consideration thereof shall be in compliance with the regulations prescribed by the Company.

(3) Encouraging shareholders to use the proxy form in the case that they are unable to attend the meeting in person

The Company encourages the shareholders to use the Proxy Form, which allows the shareholders to indicate their vote. At least 1 independent director shall be nominated as their proxy, and instructions to complete the form and the background and personal information of each Independent Director for consideration will be provided. The Company will attach the aforementioned Proxy Form to the invitation to the meeting. Moreover, shareholders can download the proxy form from the website www.ktisgroup.com. Any proxy who submits a completed proxy form to the committee at the Shareholders' Meeting shall be allowed to attend the meeting and vote on behalf of the named shareholder.

(4) Encouraging shareholders to use voting ballots

The Company encourages the use of voting ballots for important meeting agenda items, such as the entering into connected transactions, acquisition or disposal of material assets, etc. in order to maintain transparency and verifiability in the event of disagreements at a later date.

(5) Giving shareholders the opportunity to exercise the right to appoint individual directors

The Company encourages the shareholders to exercise their right to appoint directors on an individual basis.

(6) Preventive measures against the use of inside information to seek unlawful benefits

The Company has established measures in its Code of Conduct to prevent its directors, executives and employees from unlawfully using inside information for their own benefit or that of others, for securities trading, conflicts of interest, and confidentiality. Such measures are stipulated in the Code of

Conduct, organized in the form of training, and are disclosed on the Company website. Furthermore, the Corporate Secretary has also been assigned as the person responsible for conveying the regulations with respect to the disclosure of information and monitoring and ensuring that the Board of Directors and the executives report their securities holding in compliance with the law, including disclosing information regarding the interests of, and related transactions between, the directors and executives and requiring that all directors and executives who have the duty to report their interests, as provided by the law, notify the Company thereof.

(7) Treatment of Foreign shareholders

Every shareholder has the right to receive the information and documents, either in Thai or in English. Any document provided for foreigners shall be translated into English.

9.3 The Role of Interested parties

(1) Corporate governance policy regarding interested parties

The Company recognizes and gives importance to the rights of all groups of interested parties and not only those which it is required to take into consideration in compliance with the law. In the previous year, the Company re-identified groups deemed as interested parties and established additional policies and measures for acting in the interests of the interested parties in line with its Corporate Governance Policy and Corporate Social Responsibility Policy, both of which have been adhered to. The interested parties of the Company can be categorized into 10 groups as follows:

1. Employees and their families
2. Farmers
3. Customers and creditors
4. Shareholders or investors
5. Communities local to each Company place of business
6. Governmental organizations
7. Suppliers and Contractors
8. Academics
9. Educational institutions
10. Competitors

In this regard, the Company has established policies and measures for acting in the interests of the interested parties as follows:

Employees and their families

- The Company will compensate the employees properly and in line with the standard industry salary rate, including the welfare package pursuant to the relevant laws and provident fund based on the consideration of their work in a fair manner and in a way that is quantifiable under the regulations of the Company.
- The Company aims to continuously promote and develop the skills, knowledge and abilities of its personnel, such as by means of organizing training sessions and seminars for its executives and employees in order to build their potential and the readiness of the organization to be a better quality Company.
- The Company treats all of its employees fairly and equally, for example, with respect to

employee evaluations, confidentiality regarding employment history, welfare, fundamental rights and the exercise of the various rights of the employees in addition to the rights stipulated by law. Such rights will be informed to employees on a regular basis.

- The Company places emphasis on the rights of its employees and gives them the opportunity to file complaints in the event that they do not receive equitable treatment by means of various channels such as a comments box, or contacting the human resources department responsible for such matters.
- The Company has a duty to ensure that the employment environment is safe, healthy, and effectively facilitates work. The Company has a policy on the matters relating to occupational health, safety, security and environment by specifying and promoting good health and the provision of a safe working environment, as well as security and relevant measures to prevent accidents and illness occurring at work for every employee.
- The Company encourages policies to protect the environment, which will be implemented to promote responsibility towards the environment, and develop and use more environmental friendly technologies. In addition, the Board of Directors of the Company encourages employee education and training with regard to environmental matters. The program covers the Company's policy on environmental protection, energy consumption and emissions of air pollution, waste handling and recycling, as well as the working environment.

Farmers

- The Company has a duty to build good relations and encourage cooperation with farmers in the long term based on the principles of honesty, reliability and mutual trust.
- The Company supports the establishment of security with respect to the farming profession by acting in the interests of and giving importance to the farmers who are also contractual parties.
- The Company continuously encourages farmers who are contractual parties to develop knowledge regarding farming by means of, for example, organizing an agricultural school training program, so that the farmers can apply the knowledge obtained therein to their profession in order to increase the efficiency of the product with a view to generating high returns from farming. The Company encourages the protection of the environment by supporting the use of more environmentally-friendly technologies, and building awareness of the impact on the environment and encouraging the efficient handling of waste such as utilizing the agricultural waste to the fullest extent possible.

Customers and Creditors

Customer Relations Policy

- The Company has a duty to maintain good relations and to cooperate with customers in the long term, based on the principles of honesty, reliability and mutual trust.
- The Company has a duty to satisfy its customers to the extent possible by means of taking responsibility for, acting in the interests of and considering the issues and needs of the customers as its priority, whereby all executives and employees shall comply with the measures pursuant to this policy.
- The Company will perform work based on the principles of Ethics and will not solicit, receive or pay dishonest benefits to the customers and creditors.

- The Company is committed to presenting and delivering products and services of high standard which meet the needs of the customers;
- The Company strives to adhere to the various conditions as agreed upon with the customers to the best of its abilities.

Creditor Relations Policy

- The Company has a duty to establish good relations with its creditors and to treat them based on the principles of honesty, reliability and mutual trust by providing information that are accurate, transparent, and accountable to creditors.
- The Company has a duty to be responsible for, pay attention, and give importance to the various promises and conditions as agreed upon with its creditors to the best of its abilities in repaying debts, loans, and interest and in pledging various collateral. In the case that the Company cannot perform the obligations under the agreements, The Company will inform creditors in advance to mutually find solutions to the problems.

Shareholders or Investors

See Section 1. Rights of the Shareholders

Communities local to each Company place of business

- The Company and its employees are committed to behaving and conducting themselves as good citizens and in ways that benefit society and the community.
- The Company has a duty to treat the communities local to each Company place of business amicably and to give assistance to and promote the livelihood of the communities, as well as to be responsible for remedying any situation arising as a consequence of the Company's business operations, in a fair and equitable manner.
- The Company has a duty to oversee and support activities which are beneficial to society and to willingly cooperate with governmental and non-governmental organizations and to make sacrifices for the better good.

Governmental Organizations

- The Company has a duty to act in compliance with all applicable and prescribed laws and rules.
- The Company will promote the various activities of governmental organizations as is deemed appropriate.

Suppliers and Contractors

- The Company has a duty to maintain good relations with all suppliers and contractors.
- The Company has a duty to give all suppliers and contractors an equal opportunity to present their products/services, whereby the executives and employees related to the suppliers and contractors shall comply with the following measures. All executives and employees shall:

➤ Treat the suppliers and contractors honestly and equitably;

➤ All considerations and decisions shall be based on the comparison of quality and various conditions, while at the same time taking into account the interests of the Company, both in the short and long term, and the Procurement Manual must be strictly complied with in the following areas:

- quality and services
- pricing
- delivery time
- reliability
- Company reputation and referred successful cases
- records of business dealings of the Company
- condition of transactions
- other aspects as appropriate

Academics

- The Company gives academics the opportunity to learn the information, methods and work procedures of the Company, as well as the opportunity to exchange knowledge for academic purposes and for conducting various research studies which are beneficial to the Company.
- The Company encourages the participation in studies in the use of technology for improving various work procedures, as well as studies for the purpose of developing innovations which would be beneficial to the development of the Company.

Educational Institutions

- The Company will promote knowledge-sharing regarding technology and the manufacturing process at educational institutions, whereby it will place particular emphasis on schools and educational institutions in communities local to each Company place of business as a priority.
- The Company will promote the various activities of the educational institutions as is deemed appropriate.

Competitors

- The Company will not perform any act which would violate or contradict any competition law or may cause damage to the reputation of its competitors.

(2) Measures for compensating interested parties in the event of damage arising from wrongful acts

Preventive measures against the use of inside information by the directors, executives and employees

The Company has established measures relating to the use of inside information which its directors, executives, and employees must comply with as follows:

- The Corporate Secretary has the duty to inform the directors and executives to report their securities holding, and that of their spouses, as well as their children who are minors in the Company, and to report any changes thereto pursuant to Section 59 and the terms of punishment pursuant to Section 275 of the Securities and Exchange Act B.E. 2535.
- The Company will advise its directors, executives and employees who are in possession of

inside information against the disclosure of material information prior to the sale and purchase of Company shares, including the Company's financial statements, which will have an impact on the price of securities to be offered to the public, up to and including **one month** prior to the public disclosure, as failure to do so would be deemed a violation of the Securities and Exchange Act.

Preventive Measures against Conflicts of Interest of Executives and Employees

The Company has established measures to prevent its directors and executives from unlawfully using inside information for their own benefit or that of others in the Code of Conduct for its executives and employees as follows:

- Executives and employees shall not undertake acts with a view to either seeking benefits or misappropriating assets which are the property of the Company or of the customers of the Company, as their own or for others, which are deemed to be in conflict with the interests of the Company.
- Executives and employees should avoid situations or personal activities and gaining financial benefits which may be in conflict with the work duties by which they are bound and which have an impact on the protection of the Company's interests.
- The Company will avoid delegating duties and responsibilities to the executives and employees in the event that such acts may lead to situations that may be in conflict with the interests of the Company or that of the Company's customers.
- In the event that the executives and employees participate in external activities or hold external positions, such as that of directors, advisors, representatives, or employees in other organizations, the said activities or positions shall not be in conflict with the interests of the Company, whether directly or indirectly, and shall not cause the Company to suffer any damage, and shall not have any impact on the performance of their work duties.
- All executives and employees are prohibited from participating or holding positions in other organizations operating the same type of business as that operated by the Company or those deemed to be the Company's competitors, or those whose business may be in conflict with the interests of the Company.

In this regard, the Company shall be given a report on the interests regarding the entering into transactions with companies belonging to the directors, executives and employees on a regular basis. The Company's Internal Auditor has a duty to report information regarding various interests to the Audit Committee for its acknowledgment and consideration. The Audit Committee will then give the Board of Directors a report on the summary of information on various interests for its further acknowledgment and consideration, whereby the Internal Auditor will be responsible for monitoring the results on a regular basis.

Furthermore, the Company has established measures for compensating the interested parties in the event that they suffer damage as a consequence of the following violations:

1. Preventive measures against damage arising from violations against employees and their families

The Company has established locations for receiving complaints and/or suggestions from

employees as channels for employees who have been affected by the work operations to file complaints.

2. Preventive measures against damage arising from violations against customers and creditors

The Company deals with customers in compliance with its customer relations policy and has established a customer service department as a center for receiving customer complaints in the event that customers encounter issues or require assistance.

In order to prevent against any damage arising from violations against the debtors and creditors, the Executives will consider the qualifications of all debtors and creditors prior to entering into transactions with a view to avoiding future problems, and in doing so, base their consideration on the principles of honesty and reliability.

3. Preventive measures against damage arising from violations against shareholders

The Company undertakes steps to protect and oversee the basic rights of the shareholders, including the right to receive information, the right to attend shareholders' meetings, as well as to encourage the shareholders to exercise their rights beyond the provisions of law.

4. Preventive measures against damage arising from violations against local to communities of each Company place of business

The Company has established measures to prevent damage arising from violations against the communities local to each of the Company place of business in line with its Corporate Social Responsibility Policy by building good relationships with the surrounding communities as well as giving them assistance and support with a view to promoting their livelihoods.

5. Preventive measures against damage arising from violations against government organizations

The Company has established measures to prevent damage arising from non-compliance with the various applicable laws and regulations, whereby the Company's legal department will be responsible for monitoring the work performance of the departments of the Company on a regular basis in order to ensure their compliance with the law.

6. Preventive measures against damage arising from violations against suppliers and contractors

The Company has established measures for preventing damage arising from violations against the suppliers and contractors, whereby the Company has a policy to build good relations with all of its suppliers and contractors and, furthermore, treats all suppliers and contractors equitably.

7. Preventive measures against damage arising from violations against academics

The Company gives academics the opportunity to visit and observe the work process for providing services and also provides information on the methods and procedures pertaining to the provision of services for academic purposes. It also cooperates with the academics in studying and improving technologies to be used for providing services on a regular basis.

8. Preventive measures against damage arising from violations against educational institutions

The Company cooperates with educational institutions by giving them the opportunity to visit its places of operation on-site and by organizing seminars to share technological knowledge and details relating to its service process. The Company also gives the educational institutions financial support for various activities on a regular basis.

(3) Participation channels of interested parties

The Company has established numerous participation channels for interested parties as follows:

- The Company has established a channel for receiving complaints and/or opinions and an additional channel via email, which will be sent to the Executives via the Internal Audit Department, Tel. 02-692-0869-73 Ext. 169 E-mail: internalaudit@ktisgroup.com
- The Company gives its employees the opportunity to submit suggestions to the Board of Directors via the Company website under the Investor Relations section via the Company Secretary Department, Tel. 02-692-0869-73 Ext. 175 E-mail: cs@ktisgroup.com
- The Company has taken steps to ensure that its representatives visit the community in the areas neighboring the factories every year.

(4) Mechanisms for protecting Whistle-Blowers

- The Company has established channels for filing reports or complaints regarding violations of the law or of the Code of Conduct, Financial Reports or deficiencies in the internal control system according to the channel in No. 3.3.

- The Company has established measures for protecting employees who are Whistle-blowers,

whereby:

➡ The Whistle-Blowers can choose not to reveal themselves if they believe that the revelation would lead to lack of security or damage.

➡ The Company will keep the information secret and safeguard the security of the Whistle-Blowers by setting up systems to protect the Whistle-Blowers who are employees, including those cooperating in investigation of the facts of such complaint such as work disturbance, transfer, dismissal of employment, and intimidation etc.

- The Company has put in place procedures to be followed upon receiving reports from Whistle-Blowers, whereby the Internal Audit will first compile and summarize the issues and present them to the Internal Audit Committee for consideration and investigation of facts and evidence. If it is found that such information impacts on the Company, the issue shall then be proposed to the Board of Directors of the Company for further consideration.

9.4 Disclosure of Information and Transparency

The Company has a policy to disclose information regarding the Company, including financial information and other information, in an accurate, complete, timely, and transparent manner, via easily-accessible channels, and in a fair and reliable manner.

(1) Internal control and entering into transactions with potential conflicts of interest

- The Company's policy is to prevent and eliminate any potential conflicts of interest by prescribing that all transactions with potential conflicts of interest be in compliance with the regulations and steps determined by the Company and all applicable laws.
- The Company will undertake acts to ensure that its directors, executives, and/or major shareholders, as the case may be, do not operate businesses that are similar to or in competition with that of the Company, or that decrease the Company's competitiveness, or enter into related transactions whereby the other benefits resulting thereof may be in conflict with the best interests of the Company or its subsidiaries. The directors, executives and/or major shareholders of the Company, as the case may be, shall inform the Company if the directors, executives, and/or major shareholders hold shares in companies whose business operations are similar to those of the Company or its subsidiaries in order for the Company and the Audit Committee to consider whether or not such shareholding is in conflict with the best interests of the Company or its subsidiaries.
- The Company also places emphasis on the importance of a good internal control system and has arranged for an Internal Audit Office to audit the performance of work in each field of work so as to prevent errors and to ascertain that work is performed in a transparent manner. Auditing is completed periodically and reports thereof are submitted to the Audit Committee for consideration.

(2) Disclosure of Information

The Company discloses information in compliance with the relevant laws or regulations via the Stock Exchange of Thailand and the Company website under the Section entitled "Information for Investors". The Company has delegated the Investor Relations Department to be responsible for the disclosure of information as well as for regularly updating information, and acting as the representative in communicating information, news and updates on activities to the Company and the investors, analysts, and general public. Please contact the Company's Investor Relations Department, Tel 02-692-0869-73 Ext. 193 Ext, 26, Email : ir@ktisgroup.com

(3) Disclosure of the Corporate Governance Policy

The Company has disclosed its approved Corporate Governance Policy, as well as the results with respect to compliance with the aforementioned Policy via various channels such as the Annual Report and the Company website.

(4) Report on the responsibilities of the Board of Directors with respect to the Financial Report

The Company requires that there be a report on the responsibilities of the Board of Directors with respect to the financial report, which shall be presented alongside the auditor's report in the annual report. The contents thereof shall verify compliance with accounting principles and the financial report shall consist of accurate, complete and actual information in accordance with accounting standards. The aforementioned reports shall bear the signatures of the Chairman of the Board of Directors and the Managing Director.

(5) Disclosure of the Roles and Duties of the Board of Directors and Subcommittees

The Company has disclosed the roles and duties of the Board of Directors and Subcommittees, the number of meetings held and the number of times each Board member attends meetings in the previous year, as well as the comments in relation to the performance of their duties in the Annual Report.

(6) Disclosure of possession of the Company's shares

The Company requires that Directors report their purchase-sale of / possession of shares in the Company to the Board of Directors.

9.5 Responsibilities of the Board of Directors of the Company

The Company recognizes the importance of selecting directors who demonstrate leadership, are visionaries, and who have experience, knowledge and ability and demonstrate independence in making decisions in the best interests of the Company and the shareholders overall. The Company also recognizes the importance of clearly separating the roles and duties of the Board of Directors and the Management and overseeing the work system to ensure that its various activities are in compliance with the laws and ethical standards.

The Company has established its corporate governance policy while taking into consideration various factors including the responsibilities of the directors, whereby the important policies relevant to this matter are as follows:

(1) Structure of the Board of Directors

- The Company values transparency and verifiability in its work operations, and, therefore, the Chairman of the Board of Directors is not the person holding the position of the Chief Executive Officer or the President. The Board of Directors of the Company has, furthermore, approved the definition of the independent director in line with the criteria and definitions prescribed by the Securities and Exchange Committee.
- The Company has prescribed formal procedures for selecting directors, and in doing so, it adheres to principles of transparency and is free of influences by the Management or shareholders with authority. That is to say, the Nomination and Remuneration Committee shall be responsible for recruiting persons to hold directorship positions and shall consider and select appropriate candidates based on their educational background, ability, work experience etc., whereby such persons shall also be qualified and shall not possess the prohibited characteristics as prescribed by the law as well as to be in line with the business strategy of the company. Candidates shall be selected in line with the duties and responsibilities of the position of a director of the Company and/or a director who is a member of various subcommittees who will be recruited from experts in various specialized fields or Professional Search Firms or Directors Pools or similar organizations. Upon having selected the appropriate candidates for directorship, the names of the said candidates shall be proposed to the Board of Directors for further consideration and appointment as directors.
- The Company requires that the names of the members of the Board of Directors and Subcommittees be disclosed, whereby details relating to each director's name, position, age, educational background, shareholding proportion and relationship with the executives are disclosed via various channels, including the Annual Report and the Company website.
- The directors of the Company shall hold their positions for a term of three years. Any retiring director may be re-appointed by the meeting of shareholders.
- The Board of Directors of the Company shall consist of a minimum of three independent directors, being an aggregate of not less than one-third of the total number of directors. The independent directors of the Company shall be qualified and shall not have the prohibited characteristics determined by the Board of Directors, and such requirements shall not be less stringent than those prescribed by the Capital Market Supervisory Board and the Stock Exchange of Thailand.

- The Company will appoint a Corporate Secretary to perform the various duties prescribed by the law as well as those delegated by the Board of Directors of the Company.

(2)Leadership and Vision

- The Board of Directors shall demonstrate leadership, and shall be visionary, implementing Company strategy, goals and policy in managing the business plan, and annual budget of the Company and be independent in making decisions in the best interests of the Company and the shareholders overall. The Company has, therefore, clearly separated the roles and duties of the Board of Directors and those of the Management, whereby the Management shall be responsible for obtaining various information required for consideration while the Board of Directors shall have the duty to make decisions on such matters accordingly.
- The Company hopes that its business will be stable and successful in the long term, and has therefore coordinated with the Management to consider, review and establish a vision and mission that corresponds to the changing environment, as well as the targets in the Business Plan and Financial Statement in the previous year, while taking into consideration the maximum increase in economic value and long-term stability of the Company and its shareholders. The Board of Directors shall also have the duty to oversee and monitor the administration of the Management to ensure that they are in line with the Business Plan in an efficient and effective manner.
- The Board of Directors shall monitor the management to ensure that the management takes the Company strategy into consideration in management meetings and conforms to the strategies set out. The management reports to the Board of Directors 4 times per year.
- The Board of Directors of the Company encourages corporate governance practices within the organization. The Board of Directors are, therefore, leaders in establishing guidelines for good corporate governance, the Code of Conduct, measures and steps for approving related transactions with related companies or persons with potential conflicts of interest, and in clearly separating the scope of authority of the shareholders from that of the Board of Directors and the scope of authority of the Board of Directors from that of the Executives, and the various Subcommittees, so as to create a balance of power and ensure mutual verifiability in an independent manner.

(3)Conflicts of Interest

- The Company will consider related transactions which may cause potential conflicts of interest between the shareholders, directors and the Management with due care, honesty, reason and independence within the framework of good ethics. The Company will also fully disclose all information while considering the overall best interests of the Company as a priority and will strictly comply with the rules and procedures provided in the notifications, orders or regulations of the Stock Exchange of Thailand. The Audit Committee will give its opinion as is necessary and appropriate given that particular related transaction.
- The Company has established measures and steps for approving related transactions with related companies or persons who have potential conflicts of interest, whereby persons with direct and indirect conflicts of interest shall be prohibited from considering the approval of the said transactions, and the Audit Committee shall participate in considering and giving its opinion as is necessary and appropriate for the best interest of the Company. Information pertaining to the related transactions shall be disclosed in the remarks to the financial statement in line with generally accepted accounting standards in the Annual Report.

(4)Business Ethics

- The Company has established a Code of Conduct for use by all executives and employees as a guideline for performing their work, and to which they shall adhere strictly and at all times. The said Code of Conduct includes issues regarding honest business practices, fair and equitable treatment of interested parties, prevention of wrongful acts against interested parties, conflicts of interest, confidentiality, and misuse of information, as well as bribery, gifts, and rewards. The Company has assigned the Internal Audit Department to monitor and conduct investigations in relation to compliance with such Code of Conduct.
- The Company will monitor and oversee its business operations and the performance of work duties by the directors, Management, and employees, and adhere to the principles of virtue and ethics in addition to the rules and regulations of the Company and applicable laws.
- The Company's policy requires that its directors, executives and employees avoid or refrain from selling and purchasing securities of the Company within a period of one month prior to the disclosure of material information to the general public which may have an impact on the price of the securities of the Company, such as financial information.

(5)Joining or separating positions to create a balance of power with respect to work management

The Company has clearly defined and separated the scope of authority and responsibilities of the Board of Directors, the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, as well as the Chief Executive Officer. The Company also requires that Chairman of the Board of Directors is not the person holding the position of the Chief Executive Officer or the President and that he/she has is not related to the Management in order to prevent an executive from having unlimited power and to be able to audit and establish a balance for work management.

(6)Subcommittees

The Board of Directors of the Company has arranged for the appointment of Subcommittees to assist the Board of Directors in studying relevant details and monitoring and overseeing the performance of work, as well as to screen the matters to which they have been assigned. The scope of authority and responsibilities of the said Subcommittees have been clearly defined.

(7)Roles, Duties and Responsibilities of the Chairman of the Directors of KTIS Group

- The Chairman of the Directors summons the yearly Board of Directors meeting, and monitors the distribution of invitation letters, including any accompanying documents for the Board of Directors to obtain adequate information in timely manner.
- The Chairman of the Directors takes the position of the Chairman of the meeting and encourages the Directors to perform in accordance with the laws and regulations.
- The Chairman of the Directors allows directors to express their opinions and considerations, and makes decision with thorough consideration and with honesty and integrity.
- The Chairman of the Directors shall receive reports from the management and subcommittees to follow up on the operation and progress of work of the Company in the Board of Directors' meeting.
- The Chairman of the Directors encourages and sets up standards to monitor the corporate governance of the Board of Directors.

- The Chairman of the Directors takes the position of the chairman of the shareholders' meeting and ensures that the meeting is in compliance with the articles of association and meeting agenda.
- The Chairman of the Directors encourages the Directors and shareholders to communicate efficiently.

(8) Roles, Duties and Responsibilities of the Board of Directors of KTIS Group

- The Board of Directors has a duty to consider and approve material issues with respect to the operation of the business, as well as to oversee that the Management operates the business in line with the prescribed policies and plans, including the budget, in an efficient and effective manner.
- With respect to the Board of Directors having established a Corporate Governance Policy in writing and given its approval thereof as previously mentioned; the Board of Directors revises the said Corporate Governance Policy at least once a year.
- The Board of Directors has issued a Code of Conduct in writing and distributed the same to the directors, executives and new employees. The Board of Directors has, furthermore, revised the various guidelines for conduct with respect to the directors, executives and existing employees in order to understand the moral standards which the Company applies in operating its business, whereby the Board of Directors of KTIS group has assigned the Internal Audit Department to closely monitor compliance with the said Code of Conduct.
- The Board of Directors has exercised due prudence in considering conflicts of interest, as well as connected transactions with potential conflicts of interest with those of the Company whereby the interests of the shareholders are deemed as the priority. Notwithstanding this, the material connected transactions have to be approved by the Board of Directors.
- The Board of Directors has put in place a system for controlling financial reporting and compliance with the various rules and regulations, whereby an Internal Audit agency shall be responsible for such duties. The said duties must be independent of the performance of other work and such system shall be revised at least once per year.
- The Board of Directors and the Audit Committee have a duty to jointly consider the annual and quarterly financial statements and financial information in the Annual Report and to jointly evaluate the adequacy of the internal control system of the Company for disclosure to the investors.
- The Board of Directors and the Risk Management Committee have a duty to jointly consider and determine the Risk Management Policy to be applied throughout the organization, whereby the Management has been assigned to oversee compliance with the said policy and to report relevant issues to the Board of Directors and/or Risk Management Committee on a regular basis. The Board of Directors will ensure that the system is reviewed or that the effectiveness of the risk management is evaluated at least once per year and in the event that there are changes to the risk level, and will also give importance to early warning signs and unusual transactions.
- The Board of Directors has a policy to encourage the Directors to develop their knowledge by specifying that, annually, at least 1 director has to take a course or seminar activity which increases their knowledge regarding the position of director of the Company.

(9) Authorization of the Board of Directors

- Appoint, remove, and/or delegate authority to a consultant of the Board of Directors of the Company and other subcommittees



- Arrange for consultation with the expert or the consultant of the Company (if any) or an outsourced expert if necessary at the expense of the Company
- Approve policies or principles, and assign them to the management to implement in accordance with the agenda efficiency and effectively
- Approve the investment in fixed assets, equity instruments, debt instruments, investments or joint ventures in new projects in amounts that exceed the authorization power of the executive committee and laws
- Approve debt write-offs from the account according to the conditions specified by the Company
- Approve the business plan and the annual budget of the Company
- Approve share repurchase of not over 10% of the paid up capital or according to the laws Specified
- Approve financial transactions which exceed the authorization power of the management
- Approve the disposal of the fixed assets of the Company in amounts which exceed the authorization power of the executive committee and according to the laws.
- Approve financial transactions which exceed the authorization power of the executive Committee

(10)Board of Directors' Meeting

- The Board of Directors will convene a Board of Directors' Meeting at least five times per year and such meetings shall be conducted in accordance with the Company's Articles of Association, the Public Limited Companies Act B.E. 2535, and the rules and regulations prescribed by the Stock Exchange of Thailand. The Chairman of the Board of Directors, in acting as the Chairman of the Meeting, will encourage the exercise of discretion in a prudent manner and will allow sufficient time for the Executives to propose matters for consideration, as well as for the directors to carefully discuss the material issues. The Chairman will also arrange for the minutes of each meeting to be recorded in order to ensure verifiability by the directors and relevant persons. The directors have a duty to attend all Board of Directors' Meetings unless in the case of special circumstances. The Directors who will receive direct or indirect benefits have no right to vote and shall leave the meeting during that particular agenda item.
- The minimum quorum at the time that the Board of Directors votes is two-thirds of the total number of Directors.
- The Company requires that the Management prepare and submit a report on the operating results to the Board of Directors for acknowledgment on a regular basis in order for the Board of Directors to be able to continuously and promptly supervise, control and oversee the performance of work by the Management. The Company shall issue the minutes of the meeting in written form and retain an original copy of the invitation letter and accompanying document in electronic files in order for them to be convenient for directors and relevant persons to examine.
- The Chairman of the Board of Directors shall convene the Board of Directors' Meeting and shall consider and determine the meeting agenda items, whereby he/she may consult with the Managing

Director, Corporate Secretary or Company Advisor in doing so. Each director has the right to propose matters to be included in the agenda of the Board of Directors' Meeting.

- The Board of Directors may invite the Executives, employees, or Advisor(s) of the Company to attend the Board of Directors' Meeting to give additional information on the matters discussed thereat.
- The secretary of the Board of Directors shall, prior to the date of the Board of Directors' Meeting in the following year, prepare a schedule for the meetings for the coming year in order for the Board of Directors to be informed thereof in advance and so that they can plan ahead and allocate time for attending the said meetings accordingly.
- In determining the number of Board of Directors' Meetings, consideration shall be given to their appropriateness based on the duties and responsibilities of the Board of Directors. The Corporate Secretary will prepare an agenda for the annual general meeting specifying the matters to be considered at each meeting so that the Board of Directors is informed of the various details to be considered thereat in advance.
- In each of the Board of Directors' meetings, the company secretary will distribute the meeting documents to the Directors to consider before the meeting, pursuant to the relevant laws, prepare documents and disclosures relevant to the meeting and distribute them to the Directors at least 5 working days before the meeting.
- All Board of Directors' Meetings shall be strictly in compliance with the Company's Articles of Association and the Public Limited Companies Act B.E. 2535. All directors shall be given equal opportunity to discuss the material issues and the Secretary of the Board of Directors shall attend the meetings and record the minutes thereof including the various questions and suggestions of the directors to ensure that the matters discussed can be monitored and verified by the directors and relevant persons.
- The Chairman of the Board of Directors shall be responsible for allocating adequate time for presenting the information provided by the Management and for all of the directors to discuss the material issues with due prudence. The Chairman of the Board of Directors shall encourage the directors attending the meeting to exercise their discretion in a prudent manner and ask the meeting whether or not there are any further questions or disparate opinions with respect to each agenda item being considered.
- The Board of Directors' policy requires that the directors who are not Executives meet amongst themselves as necessary in order to discuss the various management issues at hand. Members of the Management shall not attend the said meetings and the Managing Director shall be informed of the meeting results.
- The Board of Directors has a policy for the Company Secretary to set the schedule for the annual Board of Directors' meetings in advance for the Directors to perform their duties efficiently.

(11)Self-Evaluation of the Board of Directors

- There is annual self-evaluation of the Board of Directors as a whole to acknowledge their efficiency in working together and development in the following areas:
 - 1) Qualifications of the Directors
 - 2) Roles, duties and responsibilities of the Directors

- 3) Board of Directors' meetings
 - 4) Performance of the Directors
 - 5) Relationship with the management
 - 6) Self-development of the Directors and development of executives
- Process of self-assessment of the Board of Director as a group
 - 1) The Board of Directors considers the self-assessment form of the Board of Directors as a group to be accurate in accordance with specified regulations.
 - 2) The Company Secretary summarizes the self-assessment of the Directors as a group and reports to the Board of Directors for their consideration.
 - There is an annual self-assessment of the individual members of the Board of Directors to consider their performance and their position as a Director of the Company in order to improve their performance in the following areas:
 - 1) Qualifications of the Director
 - 2) Board of Directors' Meetings
 - 3) Roles, duties and responsibilities of the Director
 - Process of self-assessment of the individual members of the Board of Director is as follows;
 - 1) The Board of Directors considers the self-assessment form of the individual members of the Board of Directors to be accurate in accordance with the specified regulations.
 - 2) The Company Secretary summarizes the self-assessment forms of the individual members of the Board of Directors and reports to the Board of Directors for their consideration.
 - There is an annual self-assessment of the subcommittees as groups, namely the audit committee, nomination and remuneration committee, executive committee, and risk management committee, to acknowledge the performance of working together and in order to improve themselves in the following areas:
 - 1) Qualifications of the Directors
 - 2) Board of Directors' Meetings
 - 3) Roles, duties and responsibilities of the Directors
 - Process of self-assessment of the subcommittee as a group is as follows;
 - 1) The subcommittee considers the self-assessment form of the subcommittee as a group to be accurate in accordance with the specified regulations.
 - 2) The Secretary of each committee summarizes the self-assessment of the subcommittee as a group and reports to the subcommittee for their consideration.
 - 3) The Company Secretary reports the results of the self-assessment of the subcommittees to the Board of Directors.

(12) Remuneration of directors and executives

- The Board of Directors of the Company shall consider and determine the remuneration of the directors and shall propose the same to the meeting of shareholders for approval. In this regard, in determining the directors' remuneration, the Board of Directors shall compare the standards pertaining to the payment of remuneration in companies in the same industry and shall give consideration thereof based on fair standards. Consideration shall be given to the experience, obligations and duties, scope of the role, as well as accountability and responsibility, including the benefits which the Company would receive from each director. The directors who have been delegated additional duties and responsibilities should receive higher remuneration as appropriate. For example, a director who is a member of the Audit Committee may receive a higher rate of remuneration for his role in the Audit Committee.
- The remuneration of the Chief Executive Officer and Executives shall be in accordance with the principles and policies determined by the Board of Directors, whereby consideration shall be given to the best interests of the Company. The determination of salaries, bonuses and incentives in the long term shall be in line with the performance of the Company as well as that of each individual executive.
- All the Directors who are not executive directors will assess the performance of the Chief Executive Officer of the groups of the Company annually in order to use such assessment in the remuneration consideration of the Chief Executive Officer of the groups of the Company by applying the standards agreed with the Chief Executive Officer of the groups of the Company according to the main criteria. This includes the results of the financial operations, the results of their implementation in accordance with the Company's strategic objectives in the long term, and the development of the executives. Notwithstanding the above, such directors who are not executive directors shall propose the results of Managing Director's assessment to the Board of Directors to consider.

(13) The Subcommittee Members: duties and responsibilities

The Board of Directors shall appoint members of the subcommittee from the Board members to serve on the committee to perform special duties. The subcommittee members will be assigned from the current Board of Directors to set up 4 committees; Executive Committee, Audit Committee, Nomination and Remuneration Committee and Risk Management Committee.

Executive Committee

The term of membership of the chairman and members of the Executive Committee is three years from the date of their appointment. Any retiring member of the Executive Committee may be re-elected. In the event that there is a vacancy in a Director's office for reasons other than retirement, the Board shall elect a sufficiently qualified candidate as a member to ensure that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

Scope of power, duties and responsibilities of the Executive Committee

- The Executive Committee is responsible for managing our business in accordance with the objectives of our business operations, provided that management of our business shall be subject to policies, rules or orders prescribed by the Board. In addition, the Executive Committee is responsible for reviewing matters to be proposed to the Board for further approval;
- The Executive Committee shall prepare our vision, business strategies and direction, business policies, targets, guidelines, operational plans and our annual budget, and shall present the same to the Board for approval;



- The Executive Committee shall set up business policies and management authorization, shall approve our annual budget and comply with the business plan and strategy according to the policies and business model presented to the Board;
- The Executive Committee shall efficiently oversee and monitor our operations in accordance with our management policies and guidelines as approved by the Board;
- The Executive Committee shall approve matters or actions to be taken in the ordinary course of our business, so long as it is within the Board's approved budget, does not involve the incurring of liabilities or encumbrances exceeding Baht 1,000 million, and does not have a term of over five years (liabilities or encumbrances include project finance facilities granted to us);
- The Executive Committee shall make the following reports on our results of operations:
 - A quarterly report of our performance shall be submitted within the timeframe prescribed by the SET;
 - An auditor's report in respect of our financial statements, including our annual and quarterly financial statements, shall be submitted within the timeframe prescribed by the SET; and
 - Other reports deemed appropriate by the Executive Committee;
- The Executive Committee shall perform any other activities as designated by the Board; Nevertheless, the Executive Committee shall not have the power to approve any transactions in which members of the Executive Committee or any other person may have a conflict of interest (as defined in the notification of the SEC) with the Company. In such event, the Executive Committee must present the transaction to the Board and/or the shareholders for approval in accordance with the relevant articles, notifications and laws.

Audit Committee

The term of Directorship of the chairman and members of the Audit Committee is three years from the date of their appointment. Any retiring member of the Audit Committee may be re-elected. Where a Director's office in the Audit Committee is vacated by reason other than retirement, the Board shall elect a sufficiently qualified candidate to ensure that the requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time as the vacating Director was entitled to remain in office.

Scope of power, duties and responsibility of the Audit Committee

- The Audit Committee shall ensure that our financial statements are complete and accurate;
- The Audit Committee shall ensure that we have implemented appropriate and efficient internal controls and audit systems, and that the Internal Audit Bureau is independent. It shall also be responsible for the approval of the appointment, transfer or termination of the Chief of the Internal Audit Bureau, or any other unit responsible for internal audit;
- The Audit Committee shall ensure that we comply with securities and exchange laws, regulations of the SET and laws relating to our business operations;
- The Audit Committee shall recruit and nominate an independent third-party as our auditor, determine the auditor's fees and hold at least one meeting per year with the auditor, without the participation of the management;
- The Audit Committee shall ensure that our connected transactions, or transactions that may result in conflicts of interest, are conducted in compliance with the law and rules of the SET, and shall ensure that such transactions are reasonable and in our best interests;
- The report of the Audit Committee disclosed in the annual report of the Company will be signed by the Chairman of the Audit Committee and will consist of the following information:



- The opinion regarding the accuracy, completeness, and credibility of the financial statement.
 - The opinion regarding the adequacy of the internal control of the Company.
 - The opinion regarding the compliance of the Securities Act, regulations of the Stock Exchange of Thailand or the laws related to the business of the Company.
 - The opinion regarding the appropriateness of the auditor.
 - The opinion regarding the conflicts of interest.
 - The number of meetings of the Audit Committee and the attendance of each auditor thereat.
 - The opinion or the general remarks arising from the Audit Committee's compliance with the charter of the Audit Committee.
 - Other transactions that the shareholders and investors should be informed about regarding the duties and responsibilities of the Board of Directors.
- if the Audit Committee, in the course of their duties, finds or is suspicious of one of the following transactions or actions which has significantly affected our financial standing and operating results, the Audit Committee shall report such transaction or action to the Board such that the relevant rectifications can be made:
- A transaction resulting in a conflict of interest;
 - Fraud or any major irregularity or defect in our internal control system; or
 - A violation of securities and exchange laws, regulations of the SET and the laws relating to our business.

If the Board or Management fails to rectify the problem within the time specified, any member of the Audit Committee may make a report to the SEC or the SET; and

- The Audit Committee shall perform any other activities as designated by the Board with the Audit Committee's approval.

The Nomination and Remuneration Committee

The term of membership of the chairman and members of the Nomination and Remuneration Committee is three years from the date of their appointment. Any retiring member of the Nomination and Remuneration Committee may be re-elected. In the event that a Director's office is vacated due to reasons other than retirement, the Board shall elect a sufficiently qualified candidate such that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

Scope of power, duties and responsibilities of the Nomination and Remuneration Committee

- The Nomination and Remuneration Committee shall review our business organization and the qualifications of our Directors and Chief Executive Officer in accordance with our business requirements;
- The Nomination and Remuneration Committee shall nominate only persons whose qualifications are appropriate for holding office as Directors and our Chief Executive Officer, and shall set up transparent nomination criteria and procedures for such persons. The nominations shall be presented at a Board meeting and/or a shareholders' meeting for approval;
- The Nomination and Remuneration Committee shall implement procedures and rules to ensure that fair and reasonable remuneration, both in cash and in kind, will be granted to our Directors and the Chief Executive Officer. The Nomination and Remuneration Committee shall propose such remuneration at a Board meeting and/or a shareholders' meeting for approval;
- The Nomination and Remuneration Committee shall report to the Board on its performance and shall prepare a Nomination and Remuneration Committee's report which will be disclosed in our



annual report. The report must be signed by the chairman of the Nomination and Remuneration Committee;

- The Nomination and Remuneration Committee shall conduct performance evaluations and prepare an evaluation report for the Board; and
- The Nomination and Remuneration Committee shall perform any other activities as designated by the Board.

Risk Management Committee

The term of membership of the chairman and members of the Risk Management Committee is three years from the date of their appointment. Any retiring member of the Risk Management Committee may be re-elected. In the event that a Director's office is vacated due to reasons other than retirement, the Board shall elect a sufficiently qualified candidate such that the quorum requirements prescribed by the Board are met. The person so appointed shall remain in office for the same period of time that the vacating Director was entitled to remain in office.

Scope of power, duties and responsibilities of the Risk Management Committee

- Before making management policy proposals to the Board for approval, the Risk Management Committee shall consider our risk management policies in light of changes in our business and circumstances;
- The Risk Management Committee shall determine business strategies in accordance with our risk management policies;
- The Risk Management Committee shall approve risk management indicators;
- The Risk Management Committee shall monitor management's compliance with our risk management policies and control the efficiency of risk management;
- The Risk Management Committee shall monitor the sufficiency of resources such as staff and systems for risk management;
- The Risk Management Committee shall implement risk management procedures and rules for evaluating significant transactions before such transactions are presented to the Board and relevant committees for approval;
- The Risk Management Committee shall monitor and report our risk status to the Board and the Audit Committee ;
- The Risk Management Committee shall integrate corporate governance, risk management and legal compliance in order to achieve integrity-driven operations;
- The Risk Management Committee shall set up a working team as may be appropriate; and
- The Risk Management Committee shall perform any other activities as designated by the Board.

(14)Professional Development of Directors and Executives

- The Company promotes and facilitates training for professional development and with a view to training all relevant directors, including directors who are members of numerous Subcommittees, so as to continuously improve work operations.
- The Corporate Secretary shall arrange for the preparation of a manual for the directors as well as the determination of rules relevant to the disclosure of information, background, securities holding proportion, changes to securities holding etc., which shall be submitted in the event of changes to

the directors. The Corporate Secretary will, furthermore, invite the new directors to visit the Company's factory with a view to introducing them to the nature of the business as well as to the guidelines for business operations.

- The Company requires that the Chief Executive Officer prepare a report on the plans for the development and succession of work which the Chief Executive Officer and Managing Director have prepared in the event that they are unable to perform such work themselves. The Company has put in place a structure for developing the Executives, whereby the Chief Executive Officer is assigned to give an annual report on the acts undertaken during the year, which will then be considered in conjunction with the plan for work succession.

(15)Corporate Social Responsibility Policy

- **Fair Business Operations**

The Company places emphasis on conducting its business within the framework of fair and honest competition in compliance with the relevant laws and regulations, and has established the following practice guidelines. The Company shall:

- 1) Encourage its employees to recognize the importance of compliance with competition laws and the principles of fair competition;
- 2) Support various public policies which promote fair competition; and
- 3) Undertake acts in a manner which is compliant with competition laws and requirements, as well as cooperate with government officials

- **Anti-corruption**

The Company endeavors to conduct its business in a transparent manner, while adhering to principles of good corporate governance and taking into consideration the interests of the interested parties in all respects. It has established anti-corruption guidelines and also supports activities which promote and encourage the executives and employees to comply with the applicable laws and regulations, whereby the practice guidelines are as follows:

- 1) The Company must instill right practices, values and perspectives within its employees to comply with the rules and regulations in an honest manner;
- 2) The Company shall undertake steps to ensure that its internal control system is efficient, and that the reviewing thereof and the balance of power is appropriate;
- 3) All directors, executives and employees of the Company are prohibited from undertaking any act which is deemed to be soliciting or accepting assets or any other benefits implied as motivation for performing their duties or refraining from the performance thereof in a dishonest manner;
- 4) All directors, executives and employees of the Company are prohibited from undertaking any act which is deemed to be the offering of assets or any other benefits implied as motivation for performing their duties or refraining from the performance thereof in a dishonest manner.

- **The Process for assessing the risk from corruption**

- 1) The internal audit and the risk management department recommend continuously

monitoring and examining the accounts annually in accordance with the opinion of the Audit Committee and reporting material issues and suggestions to the Audit Committee.

2) The risk management department is responsible for continuous testing and risk assessment of corruption in order to implement anti-corruption measures effectively. These measures have to be reviewed regularly and the assessment results have to be reported to the Risk Management Committee and also to the Board of Directors regularly.

3) If it is found that the Company operations do not comply with the anti-corruption policy, the Audit Committee will report this to the Board of Directors to improve within the appropriate timeline.

- **Respecting human rights and fair treatment towards labor**

The Company's policy is to supervise and treat all employees fairly, whereby the Company shall not discriminate against individuals on the basis of similarities or differences in race, religion, sex, age or any other characteristics. Furthermore, the Company has a policy to strictly comply with the labor protection laws.

- **Community or social development**

The Company recognizes the importance of taking part in corporate social responsibility and has, therefore, continuously organized projects to help and develop society, and primarily focuses on donating funds and promoting education, supporting religion, and helping and attending community activities on occasions.

- **Environmental conservation**

1) The Company gives importance to the potential impacts of the manufacturing processes on the environment and its policy is to strictly comply with the applicable rules, regulations and standards with respect to the environment. In addition, the Company plans to promote ideas for making use of waste produced during the manufacturing process in order to increase their value.

2) The Company has a policy to educate and train employees in environment matters annually so that every level of employee understands the impact of pollution in all aspects and to teach good management policies to reduce cost, expense and environmental problems for the sustainable growth of the Company.

- **Innovations and the diffusion of innovations obtained from work operations involving responsibility towards society, the environment and interested parties**

The Company aims to support sugar cane farmers with a view to encouraging their progress and stability alongside the Company. The Company has therefore continuously organized research projects for furthering the potential of the sugar cane farmers.

- **Non violation of Intellectual Property Rights or Copyrights of others**

The Company has a policy of non-violation of Intellectual Property Rights or Copyrights, such as non-violation of computer crime laws, complying with copyrights of software in both work or in non-work related issues and complying with Intellectual Property Rights, Copyright law and related laws and regulations.

9.6 Supervising the use of Internal Information

We have implemented the following policy prohibiting Directors and Executives from using internal, non-public information for personal benefit and for securities trading:

(1) We informed our Directors, Executives and employees holding managerial positions, including their equivalent or higher in the accounting and finance departments, of their obligation to prepare and submit reports containing information on securities in their possession, including securities in the possession of their spouse and children, to the Office of the SEC pursuant to Section 59 of the Securities Act. They have also been informed of the corresponding penalties set out in Section 275 of the Securities Act.

(2) Our Directors, Executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments, are to prepare and submit reports containing information on securities in their possession, including securities in the possession of their spouse and child, to the Company Secretary. The report shall be prepared and submitted within thirty days of the date of appointment of the Director or Executive. Any change in possession of securities is to be reported within three working days from the date of the purchase, sale, transfer or receipt of securities.

(3) We require our Directors, Executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments and relevant operators who have access to internal information which may materially affect our share price, to abstain from trading in our securities for a specified period before our financial statements or our status our financial condition is disclosed, or until such information has been disclosed to the public. We will issue a notification in writing to our Directors, Executives and persons holding managerial positions, including their equivalent or higher in the accounting and finance departments, at least thirty days prior to the disclosure of such information to the public. Such material information shall also not be disclosed to any third party.

Should there be a breach of the abovementioned rules, the disciplinary sanctions imposed may vary from a written reprimand to wage reduction, suspension of work or termination of employment. The severity of the sanction imposed shall be determined based on whether the breach was intentional and the severity of the misconduct.

9.7 Remuneration for the External Audit

(1) Audit Fee

The Company and its subsidiaries have paid audit fees as follows:

- The Company's external audit (Mr. Prasit Yuengsrikul, Mr. Paiboon Tankool and Mr. Chaisiri Ruengrithchai) in the last year total 0 baht.
- The audit company (PricewaterhouseCoopers ABAS Ltd.) person and businesses related to the external auditor and the audit company in the last year.

No.	The Company and its subsidiaries .	Audit Fees (Baht)
1	Kaset Thai International Sugar Corporation Pcl. (KTIS)	1,300,000
2	Thai Identity Sugar Factory Co., Ltd.(TIS)	448,000
3	Environment Pulp and Paper Co., Ltd.(EPPCO)	305,000
4	Ekarat Pattana Co., Ltd. (EPC)	330,000
5	Kaset Thai Bio Power Co., Ltd. (KTBP)	225,000
6	Thaikaluck Power Co., Ltd.(TEP)	211,000
7	Ruampol Bio Power Co., Ltd.(RPBP)	211,000
8	Permsinpattana Co., Ltd.(PSP)	40,000
9	Sapsirikaset Co., Ltd.(SSK)	50,000
10	Lopburi International Sugar Co., Ltd.(LIS)	40,000
11	Lopburi Bioethanol Co., Ltd.(LBE)	40,000

12	Lopburi Biopower Co., Ltd.(LBP)	40,000
13	KTIS Bio Energy Co., Ltd.(KBE)	40,000
14	KTIS Biogas Power Co., Ltd.(KBGP)	40,000
15	Kasetthai Wiwat (KTW)	100,000
16	KTIS Research and Development Co.,Ltd (KTIS R&D)	40,000
Total		3,460,000

(2) Non-audit fee

No.	The Company and its subsidiaries .	non-audit service	Remuneration for other services (Baht)	
			The paid during the fiscal year.	The paid in the future.
1	Kaset Thai Bio Power Co., Ltd. (KTBP)	Review BOI (in Baht)	90,000	-
2	Ekarat Pattana Co., Ltd. (EPC)	"	90,000	-
		Total	180,000	-

10. Corporate Social Responsibility

10.1 Corporate Social Responsibility

Throughout almost half a century of its existence in the integrated sugar business, KTS group has consistently demonstrated its commitment towards the corporate social responsibility (CSR) and treated the interest of its stakeholders such as our shareholders, investors, business partners, customers, executives and employees, including the local community as a top priority. Recognizing its status as a member of the community, the Company cares about and partakes in the betterment of the community, society and environment to achieve sustainable and collective growth.

To demonstrate its social and environmental responsibility, the Company has adopted the in-process CSR model and practiced zero waste management in all processes. To optimize the utilization of valuable resources, waste from the production process is recycled and developed into valuable by-products. After-process CSR deals with activities beyond the production process that contribute to sustainable development, and is broadly divided into 2 aspects: 1) the improvement of the relationship and the quality of life of the Company's workforce and external parties who are related to the Company, and 2) environmental protection through the development of eco-friendly and community-friendly innovations. These 2 dimensions must be addressed in parallel for optimized efficiency.

The Company's in-process CSR activities cover every step of the production, starting from the improvement of cane quality through the farmers' school project to educate our contracted cane farmers on quality cane farming. Knowledge shared with the farmers included topics such as organic farming, chemical-and- GMO-free approaches, use of parasitic wasps for biological pest control, harvest techniques, benefits of fresh cane harvesting over burnt harvesting, ratooning, trash incorporation tillage to enrich the soil and reduce the need for fertilizers, and cane watering system and irrigation. Advanced farming techniques and approaches adopted in Australia were also shared and applied as appropriate to the terrain and climate condition of each plantation area. The Company also worked on the development of agricultural tools and equipment to help the contracted farmers to reduce the costs and increase the productivity.

With our premium-quality canes, advanced production technology, and eco-friendly production process, consumers can be assured that the Company's sugar products are of superior quality and safe for consumption by internationally-recognized standards. It is worthy to also note that no bleaching is applied in our sugar production process.

As part of its in-process CSR, the Company has strived to improve its production processes and create innovations with a view to making meaningful contribution to the society and concurrently satisfying the needs of every customer segment. In the preceding year, the Company will launch the Japanese-standard liquid sucrose and super refined sugar production project to cater to the needs of clients in the food and beverage industry and the like for premium-grade sugar.

Molasses is one of the by-products from the sugar production process and is used to produce ethanol which is blended into gasoline. Ethanol is an alternative clean energy which leads to lesser environmental pollution and higher price of agricultural commodities. Molasses is also used in the food industry as a raw material for the production of dark soy sauce, monosodium glutamate and animal feeds.

Bagasse is another by-product from the sugar production process and can be used as a material for producing bleached pulp (100% bagasse) which is environmentally friendly and can save up to 32 million trees from being cut each year. As no chlorine (which causes cancer) is used in the pulp bleaching

process, the Company's bleached bagasse pulp is the first pulp in Thailand that received the "GMP" and "HACCP" food safety accreditations and has been developed into molded pulp containers which are

disposable and eco-friendly food containers. The pulp can also be safely used as a fiber ingredient for foods such as healthy ice cream, healthy sausages, and fiber cookies.

Bagasse can also be used as feedstock in biomass power plants to generate steam and electricity which power our sugar plants and other factories. Excess electricity is sold to Provincial Electricity Authority (PEA) and Electricity Generating Authority of Thailand (EGAT). Therefore, our electricity is passed on to the people in the region, helping them to have electricity in their household and for better standard of living. Besides, the biomass power which uses bagasse and cane leaves as feedstock is considered clean energy and can help reduce carbon emission.

Filter cake, sludge and vinasse, which are waste from the production process, all contain valuable organic matters and can be converted into bio-fertilizer and soil conditioner that are free of soil-degrading chemical residues and help improve the soil quality and the crop productivity.

Vinasse is a kind of waste derived from the ethanol production. To optimize the resource utilization, the waste can be used to produce biogas which is a fuel for our ethanol plants.

In addition to the minimization of waste which is an in-process CSR initiative, the Company is devoted to run after-process CSR campaign to promote the well-balanced development of all related parties, regardless of whether they are the Company's employees or not, in order that they can steadily grow in tandem with the Company. The Company holds the principles of human rights in high regard to gain trust from related individuals and groups and encourage them to learn, develop and be ready for the future challenges.

Environmental protection is an important pillar of the Company's sustainable development journey. The unremitting population growth amid finite resources makes resource depletion a great threat and environmental protection a priority. If we ignore the importance of environmental reservation, major problems may ensue. The Company believes that every element, environmental included, is inter-related and inter-dependent.

Amid globalization, new technologies, innovations and communication channels have emerged and the Company is committed to integrating these advancements into its CSR activities for the greater benefits of communities, the environment and all stakeholders, as well as to reduce costs, and to minimize waste and unproductive processes. A major aspiration of the Company is to build a sphere of harmony in which the Company and communities can live together and grow in synchrony in the stream of constant changes.

10.2 Highlights of CSR Activities and Projects of KTIS

Home-Temple-School + Sugar Factory Project





The Home-Temple-School project of the Company was first launched in 2013 and is still ongoing today. Under this project, the premises of villagers, temples and schools are used as cane cultivation learning centers through real-life cane farming and are accessible to students, community members and general public. Community leaders, villagers and contracted cane farmers have joined the sugar plants in providing cane breeds, fertilizers, pesticides and agricultural tools to teachers and students who take care of the demonstration cane farms under close guidance by the Company's field experts. Earnings from the cane farming is, in return, is donated to temples to support their religious activities, and to schools as scholarships for students.

2015 Green Village Project



The Green Village project has been arranged by the Company to boost the morale of cane farmers and featured in complete cane farm management, eco-friendly and integrated cane farming for sustainability. This culminates in the farmers' better professional knowledge about farming and ability to effectively overcome future challenges and achieve sustainable growth.

2015 Fresh Sugarcane Fair





Numbers of CSR activities arranged by the Company continued from 2014 into 2015. This includes the Annual Fresh Sugarcane Fair to motivate the contracted cane farmers to deliver fresh cane from green cane harvesting, and not burnt harvesting to our factories. The cane farmers are given advice about the benefits of green cane harvesting and the disadvantages of burnt harvesting such as loss of weight and sweetness (C.C.S.), impurities and contamination from burning, and damage to cane stumps which will not grow well during the next crop season. In 2015, around 10,000 contracted cane farmers attended the fair.

2015 Occupational Safety Week



As the safety of employees is a top priority, the Company organized the 2015 Occupational Safety Week to raise awareness about the occupational safety among our employees, encouraging them to follow occupational safety standards in order to ultimately prevent and reduce occupational accidents.

2015 KTIS Family Day



The Company hosted the 2015 KTIS Family Day to forge the relationship between the Company and community members and cane farmers. Activities of the day included international and traditional sports and games, including party and foods for participants.

2015 Innovation and Kaizen Challenge



In addition to the above projects, the Company has attached importance to activities that spur the development of innovations and technologies for the Company's business, enhanced safety of our employees and external parties, more effective work processes, and waste minimization as these activities are indirectly beneficial to the community and environment. With this end in mind, the Company launched the 2015 Innovation and Kaizen Challenge. Kaizen is a Japanese word for effective improvement and is based on the simple philosophy of "eliminate, decrease, discard and change".

The 2015 Innovation and Kaizen Challenge was a forum for our employees to freely show their opinions and creativity, and their ideas signified their earnest dedication and willingness to contribute to the growth of the KTIS group. Winning ideas were incubated and developed into innovations that could improve the work safety and optimize resource utilization.

The Company's strong commitment to the ongoing betterment of community and the environment is evident in a number of its initiatives and supports.



In giving back to the society and raising unity within communities, the Company arranged a cleaning day to improve the cleanliness and attractiveness of areas nearby.



The Company helped develop necessary infrastructure for communities, for example, by building rest houses, desks and chairs to support communal and recreational activities.





- The Company gave traffic vests and paramedic tools to officials with a view to elevating the safety of community members and officials in charge.
- To broaden the knowledge and skills of students, the Company arranged and co-hosted educational fairs for students and community members which featured brain-based learning activities.

For more information about our CSR activities and the sustainability report, please visit our website at www.ktisgroup.com.

11. Internal Control and Risk Management

11.1 Internal Control

The Company is fully aware that the adequate and appropriate internal control system is vital to effective business management and the protection of the interest of the Company's shareholders, employees and stakeholders. Effective internal control system originates in the adoption of good corporate governance practices, prudent risk management and effective and efficient operations for the achievement of corporate goals.

The Audit Committee has assigned the internal audit team to assess the Company's internal control through the use of the self-assessment which shall be completed by each division head and above of companies in KTIS group. The self-assessment tool has been updated by the SEC based on the 2013 COSO Integrated Framework for Internal Control which addresses 5 components of internal control system: control environment, risk assessment, control activities, information and communication, and monitoring activities.

The Audit Committee has concluded that the Company's internal control is satisfactory as the Company has sufficient human resources for effective implementation of the internal control system. In addition, monitoring and control of the subsidiaries have been conducted to prevent against the abusive and unauthorized use of assets and properties of the Company and its subsidiaries by directors or executives. Whistle blower program has also adequately been implemented to enable employees, external parties and stakeholders to securely report frauds, misconducts, conflict of interest and related-party transactions to the Company through special channel which promises the confidentiality of their reports.

11.2 Compliance

Functional units in charge of the oversight of internal compliance are:

- Office of the CEO and Company Secretary: Monitoring and promoting compliance of companies in KTIS group / the Board of Directors of KTIS/ the Boards of Directors of companies in KTIS group / executives / functional units with regulatory requirements applicable to listed companies and the Company's rules and regulations. Being a center of regulatory updates and communication and providing relevant advice and consultation for correct compliance of relevant parties.
- Internal Audit: Assessing the efficiency and adequacy of the internal controls system and conducting enterprise-wider audits for the Company and its subsidiaries.

11.3 Risk Management

In 2015, the KTIS Group Risk Management Committee, as part of its risk management oversight activities, reviewed risk management frameworks and policies based on the actual results of the risk management programs implemented in 2014, in order to enhance the enterprise-wide risk management capabilities, control the company's risks within the pre-determined risk tolerance levels, and rigorously supervised the company's risk management activities. The KTIS Group Risk Management Committee aligned corporate risk profile, key risk indicators, and risk management plans to business directions, strategic focuses, corporate goals, and the prevailing business landscapes. These guidelines were comprehensively acknowledged to and taken into action by the management team and the risk management team. In addition, the KTIS Group Risk Management Committee evaluated the risk management performance on a quarterly basis and reported the results to the Board

12. Related Parties Transactions

12.1 Related parties transactions

Related parties transactions as at 31 December in year 2014 – 2015 are as summarized below:

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31, 2014	December 31, 2015	
1. S.I. Property Co., Ltd. ("S.I. Property") (In the business of leasing property)	- S.I. Property has 4 common directors with the Company: - Mr. Nathapun Siriviriyakul - Mr. Pricha Attavipach - Miss Chua EngEng - Mr. Sirapak Siriviriyakul - Related companies hold shares of S.I. Property.	<u>Office Rental Expenses and Related Charges</u> Rental expenses and related charges paid by TIS to S.I. Property which is the lessor of the 245.0 sq.m. and 444.2 sq.m. office spaces at Liberty Plaza Building, 11th Fl., Thonglor, Sukhumvit 55 Rd., Klongton Nua, Wattana, Bangkok. <u>Accrued Expenses</u> Accrued common area maintenance charge. <u>Security Deposit Receivables</u> Security deposit for the office space rent.	1,943,951.13	1,739,842.80	S.I. Property is the owner of 245.0 sq.m and 444.2 sq.m office spaces at Liberty Plaza Building, 11th Fl., Thonglor, Sukhumvit 55 Rd., Klongton Nua, Wattana, Bangkok. The rental rate is approximately THB 230 per sq.m. The rental terms and conditions are in line with market rates and practices.
2. Aekphol Sugar Co., Ltd. ("APS") (In the business of leasing property)	- APS has 4 common directors with the Company: - Mr. Apichart Noochprayoon - Mr. Nathapun	<u>Office Rental Expenses and Related Charges</u> Rental expenses and related charges paid by the Company, TIS, EPC and EPPCO to APS which is the lessor of the office spaces on the 3rd, 4th, 6th, 7th and	13,323,685.04	12,715,079.97	APS is the owner of the said office spaces and rents the spaces out to the companies in KTIS group. The rental rates range from approximately THB130 - THB 230 per sq.m. The rental terms and conditions are in line with market rates and

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
	Siriviriyakul (3) Mrs.Darat Vibhatakalasa (4) Mr.Sirapak Siriviriyakul Related companies hold shares of APS.	5th (portion of it) Fls. of the building located at 92 VibhavadiRangsit Rd., Dindaeng, Bangkok, and paid by the Company, EPC and EPPCO to APS which is the lessor of the office spaces on the 9th-11thFls. of its building located at 133 VibhavadiRangsit Rd., Dindaeng, Bangkok. <u>Accrued Expenses</u> Accrued rental expense and related charges <u>Security Deposit Receivable</u> Security deposit for the office space rent.	150,112.43 3,033,099.00	147,784.75 3,033,099.00	practices.
3.Thas Thai Business Co., Ltd. ("TT") (In the business of operating and establishing petrol stations)	Related companies hold shares in TT.	<u>Purchase of Gasoline</u> TT sold gasoline to the Company, TIS, EPC ,EPPCO and KTBF <u>Accounts Payable</u> Accounts payable related to the purchase of gasoline by the Company, TIS, EPC and EPPCO from TT.	187,921,070.95 13,625,857.18	154,177,109.58 13,516,079.85	TT sold gasoline through gas stations located near the factories of companies in KTIS group. Selling price, terms and conditions are in line with market rates and practices.
		<u>Purchase of Vehicle Tyres</u> TT sold vehicle tyres to the Company and TIS.	3,248,425.55	2,196,878.51	TT sold vehicle tyres to companies in KTIS group. Selling price, terms and conditions are in line with market rates and practices.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
		<u>Accounts Payable</u> Accounts payable related to the purchase of vehicle tyres the Company and TIS from TT.	960,142.56	940,758.00	
		<u>Revenue from Land Lease</u> The Company and TIS leased 2 plots of land located near their factories, i.e. (1)land with total area of 5 rais, located in Nhong Po, Taklee, Nakornsawan, and (2) land with total area of 4 rais and 9 sq.wah, located in KhungTapao, Muang, Uttaradit. Such leases are for TT to operate its gas stations. <u>Other Payable</u> The Company and TIS received land lease fee in advance.	120,000.00	120,000.00	• TT operates gasoline station business on the land owned by the Company and TIS. The lease fees, terms and conditions are more favorable than the market rates and practices. • On 2 July 2012, the Company and TIS made a 30-year lease agreement with TT. Lease fee under the said agreement is THB 60,000 per year for each plot and the lease fee increase will be based on the 5-year average CPI during 2007 – 2011.
		<u>Revenue from Sale of Materials</u> The Company and TIS sold materials to TT.	6,247.76	1,067.86	
		<u>Other Receivable</u> Accrued income of the Company from sale of materials.	-	-	
4. TISS Co., Ltd. ("TISS") (In the business of exporting sugar)	• TISS has 3 common directors with the Company: (1) Mr. Prasert Siriviriyakul (2) Mr.Nathapun Siriviriyakul	<u>Export Expenses</u> TISS handles the export of products produced by the Company and TIS. Most of the expenses are export agent fees, financial agent fees, export	33,778,986.14	32,786,049.63	• Under the Sugarcane and Sugar Act, sugar mills are prohibited from exporting sugar on their own accord. Therefore, companies in KTIS group have to use export services of TISS, an export company. • In the sugar export process, the

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
	(3) Mr. Apichart Noochprayoon • Related companies hold shares in TISS.	documentation expenses and custom clearance fees. Accrued Expenses Accrued expenses of TIS for export fees and service provided by TISS.	-	15,746.22	Company and its subsidiaries directly deal with their customers and TISS is responsible for handling cargo shipment and export documents only. • Prices, fees, terms and conditions agreed with TISS are in line with the market rates and practices.
		Other Receivable Sugar export fee which TISS must pay to TCSC.	-	-	• Under the Sugarcane and Sugar Act, sugar mills are required to sell 400,000 tons of raw sugar to TCSC for export at the price determined by TCSC. • Fee to be paid to TCSC is in line with the market rates and practices.
		Packing Credit • The Company and TIS obtained short-term credits from related companies. • Interest expense • Accrued interest payable Other Receivable Revenue from sale of sugar export	682,000,000.00 144,889,720.54 - 61,009,046.23	- 4,138,541.65 - -	• TISS solicited packing credit facilities from commercial banks on behalf of the Company and TIS. • TISS will transfer funds under the packing credit facilities granted by commercial banks to the Company and TIS in exchange for promissory notes bearing the same interest rates that the commercial banks charged TISS. • TISS received revenue sale sugar from foreign buyers. And in the during to pay back KTIS .

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
5. Siam P.P. International Co., Ltd. ("Siam PP") (In the business of producing and distributing lime)	- Siam PP has 1 common director with the Company, namely Mr.Nathapun Siriviriyakul. - Related companies hold shares in Siam PP.	<u>Lime Trading</u> Siam PP sold lime, a raw material used in the production of sugar and pulp, to the Company and EPPCO. <u>Accounts Payable</u> Accounts payable associated with the purchase of lime by the Company and EPPCO from Siam PP.	131,726,359.11 12,305,717.39	80,522,610.44 7,249,917.19	- Siam PP sold lime to the Company and EPPCO. Selling price, terms and condition are in line with the Company's internal policies. - Prior to the SET-listing, the Audit Committee Meeting No. 1/2013 dated 8 January 2013 and the Board of Directors Meeting No. 1/2013 dated 9 January 2014 resolved to approve the procurement handbook which prescribes that transactions between the Company and Siam PP must be in line with the market prices, terms, conditions and practices. - The said handbook has immediate effect.
6. Ruamkij Angthong Warehouse Co., Ltd. ("Ruamkij") (In the business of leasing warehouses)	- Ruamkij has 4 common directors with the Company: (1) Mrs. Darat Vibhatakalasa (2) Mr. Nathapun Siriviriyakul (3) Mr. Apichart Noochprayoon (4) Mr. Sirapak Siriviriyakul - The Company's shareholders and related companies hold shares in Ruamkij.	<u>Storage Service Fees</u> Ruamkij has 3 warehouses in (1) Nhong Po, Taklee, Nakhonsawan (2) Pa Mok, Angthong and (3) Plakod, Pa Mok, Angthong. The Company and TIS rent Ruamkij's warehouses. <u>Accrued Expenses</u> Accrued warehouse rental expenses of the Company and TIS payable to Ruamkij.	123,365,407.91 8,408,940.33	80,818,212.80 5,740,279.36	The warehouses were rented from Ruamkij for the purpose of sugar storage. Rental prices, terms and conditions are in line with the market rates and practices.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
		<u>Logistics Service Fee</u> In addition to warehouse leasing, Ruamkij provides logistics services to the Company and TIS. <u>Accrued Expenses</u> Accrued logistics service fees of the Company and TIS payable to Ruamkij.	117,426,375.00 12,054,680.67	117,623,518.36 7,160,679.73	• Ruamkij provides logistics service for the Company and its subsidiaries. Prices, terms and conditions are in line with the market rates and practices.
7. RuamToon Warehouse Nakornsawan Co., Ltd. ("RuamToon") (In the business of leasing warehouses)	• RuamToon has 1 common director with the Company, namely Mr.Prasert Siriviriyakul • The Company's shareholders and related companies hold shares in RuamToon.	<u>Storage Service Fees</u> The Company and TIS rent Ruamkij's warehouses. <u>Accrued Expenses</u> Accrued warehouse rental expenses of the Company and TIS payable to RuamToon.	69,560,740.24 4,308,537.20	47,758,015.26 2,260,785.28	• The warehouses were rented from Ruamkij for the purpose of sugar storage. Rental prices, terms and conditions are in line with the market rates and practices
		<u>Logistics Service Fee</u> In addition to warehouse leasing, RuamToon provides logistics services to the Company and TIS. <u>Accrued Expenses</u> Accrued logistics service fees of the Company and TIS payable to RuamToon.	22,053,461.76 2,426,845.44	20,866,680.52 1,786,265.30	• RuamToon provides logistics service for the Company and its subsidiaries. Prices, terms and conditions are in line with the market rates and practices.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
		<u>Revenue from sales</u> sugar	-	817,552.80	• RuamToon has purchased sugar from wet deposits from TIS prices and trading conditions, according to market prices and trading conditions.
8. K.T.S Industry Co., Ltd. ("KTSI") (In the business of providing machinery repair and maintenance services)	• Mr. Pongpop Popvipak, a director and major shareholder of KTSI, has the authority to control the Company.	<u>Expenses on Plant Maintenance Services and Spare Parts</u> The Company, TIS, EPC and EPPCO engaged KTSI as a provider of repair and maintenance services for production plants. Most expenses are service fees for the repair and maintenance of machines and equipment, including the costs of spare parts. <u>Revenue from Sale of Materials</u> KTSI made payments for materials, welding wires and gas sold by the Company, TIS, EPPCO and EPC.	-	-	• The Company and its subsidiaries engaged KTSI as a provider of repair and maintenance services for production plants. The scope of services and service fees have been studied and compared to other service providers and it was found that KTSI offered the lowest prices on similar terms and conditions compared to other companies in the market. • The Company sold materials, welding wires and gas to KTSI for the repair and maintenance of our production facilities. The selling prices were marked up by 7.0% from the costs. It is the Company's policy to offer materials, welding wires and gas to all maintenance service providers at the markup of 7.0%. • Prior to the SET-listing, the Audit Committee Meeting No. 1/2013 dated 8 January 2013 and the Board of Directors Meeting No. 1/2013 dated 9 January 2014 resolved to approve the procurement handbook which prescribes that the procurement of maintenance services must be supported by TOR which shall serve as a bidder selection criterion. A specific committee has been established and to consider proposals of bidders in terms of technical specifications and pricing. If the selected bidder is a related party of KTIS group, such transaction shall be subject to prior approval from the Audit Committee. 's

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
					approval. • The said handbook has immediate effect.
		<u>Assets of Biomass Power Plant</u> KTBP engaged KTSI in the machinery installation of the 60MW biomass power plant at the total price of THB50,000,000. The power plant has commercially operated since 7 October 2013.	-	-	• KTBP engaged KTSI in the machinery installation of the biomass power plant. The price, terms and conditions of the transaction is in line with the group's internal policies. The cost comparison revealed that the project price charged by KTSI is not expensive than similar projects of KTBP. • Prior to the SET-listing, the Audit Committee Meeting No. 1/2013 dated 8 January 2013 and the Board of Directors Meeting No. 1/2013 dated 9 January 2014 resolved to approve the procurement handbook which prescribes that the procurement of maintenance services must be supported by TOR which shall serve as a bidder selection criterion. A specific committee has been established and to consider proposals of bidders in terms of technical specifications and pricing. If the selected bidder is a related party of KTIS group, such transaction shall be subject to prior approval from the Audit Committee. 's approval. • The said handbook has immediate effect.
		<u>Other Goods</u> EPPCO purchased factory construction materials from KTSI.	-	-	• EPPCO purchased bricks from KTSI. Prices, terms and conditions are in line with market rates and practices. • KTSI contracted EPPCO in the construction of steam transformer equipment for KTBP's biomass power plant. Prices, terms and condition are in

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
		<u>Trade Receivable</u> Expense payable to EPPCO for the construction of steam transformer equipment.	2,140,000.00	2,140,000.00	line with market rates and practice.
9. Thai Wisanu Nakornsawan Co., Ltd. ("Thai Wisanu") (In the hotel business)	- Thai Wisanu has 4 common directors with the Company: (1) Mr.Parphan Siriviriyakul (2) Mrs. Darat Vibhatakalasa (3) Mr.Prasert Siriviriyakul (4) Mr. Nathapun Siriviriyakul - Related companies hold shares in Thai Wisanu.	<u>Hotel Fees</u> Thai Wisanu is the owner of Grand Wisanu Plaza Hotel located at 26-28 Attakawe road, Muang, Nakornsawan. The Company and TIS have occasionally used accommodations and services from the hotel. <u>Accrued Expenses</u> Fees for hotel rooms and services payable by the Company and TIS to Thai Wisanu.	678,584.77 112,828.00	622,090.41 84,200.00	KTIS group has used hotel accommodation and services from Thai Wisanu on an arm's length basis.
10. Weswisanu Co., Ltd. ("Weswisanu") (In the business of leasing hostels)	Thai Wisanu Nakornsawan Co., Ltd., a related party of the Company, hold shares in Weswisanu.	<u>Employee Dormitory Rent</u> Weswisanu is the owner of the dormitory Located in Nhong Po, Taklee, Nakornsawan, near the EPC and EPPCO factories. EPC and EPPCO have rented Weswisanu's dormitory for their employees. <u>Accrued Expenses</u> Accrued expenses of EPC and EPPCO payable to Weswisanu for employee dormitory rent.	6,450,560.00 608,870.00	5,391,437.50 454,065.00	The Company and its subsidiaries rented dormitory from Weswisanu at approximately THB 3,529.4 per room per month. The rent charged by Weswisanu, considering its return on assets, is not higher than other companies' rental rates in the dormitory rental business.
11. K.T.S. Enterprise and Trading	Mr. Pongpop Popvipak, a director and major	<u>Assets of Biomass Power Plant</u>			KTBPengaged KTSE in the construction of the biomass power plant. The price,

[illegible]

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
					30-year term is also offered.
13.RuamToon Trading Nakornsawan Co., Ltd. ("RuamToon Trading Nakornsawan") (In the transportation business)	- RuamToon Trading has 1 common director with the Company, namely Mr. Prasert Siriviriyakul. - Related companies hold shares in RuamToon Trading.	<u>Sugar Transportation Cost</u> TIS engaged RuamToon Trading in the transportation of sugar to the warehouses. <u>Accrued Transportation Expenses</u> Sugar transportation expenses <u>Other Revenue</u> Compensation for damage of goods (sugar) paid to TIS <u>Deposit – Transportation Cost</u> Generally, the Company deducts a deposit worth 10% of the transportation cost to guarantee the payment of compensation for damage during the transportation. The deposit is returned after the delivery of goods to the destination.	34,890,587.87 4,709,163.59 121,573.57 644,300.00	15,804,863.57 1,797,574.89 34,442.67 1,071,700.00	TIS engaged RuamToon Trading in the transportation of sugar to the warehouses. Prices, terms and conditions are in line with the market rates and practices.
14.Siri Charoen Export Co., Ltd. ("Siri Charoen") (Currently not involved in	Siri Charoen has 1 common director with the Company, namely Mr. Apichart	<u>Loan Payable from Restructured Debts</u> - TIS owed debts from loan SiriCharoen - Interest expense	92,150,000.00	87,300,000.00	In the past, TIS owed money to financial institutions. From 2007 to 2008, as part of TIS's debt restructuring process, Siri Charoen, which has Mrs. Nowarat

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
any business)	Noochprayoon. • Directors and related parties hold shares in Siri Charoen.	• Accrued interest payable	458,907.00 657,615,028.56	362,295.00 627,977,323.56	Wangpredalertkul, APS, and Mr. Montree Lekvichittada as major shareholders with the shareholdings of 62.5%, 25.0% and 12.4% respectively, acquired all of TIS's debts from the financial institutions. • TIS and Siri Charoen entered into a debt restructuring contract, effective on 1 May 2013, which is the date that bankruptcy court has ordered TIS to exit the business rehabilitation plan whereas TIS must repay its outstanding principal and interest according to the 20-year installment repayment schedule. The interest charged by Siri Charoen on the outstanding and accrued interest equaled the average savings deposit interest rates of 3 banks, namely KASIKORN Bank Public Company Limited, Bangkok Bank Public Company Limited, and Krung Thai Bank Public Company Limited. • On 25 December 2013, TIS and Siri Charoen agreed to amend the debt restructuring contract. Under the amended debt restructuring contract which has been effective since 31 December 2013, TIS agreed to pay the outstanding debts which include the principal of THB 97,000,000 and the accrued interest of THB 687,156,121.56 to Siri Charoen. The Company views that such amendment is favorable for the Company and reduce TIS' future debt repayment burden.
15. Ruampol Enterprise Co., Ltd ("RPE") (Formerly operated sugar production and trading	• RPE has 5 common directors with the Company: (1) Mr. Parphan	<u>Purchase of Sugar and Molasses</u> The Company, TIS and EPC purchased sugar and	-	-	• Purchases of sugar and molasses can be divided into: (1) Purchase of sugar and molasses

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
business but currently is not in business operation.)	Siriviriyakul (2) Mr. Prasert Siriviriyakul (3) Mr. Nathapun Siriviriyakul (4) Mr. Sirivuthi Siamphakdee (5) Mrs. Darat Vibhatakalasa • The Company's shareholders and related companies hold shares in RPE	molasses from RPE. <u>Accounts Payable</u> Accounts payable associated with the purchase of sugar and molasses	299,995,247.70	-	by the Company and TIS from RPE at the market price, terms and conditions under the RPE's sugar and molasses stock clearance. On 8 May 2013, RPE had the Quota A sugar of approximately 5,269,400 kgs. in stock and the Company purchased the sugar at the market price of THB 20.33 per kg. as announced by the Department of Internal Trade, Ministry of Commerce (inclusive of VAT or THB 19.00 per kg. exclusive of VAT). After the deduction of contribution to the Sugar Cane and Sugar Fund at THB5.7196 per kg. and the storage cost of THB0.45 per kg. (calculated from storage cost of THB0.15 per kg. per month over a storage period of 3 months), the amount to be paid totaled approximately THB 67,608,509.76. The payment was scheduled to be made by June 2013. The transaction was a result of RPE's leasing out of its sugar factories to the Company from 15 August 2012 and the transfer of related licenses to the Company on 27 February 2013. Hence, RPE could sell its sugar by itself. (2) EPC purchased molasses from RPE for its ethanol production at the selling price which was in line with the Company's internal policies. Such purchase was part of RPE's molasses stock clearance. The Company has established a policy to prevent against such transaction, effective from 1 January 2013

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
		<u>Accounts Payable</u> Expenses on fertilizers and pesticides	-	-	As RPE has leased out all of its sugar factories to the Company since 15 August 2012 onwards, RPE sold its remaining fertilizers and pesticides to the Company at book value.
		<u>Accounts Payable</u> Expenses on factory equipment	-	-	As RPE has leased out all of its sugar factories to the Company since 15 August 2012 onwards, RPE sold its remaining factory equipment to the Company at book value.
		<u>Land Lease Expenses</u> KTIS leased land, with total area of 173 rai, 95.9 sq.wah., located at Ban Ma Glua, Muang, Nakornsawan.	5,300,000.00	5,300,000.00	- The Company leased land from RPE, which was part of the lease of sugar factories from RPE. - The land lease agreement was made on 16 July 2012 at the lease fee of THB 5,300,000 per year, increasing every 5 years based on the 5-year average CPI, but not exceeding 20% of the prior year's lease fee rate. - The land lease agreement has the term of 30 years and can be renewed to extend the term for another 30 years. - The rate of lease fee was in line with the appraisals conducted by Knight Frank Charter (Thailand) Co., Ltd. on 8 May 2012 and Sallmanns (FarEast) Limited on 21 May 2012.
		<u>Deposit – Factory Lease Fees</u> Rental deposit for land and machinery of sugar factories.	101,000,000.00	101,000,000.00	
		<u>Prepaid Expenses</u> Prepayment of the land, factory and machinery lease fees	83,868,113.87	3,312,499.99	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
		<u>Debts under Financial Lease</u> Debts under financial lease for building and machinery <u>Accrued interest payable</u> Interest payable on finance leases. <u>Financial Costs</u> Interest expenses under financial lease for building and machinery	818,024,482.11 33,038,316.36 90,336,805.51	812,307,175.14 33,507,670.95 89,746,854.10	
16. SiriCharoen Sapraiwan Co., Ltd. ("SSPW") (operates hotel and resort business)	- SSPW has 3 common directors with the Company: (1) Mr. Pricha Attavipach (2) Miss Chua EngEng (3) Mr. Sirapak Siriviriyakul - The Company's shareholders and related companies hold shares in SSPW.	<u>Resort Fees</u> SSPW owns a resort located at 1/79, Moo 2, Kaengsopha, Wangthong, Phitsanulok. The Company, TIS, EPPCO, EPC and KTBP used the resort's accommodation for seminars. <u>Accrued Expenses</u> Accommodation fees for rooms and services used by TIS, EPPCO, EPC and KTBP.	2,743,921.69 407,238.00	553,638.70 -	KTIS group has used hotel accommodation and services from SSPW on an arm's length basis.
17. Nakornsawan Ruamtoonpattana Co., LTD ("Nakornsawan Ruamtoonpattana") (In the transportation business)	- Nakornsawan Ruamtoonpattana has 1 common director with the Company, namely Mr. Prasert Siriviriyakul. - The Company's shareholders and	<u>Sugar Transportation Cost</u> TIS engaged Nakornsawan Ruamtoonpattana in the transportation of sugar to the warehouses. <u>Accrued Transportation Expenses</u>	1,603,211.00	11,428,621.89	TIS engaged Nakornsawan Ruamtoonpattana in the transportation of sugar to the warehouses. Prices, terms and conditions are in line with the market rates and practices.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			December 31 ,2014	December 31 ,2015	
	related companies hold shares in Nakornsawan Ruamtoonpattana.	Sugar transportation expenses <u>Other Revenue</u> Compensation for damage of goods (sugar)	1,603,211.00 -	1,612,719.31 33,196.43	
18. Poomlert Business Co.,Ltd("PB") leasing of agricultural machinery.	- Poomlert Business has 1 common director with the Company,namely Mr.Sirapak Siriviriyakul - The Company's shareholders and related companies hold shares in PB	<u>Car milling sugar cane Lease Expenses</u> KTIS and TIS has rented car packed sugar cane leaves.	-	3,000,000.00	KTIS and TIS has rented car packed sugar cane leaves. For milling sugar cane leaves Using a fuel additive
19. PoomPattana Co.,Ltd ("PP") Property Business	Related parties hold shares in PP	<u>Land Lease Expenses</u> KTBF leased land <u>Accrued expenses</u> Costs payable from KTBF leased land.	- -	6,616.44 6,616.44	KTBF has leased the land from PP for use as fertilizer plant and operate area.

12.2 Conclusions relating to the related party transactions

After having thoroughly considered all the connected transactions for the financial year ended December 31, 2015, as well as having obtained information from the management and verified the information specified in the notes to the financial statements, the audit committee, at Audit Committee Meeting, no. 1/2016 held on February 22, 2016, concluded that the connected transactions for the financial year ended December 31, 2015 were conducted in the ordinary course of business. The transactions were also deemed to be conducted on an arm's length basis. There was also no transfer or diversion of interests between our Company and persons who may have conflicts of interests.

12.3 The approval procedure for related party transactions

Our policy and procedures for related party transactions with persons who may have conflicts of interests are summarized as follows.

We shall abide with all principles and procedures as provided in the Securities Act, the Notification of Capital Market Supervisory Board, ref. Tor.Jor. 21/2551 (A.D. 2008) on related party transaction principle, the Notification of the Board of Governors of the Stock Exchange of Thailand on the disclosure of information and other acts of listed companies concerning related party transactions, relevant rules of the Securities and Exchange Commission and the Stock Exchange of Thailand and the provisions on disclosure of related party transactions in notes to audited financial statements and annual registration statements (56-1).

The audit committee shall evaluate any transaction for which prior approval from the board of directors or shareholders is required by law. The audit committee's opinions will be presented at the board and shareholder meetings. This ensures that we will only enter into transactions which are in our best interests.

In the event that other parties in proposed related transactions may face conflicts of interests, the audit committee will provide an opinion on the necessity of entering into the transaction, on whether the terms and the prices have been offered according to industry practice and how they compare to terms offered by other vendors. In addition, where required, we may appoint an independent specialist to provide an opinion on the transaction. Directors with vested interests in the transactions will be precluded from voting and such transactions must be disclosed in the notes to the audited financial statements.

As a rule, the management is authorized to approve transactions if their trading terms and conditions were determined on an arm's length basis. We will be issuing a summary report on transactions with total values in excess of Baht 5,000,000, at our next board meeting.

12.4 Our policy towards future related party transactions

All related party transactions shall only be carried out in adherence with all applicable rules and principles of the Stock Exchange of Thailand and the Securities and Exchange Commission.

We will continue to strictly observe and abide by the aforementioned policy and procedures for related party transactions. The audit committee provides guidance on the approval of related party transactions. It will consider the necessity of a transaction for our business operations and compare it against prices and terms offered by other vendors, if any. The audit committee will also take into account size of the transaction.

If the audit committee does not specialize in a particular kind of transaction, we will appoint persons with the requisite skills and knowledge to provide their opinions on the transaction. Such persons may be independent auditors or real estate appraisers whose opinions will facilitate the decision making processes of our board of directors or shareholders, ensure that the transaction does not involve a transfer or diversion of interests between companies within KTIS group or among our shareholders, and that shareholders' interests are protected.