Part 2
Management and Corporate Governance

7.Securities Details and Shareholding Structure

7.1 Securities of the Company

As at September 30, 2018 , 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 September 30, 2018, 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**	**35.254**
2	**3S HOLDING COMPANY LIMITED(1)**	**972,000,010**	**25.181**
3	**BANK OF SINGAPORE LIMITED**	**243,138,600**	**6.299**
4	**MR. SIRAPAK SIRIVIRIYAKUL**	**190,698,000**	**4.940**
5	**DBS BANK LTD**	**128,000,000**	**3.316**
6	**MR. SIRAPAT SIRIVIRIYAKUL**	**120,892,900**	**3.132**
7	**MR. POOMLERK WANGPREEDALERTKUL**	**114,646,200**	**2.970**
8	**MRS. NAWARAT WANGPREEDALERTKUL**	**96,652,226**	**2.504**
9	**Group of KING WAN CORPORATION LIMITED**	**112,341,000**	**2.910**
	KING WAN CORPORATION	87,267,000	2.261
	KING WAN INDUSTRIES PTE. LTD.	25,074,000	0.649
10	**MR. POOMRATA WANGPREEDALERTKUL**	**62,492,000**	**1.619**
	Total	**3,401,660,936**	**88.125**

***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 September 30, 2018, 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
	OTHER	2	0.0
	TOTAL	9,724,670	100.0

(2.) The registered capital and paid up capital of **Hathai Jaroon Ek Holding Co., Ltd** consists of 909 shares at par value of THB. 25,000,000 per share or THB 22,725,000,000 At September 30, 2018, major shareholders of the company as following (exclude Treasury Stock)

No.	Name	No. of Shares	% of Total Shares
1	MS.NATHAYA SIRIVIRIYAKUL	133	14.6
2	MS.SIRAARPA SIRIVIRIYAKUL	93	10.2
3	MR.PRIN SIRIVIRIYAKUL	77	8.5
4	MR. SIRAPAK SIRIVIRIYAKUL	69	7.6
5	MR.SIRAPAT SIRIVIRIYAKUL	69	7.6
6	MR. POOMLERK WANGPREEDALERTKUL	65	7.2
7	MR. POOMRATA WANGPREEDALERTKUL	63	6.9
8	MR.PRASONG SIRIVIRIYAKUL	54	5.9
9	MS.SAISIRI SIRIVIRIYAKUL	53	5.8
10	MR. PRACH SIRIVIRIYAKUL	50	5.5
11	MR.PUN SIRIVIRIYAKUL	50	5.5
	OTHER	133	14.7
	TOTAL	909	100.0

7.3 Agreement between the majority shareholders on the matter impacting the issuance and offer for sale of the securities or the management of Company on which the Company has countersigned.

-None-

7.4 Other Securities

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
Allocation method	:	Allocated directly to the executives and staffs of the Company who possess the qualifications as required in the Key Terms of the Issuance and Offer for Sale of the Warrants to the executives and staffs of the Company and/or subsidiaries.
Basis of the issuance of new shares to accommodate the change of exercise	:	Upon the adjustment of the exercise price according to the conditions for rights adjustment as stipulated in the Terms and Conditions of the Warrants which is the event mentioned in the Notification of SEC Office.
Other rights and benefits apart from the normal rights and benefits of ordinary shares	:	-None-
Exercise date	:	The holder of warrant is entitled to exercise the warrants to purchase ordinary shares of the Company at every last business day upon the full term of 4 years and 6 months period from the date of warrant issuance. In this respect, the last exercise date shall be on the period of 5 business days before the term of warrant reaches 5 years from the date that the Company has issued and offered for sale of the warrant.
Exercise of warrants to purchase ordinary shares	:	Except for the case that the executives and staffs are unable to exercise the warrants as specified in Conditions for the exercise of warrants, the holder of warrant is entitled to exercise the warrants to purchase the newly issued ordinary shares of the Company upon the full term of 4 years and 6 months period from the date that the Company issued and offered for sale of the warrants under exercise date.
Term of notifying the intention to exercise the warrants	:	The holder of warrant, who wishes to exercise the warrants to purchase ordinary shares of the Company, is required to notify the intention to exercise the rights to purchase ordinary shares under the warrants for each occasion during 9.00 a.m. to 3.00 p.m. within 5 business days prior to each exercise date. In case that the exercise date is on the holiday of the Company, such exercise date shall be postponed to be the last business day prior to the exercise date of such occasion (herein after referred to as "**Term of notifying the intention to exercise the warrants**"). Except for the case of declaring the intention for the last exercise of warrants, the intention must be declared during 15 business days before the

		last exercise date (hereinafter referred to as "**Term of notifying the intention for the last exercise of warrants**"). The Company shall notify the news and additional details (if any) regarding the term of notifying the intention to exercise the warrants, the term of notifying the intention for the last exercise of warrants, exercise ratio, exercise price, exercise term, details of bank account for the subscription of warrants and the contact address to exercise the warrants, by posting at the Company's head office or delivering the letter to the units that the holder of warrant is engaged with or delivering in form of an electronic mail to the holder of warrant for at least 7 business days prior to the term of notifying the intention to exercise the warrants of each occasion. For the last exercise date, the Company shall deliver such details to the holder of warrant by delivering the letter to the units that the holder of warrant is engaged with or delivering in form of an electronic mail for at least 15 business days prior to the term of notifying the intention for the last exercise of warrants.
Conditions for the exercise of warrants	:	-The holder of warrant must possess a status in capacity of the executives and staffs on such exercise date except for the case as specified in next clause. -The exceptions are as follows: (a) In case that the holder of warrant's status in capacity of the executives and staffs are terminated due to the death, disappearance, severe injury or physical disability to the degree that is no longer functional, or other causes that the Management Department deems appropriate to allow such person, or the heirs, or the guardian, or the curator of such person to exercise the rights for purchasing the shares under the warrants in substitution of such executives and staffs throughout the term of such allocated warrants. (b) In case that the status in capacity of the executives and staffs are terminated due to the retirement, the rights to purchase the shares under the warrants can be exercised throughout the term of such allocated warrants. (c) In case that the status in capacity of the executives and staffs are terminated due to the termination or dismissal of employment without fault, or such status in capacity of the executives and staffs are terminated due to the change of control in the Company or subsidiaries, these cases shall be subject to the discretion of the Management Department whether to allow the exercise of warrants granted to the executives or staffs as it deems reasonable and appropriate on a case by case basis. -Unless the Management Department determines otherwise, in case that the holder of warrant's status in capacity of the executives and staffs are terminated due to the resignation, or the discharge or the termination or dismissal of employment base on the fault, the holder of warrant shall no longer be able to exercise the allocated warrants. In addition, the holder of warrant must return the warrants, of the entire portion which is not yet exercised, currently held by him to the Company forthwith in order for the Management Department to allocate to the other executives and staffs of the Company or subsidiaries as it deems appropriate. -Should the executives and staffs do not exercise the rights to purchase the ordinary shares under the warrants or exercise the rights not in full and such warrant is expired according to its term, it shall be deemed that the executives and staffs of the Company and/or subsidiaries waive their rights to exercise such remaining warrants. Such executives and staffs are not entitled to claim any damages from the Company. -The Management Department has an absolute power to consider determining or amending the conditions for the exercise of warrants

		otherwise which may be different from the above-mentioned conditions.
Warrant registrar	:	Thailand Securities Depository Company Limited

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.

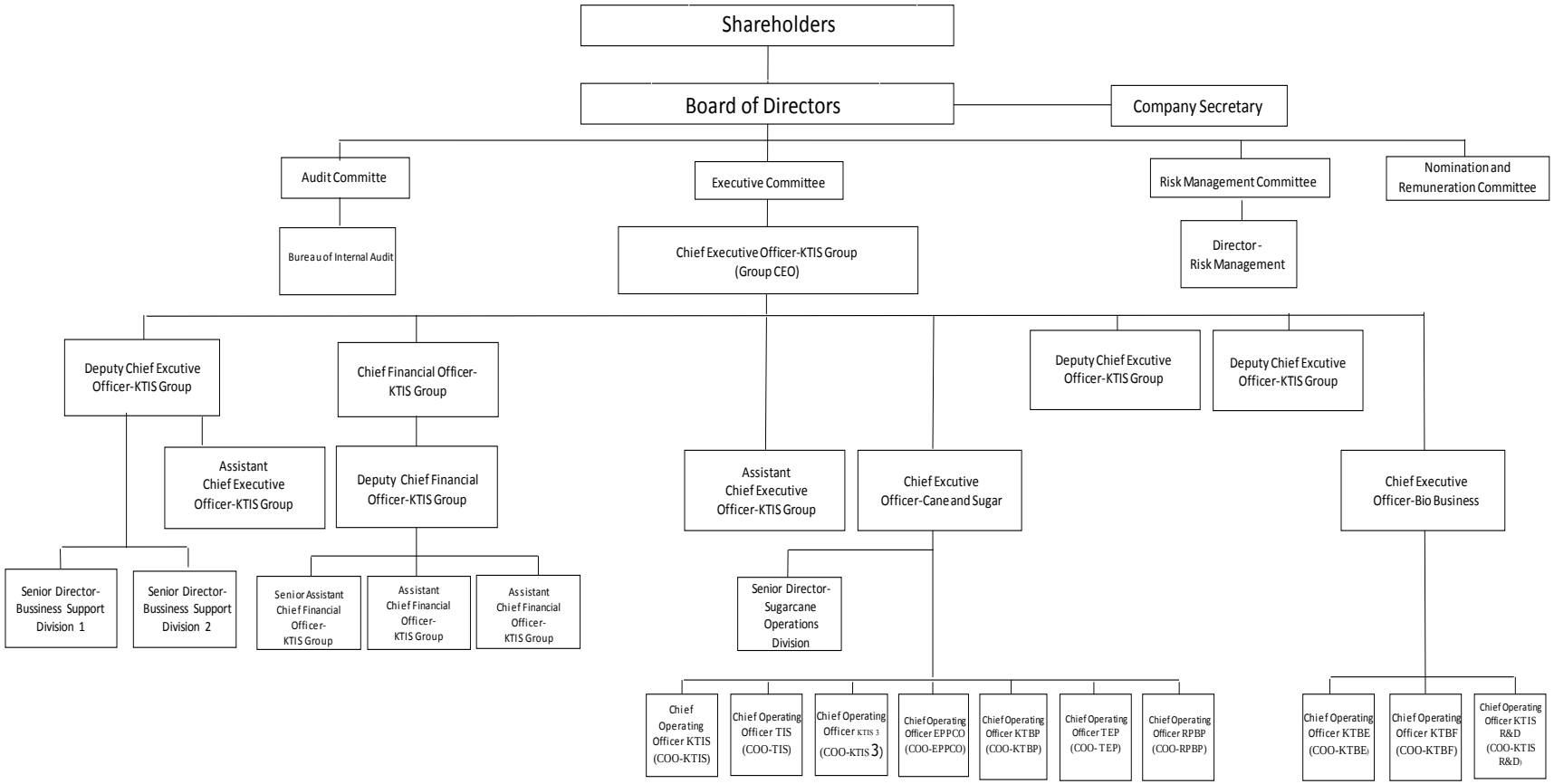
Details of dividends	2016	2017	2018 (Proposed)
1.Net Profit (Baht)	224,993,863	666,124,903	315,548,967
Number of shares 2.1 Number of shares at interim dividend	-	-	-
2.2 Number of shares at the annual dividend.	3,860,000,010	3,860,000,010	3,860,000,010
Total dividend per share (Baht : Share) 3.1Interim dividend (Baht : Share)	-	-	-
3.2 annual dividend (Baht : Share)	0.10	0.15	0.15
Total dividends paid (Baht)*	386,000,001	579,000,001.50	579,000,001.50
Dividend Payout Ratio	171.56%	86.92%	183.48%

*Remark 1. In 2016, the Company has paid the dividend from (a) annual operating result of 193,000,000.50 Baht at a rate of 0.05 Baht per share (85.78 percent of the net profit from the operation-specific financial statement of 2016) and (b) accumulated profit of 193,000,000.50 Baht at a rate of 0.05 Baht per share.

2. In 2018, the Company has paid the dividend from (a) annual operating result of 231,600,000.60 Baht at a rate of 0.06 Baht per share (73.40 percent of the net profit from the operation-specific financial statement of 2018) and (b) accumulated profit of 347,400,000.90 Baht at the rate of 0.09 Baht per share.

8. Management Structure

Diagram : Management Structure



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.

8.1 Board of Directors

As at September 30, 2018, 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	Number of Meeting Attended in 2018
1	Mr. Pricha Attavipach	Chairman	Group 2	January 29,2013	4/4
2	Mr.Sirivuthi Siamphakdee	Vice-Chairman	Group 2	January 29,2013	4/4
3	Mr.Parphan Siriviriyakul	Director	Group 1	January 29,2013	4/4
4	Mr.Nathapun Siriviriyakul	Director	Group 1	January 29,2013	4/4
5	Mrs.Darat Vibhatakalasa	Director	Group 1	January 29,2013	4/4
6	Mr.Prasert Siriviriyakul	Director	Group 1	January 29,2013	4/4
7	Mr.Sirapak Siriviriyakul	Director	Group 1	May 14 ,2015	4/4
8	Mr.Apichart Noochprayoon	Director	Group 2	January 29,2013	4/4
9	Mr. Kunihiko Tahara	Director	-	May 12,2017	4/4
10	Ms. Chua Eng Eng	Director	Group 2	January 29,2013	4/4
11	Mr. Krairit Nilkuha	Independent Director/Chairman of Audit Committee	-	February 26,2014	4/4
12	Mr.Sathaporn Kotheeranurak	Independent Director/Member of Audit Committee	-	January 29,2013	4/4
13	Acting Sub Lt. T-rayooth Changpetch	Independent Director/Member of Audit Committee	-	January 29,2013	4/4
14	Mr. Issakan Krivithaya	Independent Director	-	January 29,2013	4/4
15	Mr.Phoonsak Boonsalee	Independent Director	-	January 29,2013	4/4

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:

- 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;

- 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;

- 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;

- 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;

- 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

- 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;

- 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;

- 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;

- 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 :

- 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;
- 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;
- 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;
- The Board shall continuously monitor our performance and operations and ensure that they are in line with our action plan and budget;
- The Board shall ensure that we adopt appropriate and efficient accounting systems, and have implemented internal control and audit systems;
- 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;
- 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;
- The Board shall implement a written corporate governance policy to ensure that the interests of each group of stakeholders is equally protected;
- 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;
- The Board shall be responsible for the appointment of our sub-committee members, and shall prescribe the power and responsibilities of such sub-committees;
- The Board shall ensure that our authorized signatories are changed from time to time
- 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;
- If necessary, the Board shall seek professional advice from third-party organizations to facilitate its decision-making; and
- 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.

Category of Directors:

The table below shows the category of Directors in 2018.

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 Vibhatakalasa			√
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. Kunihiko Tahara			√
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 2018 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	4.80	4.75
2. Board meeting	4.80	4.78
3. Roles, duties and responsibilities of Board	4.83	4.73
4. Performance of duties of directors	-	4.78
5. Relationship with the management	-	4.81
6. Self-development of directors and executive development	-	4.73
Average	**4.81**	**4.76**

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)
(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)	Audit Committee Program (ACP)	Finance for Non-Finance Director (FND)	Monitoring Fraud Risk Management (MFM)	Understanding the Fundamental of Financial Statements (UFS)	Board Matters and Trends (BMT)
Mr.Pricha Attavipach	DCP39/2004		ACP11/2006	FND8/2004			
Mr.Sirivuthi Siamphakdee		DAP54/2006					
Mr.Parphan Siriviriyakul		DAP96/2012					
Mr.Nathapun Siriviriyakul		DAP55/2006					
Mrs. Darat Vibhatakalasa		DAP96/2012					
Mr. Prasert Siriviriyakul		DAP96/2012					
Mr. Apichart Noochprayoon		DAP96/2012					
Mr. Sathaporn Kotheeranurak		DAP35/2009	ACP13/2013				BMT 6/2018
Acting Sub Lt. T-rayooth Changpetch		DAP97/2012	ACP41/2012		MFM8/2012		
Mr.Issakan Krivitthaya		DAP97/2012	ACP41/2012		MFM8/2012		
Mr. Phoonsak Boonsalee		DAP97/2012					
Mr. Krairit Nilkuha		DAP53/2006	ACP24/2008			UFS 6/2006	
Mr. Kunihiko Tahara		DAP137/2017					

Summary of changes in KTIS 's shareholding by Directors as of September 30, 2018:

Shareholding below represents the aggregate number of shares held by spouse ,minor child and people under Section 258 of the SEC Act.B.E 2535

Name	Position	Shares held on Dec 31,2017	During 2018 Number of Shares (Shares) Increase / decrease	Shares held on Sep 30,2018	Total Percentage of Voting Shares(%)	Remark
1. Mr. Pricha Attavipach	Chairman	5,874,100	150,000	6,024,100	0.155	
2. Mr.Sirivuthi Siamphakdee	Vice-Chairman	-	-	-	-	None
3. Mr.Parphan Siriviriyakul	Director	3,100	-	3,100	0.000	
4. Mr.Nathapun Siriviriyakul	Director	27,216,000	-	27,216,000	0.705	
*Spouse and Minor Children		10,000	-	10,000	0.000	
5. Mrs.Darat Vibhatakalasa	Director	12,349,900	-	12,349,900	0.320	
6. Mr.Prasert Siriviriyakul	Director	5,902,000	20,000	5,922,000	0.152	
*Spouse and Minor Children		5,832,000	-	5,832,000	0.150	
7. Mr.Phoonsak Boonsalee	Independent Director	-	-	-	-	None

Name	Position	Shares held on Dec 31,2017	During 2018 Number of Shares (Shares) Increase / decrease	Shares held on Sep 30, 2018	Total Percentage of Voting Shares(%)	Remark
8. Mr.Apichart Noochprayoon	Director	500	-	500	0.000	
9. Mr. Kunihiko Tahara	Director	-	-	-	-	None
10. Ms. Chua Eng Eng	Director	21,544,000	-	21,544,000	0.558	
11. Mr. Krairit Nilkuha	Independent Director/Chairman of Audit Committee	-	-	-	-	
*Spouse and Minor Children		100,000	80,000	20,000	0.001	
12. Mr.Sathaporn Kotheeranurak	Independent Director/Member of Audit Committee	-	-	-	-	None
13. Acting Sub Lt. T-rayooth Changpetch	Independent Director/Member of Audit Committee	-	-	-	-	None
14. Mr. Issakan Krivithaya	Independent Director	-	-	-	-	None
15. Mr.Sirapak Siriviriyakul	Director	190,698,000	-	190,698,000	4.940	

8.3 Committees

The Board of Directors appointed 4 sub-committees to control the Company's businesses as follows:

(1) Audit Committee

As at September 30, 2018, 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.

Remark: Audit Committee no. 1-2 have sufficient knowledge and experience to verify the reliability of financial statement. The detail of experiences in verifying financial statement is according to the detail of each director (Attachment 1)

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 2018.

Name	2018
1. Mr. Krairit Nilkuha	5/5
2. Mr. Sathaporn Kotheeranurak	5/5
3. Acting Sub Lt. T-rayooth Changpetch	5/5

(2) Nomination and Remuneration Committee

As at September 30, 2018, 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 2018.

Name	2018
1. Mr. Issakan Krivitthaya	1/1
2. Mrs. Darat Vibhatakalasa	1/1
3. Mr. Phoonsak Boonsalee	1/1

(3) Risk Management Committee

As at September 30, 2018, 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 2018.

Name	2018
1. Acting Sub Lt. T-rayooth Changpetch	3/3
2. Mr. Parphan Siriviriyakul	3/3
3. Mr. Sirivuthi Siamphakdee	3/3
4. Mr. Prasert Siriviriyakul	3/3
5. Mr. Nathapun Siriviriyakul	3/3
6. Mr. Issakan Krivitthaya	3/3

(4) Executive Committee

As at September 30, 2018, 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 2018.

Name	2018
1. Mr. Sirivuthi Siamphakdee	9/9
2. Mr. Parphan Siriviriyakul	9/9
3. Mrs. Darat Vibhatakalasa	7/9
4. Mr. Prasert Siriviriyakul	8/9
5. Mr. Nathapun Siriviriyakul	7/9

Evaluation of 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 2018 evaluation, the overall rating under each category is as follows:

Evaluation Category	Performance of Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee
1. Board structure and qualifications of directors	4.71	4.81	4.76	4.51
2. Board meeting	4.89	4.83	4.72	4.63
3. Roles, duties and responsibilities of Board	4.90	4.61	4.60	4.50
Average	**4.83**	**4.75**	**4.70**	**4.55**

Remark: Total score = 5

8.4 Executives

As at September 30, 2018, 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	Deputy Chief Executive Officer – KTIS Group
5. Mr. Nathapun Siriviriyakul	Deputy Chief Executive Officer – KTIS Group
6. Mrs. Nomchit Akaramekin	Director - Accounting Department

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 Chief Executive Officer – KTIS Group :

- 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;
- The Chief Executive Officer – KTIS Group shall implement and comply with the business strategies and directions approved by the Board;
- The Chief Executive Officer – KTIS Group shall perform any activity designated by the Board and shall comply with policies prescribed by the Board;
- The Chief Executive Officer – KTIS Group shall introduce regulations, notifications and memorandums in accordance with our policies;
- 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;
- The Chief Executive Officer – KTIS Group shall monitor management and officers to ensure that

that they are in compliance with our internal policies and business directions prescribed by the Board;

- 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;

- The Chief Executive Officer – KTIS Group shall monitor all expenses relating to the our ordinary business operations and ensure that they are in accordance with the Board's approved budget;

- The Chief Executive Officer – KTIS Group shall approve all investments in instruments and securities as approved by the Board;

- 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;

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

- 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;

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

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

- 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;

- 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

- 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 2018 evaluation, the overall rating under each category is as follows:

Evaluation Category	CEO Group
1.Leadership	4.83
2. Strategy formulation	4.89
3. Strategy execution	4.80
4. Financial planning and performance	4.67
5. Relationship with Board of Directors	4.88
6. Relationship with external parties	4.93
7. Administration and employee relations	4.00
8. Product and service knowledge	4.88
Average	**4.83**

Remark: Total score = 5

8.5 Company Secretary

The 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 Pipattanachaipong
Company Secretary

Age : 55 years old
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	KTIS Bio Fertiliser Co., Ltd.
1996 – 2013	Factory Manager	Kaset Thai Sugar Industry Co., Ltd.
2005 – 2013	Factory Manager	KTIS Bioethanol Co., Ltd.
1994 – 1996	Factory Manager	Ruampol Enterprise Co., Ltd
1989 – 1994	Deputy to Factory Manager	Kaset Thai Sugar Industry Co., Ltd.

Qualification of Company Secretary:

(1) Having basic knowledge of business, accounting, being proficient and understanding the Company's businesses;

(2) Understanding roles and duties of Company Secretary;

(3) Having knowledge of and understand laws, regulations of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand, including good corporate governance;

(4) Being independent and straight-forward in performing duties, not expecting for personal benefit from the Company's businesses, as well as committing to keep the Company's secret confidential;

(5) Having experiences in the board's secretary or other qualification which would support the Company Secretary's work to be more efficient.

Scope of power and duties of the Company Secretary :

- 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;
- The Company Secretary shall maintain reports on conflicts of interest; and
- 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:

- each shareholder shall have one vote per share;
- 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
- 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:

- 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;
- 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;
- 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;
- must not:
  - have or used to have a business relationship[3] 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 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.

- 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.

- 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;

- 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;

- 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;

- must not undertake any business which is in competition with us;

- 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;

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

- 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

- 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 :

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

(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, 2018 to be as follows:

Committee		Remuneration per month	Attendance Fee per meeting
Board of Director	Chairman of the Board of Directors	50,000	50,000
	Director	25,000	25,000
Audit Committee	Chairman	-	60,000
	Member	-	30,000
Risk Management Committee	Chairman	-	40,000
	Member	-	20,000
Nomination and Remuneration Committee	Chairman	-	40,000
	Member	-	20,000

Remark There are not any other benefit.

The below table shows the remuneration details of our Directors for the year 2017 and 2018.

Name of Director	Position	2017						2018 (As at September 30,2018)					
	2018	Remuneration	BOD	Audit Committee	Nomination and Remuneration	Risk management	Total (baht)	Remuneration	BOD	Audit Committee	Nomination and Remuneration	Risk management	Total (baht)
1.Mr.Pricha Attavipach	Chairman	600,000	250,000	-	-	-	850,000	450,000	200,000				650,000
2.Mr.Sirivuthi Siamphakdee	Vice-Chairman	300,000	125,000	-	-	80,000	505,000	225,000	100,000			60,000	385,000
3.Mr.Parphan Siriviriyakul	Director	300,000	125,000	-	-	80,000	505,000	225,000	100,000			60,000	385,000
4.Mr.Nathapun Siriviriyakul	Director	300,000	100,000	-	-	80,000	480,000	225,000	100,000			60,000	385,000
5.Mrs.Darat Vibhatakalasa	Director	300,000	125,000	-	40,000	-	465,000	225,000	100,000		20,000		345,000
6.Mr.Prasert Siriviriyakul	Director	300,000	125,000	-	-	80,000	505,000	225,000	100,000			60,000	385,000
7.Mr.Sirapak Siriviriyakul	Director	300,000	125,000	-	-	-	425,000	225,000	100,000				325,000
8.Mr.Apichart Noochprayoon	Director	300,000	125,000	-	-	-	425,000	225,000	100,000				325,000
9.Mr.Shunsuke Tsujiyama	Director	125,000	50,000	-	-	-	175,000	225,000	100,000				325,000
10.Ms.Chua Eng Eng	Director	300,000	100,000	-	-	-	400,000	225,000	100,000				325,000
11.Mr.Sathaporn Kotheeranurak	Independent Director	300,000	125,000	150,000	-	-	575,000	225,000	100,000	120,000			445,000
12.ActingSub Lt. T-rayooth Changpetch	Independent Director	300,000	125,000	150,000	-	160,000	735,000	225,000	100,000	120,000		120,000	565,000
13.Mr.Issakan Krivitthaya	Independent Director	300,000	125,000	-	80,000	80,000	585,000	225,000	100,000		40,000	60,000	425,000
14.Mr.Phoonsak Boonsalee	Independent Director	300,000	100,000	-	40,000	-	440,000	225,000	100,000				325,000
15Mr.Krairit Nilkuha	Independent Director	300,000	125,000	300,000	-	-	725,000	225,000	100,000	240,000	20,000		585,000
16.Mr.Kunihiko Tahara	Director	175,000	75,000	-	-	-	250,000	225,000	100,000				325,000
Total		4,800,000	1,925,000	600,000	160,000	560,000	8,045,000	3,825,000	1,700,000	480,000	80,000	420,000	6,505,000

*Remark Mr. Shunsuke Tsujiyama resigned from the Board as at May 12, 2017 Mr.Kunihiko Tahara was appointed in place of Mr. Shunsuke Tsujiyama

(2) Remuneration of the Executives

The table below represents the remuneration details of our Executives in 2016 , 2017 and 2018.

Type of Remuneration	Number (persons)	2016 (Baht)	2017 (Baht)	2018 (Baht)
Salary	6	28,714,575.00	29,420,208.00	22,521,141.00
Bonus	6	222,573.00	4,920,143.00	2,498,298.00
Total		**28,937,148.00**	**34,340,351.00**	**25,019,439.00**

Remark: 6 executives are (1) Chief Executive Officer – KTIS Group (Group CEO) (2) Chief Financial Officer – KTIS Group (3-5) Deputy Chief Executive Officer – KTIS (6) Director - Accounting Department

(3) Other Remuneration

▪ Provident fund amount

The following table displays the details of the provident fund amount in 2016 , 2017 and 2018.

Type of Remuneration	Number (persons)	2016(Baht)	2017(Baht)	2018 (Baht)
Provident fund	6	639,807.48	653,143.53	501,809.67
Total		**639,807.48**	**653,143.53**	**501,809.67**

Remark: 6 executives are (1) Chief Executive Officer – KTIS Group (Group CEO) (2) Chief Financial Officer – KTIS Group (3-5) Deputy Chief Executive Officer – KTIS (6) Director - Accounting Department

▪ Project for proposing the warrants for the executives and staff to purchase ordinary shares (Employee Stock Options Project)

At the 2014 Annual General Meeting of Shareholders held on March 13, 2014, the Meeting resolved to allocate the newly issued ordinary shares of the Company in the amount of not more than 28,000,000 shares to accommodate the exercise of warrants and offer such ordinary shares for sale to the executives and staff of the Company and its subsidiaries, according to the rules and methods for the allocation *(Details according to Clause 7.4: Issuance of other securities)*. In this regard, such warrants to purchase ordinary shares are subject to the exercise ratio of 1 unit having the right to purchase 1 ordinary share (except for the subsequent rights adjustment in which the staff's rights shall not be less favorable than the existing rights) and the exercise price to purchase the shares shall be equal to the price of the initial public offering (10.00 Baht per share).

The directors and executives of the Company are entitled to the proportion of allocation of the warrants as at September 30,2018 as follows:

List of the Directors and Executives Entitled to the Allocation		Calculated as (%)
MR.PARPHAN	SIRIVIRIYAKUL	0.40%
MR.PRASERT	SIRIVIRIYAKUL	0.30%
MR.NATHAPAN	SIRIVIRIYAKUL	0.30%
MR.SIRIVUTHI	SIAMPHAKDEE	0.19%
MRS.DARAT	VIBHATAKALASA	0.36%
MR.APICHART	NOOCHPRAYOON	0.26%
MRS.NOMCHIT	AKARAMEKIN	0.23%

Remark: The calculation is made in % proportion to the number of shares being allocated, the exercise price and the number of all allocated ordinary shares of the warrants to purchase ordinary shares of the Company issued and offered for sale to the executives and staff of the Company (KTIS-WA) in the amount of not over 28,000,000 shares.

8.8 Personnel and Remuneration

The Company has a total of **3,506** employees and the remuneration expenses in 2018 amounted to Baht **887,306,883.87** 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	2018				
	Service No. of Employee	Management No. of Employee	Head Office No. of Employee	Total	Total 2018 Personnel Expenses
Kaset Thai International Sugar Corporation Pcl.	**1,852**	**70**	**83**	**2,005**	**535,400,027.95**
KTIS Bioethanol Co., Ltd.	**117**	**7**	**18**	**142**	**32,391,523.32**
Environment Pulp and Paper Co., Ltd.	**468**	**11**	**15**	**494**	**101,552,932.44**
KTIS Bio Fertiliser Co., Ltd.	**8**	**2**	**7**	**17**	**4,085,883.07**
Kaset Thai Bio Power Co., Ltd.	**-**	**-**	**4**	**4**	**1,021,128.17**
Permsinpattana Co., Ltd.	**-**	**-**	**-**	**-**	**-**
Ruampol Bio Power Co., Ltd.	**-**	**-**	**1**	**1**	**175,218.00**
Sapsirikaset Co., Ltd.	**-**	**-**	**-**	**-**	**-**
Thaiekaluck Power Co.,Ltd	**-**	**-**	**2**	**2**	**507,770.68**
Thai Identity Sugar Factory Co., Ltd.	**777**	**22**	**26**	**825**	**207,511,957.08**
KTIS Bio Energy Co., Ltd.	**-**	**-**	**-**	**-**	**-**
KTIS R&D Co., Ltd.	**-**	**2**	**14**	**16**	**4,660,443.16**
Lopburi International Sugar Co., Ltd.	-	-	-	-	-
Lopburi Biopower Co., Ltd.	-	-	-	-	-
Lopburi Bioethanol Co., Ltd.	-	-	-	-	-
KTIS Biogas Power Co., Ltd.	-	-	-	-	-
Kaset Thai Wiwat Co., Ltd.	-	-	-	-	-
Total	**3,222**	**114**	**170**	**3,506**	**887,306,883.87**

Note The information was only permanent employees of KTIS Group and did not include seasonal hiring employees and advisers.

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

8.9 People Development Policy

Human Resource Development.

The Company has the strong intention to develop human resource continuously, to be high quality persons, high value and adherence to corporate culture. Also build learning organization and lead the organization to excellence with social responsibility.

Human Resources Development Programs

KTIS group sets up the following programs:

1. New labor preparation

1.1 Provides Youth Scholarships to children of employees' family and sugarcane farmers and gives the opportunity to work in our group after graduation.

1.2 Provides Internship (Cooperative Education Program), and gives the opportunity to work in our group after graduation.

1.3 Cooperates with government educational institutions for students to practice bilateral traineeships in various fields in order to solve the shortage of skilled technicians and acquire qualified personnel to meet the needs of the factories. The training courses for students should be adjusted according to the actual working environment.

2. Advance training to upgrade skills and potential for every level of employee up to executive level. There are wide variety of technical training courses including management and operation.

There are scholarships for employees to study and train in specific fields. There are also transfer of experience and knowledge from high level to low level in job practices and other skills in order to build higher value for employees according to organization culture which aims to promote diligence, innovation, family feeling, corporate governance, knowledge base and development and also caring for sugarcane farmers, environment and community. In addition, transferring knowledge will stimulate and promote employees' eagerness to learn.

3. Promote innovation and performance improvement programs in order to contribute good output quality, fast and safe working practices.

The performance improvement programs were set up with well participation of employees. These programs generated many action plans with continuous improvements, thus, the Company received the Best Employee Development Award for 6 consecutive years from the Department of Skill Development, Ministry of Labor.

In 2018, the Company received a grant from the Skill Development Fund as the development and training programs were much more than law practices, so the company spent such money to additional employee training and development.

Note the training results from January to September 2018.

Development and Training programs summary:

No.	Date	Course	Training venues	Level of Participants			Total
				Officer	Supervisor	Manager and Equivalent	
1	12 Jan 2018	ISO RPBP Training Class 1-3	KTIS (branch 3) Factory	44	5	-	49
2	19 Jan 2018	Public Hearing Seminar on amendment of Energy Business Law	Crowne Plaza Bangkok Lumpini Park	-	1	-	1
3	26 Jan 2018	Public Recommendation for the Electricity Generating Development Fund	Miracle Grand Convention Hotel	-	1	-	1
4	30 Jan 2018	The Agricultural Promotion and Contract System Act, BE 2560	Chaophya Park Hotel	-	1	-	1
5	31 Jan 2018	Empowering the Agro and Biological Industries with Technology and Innovation	Bonito Chinos Hotel	-	4	-	4
6	1 Feb 2018	Employers have the obligation to send money according to E-Student loan Act BE 2560	The Grand Hill Resort & Spa	2	1	-	3
7	6 Feb 2018	Benefits under the Promotion of Workforce Development Act	Department of Labor Protection and Welfare	1	1	-	2
8	12-13 Feb 2018	Safety Officer at Supervisor Level	Seeharaj Hotel	-	5	-	5
9	13 Feb 2018	Workshop on Potential Development of Intellectual Property	The Thailand Research Fund	1	-	-	1
10	14 Feb 2018	Group Workshop by HAPPY 8	The Grand Hill Resort & Spa	-	2	-	2
11	15-16 Feb 2018	Training Course for Controllers in selling Agricultural Hazardous Products Class 2	Wangchan Riverview Hotel	-	1	-	1
12	17 Feb 2018	Knowledge of tractor driving	KTIS Factory	40	5	-	45
13	19-21 Feb 2018	Technical Safety Officer	Seeharaj Hotel	2	-	-	2
14	19-23 Feb 2018	Water Pollution Controller	Thailand Environment Institute Foundation	-	2	-	2
15	20 Feb 2018	PRPS, OPRPS, CCP and GMP	EPPCO Factory	28	2	-	30
16	22 Feb 2018	Titration Analysis and reducing costs and unnecessary procedures	Mettler-Toledo (Thailand) Limited	-	2	-	2

17	26-27 Feb 2018	GMP requirements, GMP application and documentation	KTBE Factory	7	18	3	28
18	1 Mar 2018	Understanding the Guide, Rules, and Practices of Personnel Management	KTIS Factory	1	5	14	20
19	2 Mar 2018	CIP PLANT Reverse Osmosis	KTIS (branch 3) Factory	4	1	-	5
20	7 Mar 2018	Knowledge of the Factory Act 1992 that entrepreneurs need to know	Department of industrial works	-	1	-	1
21	8 Mar 2018	Update for corporate income tax	Dharmniti Company	1	2	-	3
22	12-13 Mar 2018	Increase Boiler efficiency for the industry Program	Naresuan University	-	2	-	2
23	12-13 Mar 2018	Development of personnel for sugarcane breeding and selection	Felix River Kwai Resort, Kanchanaburi	1	1	-	2
24	13 Mar 2018	Chemical safety and emergency management	KTBE Factory	11	4	-	15
25	19-25 Mar 2018	Industrial Measurement Instrument PART II	Technology Promotion Association (Thailand-Japan)	1	-	-	1
26	21 Mar 2018	Sustainable Energy and Technologies in Asia 2018	Bangkok International Trade & Exhibition Centre: BITEC	-	1	-	1
27	22-23 Mar 2018	Hazard Analysis and Critical Control Points (HACCP)	KTBE Factory	8	17	3	28
28	22-27 Mar 2018	Tiger Soft Program for Personnel Management	KTIS (branch 3) Factory	5	1	-	6
29	23 Mar 2018	Professional standards and qualifications in the bio plastics industry	Kasetsart University	1	-	-	1
30	23 Mar 2018	Seminar on how to collect Energy Points	42C The Chic Hotel	-	4	1	5
31	27 Mar 2018	The cooperation between Department of Alternative Energy Development and Efficiency and Joint Committee on Public and Private Affair in driving and enhancing energy efficiency in the industrial sector	Golden Tulip Sovereign Rama 9	2	1	-	3
32	28 Mar 2018	Safety working condition in confined spaces "Authorizer, Supervisor, Helper and Operator"	EPPCO Factory	23	5	-	28
33	29 Mar 2018	Social security knowledge to employers, employees and related persons	MaiHom Resort Nakhon Sawan Province	1	1	1	3
34	30 Mar 2018	KTIS Risk Management Consultant Training Program 2018	EPPCO Factory	24	35	-	59
35	1-5 Apr 2018	Work Teaching Techniques (2nd Generation) TIS	Uttaradit Provincial Skilled Labor Development Center	1	4	-	5
36	3-6 Apr 2018	Major Sugarcane Diseases and Prevention Measures Model 1	KTIS Factory	128	-	-	128
37	4 Apr 2018	Supporting Fund for Energy Conservation Programs 2018	Golden Tulip Sovereign Rama 9	-	2	-	2
38	5 Apr 2018	How to cut tube by tube cutting machine	KTBE Factory	10	1	-	11
39	13 Apr 2018	Visitor Procedures to enter the factory	KTIS Factory	5	-	-	5
40	21 Apr 2018	Calculation for Account Receivables. Inventories, Lands , Properties and Equipment	Bansuan Resort	-	-	1	1
41	25-26 Apr 2018	Strengthening and Independent Operation Program for Cooperative Union	Cooperative Office of Nakhon Sawan Province	-	2	-	2
42	27 Apr 2018	Comparison of energy efficiency indexes (SEC Benchmarking)	The Twin Towers Hotel	-	2	-	2
43	27 Apr 2018	Innovative lifespan and efficiency in industrial machinery	Pullman Pattaya Hotel G	-	2	-	2

44	3, 8 May 2018	CSR Industry	Nakhon Sawan Provincial Industry Office	1	1	1	3
45	10-11 May 2018	Internal Audit for GMP / HACCP	KTBE Factory	8	16	3	27
46	11 May 2018	Program Development to evaluate the effectiveness of significant machines in the factory	Department of Industrial Works	1	1	-	2
47	12 May 2018	Increasing knowledge In order to prepare for the upgrading to be engineer at common level	Ambassador Hotel Bangkok	-	1	-	1
48	15 May 2018	Accurate Withholding tax Practices according to the Revenue Department	The Revenue Department	-	2	-	2
49	15-16 May 2018	Trichogramma Breeding techniques	Laboratory of Pest Control Research Center	4	1	-	5
50	15-16 May 2018	Trichogramma and Corcyra Cephalonia Breeding Techniques Workshop on network development	National Center for Pest and Disease Control, Northeastern Khon Kaen	5	-	-	5
51	15-16 May 2018	Network Development for Drug Prevention and Solution in Workplace	Meeponsawan Grand Hotel	2	-	-	2
52	15-16 May 2018	Internal Energy Management Auditor	Ebina House Hotel	1	1	-	2
53	15-16 May 2018	Network Development for Drug Prevention and Solution in provincial zone	Meeponsawan Grand Hotel	2	-	-	2
54	16 May 2018	Energy Saving in Industrial Sanitation Systems	42C The Chic Hotel	2	4	-	6
55	16 May 2018	Training for temporary employees on maintenance season 2017/2018	KTIS (branch 3) Factory	148	-	-	148
56	17 May 2018	Brainstorming for the Research Projects Development of KTIS Group	KTID R&D	1	2	1	4
57	22 May 2018	Industrial Wastes Permission, Era 4.0	Queen Sirikit National Convention Centre MRT station	-	1	1	2
58	22-30 May 2018	Workforce Development Class 1 - 9	KTIS (branch 3) Factory	370	56	-	426
59	23 May 2018	Workforce Development Guidelines of Labor Force Development Plan in Nakhon Sawan Province during 2017-2021	Bansuan Resort Nakhonsawan	2	2	-	4
60	24 May 2018	E-Tax Invoice & E-Receipt	The Revenue Department	-	1	-	1
61	25 May 2018	Pest Control For Food Industry	Princeton Hotel Bangkok	-	1	1	2
62	25 May 2018	Accounting for Income and Expenses	Dharmniti Company	-	1	-	1
63	30 May -1 Jun 2018	Energy conservation in factories	Ebina House Hotel	-	2	-	2
64	30 May 2018	Polarization and Refractive Index Measurement-Traceability and Dada Integrity	National Institute of Metrology	1	3	-	4
65	6 Jun 2018	DRIVE BUSINESS WITH INNOVATION	The Paradiso JK Design Hotel Nakhon Sawan	2	3	-	5
66	7 Jun 2018	Health and Safety Management System	Bangkok International Trade & Exhibition Centre: BITEC	-	1	-	1
67	7-8 Jun 2018	SMART Factory for Sustainable Industrial Development	Bangkok International Trade & Exhibition Centre: BITEC	-	4	1	5
68	8 Jun 2018	Industrial waste management in Thailand 4.0	Bangkok International Trade & Exhibition Centre: BITEC	-	1	-	1
69	9 Jun 2018	Commander, Controller, Signal person and operator	EPPCO Factory	13	3	-	16

70	14 Jun 2018	Potential Development of workforce Class 10-11	KTIS (branch 3) Factory	65	28	4	97
71	20 Jun 2018	Overseas market Training	42C The Chic Hotel	-	3	-	3
72	22 Jun 2018	Efficiency Improvement for machinery through high technology	River Kwai Hotel	-	5	-	5
73	25 Jun 2018	Knowledge of NIRs for sugarcane and sugar quality analysis	The Sugar Industry Promotion Center, Kamphaengphet	-	4	-	4
74	27 Jun 2018	Right Weighing for Preparation according to international standards	Rattana Park Hotel	1	7	-	8
75	27 Jun 2018	Basic knowledge of Bonsucro Class1	KTIS Factory	41	5	-	46
76	28 Jun 2018	Basic Pneumatic system	The Paradiso JK Design Hotel Nakhon Sawan	7	2	-	9
77	28-29 Jun 2018	SUGAR IN THE DIGITAL ERA	Hotel La Casetta by Toscana Valley	2	2	-	4
78	2,7 Jul 2018	Sugarcane Yields Estimation Class 1 - 2	KTIS Factory	101	7	-	108
79	7 Jul 2018	Truck Maintenance effectively.	KTIS (branch 3) Factory	9	2	-	11
80	9-10 and 23-24 Jul 2018	Trainer in the workplace for Bilateral Student Programs	Chaophya Park Hotel Ratchada	9	8	-	17
81	9-13 Jul 2018	Enhance English skills in the workplace	KTIS (branch 3) Factory	10	11	-	21
82	10 Jul 2018	Business Plan Writing	KTBE Factory	-	13	5	18
83	11-12 Jul 2018	Regular operator for air pollution treatment system	Thai Environmental Institute Foundation	2	-	-	2
84	12 Jul 2018	Risk management of power plants	KTIS Factory	2	9	-	11
85	12-16 Jul 2018	Safety Practice for driving Folk Lift	TIS Factory	38	-	-	38
86	16 Jul 2018	Public Hearing for Greenhouse Gas Emissions Reductions Plan	The Sukosol Hotel Bangkok	-	2	-	2
87	17 Jul , 24 Aug 2018	Safety Practice in driving Folk Lift	EPPCO Factory	24	2	-	26
88	17-18 Jul 2018	Transformer Maintenance And Electrical Equipment	KTIS Factory	64	8	1	73
89	17-18 Jul 2018	Operation at Gasoline Station	42 C The Chic Hotel	1	1	1	3
90	18 Jul 2018	Preparation before installing the ERP system	EPPCO Factory	5	3	3	11
91	19 Jul 2018	Mechanical Seal Application	KTBE Factory	23	10	1	34
92	19 Jul 2018	Sugarcane Academic Meeting	National Science and Technology Development Agency	1	-	-	1
93	21 Jul 2018	SCALE INHIBITOR DESIGN PROGRAM FOR ENERGY SAVING	Balihai Bay Hotel, Pattaya	-	-	1	1
94	23-27 Jul 2018	Teaching Techniques, Class 3 at KTIS (RP)	KTIS (branch 3) Factory	5	20	-	25
95	25-26 Jul 2018	Workshop for Business Big Data Analysis	Naresuan University	-	2	-	2
96	25-26 Jul 2018	Occupational Safety and Sanitary Committee in Work place	EPPCO Factory	6	7	-	13
97	30 Jul -3 Aug 2018	Teaching Techniques, Class 1 at KTIS	KTIS Factory	11	14	1	26
98	31 Jul -1 Aug 2018	CSL"S 24TH INTERNATIONAL TECHNICAL SUGAR CONFERENCE 2018	The Landmark Hotel Bangkok	-	4	1	5
99	6 Aug 2018	Understand about Benefits. Social Security Fund and Compensation Fund	Preeyachot school	1	-	-	1
100	6,14 Aug 2018	Color and Polarization Analysis for White Sugar	Sugarcane and Sugarcane Promotion Center Region 2 Kamphaengphet	1	7	-	8

101	6-10 Aug 2018	Maintenance of Cane Harvesters, Class 1	KTIS Factory	20	-	-	20
102	7 Aug 2018	CASTROL HIGH PERFORMANCE & BEARING LUBRICANT	The Greenery Resort Khao Yai	-	1	-	1
103	7 Aug 2018	Lubricant Application, Class 1	KTIS Factory	48	2	-	50
104	9-10 Aug 2018	Prevention of Office Syndrome happened to office employees	The Paradiso JK Design Hotel Nakhon Sawan	5	1	-	6
105	10 Aug 2018	Introduction to LOGOUT TAGOUT	EPPCO Factory	20	4	-	24
106	10-30 Aug , 3-15 Sep 2018	Driver Training for Cane Harvesters, Class 1-2	EPPCO Factory	45	-	-	45
107	14 Aug 2018	Knowledge of Sugar Production Process	The Sugar Industry Promotion Center, Kamphaengphet	1	3	-	4
108	15 Aug , 26 Sep 2018	Ping River Working Group Meeting, Section 5 No. 1-2	KhlongKhlung District Office	-	1	-	1
109	15 Aug 2018	Controlling Glass, Mirror, Clear Plastic, and Sharp Knives Usage in Production Area	EPPCO Factory	89	6	-	95
110	17 Aug 2018	Safety Usage of Pesticides	KTIS Factory	26	8	-	34
111	17 Aug 2018	Integrated Practical Management and development Plan for River No. 2/2018	Petch Hotel	-	1	-	1
112	18 Aug 2018	Increase work efficiency	KTIS (branch 3) Factory	45	2	-	47
113	2,6 Aug , 6 Sep 2018	Increase knowledge of lubricant and bearings, Class 1-3	KTIS (branch 3) Factory	154	1	-	155
114	20 Aug 2018	GMP: Good Manufacturing Practice System	EPPCO Factory	76	5	-	81
115	20-28 Aug 2018	GMP / HACCP requirements and application	KTBE Factory	83	3	-	86
116	21-23 Aug 2018	2018 Academic Research Presentation at National Sugarcane and Sugar Conference	Sunee Grand Hotel&Convention Center	-	2	-	2
117	22 Aug 2018	Energy Conservation Guidelines and Factories Visit Programs	Grand Vissanu Hotel	-	2	-	2
118	24 Aug 2018	Knowledge of Technical Skill and Experience in Welding	KTIS Factory	80	-	-	80
119	24-25 Aug 2018	Improve the thinking process skills, beliefs that affect the mindset	KTIS (branch 3) Factory	29	13	3	45
120	27 Aug 2018	Application of industrial scales and truck scales	The Park Hotel, Phitsanulok	1	1	-	2
121	27-31 Aug 2018	Maintenance of car air conditioning system	Skill Development Institute 8 Nakhon Sawan	7	-	-	7
122	28 Aug 2018	Equipment used in Power Systems, Motor starting technique in Sugar Centrifugal Machines from Western States	Topland Hotel	2	3	-	5
123	29-30 Aug 2018	Internal Audit ISO9001:2015 : Quality Management System	KTIS Factory	24	67	9	100
124	29-31 Aug 2018	Maintenance of Trucks and Trailers	KTIS Factory	24	-	-	24
125	30 Aug 2018	Automatic Vacuum Pans system	KTIS (branch 3) Factory	11	9	1	21
126	1-2 Sep 2018	Upgrading Kaset Thai Engineers by high technology knowhow for energy saving	Sappraiwan Grand Hotel and Resort /Phitsanulok	8	27	3	38
127	3-4 Sep 2018	Lubrication Training for 2018 by Chevron (Thailand) Limited	Sappraiwan Grand Hotel and Resort /Phitsanulok	61	11	2	74

128	3-4 Sep 2018	Examiner Training Course	Amari Don Muang Airport Bangkok Hotel	-	3	-	3
129	4 Sep 2018	Regional Business Meeting to jointly participate to be Green Industry	ChudaCoffee Srinakhon	-	2	-	2
130	4 Sep 2018	Automated Control System in the Factory	The Paradiso JK Design Hotel Nakhon Sawan	13	11	1	25
131	4-5 Sep 2018	Review the requirements of Internal Audit Quality Management System FSSC 22000	KTIS Factory	31	56	13	100
132	6-7 Sep 2018	Quality Management System ISO / IEC 17025: 2017	Princeton Bangkok Hotel	-	2	-	2
133	8 Sep 2018	Accounting knowledge of forbidden principle in taxes and expenses	The Grand Hill Resort & Spa	1	1	-	2
134	10 Sep 2018	ORM - EPPCO Training for Risk Management Advisory Team	EPPCO Factory	3	5	2	10
135	11 Sep 2018	2018 Annual Risk Management - EPPCO	EPPCO Factory	17	32	2	51
136	11 Sep 2018	Educating Service of Social Security Department to Employees Programs	KTIS (branch 3) Factory	30	10	-	40
137	11-12 Sep 2018	PLC and HMI	JW Tech Co,Ltd.	-	2	-	2
138	11-12, 18-19 Sep 2018	9 habits, 9 Successes, Class 1 - 2	Uttaradit Provincial Skilled Labor Development Center	94	-	-	94
139	11 Sep - 28 Nov 2018	Financial and Business Organizations Laws	Ramkhamhaeng University	-	1	-	1
140	13-14 Sep 2018	Thailand Sugar Expo 2018	Amari Hua Hin Hotel	-	1	-	1
141	13-14 Sep 2018	Review the knowledge and skills in laboratory work	KTBE Factory	7	-	-	7
142	14 Sep 2018	Human Resources Development to upgrade competencies and establish energy responsible persons network	The Twin Towers Hotel	-	3	-	3
143	18 Sep 2018	Employees knowledge of safety working	KTIS (branch 3) Factory	38	7	-	45
144	19 Sep 2018	Quality management system in Analysis by Karl Fisher and Loss on Dry Technique	Topland Hotel	2	-	-	2
145	18-19 Sep 2018	Optimizing work performance and teamwork by self-discipline	KTBE Factory	99	23	7	129
146	20-21 Sep 2018	Annual Risk Management 2018, Class 1-2	KTIS (branch 3) Factory	8	100	13	121
147	22-23 Sep 2018	Electrical System Design Technique, Class 6	Kasetsart University	-	1	-	1
148	24 Sep 2018	Fire Extinguishers and Fire Exit Training 2018	KTBE Factory	49	11	-	60
149	24 Sep 2018	Improve the skills of fermentation process and chemical additives	KTBE Factory	14	6	-	20
150	26 Sep 2018	Meeting for Preparation of the Fiscal Year 2019	Nakhon Sawan Audit Coop. Office	-	1	-	1

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 Directs 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.

9.2Equitable 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. 183 Ext. 154 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 "Investor Relations". The Company has delegated the Investor Relations and Corporate Communications 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 Investor Relations and Corporate Communications Department, Tel 02-692-0869-73 Ext. 193 Ext, 26, Email : ir@ktisgroup.com

Activity	Time/Year
Opportunity Day	3
Company Visit	3
Contact Us by Email	9
Factory Visit	27

(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 shall define objectives that promote sustainable value creation and governance outcomes as a framework for the operation of the company.

- The Board of Directors shall ensure that the company's annual and medium-term (for example, 3-5 years) objectives, goals, strategies, and plans correlate and align with the company's long-term objective, while considering the business environment, opportunities, and the company's risk appetite. The board shall ensure that the company's medium-term objectives, goals, strategies, and plans are annually reviewed and updated as appropriate.

- When developing strategies and plans, the Board of Directors shall promote innovation and the use of technology to enhance competitiveness, respond to stakeholder concerns and expectations, and meet social and environmental responsibilities. 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.

- The Board of Directors consider the effectiveness of directors and has a policy that the number of director positions directors can hold simultaneously in other companies but should not exceed five listed companies

- For businesses that the company has or plans to hold a significant investment in (such as between 20 percent and 50 percent of shares with voting rights), other than subsidiaries, the Board of Directors shall ensure that shareholder agreements or other agreements are in place to enable the company's performance monitoring and participation in the businesses' management, including for approval of significant transactions and decisions. This is to ensure that the company has sufficient, accurate, and timely information for the preparation of its financial statements that conform with relevant standards

- The Board of Directors shall prioritize and promote a corporate culture that embraces innovation and ensure management's inclusion of innovation in corporate strategy, operational development planning, and operation monitoring.

- The Board of Directors shall nurture innovation that enhances long-term value creation for the business in a changing environment. Such innovation may include designing innovative business models, products and services, promoting research, improving production and operation processes, and collaborating with partners.

- The Board of Directors shall establish a framework for governance of enterprise IT that is aligned with the company's business need and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the company's objectives by allocating adequate and optimal investment in IT resources. And also ensures IT security policies and procedures are in place.

- In assessing the effectiveness of the company's internal controls and risk management, the Board of Directors shall consider the results of internal controls and risk management at its subsidiaries and businesses in which it has a significant investment (between 20 percent to 50 percent of shares with voting rights).

(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
- Approval on appointment of person(s) who will be director(s) casting the vote(s) in subsidiaries whereby such person(s) who will be appointed as director(s) shall do any act for the best interest of the subsidiaries (not the Company). The Company has specified that the appointed person(s) shall cast the vote in the subsidiaries in accordance with the approval of the Board of Directors of the Company on material matter(s) which is required the resolution of the Board of Directors of the Company if such matter(s) is done by the Company. The appointment of person(s) to be director(s) of subsidiaries on behalf of the Company shall be done in proportion to the Company's shareholding in the subsidiaries. The person(s) appointed as director(s) in subsidiaries shall procure the subsidiaries to have their Articles of Association contained information regarding the related parties transaction, acquisition and disposition of assets, or other material transaction in compliance with the Company regulations for the disclosure of mentioned transactions, including keeping information and accounting records so that they could be verifiable by the Company and prepare the financial statements in time.

(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 statements.
- 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 (Miss Vilailak Laohasrisakul) in the last year total 0 baht.
- The audit company (EY Office Ltd.) person and businesses related to the external auditor and the audit company in the last year.

No.	The Company and its subsidiaries	2016	2017	2018
1	Kaset Thai International Sugar Corporation Pcl. (KTIS)	1,240,000	1,240,000	1,240,000
2	Thai Identity Sugar Factory Co., Ltd.(TIS)	430,000	430,000	430,000
3	Environment Pulp and Paper Co., Ltd.(EPPCO)	250,000	250,000	250,000
4	KTIS Bioethanol Co.,Ltd. (KTBE)	340,000	340,000	340,000
5	Kaset Thai Bio Power Co., Ltd. (KTBP)	250,000	250,000	250,000
6	Thaiekaluck Power Co., Ltd.(TEP)	150,000	150,000	150,000
7	Ruampol Bio Power Co., Ltd.(RPBP)	150,000	150,000	150,000
8	Permsinpattana Co., Ltd.(PSP)	35,000	35,000	35,000
9	Sapsirikaset Co., Ltd.(SSK)	47,000	47,000	47,000
10	Lopburi International Sugar Co., Ltd.(LIS)	35,000	35,000	35,000
11	Lopburi Bioethanol Co., Ltd.(LBE)	35,000	35,000	35,000
12	Lopburi Biopower Co., Ltd.(LBP)	35,000	35,000	35,000
13	KTIS Bio Energy Co., Ltd.(KBE)	35,000	35,000	35,000
14	KTIS Biogas Power Co., Ltd.(KBGP)	35,000	35,000	35,000
15	Kasetthai Wiwat Co., Ltd.((KTW)	100,000	100,000	100,000
16	KTIS Research and Development Co.,Ltd (KTIS R&D)	38,000	38,000	38,000
17	KTIS Bio Fertiliser Co.,Ltd (KTBF)	45,000	45,000	45,000
	Total	**3,250,000**	**3,250,000**	**3,250,000**

(2) Non-audit fee

No.	The Company and its subsidiaries .	non-audit service	2017 Remuneration for other services (Baht)		non-audit service	2018 Remuneration for other services (Baht)	
			The paid during the fiscal year.	The paid in the future.		The paid during the fiscal year.	The paid in the future.
1	Kaset Thai Bio Power Co., Ltd. (KTBP)	Review BOI (in Baht)	50,000	-	Review BOI (in Baht)	50,000	-
2	Thai Ekarak Power Co.,Ltd (TEP)	"	50,000	-	"	50,000	-
3	Ruampol Bio Power Co., Ltd.(RPBP)	"	50,000	-	"	50,000	-
		Total	**150,000**	**-**		**150,000**	**-**

9.8 Corporate Governance Code : CG Code

The Board of Directors reviewed and acknowledged CG Code in the Board Meeting No. 3/2018 dated August 14, 2018 and recognized the roles and duties of the governing body in creating sustainable value for the Company and overview evaluation of CG Code which some practices had been added in the Company CG Policy as well as considered the explanation, assessment and summary of the unimplemented items of CG Code in details from the Company Secretary.

10. Corporate Social Responsibility

Throughout the 5 decades in integrated sugar business, KTIS group has consistently applied the good corporate governance policy and the corporate social responsibility (CSR) based on the stakeholders' benefits. The Company, as a community member, pays attention to the environmental surroundings of local communities by caring, engaging and creating shared value between business, community, society and good environment so that they can grow steadily, consistently and sustainably.

KTIS group has applied CSR in its production processes (in-process CSR) and adopted the principle of zero waste management for all production processes by recognizing the value of resources and utilizing them at best. Also giving priority to the eco-friendly process, recycling wastes to be more valuable by-products which will optimize existing resources at most benefits and raise the price of agricultural corps as well.

KTIS group's in-process CSR activities start from the development of the sugar cane quality, sharing the knowledge of successful sugar cane management to the contracted farmers through programs such as The cane farmers' school program, The village's fresh cane program (green and no fire village), The village's rich soil program, The Village Temple School and Sugar Factory Project and The integrated sugar cane farming educational park etc. These programs are designed to train the farmers about organic farming, chemical-free approaches, use of parasitic wasps for biological pest control, harvesting techniques, the benefits of green cane harvesting over burnt cane harvesting, ratoon caring for multiple cropping, trash tillage to enrich the soil and reduce the need for fertilizers.

Picture: Demonstration of sugar cane planting by Shute Planter

Picture: Agricultural machinery demonstration at sugar cane field

Picture: Sugar cane trashes collecting demonstration

Picture: Agricultural machinery demonstration and sugar cane breeding Lesson at Sustainable and Integrated Cane Farming Education Park

KTIS group has also modified the advanced sugar cane farming techniques and agricultural machineries from Australia and applied to be suitable for Thai terrain and climate such as Sonic planters machinery, Shute planter machinery, Cultivating and fertilizer feeding machinery (CRB, MPI), cane harvesting machinery etc. Contracted farmers are encouraged to use these agricultural machines to reduce costs, increase productivity and solve labor shortage problem.

For the water source development, the movable dripping irrigation system has been developed by KTIS group to improve the efficiency of crop water management. The device has hose that can be reeled and moved to different areas of the cane field. In 2017 KTIS group cooperated with the government sector and cane farmers in The Groundwater Drilling Project in order to service the sustainable and concrete solutions as drought management to provide cane farmers with sufficient water for personal and agriculture usage throughout the year. Such irrigation system will utilize water at most.

With the good quality, non-GMO and chemical residue-free sugar canes are processed through eco-friendly production; our sugar products are good quality, free of bleaching agent, and safe for consumption in compliance with international standards.

The Company continues to develop innovations that enhance its work processes for valuable contribution to the society and satisfy the needs of every customer segment. Last year KTIS group started producing the Japanese-standard liquid sucrose and super refined sugar production to serve the food and beverage industry and other clients for premium-grade sugar.

KTIS group has integrated CSR in its production processes (in-process CSR) and adopted the principle of zero waste management for all production processes. Recognizing the value of resources and the significance of effective resource utilization and eco-friendly processes, waste from the production processes is recycled and developed into valuable by-products. This contributes to optimized utilization of available resources and increases in prices of agricultural crops.

Molasses is one of the by-products from the sugar production and can be processed into ethanol which has multiple usages. Energy ethanol is blended with petrol to produce gasohol which is an alternative clean energy, reduces

pollution, and decrease carbon emission which is a major cause of global warming. Industrial-grade ethanol is used as a cosmetic and pharmaceutical ingredient. Molasses is also used in the food industry as a raw material for the production of dark soy sauce, monosodium glutamate, animal feeds, etc.

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. Food containers (molded pulp) which are made of the bleached pulp (100% bagasse) are disposable and eco-friendly and are an alternative to foam containers. Bagasse is extracted into cellulose powder which is an ingredient for foods such as fiber cookies, healthy sausages and healthy ice cream.

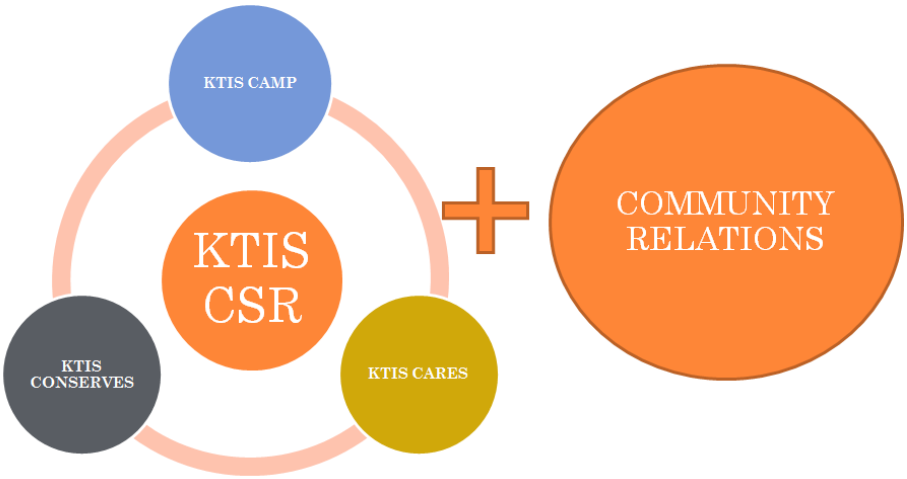
Bagasse can also be used as fuel in biomass power plants to generate steam and electricity for the sugar plants and other factories of KTIS group. Excess electricity is sold to the Provincial Electricity Authority (PEA) and the Electricity Generating Authority of Thailand (EGAT) and thus is passed on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

Vinasse is a kind of waste derived from the ethanol production process. To optimize the resource utilization, Vinasse is used in the production of biogas which is a fuel for ethanol plants.

Filter cake, sludge and vinasse, which are waste from the production process, contain valuable organic matters and can be converted into soil conditioner that is free of soil-degrading chemical residues and help improve the soil quality and the crop productivity. Through this cycle, the waste is utilized and the value is returned to cane farmers.

Under the current trend of globalization, KTIS Group aims significantly to research and develop new technologies and innovations and integrate these advancements into our business continuously. Also educating these knowledge through various channels to enhance sugarcane farmers community according to Government policy of Thailand Industry 4.0 in the development of innovation and technology to benefit all parties in order to improve the efficiency and effectiveness of the production process, reduce costs and wastes, increase cane yield of contracted farmers. Thus, the business organization and community will be able to live together happily, prosperously and sustainably.

In addition to the in-process CSR, KTIS group has continuously arranged after-process CSR activities to share knowledge, strengthen relationship between the organization and the local communities. This is driven by the ideology of "mutual growth of industry, environment and community" for the benefits of the society at last. In 2016, KTIS focused its CSR efforts on the youth, health and environmental development under the guiding principle of KTIS 3C+1 as illustrated below:



KTIS CAMP = Youth development

KTIS CARE = Health promotion

KTIS CONSERVE = Environmental protection

+1 = COMMUNITY RELATIONS

Picture: KTIS Group's Campaign against Child Labor in Production Process and Cane Farming

With regard to community relations, KTIS group continues to have good relationship with the local communities and regularly meet with community leaders. In addition, the group has organized and participated in a number of activities that help strengthen the relationship such as sports activities and community landscape improvement projects etc.

Highlights of CSR Activities and Projects of KTIS

Sugar Cane Farmers' School

KTIS group intends to promote sustainable development and growth through the education of farmers and thus has established a farmers' school project which is run on an ongoing basis to keep the farmers acquaint with new and emerging sugar cane farming techniques and approaches. The farmers' school is a forum for exchanging knowledge about soil preparation, demonstrating machinery utilization and periodic fertilization techniques by field experts. Learning is practiced in the sugar cane field so that the farmers will gain practical experience and share knowledge together.

Sugarcane Farmers School

Fresh Cane Village Project (Green and No Fire Village)

KTIS group believes that true sustainability will come from all concerned parties, farmers, factories and the government agencies, so Fresh Cane Village Project (Green and No Fire Village) was established. All parties would jointly encourage sugarcane farmers in the village to cut fresh cane not less than 80% of projected canes. Cutting fresh sugarcane is a natural conservation, reduce pollution, and maintain good environment and soil surface for next crop cultivation. It also increases yield of sugarcane. This project will get the participation from all sugarcane farmers, community and government agencies to prevent burning sugarcane in the fields. This project has been performed successfully and continuously. At present, there are 25 villages participating in the project.

Fresh Cane Village Project

Thai Identity Sugar Factory Co., Ltd.of KTIS group received Factory Award at Good Level and "Conservative Cane for the World" Award

The Village with Good and Organic Matters in Soil Project

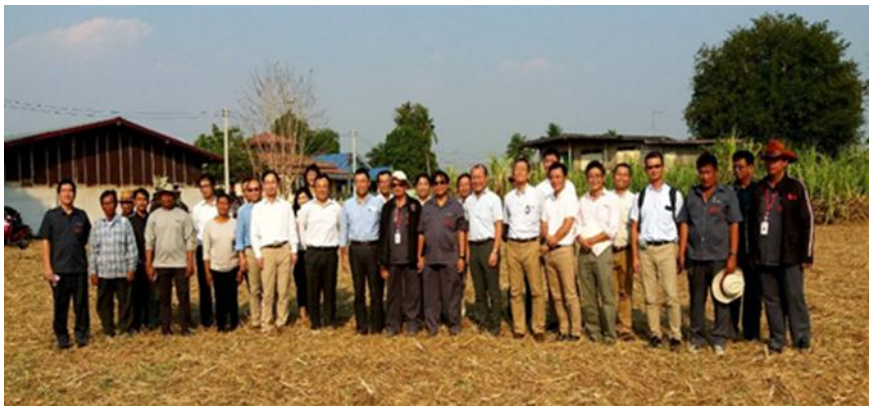
After the Fresh Cane Areas Project that burnt canes was controlled successfully by the community and sugarcane farmers, the Village with Good and Organic Matters in Soil Project is set up for following operation. Before maintenance of sugarcane ratoon or new planting, the plowing with cane trashes left from fresh cane instead of burnt cane harvesting will derive higher organic matters to increase nutrient to soil. Such project will increase cane yield per area, protects the environment, increase natural pest enemies and reduce the use of fertilizers that will lead to lower production costs.

Village, Temple, School And Sugar Factory Project

Since 2016, KTIS group has organized the cooperation project in planting sugar cane between village, temple, school and sugar factory in their areas with the objectives to educate sugar cane planting technique for students, community and local people. The temples and schools in program will plant sugar cane and be the education center in there areas. The sugar factory and its contracted sugar cane farmers join with the village leaders and villagers to provide sugar cane variety, fertilizer, insecticide, and agriculture equipment to the projected areas under the operation of school teachers and students. Finally, the revenue from selling sugar cane yeild will return to the temples and schools for religion purposes and student scholarships. The officers of KTIS group will train and look after these activities very closely.

Sustainable Learning Park of Sugarcane Farming Project

KTIS group aims to support the sugarcane farmers for successful and sustainable operation, thus established the Sustainable Learning Park of Sugarcane Farming Project in order to educate sugarcane farmers about sugarcane production technique of KTIS group, called "5 Step Plan + 1" which will boost sugarcane yield per area, reduce costs by utilizing modern agricultural machinery in sugarcane farming so that the farmers will have sustainable earning and creates successors for sugarcane farming. KTIS group will introduce knowledge of production plan, knowledge, proportion of sugarcane planting, soil preparation, cultivating technique, maintenance technique, harvesting technique as well as cane trashes storage in fields. Management of each stage of sugarcane production will depend on the factors, processes and agricultural equipment at the right time so that the control in time and quality standard should be carefully practiced.



Sumitomo team visited Learning Park

Good Mental Health, Happiness, Increase Work Quality Project

For CSR and efficient and effective human resources development, KTIS group has realized on the organization personnel, so the project called "Good Mental Heath, Happiness, Increase Work Quality Project" was set up with many activities in order to create positive thinking and encourage employees to develop their creativity and join activities i.e. Beautiful Workplace activity, Small Parks within and around the factory activity for good enviroment and safety, Leadership Training in every level of organisation, KTIS group Sports activity, Quarterly Trees Planting for the community, Production Safety activity to encourage no alcohol drinking and happy workplace, Community Voluntary Group activity etc.

Other activities i.e. Marigold Planting activity in Remembrance of His Majesty King Bhumibol Adulyadej and Trees Planting for our country activity etc. It could be seen athat these activities could develop human resource properly enabling personnel to work happily and efficiently leading to quality contributions.

Thai Identity Sugar Factory Co., Ltd. of KTIS group received award "Happy Workplace" from Uttradit Provincial Governor

KTIS group received Good Factory Award for Sponsor of Skill Development 2018

Corporate Environmental Governance

With its earnest commitment to effective pollution prevention and compliance with the laws, KTIS group has organized a corporate governance program for 5 consecutive years to provide the coordination activity opportunities for representatives from several sectors including manufacturers, community leaders, and school directors. Participants are provided with knowledge about production processes and site tours guided by factory engineers, have meals together and are given sports equipment for school and souvenirs.

TO BE NUMBER ONE CLUB "EPPCO"

TO BE NUMBER ONE Project is the project that creates campaigns to protect and solve drug problems. The project was established by Princess UbolRatana Rajakanya Sirivadhana Barnavadi which aims to give opportunity for the people who used to be addicted to drugs and were healed are able to live as normal life in society.

Environment Pulp and Paper Co., Ltd. (EPPCO) of KTIS group has set up "TO BE NUMBER ONE" club since 2004 with the employee members at the aims to give opportunity to people who used to be addicted to drugs and were healed to work in the company, be a good man, be potential employee and to keep away from drugs with own strength as "To be number one without drugs". At present, the employee members have good health, good spirit and are able to work responsibly with happiness, particularly do not involve in drugs.

TO BE NUMBER ONE "EPPCO" activity

It was evaluated in 2018 to be Standard Model at gold level in the first year

Work Safety Week 2018

KTIS Group realizes the importance of employee safety so it has organized safety activities in 2018 to promote and raise awareness of safety, health and working environment and review the unsafe operation. The activity will create cooperation in safety working condition, reduce risk of work injury to be minimal and achieves the aims of KTIS group that wants to create sustainable work safety.

In addition to the above projects, the KTIS group also sponsors activities in order to develop and maintain good relationships and quality of life for the communities nearby.

Dr. Darat Siriviriyakul Vibhatakalasa, Deputy to Chief Executive Officer joint to be co-chairman in opening annual temple ceremony 2018 at Wat Tapra Chareongpoj.

Dr. Darat Siriviriyakul Vibhatakalasa, Deputy to Chief Executive Officer is co-chairman, executives and officers in the united ceremony for donation to education building at Wat Huaidut, Amphur Thakree, Nakornsawan Province.

The management and employees of Thai Identity Sugar Factory Co., Ltd.in KTIS group, organized CSR activities through the prototype schools of Thai Identity Sugar Factory Co., Ltd. Network called "KTIS One Meal, One Smile with Thai Identity" to provide foods with nutrition and hygiene to students, develop good emotion, intelligence, learning quality, teamwork, good moral and ethical practices as well as agricultural knowledge at era 4.0. The program was organized at Wat Phra Fang School, Tambon Pha Chuk, Amphur Muang, Uttaradit Province.

"KTIS One Meal, One Smile with Thai Identity" Activity

KTIS Group participated in To Be Number 1 Club of EPPCO in quarterly trees planting activity. KTIS Group realizes and acknowledges the problems of global warming and air pollution conditions so that it encourages planting trees to increase more green areas within the factories, improving landscape and creating a natural scenery. It also encourages employees to participate in loving of nature and environment as well.

Quarterly Tree Planting Activity

Organize activities "Stimulate people to plant trees, increase green areas, reduce environmental pollution in 2018. By growing 1,286 pine trees around the Environment Division and the Biogas Division of KTBE, Tambon Nongpo, Amphur Thakee, Nakhon Sawan Province in order to stimulate the awareness of air pollution impacts, reeduce the effects of global warming, create a sense of participation in increasing green space and natural environment. It also encourages employees to do good activities together.

KTIS Group in cooperation with Provincial Industry Office at Nakhon Sawan to organize the CSR industry project to raise better economy of the community, create jobs, create opportunities and income according to the policy of the Ministry of Industry. KTIS Group has opened the area for the sale of SME and OTOP products at Kaset Thai International Sugar Corporation Pcl. (Branch 3), Amphur Muang, Nakhon Sawan Province and Kaset Thai International Sugar Corporation Pcl., Amphur Thakee, Nakhon Sawan Province.

Participation in activities and gave cash and essential goods to the community in order to develop the community and organize activities such as the National Children's Day in 2018

National Children's Day, Nakhon Sawan Province.

KTIS Group supported instant food and beverages to Royal Thai Army Division No 35, Pichai Daphug Camp, Uttradit Province on Song Karn Festival in caring for safety driving and enjoying happy family during traditional season.

The KTIS group joined with Ban NongPho Nea Health Promotion Hospital and Public Health Volunteers organized a campaign to implement the "3 Prevention of Three Diseases" campaign by keeping the house clear of mosquitoes, collecting garbage to prevent breeding source of mosquitoes, full covering the water storage tank or changing water every week to prevent mosquitoes laying eggs. These could prevent 3 illness: Dengue fever, Zika virus disease, and Chikungunya disease. This activity is one of the activities of the KTIS Group's CSR project, which is concerned about health, occupational health, safety and well-being of employees and communities around the factory.

KTIS joined the activity " Temple, People, and Government Agencies build happiness". This activity was applied from 5S guidelines according to the policy of the National Buddhism Institute in collaboration with the Thai Health Promotion Foundation with the aims to promote temples to be learning center, community center and development center for health. The activity of big cleaning days in Wat Nongpo, Amphur Thakee, Nakhonsawan Province, helped promoting good relationship between monks, community people, community leaders, government agencies and the private sector.

KTIS Group, Farmer Association Zone 11, Office of Cane and Sugar Board, Thakee District Police Station, Thakee Municipality, and volunteers jointed together on Street Big Cleaning Day in Thakee District.

TIS group in collaboration with the National Blood Center, Thai Red Cross Society, Region 8, Nakhon Sawan Province donated blood to hospitals on regular quarterly basis at KTIS Complex, Amphur Nong Pho, Tambon Thakee, Nakornsawan Province in order to help people life in emergency cases.

KTIS Group joined education donation for metal sheets in sport building to Wat Ban Kang School, Nakornsawan Province.

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

Internal Control

KTIS group has applied the comprehensive internal control system under the principles of good Corporate Governance to control all operations so that they are transparent, fair, and reliable with the necessary balance of power for the maximization of the stakeholders' benefits. As an effective internal control system starts from good Corporate Governance, we have to be alert to all business risks in order to ensure the achievement of the business plan. KTIS group has established audit and control policies to be practiced by all operation levels

In 2018, the Audit Committee has assigned Internal Audit Team to assess company's internal control systems under the Annual Internal Control Assessment Form. The Internal Audit Team found that the internal control systems were complied with the assessment form of The Office of the Securities and the Exchange Commission and the reports were submitted for approval consideration to Audit Committee Meeting No. 1/2019 held on November 30th, 2018.

The Audit Committee and Board of Directors resolution considered that KTIS group's internal control systems were suitable for the current operations and the management supported the continuous internal control systems according to the principles and controls under the standard of The Committee Of Sponsoring Organization Of The Treadway Commission (COSO) and ensured that all operations were able to achieve the objectives by summary as follows:

1. **Organizational Control and Environment**

KTIS group focuses on good organizational structure and environment that are the important foundation of effective internal as follows:

- Establish clear policies, goals, and business direction that can be concretely assessed as the guidelines for operating and supervising the business to meet goals with regular monitoring.
- Determine organizational structure facilitating operations, for example, separating the position of President from Chief Executive Officer for checks and balance as well as define that the company's directors shall consist of independent directors of not less than 1 of 3 directors and not less than 3 persons. Moreover, subsidiary committees are also established for considering, screening, and performing the operations as assigned by the company's directors.
- Communicate the Corporate Governance Policy and Code of Conduct and Business Ethics as well as performance monitoring in order to build good awareness and realization on performance of duties.
- Establish policies, and regulations in writing as well as determine job descriptions, work instructions, operating rules and regulations in writing covering suitable approval authority of each executive level

2. Risk Management Work

In order to ensure that the organizational objectives were practiced in all operations as well as significant risk managements are managed to be minimal or zero effect to its business performance, the Board of Directors has assigned the Risk Management Committee to govern corporate risk management and to be responsible for continuous improvement of the risk management policies and scopes.

The Risk Management Department sets up the risk management system which is standard and concrete practice according to the concepts of The Committee. There is Operation Risk Management in every section that will be responsible for taking risk policies and scopes into practices, setting up action plans to ensure that all important risks are properly managed at acceptable level (Risk Appetite).

In 2018, the Risk Management Department initiated the scopes of risk management COSO-ERM 2017: Enterprise Risk Management Integrating with Strategy and Performance and adopted into practices in order to support all operations and created value added to organization.

3. Management Control Activities

KTIS group pays attention on the importance of management control activities in each department, whereby the following actions are performed:

- Clearly determine the scope of authority approval at each managing level in writing. Accounting Department and Internal Audit Department check and audit the correctness of documentation procedures as approved.
- Specification the authority and functions under the good principles of internal control as: (1) approval persons, (2) accounting and information recording persons and (3) property and assets responsible persons for properly auditing.
- To consider the approving of connected transactions, our company has to comply with the defined rules and regulations. For any significant transaction, the Audit Committee will deliberately check and give comments to be proposed to the Board of Directors for approval and disclosure in the company's annual report. The

consideration on connected transactions has been carefully considered at the ultimate benefits of our organization.
- Encourage all operation units to have Work Instructions in writing.
- Establish working groups for monitoring and analyzing legal aspects in every business operations which have effects and preparing the action plans in order to reduce risks as well as drafting reports for the Risk Management Committee to consider the efficiency and effectiveness of such action plans.
- Assign the persons who are responsible for related laws and regulations.

4. Information and Communication

KTIS group focuses on the importance of careful performance based on the quality of sufficient information for making decisions as well as communication to related persons as follows:

- Provide and prepare important information sufficiently and completely to executive managers and the company's directors for making decisions as well as invite responsible executives and related persons to clarify the important issues at the Board of Directors Meeting.
- Compliance with the Accounting Standard as declared by the Federation of Accounting Professions for financial accounting systems and appropriateness for the company's business operation.
- Completely keep and categorize all documents supporting accounting records as well as determine the duration of document storage as defined by law.
- Perform the operations under the Computer-Related Offence Act by communicating to all employees for their knowledge and awareness of the subject matters and punishments under such act. Moreover, our company has also stored information on computer traffic according with the Notifications of the Ministry of Information and Communication Technology.
- Provide information backup system under Disaster Recovery Plan (DRP) by preparing the work place and necessary computer devices for disaster situations.
- Publish important information via our company's website (www.ktisgroup.com) on a complete and timely basis.

5. Monitoring

KTIS group pays close attention to the monitoring system in order to ensure that our operations and internal control system have been performed efficiently for achieving the defined goals as follows:

- The company's directors attend the meetings for monitoring the management's performance and provide opinions and suggestions.
- The Audit Committee holds joint meetings with Independent Auditors, Accounting personnel, and Internal Audit team to verify financial statements and the internal control system. Regularly monitors the improvements and reports important issues to the Board of Directors during every quarter.
- The Risk Management Committee holds the meeting in every quarter to supervise and monitor the operations in compliance with the Risk Management Policy and Corporate Risk Profile, Key Risk Indicators (KRI) and Risk Management Plans. These should be consistent with business performance, strategies, targets and environment changes and also conducts risk assessment and regularly reports to Board of Directors and Audit Committee.
- Nomination and Remuneration Committee holds the meetings to consider recruiting persons with appropriate qualifications for being appointed as the company's directors as well as to consider the remuneration of directors to be proposed to the Board of Directors and the Shareholders Meeting for approval.
- The Internal Audit Department is able to audit and give opinions independently by reporting their performance to the Audit Committee directly and regularly for all quarters or reporting important issues once they have occurred.
- The Audit Committee considers and approves the internal audit plans by applying the principles of risk assessment levels. When the Internal Audit Department finds any important defect, such defect will be reported to executives who are responsible for such activity immediately. In addition, the Audit Committee will present such report to the executive management for acknowledgement or additional explanation in order to ensure that the company will achieve its objectives effectively.

Risk Management

The Board of Directors has assigned the Risk Management Committee to manage KTIS Group risks as a whole, revise the policies and the scope of risk management and adjust consistently with the operation results of risk management. The Risk Management Team (ORM) operates risk management in accordance with the defined risk management policy and framework and specifies the action plans to ensure that significant risks are managed at an acceptable level (Risk Appetite) and are aligned with the organization's operational goals.

In 2018, the Company introduced the COSO-ERM 2017 Risk Management Framework: Enterprise Risk Management Framework for adopting to the risk management framework in order that the risk management supports all operation levels and creates value to the organization.

In terms of governance in risk management, the Risk Management Committee reviews corporate risk profiles, key risk indicators, and risk management plans to ensure consistency with the business direction, corporate strategies and the changing environment. Monitoring and evaluating the results of risk management and reports the performance to the Board of Directors and the Audit Committee regularly.

12. Related Parties Transactions

Related parties transactions as at 31 December 2017 and for the nine month period ended September 30, 2018 are as summarized below:

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
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: (1) Mr.Nathapun Siriviriyakul (2) Mr. Pricha Attavipach (3) Miss Chua EngEng (4) Mr.Sirapak Siriviriyakul • Related companies hold shares of S.I. Property are Aekphol Sugar Co., Ltd. and SuebSiriSawat Co., Ltd.	**Office Rental Expenses and Related Charges** Rental expenses and related charges paid by TIS to S.I. Property . **Accrued Expenses** Accured common area maintenance charge. **Security Deposit Receivables** Security deposit for the office space rent. **Other Receivable** Seminar Fee	1,723,433.11 2,220.42 398,758.00 19,642.00	1,224,430.18 - 288,508.00 -	• S.I. Property is the owner of 444.18 sq.m office spaces at Liberty Plaza Building, 11th Fl., Thonglor, Sukhumvit 55 Rd., Klongton-Nua, Wattana, Bangkok. The rental rate is approximately THB 285 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: (1) Mr. Apichart Noochprayoon (2) Mr.Nathapun Siriviriyakul (3) Mrs.Darat Vibhatakalasa (4) Mr.Sirapak Siriviriyakul • Related companies hold shares of APS is Jaroon Hatai Ake Holding Co.Ltd	**Office Rental Expenses and Related Charges** Rental expenses and related charges paid by KTIS Group **Accrued Expenses** Accured rental expense and related charges **Vehicle** EPPCO buy Pickup Truck.	14,722,891.17 112,799.60 3,364.48	11,022,357.61 131,958.92 -	• APS is the owner and the lessor of the office spaces of building located at 24 Vibhavadee-Rangsit Rd.,Dindeang , Bangkok and on the 9-11 Fl. of its building located at 133 Vibhavadee-Rangsit Rd.,Dindeang, Bangkok, to the Company, TIS, KTBE and EPPCO. The rental rates range from approximately THB180 - THB 230 per sq.m. The rental terms and conditions are in line with market rates and practices. • EPPCO has buy Pickup Truck for use as operate area from APS. Prices, terms and conditions are in line with the

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
					market rates and practices.
		Security Deposit Receivable Security deposit for the office space rent.	3,033,099.00	3,033,099.00	
3.Thas Thai Business Co., Ltd. ("TT") (In the business of operating and establishing petrol stations)	• Related companies hold shares in TT is Poompattana Business Co.Ltd	**Purchase of Gasoline** TT sold gasoline to the Company, TIS, KTBE ,EPPCO and KTBF	188,173,490.06	190,129,893.02	• 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.
		Accounts Payable Accounts payable related to the purchase of gasoline by the Company, TIS, KTBE and EPPCO from TT.	15,320,233.88	5,500,522.32	
		Purchase of Vehicle Tyres TT sold vehicle tyres to the Company and TIS.	2,223,062.61	1,144,023.38	• TT sold vehicle tyres to companies in KTIS group. Selling price, terms and conditions are in line with market rates and practices.
		Accounts Payable Accounts payable related to the purchase of vehicle tyres the Company and TIS from TT.	352,501.00	-	
		Revenue from Land Lease The Company and TIS leased landfor TT to operate its gas stations.	133,512.30	103,358.23	• TT operates gasoline station business of land located near their factories of companies in KTIS group, 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. The lease fees, terms amd conditions are more favorable than the
		Other Payable The Company and TIS received land lease fee in	34,405.50	69,047.27	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
		advance.			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.
		Revenue from Sale of Materials The Company and TIS sold materials to TT.	3,918.39	1,826.07	• The Company and TIS sold waste and materials to TT. Selling price, terms and conditions are in line with market rates and practices.
		Other Receivable Accrued income of the Company from sale of materials.	18,409.45	-	
4. TISS Co., Ltd. ("TISS") (In the business of exporting sugar)	• TISS has 4 common directors with the Company: (1) Mr. Prasert Siriviriyakul (2) Mr.Nathapun Siriviriyakul (3) Mr. Apichart Noochprayoon (4) Mr.Sirapak Siriviriyakul • Related companies hold shares in TISS are KTIS and Aekphol Sugar Co., Ltd.	**Export Expenses** TISS handles the export of products produced by the Company and TIS. Most of the expenses are export agent fees, financial agent fees, export documentation expenses and custom clearance fees.	15,059,616.60	34,919,406.06	• 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 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.
		Accrued Expenses Accrued expenses of TIS for export fees and service provided by TISS.	111,415.98	1,806,050.90	
		Other Receivable • Sugar export fee which	60,132.19	301,174.53	• Under the Sugarcane and Sugar Act, sugar mills are required to sell 400,000

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
		TISS must pay to TCSC. • Seminar Fee	30,743.00	-	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.
		Other Receivable Revenue from sale of sugar export	-	8,437,316.08	• TISS solicated packing credit facilities from commercial banks on behalf of the Company and TIS. • TISS received revenue sale sugar from foreign buyers. And in the during to pay back KTIS .
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 is Aekphol Sugar Co., Ltd.	**Lime Trading** Siam PP sold lime, a raw material used in the production of sugar and pulp, to the Company and EPPCO.	76,689,935.25	85,811,584.53	• Siam PP sold lime to the Company and EPPCO. Selling price, terms and condition are in line with the Company's internal policies.
		Accounts Payable Accounts payable associated with the purchase of lime by the Company and EPPCO from Siam PP.	7,384,204.39	6,551,175.47	
		Other Receivable Seminar Fee	13,126.00	-	
6.RuamkijAngthong 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	**Storage Service Fees** The Company and TIS rent Ruamkij's warehouses.	66,421,555.18	91,446,962.20	• Ruamkij has 4 warehouses in (1) Pa Mok, Angthong and (3)Plakod, Angthong. for the purpose of sugar storage.Rental prices, terms and conditions are in line with the market rates and practices.
		Accrued Expenses Accrued warehouse rental expenses of the Company and TIS payable to Ruamkij.	6,965,130.85	13,093,988.98	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
	• The Company's shareholders and related companies hold shares in Ruamkij is Aekphol Sugar Co., Ltd. and Ruamtoon Trading Nakhornsawan Co.,Ltd.				
		Logistics Service Fee In addition to warehouse leasing, Ruamkij provides logistics services to the Company and TIS.	106,360,176.61	142,126,789.15	• Ruamkij provides logistics service for the Company and its subsidiaries. Prices, terms and conditions are in line with the market rates and practices.
		Accrued Expenses Accrued logistics service fees of the Company and TIS payable to Ruamkij.	5,871,118.35	8,391,406.52	• The Company sold package to Ruamkij. Prices, terms and conditions are in line with the market rates and practices.
		Other Revenue Package	27,000.00	8,500.00	
		Other Receivable Accrued income of the Company from sale of materials.	-	13,490.00	
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 • TheCompany's shareholders and related companies hold shares in RuamToon are Jaroon Hatai Ake Holding Co.,Ltd and Aekphol Sugar Co., Ltd.	**Storage Service Fees** The Company and TIS rent Ruamkij's warehouses.	40,123,867.43	46,546,209.29	• 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
		Accrued Expenses Accrued warehouse rental expenses of the Company and TIS payable to RuamToon.	4,053,760.07	5,266,476.80	
		Logistics Service Fee			• RuamToon provides logistics service for

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
		In addition to warehouse leasing, RuamToon provides logistics services to the Company and TIS. **Accrued Expenses** Accrued logistics service fees of the Company and TIS payable to RuamToon.	17,012,910.72 3,580,253.54	20,870,448.72 7,843,637.03	the Company and its subsidiaries. Prices, terms and conditions are in line with the market rates and practices.
		Other Receivable Accrued income of the Company from sale of materials. **Office expenses** KTW pay office rent **Accrued expenses – Rent** KTW accrued office rental	- 24,000.00 -	7,324.00 18,000.00 18,000.00	• RuamToon owners of the building area at 17, 19 Sukeemok Road, Tambon Pak Nam Pho, Amphoe Mueang, Nakhon Sawan, KTW leased office space at the rate of 2,000 Baht per month. Prices, terms and conditions are in line with the market rates and practices.
8. 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 is Jaroon Hatai Ake Holding Co.,Ltd	**Hotel Fees** Thai Wisanu is the owner of Grand Wisanu Plaza Hotel located at 26-28 Attakaweroad, Muang, Nakornsawan. The Company and TIS have occasionally used accomodations and services from the hotel. **Accrued Expenses** Fees for hotel rooms and services payable by the Company and TIS to Thai Wisanu.	1,269,454.61 139,400.00	391,149.53 100,450.00	• Thai Wisanu is the owner of Grand Wisanu Plaza Hotel located at 26-28 Attakaweroad, Muang, Nakornsawan. The Company and TIS have occasionally used accomodations and services from the hotel.Prices, terms and condition are in line with market rates and practice.

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
9. Weswisanu Co., Ltd. ("Weswisanu") (In the business of leasing hostels)	Thai WisanuNakornsawan Co., Ltd., a related party of the Company, hold shares in Weswisanu is Jaroon Hatai Ake Holding Co.,Ltd	**Employee Dormitory Rent** KTBE and EPPCO have rented Weswisanu's dormitory for their employees.	3,684,070.00	3,031,875.14	• The Company and its subsidiaries rented dormitory from Weswisanu is the owner of the dormitory located in Nhong Po, Taklee, Nakornsawan, near the KTBE and EPPCO factories. • At approximately THB 3,000 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.
		Accrued Expenses Accrued expenses of KTBE and EPPCO payable to Weswisanu for employee dormitory rent.	340,390.00	348,090.00	
10. SuebSiriSawat Co., Ltd. ("SuebSiri Sawat") (In the business of selling, purchasing and leasing property) business)	• Related companies hold shares in SuebSiriSawat is Jaroon Hatai Ake Holding Co.,Ltd	**Land Lease Expense** KTBE pay for the land lease fees	215,682.07	172,394.00	• KTBE leases the land of 48 rai and 44 sq.wah in Nhong Po, Taklee, Nakornsawan,from SuebSiriSawatfor use as a pathway to KTBE's plant.The price, terms and conditions are more favorable for KTBE than the market rates and conditions. • On 2 July 2012, KTBE made a 30-year lease agreement with SuebSiriSawat. Lease fee under the said agreement is THB 200,000 per year for each plot and the lease fee increase will be based on the 5-year average CPI during 2007 – 2011. The right to renew the lease agreement for another 30-year term is also offered.
		Prepaid Lease Fees Prepayment of the land lease fees	-	172,657.53	
		Accrued expenses Land Lease Expenses	114,684.93	-	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
11.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 is Jaroon Hatai Ake Holding Co.,Ltd	**Sugar Transportation Cost** TIS engaged RuamToon Trading in the transportation of sugar to the warehouses. **Accrued Transportation Expenses** Sugar transportation expenses **Other Revenue** Compensation for damage of goods (sugar) paid to TIS **Deposit – Transportation Cost** Cost to guarantee the payment of compensation for damage during the transportation. **Other Receivable** Sugar and sugar change Fee	7,188,345.71 622,957.31 10,310.75 794,881.31 1,692.50	9,197,224.35 1,305,831.21 8,841.12 495,559.31 3,277.50	• 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. • 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 devilery of goods to the destination.
12.Siri Charoen Export Co., Ltd. ("Siri Charoen") (Currently not involved in any business)	• Siri Charoen has 1 common director with the Company, namely Mr.Sirapak Siriviriyakul • Directors and related parties hold shares in Siri Charoen is Jaroon Hatai Ake Holding Co.,Ltd and Akephol Co.,Ltd.,namely Mr.Sirapak Siriviriyakul	**Loan Payable from Restructured Debts** • TIS owed debts from loan SiriCharoen • Interest expense • Accrued interest payable	77,600,000.00 322,040.00 568,641,531.06	72,750,000.00 225,814.01 538,867,345.07	• 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. NowaratWangpredalertkul, APS, and Mr. MontreeLekvichittada as major shareholderswith 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

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
					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.
13. Ruampol Enterprise Co., Ltd ("RPE") (Formely operated sugar production and trading business but currently is not in business	• RPE has 6 common directors with the Company: (1) Mr. Parphan Siriviriyakul (2) Mr. Prasert Siriviriyakul (3) Mr. Nathapun Siriviriyakul (4) Mr. Sirivuthi Siamphakdee	**Land Lease Expenses** KTIS pay for the land lease fees **Deposit – Factory Lease**	5,300,000.00 101,000,000.00	3,974,999.99 101,000,000.00	• The Company leased land from RPE, with total area of 173 rai, 95.9 sq.wah., located at Ban Ma Glua, Muang, Nakornsawan,which was part of the lease of sugar factories from RPE. • The land lease agreement was made on

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
operation.)	(5) Mrs. Darat Vibhatakalasa (6) Mr.Sirapak Siriviriyakul TheCompany's shareholders and related companies hold shares in RPE are Siricharoen Export Co.,Ltd and Jaroon hatai Ake Holding Co.,Ltd	**Fees** Rental deposit for land and machinery of sugar factories.			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.
		PrepaidExpenses Prepayment of the land, factory and machinery lease fees	3,312,499.99	4,637,500.00	
		Debts under Financial Lease Debts under financial lease for building and machinery	798,916,670.50	791,097,504.26	
		Accrued interest payable Interest payable on finance leases.	32,955,312.65	10,877,590.59	
		Financial Costs Interest expenses under financial lease for building and machinery	88,365,128.98	65,803,111.80	
		Land Lease Expenses KTIS leased land	824,800.00	622,199.44	• The company leased the land from RPE. The price, terms and conditions are more favorable for the company than the market rates and conditions.
		Electricity charge electricity charge	178,811.52	128,779.00	
		Accrued expenses Costs payable from KTIS leased land.	12,411.41	13,118.26	
		Prepaid Lease Fees Prepayment of the land lease fees	-	213,186.86	

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
		Other Payable Electricity Development Fund	127,054.79	-	
14. 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 is Aekphol Sugar Co., Ltd.	**Resort Fees** Accomodation fees for rooms and services **Accrued Expenses** Accrued expenses of accomodation fees for rooms and services	1,241,766.36 367,630.00	12,249.99 -	• KTIS group has used hotel accommodation for seminars and services from SSPW which owns a resort located at1/79, Moo 2, Kaengsopha, Wangthong, Phitsanulok. The price, terms and conditions are more favorable for the company than the market rates and conditions.
15. 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 related companies hold shares in Nakornsawan Ruamtoonpattana is Jaroon Hatai Ake Holding Co.,Ltd	**Sugar Transportation Cost** TIS engaged Nakornsawan Ruamtoonpattana in the transportation of sugar to the warehouses. **Accrued Transportation Expenses** Sugar transportation expenses **Other Revenue** Compensation for damage of goods (sugar) **Deposit – Transportation Cost** Cost to guarantee the payment of compensation for damage during the transportation.	6,875,055.69 - 15,429.91 90,237.63	8,966,330.86 1,052,576.14 13,345.79 -	• 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.
16. PoomPattana Business Co.,Ltd ("PP") Property	• Related parties hold shares in PP is Jaroon Hatai Ake	**Land Lease Expenses** KTIS ,TIS, KTBE,EPPCO and	6,055,873.19	4,546,870.91	• KTBF has leased the land from PP for use as fertilizer plant and operate

Related Person/ Companies	Nature of Relationship	Nature of Transaction	Transaction Value (THB)		Rationale of the transaction
			31 December 2017	For the nine month period ended September 30, 2018	
Business	Holding Co.,Ltd	KTBF leased land **Accrued expenses** Costs payable from KTBF leased land. **PrepaidExpenses** Prepayment of the land lease fees	- 27,216.18	2,264.95 1,512,748.84	area. • KTIS and TIS have leased the land from PP for use as fertilizer plant and operate area. • EPPCO has leased the land from PP 35 area, approximately 459-0-87.3 rai to manage waste management and salads. • KTBE has leased the land from PP 35 area, approximately 9 6 5 rai to manage waste management and salads. • Prices, terms and conditions are in line with the market rates and practices.
17. Agro Ethanol Co.,Ltd ("Agro Ethanol ") Property Business	• Agro Ethanol has 1 common director with theCompany,namely Mr.Sirapak Siriviriyakul • Related company shareholders in Agro Ethanol is Aekphol Sugar Co., Ltd.	**Land Lease Expenses** KTIS and EPPCO leased land **PrepaidExpenses** Prepayment of the land lease fees	293,760.00 -	220,173.99 73,586.01	• KTIS has leased the land from Agro Ethanol for use as fertilizer plant and operate area. • EPPCO has leased the land from Agro Ethanol for use as operate area. • Prices, terms and conditions are in line with the market rates and practices.
18. EPC Power Co.,Ltd ("EPC Power") Property Business	• EPC Power has 1 common director with theCompany,namely Mr.Sirapak Siriviriyakul • Related company shareholders in EPC Power is Aekphol Sugar Co., Ltd.	**Land Lease Expenses** KTIS and KTBE leased land **PrepaidExpenses** Prepayment of the land lease fees	182,400.00 -	136,703.35 45,696.65	• KTIS has leased the land from EPC Power for use as fertilizer plant. • KTBE has leased the land from EPC Power for use as fertilizer plant. • 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
			31 December 2017	For the nine month period ended September 30, 2018	
19.Kaset Thai Sugar Co.,Ltd ("KT") (Formely operated sugar production and trading business but currently is not in business operation.)	• Related companies hold shares in KT are Aekphol SugarCo., Ltd. and RuamkijAngthong Warehouse Co., Ltd.	**Land Lease Expenses** Land Lease Expenses	1,920.00	1,920.00	• KTIS has leased the land from KT for use as fertilizer plant and operate area. • Prices, terms and conditions are in line with the market rates and practices.

12.2 Conclusions relating to the related party transactions

After having thoroughly considered all the connected transactions for the financial year ended September 30,2018, 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. 1/2019 held on November 30, 2018, concluded that the connected transactions for the financial year ended September 30,2018 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.