

8. Management Structure

8.1 The Board of Directors

The Company's management structure consists of 4 committees; the Board of Directors, the Audit Committee, the Executive Committee, and the Nomination and Remuneration Committee as per the following details;

1) As of December 31, 2015, there are 9 members of the Board of Directors comprises the following names

Name	Position	Number of meeting attended/ Total numbers of meeting
		In 2015
1. Assoc.Prof. Prakrit Tangtisanon	Chairman, independent director and member of the Audit Committee, and member of the Nomination and Remuneration Committee	5/5
2. Mr. Sanpat Sapon	Director, Independent director and Chairman of the Audit Committee, and member of the Nomination and Remuneration Committee	5/5
3. Mr. Mongkol Kasaemsun Na Ayudthaya	Director, Independent director and member of the Audit Committee, and Chairman of the Nomination and Remuneration Committee	5/5
4. Mr. Kritsana Thaidumrong	Director	4/5
5. Mr. Noppachai Veeraman	Director and Managing Director	5/5
6. Mr. Fung Meng Hoi	Director	5/5
7. Mr. Nuntawat Kham-em	Director	4/5
8. Miss Sunanta Wanwat	Director	5/5
9. Miss Phornphan Nilprasit	Director	5/5

Note: All directors have passed the training course about role and skills of being directors from Thai Institute of Directors (IOD)

Among the Board of Directors, two have been appointed as authorized directors, namely, Mr. Noppachai Veeraman, Mr. Fang Meng Hoi, Mr. Nantawat Kham-em, Miss Sunanta Wanwat, and Miss Pornpan Nilprasit. Any two of the authorized directors are authorized to sign jointly on behalf of the Company.

In addition, the Board of Directors' Meeting No. 6/2013, dated October 21, 2013 had the resolution to appoint Miss Mallika Trakoolthai, The Executive Director, as the Company's secretary

2) The Board of Directors' Meeting No. 6/2013, dated October 21, 2013 had the resolution to appoint independent directors and member of the Audit Committee who have complete qualifications according to the Notification of the Capital Market Supervisory Board No. TorJor. 28/2008 Re: Approval for Issuance and Offering for Sale of Shares dated December 15, 2008 (include any revision). As of December 31, 2015, the Audit Committee comprises the following names:

Name	Position	Number of meeting attended/ Total numbers of meeting
		In 2015
1. Mr. Sanpat Sapon	Chairman	4/4
2. Assoc.Prof. Prakrit Tangtisanon	Member	4/4
3. Mr. Mongkol Kasaemsun Na Ayudthaya	Member	4/4

Member of the Audit Committee who has full understanding of, and experience in, accounting or finance, for reviewing the reliability of the financial statements is Mr. Mongkol Kasaemsun Na Ayudthaya. The secretary of the Audit Committee is Miss Jariyaporn Akkarawong.

3) As of December 31, 2015, the Executive Committee comprises the following names

Name	Position	Number of meeting attended/ Total numbers of meeting
		In 2015
1. Mr. Noppachai Veeraman	Chairman	7/7
2. Mr. Nuntawat Kham-em	Member	7/7
3. Miss Sunanta Wanwat	Member	7/7
4. Miss Phomphan Nilprasit	Member	7/7
5. Mr. Komin Krodmee	Member	7/7
6. Miss Mallika Trakoolthai	Member	6/7

Note: Miss Sawitta Srikaset is a secretary of the Executive Committee

4) The Board of Directors' Meeting No. 6/2014, dated September 19, 2014 had the Nomination and Remuneration Committee. As of December 31, 2015, the Nomination and Remuneration Committee comprises the following names:

Name	Position	Number of meeting attended/ Total numbers of meeting
		In 2015
1. Mr. Mongkol Kasaemsun Na Ayudthaya	Chairman	1/1
2. Assoc.Prof. Prakrit Tangtisanon	Member	1/1
3. Mr. Sanpat Sapon	Member	1/1
4. Miss Usanee Chanumrung **	Member	1/1

Note: Miss Nuttiya Wangkhunprom is a secretary of the Nomination and Remuneration Committee

**M.s Usanee Chan-umrung resigned from the Board Nomination and Remuneration Committee on December 9, 2015

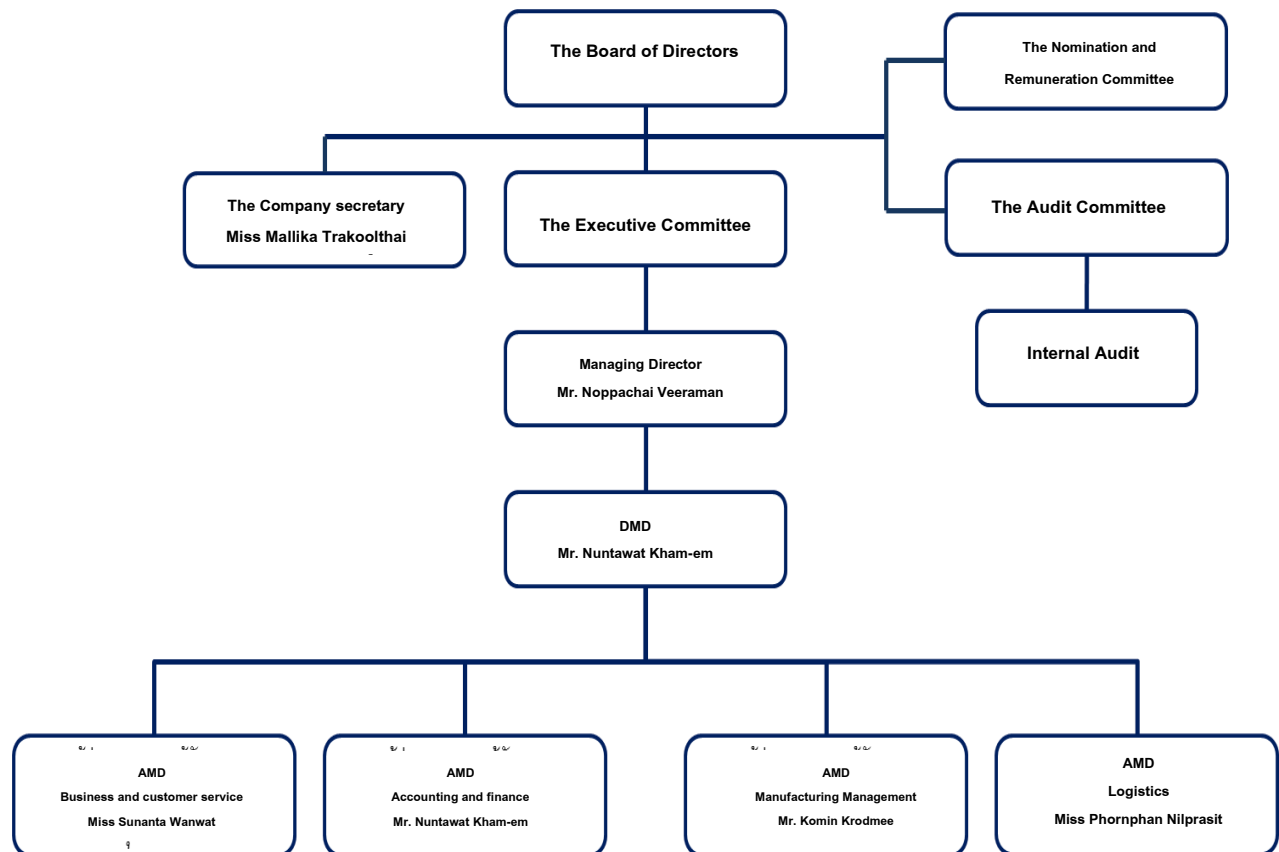
8.2 Executives

As of December 31, 2015, the Company's executives comprise the following names:

Name	Position
1. Mr. Noppachai Veeraman	Managing Director
2. Mr. Nuntawat Kham-em	Deputy Managing Director and Assistant Managing Director – Accounting & finance

3. Miss Sunanta Wanwat	Assistant Managing Director – Business and customer service
4. Miss Phornphan Nilprasit	Assistant Managing Director – Logistics
5. Mr. Komin Krodmee	Assistant Managing Director – Manufacturing management

Organization Structure as of December 31, 2015



*The Company hires ACC-PLUS Consultant Company Limited to perform internal audit of the Company and its subsidiary. Miss Wanna Maluengnont (Managing Director of ACC-PLUS Consultant Company Limited) is a leader of internal audit team (See details of internal audit leader in Attachment 3.)

8.3 The Company Secretary

The Board of Directors' meeting No.6/2013 had the resolution to appoint Miss Mallika Trakulthai to be the Company secretary starting from October 21, 2013. The scope of work, authorizity, and responsibilities according to section 89/15 and section 89/16 of Securities and Exchange Act (Volume 4) B.E. 2551 (A.D. 2008), which was effective since August 31, 2008. The Company secretary has the following legal roles.

1. Preparing and maintaining the following documents:
 - (a) Director rofile
 - (b) Notice and minutes of the board meeting, annual report, notice and minutes of shareholders meeting
 - (c) notice and minutes of shareholders meeting
2. Maintaining directors and management's report on conflict of interest, and submit the report according to section 89/14 to the president and chairman of the Audit Committee within 7 working days after receipt of the report.
3. Performing other duties as required by the Capital Market Supervisory Board

In case the Company secretary resign or fail to perform the duty, the Board shall appoint new secretary within 90 days from the date of resignation or failure to perform the duty. However, the Board is entitled to assign one of directors to perform the work during such period.

In addition, the Company secretary also has the other responsibilities upon the Company's assignment as follows:

- (1) Arranging the Board of Directors' meeting and shareholders' meeting
- (2) Coordinate with other departments in the Company to make them comply with the resolutions of the Board of Directors' meeting and shareholders' meeting
- (3) Coordinate with the government section such as the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and control for completion and accuracy of information disclosure and report submitted to the government section and public according to law.
- (4) Providing orientation to new appointed director
- (5) Performing other duties as assigned by the Board.

Miss Mallika Trakulthai has passed the training course for the Company secretary (Class of 28) and the course of fundamental law for registered company (class of 10) from from Thai Listed Companies Association. The profile of the Company secretary is shown in Enclosure 1.

8.4 Remuneration for the Board and Executives

8.4.1 Remuneration for the Board

The ordinary shareholders' meeting No. 2/2014, dated September 9, 2014 had the resolution to approve remuneration for independent directors and the Audit Committee, meanwhile, the Board of Directors' meeting No. 6/2014 dated September 9, 2014 also approve remuneration for the Nomination and Remuneration Committee, by considering based on roles and responsibilities to supervise and control the Company's operation. The consideration has been made in comparison to the industry, experience, duty, scope of role and responsibility, including benefits expected to be received from each directors as per the following details.

	Attendance fee for chairman	Attendance fee for member
The Board	30,000 Baht/meeting	20,000 Baht/meeting
Independent director and member of the Audit Committee		
Member of the Nomination and Remuneration Committee		

Remuneration for the board comprises meeting attendance fee, which is subjected to number of meeting attended. However, subject to the rule of remuneration consideration, members of the board and/or any sub committee, the Company's director and/or member of sub committee who are the Company's executives or employees shall not receive the remuneration for the board and/or member of sub committee. In 2014, the Company paid remuneration for the board and member in sub committee as follows.

Name List of the Board	The Directors' Remuneration of 2014 (Baht)			
	The Board	Audit Committee	Nomination and Remuneration Committee	Total
1. Assoc.Prof. Prakrit Tangtisanon	150,000	80,000	20,000	250,000
2. Mr. Sanpat Sapon	100,000	120,000	20,000	240,000
3. Mr. Mongkol Kasamsun na aydhya	100,000	80,000	30,000	210,000
4. Mr. Kritsana Thaidumrong	80,000			80,000
5. Mr. Noppachai Veeraman ¹⁾	-			-
6. Mr. Fung Meng Hoi	100,000			100,000
7. Mr. Nuntawat Kham-em ¹⁾	-			-
8. Miss Sunanta Wanwat ¹⁾	-			-
9. Miss Phornphan Nilprasit ¹⁾	-			-
10. Miss Ussanee Chanumrung ²⁾				-
Total	530,000	280,000	70,000	880,000

Note: ¹⁾ Members who are the Company's executives or employees those shall not receive remuneration for the board and member of sub committee are Mr. Noppachai Weeraman, Mr. Nantawat Kamiam, Miss Sunanta Wanwat, and Miss Pornpan Nilprasit

²⁾ Miss Ussanee Chanumrung became the Company's employees from January 5, 2015. Thus, she shall not receive remuneration for the Nomination and Remuneration Committee after her employment.

	Number of employees As of December 31, 2015
the Company's executives	5
Busines and customer service	157
Accounting and finance	18
Logistics	27
Manufacturing management	28
Human resource	8
Information technology	2
Purchasing	3
Others*	8*
Innogreen Solution Company Limited	5
Total	261

* Others include the Company's secretary, internal audit, research and development, corporate secretary section, and the Quality Management Representative (QMR)

The Company and its subsidiary have no labor dispute along the last 3 years and devote to develop skill, knowledge, capability, and competency of employees at all level. The details of employee development plan are as follows.

- Continuously develop executives and employees at all level to increase their work capability by enchancing and supporting them in term of education, training, seminar, and domestic and international field study.
- Prepare training road map for each position to recruit right person with good career path, including ready for replacement.
- Enhance employees development by mean of coaching and on the job training
- Build up employee awareness for working based on code of conduct and good governance by admiration and support good person
- Enhance employee to engage in organization culture, ownership attitude, hold team work concept, provide good service, and bring satisfaction to either inside or outside customers

9. Corporate Governance

To follow policy of Code of Best Practices, the company implemented principle of good corporate governance for authorized company 2012 stipulated by Stock Exchange of Thailand as guidelines for operation of the company and to promote transparency and efficiency of management that will ensure shareholders and the relevant and currently, the company has generally complied with such principles.

9.1 Corporate Governance Policy

At company's meeting 7/2013 on 29 November 2013, it had resolution to approve policy of corporate governance according to good corporate good corporate governance for authorized company in 2012 that was corresponding to principles stipulated by Stock Exchange of Thailand as follows.

Section1: Shareholder's right

The company gives precedence to basic rights of shareholders such as rights to trade and transfer their own shares, rights of receiving profit dividend of the company, right of receiving information of the company sufficiently, rights of shareholder's meeting, giving opinions, appointing or denoting committee, appointing auditor and matters affecting the company like dividend allocation, specification or amendment of regulation and memorandum of association etc. without any actions that violate or deprive rights of the shareholders as well as promotes shareholder to use their rights.

Apart from basic rights, the company has a policy for operations that promote and facilitate using rights of shareholders as follows

1. Providing annual general meeting by it is arranged in every 4 months from the end date of each accounting year by monitoring to provide information, date, time, place an agenda along with deliver the supporting documents in each agenda to shareholders in advance for at least 7 days and publish in newspaper to appoint date and time of meeting for 3 consecutive days before the meeting starts in 3 days. It is specified that each agenda requires comments of the committee and complete minutes so that the shareholders can audit it.
2. The company will publish information supporting agenda to shareholders in advance on website of the company including inform rights and regulations in meeting as well as procedures of voting of shareholders in meeting to give a chance for shareholders to study information before the meeting.
3. In case the shareholders cannot attend the meeting, the company gives a chance for them to give a proxy to independent committee or any person to attend the meeting as the substitute to support using rights of shareholders to vote by using power of attorney delivered by the committee together with the invitation to meeting.
4. Before the meeting, shareholders can send opinions, suggestions and inquiries in advance through E-mail: comsec@masterkool.com

5. For meeting, the company will allocate proper time to promote shareholders to give opinions or suggestions including inquiries in each agenda relevant to the company

Section 2: Equal Treatment to Shareholders

The company has a policy to treat every shareholder equally to monitor and give opinions about operation of the company by independent committee is responsible for taking care of minor shareholders and that they can give suggestion, opinions, or complaint to independent committee. The independent committee will consider for appropriate operation. For instance, if it is complaining, the independent committee will verify fact and find proper treatment.

The company's committee has specified a measure to prevent using internal data for undesirable purpose of the relevant people including committee, executives, officers and employees of the association related to data (including to spouse and immature children of those people) not to use internal data that has not been published to trade, transfer and accept transfer securities of the company for 30 day during the period before presenting tranche financial statement to SEC or before such data is publicized and the punishment has been stipulated for disclosing data of the company or using company's information for personal benefit according to the policy of Internal Data Utilization Prevention along with giving knowledge to committees and board of directors of the company about reporting security possession to Office of Security and Exchange Commission (SEC Office) as section 59 of Securities and Exchange Act B.E. 2535 (including amended version)

Section 3: Role of Stakeholders

The company has recognized rights of all stakeholders relevant to the company including internal stakeholder such as shareholder, employees and board of directors of the company or external stakeholders including opponent, trade partner, community and society etc. The company has deeply realized that supporting and listening to opinion as well as building good relationship with all shareholders would be beneficial to business operation and development of the company with growth and expansion in the future. The company provided rights of all groups to be treated fairly and equally along with complying with regulations of law and rules as follows

1. Shareholder: The company emphasized on being a good representative of shareholders to operate business for satisfaction of shareholders by being aware of long-term value growth of the company along with having good control system and internal audit system that can disclose information transparently, correctly and completely enough for decision to invest.
2. Employee: The Company will support potential development of human resource for ultimate benefit as the company realized that employees are a part of major resources essential to develop the organization. The company then treats every employee fairly and equally without discrimination along with providing proper returns and welfares.
3. Trade Partner: The Company will treat all trade partners with integrity by holding principles of trade agreement and terms and promise given to trade partner for good business relationship and benefit to all parties

4. Opponent: The Company will treat opponents with ethics of good competition by avoiding dishonest competition to sabotage the opponent.
5. Customer: The Company is determined to provide good service and give satisfaction to customers by providing quality product and service with honest and fair trade with customers.
6. Community and Society: The company gives precedence to taking care of environment of nearby community, location of the office with campaigns to save energy as well as operating business that is not contrary to custom and tradition or causing damages to company. Besides, the company also has a policy to hire local labors nearby the factory of the company in Panasnikom, Chonburi Province

Section 4: Data Disclosure and Transparency

The company realizes importance of correct data disclosure with that is complete, punctual and transparent including financial report and general report according to principles of data and information disclosure of SEC Office and Stock Exchange of Thailand as well as any other matters data affecting security cost of the company that had effect on decision process of company's stakeholders. The company will propagate information and data of the company to shareholders, investors and public through channels and media of Stock Exchange of Thailand including website of the company, newspaper so that shareholders can access data equally.

The company assigns managing director, assistant managing director or the secretary to be responsible for essential data and information disclosure and communicating with investors, shareholders, as well as analyzer and the relevant. Nevertheless, you can contact 0 2953 8800 fax 0 2589 8586 or E-mail: comsec@masterkool.com

Section 5: Responsibility of Committee

● Committee Structure

The company's committee consists of people with knowledge and expertise including experiences that can make benefit for the company and they play a great role to approve policy and business plan and give precedence to internal control system and internal audit for advantage of the company and shareholders.

Currently, the company's committee consists of 9 people including 4 executives committee, 2 non-executive committees and 3 independent committees or 1/3 of company's committee to balance in voting and considering matters along with auditing management for utmost benefit of the company. Moreover, the company has appointed sub-committee comprising of audit committee, management committee and Recruitment committee as well as determined returns by specifying scope of duty and responsibility of operation for such sub-committee clearly.

● Role, duty and responsibility of Committee

The company's committee has duty to consider and approve material matters related to operation of the company such as vision and task, strategy, risk, work plan and budget of the company along with supervising

management to meet the target within regulations of law and business ethics for benefit of the company and all relevant.

- Corporate Governance policy

The company has specified policy related to corporate governance in writing and such policy is agreed by the meeting of company's committee 7/2013 arrange on 29 November 2013. Nevertheless, it is to be guidelines for committee, executives, and employees to comply with by providing regular review of such policy.

- Business Ethics

The company has a policy to operate business transparently, correctly and fairly by determining business ethics in writing to publish to committee, executives and employees to hold and comply with such policy strictly.

- Conflict of Interest

The company has stipulated a policy about conflict of interest with principle that any decisions to operate business activities shall be made for utmost benefit of the company and they should avoid any actions that cause conflict of interest by defining that the relevant or those who are involved in considered transaction shall inform the company about relation or connection in such transaction and they shall not participate in considering judgment and has no authority to approve that transaction.

Audit committee will propose to company's committee about cross-transaction and transactions with conflict of interest that have been properly and circumspectly determined and the company will comply with principles of cross-transaction of SEC Office and Stock Exchange of Thailand strictly in term of defining price and terms with people who possibly have conflict of interest seemingly like transaction with outsiders and submit the report within specific time stipulated by SEC Office and Stock Exchange of Thailand and there shall be disclosing financial budget, annual report an annual list form (Form 56-1).

- Internal Audit

The company gives precedence to providing good internal control system by making manuals of regulations and practice in writing by dividing duty and responsibility along with authority for operation of the practitioner and managers.

The company's committee has assigned audit committee to be responsible for verifying internal control system the company created including auditing control system of operation, financial report, compliance with rule, regulation, policy and monitoring operation. The company has procured the outsource to evaluate and inspect internal control system of the company and report the result of such inspection directly to audit committee

- **Committee's meeting**

The company will arrange the meeting of company's committee at least in every quarter and may arrange additional meeting if necessary by specifying clear agenda in advance including agenda to monitor performance regularly. Committee's meeting will have a secretary to provide agendas and deliver documents to company's committees at least 7 days before the meeting starts so that the committees have enough time to consider and study information along with recording minutes and submitting reports to the committee

individually as well as storing the minutes of committee's meeting certified by the committee systematically and they are prepared to be audited or inspected by the company's committee or the relevant people.

- **Return**

The company has specified returns for committee clearly and it will be propagated in annual list form. Such return shall be approved by annual general meeting. However, the company has defined principles and returns of committee and executive depending on knowledge expertise and experience along with duty and responsibility by comparing with the company in same industry to retain the skillful and experienced people to work with the company for long time.

- **Committee and Executive Development**

The company supports committees and executives to develop knowledge and capacity in corporate governance system to improve works continually by encouraging the committees and executives to participate in trainings of Thai Institute of Directors and in case committee or executives of the company are changed, the company will provide documents and information beneficial to doing task of the committee or executives as well as attending curriculum seminars that are advantageous to such newcomers.

9.2. Sub-committee

The managerial structure of the company consists of company's committee, executives and 3 sub-committees including audit committee, Recruitment and Return Specification committee and Management committee.

The company's committee, audit committee and executives of the company are completely qualified and have no prohibited characteristics according to section 68 of Public Company Limited Act B.E. 2535 and have no traits showing that they lack of qualification to be trustable in management with public as shareholders as in section 89/3 and section 89/6 of Securities and Exchange Act B.E. 2535 and Notice of Securities and Exchange Commission.

The company's committee has specified period of holding a position for committees and a policy of corporate governance by in every annual general meeting of the company, $\frac{1}{3}$ of committees shall resign from the position but if the amount of committee cannot be divided as 3, the nearest number of committee shall leave the position. Nevertheless, the committee who positions longest will leave first and if they cannot agree about retirement, there will be casting lot and the committee who retires can be reelected. Meanwhile, the period of position of audit committee, Recruitment and return specification committee will be 3 years and [the management committee can stay in position for a year](#). The committees who resign from the position can be reelected to take the position again.

9.2.1 Company's Committee

As of 31 December 2015, company's committee include 9 people as follows

Name	Position	Number of meeting attended/ Total numbers of meeting
		In 2015
1. Assoc.Prof. Prakit Tangtisanon	Chairman, independent director and member of the Audit Committee, and member of the Nomination and Remuneration Committee	5/5
2. Mr. Sanpat Sopon	Director, Independent director and Chairman of the Audit Committee, and member of the Nomination and Remuneration Committee	5/5
3. Mr. Mongkol Kasaemsun Na Ayudthaya	Director, Independent director and member of the Audit Committee, and Chairman of the Nomination and Remuneration Committee	5/5
4. Mr. Kritsana Thaidumrong	Director	4/5
5. Mr. Noppachai Veeraman	Director and Managing Director	5/5
6. Mr. Fung Meng Hoi	Director	5/5
7. Mr. Nuntawat Kham-em	Director	4/5
8. Miss Sunanta Wanwat	Director	5/5
9. Miss Phornphan Nilprasit	Director	5/5

Note: All directors have passed the training course about role and skills of being directors from Thai Institute of Directors (IOD)

Scope of Duty and Responsibility of Company's Committee

- 1) supervising the company and doing task following laws, objectives and regulations of the company along with having a resolution in shareholder's meeting with integrity and being aware of benefit of the company and having Accountability to Shareholders
- 2) Specifying policy, target and trend of operation including Monitoring and Supervision for management department to comply with the policy and regulations of the company effectively and efficiently under good corporate governance to Maximize Economic Value and Shareholders' Wealth
- 3) Controlling and Supervising management department to practice with all stakeholders with ethnics and equality.
- 4) Considering and defining annual budgetary plan and revising annual budgetary plan to be suitable and corresponding to policy and trend of operation including inspecting and controlling management department to use budget according to annual budgetary plan.
- 5) Following up operations of the company to meet targets regularly and realizing compliance with law and regulations in agreement related to the company by determining management department to report overall operation along with material matters of the company to company's committee in every quarterly meeting so that the operations of the company are conducted efficiently.
- 6) Operating for the company to have accounting system, financial report, Internal Control, and Internal Audit that are efficient and reliable.

- 7) Playing a great role to operate risk management by providing guidelines and measures to manage risk suitably and sufficiently including monitoring such operation regularly
- 8) Considering and approving and/or giving opinions to be proposed in the shareholder's meeting to consider approving significant transaction along with cross-transaction according to principles, terms and legal methods and regulations
- 9) Providing annual report of the company and/or company's committee to be in accordance with law and regulations and reporting to shareholders regularly and completely regarding to current condition of business and trends of operation in the future positively and negatively with supporting reasons
- 10) Considering and approving suitable organizational structure for operation that includes establishing sub-committee, procuring and appointing committees or experienced people with expertise and knowledge as the committee approves them to take position as a member of sub-committee as well as defining scope of duty and responsibility of sub-committees.
- 11) Considering and appointing managing director and defining scope of duty and responsibility of the managing director
- 12) Considering and specifying annual return structure of the company and principles of return payment of committees, executives and employees by recognizing proper factors such as performance, position, scope of duty and responsibility, quality, knowledge, capability and suitable return rate in same industry.
- 13) Considering amount of return of the committee according to principles of return payment stipulated by company's committee to be proposed in shareholder's meeting for considering approval.
- 14) Approving employment, appointment and denotation including transferring senior employees of deputy managing director or other equivalent positions including approving salary and return rate or benefit of such people
- 15) Considering procuring people with knowledge, capacity and experience along with qualification by applicable law and regulations to be proposed in shareholder's meeting for considering appointment as committee
- 16) Defining policy, target, strategy and trend of operation of the subsidiary as well as considering appointment of people with knowledge, capability and experience relevant to the operations of subsidiary as the committee of subsidiary by proportion of holding shares of the company in subsidiary.
- 17) The committee may authorize a committee or many people or even anybody to operate substituting for the committee or may authorize those people to have power as agreed by the committee and within approved duration. The committee may provoke, terminate, change or amend such power of attorney when seeing appropriate. Nevertheless, such proxy shall be conducted in writing or recorded as resolution in the minutes of committee's meeting with clear scope of that authority and duty of the proxy. However, the proxy shall not have power to approve lists that such people or people with conflict of interest have stakes or may have conflict of any other interests with the company unless, it is approval following the policy and principles in shareholder's meeting or the company's committee has approved.

- 18) Having any other duties and responsibilities stipulated by law and regulations of the company and resolution of shareholder's meeting
- 19) Considering and approving essential operations of the company for ultimate benefit of the company except following authority that can be conducted when being agreed by the committee's meeting with majority vote of the committees who attend the meeting and have rights to vote and from at least $\frac{3}{4}$ of all votes in shareholder's meeting of shareholders who attend the meeting and have rights to vote
 - (A) Selling or transferring business of the company, wholly or partially.
 - (B) Purchasing or accepting transfer business of other companies or private companies belonging to the company
 - (C) Making, amending or terminating an agreement related to business lease of the company, wholly or partially, assigning any persons to manage business of the company or consolidating with other people with purpose of profit and loss share.
 - (D) Amending Memorandum of Association or regulations
 - (E) Adding or reducing capital including debenture issue
 - (F) Merger or Company Termination
 - (G) Any activities stipulated under the legal provision associated with securities and exchange and/or Regulations of Stock Exchange of Thailand shall be agreed by committee's meeting and shareholder's meeting with at least $\frac{3}{4}$ votes of all shareholders who attend the meeting and have right to vote such as cross-transaction and obtainment or distribution of asset etc.

Nevertheless, any operations that the committee or the proxy or stakeholders may have conflict of interest with the company, those people have no right to vote in such matter.

The company's committee has appointed committees with knowledge and expertise to be sub-committee to practice in studying and screening material matters that require close supervision and give opinions to company's committee consisting of audit committee, management committee and Recruitment and return specification committee with following scope of duty and responsibility

9.2.2 Audit Committee

Audit committee is set up to Support Company's committee to supervise and inspect financial report, internal audit, and internal control, risk management including good corporate governance so that the operations and data disclosure of the company are conducted transparently and reliably. The audit committee consists of skillful and experienced independent committee that can dedicate time for operation at least 3 people and an audit committee has knowledge and experience in finance and accounting. The audit committees will select a committee as the audit committee chairman. Who will position as the audit committee chairman shall be considered by qualification circumspectly as the audit committee chairman will be a person that gives confidence in effectiveness of the audit committee

The period of position as audit committee is equal to the company's committee and it will due positioning in annual general meeting along with due of positioning as company's committee. When they leave position, they can be reelected to take position again

As of 31 December 2015, the audit committees consisted of:

Name	Position	Number of meeting attended/ Total numbers of meeting
		In 2015
1. Mr. Sanpat Sapon	Chairman	4/4
2. Assoc.Prof. Prakit Tangtisanon	Member	4/4
3. Mr. Mongkol Kasaemsun Na Ayudthaya	Member	4/4

Member of the Audit Committee who has full understanding of, and experience in, accounting or finance, for reviewing the reliability of the financial statements is Mr. Mongkol Kasaemsun Na Ayudthaya. The secretary of the Audit Committee is Miss Jariyaporn Akkarawong.

Scope of Duty and Responsibility of Audit Committee

- 1) Verifying that the company has procedures to make and disclose data in financial report of the company correctly and completely that it is reliable, punctual and sufficient. The project to coordinate with outsourcing auditors and the executives that are responsible for making both annual and quarterly financial report, the audit committee may suggest the auditor to verify or check any list that are necessary and essential during auditing of the company
- 2) Auditing that the company has suitable and effective Internal Control system and Internal Audit system and considering independence of internal audit institute along with approving the appointment, transferring, denoting or dismissing the leader of internal audit institute or any other institutes responsible for internal audit
- 3) Verifying that the company has complied with law associated with Securities and Exchange, regulations of Stock Exchange of Thailand and law related to business of the company
- 4) Considering, selecting and appointing people with independence to act as the auditor of the company and proposing returns of those people by being aware of reliability and sufficiency of resources and audit wok of the auditor office and experience of personnel assigned to audit including performance in previous year and considering denoting the auditor including participating in meeting of auditor without management department for at least once a year
- 5) Considering and disclosing data related to cross-transaction that may have conflict of interest completely and correctly to be corresponding to law and regulations of Stock Exchange of Thailand. Nevertheless, it is to ensure that such transaction is necessary, reasonable and brings maximum benefit for the company.
- 6) Making a report of audit committee and propagating it in annual report of the company. Such report shall be signed by audit committee chairman and shall consist of following data

- (A) Opinions about correctness, completeness, and reliability of data disclosure in financial report of the company
 - (B) Opinions about sufficiency of internal control system of the company
 - (C) Opinions about compliance with law associated with Securities and Exchange, regulation of Stock Exchange of Thailand or law involved in business of the company
 - (D) Opinions about suitability of the auditor
 - (E) Opinions about transaction with conflict of Interest
 - (F) Number of audit committee's meeting and attendance of each audit committee
 - (G) Opinion or Notice that the audit committee received from performance according to the Charter
 - (H) Any other lists that the shareholders and investors should know within scope of duty and responsibility assigned by the company's committee
- 7) Any operations assigned by the company's committee with agreement of audit committee such as reviewing policy of financial and risk management, reviewing compliance with business ethics of the executives and reviewing together with executives about essential reports that will be publicized as the law stipulates such as Report and analysis of management department etc.
- 8) Having power to audit and investigate as necessary matters that may significantly affect financial statement and overall operation of the company such as
- (A) Transaction with Conflict of Interest
 - (B) Doubt or assumption that there may be corruption or abnormality or defect in internal controls system
 - (C) the doubts that there may be violating law associated with Securities and Exchange, regulations of Stock Exchange of Thailand or laws relevant to business of the company
- 9) Having power to seek for opinions free from professional consultants when seeing that it is necessary to consider expense of the company so that the operation under duty and responsibility is achieved
- 10) Reporting the result of auditing and investigation to company's committee to revise within time approved by the audit committee. However, if the audit committee finds that there is negligence to operate revision without reasonable support, any audit committee may report such occurrence to SEC and Stock Exchange of Thailand

Nevertheless, the authority of audit committee does not include power that the audit committee or the proxy from the audit committee can vote and give opinions for the list that the audit committee or the proxy or those with conflict of interest as definition in notice of Security and Exchange Commission has stakes or has conflict of interest with the company and/or subsidiary

9.2.3 Executive Committee

Executive Committee is appointed by the company's committee by the management committee chairman acts as the managing director to manage business substituting for the committee as the trend of policy and target stipulated and assigned by the company's committees

As of 31 December 2015, the management committee consisted of

Name	Position	Number of meeting attended/ Total numbers of meeting
		In 2015
1. Mr. Noppachai Veeraman	Chairman	7/7
2. Mr. Nuntawat Kham-em	Member	7/7
3. Miss Sunanta Wanwat	Member	7/7
4. Miss Phornphan Nilprasit	Member	7/7
5. Mr. Komin Krodmee	Member	7/7
6. Miss Mallika Trakoolthai	Member	6/7

Note: Miss Sawitta Srikaset is a secretary of the Executive Committee

Scope of Duty and Responsibility of Management Committee

- 1) considering and screening business plan and annual budgetary plan to present to company' committee
- 2) Specifying policy of finance and investment of the company and defining trend of investment policy to be corresponding to policy of the company and approving principles of investment including proposal of investment according to regulations of the company
- 3) Considering and operating material matters relevant to operation of the company
- 4) Considering and screening and giving suggestion all work types proposed to company's committee
- 5) Considering and appointing committee of the affiliated company or joint venture by proportion of shareholding or according to agreement between shareholders of the affiliated company or joint venture (if any)
- 6) Supervising and monitoring result of management of the company to correspond the policy, operation plan and annual budget stipulated by the company's committee and approving as well as reporting to company's committee regularly.
- 7) Considering risk management policy of the company to present to audit committee
 - (A) Identifying and evaluating risk to cover Strategic Risks, Operational Risks, Financial Risks and Legal Risks
 - (B) Considering and reviewing guidelines and tools to manage risk effectively and suitable for risk size and quality of the transactions operated by the company
 - (C) Monitoring result of risk evaluation in both normal condition and Stress Testing
 - (D) Evaluating possible risks from new product or risks that happen for new transaction as well as specifying guidelines to prevent possible risks
- 8) Considering and screening matters that the managing director proposes to management committee to consider approving or agreeing
- 9) Approving matters of finance and asset of the company under scope of approval authority
- 10) Assigning or suggesting the managing director to determine or practice any transaction agreed by the management committee
- 11) Appointing the work team to consider any matters agreed by the management committee
- 12) Considering and proposing matters agreed by management committee or determining approval or

agreement

- 13) Considering any matters or doing any duties assigned by the company's committee

However, the power of approval of management committee shall not be the approval that makes the management committee or the proxy from management committee can approve any transactions that they or those with conflict of interest (As definition in Notice of Securities and Exchange Commission) have stakes or may have conflict of interest with the company and/or subsidiary

Nevertheless, the management committee has a year of positioning from the date of appointment. Moreover, the retired management committee can be reelected to take the position again.

9.2.4 Nomination and Remuneration Committee

At meeting of company's committee 6/2014 arranged on 14 September 2014, they had a resolution to appoint Recruitment and return specification committee by selecting from some company's committee and/or the expert. The Recruitment and return specification committee includes 3 but not over 5 committees. Nevertheless, the independent committee acts as the Recruitment and return specification committee chairman

As of 31 December 2015, Recruitment and Return Specification Committee consisted of:

Name	Position	Number of meeting attended/ Total numbers of meeting
		In 2015
1. Mr. Mongkol Kasaemsun Na Ayudthaya	Chairman	1/1
2. Assoc.Prof. Prakit Tangtisanon	Member	1/1
3. Mr. Sanpat Sopon	Member	1/1
4. Miss Usanee Chanumrung **	Member	1/1

Note: Miss Nuttiya Wangkhunprom is a secretary of the Nomination and Remuneration Committee

**M.s Usanee Chan-umrung resigned from the Board Nomination and Remuneration Committee on December 9, 2015

Scope of duty and responsibility of Recruitment and Return Specification Committee

- 1) Recruiting, selecting and proposing a person to take position as independent committee, committee chairman, and company's committee to present to company's meeting and/or shareholders to consider approving in case of the vacant position due to the due or other cases
- 2) Recruiting, selecting and proposing a person to act as the managing director, chief executive office, and secretary of the company in case of the vacant position to present to company's meeting for further approval including specifying principles to inherit the position of chief executive officer
- 3) Proposing policy of return and guidelines to pay returns and other benefits for committees of the company, managing director and chief executive officer to be suitable for duty and responsibility corresponding to overall operation of the company and market condition
- 4) Defining bonus annual salary raise rate of executives and employees by considering from the turnover of the company
- 5) Considering and screening salary structure and principles of allowance payment

- 6) Check qualification of people who are nominated to be company's committee to be in accordance with applicable law and regulations

Nevertheless, 1/3 of Recruitment and Return Specification Committees shall retire by the committee who takes position longest will leave the position first. Furthermore, Recruitment and Return Specification Committees that is retired by rotation can be reelected to take the position again

9.2.5 Executives

As of December 31, 2015, the Company's executives comprise the following names:

Name	Position
6. Mr. Noppachai Veeraman	Managing Director
7. Mr. Nuntawat Kham-em	Deputy Managing Director and Assistant Managing Director – Accounting & finance
8. Miss Sunanta Wanwat	Assistant Managing Director – Business and customer service
9. Miss Phornphan Nilprasit	Assistant Managing Director – Logistics
10. Mr. Komin Krodmee	Assistant Managing Director – Manufacturing management

Scope of Duty and Responsibility of Managing Director

- 1) Managing and supervising along with approving operations relevant to general daily management of the company and normally operating business of the company.
- 2) Administrating the company following the policy and target as well as business plan and strategic plan stipulated by the company's committee or management committee
- 3) Authorizing or assigning a person or do particular task within scope following principle of approval authority or regulations or even commands stipulated by company's committee
- 4) Having power to issue orders, regulations, notice, and memorandum so that the practices are corresponding to policy and benefit of the company and to maintain discipline of work in the organization
- 5) Having power to execute and be the representative of the company to outsiders for relevant business and benefit of the company
- 6) Approving the appointment of consultants necessary for operation of the company
- 7) Doing any other tasks assigned by the management committee and/or company's committee

Nevertheless, the power of managing director along with authorizing other people approved by the managing director does not include power or authorizing to approve transaction that he or the relevant may have conflict of interest contrary to benefit of the company or subsidiary or even transactions that are not under normal operation of the company or subsidiary. To approve such transaction, it shall be proposed in the company's meeting and/or shareholder's meeting of the company to consider and approve according to regulations of the company or applicable law.

9.2.6 Authorization for Amount Approval

As the resolution of the Board's meeting 3/2015 arranged on August 10, 2015, it approved revising authority to approve essential issue that can be summarized as follows.

The overseas purchasing, under clause of the authorization of purchase order (P/O) or quotations that budgeted (for a time), the P/O is required only the managing director's authorization. Thus, the meeting resolved to authorize the deputy managing director in signing such document to support the business during the managing director may not able to sign the document or travel abroad.

9.3. Committee and Executive Recruitment and Appointment

To recruit a person as the company's committee, sub-committee and executives of the company is conducted by recruitment and return specification Committee that does duty recruiting and select people to take such positions and nominate qualified people to the committee and/or shareholder's meeting (Case by case). However, people who are appointed to act as the committee and executives shall have suitable qualification according to section 68 of Public Company Limited Act B.E. 2535 (including amended version) and Securities and Exchange Act, Notice of Capital Market Supervisory Board as well as other relevant laws and besides, proficiency and work experiences are counted.

9.3.1 Company's Committee Recruitment

The company's committee gives precedence to recruiting and appointing the company's committee that have expertise and experience to supervise benefit of the company and shareholders. The recruitment and return specification committee will nominate committee lists for shareholders and/or company's committee to consider. Besides, the recruitment and return specification committee also gives a chance to committees and shareholders to nominate the qualified committee to be company's committee. The committee shall have following qualifications

- Having quality not contrary to regulations of applicable law and notices such as Public Company Limited Act B.E. 2535, Notice of Capital Market Supervisory Board, Notice of Securities and Exchange Commission and Regulation of the company relevant to qualification of company's committee etc.
- Having integrity, morality, creativity, excellence, responsibility, justice, independence and giving chance to shareholders equally.
- Educational and work profile beneficial to operations of the company
- Training about corporate governance and high-level policy specification
- Having determination to maintain benefit of shareholders equally
- Dedicating time and capacity to upgrade business development of the company

The company's committee shall consist of independent committees at least 1/3 of all committees and not less than 3 people with quality stipulated by Notice of Stock Exchange of Thailand and Notice of Capital Market Supervisory Board

The company's committee shall consider and screen a qualified person to be appointed as the company's committee including the company's committee that is the representative of shareholders or independent committee from suitability of skill and experience to strengthen structure of company's committee and there will be periodic review as proper.

Company's Committee Election

To elect company's committee in shareholder's meeting has following principles and procedures

- Each shareholder has votes equal to amount of shares by a share is a vote
- Voting a committee individually and shareholders shall make all votes they have to select the nominated as the committee one by one. The election can be for an individual or many committees but the votes cannot be shared
- Those who have highest votes by order are elected as the committee equal to amount of committee to be selected in that time. In case an elected person in next order has same vote beyond the amount of committee, the president will make another vote for final judgment

In case the position of committee is vacant due to any other reasons apart from retirement by rotation, the committee shall consider appointing a qualified person and he shall not have prohibited characteristics to be the committee in next committee's meeting unless the period of retired committee is less than 2 months. The committee that replaces will be in position within left period. Nevertheless, the resolution to appoint a person as the committee shall require at least $\frac{3}{4}$ votes of all left committees

In annual general meeting, $\frac{1}{3}$ of committee shall retire but if the amount of committee cannot be divided as 3, the nearest number shall retire. For the company's committee that retires in first year and second year after authorization in Stock Exchange, drawing lot is required but in following years, $\frac{1}{3}$ of committee that positions longest shall retire first. The retired committees can be reelected to be the company's committee again.

9.3.2 Independent Committee and Audit Committee Recruitment

The company has a policy to specify qualification and recruitment of independent committee and audit committee in accordance with Notice of Capital Market Supervisory Board at T.J. 28/2008 associated with permission to offer newly issued share dated on 15 December 2008 (including amended version). Nevertheless, the independent committee shall be at least $\frac{1}{3}$ of all committees and not less than 3 people while the audit committee consists of at least 3 independent committees with qualification stipulated by law, notice of Stock Exchange of Thailand and Notice of Capital Market Supervisory Board as follows

Qualification of Independent Committee

- A. Holding share not over 1% of all shares with right to vote of the company, headquarter, subsidiary, joint venture, major shareholder or authority of the company. However, it includes shareholding of the relevant of such independent committee.
- B. Not or used to be a committee participating in administration, employee, staff that the consultant with regular salary or the authority of company, holding company, subsidiary or joint venture, joint venture or authority of the company unless retirement from such quality for 2 years before submitting forms to Office of Securities and Exchange Commission. Such incompatibility does not include the case that independent committee used to be bureaucrat or government's advisor that is the major shareholder or authority of the company.

- C. Not being a person with consanguinity or relation by law such as parents, spouse, sibling and child along with spouse of other committee' children, executive, major shareholder, authority or a person proposed to be directors or regulator of the company or subsidiary.
- D. Not having or used to have business connection with the company, holding company, subsidiary, joint venture, major shareholder, or regulator of the company that interrupts free discretion along with not being or used to be a shareholder or the regulator of those who have business connection with the company, holding company, subsidiary, joint venture, major shareholder, or regulator of the company unless retirement for not less than 2 years before submitting form to Office of Securities and Exchange Commission. Such business connection includes normal trade transaction to lease or rent out real estate, asset-related list or service or financial support by guaranteeing or loaning asset as settlement guarantee including similar behaviors resulting the company or signatory have liability to settle to another party from 3% of net tangible asset of the company or at least 20 million Baht. However, calculating such liability shall follow methods of value calculation of involved transaction according to notice of capital market supervisory board associated with involved transaction permitted to consider such liability including liability during a year before having business connection with the same person
- E. Not being or used to be an auditor of the company, holding company, subsidiary, joint venture, major shareholder or regulator of the company and not being implicit shareholder, regulator or partners of auditing office in which the auditor of the company, holding company, subsidiary, major shareholder or regulator belongs to unless retirement from such characteristic not less than 2 years before submitting form to the Office of Securities and Exchange Commission
- F. Not being or used to be any professional service providers including legal consulting service or financial consultant with service charge more than 2 million Baht per year from the company, holding company, subsidiary, joint venture, major shareholder, or the regulator of the company and not being an implicit shareholder, regulator or partner of such professional service providers unless retirement from such quality not less than 2 years before submitting form to the Office of securities and Exchange Commission
- G. Not being a committee appointed to be representative of the company's committee, major shareholder or shareholders related to major shareholders.
- H. Not running business with same condition and it is implicit opponent to the company or subsidiary and not being an implicit partner in partnership or a committee taking part in administration, employee, staff, and consultant with regular salary or holding share over 1% of all shares with voting rights of other companies that run the same business with implicit competition to the company or subsidiary.
- I. Not having any other qualities that interrupt free comment about operation of the company

After appointed as the independent committee with qualification from (A) to (I), the independent committees shall be assigned by the committee to make decision for operations of the company, holding company, subsidiary, affiliation, subsidiary in same level, major shareholder or authorized person of the company with Collective Decision

In case a person appointed by the company to be the independent committee that has or used to have business relation or professional service more than value specified in (D) or (F), the company can be extended limit of prohibitions to have business relation or professional service in case the company has provided opinions of the company's committee showing that it has been considered following section 89/7 of Securities and Exchange Act B.E. 2535 (including amended version) that such appointment has no effect on operations and comments that the independent committee provides following data disclosure in invitation letter to Shareholder's meeting for agenda considering independent committee appointment

- (A) Business relation or professional service that makes such person disqualified as stipulated in principles
- (B) Reason and necessity to appoint such person as the independent committee
- (C) Opinion of company's committee to propose appointing such person as the independent committee

For benefit according to (E) and (F), the word "partner" is defined as a person assigned by auditing office or a professional service provider to be the signor in auditing report or professional service report (case by case) on behalf of that juristic person

Qualification of Audit Committee

- (A) Appointed by the committee or shareholder's meeting of the company as the audit committee
- (B) Independent Committee with quality of independent committee that
 - 1. Not being a committee assigned by the committee to make decision for operation of the company, holding company, subsidiary, affiliation, subsidiary in same level, major shareholder or authorized person of the company and
 - 2. Not being the committee of holding company, subsidiary, or subsidiary in same level that is the authorized company
- (C) Having duty as same as stipulated in Notice of Stock Exchange of Thailand associated with quality and scope of operation of audit committee
- (D) Having sufficient knowledge and experience to act as the audit committee; however, there must be at least an audit committee with proficiency and experience to verify credibility of financial budget

Independent Committee/ Audit Committee Appointment

Recruitment and Return Specification Committee selects a qualified person to propose to Company's committee or shareholders to appoint the independent committee/ audit committee (case by case). The audit committee shall be the independent committee appointed from the completely qualified people as in the law, regulations, Notice of Stock Exchange of Thailand and Notice of Capital Market Supervisory Board. There must be at least 1/3 of all committees that are independent committee and 3 audit committees. The independent committee/ audit committee has period of positioning equal to the company's committee. When the due comes, they can be reelected to take that position again. However, at least an audit committee shall have proficiency and experience in finance and accounting.

9.3.3 Executive Committee Recruitment

The company's committee will appoint the executive committee by selecting from those who have

knowledge and experience and understanding about business quality, normal operation of the business and management of the company. [The component of executive committee consists of 7 management committees with a managing director as the executive committee chairman.](#)

9.3.4 Nomination and Remuneration Committee Recruitment

The company's committee appoints the recruitment and return specification Committee by selecting from some company's committee and/or experts with amount of not less 3 people but not over 5 people. Nevertheless, the independent committee is the recruitment and return specification committee chairman.

9.3.5 Executive Recruitment

The company's committee will appoint a managing director and deputy managing director by recruitment and return specification committee will select those who are qualified to take such positions by considering from knowledge, experience, and proficiency of administration to present to company's committee for further appointment.

9.4. Subsidiary and Affiliation's Operation Supervision

The company has mechanism to supervise subsidiary and affiliation directly and indirectly as well as measures to follow up management of the subsidiary and affiliation to maintain benefit of investment of the company and be able to manage and take responsibility of operation of subsidiary as a part of the company by emphasizing on investment in business that supports and makes benefit for the company by considering returns and other benefits the company expects to receive from investment. It is to support and promote business of corporations. However, the company has specified policy of investment in subsidiary and affiliation approved by the committee's meeting 2/2014 arranged on 26 March 2014 with following details

1. The company will consider proportion of investment and returns expected to receive from investment for benefit of shareholders of the company.
2. The company will supervise by sending people approved by the committee's meeting to be the committee and/or executive of subsidiary and affiliation as the representative by proportion of shareholding for ultimate benefit of the company, subsidiary or affiliation. The committee and executives shall have quality, role, duty and responsibility without lacking reliability as the Notice of SEC Office to take part in such business management
3. Committees and/or executives have right to vote in committee's meeting and/or shareholder's meeting of the subsidiary and affiliation according to guidelines or resolution that the committee or shareholder's meeting of the Company has approved. The appointed committees and/or executives can apply discretion to vote in the meeting of the subsidiary and affiliation associated with general management but in case of material matters, they shall be approved by the committee's meeting or shareholder's meeting of the Company first. Essential matters include connected transaction, obtainment and distribution of asset, any actions that reduce proportion of shareholding of the company in subsidiary and affiliation or even business termination of subsidiary and affiliation

4. The company can supervise the subsidiary to store data and make accounting record of the subsidiary to the Company so that it can verify and gather to make consolidated financial statement within specific time.

9.5. Internal Data Usage Control

The company and subsidiary realize and give precedence to operation according to Good Corporate Governance) and Check and Balance to strengthen confidence of shareholders and every relevant institute for continual operation by being aware of long-term value growth of the company. The committee and executives of the company agree to specify internal data usage control measure so that the company has transparent operation according to good corporate governance approved by the company's meeting 7/2013 arranged on 29 November 2013 that can be summarized as follows:

1. Committee, executives and employees shall keep secret/ internal data of the company and subsidiary and shall not disclose such data or gain personal benefit or other's interest from it no matter it is direct or indirect or receive returns or not.
2. The company provides knowledge for the committee and executives of the company to realize duty of reporting securities holding of themselves, spouse, and immature children according to section 59 of Securities and Exchange Act B.E. 2535 including amended version ("Securities Act") and Notice of Securities and Exchange Commission at S.J. 12/2009 dealing with Making and disclosing Security Holding Report of the committee, executives and auditor and punishment according to Section 275 of Securities and Exchange Act B..E. 2535
3. The company specifies that the committee and executives shall report changing of security holding of the company to Securities and Exchange Commission according to section 59 of Securities Act and Notice of Securities and Exchange Commission at S.J. 12/2009 associated with making and disclosing Security Holding Report of Committees, executives and auditors and delivers the duplicate of this report to the company on the exact same date that this report is submitted to Securities and Exchange Commission
4. The company and Subsidiary specifies not allowing committee, executives or practitioners of the company and the subsidiary to perceive internal data and disclose to outsiders or irrelevant people and they should abstain from trading shares of the company within a month before the company publicizes financial statement or essential information.
5. The committees, executives and employees of the company and the subsidiary shall not trade, transfer or accept transfer securities of the company by using internal data of the company' subsidiary and/or do any other transactions using internal data of the company or subsidiary that may result in damages to the company directly or indirectly. This specification includes the spouse and immature children of the committee, executives and employees of the company and subsidiary. Those who infringe such regulation will be deemed as severe offence and the company has defined penalty for people who gain benefit from using or revealing internal data

that defames the company and the company will liaison with relevant supervisory institute for further legal action.

9.6. Auditor's Remuneration

9.6.1 Audit Fee

The company and subsidiary pays remuneration for annual auditing and interim reviewing of financial statements to BPR Audit and Advisory Co., Ltd which is the auditing office of the company and subsidiary for accounting years ended on 31 December 2014 for 920,000 Baht

The company's meeting 1/2015 held on 26 February 2015 had a resolution to appoint Mr. Boonlert Kaewpanpruk and/or Miss. Piyanut Kasemsupakorn and/or Miss. Rungtawan Bunsakchalerm of BPR Audit and Advisory Co., Ltd as the auditor of the company and subsidiary for interim reviewing and annual auditing of financial statements for accounting year ended on 31 December 2015 in amount of 1,220,000 baht

9.6.2 Non-audit Fee

The company hired BPR Audit and Advisory Co., Ltd to check financial data of the company as agreement stipulated by the Board of Investment for year ended on 31 December 2014 and the year ended on 31 December 2015 with total expense of 60,000 Baht and 80,000 Baht respectively.

9.7. Compliance with Principle of Good Corporate Governance in Other Terms

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10. Corporate Social Responsibilities



10.1 Overview Policy (CSR in Process)

The Company has concept of moral and transparent business operation concept with emphasis on responsibility toward society and all groups of stakeholders according to good corporate governance as well as policy and practical guideline toward different groups of stakeholders so as to ensure that the Company can build stability and sustainability in business operation and confidence to all parties of stakeholders. However, the Company operates with social responsibly focus as follows:

1. Fair Business Operation

- The Company determines policy and practical guideline to all groups of customers. The fair and clear condition under laws is notified and the precedence is given to customer satisfaction together with fair business operation.
- The Company equally and fairly treats its business partners and creditors through strict compliance with commercial condition and/or commercial agreement.
- The Company fairly treats the competitor companies without violation of business ethics as well as non-execution in the way of criticism, malevolence or defamation of the competitor companies.

2. Anti-Corruption

- The Company's policy is to define responsibility, practical guideline, and requirement in proper operation for prevention of anti-corruptions with all of the Company's business activities and for proper and circumspect consideration and practice on decision making and business operation that may have anti-corruption risk
- The Company's anti-corruption policy covers the prohibition of the Company's directors, executives and employees to execute or accept all forms of corruption both of direct or indirect. It also covers the businesses in all countries and all relevant agencies with regular verification on compliance with anti-corruption policy as well as review of practical guideline and operating requirement to be

consistent with the change of business, rule, regulation and legal provision.

3. Respect on Human Right

- The Company gives precedence and respects human right through promotion and protection of liberty and rights as well as fair and equitable treatment without the policy of discrimination on individuals who are divergent in races, females, children and disabled.
- The Company employs the disabled to work for the Company as equitable treatment, enabling to create jobs and revenues to such disabled.

4. Fair Employee Treatment

- Human resources are regarded as the cog in propelling the Company's business to achieve the targets. The Company therefore devotes to the employee's quality of life through good working environment, fair human resource management system, encouragement of personnel development to be progressive according to appropriateness in every functional line.
- The Company has fair appraisal process of employee performance and human resource development policy that promotes the Company's employee development for sustainable advancement of the employee sand organization.

5. Customer Responsibility

- The customer satisfaction is regarded as one of the Company's main strategies in stepping into being "The Real Leader for New Era's Coolness" according to the Company's slogan. However, apart from maximum sales volume value in Thailand, the Company also emphasizes on customer responsibility.
- The Company has been certified for international standard of ISO 9001:2008 quality system management as the seal on well care in the Company's product and service quality. Moreover, the Company also has the assurance of the Company's product and service quality so that the customers are assured that they will get quality products and services from the Company with customer responsibility.
- The Company gives the opportunity to customers on direct complaint about products and services of the employees to the Company via Telephone No. 081-422-4454. In addition, the customers can contact Customer Service Department via Telephone No. 02-953-9700 in case of queries about the Company's products or services.
- The Company has clear discount and selling pricing policy for each group of customers. Moreover, the Company also controls selling price with its dealers in every distribution channel to be in proper level.

6. Environmental Care

- The Company realizes on the significance of environmental care in order not to cause pollution problems that may affect life quality of human and ecosystem. The Company then does not perform any acts that affect damage toward natural resources and environmental condition.

7. Social and Community Co-Development

- The Company promotes the use of business process for benefit on quality of life development, helps build economy and strength to community and society, supports the employment in the community,

implants employee conscious in environmental and social responsibility, and regularly seeks for opportunity in support of social and community activities.

8. Availability of Innovation and Propagation of Innovation Derived from Operation with Responsibility on Society, Environment and Stakeholders

- The Company continuously dedicates resources in research and development in order to invent environmentally friendly products and services, and helps in energy saving. The Company's Air-Cooler product is one of the proofs for such dedications with energy saving capability of Air-Cooler when compared with air-conditioner. Moreover, the Company also accepts to completely advise energy saving. There have been the projects providing services in energy saving system for 4 projects and over to actually help in ongoing energy saving by the customers every month.

10.2 Operation and Reporting Preparation

Social responsibility according to aforesaid policy and practical guideline is the part of the Company's business operations that have been continuously practiced from fair treatment to business partner, quality product manufacture and service provision based on Management Quality of ISO 9001:2008, clear selling pricing for customer, fair appraisal of employee performance until participation in community development through employment to people in community. Apart from compliance with policy and ongoing practical guideline, the Company also regularly reports social responsibility activities at the Company's website <http://www.masterkool.com>

10.3 Operation of Business Affecting Social Responsibility

- None –

10.4 Environmental and Social Benefit Activities (CSR after Process)

The Company regularly arranges environmental and social benefit activities. For 2015, the Company continued the "CSR-MASTERKOOL Weaving Coolness to Society Project", having its objective to render the Company's products for public benefit to various agencies that have confronted with hot weather problem and electricity bill problem of air-conditioner. The company's products were rendered in such project to various agencies such as temples, foundations, schools and hospitals, etc



Priest Hospital



Baan Tong Kung School



Rama 9 Temple

11. Internal Control and Risk Management

11.1 Opinion of the Board of Directors on Internal Control System

The Company and its subsidiaries give the precedence to good internal control system management for supporting effective operations of the Company and its subsidiaries under purveyance of internal control system that is adequate, effective and extensive to all areas in order to be in line with the relevant laws and rules for being the listed company in the Stock Exchange. The Board of Directors always arranges the adequate and effective check and balance mechanism for protection and maintenance of the properties of the Company and its subsidiaries under purveyance of hierarchy of approval power and responsibility of the executive and staff with check and balance and determination of work rule in writing. The independent internal audit work unit is available. The Company has hired Acc-Plus Consultant Company Limited ("Acc-Plus Co., Ltd.") to perform work audit of different internal work units of the Company and its subsidiaries to be in line with the formulated rule and report directly to the Audit Committee. Moreover, the Company and its subsidiaries also sufficiently arranges proper and circumspect Internal Control System and Internal Audit System for properties of the Company and its subsidiaries from the wrongful use of their director or executive as well as prevention of fraud that may take place with the Company and its subsidiaries under clear and accountable work system in consistency with the guideline of the Stock Exchange of Thailand.

In the Board of Directors' Meeting No. 1/2016 on 23 February 2016, all 3 independent directors and audit committee members wholly attended the Meeting. The Board of Directors considered adequacy of internal control system of the Company and its subsidiaries based on Assessment Form of the Office of SEC in accompany with interrogation of additional information from the management and related officers. The internal control system of the Company and its subsidiaries in all five areas has been assessed based on Guideline of COSO (Committee of Sponsoring Organizations of the Treadway Commission) as follows.

- 1) Control Environment
- 2) Risk Management
- 3) Control Measure Activities
- 4) Information & Data Communication System
- 5) Monitoring System Activities

The Board of Directors commented that the Company and its subsidiaries have proper and circumspect internal control system adequate according to existing control environment. Moreover, the Company has also arranged the sufficient personnel for effective system operation and has also purveyed internal control system in the issue of monitoring and controlling the operations of the Company and its subsidiaries to enable to sufficiently protect the properties of the Company and its subsidiaries from the unauthorized or wrongful use of their director or executive, transaction doing with the party who may have conflict, and the connected party. However, the Audit Committee Member had indifferent comment from the Board of Directors.

11.2. Observations of Internal Audit Work Unit on Internal Control System of the Company

In 2015, the internal auditor entered to audit and monitor internal control system and system compliance covering all of the systems of the Company and its subsidiaries, consisting of: 1) sales, marketing and after-sales service system, 2) money receipt system, 3) money payment system, 4) production system, 5) cost and product management system, 6) fixed asset system, and 7) human resource management and salary system. The risks were also simultaneously assessed.

From the audit of aforesaid work process, the observations of Internal Audit Work Unit regarding work process have been as follows.

(1) Sales, Marketing and After-Sales Service System

The Company has prepared detailed policy, rule and announcement related to credit consideration including sales pricing in writing with clear form. They have been promulgated and clarified for understanding of the operator under requirement of compliance with determined procedure. The Company has given the precedence to credit granting consideration process and clear practical guideline has been available under internal control system proper for business.

(2) Money Receipt System

In the event of leasing work service, the Company shall accelerate to follow up Withholding Tax Certificate to be quickly complete since the said Certificate can be used as credit of corporate income tax and follow-up duration should be clearly scheduled. The Company prepares Withholding Tax Certificate Control Table for further use in follow-up.

(3) Cost and Product Management System

The Company should strictly comply with Work Manual Procedure in all related matters and all processes. The work manual should be regularly trained and audited whereas the carefulness on filing of Stock Card and control of raw material requisition must be strictly increased. The Company has improved warehouse and product and raw material have been orderly placed in category where responsible staffs are stationed at various points in the area.

The Company arranges Risk Analysis Procedure / Identification of Risk that may affect the attainment of objective / target / business plan of the Company to cover both in organizational level and operational level and cover the following types of risks.

1. Business Engagement Risk / Strategic Risk
2. Operational Risk
3. Financial Risk
4. Rule Compliance Risk
5. Asset Risk

In addition, Fraud Risk, Information Technology System and Business Interruption Risk from External Factors are also considered.

The finding indicated that the Company has had proper risk management and the risks in the primary issues have not had diminishing risk level. From monitoring in each month / each quarter, if it is moderate to high level

of risk, the intensive risk management measure will be determined under consideration from probability and impact as follows.

- Very low probability and very high impact : focuses on correction rather than prevention such as preparation of emergency plan and regular testing.
- Very low probability and very low impact : regularly monitors.
- Very high probability and low to very low impact : increases work control such as use of computer system in working, reinforcement of preventive measure and training execution, etc.
- Very high probability and very high impact : shall immediately executed whereas top executive shall be participative and continuous report the result.

11.3. Auditor's Observation about Internal Control System

The Company has appointed BPR Audit & Advisory Company Limited to be the Company's auditor since 2012 onwards. In audit of 2015 Annual Financial Statements, the auditor considered on verification about significant internal control system of the Company and its subsidiaries and then reported to the Meeting of the Company's Audit Committee No. 1/2016 on 23 March 2016 that there was no observation aspect on defects of internal control audit from audit for 2015 accounting period.

12. Related Party Transactions

1. Nature of Relationship of Related Party Transaction

Person / Juristic Person that may have conflict of interest	Nature of Relationship
Bangkok Equipment Supplier Limited Partnership ("Bangkok Equipment Ltd., Part.")	Mr. Komin Krodmee, the Company's executive and has ever been the partner of Bangkok Equipment Ltd., Part. (transferred to wife's relative on September 2013)
Site Preparation Management Company ("Site Prep Co., Ltd.")	Mr. Kritsana Thaidumrong, the Director and Major Shareholder in Site Prep Co., Ltd. and the Company's director
Actdee Company Limited ("Actdee Co., Ltd.")	Mr. Thanapat Thaidumrong and Mr. Thammathat Thaidamrong, the Director and Major Shareholders in Actdee Co., Ltd. Mr. Thanapat Thaidamrong and Mr. Thammathat Thaidamrong are the close relatives of Mr. Kritsana Thaidumrong who is the Company's Director
Let Company Limited ("Let Co., Ltd.")	Mr. Narin Veeraman and Mrs. Pornwilai Veeraman, the Directors and Major Shareholders in Let Co., Ltd, orderly are the brother and the mother of Mr. Noppachai Veeraman, the Company's Director, Chairman of the Board, Managing Director, and Major Shareholder
Mr. Noppachai Veeraman	The Company's Director, Chairman of the Board, Managing Director, and Major Shareholder
Mr. Fung Meng Hoi	The Company's Director, Board Member, and Major Shareholder
Miss Varin Veeraman	Close relative of Mr. Noppachai Veeraman who is the Company's Director, Chairman of the Executive Committee Board, Managing Director, and Major Shareholders
Miss Veena Veeraman	Close relative of Mr. Noppachai Veeraman who is the Company's Director, Chairman of the Executive Committee Board, Managing Director, and Major Shareholders
Mr. Nuntawat Kham-em	The Company's Director, Deputy Managing Director, and CFO
Ms. Sunanta Wanwat	The Company's Director, Assistant Managing Director – Business and Customer Service
Ms. Phornphan Nilprasit	The Company's Director, Assistant Managing Director – Logistics

2. Details of Related Party Transaction

Person / Juristic Person that may have conflict of interest	Type of RPT	Value (Thousand) 2015	Necessity and Reasonability
1. Bangkok Equipment Supplier Limited Partnership ("Bangkok Equipment Ltd., Part.")	Trading value during the period according to below details. - Product	-	The Company purchased raw materials, spare parts and fixed assets such as electric drill, stainless drill locks, phillips head screw, spray paint, etc., for use in the assembly of cooling fans from Bangkok Equipment Ltd., Part due to this supplier can supply raw materials and spare parts in case of emergency

	Purchase - A/P (Beginning Period)	0.43	requirements. The price and terms of the purchasing does not differ from the prices offered by other vendors.
	- A/P (Ending Period)	-	The Company has the latest transactions with Bangkok Equipment Ltd., Part. on June 23, 2014 The Audit Committee considered that such items are items that support normal business operations of the Company. The prices and trading conditions equivalent to market.
2. Site Preparation Management Company ("Site Prep Co., Ltd.")	Sales and service value according to below details. - Revenue from Sales - A/R (Beginning Period) - Account Receivables (Ending Period)	17.97 7,684.74 -	The Company has sold products and installation services of air cooler system to Site Prep Co., Ltd. under price and condition indifferent from other customers. The Audit Committee considered that such transaction has been proper since it has been service and product sales transaction according to the Company's normal business under price and condition equivalent to others.
3. Actdee Company Limited ("Actdee Co., Ltd.")	Trading value according to below details. - Revenue from Sales & Service - Sales Promotion Expense - A/R (Beginning Period) - A/R (Ending Period)	15,768.45 13.74 4,241.97 3,972.56	The Company has sold the Company's products and services to Actdee Co., Ltd. which is the Company's dealer under price and condition in line with the criteria of which the Company has sold to other dealers in the same level. In Q4/2014 and Q1/2015, which was during the winter months, the company sold products to Actdee Co., Ltd with the credit terms at higher than normal levels (45 days), with the number of credit term of 90 days, which is a promotion activity to the dealer to buy the stock before the selling season. The company sold it outright with no conditions for the return. The company sold products to the Actdee Co., Ltd during such promotional in the amount of 1.93 million baht and 2.07 million baht in Q4/2014 and Q1/2015, respectively. The Audit Committee considered that such transaction has been proper since it has been the service and product sales transaction according to the Company's normal business under the price and condition in line with market price and equivalent to other dealers in the same level.
3. Let Company Limited ("Let Co., Ltd.")	Trading value as below details. - Product/Service Purchase - A/P (Beginning Period) - A/P (Ending Period)	1,242.30 - -	On May 6, 2015, the Company acquired the assets, air conditioning units, are equipped by Let Co., Ltd with comparison to the price and terms of the other 2 distributors, according to company policy The Audit Committee considered that this transaction is a purchase of assets and services to support the normal business of the Company. The price and terms are based on market prices, and is equivalent to a third party.

5. Mr. Noppachai Veeraman	Entering to make borrowing contract from Mr.Noppachai Veeraman to be used in business operation.	16.38	The Company borrowed 1-month short-term loan for total of Baht 3.8 million from Mr. Noppachai Veeraman to be used as working capital in business operation at interest rate of 8.50% per annum while the Company's short-term loan interest rate from financial institution has been MOR rate (8.10% per annum). However, the Company has already paid back all loan and interest on December 23, 2014.
	- Interest Paid		On January 14, 2015, the Company had short-term loans from Mr. Noppachai Veeraman another 2 million baht for a period of 46 days ending on February 28, 2015 for use as working capital in the business. The interest rate is 6.50% per annum; the company already paid back the loan with interest on February 28, 2015.
	- Loan from the Director	-	
	oBrought Forward	2,000.00	
	oAdditional Borrowing	2,000.00	The Audit Committee considered that this transaction is a loan from a related person; according to the need for working capital in the business of the Company. The Company already paid back all load and interest. Anyhow, the Audit Committee issued the opinion that the interest rate at 8.50% per annum, which is higher than the interest rate received from normal financial institutions; it may not be appropriate. Thus, the AC issued the suggestion of carefully considering of loan interest if such occurrences in the future; interest rate should not exceed the interest rate which received financial institutions. Therefore, The loan occurred in Q1/2015 considered at the interest rate of only 6.50% per annum.
	oPayback	-	
	oOutstanding		

As at December 31, 2015, the Company has been granted for credits from 4 financial institutions for total loan limit of approximately Baht 362.0 million. Some of this loan limit has been guaranteed by the director, executive and relevant person with below details.

Person / Juristic Person that may have conflict of interest	Type of RPT	Value (Million Baht) 2014	Value (Million Baht) 2015	Necessity and Reasonability
1. Mr.Noppachai Veeraman 2. Mr.Fung Meng Hoi 3. Ms. Varin Veeraman 4. Ms. Veena Veeraman	Guarantee of Company's loan as below. - Short-term loan - Overdraft loan - Letter of Guarantee	220.0 5.0 4.0	220.0 5.0 4.0	The financial institution asked the directors and the concerns to be the guarantors using personal assets as collateral with financial institution. This loan received without charge of guarantee fees by all guarantors. The Audit Committee considered that such transaction has been useful for the Company's business operation and necessary and reasonable by entry to guarantee loan limit of the Company without charging compensation.
5. Mr.Noppachai	Guarantee of			On January 29, 2015, the Company entered

Veeraman	Company's loan as below.			into an agreement for a loan from a local bank. The bank asked Mr. Noppachai Veeraman, Mr. Fung Meng Hoi, Mr. Nuntawat Kham-em, Ms. Sunanta Wanwat and Ms. Phornphan Nilprasit to performance as guarantors. All guarantors have not charges any fee for the guarantee.
	- Short-term loan	-	32.4	
	- Overdraft loan	-	13.6	
6. Mr. Fung Meng Hoi	Guarantee of Company's loan as below.	-	32.4	The Audit Committee considered that such transaction has been useful for the Company's business operation and necessary and reasonable by entry to guarantee loan limit of the Company without charging compensation.
7. Mr. Nuntawat Kham-em				
8. Ms. Sunanta Wanwat				
9. Ms. Phornphan Nilprasit	- Short-term loan	-	3.6	
	- Overdraft loan			
10. Mr.Noppachai Veeraman	Guarantee of Company's loan as below.	-	85.0	On July 6, 2015, the Company entered into an agreement for a loan from a local bank; by its total deposit if 6.0 million baht, the Bank requested Mr. Noppachai Veeraman to be the guarantor. The Audit Committee considered that such transaction has been useful for the Company's business operation and necessary and reasonable by entry to guarantee loan limit of the Company without charging compensation.
	- Short-term loan	-	2.0	
	- Overdraft loan			

3. Measure and Procedure of Approving on Related Party Transaction

If related party transaction is normal transaction between the Company or its subsidiaries and the director, executive or person, who may have conflict of interest, there is general commercial agreement. The Management will gather the transaction and regularly report to the Board of Directors' Meeting for acknowledgement every year in the first Board of Directors' Meeting after Annual General Meeting of Shareholders so that new Board of Directors will recognize about such matter. The Management must regularly report the transaction under all aforesaid conditions occurred to the Board of Directors' Meeting for acknowledgement every quarter.

If that related party transaction is not normal business transaction and has none of the size of transaction that requires to be approved from the Meeting of Shareholders according to the requirement of the Office of SEC, such related party transactions shall be primarily considered from the Company's Executive Board first. If the size of the occurred transaction is in the authority that can approve, the approval of related party transaction will end at this procedure whereas the stakeholders do not attend the meeting and do not votes. However, if the size of related party transaction exceeds the authority of the Executive Board to enable to approve, the Executive Board shall conclude the Meeting's resolution to be proposed to the Board of Directors with attendance of the Audit Committee for further consideration on approval whereas the stakeholders do not attend the meeting and do not vote

4. Policy and Trend of Future Related Party Transaction

In doing related party transaction with relevant company and person that may have conflict of interest possibly occurred in the future, if such transaction is in line with the nature of normal business doing with normal commercial condition, and for necessity in the Company's business operation, the Company shall clearly define inter-price policy with fairness, consistency with market price and consistency with Securities and Exchange Act, B.E. 2535 (1992) in accompanying with Additional Revised Issue (Issue No. 4) B.E. 2552, Section 89/12 (1). In addition, the Company shall propose such occurred transactions to the Audit Committee for consideration and verification on compliance with criteria and giving opinion about Reasonability of the quarterly occurred transaction.

For related party transactions between the Company or its subsidiaries and the person who may have conflict of interest that are not in line with normal commercial condition, the Company shall assign the Audit Committee to be the person who advises the necessity, Reasonability and appropriateness of price of connected transactions occurred to be in line with market price. The price occurred with outsiders is compared. However, if the Audit Committee is unskilled in consideration on related party transactions that may occur, the Company shall bring the person who possesses knowledge and special skill such as auditor and asset estimator, etc. that is independent from the Company and is the person who has no conflict of interest to enter for consideration and giving opinion about such related party transactions in order to be used as support on decision making of the Audit Committee.

Nevertheless, according to related party transactions that may cause conflict of interest possibly occurred in the future, the Company has prescribed the measure on prohibition of the participative ability of the executive, director or stakeholder in approval of the transaction with self-interest both direct and indirect. However, the Board of Directors shall enter to control the Company to perform in accordance with the law of Securities and Stock Exchange, regulation, proclamation, order or requirement of the Board of the Stock Exchange of Thailand and Capital Market Supervisory Board as well as the compliance with criteria about disclosure of information of connected transactions and acquisition or disposal of the Company's and its subsidiaries' assets according to the Proclamation of the Board of the Stock Exchange of Thailand and the Proclamation of Capital Market Supervisory Board and/or related agencies as well as compliance with the accounting standard required by Federation of Accounting Professions and Certified Public Accountant of Thailand.