

Part 2

Management and Corporate Governance

7. Company's Securities and Shareholders

7.1 Registered capital and paid-up capital as at 31 December 2016

- Sahacogen (Chonburi) Public Company Limited is a company listed on the Stock Exchange of Thailand, with its securities transaction code designated as "SCG". The company has total registered capital of 955 Million Baht, fully paid-up and classified into total 955 million ordinary shares, with the par value of 1 Baht per share.
- The company has not issued other types of shares having the rights or terms different from ordinary shares. Moreover, the company has never issued any securities other than the ordinary shares.

7.2 Shareholders

7.2.1 Top Ten of Shareholders as the close of share register on March 16, 2016

Shareholders	No. of Shares	% Holder	Joint Director
1. Saha Pattana Inter-Holding PLC*	148,697,030	15.57	✓
2. S&J International Enterprises PLC*	142,255,960	14.90	✓
3. I.C.C. International PLC*	100,432,960	10.52	✓
4. Mr. Veerapat Punsak-Udomsin**	99,025,000	10.37	-
5. Mr. Samreng Manupol**	79,771,500	8.35	-
6. Saha Pathanapibul PLC*	70,624,730	7.40	✓
7. Thai Wacoal PLC *	33,800,000	3.54	-
8. International Laboratories Co., Ltd.*	21,400,000	2.24	-
9. Champ Ace Co., Ltd.*	20,500,000	2.15	✓
10. Thanulux PLC*	17,929,700	1.88	✓

Remark: * Companies in Saha Group or companies which are involved to the executives

**The executives and employees in Saha Group

Shareholders can see the latest shareholding information on the company's website www.sahacogen.com prior to the annual shareholders' meeting.

Shareholding proportion by institutional investors

As of March 16, 2016, shareholding proportion in the company by institutional investors stood at 0.09% of total issued and paid up stock. This number is less than the criterion regulated in the Corporate Governance of Thailand Listed Companies. It determines that the proportion of institutional investors should be over 5 percent.

● Divided by Shareholder's Nationality as of share registration book closing date on March 16, 2016

Shareholders	Person	Shares	%	Juristic Persons			Private Individuals		
				Person	Shares	%	Person	Shares	%
Thai	1,332	944,800,000	98.93	36	646,472,281	67.69	1,296	298,327,719	31.24
Foreign	3	10,200,000	1.07	2	10,150,000	1.06	1	50,000	0.01
Total	1,335	955,000,000	100	38	656,622,281	68.75	1,297	298,377,719	31.25

● Shareholding ratio as of share registration book closing date on March 16, 2016

Shareholders	Person	Shares	%	Juristic Persons			Private Individuals		
				Person	Shares	%	Person	Shares	%
Holding share over 0.5%	21	856,444,590	89.68	16	635,009,080	66.49	5	221,435,510	23.19
Holding share not over 0.5% but not less than 1 selling unit	1,229	98,554,532	10.32	22	21,613,201	2.26	1,207	76,941,331	8.06
Holding share less than 1 selling unit	85	878	0.00	0	0	0.00	85	878	0.00
Total	1,335	955,000,000	100.00	38	656,622,281	68.75	1,297	298,377,719	31.25

Note: Shareholders can update their numbers of shares at www.sahacogen.com before commencement of the annual general meeting of shareholders.

7.2.2 Agreement between major shareholders

- None -

7.3 Issuance of other securities

In the previous year, there was no any other securities and ordinary share capital increase.

7.4 Dividend Policy

● Sahacogen (Chonburi) PLC.

The company has a dividend policy to pay out at least 80% of only its net profits of the separate financial statements attributable to equity holders of the Company in each accounting period. It might occasionally be waived or adjusted if the Board of Directors considers that there are conditions creating the maximum benefit to the shareholders, such as reserves for debt, or funding for business expansion, or serving any needs during the market changes causing adverse impact to the company's cash flow in the future. Reference to the Articles of Association No. 34, each payout of the dividend is subject to the net profit of the company only. If the company retains loss, the dividend payment is prohibited. Upon approval by the Board of Directors, the annual dividend payout is to be presented to the shareholders' meeting for approval. However, the Board of Directors is authorized to pay an interim dividend and report such payout at the next shareholders' meeting. As a rule, the company shall pay the dividend within one (1) month after the date of shareholders' approval on the shareholders' meeting or the Board of Directors' meeting.

The company has paid dividend since 2004 when the first trading in the stock market occurred at the rate of 0.34 Baht per share, and continued dividend payment on a yearly basis.

Dividend Payments

Performance (year)	2016	2015	2014	2013	2012	2011	2010	2009	2008
Earnings per share	0.21	0.19	0.26	0.28	0.27	0.30	0.34	0.30	0.30
Dividend per share	0.14*	0.10	0.18	0.20	0.18	0.15	0.18	0.17	0.15
Payout Ratio	66.41%	53.52%	70.74%	70.74%	65.61%	49.21%	53.71%	57.13%	50.09%

*Remark * The Board of Directors resolved to set dividend payment rate and present it to the Annual General Shareholders' Meeting No. 15 for approval on April 24, 2017.*

● Subsidiary Company

- The dividend payment policy of Sahacogen Green Co., Ltd. and Sahagreen Energy Co., Ltd. is based on the result of their operation.

- The dividend payment policy of Sahagreen Forest Co., Ltd. is to pay out at least 50% of its net profit according to the terms of the joint venture agreement.

8. Management Structure

8.1 The Board of Directors

8.1.1 Board of Directors

Presently, the Board of Directors consists of 13 members classified into;

- 8 non-executive directors (5 independent directors)
- 5 executive directors

Name List of the Board of Directors

Name			Boards					
			Board of Director	Executive Board	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Corporate Social Responsibility Committee
1	Mr. Sujarit	Patchimnun*	Chairman	-	-	Chairman	-	-
2	Mr. Boonsithi	Chokwatana	Director	-	-	-	-	-
3	Mr. Boonkiet	Chokwatana	Director	-	-	Director	-	-
4	Mr. Thirasak	Vikitset	Director	Chairman	-	Director	-	-
5	Mr. Atthakorn	Glankwamdee	Director	Director	-	-	-	-
6	Mr. Tanong	Srichit	Director	Director	-	-	-	-
7	Mr. Viroj	Theeravatvatee	Director	Managing Director	-	-	-	Chairman
8	Mr. Suthep	Dansiriviroj	Director	Director	-	-	Chairman	-
9	Mr. Nophorn	Bhongsvej	Independent Director	-	Chairman	Director	-	-
10	Pol. Gen. Somchai	Prabhasabhakdi	Independent Director	-	Director	-	-	-
11	Mr. Amorn	Asvanunt	Independent Director	-	Director	-	-	-
12	Mr. Boonyarith	Mahamontri	Independent Director	-	-	-	-	-
13	Admiral Apiwat	Srivardhana	Independent Director	-	-	-	-	-

*He was appointed as Chairman, and Chairman of Nomination and Remuneration Committee in replacement of Mr. Boonkiet Chokwatana on May 10, 2016

Remark : Qualification standards for independent directors and the Audit Committee are in accordance with the provisions set forth in related announcements.

Directors with authority to sign on behalf of the company

The Directors whose signatures are recognized as binding for the Company consist of the two jointly signatures of either Mr. Boonsithi Chokwatana, or Mr. Thirasak Vikitset, or Mr. Atthakorn Glinkwamdee or Mr. Suthep Dansiriviroj and the signature of Mr. Boonkiet Chokwatana or Mr. Tanong Srichit or Mr. Viroj Theeravatvatee or Mr. Sujarit Patchimnun together with the company's seal.

8.1.2 Personal information of company directors

The Detail of personal information of the company directors were written in the Form 56-1 via section "Personal information of the company directors, management members, authorities and company secretary" and section "Personal information of the subsidiary directors"

8.1.3 The number of Directors' meetings; the summary of the attendance records in 2016 were described as follows;

Name			Boards													
			General Shareholders' Meeting		Board of Director		Executive Board		Audit Committee		Nomination & Remuneration Committee		Risk Management Committee		Corporate Social Responsibility Committee	
			Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
1	Mr. Sujarit	Patchimnun	1/1	100	6/6	100	4/10**	40	-	-	1/2**	50	-	-	-	-
2	Mr. Boonsithi	Chokwatana	1/1	100	6/6	100	-	-	-	-	-	-	-	-	-	-
3	Mr. Boonkiet	Chokwatana	1/1	100	6/6	100	-	-	-	-	2/2	100	-	-	-	-
4	Mr. Thirasak	Vikitset	1/1	100	5/6	83.33	9/10	90	-	-	1/2	50	-	-	-	-
5	Mr. Atthakorn	Glankwamdee	1/1	100	5/6	83.33	8/10	80	-	-	-	-	-	-	-	-
6	Mr. Tanong	Srichit	1/1	100	3/6	50	5/10	50	-	-	-	-	-	-	-	-
7	Mr. Viroj	Theeravatvatee	1/1	100	6/6	100	10/10	100	-	-	-	-	-	-	2/2	100
8	Mr. Suthep	Dansiriviroj	1/1	100	6/6	100	10/10	100	-	-	-	-	4/4	100	-	-
9	Mr. Nophorn	Bhongsvej	1/1	100	6/6	100	-	-	4/4	100	2/2	100	-	-	-	-
10	Pol. Gen. Somchai	Prabhasabhakdi	0/1*	0	5/6	83.33	-	-	3/4	75	-	-	-	-	-	-
11	Mr. Amorn	Asvanunt	1/1	100	6/6	100	-	-	4/4	100	-	-	-	-	-	-
12	Mr. Boonyarith	Mahamontri	1/1	100	6/6	100	-	-	-	-	-	-	-	-	-	-
13	Admiral Apiwat	Srivardhana	1/1	100	5/6	83.33	-	-	-	-	-	-	-	-	-	-
14	Mr. Sontaya	Tabkhan	-	-	-	-	10/10	100	-	-	-	-	-	-	-	-
15	Mr. Apipong	Vischueskamin	-	-	-	-	-	-	-	-	-	-	4/4	100	2/2	100
16	Mr. Teerayuth	Kaewcoon	-	-	-	-	-	-	-	-	-	-	4/4	100	-	-
17	Miss Penpak	Vongrakvanich	-	-	-	-	-	-	-	-	-	-	4/4	100	-	-
18	Mr. Thanawat	Kamsri	-	-	-	-	-	-	-	-	-	-	4/4	100	-	-
19	Mrs. Uthoomporn	Sinprajackpol	-	-	-	-	-	-	-	-	-	-	4/4	100	-	-
20	Mr. Sutas	Boonsoi	-	-	-	-	-	-	-	-	-	-	-	-	1/2	50
21	Mr. Jatuong	Kornwet	-	-	-	-	-	-	-	-	-	-	-	-	2/2	100
22	Miss Naiyachan	Chongkolvanich	-	-	-	-	-	-	-	-	-	-	-	-	2/2	100
23	Mr. Pornsak	Chuamuangphan	-	-	-	-	-	-	-	-	-	-	-	-	2/2	100

Company Secretary: Mrs. Pannee Chantavoraluk (During the year 2016, the Audit Committee held 1 meeting without the attendance of management members.)

Remark: * Annual General Meeting of Shareholders' absence due to overseas assignment

**He was appointed as Chairman, and Chairman of Nomination and Remuneration Committee on May 10, 2016

The summary of the directors attending the meeting of the Company's subsidiaries was described as follows;

Name	Subsidiaries						
	Sahacogen Green Co., Ltd.		Sahagreen Forest Co., Ltd.		Sahagreen Energy Co., Ltd.		
	Position	Attendance	Position	Attendance	Position	Attendance	
1 Mr. Boonkiet Chokwatana	Chairman	5/9			Chairman	5/8	
2 Mr. Sujarit Patchimnun	Director	9/9	Chairman	5/5	Director	8/8	
3 Mr. Thirasak Vikitset	Director	8/9	Director	4/5	Director	8/8	
4 Mr. Atthakorn Glankwamdee	Director	8/9	Director	5/5	Director	8/8	
5 Mr. Tanong Srichit	Director	5/9			Director	5/8	
6 Mr. Sontaya Tabkhan	Director	8/9			Director	8/8	
7 Mr. Viroj Theeravatvatee	Managing Director	9/9	Managing Director	5/5	Managing Director	8/8	
8 Mr. Teerayuth Kaewcoon*			Director	2/5			
9 Mr. Apipong Vischuveskamin**			Director	3/5			
10 Mr. Mahasan Thieravarut			Director	5/5			
11 Mr. Panya Sopasriphan			Director	5/5			

Remark: *Expiration of a term of office as director on March 9, 2016

**He has been appointed as a director on March 9, 2016

8.1.4 Controller

No controller has the influence on the company's management policy or any business operation in such manner deemed as significant.

8.2 The Management

8.2.1 The Management

On December 31, 2016, 10 management members were authorized to be responsible for their duties in accordance with the company's policies.

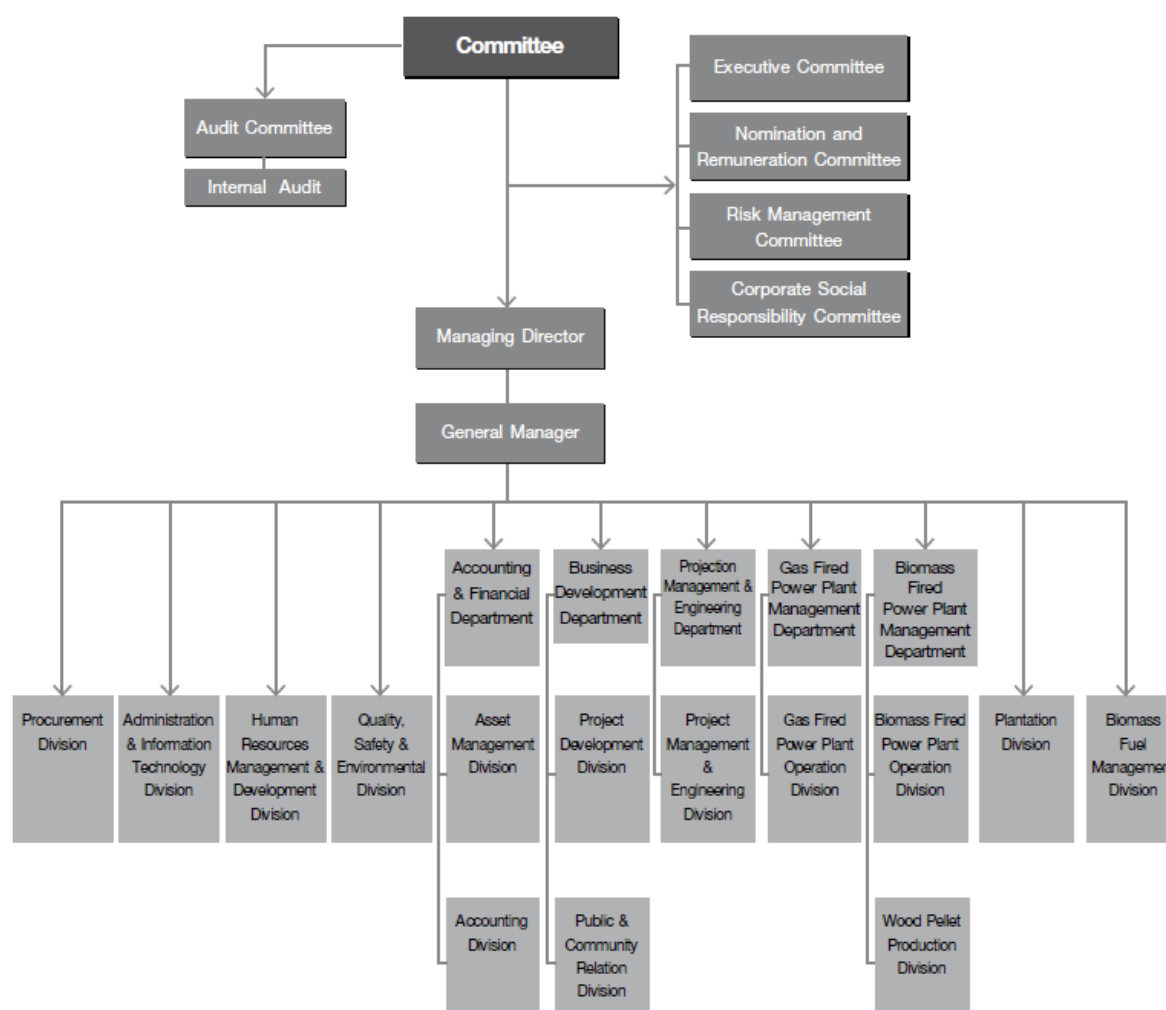
Name			Position
1.	Mr. Thirasak	Vikitset	Chairman of Executive Director/ Executive Director
2.	Mr. Atthakorn	Glinkwamdee	Executive Director
3.	Mr. Tanong	Srichit	Executive Director
4.	Mr. Suthep	Dansiriviroj	Executive Director
5.	Mr. Sontaya	Tabkhan	Executive Director
6.	Mr. Viroj	Theeravatvatee*	Managing Director / Executive Director
7.	Mr. Teerayuth	Kaewcoon*	General Manager
8.	Mr. Apipong	Vischuveskamin*	Business Development Department Manager
9.	Mr. Thanawat	Kamsri*	Biomass Fired Power Plant Management Department Manager
10.	Miss Penpak	Vongrakvanich*	Accounting Division Manager

Remark: *management members are defined about authorities and responsibilities in accordance with the Securities and Exchange Commission.

8.2.2 Personal information of management members

The detail of personal information of the management members were written in the Form 56-1 via section "Personal information of the company directors, management members, authorities and company secretary".

8.2.3 The Company Structure as of December 31, 2016



8.3 Company Secretary

The Board of Directors has appointed Mrs. Pannee Chantavoraluk, who is qualified, with sound knowledge and experiences, as the Company Secretary effective on March 28, 2008 (her education and working experience written on section Personal information of the company directors, management members, authorities and company secretary”). The responsibilities and duties are stipulated in line with the Securities and Exchange Act (no. 4) B.E. 2551, together with other duties assigned by The Board of Directors.

The Company Secretary was assigned the following responsibilities:

1. To provide preliminary advice pertaining to laws, regulations and articles of the company, and to monitor proper and regular compliance, as well as to report any significant changes to the Board.
2. To coordinate between the company directors and the management, to supervise and coordinate matters pertaining to the relevant laws and regulations, including proceedings to ensure compliance with resolutions of The Board of Directors.
3. To organize shareholders’ meeting and the Board of Directors’ meeting in accordance with laws, company articles and other directives.
4. To record minutes of the shareholders’ meeting and the Board of Directors’ meeting as well as to monitor compliance with resolutions of the shareholders’ meeting and the Board of Directors’ meeting.

5. To oversee the disclosure of information and file the relevant reports under the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
6. To prepare and archive the following documents:
 - Directors' register
 - Notice of the Board of Directors' meeting and minutes of the Board of Directors' meeting
 - Notice of the shareholders' meeting and minutes of shareholders' meeting.
 - Annual registration statement (Form 56-1) and Annual report (Form 56-2).
7. To maintain report of interest reports filed by directors or executives.
8. To carry out other proceedings as prescribed by the Capital Market Supervisory Board.

8.4 Remuneration for the directors and management members

8.4.1 Remuneration policy and criteria for the directors and management members

The Board of Directors has appointed the Nomination and Remuneration Committee to set the budget and allocation criteria for the directors, on a comparative basis with other companies in the same business category. Consideration were given to such areas as, expansion in the company's business activities, business growth rate, operating results, together with proper reference to the authority, duty, responsibility scope, and performances by the directors, for setting the criteria on meeting allowance and yearly remuneration. Said resolution would be forwarded to the Board of Directors' meeting for their consideration prior to submitting to the shareholders' meeting for final approval of mentioned remuneration budget.

For the remuneration authorization for top management and other management members would be required to follow the criteria set forth by the company, in term of the duty and responsibility scope, as well as the performance results by the top management and management members, who would be entitled to such same remuneration criteria.

8.4.2 Remuneration amount

(A) Remuneration for the company directors

The remuneration, which was approved by the annual general shareholders' meeting, is 10 million Baht unchangeably. The disbursement of said remuneration budget required the consideration by the Nomination and Remuneration Committee, and the approval of the Board of Directors, with such disbursement not exceeding the budget amount earlier approved by the shareholders' meeting.

Structure of remuneration for the company directors

The company had set the same remuneration structure for the company directors, regardless of whether they also served as members of the Management or not, by classifying remuneration categories as follows:

- 1. Annual remuneration** : paid to all directors, based on the consideration by the Nomination and Remuneration Committee, which was presented to the Board of Director
- 2. Meeting allowance** : paid to all directors attending the meeting.

Details of meeting allowance payments were summarized as below:

	2015	2016
1.The Board of Directors		
- Chairman	Baht 20,000/ time	Baht 20,000/ time
- Director	Baht 10,000/ time	Baht 10,000/ time
2.The Audit Committee		
- Chairman	Baht 10,000/ time	Baht 10,000/ time
- Director	Baht 10,000/ time	Baht 10,000/ time
3.The Executive Board		
- Chairman	Baht 10,000/ time	Baht 10,000/ time
- Director	Baht 10,000/ time	Baht 10,000/ time
4. The Nomination and Remuneration Committee		
- Chairman	Baht 5,000/ time	Baht 5,000/ time
- Director	Baht 5,000/ time	Baht 5,000/ time
5.The Risk Management Committee		
- Chairman	Baht 5,000/ time	Baht 5,000/ time
- Director	Baht 5,000/ time	Baht 5,000/ time
6. The Corporate Social Responsibility Committee		
- Chairman	Baht 5,000/ time	Baht 5,000/ time
- Director	Baht 5,000/ time	Baht 5,000/ time

In 2016, the company authorized the total payment for the meeting allowance 1,645,000 Baht, and the annual remuneration 2,315,000 Baht, totaling 3,960,000 Baht. The meeting allowance was paid to directors attending the meetings. In case of more than 1 meeting per month, the said allowance was not supposed to be paid more than one time.

Remuneration details for The Board of Directors and other committees**Unit : Baht**

Remuneration details	2015		2016	
	Meeting Allowance	Annual Remuneration	Meeting Allowance	Annual Remuneration
The Board of Director	630,000	4,630,000	770,000	2,315,000
The Executive Board	640,000	-	560,000*	-
The Audit Committee	110,000	-	110,000	-
The Nomination and Remuneration Committee	30,000	-	30,000	-
The Risk Management Committee	135,000	-	120,000**	-
The Corporate Social Responsibility Committee (CSR)	30,000	-	55,000***	-
Total	1,575,000	4,630,000	1,645,000	2,315,000

*1 member of the Executive Board is also executive director receiving meeting allowance totaling 100,000 Baht.

**5 members of the Risk Management Committee are executive directors receiving meeting allowance totaling 100,000 Baht.

***5 members of the CSR Committee are executive directors receiving meeting allowance totaling 45,000 Baht.

Remuneration details for the company directors in 2016;

Name	Remuneration (Baht)								
	The Board of Director	The Executive Board	The Audit Committee	Nomination and Remuneration Committee	The Risk Management Committee	The Corporate Social Responsibility Committee	Total Meeting Allowance	Annual Remuneration	Total
1. Mr. Sujarit Patchimnun	100,000	40,000	-	5,000	-	-	145,000	105,000	250,000
2.Mr. Boonsithi Chokwatana	60,000	-	-	-	-	-	60,000	105,000	165,000
3.Mr. Boonkiet Chokwatana	80,000	-	-	10,000	-	-	90,000	140,000	230,000
4.Mr. Thirasak Vikitset	50,000	90,000	-	5,000	-	-	145,000	420,000	565,000
5.Mr. Atthakorn Glankwamdee	50,000	80,000	-	-	-	-	130,000	315,000	445,000
6.Mr. Tanong Srichit	30,000	50,000	-	-	-	-	80,000	105,000	185,000
7.Mr. Viroj Theeravatvatee	60,000	100,000	-	-	-	10,000	170,000	455,000	625,000
8.Mr. Suthep Dansiriviroj	60,000	100,000	-	-	20,000	-	180,000	110,000	290,000
9.Mr. Nophorn Bhongsvej	60,000	-	40,000	10,000	-	-	110,000	140,000	250,000
10.Pol. Gen. Somchai Prabhasabhakdi	50,000	-	30,000	-	-	-	80,000	105,000	185,000
11.Mr. Amorn Asvanunt	60,000	-	40,000	-	-	-	100,000	105,000	205,000
12.Mr. Boonyarith Mahamontri	60,000	-	-	-	-	-	60,000	105,000	165,000
13.Admiral Apiwat Srivardhana	50,000	-	-	-	-	-	50,000	105,000	155,000
Total	770,000	460,000	110,000	30,000	20,000	10,000	1,400,000	2,315,000	3,715,000

Name	2015		2016	
	Annual Remuneration	Meeting Allowance	Annual Remuneration	Meeting Allowance
1 Mr. Sujarit Patchimnun	210,000	150,000	105,000	145,000
2 Mr. Boonsithi Chokwatana	210,000	50,000	105,000	60,000
3 Mr. Boonkiet Chokwatana	280,000	110,000	140,000	90,000
4 Mr. Thirasak Vikitset	840,000	160,000	420,000	145,000
5 Mr. Atthakorn Glankwamdee	630,000	140,000	315,000	130,000
6 Mr. Tanong Srichit	210,000	90,000	105,000	80,000
7 Mr. Viroj Theeravatvatee	910,000	155,000	455,000	170,000
8 Mr. Suthep Dansiriviroj	220,000	150,000	110,000	180,000
9 Mr. Nophorn Bhongsvej	280,000	100,000	140,000	110,000
10 Pol. Gen. Somchai Prabhasabhakdi	210,000	90,000	105,000	80,000
11 Mr. Amorn Asvanunt	210,000	60,000	105,000	100,000
12 Admiral Apiwat Srivardhana	210,000	30,000	105,000	50,000
13 Mr. Boonyarith Mahamontri	210,000	50,000	105,000	60,000
Total	4,630,000	1,335,000	2,315,000	1,400,000
Grand Total	5,965,000		3,715,000	

(B) Remuneration for management members: Referred to the remuneration for the Executive Board members, the 4 top-ranking executives under the Managing Director, and other executives in the same level as the 4th ranking executive, altogether totaling 8 persons. The remuneration details were classified into salary and patron accorded their status as company employees.

Remuneration for Executive Board and its executives

(Unit : Million Baht)

Remuneration	2015		2016	
	Total	Amount	Total	Amount
Salary and Patron	9	16.93	8	19.41

8.4.3 Other Remuneration

The company has established welfare and other compensations apart from salary and bonus contribution to the management and all employees. These reflect domestic economic conditions such as the provident fund, health, life and accident insurance, in accordance with the company's policy and regulations related to the operational performance. The Company has no policy to pay other remuneration except the remuneration of directors or employee. There are no shares, debentures or other securities are given to executive directors.

(A) Other remuneration for the company directors

- None -

(B) Other remuneration for management members

The Executive Directors, together with the 4 top-ranking executives under the Managing Director, and other executives in the same level as the 4th ranking executive, totaling 8 persons, altogether received the company's contribution to their provident funds.

Other remuneration details for management members

Other Remuneration	2015		2016	
	Total	Amount (Baht)	Total	Amount (Baht)
Provident fund contribution	9	752,370	8	712,101
Total	9	752,370	8	712,101

8.5 Employees**8.5.1 Total number of employees and total remuneration**

Department	Sahacogen (Chonburi) Plc.	Sahacogen Green Co., Ltd.	Sahagreen Forest Co., Ltd.	Sahagreen Energy Co., Ltd.
Office and Support	46	40	6	2
Operation	14	51	34	0
Total	60	91	40	2
Remuneration (Million Baht)	49.05	27.08	12.35	1.05
Labor Dispute	- None -	- None -	- None -	- None -

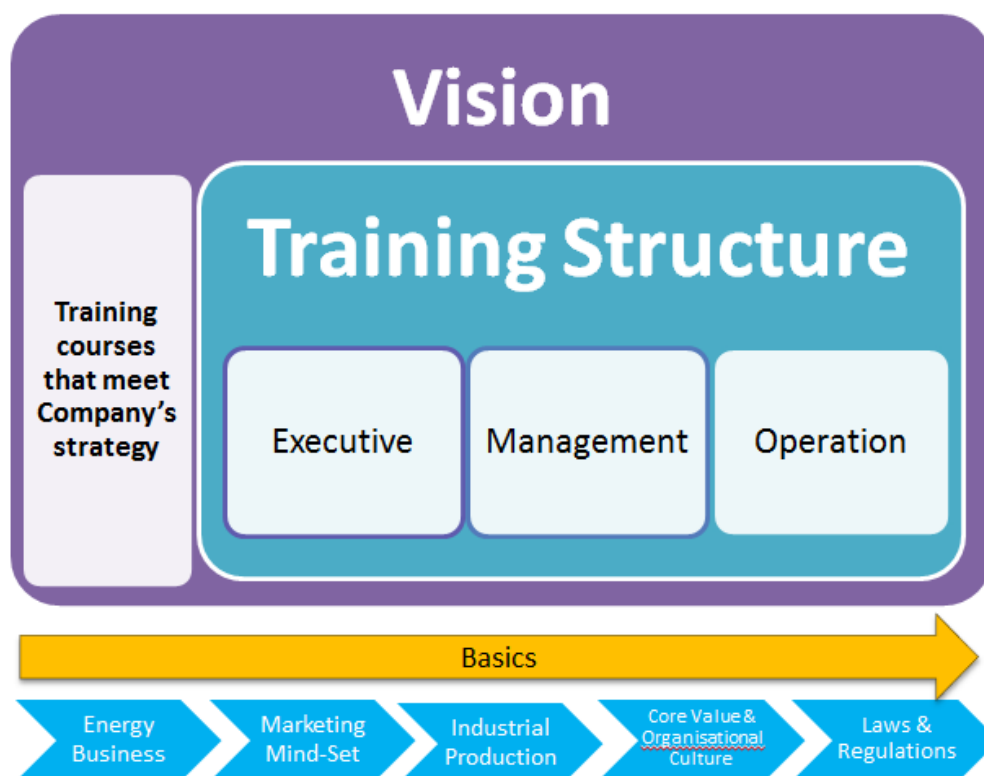
Total remuneration of employees is salary, overtime wage, allowance, fringe benefit, and provident fund.

8.5.2. Human Resources Development and Improvement Policy

Sahacogen and affiliates realize the potential of their employees and regards them as a valuable resource for leading the Company with achievement and efficient growth. Especially for business expansion to other regions, human resources management is such an important thing for its business success and sustainable growth. As a consequence, it is necessary to set directions and define predictability to keep on enhancing and developing human resources management from policy to action. It is a challenge to create a master piece and strengths for growing organizations in a world of competition.

1. Training

The training details for every employee at all levels are as follows;



Executive Level	Management Level	Operation Level
To promote vision and strategy in business operation in accordance with the changing situation.	To enhance knowledge, skills in operation management and resources to meet the target. This conforms to the organizational policy as well as create good teamwork atmosphere.	To enhance knowledge and expertise at the professional level and to be aware about customers' needs by emphasizing on several trainings such as internal and external trainings, as well as "on the job training" and "coaching given by supervisors" based on working positions.

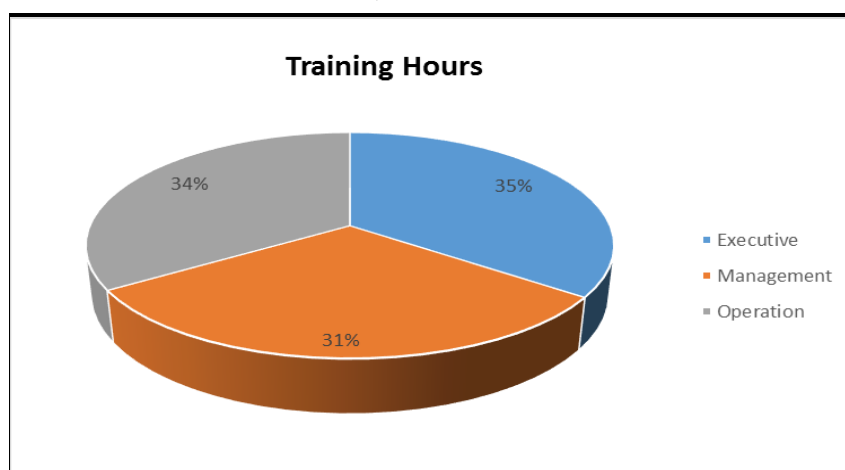
In 2016, the company has defined training courses based on HR matrix indicating the necessity, which supports the analysis of competence, capability, strength and weakness individually. Thus, such information gathered leads to annual training plan with the commitment on individual development to achieve more than or equal to 75% of all training courses. The individual development of Sahacogen and affiliates in 2016 was summarized as follows;

There were 88 internal and external training courses on account of the annual training plan totaling 113 courses, presented as 78% (including 28 courses out of 31 internal training courses as averaged by 91%, and 60 courses out of 82 external training courses as averaged by 74%). The

comparison between the training plan and the actual training courses (average percentage) was summarized by units as follows;



Moreover, a total of 163 employees attended training courses (calculated as 84.02% of all employees). The total training hour was 4,890 hours. The average number of training per person per annum at each position level was disclosed as below;



2. Core Value Awareness

Sahacogen and affiliates realize and believe that the patterns of human beings vary and differ in family status, society, education and living existence. It is a challenge to assemble many people with various backgrounds, nationalities and cultures for unity and same goals and encourage them to work professionally and internationally in a targeted way. Therefore, Sahacogen and affiliates have created shared values as a central culture consisting of 5 values; that is, Positive Thinking, Entrepreneurship, Teamwork, Proactive and Initiative for unity among employees working for Sahacogen and affiliates. These core values are the heart for creating organizational culture and showing uniqueness and identity of Sahacogen and affiliates' employees. Regarding to managing human resources under the shared values, the idea of moving forward and setting goals helps lead to achievement which has been set up and can be measured both team-

related and individual performance in a visible way. During last year, the Company provided employees with acknowledgement and understanding of behavior subject to 5-listed core values.

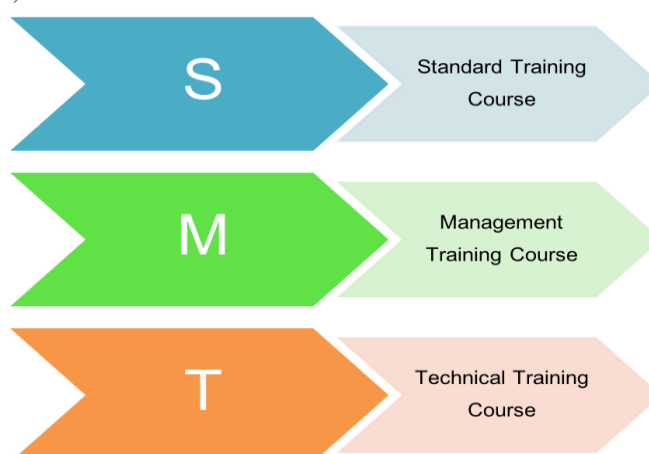
The Company has communicated it to employees via notice boards, Company's intranet system and also Form 56-1.

3. To make employees ready for change

The Company understands that the change of business and economic situations worldwide can be opportunity, obstacle and limitation toward its sustainable growth. As a consequence, the Company focuses on making employees be ready to work and adapt to any situation. They can express themselves to give opinion creatively and professionally as well as take action in line with the Corporate Governance Policy and the Sahacogen Code of Conduct strictly, which ensures that employees are good citizens toward community, society and country, especially, they are willing to work anywhere in the world.

4. To enhance employees' capacity

In order to use policy for action in an efficient manner, the Company sees that a leader is the main key to pay attention and become a good role model to subordinates. Consequently, the Company enhances leaders' working capacity to manage their own human resources professionally such as giving assignment, training, being responsible for performance management and individual development plan. Moreover, every employee at all levels are supported in terms of individual development through training, given opportunities to work in another department for developing skills in the career path as well as receive valuable and various experiences, which makes them ready and well-prepared for challenging future ahead. Sahacogen and affiliates have set up human resources development plan which can be categorized in 3 matters as below;



The evaluation resulted from human resources development can be categorized in 3 main matters; that is, knowledge, skills and behavior.

- **Knowledge** is applied to evaluate by comparing before and after training courses. Employees are supposed to take pre and post testing, and oral test. Employees can be ensured that they have knowledge and understanding about subjects taken especially they can adapt what they have been trained to useful way.

- **Skills** are evaluated from the result of performance, which is mostly considered by instructor or supervisor's observation to see that employees can exercise skills for their responsibility in an acceptable level or not.
- **Behavior** is the main result of evaluating expression. The Company designs titles for individual about competency together with descriptions to explain expected behaviors and set evaluation score which considered by leaders directly.

In addition to setting guidelines for the evaluation mentioned above, the Company gives opportunity to supervisors from top supervisors to first-line managers to express their opinions about developing their subordinates to make sure that Sahacogen and affiliates' supervisors and managers at all levels never pay no attention to organizational development.

5. To motivate and inspire employees

One of the most important things the Company pays attention to is to motivate or inspire employees to work more efficiently. Moreover, motivating coming from good-role-model-supervisors' leadership can push employees to create masterpiece. Supervisors and managers working for the Company for ten years or over are the main key to pave the way for growth and success toward the Company. These supervisors and managers are leaders of motivation and inspiration, mentors and examples of working standard for their subordinates and employees in the next generation.

In addition to human resources development, it is also important to pay close attention to environment, safety as well as welfares for enhancing employees' spirit. Hence, the Company creates various activities such as sports boosting the relationship among employees in different departments, exhibitions about social security, provident fund, as well as festivals and important national holidays, etc.

9. Corporate Governance

9.1 Corporate Governance Policy

The Board of Directors of the Company places importance on the building of good governance and carrying on business with transparency, integrity and accountability to performance, being competitive and fair to all parties concerned, in order to create prosperity and add economic value and wealth to shareholders. Management of the Company is based on the good governance principles of the Stock Exchange of Thailand and sufficiency economy, namely moderation, reasonableness and good immunity, by relying on knowledge, prudence and carefulness in planning and operation. At the same time all executives and employees are encouraged to be ethical, honest, diligent, patient, and to share and use wisdom in their conduct, in order to cope with economic, political, cultural and social changes for balanced and sustainable well-being.

The Board of Directors has approved the good corporate governance principles on February 19, 2003. Moreover, they have been reviewed properly and revised appropriately to the current situation in accordance with the “Principles of Good Corporate Governance for Listed Companies 2012”. This harmonizes with the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) measuring instruments of indices of the level of corporate governance of ASEAN listed Company. The details are as follows;

1. Corporate Governance Policies
2. The Principles of Corporate Governance divided into 5 categories
3. Business Ethics
4. Code of Conduct for Company directors, executives and employees

The policy was passed approval by the Board of Directors of the Company on February 18, 2014. Moreover, the Company have circulated such codes to the directors, executives and employees and publicized on the Company’s website at www.sahacogen.com so as to be the uniform guideline for business conduct. Furthermore, in order to support the enhancement of understanding and taking action of such conducts among related persons and stakeholders, the good governance policy, business ethics and code of conduct were published in kind of cartoon animation in the beginning of year 2015.

Corporate Governance Policies

The Board of Directors is confident that a proper, transparent and accountable governance system is in place along with checks and balances and an internal control system that is sufficient and appropriate. Alongside these mechanisms are due respect for the rights and equality of shareholders and accountability to all stakeholders. These key

factors contribute to the enhancement of the organization's immunity and promotion of a balanced and sustainable growth in the long-term.

In pursuance thereof, the Board of Directors thereby prescribed the following corporate governance policies as a practice guideline for the Company Directors, Executives and all employees.

1. Company Directors, Executives and all employees are fully committed to the application of corporate governance principles, business ethics and Codes of Conduct for Company Directors, Executives and employees to Company operations.
2. Company Directors, Executives and all employees must perform their duties responsibly, prudently, earnestly and honestly in accordance with the relevant laws, Company Articles and Notifications.
3. Actions shall be taken to ensure that the Company management structure contains clear prescriptions of powers, duties and responsibilities of each Company Committees and Executives.
4. An internal control system shall be installed and risks management shall be managed at suitable levels, including an accounting system and financial statement which are accurate and reliable.
5. Information shall be disclosed in a sufficient, reliable and timely manner to the extent that the legitimate interests of the Company are not prejudiced.
6. The ownership rights of shareholders shall be appreciated and respected. Shareholders shall be treated equitably.
7. Undertakings shall have regard to the responsibilities of shareholders, stakeholders, communities, society and the environment.
8. There shall be a determination to strive towards business excellence with commitment to the creation of customer satisfaction by receiving comments and self-assessments in order to enhance management capabilities and continually promote productive creativity.
9. Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with a commitment to develop and enhance the capabilities of personnel.
10. Dishonest conduct, corruption and intellectual property violations shall be suppressed. Laws and human rights shall be respected.
11. Conflict of interests shall be dealt with prudently and reasonably with due regard for the Company's interests.

On this matter, the Company has revealed corporate governance policies, business ethics, and code of conduct for Company directors, the management and employees to employees, shareholders, and general public via the Company website, under the heading "Investor Relations: About Us (Corporate Governance)".

The Board of Directors, executives and all-leveled employees see the importance of following the Corporate Governance and develop it continuously. These efforts brought results in 2016, which is described below;

- The Company received 88 scores, on the level of “very good” level from the assessment of Corporate Report of Thai Listed Company in 2016 held by Thailand Institute of Directors, which is supported by the Securities and Exchange Commission and the Stock Exchange of Thailand.
- The Company received the complete score of 100, which was recognized as “excellent” level for seven consecutive years on the assessment of the quality on holding the Annual General Shareholders’ Meeting in 2016 from Thai Investor Association.

9.2 Subcommittees

The Board of Directors has appointed several committees comprising of competent and experienced members, to supervise over each particular aspect of company operations, to ensure careful and effective management and operations for the company. Those committees consisted of the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Corporate Social Responsibility Committee.

The Board of Directors clearly set the authority and responsibility scope for each committee per the charter for said committee. The chairman of every other committee was responsible for supervising the operations in accordance with the policies of the Board of Directors and reported the results in the Board of Directors’ meeting.

The Company has 5 sub-committees described as below;

	Persons	Independent Directors	Non-Executive Directors	Executive Directors	Executive Officers*
1.Executive Committee	6	-	-	5	1
2.Audit Committee	3	3	-	-	-
3.Nomination and Remuneration Committee	4	1	2	1	-
4. Risk Management Committee	6	-	-	1	5
5.Corporate Social Responsibility Committee	6	-	-	1	5

Remarks: Those 5 sub-committees have their term for 1 year.

*Executive Officers were not the Company Directors

The sub-committees are screened from the recruitment procedures of the Nomination and Remuneration Committee, who carefully consider properly persons to propose to be appointed by the Board of Directors. Some sub-committees are not comprised entirely of Independent Directors, but executive directors. All such Directors are qualified and have a good understanding of their roles as Directors and committee members. Functions are performed with responsibility, loyalty, honesty, morality, care, prudence and independence. It is believed that all Directors have such an understanding and carry out strict compliance. The composition of each committee is also accepted by the shareholders.

The Company engaged the Charters of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and duties of the Managing Director, which had already been approved by each respective committee and the Board of Directors Meeting no. 1/2009, held on February 27, 2009. Such charters are reviewed annually together with the appointment of the sub-committee. Details on the functions and responsibilities of each committee are shown in the “Shareholding and Management Structure”.

However, the Directors and the top management have never been employed or been a partner of the external audit firm during the past two years.

9.3 The selection and appointment of the directors and chief executive officer

1. The selection method of persons to be appointed directors and independent directors

The Nomination and Remuneration Committee has been assigned to select qualified persons having appropriate qualifications to be nominated as Company directors in accordance with the organization and structure of directors for the Company’s business strategy for consideration by the Board of Directors, prior to submitting to the shareholders’ meeting for approval by the majority votes of the shareholders present at said meeting. In the case where the retirement took place prior to term completion with the remaining term being not less than 2 months, the Board of Directors’ meeting shall then be authorized to select the persons from the candidates proposed by the Nomination and Remuneration, for further appointment as Company directors, by the majority votes of not less than 3/4 of the remaining directors. In such case, the newly-appointed directors shall serve out the remaining term of their predecessors.

For such nominating process of the persons to be appointed directors, the Company has set the screening criteria for such candidates based upon their basic qualifications and qualities that can meet the requirements of the vacancy, in order to have the Board of Directors with knowledge and various field of expertise, including leadership, vision, integrity and ethics, as well as transparent work experiences and not be prohibited under the laws and regulations of the Company. With this regard, the Company provided an opportunity for minor shareholders to participate in nominating qualified directors. In addition, the Nomination and Remuneration Committee also considered the person to be nominated to serve as directors, apart from professional directors of the Thai Institute of Directors Association (IOD).

With regard to the selection of persons to be appointed independent director, the Nomination and Remuneration Committee shall select from those persons having qualifications required for independent directors, in accordance with the Notification by the Capital Market Supervisory Board, in addition to basic qualification requirements above.

Independent director's qualifications

The Board of Directors resolved to adopt the definition for "independent director" having qualifications in accordance with the notification of the Capital Market Supervisory Board as follows:

- (1) The person must hold no more than 1% of shares with voting rights of the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company; inclusive of shareholding by individuals related to such independent directors.
- (2) The person must not be serving, or have served, as a director who is involved with the management, or a staff member, an employee or a consultant with a monthly wage. The person also must not be or be an individual with the authority to control the Company, the parent Company, the associates, the affiliates, the associates of the same level, the major shareholders or of the entities with the authority to control the Company, with the exception of the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director. The ineligibility however does not include the case where an independent director has previously served as a public servant or a consultant of a government agency which is a major shareholder of, or an entity with the authority to control the Company.
- (3) The person must not be related by blood or law as father, mother, spouse, sibling or child, spouse of son or daughter of executives, major shareholders, individuals with the authority to control the Company or candidates for the position of an executive or an individual with the authority to control the Company or an associate.
- (4) The person must not have, or have had, a business relationship with the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company, in such a manner that may interfere with one's independent discretion. The person also must have not been or has been a shareholder, individuals with the authority to control the Company, of the person who has business relationship with the Company, the parent Company, the associates, the affiliates, the major shareholder or the entities with the authority to control the Company. There is an exception in the case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.

The business relationship as described in the above paragraph is inclusive of normal trading transactions for the conduct of business; lease or letting of immovable; transactions relating to assets or service; provision or acceptance of financial assistance through acceptance or provision of loans and guarantees, the use of assets as collateral and other such practices which result in the Company or the

party to the agreement being under the obligation to repay the other party for an amount from 3% of net tangible assets of the Company or from Twenty Million Baht whichever is lower. The calculation of such obligation to debt is to be in accordance with the related transaction value calculation method as per the Announcement of the Capital Market Supervisory Board on the Related Transaction Criteria with exceptions. The said obligation to debt includes that which has materialized during the period of one year prior to the day of business relationship with the same individual.

- (5) The person must not be, or has been, an auditor of the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company. The person also must not be a significant shareholder, an individual with the authority to control or a partner of the audit office with which the auditor the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company is associated. There is an exception in such case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.
- (6) The person must not be, or has been, a provider of a professional service including the service as a legal consultant or a financial consultant for which greater than Two Million Baht of fee is paid per year by the Company, the parent Company, the associates, the affiliates, the major shareholders or the entities with the authority to control the Company. The person also must not be a significant shareholder or an individual with the authority to control or a partner of such provider of professional service. There is an exception in such case where he or she has retired from such a position for at least two years prior to the day on which he or she is appointed as an independent director.
- (7) The person must not be a director appointed to represent a director of the Company, a major shareholder or a shareholder who is related to a major shareholder.
- (8) The person must not be in a business of the same nature as, and of significant competition to, that of the Company or an associate. The person also must not be a significant partner in a partnership; a director who is involved with the management; a staff member; an employee; a consultant with a monthly wage; as well as, a shareholder who holds more than 1% of shares with voting rights of another Company which is engaged in a business of the same nature as and of significant competition to that of the Company or an associate.
- (9) The person must not have any other characteristic which is an obstacle to the giving of free opinion on the operation of the Company.

In the event of any announcement by the Capital Market Supervisory Board imposing the revision to the qualifications for independent director, the Company's independent director would thereby be required to possess such qualifications well complying with such revision.

After having been appointed as an independent director following the qualifications specified under items (1) through (9) above, the independent director may be assigned by the Board of Directors to make decisions on the operation of the Company, the parent Company, the associates, the affiliates, the associates of the same level, the major shareholders or the entities with the authority to control the Company in the manner of a collective decision.

Additionally, in the past accounting period, the independent directors of the Company had neither business relationship nor professional services. Also, the appointed independent directors never have or had business relationship or professional services exceeded than the rules stipulated in the notification of the Capital Market Supervisory Board regarding the Application for and Approval of Offer for Sale of Newly Issued Shares.

1. The rights accorded minor shareholders regarding director(s) appointment

Nomination of Directors

The Company provided minor shareholders with the opportunity to nominate candidates to be appointed as Company directors at the annual shareholders' general meeting in advance according to the criteria specified by the Company, whose further details were displayed on the Company website under the heading "Investor Relations : IR News".

Vote-casting method for director appointment

According to the Company's Articles of Association, the chapter 3 on the item 11, the shareholders' meeting was authorized to appoint Company directors according to the criteria and method as follows:

- One shareholder shall have one vote per one share.
- Each shareholder must exercise all of the votes he or she has under the first paragraph to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number.
- The persons receiving the highest number of votes, followed by those with descending highest number of votes shall be elected as the directors fulfilling the number of directorship required to be elected by the shareholder's meeting. In case the number of votes for the candidates in descending order are equal and exceed the number of directors to be elected at said meeting, the Chairman shall cast the deciding vote.

The selection of the management

The selection process for the persons to further serve in management positions for the Company begins with the selection of the persons having good qualifications and sound morality and ethics to join the Company. The Company then trains and develops these people to be well-prepared to meet the challenges as future management members, through its consistent evaluation process of employees' potentials and capabilities. Those employees so selected and trained by the Company would be assigned to work in the positions having higher authority and responsibility scope. As general

practice, the Company regularly carries out training programs seeking to upgrade employees' potentials to a higher level, so as to be well-prepared to take up further significant positions when they become vacant.

The selection of the Chief Executive Officer

With the regard of selection methods for the Company's Chief Executive Officer, the Nomination and Remuneration Committee shall consider and select from the current management or others, with qualified knowledge and abilities, who understand the Company's business very well, as well as be able to manage to achieve the objectives and targets set by the Board of Directors, and also not be prohibited by laws. Accordingly, such person is then proposed to the Board of Directors for consideration of appointment.

9.4 Supervising the operations of subsidiaries and associates

The Nomination and Remuneration Committee will make a decision in selecting the person and present it to the Board of Directors to consider selecting the person nominated and appointed to be a director in subsidiaries and associate. The number of individual that the Company voted to appoint as a director is in accordance with the Company's proportion of shareholding. The person who was appointed as a director in subsidiary or associated companies was entitled to perform the operations for the best interests of their subsidiaries or associate, unless it is important policies affecting the Company's business operations. The Company required the appointed person to be approved by The Executive Board prior to cast a vote.

The Company has laid down the policy for subsidiaries and associate that is the Company's main business to have proper and adequate internal control systems. Such internal control systems of subsidiaries were monitored annually by Dharmniti Internal Audit Co., Ltd.

Furthermore, the Company has assigned the person who was appointed by the Company to oversee its subsidiaries to operate and disclose significant information according to the rules in the same way as the Company performed, such as making connected transaction, the acquisition or disposition of assets, or making other important transactions, including to supervise the information storage and bookkeeping of the subsidiaries for the Company, so that it can be reviewed and collected for financial statements in due time.

The Company had no agreements between the Company and other shareholders in the management of subsidiaries, totaling 2 companies (Sahacogen Green Co., Ltd. and Sahagreen Energy Co., Ltd., since it is a major shareholder and no other persons holding shares more than 10 percent of the shares with voting rights of subsidiaries. In addition, the Company had no agreements between the Company and other shareholders in sharing returns beyond normal returns according to proportion of their shareholding in subsidiaries. For Sahagreen Forest Co., Ltd, its subsidiary,

the Company has the agreement with other shareholder in accordance with “Joint Venture Agreement for Biomass Power Plant Project” at August 21, 2010.

9.5 Supervision of Internal Data Use

The Company has policies to the use of insider information by determining in the Company’s code of business ethics to implement to the Company and shareholders, including the code of employee conduct. The directors, the executives and employees must behave with integrity, accountability and moral consciousness. Under no circumstance should they exploit their authority for the benefit of themselves and / or others. All relevant employees must protect the interests and the Company’s asset. They must not use the Company’s information or assets for benefit of themselves and/or not to engage in any action which assists any individual in business that competes with Company. The code of business ethics were distributed to directors, executives and staff, also disseminated via the Company’s website. The Company monitors internal data use in line with the Corporate Governance in written and published on the Company’s intranet system such as the Code of Conduct together with manuals about responsibility for directors, managers and employees, who are informed the first day of their work. The summary of significant policy is described as following;

1. The Company shall provide the directors, managers and employees with knowledge and understanding about reporting of their securities holding and changes in securities holding in the Company to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535. They have the duty to report their holding of the Company's securities within 3 days from the date of such report change. The Company Secretary is to submit a summary report on the said securities holding and changes in securities holding in the Company to the Board of Directors' meeting for acknowledgement. They must also be informed of punishment clauses for any violation or non-compliance with the said regulation.
2. It is prohibited to disclose the Company’s annual financial statements or others to outsider or unrelated persons. Persons who are relating to inside information are not allowed to engage in the Company's securities trading within 1 month before the quarterly financial statements, and the Company's annual financial statements are published to the public, and for 24 hours after important information are being disclosed. If such regulation is violated, the punishment is ranged from warning, deducting wages, being suspended to being laid off, which should be considered and approved by the Board of Directors.
3. The company has set a policy for directors and top management to inform the Board of Directors and/or company secretary about the company’s security or share trading at least 1 working day prior to trading.

At the same time, the Company also developed internal control system regarding inside information, by applying information technology system to classify inside information access level for each employee level, through the setting of ID code for accessing such information.

In 2016, no share trading with the internal data use by directors and executives of the Company was found during the prohibited period.

9.6 Auditor Fees of the Auditor

1. Audit Fee

The Company and its subsidiaries made remuneration payments as audit fees to EY Office Limited, where the auditors were attached to:

Company	Audit Fee	
	2016	2015
Sahacogen (Chonburi) PLC.	975,000	895,000
Sahacogen Green Co., Ltd.	490,000	480,000
Sahagreen Forest Co., Ltd.	260,000	260,000
Sahagreen Energy Co., Ltd.	280,000	280,000
Total Audit Fee	2,005,000	1,915,000

2. Non-audit Fee

The Company and its subsidiaries paid for other services as following:

Company	Facilitator	Non-audit Fee	
		2016	2015
Sahacogen Green Co., Ltd.*	EY Office Limited	50,000	0
Sahagreen Forest Co., Ltd.*	EY Office Limited	50,000	0
Sahagreen Energy Co., Ltd.	EY Office Limited	0	0

Remarks: There was no non-audit fee for Sahacogen (Chonburi) PLC.

*BOI examination is 50,000 Baht/ certificate.

9.7 Compliance with good corporate governance principles in other matters

The Board of Directors has placed importance on building good corporate governance practice, and upgrading those practices on a continuous basis, to enable company operations to be carried out in a transparent and effective manner, leading to further growth and stability for the company. Furthermore, such practice was aimed at contributing to further economic value and long-term wealth for the shareholders, while providing fair treatment to all stakeholders concerned. The company has set the policy to achieve balanced business operations under changing social and economic environments, based on sufficiency economy principles, and in compliance with good governance practice principles for listed companies.

Chapter 1: Rights of Shareholders

- 1.1 The Board of Directors appreciates and respects the ownership rights of shareholders. No actions are taken to violate or infringe the rights of shareholders. The interests of shareholders are fairly safeguarded and the exercise of rights by all shareholder groups are supported and promoted, whether domestic or foreign, major shareholders, minority shareholders or institutional shareholders, incorporating both the fundamental rights of shareholders, access rights to information in a sufficient and timely manner, and the right to attend shareholders' meetings to determine directions for operations and decisions on matters having a significant impact on the Company.
- 1.2 The Board of Directors provides opportunities for shareholders to propose items to be included in the meeting agenda and submit questions prior to the shareholders' meeting day. Rules for the proposal of agenda item and advance submission of questions have been published in the Company website.
- 1.3 The Board of Directors ensures that information pertaining to the day, time, venue and agenda of the meeting are provided together with explanations and reasons supporting each agenda in the meeting notice. The shareholders' meeting venue shall be conveniently accessible.
- 1.4 The Board of Directors has granted shareholders with the authority to approve the remunerations of Company Directors on a yearly basis as well as to determine the rules for paying remuneration to each Company Committee.
- 1.5 The Board of Directors promotes the use of technology in shareholders' meetings in order to promote accuracy and speed. Votes are taken for each item on the agenda. Shareholders are given the right to elect Company Directors individually and ballot papers are used and independent overseers of the vote count are engaged.
- 1.6 The Board of Directors publishes shareholders' meeting resolutions along with the voting results for each agenda on the Company website on the day following the meeting.
- 1.7 The Board of Directors prepares minutes of the shareholders' meeting. The minutes provide an explanation of voting procedures, list of Company Directors, members of Company Committees, and Executives present and absent from the meeting, the voting results in each agenda together with questions and answers. Items which have not been specified in the meeting notice are not added to the agenda. The minutes are published on the Company website.

The Board of Directors recognized the importance of the shareholders and respected their ownership rights. Accordingly, the Company ensured that its corporate governance policy also carried provisions to safeguard the shareholders' rights, while ensuring that any action taken by the Company would not infringe upon their rights. Accordingly, the Company provided for the facilitation of rights exercise by all shareholders, including minor shareholders and institution investors, as follows:

Basic rights

Referred to the right for shares transaction, the right to receive profits allocation in term of dividend payment based on outstanding shares, the right to access Company information in sufficient, timely, and consistent manner, the right to attend and cast votes at the shareholders' meeting, the right to elect individual Company director and approve directors' remuneration, the right to appoint Company auditor and approve audit remuneration, and the right to appoint proxy to attend and cast vote on his/her behalf.

The right to significant information access

Shareholders were entitled to access information on an equitable basis. In that regard, the Company facilitated information distribution in both Thai and English languages, via the channels of the Stock Exchange of Thailand and Company website, to provide shareholders with additional access channel. Such information included performance results, connected transactions, changes in the funding structure, changes in supervisory control, transactions of significant Company assets, and other information essential for decision-making by shareholders.

The Right to Attend Shareholders' Meetings and Voting Rights

The Board of Directors has promoted to hold the shareholder's meeting placing importance on rights and equality of shareholders according to the laws, and the good corporate governance principles of the Office of Stock Exchange of Thailand (SEC) as well as the principles on the rights and equitable treatment of shareholders. The Board of Directors has held a meeting of shareholders every year within 4 months (120 days) as from the end of the Company's annual accounting year. In case of emergency which the Company needs to propose special agenda regarding shareholders' benefit, regulations or related laws which need to be approved by shareholders, the Company shall call for an extraordinary shareholders' meeting. The Company does not call for extraordinary shareholders' meeting in 2016.

Treatment of Shareholders prior to the Meeting of Shareholders

The Company conducted the General Shareholder's Meeting No. 14 on April 25, 2016. In this respect, the shareholders holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and nominate the candidates to be elected as the Director in advance according to the Company's regulations, during November 11 - December 30 2015. The Company informed such information to the shareholders through information board of SET and on the Company's website, www.sahacogen.com under the item of "Investor Relations" on November 10, 2015. Nonetheless, there was neither meeting agenda nor nomination of the Directors proposed in advance.

- The shareholders were notified of the resolution determining the date of the General Shareholders' Meeting No. 14 for 2 months prior to the meeting date, on February 16, 2016, on the Company's website, www.sahacogen.com, and through SET channel system. Therefore, the shareholders enabled to set aside time for attending the meeting.
- The meeting notice together with all relevant documents in both Thai and English were published on the Company website (www.sahacogen.com) on March 14, 2016, which was 6 weeks in advance of the meeting date. The same information was sent to the Thailand Securities Depository Company Limited, the Company's Share Registrar, for forwarding to shareholders in document format (English version for foreigner shareholders) on March 31, 2016, prior to 25 days of the meeting date, which exceeded the minimum limit of time specified by law, so as to give the shareholders sufficient time to study the meeting documents. Advertisements were also placed in daily newspapers for a period of 3 consecutive days, and 30 days prior to the meeting date, which was on March 23-25 2016.
- Shareholders are notified of the rules and procedures for attending the meeting on the invitation letter, with which Proxy Form B as prescribed by the Ministry of Commerce was also attached so as to enable shareholders who were unable to attend the meeting to grant proxies to other persons or grant proxies to Independent Directors who are Audit Committee of the Company as specified or a choice of either Proxy Form A or Proxy Form C. All three proxy forms can be downloaded from the Company website; www.sahacogen.com. The Company also publicized such guidelines through the press release system of the Stock Exchange of Thailand.

The Treatment of Shareholders on the Meeting of Shareholders

- The Company has a policy to support and facilitate the shareholders, including institutional investors, to attend the general meetings of shareholders. The Company decided to set the meeting date, time, and venue in such manner being most convenient and not posing problems to the shareholders to attend. For 2016, the Company held the shareholders' meeting on Monday, April 25, 2016, at 14.00 p.m., at the Montien Riverside Hotel where the mass transit system is available and sufficient for the shareholders and institutional investors.
- Shareholders were able to register with the barcode system at least 2 hours prior to the meeting and in the subsequent period until the end of the meeting, a right given to shareholders attending after the meeting had already commenced. Such late comers would have the right to cast votes in the pending agenda that had not yet been voted on. The quorum would be counted as from the agenda of first attendance and vote, except where held otherwise by the shareholders. The Company assigned adequate staff members to administer the registration and prepared duty stamps for affixing with free of charge on the Proxy Form on their behalf. In case that the shareholders were unable to attend the meeting, they might grant proxies to other persons or grant proxies to Independent Directors who are Audit Committee of the Company as specified for retaining the right. In addition, the Company handed out ballot paper and voting card to each shareholder.
- The Board of Directors has given significance to the meeting of shareholders. It is deemed as a duty to attend every meeting, with the exception of illnesses or other important engagements. In the Annual General Meeting

of Shareholders No.14 held on April 25, 2016, there were 12 directors of the Company attended the meeting as presented 92.31%, 1 independent director/audit committee was absent from the meeting due to overseas assignment. Chairman of all sub-committees attended the meeting, including the Chairman of the Board of Directors, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Executive Committee, Chairman of the Risk Management Committee, Chairman of the Corporate Social Responsibility Committee, Managing Director, Power Plant Management Department Manager, Business Development Department Manager, Accounting Division Manager, Public Relations and Community Relations Division Manager and Quality, Safety and Environment Management Division Manager as well as Miss Sirirat Sricharoensup and Mr. Thannop Chanchiaw, auditors of EY Office Limited attending the meeting to give explanations and respond to any questions posed on matters related to the meeting agenda, or related to the person in charged, and Miss Supanee Luengsathid, the lawyer of Weera Law Office Co., Ltd., also attended the meeting and acted as an inspector counting votes.

- Prior to the commencement of meeting pursuant to the agenda, the Company Secretary notified the meeting of the number and proportions of shareholders presenting and declared the meeting open. An explanation was given on the voting procedures and vote-counting procedures for shareholders casting votes in each agenda according to the law and articles of the Company. The Chairman of the Board, acting as the chairman of the meeting, convened the meeting, defined the voting rights in the meeting commensurate with the number of shares held, with one share equal to one vote.
- The shareholders' meeting was carried out in accordance with the agenda notified in the meeting notice. No additions or changes were made to significant data without giving prior notice to the shareholders. Appropriate and sufficient time was set aside for presenting various matters in each agenda and opportunities were given to shareholders to pose questions and express opinions fully in each agenda. In 2016, There were 2 shareholders asking questions as follows;

1. Mr. Samrerng Manoonpol, a shareholder holding 79,771,500 shares, asked the reason why the dividend payment decreased very low comparing the previous year, and how the situation of oil price impacted the Company.

The Managing Director described that oil prices have fallen, which has a direct impact on steam sales of the Company and its subsidiaries significantly. For its subsidiaries, generating electricity from renewable energy-biomass, have been effected by continuous reduction in electricity prices despite the fact that biomass fuel cost is still the same. Then, biomass power generation sectors asked for replacing Adder with FiT (Feed-in Tariff) the payment rate of which is higher than the former Adder. Moreover, FiT can reflect the actual cost of generating electricity from biomass fuel. Thus, the NEPC has approved such replacement, which was effective on March 11, 2016. This is also stated in Agenda No. 2.

The Chairman of Executive Board added that such shift of payment rate of biomass power plants from Adder, wholesale price of electricity plus with contributions for biomass energy use or Adder, at 30 satang per unit to

FiT which provides more income from electricity sales approximately 1.30 Baht per unit. The Company may recognize more income about 80 Million Baht in 2016.

Mr. Samrerng Manoonpol said despite the impact of oil prices and Ft rate, the Company's shares are still interesting.

2. Mr. Tongtot Panglad who is a right protection volunteer, on behalf of Thai Investors Association, asked following questions;

-The progress of the declaration of intent to join Thailand's private sector Coalition Against Corruption (CAC).

The Chairman of Risk Management Committee answered that the Company announced the Anti-Corruption Policy on February 18, 2015 and is on the process of preparing the Anti-Corruption Procedures, and the self-assessment checklist will be submitted for certification process within Q3/2016.

-Mr. Tongtot wanted the Company to clearly illustrate the comparison in each income in the form of graphs or charts.

The Company Secretary answered that the Company disclosed each income in Form 56-1 in section "Nature of Business". Next time, such data will be presented in the form of graphs or charts to shareholders as suggested.

- Votes were cast openly. Voting on each agenda is made by barcode system; voting card and ballot were prepared for all shareholders. In vote counting, only votes for disapproval and/or abstentions were counted and there were deducted from the total shares represented in the meeting. The balance was counted as votes for approval. The Company employed an information system for summarizing the voting results obtained from the vote counts in each agenda, which was displayed on a screen shown to all shareholders simultaneously. In 2016, ballot papers were used in important agenda, such as the appointment of Directors where the shareholders were given an opportunity to select Directors individually. In the interest of transparency, the ballot papers for such votes were kept at the Sriracha Head Office, which could be inspected after the meeting.

The summary of voting in each agenda on the General Meeting of Shareholders No.14 held on Monday, April 25, 2016 as follows;

Agenda	Agree			Disagree			Abstention		
	No. of Shareholder	Share	%	No. of Shareholder	Share	%	No. of Shareholder	Share	%
1	92	831,909,102	100	-	-	-	-	-	-
2	92	831,909,102	100	-	-	-	-	-	-
3	93	832,014,102	100	-	-	-	-	-	-
4	93	832,014,102	100	-	-	-	-	-	-
5.1-5.3	95	849,254,002	100	-	-	-	-	-	-
5.4	95	849,118,102	99.9840	2	135,900	0.0160	-	-	-
6	96	849,414,502	100	-	-	-	-	-	-
7	96	849,414,502	100	-	-	-	-	-	-

Remark: No voided ballot

The significant meeting agenda were as follows.

1. **Appointment of Directors:** The Company gave an opportunity for shareholders to elect Directors individually. The shareholders had been provided with preliminary information on the nominees, positions held in other businesses, clearly specifying the cases of companies carrying out businesses identical to or in competition with the Company, and the attendance of Board of Directors Meetings. Each nominee had been considered by the Nomination and Remuneration Committee on his properly qualification, experience and various professional, as well as performance on the Director on the past. In case of consideration of the Director retiring by rotation, the Nomination and Remuneration Committee proposed the lists of Directors to the Board of Directors to select toward to the proper qualification and number of Directors appropriately.
2. **Directors' Remuneration:** The Nomination and Remuneration Committee considered and allocated the amount of remuneration, which were determined on the Company's operation performance and responsibilities in accordance with the policies and conditions for directorial remunerations. In any event, the Company has regularly proposed a remunerations limit for approval by the meeting of shareholders every year, and disclosed the remunerations paid to each Director in Form 56-1on the topic of "Corporate Governance" and Annual Report on the topic of "Management Structure, section "Remuneration Amount.
3. **Appointment of Auditor and Determination of Audit Fee:** The Company provided details on the name of auditor of the Company and its subsidiaries, the audit fee, the reasons on appointing the auditor, qualified performance on the previous year, and the relationship between the audit office and the Company, the number of years of work performed, the comparative data on audit fees and other fees for the current year and the

preceding year. Such information had also been considered by the Audit Committee. The details disclosed in the Annual Report.

4. **Dividend Payment:** The Company provided details on profit distribution, dividend payment in accordance with the Company's dividend policy, and a comparison of dividend payment for the current year and the preceding year. The closing date of the register (Record Date) for the determination of the right to receive dividend payment was also specified.

Subsequent to the Meeting of Shareholders

- The Company Secretary recorded the information and prepared accurate and complete minutes for the general meeting of shareholders, including the names of Directors present/absent together with the reasons for absence, essential explanations and a summary of questions or answers or opinions. In the past year, all Directors were present and no questions were posed by the shareholders. The details on each agenda were in accordance with the facts in the meeting. Summaries of the votes in each agenda were divided into approval, non-approval and abstention. Such minutes were signed by the Chairman of the Board, acting as chairman of the meeting, and submitted to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission within 14 days of the meeting of shareholders. The minutes were also published on the Company website in both Thai and English as a channel for shareholders to search and inspect data without having to wait for the subsequent meeting. A submission was also made to the Ministry of Commerce within the period prescribed by law.
- The Company disclosed the resolutions adopted by the shareholders' meeting, together with the voting results for each meeting agenda, in both Thai and English, via the news channel of the SET, and the Company website, on the following day.
- The meeting atmosphere and minute were tape-recorded and disseminated through the Company's website.
- After the shareholders' meeting approved dividend payment, the Company shall inform the resolution including dividend payment's details through the news channel of SET and cooperate with the registrar of Thailand Securities Depositories Co., Ltd. to ensure all shareholders receiving payment correctly and completely. The Company set the Record Date for distribution of shares on March 15, 2016 to determine the persons eligible for attendance of the Annual General Meeting of Shareholders. The names were collected in accordance with Section 225 of the Securities and Exchange Act by closing the share register book on March 16, 2016.
- The free float proportion was 27.16 % of issued shares.

In recognition of its consistent efforts dedicated to holding the shareholders' general meeting efficiently on a continuous basis, the Company was awarded the "excellent" appraisal result in 2016 for the quality of its shareholders' meeting for the 7th consecutive year by the Thai Investors Association.

Chapter 2: Equitable Treatment of Shareholders

- 2.1 The Board of Directors treats all shareholders fairly and equitably. Shares of the same class carry equal voting rights, i.e. one vote per share.
- 2.2 The Board of Directors encourages shareholders who are unable to attend a meeting in person to grant proxies to attend the meeting and vote on their behalves. The proxy form used allows shareholders to determine voting directions and at least 1 independent director will be provided as an alternative for the grant of shareholder's proxy.
- 2.3 The Board of Directors provides an opportunity for minority shareholders to nominate candidates for election to become Company Directors in the annual general meeting of shareholders.
- 2.4 The Board of Directors publishes the shareholders' meeting notice in both Thai and English on the Company website at least 30 days in advance of the shareholders' meeting day.
- 2.5 The Board of Directors encourages all shareholders to exercise their shareholders' rights. Meeting notices as well as supporting documents are sent to shareholders in advance. An English version is also prepared for foreign shareholders.
- 2.6 The Board of Directors pursues a policy to prevent the use of inside information and has implemented measures to prevent the exploitation of inside information for wrongful interests of oneself or of others. Company Directors, Executives and employees who are in units which expose them to inside information are prohibited from trading in the Company shares in the one month period prior to the public disclosure of financial statements.
- 2.7 The Board of Directors has directed Company Directors and Executives to declare their interests and the interests of connected persons, to act prudently in regard to the management of conflicts of interests and to comply with rules of the Office of the Securities and Exchange Commission.

Regarding to the Corporate Governance Policy and the Principles of Corporate Governance in section Equitable Treatment of Shareholders, the Company treats all shareholders in fair manner and all shareholders deserve right and equitability as following;

1. The shareholders' meeting

1. For foreign shareholders, the meeting notice with attached documents were translated into English and sent together with Thai Version. The notice both Thai and English version were disseminated through the Company's website.
2. The voting right depends on the number of shares held by shareholders, one share, one vote (all of the Company's shares are the common stocks).
3. The shareholders holding one share or several shares, but not over 5% of total number of shareholders with voting rights, were allowed to propose agenda and to nominate the candidates to be elected as Directors in advance, during November 11 – December 30, 2015, according to the Company's regulations. Regarding the

meeting, the Company informed shareholders on November 10, 2015 through the news channel of SET and on the Company's website: www.sahacogen.com, on the topic of "Investor Relations". Nonetheless, there was neither meeting agenda nor nomination of the Directors proposed in advance.

4. In 2016, the Company had held one shareholders' meeting on April 25, 2016 where the quorum was presented. The meeting's resolution was to assign Thailand Security Depository Co., Ltd. (TSD), Company's Registrar, to send the Notice of the Meeting of Shareholders for 25 days in advance and announced 30 days prior to the meeting through the Company's website; www.sahacogen.com, on the topic of "Investor Relations" in order that the shareholders had more time to study the information.
5. If any shareholders could not attend the meeting, the Company allowed them to authorize the Independent Directors or anyone as the proxy of voting rights by using the letter of proxy Form B with voting recommendation, Form A, or Form C (for foreign investors with custodians in Thailand to oversee their stocks). The proxy was attached with the Notice, and announced in the Company's website; www.sahacogen.com for downloading. The duty stamps were also provided for the proxy. In 2016, there were a total of 96 shareholders attending the meeting, representing of 849,414,502 shares or 88.94% of all shareholders. Two shareholders, holding 108,918,900 shares or 11.41% of 955,000,000 shares, gave a proxy to the Independent Directors of the Company.
6. The meeting is conducted according to the order of the agenda items; there was no reshuffling of agenda items, nor any change made to material information without notifying shareholders in advance.
7. Votes were cast openly. In vote counting, only votes for disapproval and /or abstentions were counted and there are deducted from the total shares represented in the meeting. In 2016, the ballot papers were used in important agenda, such as the appointment of Directors where the shareholders were given an opportunity to select Directors individually. In the interest of transparency, the ballot papers for such votes were kept at the head office, which could be inspected after the meeting.
8. The voting procedure for each meeting agenda was carried out in a transparent manner, with the voting ballot provided the shareholders for each agenda, whereas only disapproval and abstention votes were kept afterwards. Nevertheless, for the agenda related to directors' appointment, all voting ballots bearing the signature of each shareholder were collected and kept as evidence. Vote tallying was carried out using the barcode system and displayed on-screen in the meeting room, to facilitate convenience, transparency, and easy verification.

2. Supervision of Internal Data Use

The Company has policies to the use of insider information by determining in the Company's code of business ethics to implement to the Company and shareholders, including the code of employee conduct. The directors, the executives and employees must behave with integrity, accountability and moral consciousness. Under no circumstance should they exploit their authority for the benefit of themselves and / or others. All relevant employees must protect the interests and the Company's asset. They must not use the Company's information or assets for benefit of themselves

and/or not to engage in any action which assists any individual in business that competes with Company. The code of business ethics were distributed to directors, executives and staff, also disseminated via the Company's website. The Company monitors internal data use in line with the Corporate Governance in written and published on the Company's intranet system such as the Code of Conduct together with manuals about responsibility for directors, managers and employees, who are informed the first day of their work. The summary of significant policy is described as following;

1. The Company shall provide the directors, managers and employees with knowledge and understanding about reporting of their securities holding and changes in securities holding in the Company to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535. They have the duty to report their holding of the Company's securities within 3 days from the date of such report change. The Company Secretary is to submit a summary report on the said securities holding and changes in securities holding in the Company to the Board of Directors' meeting for acknowledgement. They must also be informed of punishment clauses for any violation or non-compliance with the said regulation.
2. It is prohibited to disclose the Company's annual financial statements or others to outsider or unrelated persons. Persons who are relating to inside information are not allowed to engage in the Company's securities trading within 1 month before the quarterly financial statements, and the Company's annual financial statements are published to the public, and for 24 hours after important information are being disclosed. If such regulation is violated, the punishment is ranged from warning, deducting wages, being suspended to being laid off, which should be considered and approved by the Board of Directors.

At the same time, the Company also developed internal control system regarding inside information, by applying information technology system to classify inside information access level for each employee level, through the setting of ID code for accessing such information.

In 2016, no share trading with the internal data use by directors and executives of the Company was found during the prohibited period.

3. Determination on the Company's stock trading

1. The Directors, executives and staff in possession of insider information are prohibited from selling or purchasing Company share within one month before disclosing the financial statements to the public. Besides, the Directors and executives are required and notified of their duties to report changes in securities holdings in the Company to the Office of the Securities and Exchange Commission within 3 working days of such changes together with the submission of a copy to the Company Secretary. A report would then be made to the meeting of the Board of Directors and Executive Committee on every occasion, in which every agenda would include a report of securities holdings of the Directors and executives. The Directors and executives must conduct in compliance with the

regulations. Moreover, it assumes to the new Directors or executives are also required to report securities holdings in the Company to the Securities and Exchange Commission within the above timeline.

2. The Company secretary annually arranges the Board of Directors' meeting schedule which is sent to all directors in advance in order to inform the period when securities trading should be abstained.
3. In 2016, the Directors and executives of the Company have conducted strictly in compliance with the said policies. No share trading was found during the prohibited period.
4. With regard to the principles of buying-selling the Company' stocks, the Directors and Executive Directors are requested to inform the Board of Directors before carrying out the stock transaction for at least 1 day.

4. Protection of the Conflict of Interest

1. With the transparent structure of shareholding, there is no report of the conflicts of interest. Meanwhile, the disclosure of shareholder structure has deliberately shown in the annual report as well as the overall shareholding of the Board of Directors.
2. The Board of Directors proceeds carefully and rationally with regard to conflict of interest and connected transaction. The Company most concerns on its benefits and sets pricing strategy in compliance with fair trading conditions as if the transactions are engaged with third party. The process of such transaction is managed transparently and compliance with the regulation of the Stock Exchange of Thailand. Furthermore, the Company sets the regulation in its good corporate governance and business ethic binding upon Company and shareholder.
3. Information such as connected transaction is disclosed to ensure equal access by all, such as the related transaction. The Company performs as the announcement of the Capital Market Committee and The Stock Exchange of Thailand in regarding the disclosure of information and operation of registered Company on connection transaction.
4. The Company has defined that any Directors, who has conflict of interest, must not present in the meeting or be prohibited to vote on such agenda in order that the rest Directors, not having any conflicts of interest, independently comment and resolve on such agenda. The Company Secretary shall inform the meeting the name of the Directors having conflicts of interest on such agenda. After the meeting, the name of the Directors, the relationship of the related persons, the price of such transaction and the opinion of the Directors, which is different from the opinion of the Board (if any) to the Stock Exchange of Thailand on the time frame. Such transactions are disclosure on the Company's website for transparency and be recorded in the Minute of Meeting which can be audited.

5. Asset purchasing control

The Company controls purchasing of asset in accordance with the regulation of Capital Market Commission subjected "The acquisition or disposition of assets". The directors who have an interest on such transaction are not take part for making decision for transparency and fairness.

In 2016, the Company did 2 transactions of the acquisition or disposition of assets, which is described as follows;

1. Sahacogen Green Co., Ltd., a subsidiary of Sahacogen (Chonburi) PLC., purchased stocks in Sahagreen Energy Co., Ltd. from S & J International Enterprises PLC. and Eastern Thai Consulting 1992 Co., Ltd. (stockholding 9% respectively) on September 15, 2016.
2. Sahagreen Energy Co., Ltd. (a subsidiary of Sahacogen Green Co., Ltd.) and Sahacogen Green Co., Ltd. (a subsidiary of Sahacogen (Chonburi) PLC.) did acquisition and disposition of assets by 57.51 Million Baht (presented as 2.41% of NTA)

Chapter 3: Role of Stakeholders

- 3.1 The Board of Directors appreciates and respects the rights of various stakeholders by having regard to rights under the law or agreement with the Company. Stakeholders are ensured that their rights are protected and that they are treated fairly and equitably. A policy has been prescribed as a guideline for the treatment of each stakeholder group, which has also taken into consideration the community, society and the environment, to promote sustainable development, suppress dishonest acts and corruption, avoid intellectual property infringements, including giving due respect to human rights.
- 3.2 The Board of Directors supports the corporate social responsibility reporting which has been an integral part of the Annual Report.
- 3.3 The Board of Directors provides channels and procedures for all stakeholder groups to report or file a complaint on any matter which poses a risk of loss to the Company, the accuracy of financial statements or an unfair treatment.
- 3.4 The Board of Directors has prescribed policies or guidelines for protecting employees or informants of matters which pose a risk of loss to the Company or an unfair treatment.

Regarding to the Corporate Governance Policy and the Principles of Corporate Governance in section “Roles of Stakeholders”, the Company set the policy for roles of stakeholders by preparing the handbook “Business ethics and Code of Conducts for Company directors, executives and employees” and providing to directors and all-leveled employees, which brings the balance and fairness to stakeholders. The handbook is published on the Company’s website and the intranet system. Moreover, the Company develops the concepts of stakeholders’ participation to enhance its sustainable business operations as mentioned below;

Business Ethics

1. The responsibilities to stakeholders

1.1 Shareholders

The Board of Directors performs duties responsibly, prudently, earnestly and honestly in order to generate good returns to shareholders on a continual and sustainable basis. In this regard, the following policies and practice guidelines have been prescribed as follows;

1. The ownership rights of shareholders are equitably and fairly respected.
2. Operations are undertaken in accordance with the principles of good corporate governance, which will foster the trust and confidence of shareholders and eventually lead to sustainable growth.
3. The Company's businesses are continually advanced to ensure proper returns to shareholders.
4. Significant information which affects or potentially affects shareholders' interests shall be disclosed, whether reports made pursuant to the accounting period or situation reports, pursuant to the relevant laws and notifications. However, no action shall be taken to restrict shareholders' access to Company information.
5. A report of the Board of Directors' responsibility for the financial statements in the Annual Report shall be prepared.
6. Minority shareholders shall be given an opportunity to propose matter for inclusion in the meeting agenda and/or to nominate persons for election as Company Directors in the Annual General Meeting of Shareholders.
7. Shareholders are given an opportunity to submit questions relevant to the meeting prior to the shareholders' meeting.
8. Shareholders' meeting notices in both Thai and English are published on the Company website at least 30 days prior to the shareholders' meeting day as information for shareholders and to enable the study of information prior to meetings.
9. Shareholders' meeting shall be facilitated. The date, time, venue and procedure must not pose an obstacle to the shareholders' attendance of the meeting. Shareholders who are not able to attend in person must have the opportunity to grant a proxy to other persons to attend the meeting and vote on their behalves.
10. Conflicts of interests must be dealt with prudently, rationally and information must be fully disclosed.
11. The Company's interests and assets shall be safeguarded as a reasonable person would safeguard his/her property. Wrongful interests, whether obtained by direct or indirect means, shall be eliminated.

For the Policy and guideline, the Company had done as following;

The Company has an effective manner to ensure that all shareholders receive accurate information and appropriate and fair returns in accordance with the Company's Policy on Dividend. Moreover, there is the control of connected transactions, the measure on prevention of conflict of interests, the prevention on exploitation of inside information which is confidential and the stipulation that directors and management member who have an access to inside information exploit that information for their advantages by prohibiting them to buy or sell the Company's assets within 1 month prior to the disclosure of the financial statements to the public.

The Company respects the interests of all stakeholders by running business with responsibilities and equal treatment. The Company has also a determination to improve the business to reach the progress and sustained stability with the ability to give returns to all shareholders properly, protect the interests and take care of the Company's assets as

the normal people taking care of their own assets. The Company is, therefore, confident that all stakeholders will be treated with equitability by stipulating in the manual of Code of Conduct, Corporate Social Responsibility Policy and Policy of Quality. The information is disclosed via the Company's office website.

The Company respects the basic rights of all shareholders in comply with laws, the Company's Articles of Association and Code of Conduct by treating all shareholders with equitability. The Company has an effective means to ensure all shareholders that they shall receive only accurate information and appropriate and fair returns in accordance with the Company's Policy on Dividend. In addition, there is the control of connected transactions, the measure on prevention of conflict of interests, the prevention on exploitation of inside information which is confidential and the stipulation that directors and management member who have an access to inside information exploit that information for their advantages by prohibiting them to buy or sell the Company's assets within 1 month prior to the disclosure of the financial statements to the public.

In year 2016, the Company paid the dividend from the result of business performance of year 2015 at rate of 0.10 Baht per share. The total dividend was equal to 53.52% of net profit of the separate financial statements by setting the date of payment on May 24, 2016. We have paid the dividend to shareholders continuously and this is accounted as real long-term wealth for all shareholders. Each and every shareholder is invited to attend the Ordinary General Meeting of Shareholders of Year 2016 and has right of vote for each and every important agenda item as well as receive the important information through various medias, e.g. pamphlet and e-information. Besides, the Company also reports the business performance at every quarter and discloses the transactions done with related persons in the same condition as that done with external persons for their awareness via the news system of the Stock Exchange of Thailand and the Company's website.

1.2 Customers

The Board of Directors realizes that customer satisfaction and confidence are key factors which contribute to the Company's sustainable success in accordance with Policy of Quality, Environment, Safety and Energy Conservation Policy, Corporate Social Responsibility Policy and Anti-Corruption Policy. The following policies and guidelines have been prescribed as follows;

1. The Company operates the businesses of distributing electricity and steam which are safe for consumers and environment friendly.
2. The Company has operated with commitment to develop and expand its business to value creation on the biomass and agricultural residues, innovate continually to meet the demands of customers along with the disclosure of necessary information for decision-making without concealment or distortion of facts.

3. Businesses are operated in earnest, honest and fair values and no action is taken that would violate the rights of customers. The confidentiality of customer trade secrets are maintained and not exploited for wrongful personal gains or for the gains of others.
4. The Company does not demand, receive or consent to the direct or indirect receipt of properties or other dishonest benefits from customers.
5. The Company adheres to trade agreements. In the case where adherence is not possible, the customer would be notified in advance in order to jointly find a remedy and prevent loss.
6. The Company provides communication channels to enable customers to file complaints to the Company. Complaints are processed with care and dealt with fairly.

Moreover, customers can rapidly get information through their mobile and other channels to communicate with customers in case of interruption on electricity and steam either in working hour or after working hour as follows:

Working day (Monday-Saturday at 8.00 am – 5.00 pm)

Contact Center: Saha Pathana Inter-holding PCL. at 038-480444

Sahacogen (Chonburi) PCL. at 038-481555

After working hour or holiday:

Emergency Line: 038-481574 or 038-381555 ext. 110

Customer Services on electricity: 081-9822184

Customer Services on steam: 081-9859793

Radio Communication Center 22 (the industrial park's center utility) or 038-483111

In 2016, there were no significant complaints from customers. The other complaints were analyzed in order to prevent, monitor and adjust to the organization in order that such defects might not happen again.

Regarding to customer satisfaction surveys, the Company received 86.79% and 89.37% from electricity and steam distribution respectively.

1.3 Business Partners

The Board of Directors has treated business partners equitably and taken into account mutual interests in accordance with Corporate Social Responsibility Policy and Anti-Corruption Policy by prescribing the following policies and guidelines.

1. The Company has a system for screening business partners in the value chain who operate businesses in compliance with the law, safety and occupational hygiene standards, and friendliness to the environment. Business partners are treated on the basis of fair competition, equality and mutual respect.
2. The confidentiality or communications of business partners are maintained and not exploited for wrongful gains of oneself or of others.
3. Relationships and good understandings are fostered. Knowledge is exchanged. Developments and value adding to goods and services are jointly undertaken to promote mutual growth.

4. The Company adheres to trade agreements and makes proper data. In the event that an agreement cannot be complied with, the Company will expeditiously engage in early negotiations with trading partners in order to reach a mutual remedy and loss prevention solution.
5. The Company does not demand, receive or consent to the receipt of properties or any other benefits outside trade agreements.

Policies and practices of the Company were conducted as follows.

The Company adheres to the conditions of trade, provides the accurate information with good relationship and mutual understanding, including exchanges knowledge, cooperates in the development of products and service to have value added, does not request or receive or agree to receive any gift or benefit which is out of scope of the trading agreement. In 2016, there was no violation of contract between the Company and any Business Partners.

1.4 Competitors

The Board of Directors has operated in accordance with the provisions of law. In this regard, the following policies and guidelines have been prescribed.

1. The Company shall conduct its businesses within the rules of fair competition regarding to business ethics and trade competition laws of various countries in which the Company operates.
2. The Company will not damage the reputation of its trade competitors.

According to policy and method of the said practice, the Company had done as follows:

The business transactions with any partner must be competitive under the fair criteria. The Company regards competitor is a part of enhancement of its potential to be more stable and strong. In 2016, there was no dispute on trading competition.

1.5 Creditors

The Board of Directors is committed to undertaking business operations in a principled and disciplined manner in order to build the trust of creditors by prescribing the following policies and guidelines.

1. All creditor groups shall be treated equitably and fairly.
2. Contracts and terms will be strictly adhered to.
3. Operations will be administered to ensure the confidence of creditors in the Company's financial standing and credit rating.
4. Financial standings shall be accurately and timely disclosed.
5. In the event of an inability to comply with a particular term, the creditor will be forthwith notified in advance in order to enable a joint solution for remedy and loss prevention

For the Policy and guideline, the Company had done as following;

The Company strictly adheres to the agreement with the creditors. In the previous years, the Company has settled the payment to creditors in time according to credit terms stipulated in the contract. The Company strictly runs the business under the criteria of trading competition honestly and fairly in accordance with the laws. The Company has also never dispute with business creditors from the beginning until now.

Moreover, the Company has applied media clearing, transferring system of bank to facilitate all creditors as follows;

- Billing Date is specified on the date of 1 - 3 of each month
- Transferring Date is specified to every the date of 25 of each month

1.6 Employees

The Board of Directors regards employees as valuable resources and a key factor to the Company's success. The following policies and guidelines have been prescribed in this regard.

1. Human dignity and fundamental rights of employees are respected at work. Employee data or confidential information is not disclosed or transmitted to third parties or unrelated persons.
2. Employees are treated in accordance with the provisions of law, regulations and articles governing the Company's operations.
3. Employment equality is promoted. There is no discrimination on the grounds of gender, skin colour, race, religion, age, disability or other status that is not directly related to the works.
4. Training and knowledge exchange are sponsored and promoted to encourage learning and skill development throughout, strengthen career security and offer opportunities for advancements pursuant to each person's potential.
5. Employee participation in the determination of the Company's direction and development are promoted.
6. Fair compensation is given as suitable for the knowledge, skill, duties, responsibilities and performance.
7. Appropriate welfare and benefits are given to employees, e.g. medical expenses, provident fund and so on.
8. Channels are provided for employees to communicate suggestions and complaints pertaining to work. These suggestions are considered and remedies will be determined in the interest of all parties and in view of the creation of good working relations.
9. Facilities necessary for work operations are provided and working conditions are maintained with due regard to safety and occupational hygiene as a means of promoting and raising the quality of lives of employees.
10. Employees of all levels are encouraged to participate in social responsibility activities.

Human Resource Development and Improvement Policy

Sahacogen and affiliates realize the potential of their employees and regards them as a valuable resource for leading the Company with achievement and efficient growth. Especially for business expansion to other regions, human

resource management is such an important thing for its business success and sustainable growth. As a consequence, it is necessary to set directions and define predictability to keep on enhancing and developing human resource management from policy to action. It is a challenge to create a masterpiece and strengths for growing organizations in a world of competition. Sahacogen and affiliates operated many ways to achieve its goals as described in “Management Structure”, under the heading “Employee”.

In addition to human resource development, it is also important to pay close attention to environment, safety as well as welfares for enhancing employees’ spirit. Hence, the Company creates various activities such as sports boosting the relationship among employees in different departments, exhibitions about social security, drugs, besides, setting provident fund and participation in festivals or important national holidays, etc.

Employee Welfare

The Company has policy to pay compensation to all-leveled employees appropriately both in the short term according to the Company’s annual performance and in the long term for provident fund to promote the money saving for their future as well as to persuade employees to loyalty work for the Company. Moreover, the company gives its employees the opportunity to pay their savings into the fund more than the company does in accordance with the specified rate in the Provident Fund Act. The deduction of wages as savings paid into the fund shall not be more than 15% of the wage. For members of the provident fund, they will monthly receive 5% of the wage as monthly contribution, and they will also pay the same amount deducting from their wages for their accumulated fund. When the employment is terminated, the employees will receive accumulated fund, contribution and the net profit of the fund.

The Company has appointed the welfare committee to give opportunity to employees in taking part in the welfare management. The welfare committee will provide services on welfare to employees, namely, quality of working life, ability to effectively perform work with happiness as the following details:

1. Welfare on the Development of Employees

- Promotion of education during working hours and after working hours
- Training constantly on working competence conducted by the Company and others, both inside and outside the workplaces, such as business management strategies, team building, and participation in reduction of capital cost.
- Provision of E-learning, library, video, internet and intranet system

2. Welfare on Living-Cost

- Bonus, shift payment and experiential payment and so on
- Provision of uniform
- Transportation allowance such as vehicle, gas and telephone bill
- Provision of welfare for accidents, the death of parents and spouse

3. Welfare on Saving

- The provident fund

4. Welfare for Development of Employees' Families

- Activities on Family's Day
- Child Welfare

5. Welfare of Future Security Promotion

- The gratuity for retired employees for their benefit after retirement
- Allowance in case of death
- Special housing interest rate by coordinating with the Governmental Housing Bank
- Saha Group Employee's Saving and Credit Cooperative Limited (SGSC)

6. Health Welfare

- Holding Sport's Day activities
- Provide general health check-up package, Mammogram test, Pap Smear Test, Prostate Examination and so on
- Health examination regarding working risk factors.
- Educate on occupation health such health knowledge and HIV/AIDs protection
- Visiting sick employees

7. Welfare on Sports and Recreation

- Organize the sport activities to foster good health, unison and good relation
- Hold the cultural activities such as Songkran Day
- Arrange religious activities such as candle procession on the Buddhist Lent Day

To summarize, Sahacogen's welfare consists of

1. Happy Health
2. Happy Heart
3. Happy Brain
4. Happy Soul
5. Happy Family
6. Happy Society

Communication Channel for Employees

The Company has provided a communication channels for employees to make suggestions and identify problems between the employees and their superiors by way of a suggestion box of the Welfare Committee, or through intranet system. Such suggestions shall be proposed to the Executive Board for consideration, remedy to maintain good relationship between the parties consistently, including hearings of opinions and suggestions from all employee levels equally and without discrimination. Additionally, all suggestions and complaints shall be confidently kept and not affected to the employee who reports such matter.

In addition, this said section is also published on Form 56-1 “Human Resource Development and Improvement Policy” heading, Annual Report in the section “The Corporate Governance” and the subject is business ethics and the Code of Conduct for the Company directors, managers and employees, and on Corporate Sustainability Report 2016.

1.7 Community and Society

The Board of Directors has operated businesses with due regard for the duties and responsibilities owed to the nation, community and society as well as local traditions in order to maintain a desirable society and participation. In this regard, the following policies and guidelines have been prescribed.

1. A business which could lead to a deterioration of society shall not be undertaken and the rights of others in the community and society shall not be violated.
2. Consciousness of responsibilities towards the community and society as a whole shall be instilled continuously for the benefit of the Company and all levels of employees.
3. Measures shall be provided for the prevention and remedy of impact on the community and society as a consequence of the Company’s operations.
4. The preservation of local culture and traditions shall be promoted.
5. Cooperation shall be entered into with various agencies for the development of communities.
6. Public benefit activities shall be sponsored.
7. Incomes shall be generated and the community economy shall be promoted through employment of community members and use of community products.
8. Good relations shall be fostered between the Company and the community and society on the basis of propriety, transparency and fairness

For the Policy and guideline, the Company had done as following;

The Company has cultivated the mental commitment to the community and society as a whole to occur in the Company by action continued oversight not to create problems to the community. Provide assistance and support to the community for the benefit together and support activities for the benefit of community and society as a whole; for example,

- Education
- Sport
- Quality of Life
- Religion, Cultures, Tradition
- Public Interest
- Economy

In this regard, the Company has disclosed the information in “Corporate Sustainability Report 2016”.

1.8 Environment

The Board of Directors undertakes businesses with due regard for responsibilities to the environment. In this regard, the following policies and guidelines have been prescribed.

1. Businesses shall be undertaken in accordance with laws, regulations and policies on the environment with due regard for the impact on natural resources and the environment and regular revisions and assessments of performance results shall be undertaken.
2. An organizational culture and consciousness of employees at all levels shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.
3. Knowledge promotion and environmental training shall be extended to employees.
4. Environmental management system shall be promoted, from the economical use of resources to the sustainable treatment and rehabilitation, replacement, monitoring and prevention of impact on natural resources.
5. There is a system for selection of trade partners in the value chain who undertake businesses in an environmentally friendly manner.
6. Environmentally friendly technology are developed and published.

The Company has been certified the environment management system (ISO: 14001) for distributing electricity and steam from Management System Certification Institute (Thailand) or MASCI, which is apparent that the Company has systematic and sustainable environmental management systems. Accordingly, the Company has select the most efficient production process to generate electricity and thermal energy in the form of steam, that is called cogeneration combined cycle. Moreover, the Aero Derivate, the gas turbine, has been chosen, which can be adjusted in the wide range on the production toward the demand of electricity of EGAT and the industrial factories that subject to change over the period. Additionally, Inlet Air Chilling is also installed to reduce the air temperature before burning to increase the efficiency and productivity of the gas turbine. In addition, the Company created the project “RO Rejected Water Recycle” to reuse water for electricity operation, which can reduce the amount of raw water and waste water 12,600 cubic meters per month. This also helps the plant reduce the expense of raw water and water treatment and manages natural resource for the best benefits in accordance with objectives and goals of the Company’s environment management.

In addition, the Company has provided the energy management system and appointed the working group on energy management to control the energy management system efficiently and comply with legal requirements. The energy conservation policy is determined as the part of the Company’s operation. The guidelines on the energy conservation on electricity are the installation of the speed measure of Cooling Tower Fan, which has been done completely. While the thermal energy conservation has been operated by maintain the steam trap on the steam distribution system continually.

In 2016, the Company provided knowledge and understanding on significant subjects such as courses “Energy Conservation within Organization”, “ISO 14001”. Besides, the Company has organized activities and training on energy

conservation to employees continually to create awareness on maximizing energy the most beneficially for all departments within the organization, covering all the energy sectors of power, water paper and other exhaustible items; for example, air-conditioning system and lighting should be turned off during the lunch breaks or unoccupied office space, re-using paper must be promoted etc. Although these activities did not give much quantitative result, but helped instill the recycling mindset and behaviors in the employees who would treat the same at their home.

The Company develops consciousness on responsibilities to community and society among people in the organization continuously, never causes any harm to community, provides support and help for mutual happiness. The Company also supports the activities which are good for entire community and society such as environment, which is described in “Corporate Sustainability Report 2016”.

1.9 Government Sector

The Board of Directors undertakes businesses in compliance with the rules and regulations enacted by the State. In this regard, the following policies and guidelines have been prescribed.

1. Knowledge and understanding of the laws governing operations are acquired and no activities are undertaken which would be inconsistent with the law.
2. Proper action shall be taken when conducting transactions with an official or agency of the State.
3. Good relations are fostered between the Company and the State sector within suitable bounds.
4. Relevant laws and business traditions are observed in each country or locality.

The Company consistently provided its support for such dedicated activities. In 2016, the Company organized the campaign “Big VHVs to Small VHVs (Village Health Volunteers) with hospital and Department of Local Administration to enhance junior public health volunteers’ potentiality from small VHVs, provide knowledge and experience to children for developing public health works. Such activity has been proceeded 7 years consecutively, the total attendants in the previous year was 100 persons, which has been disclosed in “Corporate Sustainability Report 2016”.

2. Conflict of Interest

The Board of Directors has a policy for dealing with conflict of interest. The following guidelines have been prescribed.

1. The administration of conflict of interest or connected transactions is undertaken prudently, fairly and rationally. There is a transparent system for approving transactions which primarily takes into account the Company’s interests. Interested Company Directors do not have the right to vote and must make a full disclosure in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
2. The Company’s interests shall be upheld subject to legality. No action shall be taken that would be a conflict with the Company’s interests, and no benefits or privileges will be given to any person.

3. Company Directors and Executives must disclose personal interests and the interests of related persons in accordance with the prescribed rules.
4. Company Directors, Executives and employees who acquire inside information are prohibited from trading in Company shares in the 1-month period prior to public disclosure of financial statements.
5. Company Directors, Executives as well as their spouses and children who have not yet attained legal age shall have the duty to report Company securities holdings and changes in such holdings to the Board of Directors in the subsequent Board Meeting.
6. Company information or secrecy acquired or acknowledged shall not be disclosed or transmitted to third parties or unrelated persons.
7. Disclosure shall be made by authorized Company employees. Classes of secrecy may be prescribed in accordance with the significance of the information. Disclosure shall be made within the assigned scope of duties and responsibilities.

In 2016, the company did not receive any complaint on conflict of interest.

3. Receptions, receipts and grants of gifts

The Board of Directors aspires to undertake the Company's businesses in line with fair competition. Nevertheless, receptions, receipts and grants of gifts or attendance at receptions in accordance with traditions and practices to maintain good relations are necessary and desirable in accordance with Anti-Corruption Policy. In this regard, the following guidelines have been prescribed.

1. No receipts or grants of gifts, tokens or receptions which may influence a decision shall be made. If there is a necessity to receive or grant a gift, token or reception in accordance with tradition to a value in excess of normal circumstances, a report shall be filed with the respective supervisors.
2. In the case of an assignment or authorization by a supervisor to assist in an external agency, monies, objects or gifts may be received in accordance with the generally applicable rules or standards prescribed by such an agency, e.g. gifts, tokens or lucky draws.
3. In the case where an agent, contractual party, partner or any other person wishes to grant a gift, token or reception to the Company, prior authorization must be obtained from the Company.
4. Expenses pertaining to these matters shall be maintained within a reasonable budget.

In 2016, there was no any complaint about receiving or giving gifts leading to the influence on business decision.

4. Combating dishonest acts corruption

The Board of Directors has a policy of compliance with the law on combating Dishonest Acts Corruption and Anti-Corruption Policy. In this regard, the following guidelines have been prescribed.

1. A consciousness, value and attitude to comply with laws and regulations honestly and in good faith shall be instilled in employees.

2. An internal control system which is efficient and effective shall be in place. There shall be suitable oversight and checks of powers to prevent employee abuses or involvements in combating Dishonest Acts Corruption.
3. Company Directors, Executives and employees are prohibited from performing any act which amounts to a demand or acceptance of properties or other benefits for oneself or for others as an inducement to wrongfully perform or refrain from performing a duty or which could result in a loss of the Company's legitimate benefits.
4. Company Directors, Executives and employees are prohibited from giving or offering to give properties or any other benefits to third parties to induce such person to unlawfully or wrongfully perform or refrain from an act.
5. There shall be a financial reporting system which is transparent and accurate.
6. There shall be a channel for employees and related persons to provide notices of causes for suspicion with confidence of protection. Personnel must be appointed to examine all notices of suspicion given.

The Company had a process of verification, tracking and risk assessment on corruption, and plans to prevent such risks by assigning the internal auditor to audit and present to the meeting of The Audit Committee in order to consider and review internal control system and monitor the results from internal audit. The Company has arranged the transfer of policies and practices in anti-corruption for business interests to directors, executives, and supervisors at all levels, as well as provided training sessions for orientation. During 2016, the Company followed the mentioned practice guidelines, and did not come across any irregularity as the result.

Moreover, the Company has signed up to join "Collective Action Coalition Against Corruption" or CAC with the resolution of the Board of Directors' Meeting No. 1/2014 on February 17, 2014 and the resolution of the Board of Directors' Meeting No. 1/2015 has approved Anti-Corruption Policy on February 17, 2015, which the Company has inform it to employees, managers and directors already on February 18, 2015. The Company received the certification from Thailand's Private Sector Collective Action against Corruption (CAC) on October 14, 2016 (No. 181).

The Company also publicized the Anti-Corruption Policy and guidelines to promote the provision of knowledge on this matter via website, intranet, Sahacogen and Affiliates' magazine and notice board. Besides, the Company supported employees to attend anti-corruption training courses organized by various institutions in order to study, review and develop the Company's disclosure of anti-corruption information. The trainings and seminars attended in 2016 are summarized in "Trainings and seminars attended by the Board of Directors in 2016" and "Trainings and seminars attended by relevant parties in Corporate Governance in 2016".

In 2016, the Company did not receive any complaints in term of corruption.

5. Non-infringement of intellectual property

The Board of Directors pursues a policy of non-infringement of intellectual property by prescribing the following guidelines.

1. Business undertakings shall be consistent with laws, regulations and contractual obligations governing intellectual property rights.

2. Intellectual property works of the Company shall be maintained. Such intellectual properties shall not be used or allowed to be used by others without authorization.
3. The intellectual property rights of others shall be respected. The works of others shall not be infringed or applied to personal use except where a license has been obtained or a fee paid to the owner of the work.
4. Intellectual property of creative works produced by employees shall vest in the Company. Upon termination of employment, such intellectual property works must be returned to the Company regardless of the form which it is stored.

The Company has regulations of computer uses in compliance with the laws relating to the Computer Crime Act 2550 (2007) and non-infringement of intellectual property, which all employees must follow strictly. If they violate the regulations, they will receive punishment according to the seriousness of the crime.

In 2016, the Company was not engaged in any activities infringing upon the patents or intellectual properties.

6. Non-violation of Human Rights

The Board of Directors respects human rights. In this regard, the following policies and guidelines have been prescribed.

1. There shall be no activities or support of activities which violate human rights.
2. Employees are provided with knowledge and understanding of human rights which are applied to work operations.
3. There are no limitations to independence or differences in ideology, gender, race, religion, politics or other matters. The expression of opinions which could cause conflicts or divisions should be avoided.
4. Channels shall be provided for employees or persons who believe that their personal rights have been violated or that they have been treated unfairly to file a complaint with the Company.

Such complaints shall be given attention and processed fairly.

For the Policy and guideline, the Company had done as following;

1. Labor

The Company oversees that the operations of all branches do not employ illegal labor.

2. Political Rights

- The Company has promoted the executives and employees to exercise their rights as citizen under the Constitution and other relevant laws.
- The executives and employees shall not use their power to lead or induce colleagues and subordinates to support either directly or indirectly any political activities.

In 2016, the Company was not informed any said complaints and had no previous notorious record relating to any violations of human rights lodged with court.

7. Safety and Occupational Hygiene

The Board of Directors attaches importance to safety and occupational hygiene. In this regard, the following guidelines have been prescribed;

1. Business undertakings shall comply with laws, regulations and policies on safety, occupational hygiene and working environment with due regard to the safety of life and properties as well as to the impact on the health of employees, trading partners and stakeholders. Regular monitors and safety assessments must be conducted.
2. Occupational safety shall be promoted. Work regulations, procedures and standards are prescribed to ensure working safety consistent with risks. Working environment and safe work procedures are improved. Tools and equipment for safety protection are also provided to employees.
3. Preparations are made for emergency events. An emergency plan has been devised and regular drills and improvements are carried out. This is to prevent and minimize any loss to life or properties of the Company, employees, trading partners and related persons.
4. A safe working culture has been built for the entire organization to ensure sustainably safe work operations.

Moreover, the Company has paid more attention on safety and occupational hygiene on operations. The Safety, Occupational Health and Environment Committee is appointed to conduct on the safety and occupation health policy to employees. The safety on workplace is well and regularly checked by the security officers throughout 24 hours. The fire alarms and fire extinguisher are installed on the buildings, as well as fire doors. The safety activities (5s) are regularly promoted on the workplace. The basis firefighting, fire evacuation drills, first aid are frequently trained to employees and “Safety Week” is organized annually. The Company has also published and communicated information, knowledge, and data on various diseases and health care through the exhibitions, the Company’s board, audio network system, and intranet system every year.

In 2016, no mentioned accidents occurred.

Code of Conduct for Company directors, Executives and Employees

1. Formal Responsibilities

The Board of Directors appreciates the importance of good governance. Continual undertakings are implemented to ensure that Company Directors, Executives and employees are aware and comply with standards under the framework of the Code of Conduct and conduct oneself honestly, cautiously and prudently for the greatest benefit of the Company and all related parties. As a consequence, the following Code of Conduct has been prescribed.

Company Directors and Executives

1. Duties shall be performed responsibly, prudently, honestly and in good faith in compliance with the law, Company articles and relevant notifications.

2. Duties shall be performed to the utmost of ability in order to generate the greatest returns to the Company. This includes attendance at all meetings, except where there is an unavoidable necessity.
3. Duties shall be performed impartially. In a Board Meeting, Company Directors and Executives shall not vote on matters which they have interests.
4. Conflicts of interests shall be administered prudently and reasonably, in adherence to the Company's interests, to ensure transparent management of operations.
5. The acquisition or disposal of assets of the Company, Company directors and executives, including their spouses and children who have not attained legal age, shall comply with the relevant rules and a disclosure shall be made to the Board Meeting in the subsequent meeting.
6. Company directors and executives are prohibited from buying or selling Company shares in the 1 month period prior to the public disclosure of financial statements.
7. Company directors and executives must disclose personal interests and those of related persons in accordance with the prescribed rules.
8. There shall be regular appraisals of the Board of Directors' performance every year.

Employees

1. Employees must support and cooperate in the Company's activities on a regular basis. Assigned tasks must be performed to the best of ability in order to ensure good results and advancement of the Company and employees.
2. Employees must comply with the relevant law, policies, terms of employment, regulations and notifications.
3. Persons contacting the Company must be treated courteously, hospitably and provided with an excellent service in order to preserve the Company's image and reputation.
4. Trade secrets must be kept and the Company's inside information must not be disclosed to third parties.
5. Loans shall not be obtained from customers, persons connected to customers or business counterparts of the Company, except for loans obtained from a bank or financial institution.
6. Lawful orders of supervisors shall be complied.
7. There shall be a commitment to teamwork, mutual assistance, harmony and mutual respect for the benefit of the Company and employees.
8. Co-workers must be treated generously and with good human relations. No groundless allegations shall be made against others. Credit shall not be claimed for the works of others.
9. Duties shall be performed with determination, in earnest and honesty, and the roles and responsibilities in the Company shall not be abused for the purpose of acquiring wrongful benefits for oneself or for others.
10. Duties shall be performed responsibly, cautiously and without neglect in such a manner which could cause a loss to works or properties of the Company.
11. Employees should conduct themselves as good citizens who comply with the constitution and relevant laws. Political rights shall be exercised appropriately. Employees shall also avoid any involvement in an activity which is unlawful or inconsistent with public order or the good morals of the people.

2. Maintenance of Company Assets

Company directors, executives and employees are under a duty and responsibility to efficiently maintain Company assets and assets under the care of the Company. In this regard, the following guidelines have been prescribed.

1. Assets shall be used for business operations and not used for personal gains or for the gains of third parties.
2. Interests shall be protected and assets shall be cared to prevent loss, damage or wrongful use pursuant to the standards of a reasonable man caring for one's property. Direct or indirect wrongful exploitation of benefits shall be eliminated.
3. Sufficient insurance protection from losses shall be obtained for assets.
4. The use of computers to harass, infringe, spy, corrupt other person's personal data or fabricate evidence which could lead to data theft shall be prohibited. An information security system consistent with international standards shall be installed.
5. E-mails and internet access provided shall be used for business purposes. They shall be used cautiously and not prejudice the Company's reputation.
6. Passwords for access to the Company's data shall be kept secret and shall not be disclosed to unauthorized persons.
7. The Company's intellectual property works shall not be reproduced, adapted or used for personal benefit or for the benefit of others without authorization from the Company.
8. The supervisor shall be reported of any finding of rights infringement or acts which could lead to a rights infringement or any act which could potentially lead to a dispute relating to the Company's intellectual property.
9. The safekeeping of important documents of the Company shall be overseen to ensure full compliance with the relevant laws and regulations. Upon the lapse of the safekeeping period, the relevant employee must oversee that the documents are destroyed by appropriate means.

3. Informants and Complaints

The Board of Directors gives employees and stakeholders an opportunity to give information or file a complaint on a matter which could constitute a violation of the law, dishonest or wrongful act of an employee, including irregular behavior which could cause a problem or loss to the Company (Whistle Blowing). The Company also receives complaints on cases where the rights of an employee or stakeholder has been infringed or where they have been treated unfairly and corruptly. Suitable channels and procedures have been provided by the Company in this regard.

The Company will hear and process all complaints impartially, transparently and fairly. Systematic and just measures for the protection of complainants are provided. Information provided by the complainant is kept confidential in the Company according to the Anti-Corruption Policy.

Measures for the Protection of Complainants

1. A complainant may choose to remain anonymous if he/she deems that disclosure could lead to insecurity or loss concerns.
2. The Company will keep relevant information secret and take into account the safety of the complainant. Measures have been prescribed for the protection of complainants who are employees, including those who

cooperate in the investigation of facts. These persons will be protected from unfair treatment as a consequence of the complaint, e.g. disturbances during work, reassignment or termination of employment.

4. Interpretations

A supervisor shall be under a duty to take responsibility and give advice to subordinates to ensure knowledge and understanding as well as compliance with the prescribed Code of Conduct. If the Code of Conduct does not provide for any instance, or if there remains a question which renders performance not possible or that a decision cannot be made, the matter shall be consulted with the respectively higher level superior. In the case of a conflict, the decision of the managing director, executive board and Board of Directors shall be final.

Participation channels for stakeholders: In case that shareholders and stakeholders has any concern in regard to accuracy of financial statements, deficiency of internal control or violation of laws and code of ethics, shareholders and stakeholders can contact as follows;

Contacts	Telephone	E-mail Address
The Board of Director (Chairman)	038-481555 Ext. 202	chairman@sahacogen.com
The Audit Committee (Chairman)	038-481555 Ext. 203	auditcommittee@sahacogen.com
The Risk Management Committee	038-481555 Ext. 260	riskcommittee@sahacogen.com
The Corporate Social Responsibility Committee	038-481555 Ext. 290, 291	pr-csr@sahacogen.com
Managing Director	038-481555 Ext. 200	viroj@sahacogen.com
The Company Secretary	038-481555 Ext. 282	pannee@sahacogen.com
Investor Relations	038-481555 Ext. 202, 282	investorrelation@sahacogen.com
Human Resource & Administration	038-481555 Ext. 242, 243	hradmin@sahacogen.com

The result of investigation will be passed to the Board of Directors. The information on person who raises such inquiries and complaints shall be treated as confidential. In 2016, there has never been action taken against a later-than stipulated announcement of information, a violence of labor law or any other law related to employment, consumers, business competition, and environment. There also have never been complaints made by stakeholders.

Chapter 4: Disclosure of Information and Transparency

4.1 The Board of Directors oversees that there is proper, transparent and timely disclosure of significant information in accordance with the relevant laws and regulations. These disclosures include reports filed in accordance with accounting periods and reports of events having an impact on shareholders' interests, as well as the disclosure of other information pursuant to the principles of good corporate governance prescribed by the Stock Exchange of Thailand. Disclosure is made to the extent that the Company's legitimate interests are not prejudiced. Information is published in both Thai and English on the Company's website, disclosure channels of the Stock Exchange of Thailand and other channels which are comprehensively and equitably accessible.

4.2 The Board of Directors has established units or responsible persons to perform investor relations functions to communicate with external persons equitably and fairly.

Regarding to the Corporate Governance Policy and the Principles of Corporate Governance in section “Disclosure of Information and Transparency”, the Board of Directors recognizes the quality of information, accurate, sufficient, expeditious, nondiscriminatory and fair information disclosure. Ensure disclosure of significant information related to the company, both financial and nonfinancial information, or information that might affect the company’s share prices, to all shareholders and interested investors in complete, accurate, and equitable manners.

The disclosures are easy accessible to all stakeholders and parties. All such information are published in both Thai and English on the website of the Stock Exchange of Thailand and the company’s website, www.sahacogen.com, in order to engender the confidential.

1. Corporate Governance

The Company arranges the good corporate governance principal, business ethics, code of conduct as well as anti-corruption policy in writing and provide to all directors, executives and staff including publishing on the billboard and the intranet system to communication internally in the organization. In 2016, the results of performance according to the corporate governance policy were reported in conformity with the good corporate governance principles set by the Stock Exchange of Thailand, and publicized via the Company’s annual report, the annual information report form (Form 56-1), and the Company website; www.sahacogen.com.

2. Disclosure of Significant Data on Financial and Non-Financial Information

The Board of Directors has carried out the disclosure of the Company’s significant data, including financial data and non-financial data as required under the Regulations of the Stock Exchange of Thailand and the SEC. Such disclosures were accurate, complete, timely and transparent, having been reviewed under the prescribed procedures. The information was published in both Thai and English through channels of the Stock Exchange of Thailand (www.set.or.th) and the Company’s website (www.sahacogen.com) as follows;

- **The information shown in the report (Form 56-1)**, and the annual report was transparently and completely disclosed in every aspect, according to the Criteria of Disclosure of the Stock Exchange of Thailand and the Securities (SET) and Exchange Commission Thailand (SEC). In order to provide shareholders information in making the investment decision, the information has regularly been updated.
- **Regarding the annual and quarterly financial statement**, the auditors have audited them with approval from the Audit Committee and the Board of Directors. Subsequently, the Company has disseminated this information to the shareholders and then presented to the SET and SEC. In this regards, it was disclosed to the investors or shareholders before the due period, which investors can obtain property information for decision making.

The Company’s auditors are knowledgeable, skillful, independent, and approved by the SET and SEC. Besides, the auditors do not have business relationship with the Company, subsidiaries, joint venture companies, the executives, major shareholders or relation with any of them. Thus, the auditors have the independent rights in auditing and commenting on the Company’s financial statement.

In 2016, financial statements both quarterly and annually in Thai and English version were disseminated via SET's website and company website, which can be downloaded. The Company financial statement was certified by the auditor with no conditions. The Company sent its financial statements to SEC and SET on time and not ordered to correct as well as not conducting any actions on erroneously regarding on the disclosure not complied to the requirements.

- **Quarterly Performance Report : In the case of net profit according to last financial statement changed from the financial statements in the same period last year more than 20 percent,**

The Company has revealed the explanation of the operation's results for the quarter on the website of the Stock Exchange of Thailand and the Company's website.

In 2016, the Company disclosed the said report 3 times, on June 14, 2016: August 9, 2016: November 8, 2016.

3. Report on the Board of Directors' Responsibilities with respect to the Financial Statements

The Board of Directors appreciates the significance of preparing an accurate and complete financial statement in accordance with accounting standards. The disclosure of such data have been reviewed by independent auditors and approved by the Audit Committee and Board of Directors before publication to the shareholders. Also, in order to secure confidence, the Board of Directors has prepared a report on the responsibilities of the Board of Directors to the financial statements published in the Annual Report and Form 56-1 together with the Auditor's Report. Thus, investors are able to rely on such data when making decisions.

4. The Disclosure of Related Transaction and/or Asset Acquisition or Disposition

All related transactions should be approved by the Audit Committee and the Board of Directors so as to avoid any conflicts of interest. It should be carefully and reasonably prepared for the best interest of the Company and shareholders. Such related transactions, which were considered and approved, were disclosed in compliance with the requirements of SET and SEC in both Thai and English languages, and disseminated via the Company's website, summarized in the annual report and Form 56-1; "Transaction with Related Companies".

However, in case the value of the related transaction is less than 3% of the Company's total net tangible assets, the Company must report and disclose to the SET and the Board of Directors for approval, but no shareholders' approval is required.

In 2016, there were 2 related transactions, disclosed in Chapter 2: Equitable Treatment of Shareholders "section 5 "Asset purchasing control". For the transactions mentioned before, it is in accordance with business trade normally.

In 2016, the company did a related transaction on receiving financial assistance from Better Way (Thailand) Co., Ltd. However, no guarantee to other companies was done in 2016. Moreover, no related transactions violating against the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC).

5. The Determination that the Directors and the Executives must report their trading, holding of the Company's securities, and the Conflicts of Interest of individuals and persons concerned that are spouses and minor children, who might have conflicts of interest on the Company's business operation. This information must be reported to the Board of Directors on the meeting every time whenever there are any changes. The guidelines and policies, are defined to comply with the rule, are as follows:

- Report on the first office holding as the director or the executives
- Report on any changes of stockholding
- Report at the end of year
- In case of retirement by rotation and reappointment as the Director in a consecutive way, the Director shall not present a report if there is no change of stockholding
- The Directors and the executives should present report of stockholding to the Company Secretary within 1 month after being elected/ appointed, and changed. After that, the Company Secretary will send the copy of report, within 7 days, to the Chairman of Board Directors, and Chairman of Audit Committee.

In 2016, the Company did not receive any warning letter of violation from the Securities and Exchange Commission (SEC).

6. Determination of the Policy on Corporate Social Responsibility, Community and Environment

The Company sets the policy in its mission for practical guideline and substantial performance. This is a mission which all employees shall participate. Its details are provided in the Corporate Sustainability Report 2016.

7. Communication between the Executive Board, the Top Management and the Management of Each Department

The Company has organized the meeting every month to invite the Executive Board, the executive officers and the management, including the top management of all departments to attention in order to disseminate the Company's goal and business strategies. Such communications are made to employees throughout the organization in order to share common understanding and practices in the same direction so as to achieve the business targets. Accordingly, the Executive Committee will follow up that the Management has implemented such strategic plan or not. The Management is supposed to report the plan of the business strategies to the Top Management, the Executive Directors and the Board of Directors respectively on a monthly basis in order to acknowledge and review the strategic plan, so that the Board of Directors can provide suggestions on matters that improvements and corrections are deemed necessary. In 2016, the Company organized the meeting relating to the Company's annual performance and 2017 business strategy in order to present and report them to the Board of Directors.

Apart from the disclosure of financial reports or other information to the Stock Exchange of Thailand and SEC via designated channels completely, precisely and timely, the Company has revealed through the Company's website: www.sahacogen.com as follows;

- **Shareholding structure**

The Company disclosed the names of the top 10 shareholders at the time of closing shares registration book for the shareholders' meeting ("Shareholders and Management Structure" in annual report").

- **The Company structure**

The Company disclosed its structure in the annual report "Shareholders and Management Structure".

- **Shareholding of the Directors and Executives**

The Company disclosed it in the annual report "Shareholders and Management Structure".

- **Nature of the business and Company's performance**

The Company disclosed nature of the business, industrial trend and potential competitiveness, including company objectives and goal in "Nature of the Business".

- **Risk management policy :**

The Company has set up the Risk Management Committee to supervise risk management of the organization in a systematic and effective manner, and cover all areas appropriately, as well as assign risk management policies, according to the details under the heading "Risk Factors".

- **Dividend policy**

The Company's dividend policy was disclosed in the annual report "Performance Review and Revenue Structure".

- **Duty performances by The Board of Directors and sub-committees**

The Company disclosed the details on the roles and authority of the Board of Directors and sub- committees, the number of meetings held the number of meeting attendance by each director during the past year, details under the heading "Management structure", and "Corporate Governance" on subcommittees.

- **Directors' date of appointment**

The Company disclosed it in the annual report "Corporate Governance".

- **The selection and appointment of the directors and chief executive officer/ the assessment of director's performance**

The Company disclosed it in the annual report "Corporate Governance".

- **The remuneration for the directors and the management**

The Company disclosed the policy regarding the remuneration for directors and the management, the nature and number of remuneration accorded the directors for the Board of Directors and subcommittees, under the heading "Management structure", on the remuneration for the directors and management members.

- **Development for the directors and the management**

The Company disclosed the development and training of directors and the management. Details are under the heading "Board of Directors Information" and "Corporate Governance" on compliance with good corporate governance principles in other matters (Section 5: Responsibilities of The Board of Directors).

- **Internal control and internal control assessment**

The disclosure of internal control according to the concept of COSO (Internal Control Integrated Framework) as well as the result of internal control assessment, the results of assessment in 5 aspects with 17 principles, was stated in the “Internal Control and Risk Management” including the comment of the Audit Committee and auditor in Form 56-1.

- **Whistle blowing policy**

The Company disclosed it in “Chapter 3: Roles of Stakeholders” in the annual report.

- **Notice of the shareholders’ meeting and annual report**

The Company disclosed the notice of the shareholders’ meeting and the annual report in Thai and English on the Company’s website within 120 days, which can be downloaded.

- **Charters, duties, responsibilities, qualifications and directorship terms of the Board of Directors and sub-committees**

The Company has publicized such information in Annual Report 2016 and Form 56-1 in section “Corporate Governance”.

- **Article of Association, vision and mission**

The Company has publicized such information in Annual Report 2016 and Form 56-1.

Investor Relations

The Board of Directors has designated the persons who would be able to provide data and information as required by investors and relevant persons. In this regard, the following persons are as follows;

- Mr. Viroj Theeravatvatee
Managing Director
Tel: 038-481555
Fax: 038-481551
E-mail : viroj@sahacogen.com
- Mrs. Pannee Chantavoraluk
The Company Secretary
Tel: 038-481555
Fax: 038-481551
E-mail: pannee@sahacogen.com

The Company has announced the name of contact persons and simple channels under the subject of “Investor Relations” on the Company’s website: www.sahacogen.com.

Moreover, general investors and students enable to contact the Company’s officers when requiring investment data for their consideration and for the thesis. Such agent is welcome and cooperates well to all visitors thoroughly.

The Company and other companies in Saha Group, totally 15 companies, cooperated with the Stock Exchange of Thailand, arranged the “The 8th Analysts and Investors Meet Saha Group “ on July 1, 2016 at Queen Sirikit Conventional Center in the annual event of the 20th Saha Group Fair. This event was provided a venue where analysis, investors and mass media could engage in meaningful discussions on business, policy and investment directions of the Company. The Managing Director welcomed and provided information about business and businesses in Saha Group. Information books given to attendants also summarized companies’ business and performance results, which made attendants very pleased and the number of investors and analysts increases very year. Moreover, the Company has organized “Open House” for people from government agencies, private organization and community nearby interested in educational and business visit.

Criteria of Good Corporate Governance and its Implementation

Throughout 2016, the Company performed in accordance with good corporate governance criteria, except for the following issues.

1. The Company’s Chairman is also its Chairman of the Nomination and Remuneration Committee, who is not an independent director due to the fact that the electricity and steam business operation really needs a knowledgeable and capable person with long business experience to lead the Company to its determined goals. However, the Company and the Board of Directors are based on the principles of good corporate governance and in line with those of the SET. Thus, though the Chairman and Chairman of the Nomination and Remuneration Committee is the same person, the Chairman of the Board has never exercised his authority on behalf of the Board of Directors practically. Likewise, Chairman of the Nomination and Remuneration Committee’s performance must be approved by the Company’s Board of Directors, which is under the Company’s rules and regulations

2. The Nomination and Remuneration Committee does not comprise a large amount of independent directors (more than 50%). However, there is an independent director who is also the Chairman of the Audit Committee, who is well-qualified and appropriate to consider, give opinions independently and perform with checked-and-balance mechanism.

3. The Company does not limit the number of listed companies and non-listed companies in which its Board, managing director and the executives may hold office because it will lose an opportunity of getting qualified people to sit on the Board. However, the Board of Directors regularly reviews the number of companies in which each Board member holds office.

4. The Company does not limit the number of years the independent directors serve because it really needs intellectual and long-and-widely experienced persons for its business operation. Some of them serve on the Board of Directors more than 9 years, which exceeds the measurement of the good corporate governance. However, all of independent directors appropriately exercise their authority in line with checked-and-balanced mechanism transparently and strictly and based on the Board of Directors.

5. Although the Company does not have Diversity Board policy and not use professional search firm or director pool for selecting and nominating directors, but the Company stipulates a structure for the Board of Directors comprising

of persons having a diverse range of knowledge, competencies, experiences, qualifications required by law and none-gender specification, which discloses in “Chapter 5: Responsibility of the Board of Directors”.

6. The Company did not do press media or newsletter for its financial statement because the Company reported and disclosed it via both the Company and SET’s website, which was an accessible way for shareholders and those who are interested in the Company’s information.

7. The Company does not nominate CG Committee due to the fact that the Board of Directors has provided for monitor and assessment of corporate governance by establishing the Risk Management Committee (Chapter 5: Responsibility of the Board of Directors).

Chapter 5: Responsibility of the Board of Directors

- 1.1 The Board of Directors has prescribed a structure for the Board of Directors comprising of persons having a diverse range of knowledge, competencies and experiences, without limitation to gender, and having the qualifications required by law. At least one Company Director is a Non-Executive Director who has experience in the Company’s business undertaking. There are also Independent Directors as required under the Notification of the Office of the Securities and Exchange Commission.
- 1.2 The Board of Directors has provided a definition for an Independent Director which meets the minimum requirements of the Office of the Securities and Exchange Commission.
- 1.3 The Board of Directors has appointed Committees to screen key matters prior to submission to the Board of Directors.
- 1.4 The Board of Directors has issued a charter for each Company Committee by prescribing the tenure and scope of powers and duties to clearly demarcate the roles, duties and responsibilities of each Company Committee and the management.
- 1.5 The Board of Directors has a policy which requires Company Directors and Executives holding directorial positions in other companies to make a disclosure to the Company Chairman and Chairman of the Audit Committee.
- 1.6 The Board of Directors has provided for a Company Secretary to perform duties prescribed by law and as entrusted. The qualifications of a Company Secretary should be a person possessing knowledge of law or accounting, or who has completed training relating to the performance of Company secretarial duties. Continual training and knowledge development are also continually provided.
- 1.7 The Board of Directors has prescribed policies for governance, business ethics and codes of conduct for Company Directors, Executives and employees to ensure a harmonized approach.
- 1.8 The Board of Directors has prescribed a Company vision and mission so that the Company Directors, Executives and employees would strive towards the same goal.
- 1.9 The Board of Directors has a policy of continually promoting and sponsoring the development of knowledge amongst Company Directors, Executives and employees.

- 1.10 The Board of Directors prescribes an annual meeting schedule in advance every year. The determination of agenda takes into account the fair interests of shareholders and all stakeholders. All Company Directors enjoy independence in the expression of opinions. A Company Director having an interest in an agenda shall not have the right to vote in such agenda.
- 1.11 The Board of Directors prescribes a duty for Company Directors to attend all Board Meetings unless there is a necessary cause.
- 1.12 The Board of Directors has a policy of encouraging senior Executives to attend Board Meetings.
- 1.13 The Board of Directors provides Non-Executive Directors with opportunities to meet among themselves in the absence of the management when necessary. The Managing Director shall be notified of the meeting outcome.
- 1.14 The Board of Directors has a policy of promoting the Company Directors' access to essential additional information from the Managing Director, Company Secretary or other assigned Executives within the scope of the set policies. In the event of necessity, the Board of Directors may obtain independent opinions from advisors or external professionals on the Company's expenses.
- 1.15 The Board of Directors has implemented measures pertaining to conflicts of interest which are prudent, rational and in compliance with the rules and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 1.16 The Board of Directors prohibits Company Directors, Executives and employees from trading in Company shares in the 1-month period prior to the public disclosure of financial statements.
- 1.17 The Board of Directors has directed Company Directors and Executives as well as their spouses and children who have not attained legal age to have the duty to disclose shares holdings and changes in holdings of the Company shares to the Office of the Securities and Exchange Commission, and to submit a copy to the Company Secretary for reporting to the Board of Directors in the subsequent Board Meeting.
- 1.18 The Board of Directors has directed Company Directors and Executives to disclose personal interests and interests of connected persons in accordance with the prescribed rules.
- 1.19 The Board of Directors has established an internal audit unit as an internal agency accountable to the Audit Committee.
- 1.20 The Board of Directors requires an annual assessment of the Board of Directors' performance.
- 1.21 The Board of Directors prepares a report on the responsibilities of the Board of Directors pertaining to the financial statements submitted in the Annual Report.
- 1.22 The Board of Directors oversees and determines the payment of appropriate remuneration to each committee member pursuant to the powers, duties and responsibilities and draws comparison to the operation levels in the same business sector.
- 1.23 The Board of Directors has prescribed a succession plan for employees in various positions in view of their advancement to higher positions.
- 1.24 The Board of Directors provides an orientation for first term Company Directors.
- 1.25 The Board of Directors has established an internal control system and risk management system.

1.26 The Board of Directors has provided for the monitoring and assessment of corporate governance by establishing the Risk Management committee.

The Board of Directors plays a vital role in providing the directions of the Company's business, monitoring the operation performance of the management, issuing the policy of good corporate governance, business ethics, and employees' code of conduct to protect benefits for the Company and shareholders. Additionally, the Board had supervised the activities to be legally implemented.

In 2016, the Company did not commit any following violations;

- Severe violation against stipulations of the Securities and Exchange Commission and the Stock Exchange of Thailand
- Corruption action or violation of ethics.
- Resignation of a non-executive director due to the reason of good governance.
- Loss of creditability due to the Board of Director's failure in monitoring the business.

● The Structure of the Board of Directors

The Board of Directors has appointed several committees comprising of competent and experienced members, to supervise over each particular aspect of Company operations, to ensure careful and effective management and operations for the Company. Those committees consisted of the Board of Directors, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Corporate Social Responsibility Committee as well as the managing director and the company secretary, which is appropriately, verifiable and balance each other.

The Board of Directors clearly set the authority and responsibility scope for each committee per the charter for said committee. The chairman of every other committee is responsible for supervising the operations in accordance with the policies of the Board of Directors and reported the results in the Board of Directors' meeting.

With regard to the Company's regulations, the Board of Directors is comprised of at least 5 directors, and not less than one-half of the directors must be resident in the Kingdom of Thailand. In 2016, the Board of Directors has 13 directors as follows:

Director & Executive Director	5	directors
Non-Executive Director	3	directors
Non-Executive Director and Independent Director	5	directors

The structure of the Board of Directors is comprised of Independent Directors constituting one-third of the Board of Directors' composition with consistent of the regulation of Capital Market Supervisory Board. The Company has appointed the Nomination and Remuneration Committee to select the Directors, who are professional, competent, and have various experiences in industrial, management, financial and accounting, legal knowledge and audit, to maximize the benefit to the Company, including the vision. They are integrity and unblemished professional records, and able to

express their opinion independently. The Board of Directors has clearly defined the duties and responsibilities of each committee, including complying with the principles stated in the Director's Guides for the listed companies accordingly;

- Fiduciary Duties
- Duty of Care
- Duty of Loyalty
- Accountable

1.1 Board of Directors

Presently, the Board of Directors consists of 13 members, classified into:

- 8 non-executive directors (including 5 independent directors)
- 5 executive directors

Name list of The Board of Directors

Name		Date of Appointment	Position
1. Mr. Sujarit	Patchimnun*	March 28, 2008	Chairman
2. Mr. Boonsithi	Chokwatana	March 6, 2003	Director
3. Mr. Boonkiet	Chokwatana	March 6, 2003	Director
4. Mr. Thirasak	Vikitset	March 6, 2003	Director
5. Mr. Atthakorn	Glankwamdee	March 6, 2003	Director
6. Mr. Viroj	Theeravatvatee	March 6, 2003	Director
7. Mr. Tanong	Srichit	March 6, 2003	Director
8. Mr. Suthep	Dansiriviroj	November 7, 2013	Director
9. Mr. Boonyarith	Mahamontri	March 6, 2007	Independent Director
10. Mr. Nophorn	Bhongsvej	March 30, 2003	Independent Director
11. Pol. Gen. Somchai	Prabhasabhakdi	March 30, 2005	Independent Director
12. Mr. Amorn	Asvanunt	March 6, 2003	Independent Director
13. Admiral Apiwat	Srivardhana	April 22, 2013	Independent Director

*He was appointed as Chairman, and Chairman of Nomination and Remuneration Committee in replacement of Mr. Boonkiet Chokwatana on May 10, 2016

Company Secretary: Mrs. Pannee Chantavoraluk

Term for Company Directors

The term for Company directors is in accordance with the Company articles of association and Charter for the Board of Directors as follows:

1. At each annual shareholders' general meeting, one-third of the sitting directors are required to retire from directors, whereas if the number of directors cannot be divided into 3 equal portions, the closet to such number

shall apply. Retiring directors are eligible for re-election. At present, the Board of Directors had 13 members, therefore each director shall have a 3-year term.

2. Apart from retiring upon term completion, the Company director shall also relieved of his/her position upon resignation or death or having disqualifications as prohibited by laws or the resolution adopted by the shareholders' meeting to remove that person from the position, or court ruling remove that person from the position.
3. In the case where the position of Board member is left vacant due to reasons other than term completion, with such remaining term not less than 2 months, The Board of Directors are required to appoint other persons having full qualifications to succeed in that position. In such case, the newly-appointed Board member may only serve out the term remaining for the person he/she succeeds.
4. The Company director resigning from the position before term completion is required to submit his/her resignation letter to the Company, with such resignation coming into effect on the date of said submission.
5. The shareholders' meeting may vote for any of director to be out before retiring upon term completion, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and the total number of shares being not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.

The Authorities of the Board of Directors

1. To appoint, remove and authorize consultants to the Board of Directors, to committees and/or to other committees;
2. To approve loans to companies with a business relation to the Company as shareholders, or to companies with a trading relation or other companies;
3. To approve guarantee of loans to companies with a business relation with the Company as shareholders or to companies with a trading relation of other companies;
4. To grant approval to those transactions, not a financial transaction, of the amount greater than the authority of The Executive Board;
5. To approve acceptance or cancellation of loans.
6. To approve investment, sale of investment capital in ordinary shares and/or any other securities of the amount greater than the authority of the Executive Board;
7. To approve sourcing and investment in fixed assets of the amount greater than the authority of the Executive Board;
8. To approve modification, destruction and disposal of fixed assets and intangible assets which are no longer in use, damaged, lost, destroyed, deteriorated and out of date, which are of the amount greater than the authorities of the Executive Board;
9. To approve modification, change of price and destruction of raw materials and/or remaining inventories which are deteriorated or out of date, which are of the amount greater than the authority of the Executive Board;

10. To propose to shareholders an increase or a decrease of capital, a change of share value; modification of memorandum, articles of association and/ or objectives of the Company;
11. To approve incorporation, merger or dissolution of subsidiaries;
12. To authorize the management, managerial employees of the Company or any other individual to act on their behalf;
13. To invite member of the management, executives, or relevant employees to provide explanations, opinions or document as necessary;
14. To consult with specialist or company consultants (if any) or hire third-party consultant or outside specialist if necessary at the expense of the Company;
15. To appoint and rescind a company secretary.

The Responsibilities of the Board of Directors

1. To define the Company's directions, objectives and policy;
2. To approve the annual budgetary and operation plans, including monitoring the Company's management contributed under application laws, policy and operational plans efficiently and effectively;
3. To endorse the corporate good governance policy, code of ethics and business ethics as the guidelines for the management, executives and employee to implement, including monitoring and ensuring all conducted closely;
4. To establish an adequate and suitable internal control system to ensure that all relevant transactions are approved by authorized persons, that accounts and records are kept accurately, and that the relevant systems to prevent improper use of the Company's assets are operating;
5. To supervise intensively and definitely on any conflict of interests in compliance with the procedures and regulations, in which the stakeholders have no right to make a decision on those conflict of interest, and disclose the information of the conflict of interests concisely for benefits of the shareholders;
6. To comment the financial report that audited and/or reviewed by the certified auditor and the audit committee has already verified;
7. To be accountability on the rights and equitable treatment of shareholder equally and disclose the concise information to investors as typically and transparently;
8. To acknowledge the report informed by the executive committee;
9. To schedule the shareholders' meeting, define the date, time, location, and agenda of the meeting, including the dividend payment (if have) with the comments of the Board of Directors to propose to the shareholders. Such activities shall be done within 21 days prior the meeting date. The Company shall record share transfer in a shareholders registry book by notifying the shareholders at the head office and branch not less than 14 days before recording share transfer or setting the record date for the shareholder record prior the meeting date for 2 months. Then the Company sets the closing date of a shareholders registry book for a day after the record date to counting a shareholder in compliance with the Public Company Act, on the article of 255, for the rights of shareholders and rights on dividend;

10. To prepare “the report on the Board of Directors’ responsibility on financial statements” and disclose it on the annual report (Form 56-2) and the annual information form (Form 56-1);
11. To control and ensure that any relevant documents are concisely recorded as same as shown on a registration books or other reports concerned, and submitted to related governance departments;
12. To approve the charter for the Board of Directors and/or other committee;
13. To execute or consider any management that the Executive Committee has no authorized as appropriately.

1.2 Chairman

The authorities and responsibilities of the Chairman as a guideline to serves as the Chairman are described as below;

The Authorities and Responsibilities of the Chairman

1. Take responsibility as the leader of the Board of Directors in monitoring and supervising the operations of the Board of Directors and various committees.
2. Preside at the Board of Directors’ meeting. In case of tie, the Chairman adds an additional vote as a casting vote.
3. Summon the Board of Directors’ meeting or may assign another person to act on own behalf.
4. Preside at the shareholders’ meeting and control the meeting to be in accordance with the company’s regulations regarding the meeting. Conduct the meeting according to the agenda specified in the invitation to the meeting, unless the meeting resolves to change the order of the agenda by votes of not less than two-thirds of the shareholders present at the meeting.
5. Engage in other acts as assigned by the Board of Directors.

1.3 The Directors’ Term of Office Holding

The Board of Directors was elected in the shareholders’ meeting. According to the Company’s regulations, the Directors can hold office for 3-year term as specified in the Public Limited Companies Act. The Directors who retire upon expiration of their office holding term can be re-appointed. The information of office holding, date-month-year, of the Directors and Independent Directors has been clearly disclosed.

- The Board of Directors does not specify the term of office holding for the Directors because the Board of Directors and shareholders are confident in the Directors’ qualifications as the experts equipped with knowledge, business capabilities, determination, and high commitment.
- Like the Directors, the Board of Directors does not specify the term of office holding for the Independent Directors since both positions are appointed by the approval of the shareholders’ meeting.
- The Board of Directors gathers information for decision making on the appointment of the Independent Directors who retires by rotation, and the number of years on such position, which shown on the notice of meeting and the annual report for consideration.

1.4 Holding Office Regulation for the Directors

- The Board of Directors does not limit the number of listed companies for the Directors to hold office.
- The Directors who hold office in other companies should be approved by the Board of Directors, according to the regulations of holding office for the Directors.

The disclosure of name and information of every Director holding office in other companies has been shown in the Form 56-1 and the annual report. At present, there are three Directors who hold office in more than of the 5 listed companies. Nonetheless, the Company believes that there will not be any impacts on their performance. Furthermore, the Directors have shown their dedication in working and regular attendance in the meetings. Those are the reasons why the Company does not specify the number of listed companies for the Directors to hold.

Regarding holding office in the other listed companies, the Company's Directors and the Executives of the Saha Group, the Company has established policy and guidelines on such matter. The executives of Saha Group have also the directions and the management team to consider such criteria of those companies as types of business and the necessity in assigning the Director or the Executive of which companies of the Saha Group to be the Company's representative concerning partnership or partnership contract. If necessary, they will send the Director or the Executive who has knowledge, skills, and expertise in that area to hold office.

Moreover, the Company believes that each director's business expertise and capabilities should not be restricted by the number of companies which director served, as long as he/she proves to be capable and devotes enough to carry out own assignments in fulfilling the expectations by the Board of Directors and shareholders.

1.5 Self-Assessment of the Board of Directors

The Board of Directors has established the policy of the self-assessment of the Board of Directors approximately once a year. In 2016, the Company Secretary delivered the self-assessment of the Board of Directors form which is in accordance with the criteria of the Corporate Governance Center, the Stock Exchange of Thailand to each director. Such assessment is covered to the policy of the Boards, the director structure and the practices of the Boards, and the preparation and implementation of the Meeting in order to be the guidelines on operation improvement. Every director was independent in taking such evaluation.

Self-Assessment of the Board of Directors

The Company carried out the board's performance assessment, which is divided into 4 aspects as follows:

1. Board structure and qualifications
2. The Board of Directors 'meeting
3. Roles, duties and responsibilities of the Board of Directors
4. Relationship with the management / Directors and the management's self-development

As a result, the self-assessment of the Board of Directors can be summarized that most of their implementation is good and appropriately. In 2016, the evaluation result was in "Excellent" level with the average score of 92.04%

Criteria	Score
Excellent	Up to 90 percent
Good	Up to 70 percent
Fair	Up to 50 percent
Poor	Up to 30 percent
Bad	Up to 20 percent

Self-Assessment of sub-committees as a whole, which is divided into 3 aspects as follows;

1. Board structure and qualifications of sub-committees
2. The meeting of sub-committees
3. Roles, duties and responsibilities of subcommittees

In 2016, the evaluation result was in “Excellent” level with the average score of 92.07%.

Self-Assessment on roles, duties and responsibilities of the Audit Committee, which is divided into 7 aspects as follows;

1. Review and ensure the accuracy and reliability of financial reports
2. Review the compliance with laws and rules
3. Review the efficiency of established internal control system
4. Consider related parties transactions and conflict-of-interests transactions to meet compliance
5. Advise the appointment and / or removal of the head of internal audit department
6. Consider the appointment, removal of external auditor, including the amount of auditing fee
7. Ensure procedures for complaint mitigation are carried out by management

In 2016, the evaluation result was in “Excellent” level with the average score of 96.13%.

Self-Assessment on roles, duties and responsibilities of the Nomination and Remuneration Committee, which is divided into 6 aspects as follows;

1. Identify qualifications of director and top management, consistent with related laws and business
2. Consider a list of qualified persons and propose it to the Board of Directors to finalize
3. Initiate a succession plan for directors and top management
4. Establish continuous training programs for directors
5. Consider procedures to determine remuneration for directors and top management whether it is paid in cash or non-cash
6. Set up criteria to determine fair remuneration. For example, the paid amount is comparable to the peer in the same industry

In 2016, the evaluation result was in “Good” level with the average score of 89.58%.

Self-Assessment on roles, duties and responsibilities of the Corporate Social Responsibility Committee, which is divided into 5 aspects as follows;

1. Initiate CSR policy and give advice to the Board on CSR-related issues
2. Supervise the Board and management team to ensure the compliance with CSR policy
3. Review existing CSR policy and study the change of CSR worldwide to enhance standard
4. Set up the policy and practices of Corporate Social Responsibility (CSR) and oversee the implementation
5. Form the policy and best practice of anti-corruption

In 2016, the evaluation result was in “Excellent” level with the average score of 91.25%.

Self-Assessment on roles, duties and responsibilities of the Risk Management Committee, which is divided into 5 aspects as follows;

1. Manage the implementation of risk management to be in line with the planned strategy, goal and changing environment
2. Give advice, monitor and evaluate risk management system
3. Consider emerging risks and control system
4. Assist the operation of Chief Risk Officer (CRO)
5. Report the performance to the Board

In 2016, the evaluation result was in “Good” level with the average score of 87.08%.

In 2016, the Company did not evaluate directors individually, since the evaluation in the form of the Board of Directors and sub-committees can reflect the performance as a whole, which each director can improve deficient parts of the topic very well.

With regard to the appraisal of the performances by the Managing Director, this would be carried out by the Chairman and the Board of Director, by considering the work results relating to each management aspect carried out by the Managing Director during each particular year.

1.6 Development of Directors and Executives

The Board of Directors and the executives have appreciated their roles, duties and responsibilities to the Company. Thus, the Company has attached importance to the development of all personnel throughout the organization, consistent with the leadership and vision of the Directors and the executives, in order to enhance knowledge, competencies, skills and potentials. The Board of Directors and the executives are encouraged to attend seminars and training courses that are beneficial to the performance of functions as are held internally or externally, including work visits.

Orientation of New Directors

The Company has arranged for the orientation of new Directors in order to inform them of the Company's policies and relevant information, such as the Company's principal business, operating results, organizational structure, and shareholders, including relevant rules and regulations as well as plant visit to each subsidiary of the Company. Also, for the benefit of the discharge of functions by new Directors, the Company has prepared a handbook for Directors as follows;

Director's Handbook

1. Securities and Exchange Act (No. 4) B.E. 2551 (2008)
2. Charter of the Board of Directors
3. Certificate of Registration as a Public Limited Company
4. Company Certification and Objects of the Company
5. Articles of Association
6. Good Corporate Governance Handbook
7. SEC's Listed Company Directors Handbook
8. Anti-Corruption Handbook

Other Information

- Visions, mission and goals of the Company;
- Annual Report together with the presentation on the Company's business description for new Directors
- The Company's video presentation

Guidelines to enhance the Corporate Governance for the Directors**Foundation**

- Director Certification
- Director Accreditation
- CG for Capital Market Intermediaries
- CG for Family Business

Committee

- Chairman
- Audit Committee
- Nomination and Governance Committee
- Compensation Committee
- Risk Management Committee

Functional

- Chartered Director
- Finance

- Strategy Formulation
- Strategy Measurement
- Risk Planning
- DCP Update

Guidelines to enhance the Corporate Governance for the Executives

Foundation

- CG for Executives
- CG for Capital Market Intermediaries
- CG for Family Business

Functional

- Board Reporting
- Risk Management Committee
- Risk Planning
- Strategy Formulation
- Strategy Measurement

Developments for the directors and the management

The Board of Directors has set up a policy to promote and support those training activities seeking to promote further knowledge for the directors, managers, and all parties concerned on a consistent basis, so as to gain better effective skills and understanding regarding their duty assignments. These activities included the programs organized by Thai Institute of Directors Association (IOD) and other agencies concerned (See the details under the heading “Board of Directors Information”), as well as the meeting to exchange opinions with The Board of Directors and the managers of other organizations, in order to apply the knowledge and experience gained to develop the Company.

The Company Directors’ attendance at training sessions conducted by the Thai Institute of Directors Association (IOD)

Name	Training Courses	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Finance for Non-Finance Director (FND)	Audit Committee Program (ACP)	Role of the Chairman Program (RCP)	Risk Management Committee Program (RMP)	Role of the Compensation Committee (RCC)
Mr. Sujarit	Patchimnun	41/2005	-	-	-	-	-	-
Mr. Boonsithi	Chokwatana	3/2003	68/2005	-	-	-	-	-
Mr. Boonkiet	Chokwatana	3/2003	41/2004	-	-	-	-	-
Mr. Thirasak	Vikitset	3/2003	68/2005	-	-	-	-	-
Mr. Atthakorn	Glankwamdee	3/2003	68/2005	-	-	-	-	-
Mr. Viroj	Theeravatvatee	12/2004	68/2005	-	-	-	-	-

Training Courses Name	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Finance for Non-Finance Director (FND)	Audit Committee Program (ACP)	Role of the Chairman Program (RCP)	Risk Management Committee Program (RMP)	Role of the Compensation Committee (RCC)
Mr. Tanong Srichit	3/2003	72/2006	9/2004	-	-	-	-
Mr. Suthep Dansiriviroj	32/2005	60/2005	-	-	-	5/2014	7/2008
Mr. Boonyarith Mahamontri	3/2003	68/2005	-	-	-	-	-
Mr. Nophorn Bhongsvej	38/2005	71/2006	-	12/2006	-	-	-
Pol. Gen. Somchai Prabhasabhakdi	25/2004	51/2004	-	2/2004	12/2005	-	-
Mr. Amorn Asvanunt	4/2003	-	-	-	-	-	-
Admiral Apiwat Srivardhana	109/2014	197/2014	-	-	36/2015	-	-

The Company directors and managers paid much attention to attend training courses or seminars designed to promote their management abilities.

Training and seminar attended by the Board of Directors in 2016

Name	Training Course/ Seminar
Mr. Suthep Dansiriviroj	CG Forum 2/2016 "Directors' Legal Responsibilities" (SET)
Mr. Nophorn Bhongsvej Mr. Viroj Theeravatvatee Mr. Suthep Dansiriviroj	Audit Committee Forum "New Auditor's Report: What is it for you?" (IOD)
Mr. Sujarit Patchimnun Mr. Atthakorn Glankwamdee Mr. Viroj Theeravatvatee Mr. Suthep Dansiriviroj	Public hearing "Corporate Governance Code" by Mr. Rapee Sucharitakul, Secretary-General of SEC (SPI)
Mr. Suthep Dansiriviroj	CAC Conference 2016 "Ethical Leadership: Combating Corruption Together" (IOD)

Relevant parties in Corporate Governance

The Company Secretary, the secretary to the Audit Committee and managers are regularly supported and engaged to attend assorted training courses and seminars organized by The Securities and Exchange Commission (SEC), The Stock Exchange of Thailand (SET), Thai Listed Companies Association (TLCA), Thai Institute of Directors (IOD), and other institute continually and consistently as follows;

Training and seminar attended by relevant parties in Corporate Governance in 2016

Name		Training Course/ Seminar
Ms. Penpak	Vongrakvanich	The UK Experience on Implementing the Enhanced Auditor Reporting (SEC)
Mrs. Pannee	Chantavaraluk	The Principles of Good Corporate Governance's Annual General Meeting Guidelines (SET)
Ms. Naiyachan	Chongkolvanich	
Ms. Naiyachan	Chongkolvanich	Issuer Annual Meeting (TSD)
Mrs. Pannee	Chantavaraluk	P01: CSR for Corporate Sustainability in Resources and Technology Industries (SET)
Ms. Naiyachan	Chongkolvanich	
Mr. Nattawut	Yawaprapas	Regulatory Adjustments of Material Transaction: MT & Related Party Transaction: RPT (SET)
Mrs. Pannee	Chantavaraluk	How to Write an Effective MD&A (SET)
Mr. Nattawut	Yawaprapas	
Mr. Amornpong	Laormatana	Quarterly Economic Wrap-Up for Listed Companies Q2/2016 (SET)
Mrs. Pannee	Chantavaraluk	Audit Committee Forum "New Auditor's Report: What is it for you?" (IOD)
Mrs. Pannee	Chantavaraluk	Current Issue Seminar 1/2016 "Anti-Red Tape Act" (IOD)
Mrs. Pannee	Chantavaraluk	S04: Sustainability Risk and Materiality Analysis (SET)
Mrs. Pannee	Chantavaraluk	Preparation of Working Paper for CAC's assessment (Federation of Accounting Professions)
Ms. Naiyachan	Chongkolvanich	CG Forum 3/2016 "Fraud Risk Management and Prevention" (SET)
Mrs. Uthoomporn	Sinprajackpol	
Ms. Naiyachan	Chongkolvanich	Company Secretary Program (CSP) 72/2016 (IOD)
Mrs. Pannee	Chantavaraluk	Form 56-1 Workshop (SEC)
Ms. Naiyachan	Chongkolvanich	
Mr. Nattawut	Yawaprapas	Preparation of financial statements and fair value measurement of assets: case study for FS 2015 (SET)
Mrs. Pannee	Chantavaraluk	Executive Briefing 2/2016 : Experiences Sharing of CAC Certification Process (IOD)
Mrs. Pannee	Chantavaraluk	Corporate Governance Code (IOD)
Mrs. Pannee	Chantavaraluk	CG Workshop 1/2016 "Enhancing Good Corporate Governance based on CGR Scorecard" (IOD)

Name		Training Course/ Seminar
Mr. Teerayuth	Kaewcoon	Public hearing “Corporate Governance Code” by Mr. Rapee Sucharitakul, Secretary-General of SEC (SPI)
Mr. Apipong	Vischuveskamin	
Ms. Penpak	Vongrakvanich	
Mrs. Uthoomporn	Sinprajackpol	
Ms. Naiyachan	Chongkolvanich	
Mrs. Pannee	Chantavaraluk	AGM Checklist 2017 No. 6/2016 (TIA)
Ms. Naiyachan	Chongkolvanich	
Ms. Kunanya	Panyalar	S06 Sustainability Reporting (SET)
Mrs. Pannee	Chantavaraluk	CAC Conference 2016 “Ethical Leadership: Combating Corruption Together” (IOD)
Mrs. Pannee	Chantavaraluk	ISO 37001, Anti-bribery management systems (Pact Network)
Ms. Naiyachan	Chongkolvanich	
Ms. Naiyachan	Chongkolvanich	Information Disclosure via New Set Portal System (SET)
Ms. Kanchana	Prachakun	
Ms. Nomjai	Tikampornpairot	

1.7 Company Secretary

Under the Securities and Exchange Act (No. 4) B.E. 2551 (2008), the Board of Directors is required to appoint the Company Secretary to take responsibility for carrying out proceedings prescribed by law on behalf of the Company or the Board of Directors. In this regard, the Board of Directors has appointed Mrs. Pannee Chantavaraluk as the Company Secretary. She has been trained on the Company Secretary Program from the Thai Institute of Directors (IOD). The Company prescribed the following scope of functions and responsibilities as follows;

1. To give advice on laws, regulations and rules that must be known and complied by the Board of Directors.
2. To prepare and keep significant documents:
 - Directors Register
 - Shareholders’ meeting notices/minutes
 - Board of Directors meeting notices/minutes
3. To keep the reports of the conflicts of interests filed by Directors or the executives.
4. To coordinate between the Directors and the executives and to support the implementation of good governance principles as well as compliance with the regulations and notifications of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission and Capital Markets Supervisory Board.
5. To ensure the proper and prudent discharge of functions by the Directors and executives, taking into account the rights of shareholders and fair treatment of shareholders.
6. To contact the relevant supervisory authorities.

Moreover, the office of the Company Secretary consists of officers having law and accounting knowledge, who have been trained on the Fundamental Practice for Corporate Secretary from the Thai Listed Company Association to reinforce their capabilities. Besides, they were assigned to conduct the orientation for the new Directors, as well as to enhance knowledge and understanding on Good Governance to the Directors, the executives, and employees. In other words, they perform as the Compliance Unit in building the corporate image.

Guidelines to enhance the Corporate Governance for the Company Secretary

Foundation

- Company Secretary Program
- Functional
- Board Reporting
- Company Reporting

Extension Skill

- Strategy Formulation

In addition, the Board of Directors has considered, reviewed the Company's visions, missions and business strategy monitored for action in the previous fiscal year. For example, electricity and steam are distributed efficiently and effectively under the management of "Sufficiency Economy" and Good Corporate Governance" and so on. Moreover, the Board of Directors has approved the resolution to sign a Declaration of Intent of Collective Action Coalition Against Corruption enacted by Thai Private Sector on February 18, 2014. In order to be in compliance with the Company's Corporate Governance as well as corroborate its aims and Corporate Social Responsibility as a whole, the Board of Directors approved the Anti-Corruption Policy on February 18, 2015. The policies provide an ethical framework to directors, executives and employees for the business operations, taking into account the balance and fairness for all stakeholders in the code of conduct. Such information has also been published on the Company's website and intranet system.

In 2016, the Board of Directors convened 6 meetings. The meeting dates had been earlier decided throughout the entire year. Furthermore, additional meeting could also be summoned according to necessary circumstances, which disclosed the detail in "Management Structure".

● Sub-Committees

The Company has 5 sub- committees described as below

	Persons	Independent Directors	Non-Executive Directors	Executive Directors	Executive Officers*
1.Executive Committee	6	-	-	5	1
2.Audit Committee	3	3	-	-	-
3.Nomination and Remuneration Committee	4	1	2	1	-
4.Risk Management Committee	6	-	-	1	5
5.Corporate Social Responsibility Committee	6	-	-	1	5

Remarks : Those 5 sub-committees have their term for 1 year

* Executive Officers were not the Company Directors

2.1 The Executive Board

The Executive Committee is appointed by the Board of Directors to manage the Company operation to ensure that the Company has excellent management procedure. Such committee consisted of six persons and its term is one year, and selected by the Board of Directors after the annual general shareholders' meeting.

Name list of The Executive Board

Name	Date of Appointment	Position	Position Period
1. Mr. Thirasak Vikitset	March 6, 2007	Chairman	2016-2017
2. Mr. Atthakorn Glankwamdee	March 6, 2007	Director	2016-2017
3. Mr. Tanong Srichit	March 6, 2007	Director	2016-2017
4. Mr. Viroj Theeravatvatee	March 6, 2007	Managing Director	2016-2017
5. Mr. Suthep Dansiriviroj	May 14, 2012	Director	2016-2017
6. Mr. Sontaya Tabkhan	May 13, 2013	Director	2016-2017

Secretary to the Executive Board: Mrs. Pannee Chantavoraluk

The Authorities of the Executive Board

1. To appoint, remove, transfer evaluate and determine compensation and welfare of employees of different levels;
2. To appoint and remove any other working committee to carry out actions necessary for the management of the Company;
3. To issue regulations and announcements on the Company's operation, and to assign authority to members of the Executive Board and/or the Management to execute authorization on Company assets;

4. To approve engagement in non-financial juristic actions provided that the amount does not exceed the limited amount 30 million baht per case;
5. To approve investment, sale of investment capital in ordinary shares and/or any other securities, provided that the amount does not exceed the limited amount 30 million baht per case;
6. To approve sourcing and investment in fixed assets, provided that the amount does not exceed the limited amount 30 million baht per case;
7. To approve modification, destruction and disposal of fixed assets and intangible assets which are no longer in use, damaged, lost destroyed, deterioration and out of date, provided that the book value does not exceed the limited amount one million baht per case;
8. To approve modification, change of price and destruction of raw materials and/or remaining inventory which are deteriorated or out of date, provided that the book value does not exceed the limited amount one million baht per case;
9. To authorize executive of the company or other individuals to act on their behalf;
10. To invite relevant employee to provide explanations, opinions or document as necessary;
11. To consult with specialists or Company consultants (if any) or hire third-party consultants of specialists if necessary at the expense of the Company;
12. To stipulate other regulations as deemed appropriate.

The Responsibilities of the Executive Committee

1. To propose the Company's goal, policy, business plan, and yearly budget to the Board of Directors;
2. To control the business management to achieve the goal, objectives as well as business policy;
3. To increase the capability on competition and create any innovation continually
4. To conduct the operation management in compliance with the laws, objectives, the articles of association, the Board of Director's and shareholders' resolution as well as other related regulations;
5. To report on the performances each executive director be accountable to the meeting of the Executive Committee;
6. To prepare the financial report for the auditor and/or verify it prior proposing to the Audit Committee and the Board of Directors respectively;
7. To consider agenda before propose to the Board of Directors for approval or comment;
8. To improve and amend the chapter of the Executive Committee and propose to the Board of Directors for approval;
9. To perform other functions assigned by the Board of Directors.

The Managing Directors

The Board of Directors has clearly assigned the authority, duty and responsibility of the Managing Director as a guideline to serve as the Managing Director. The details are as follows:

The Authorities and Responsibilities of the Managing Director

1. Manage Company operations so as to well comply with the laws, objectives, Company regulations, resolutions by the shareholders' meeting, resolutions by The Board of Directors, resolutions by The Executive Board, and other standard practices concerned.
2. Instruct or engage in necessary and appropriate acts, so as to achieve those purposes laid down in above item 1. Should the matter be deemed significant, the Managing Director is required to report said matter to The Board of Directors and/or The Executive Board.
3. Review and approve the recruitment, appointment, transfer, and dismissal of employees, granting approval to the promotion or disciplinary action against employees, as well as deciding on the remuneration and welfare benefits for employees. However, such action must not contradict with the authority and the decision by The Executive Board.
4. Set Company regulations regarding work practice, which must not contradict with the policies, regulations, provisions, instructions, or resolutions, set forth by the shareholders' meeting, The Board of Directors' meeting, and/or The Executive Board's meeting.
5. Authorize and/or assign other persons to carry out specific assignment on own behalf.
6. The exercise of authority by the Managing Director shall not be permitted, if he/she is deemed to have interests at stake, or have conflict of interests with the Company.
7. In the exercise of authority by the Managing Director, should there arise any doubt or unclear aspect regarding such action, the matter shall be forwarded to The Board of Directors for consideration and conclusion.
8. Other duties as assigned by the Executive Board.

Additionally, the Executive Committee has established several committees in order to have employees jointly organize the internal management appropriately, efficiently, and effectively to the Company. Each committee has at least one Executive Director to be a consultant. The established committees at present are as follows:

1. The Committee of Safety, Occupational Health and Working Environment
2. The Committee of Welfare
3. The Committee of Environment, Safety and Energy Conservation
4. The Committee of Risk Management
5. The Committee of Corporate Social Responsibility
6. The Committee of Anti-Corruption

Merger or Segregation

The Company prescribes that the Chairman of the Board of Directors shall not be an Executive Director, Managing Director and shall not have any relationship with the entire management. There is a clear separation in the functions with respect to supervisory policies and the management of routine functions. The Company has prepared a Charter of the Board of Directors which clearly prescribes and delineates the powers of all committees and the Managing Director.

The Chairman of the Board of Directors is the leader and controller of Board of Directors meetings in order to ensure independence. All Directors are able to express opinions or make suggestions fully. The management of the executives is supported through the grant of powers and responsibilities to the Managing Director. The Board of Directors does not interfere with routine management work. Although the Chairman of the Board of Directors is not an Independent Director, the Company remains confident that the duties has always been undertaken with an understanding of good corporate governance principles. Decisions on significant matters approved by each relevant committee have achieved a balance and reviewed strictly.

During the previous year, the Executive Board consists of 5 Executive Directors leading by the Managing Director for the execution of management planning to comply with the policies of the Board of Directors. The Executive Directors also participated in stipulating business goal together with Managing Director.

In 2016, the Executive Board convened 10 meetings, and subsequently reported the results to the Board of Directors. The meeting dates had been earlier decided throughout the entire year.

2.2 The Audit Committee

The Board of Directors has approved the appointment of the Audit Committee with the qualifications specified under the conditions of security law and the Stock Exchange of Thailand. Such the committee must consist of at least three independent directors and at least one director must be qualified in accounting and finance, and whose term is one year. The Audit Committee shall be yearly appointed by the Board of Directors after the annual general shareholders' meeting. In 2016, the total amount of the Audit Committee was three persons.

The list of the Audit Committee is as follows:

Name	Date of Appointment	Position	Experience & Expertise	Position Period
1.Mr. Nophorn Bhongsvej	March 29, 2006	Chairman	Accounting and Financial	2016-2017
2.Pol. Gen. Prabhasabhakdi Somchai	March 30, 2005	Director	Management	2016-2017
3.Mr. Amorn Asvanunt	March 6, 2003	Director	Accounting and Financial	2016-2017

Secretary to the Audit Committee: Mrs. Pannee Chantavoraluk

The amendment of audit charter was approved by the Board of Director's Meeting No. 4/2016 on August 9, 2016 and effective from August 10, 2016 onwards;

The Authorities of the Audit Committee

1. To communicate during an auditor, the Board of Director and the internal audit to have clear understanding on internal functions;
2. Have a right to invite the executives, the management, or employees to clarify, commentate, attend the meeting or submit any relevant documents, including be able to reach into any classified information of the Company;

3. Have a right to verify person or any matters concerned under the authorities and responsibilities of the Audit Committee;
4. To consult a specialist or the Company's consultant (if have) or outsource professor in case of crucial matter by the Company's expenses;
5. To comment on the appointment, transfer, rescind an internal supervisor or any section responsible on the internal audit.

The Responsibilities of the Audit Committee

1. To review that the Company's financial statements are correct and sufficient. Including information disclosure in accordance with the Financial Reporting Standard;
2. To review that the Company's internal control system and internal audit system are sufficient and effective, review the sufficient independence of the Office of Internal Audit, and provide opinions for the appointment, transfer, and promotion of heads of the Office of Internal Audit or other offices with responsibilities for internal audit activities;
3. To review that the Company's operation conforms to laws on securities and exchange, requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business;
4. To review the compliance of the anti-corruption policy;
5. To review, select, nominate for approval for the persons with independence of performing the duties of external auditors for the Company, propose the remuneration of such external auditors and present it to the Annual General Meeting for approval ,and jointly attend the meeting with the external auditors, at least once a year, without the presence of the Company's management;
6. To review any related transactions or transactions with potential conflict of interest to be in compliance with laws and regulations of the Stock Exchange of Thailand and the notification of the Capital Market Supervisory Board in order to ascertain that such transactions are reasonable and provide the best benefits for the Company;
7. To prepare the Audit Committee reports to be disclosed in the Company's annual report; such reports must be signed by the Chairman of the Audit Committee and it must contain, at least, some significant information as described below:
 - (a) The opinions about the accuracy, correctness and reliability of financial statements and financial reports of the Company;
 - (b) The opinions about the sufficiency of internal control system of the Company;
 - (c) The opinions about the compliance with laws on securities and exchange, requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business;
 - (d) The opinions about the appropriateness of external auditors;
 - (e) The opinions about transactions with potential conflict of interest;
 - (f) The number of meetings to be convened by the Audit Committee and meeting attendance of each Audit Committee member;

- (g) The opinions or general findings obtained by performing its duties in accordance with the Audit Committee Charter;
 - (h) The opinions about other matters that should be notified to general shareholders and investors under the scope of duties and responsibilities assigned by the Board of Directors.
8. In performing the duties as the Audit Committee, if discovering or suspecting of either of the following transactions or acts, which may give significant effects to the financial status and operating results of the Company, the Audit Committee must report it to the Board of Directors for improvements within the reasonable period determined by the Audit Committee:
- (a) A transaction with potential conflict of interest;
 - (b) A fraud and corruption or irregularity or significant defect in the internal control system; or
 - (c) A violation of laws on securities and exchange, requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business.

If the Board or management of the Company fails to make remedies within the established period, one of the Audit Committee members may report such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

- 9. To support and monitor to ensure that the Company acquires the efficient risk management system;
- 10. To review, improve and amend the Audit Committee Charter, and propose such amended charter for the Board of Directors' approval;
- 11. To ensure that the Company has adequate management system in accordance with the good corporate governance practice;
- 12. To perform other functions assigned by the Board of Directors under the approval of the Audit Committee by virtue of its authority stated in the Articles of Incorporation of the Company and other related laws.

In carrying out the mentioned above duties, the Audit Committee is directly responsible to the Board of Directors, who in turn is responsible to the shareholders and general investors.

In 2016, the Audit Committee convened 4 meetings. The meeting dates had been earlier decided throughout the entire year. The Audit Committee regularly reported its findings to the Board of Directors, and also attended joint meetings with the Company's auditor and the Chief Financial Officer each quarter, to review the Company's quarterly financial statements.

2.3 The Nomination and Remuneration Committee

The Nomination and Remuneration Committee is appointed by the Board of Directors to supervise the corporate good governance management, especially to select a qualified person to be a director transparently. Such committee consisted of four persons, including the Chairman of the Nomination and Remuneration Committee and three of them were not executive directors. Its term is one year, and selected by the Board of Directors after the annual general shareholders' meeting.

Selection: To select and screen a qualified person suitable to serve as a Company director. This selection procedure can be verified to ensure the selection is transparently.

Compensation: To consider criteria on payment and type of compensation to ensure that this compensation is paid transparently and explicitly.

The list of the Nomination and Remuneration Committee is as follows:

Name		Date of Appointment	Position	Position Period
1. Mr. Sujarit	Patchimnan*	May 10, 2016	Chairman	2016-2017
2. Mr. Boonkiet	Chokwatana	February 27, 2009	Director	2016-2017
3. Mr. Thirasak	Vikitset	February 27, 2009	Director	2016-2017
4. Mr. Nophorn	Bhongsvej	February 27, 2009	Director	2016-2017

*He was appointed as Chairman of Nomination and Remuneration Committee in replacement of Mr. Boonkiet Chokwatana on May 10, 2016

Secretary to the Nomination and Remuneration Committee: Mrs. Pannee Chantavoraluk

The Authorities of the Nomination and Remuneration Committee

1. To invite the management or Company relevant employees to provide explanations, opinions or documents as necessary.
2. To consult with specialists or Company consultants (if any), or hire outside consultants or specialists, if necessary, at the expense of the Company.

The Responsibilities of the Nomination and Remuneration Committee

Selection

1. To identify and screen individuals who are qualified to serve as Company directors;
2. To review the background of selected individuals to ensure that they are qualified by their knowledge, competence, experience and expertise in accordance with Company regulations and relevant laws;
3. To provide selection opinions or recommendations for the consideration of the Board of Directors;
4. To nominate selected individuals to the Board of Directors for consideration;
5. To revise the Nomination and Remuneration Committee Charter, when needed, and propose it to the Board of Directors for their approval;
6. To engage in any other action as assigned by the Board of Directors.

Compensation

1. To evaluate the performance of the Board of Directors each year;
2. To determine the compensation of Company directors on the basis of the operational performance of the Company, the amount of compensation approved by a shareholder meeting and the amount paid in the prior year; and, to propose the determined amount to the Board of Directors for their consideration and to the shareholders meeting for approval;
3. To determine the compensation for Company directors on the basis of performance, as well as, duties and responsibilities, which is not in excess of the amount approved by the shareholders; and, to propose the determined amount to the Board of Directors for approval;
4. To determine the compensation for members of the Nomination and Remuneration Committee (those who are not Company directors) on the basis of performance as well as duties and responsibilities; and, to propose the determined amount to the Board of Directors for approval;
5. To revise the Nomination and Remuneration Committee Charter and propose it to the Board of Directors for approval;
6. To engage in any other action as assigned by the Board of Directors.

In 2016, the Nomination and Remuneration Committee convened 2 meetings, and subsequently reported the results to the Board of Directors. The meeting dates had been earlier decided throughout the entire year.

2.4 The Risk Management Committee

The Risk Management Committee is appointed by the Board of Directors to select qualified persons from Company director, management team or other person with experience and knowledge of risk management. Such committee must consist of at least three persons, the term is one year, and selected by the Board of Directors after the annual general shareholders' meeting. In 2016, the total amount of the Risk Management Committee was six persons.

The list of the Risk Management Committee is as follows:

Name		Date of Appointment	Position	Position Period
1. Mr. Suthep	Dansiriviroj	May 6, 2014	Chairman	2016-2017
2. Mr. Teerayuth	Kaewcoon	May 6, 2014	Director	2016-2017
3. Mr. Apipong	Vischuveskamin	May 6, 2014	Director	2016-2017
4. Miss Penpak	Vongrakvanich	May 6, 2014	Director	2016-2017
5. Mr. Thanawat	Kamsri	May 12, 2015	Director	2016-2017
6. Mrs. Uthoornporn	Sinprajackpol	May 6, 2014	Director	2016-2017

Secretary to the Risk Management Committee: Mrs. Uthoornporn Sinprajackpol

The Authorities of the Risk Management Committee

1. To invite the management or Company relevant employees to provide explanations, opinions or documents as necessary.
2. To consult with specialists or Company consultants (if any), or hire outside consultants or specialists, if necessary, at the expense of the Company.
3. To appoint corporate team to monitor the risk management.

The Responsibilities of the Risk Management Committee

1. Responsible for risk management policy approved by the Board of Director to be in line with the Corporate Governance Policy.
2. Appoint the risk management team of the Board of Directors and Executive Board for acknowledgement.
3. Monitor and evaluate risk management process which is presented by the risk management team.
4. Evaluate and approve the risk management plan presented by the risk management team.
5. Report risk management results to the Board of Directors.
6. Operate the risk management efficiently.
7. Adjust the charter of the RMC and report it to the Board of Director for consideration.
8. Engage in other acts as assigned by the Board of Directors.

The Company has determined the written Risk Management Policy for business operation and informed it to the directors, executives and employees at all levels. The policy provides an ethical framework for the business operations, taking into account the balance and fairness for all stakeholders in the code of conduct. Such information has also been published on the Company's website, intranet system as well as Form 56-1 under the heading "Risk Factors". The Risk Management Policy was stipulated as follows;

1. To keep the balance of risk and reward from business operation in order to ensure that the operational goals and stakeholders' expectation are achieved under risk levels accepted by the executives
2. To set strategy in line with risk levels which the Board of Directors considers as acceptable
3. To support the risk management to become a part of organizational cultures, which is necessary to operate it effectively and efficiently by all executives and employees
4. To handle risks impacting on the Company's objectives and strategy immediately and continually

In 2016, the Risk Management Committee convened 4 meetings, and subsequently reported the results to the Board of Directors. The meeting dates had been earlier decided throughout the entire year. Moreover, the committee prepared the anti-corruption handbook as a guideline to take action in the origination.

2.5 The Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is appointed by the Board of Directors to select qualified persons from Company director, management team or other person with experience and knowledge of corporate social responsibility. Such committee must consist of at least three persons, the term is one year, and selected by the Board of Directors after the annual general shareholders' meeting. In 2016, the total amount of the Corporate Social Responsibility Committee was six persons.

The list of the Corporate Social Responsibility Committee is as follows:

Name		Date of Appointment	Position	Position Period
1. Mr. Viroj	Theeravatvatee	May 6, 2014	Chairman	2016-2017
2. Mr. Apipong	Vischuveskamin	May 6, 2014	Director	2016-2017
3. Mr. Jaturong	Kornwet	May 6, 2014	Director	2016-2017
4. Mr. Sutas	Boonsoi	May 6, 2014	Director	2016-2017
5. Ms. Naiyachan	Chongkolvanich	May 12, 2015	Director	2016-2017
6. Mr. Pornsak	Chuamuangphan	May 6, 2014	Director	2016-2017

Secretary to the Corporate Social Responsibility Committee: Mr. Pornsak Chuamuangphan

The Authorities of the Corporate Social Responsibility Committee

1. To invite the management or Company relevant employees to provide explanations, opinions or documents as necessary.
2. To consult with specialists or Company consultants (if any), or hire outside consultants or specialists, if necessary, at the expense of the Company.
3. Appoint the corporate team to monitor and support the Corporate Social Responsibility process.

The Responsibilities of the Corporate Social Responsibility Committee

1. Set the Corporate Social Responsibility Policy and framework.
2. Consider and scrutinize activities and policy for the Company's society and environment.
3. Consider and approve strategies and activities to meet CSR goals and policy of society and environment.
4. Endorse annual plan and budget for operations about society and environment.
5. Review and monitor progress of CSR activities and to appraise the achievements and the quality of CSR projects.
6. Give opinions and suggestions on CSR Policy and the Code of Conduct of the Company's business operation and employees.
7. Engage in other acts as assigned by the Board of Directors.

The Company has determined the written CSR policy for business operation and informed it to the directors, executives and employees at all levels. The policy provides an ethical framework for the business operations, taking into

account the balance and fairness for all stakeholders. Such information has also been published on the Company's website, intranet system as well as in the Corporate Sustainability Report. The CSR policy is as follows;

1. **Good Governance:** Sahacogen does business in accordance with the good corporate governance principles, ethics, moral, social benefits and stakeholders' fair treatment. The Company also focuses on increasing its values and supporting the Company sustainable growth.
2. **Anti-Corruption:** Transparency, integrity, and justice are the essence of Sahacogen's business operation. Illegal and immoral practices are not acceptable.
3. **Human Rights:** Sahacogen supports the human rights protection. All stakeholders and other people will be equally treated regardless of gender, skin color, race, religion and personal belief.
4. **Labor Practices:** Sahacogen provides fair employee benefits and welfares according to the labor laws and occupational health and safety management principles.
5. **Consumers and Suppliers:** Sahacogen is continually developing the operational system to efficiently deliver good quality products and services to customers. We treat our suppliers with fair trades. Moreover, we are focusing on building long term relationships with customers and suppliers.
6. **Environment:** Sahacogen promotes the resource management for sustainability. We ensure the compliance in environmental friendly procedures to reduce the risk and negative effects from our operation. We also help to preserve the local ecology systems and communities environment to be sustainable.
7. **Community Involvement and Development:** Sahacogen supports the local development in terms of education, economy and living quality. We encourage our staff to regularly participate in public benefit and local traditional activities.
8. **Innovation and Dissemination:** Sahacogen gives collaborative supports to local communities and local educational institutions to conduct studies in raw material productivity improvement, using by-products in creating new inventions, and also practically promote such ideas and practices to the local communities.

In 2016, the Corporate Social Responsibility Committee convened 2 meetings, and subsequently reported the results to the Board of Directors. The meeting dates had been earlier decided throughout the entire year.

The selection and appointment of the directors and chief executive officer

1. The selection method of persons to be appointed directors and independent directors

The Nomination and Remuneration Committee has been assigned to select qualified persons having appropriate qualifications to be nominated as Company directors in accordance with the organization and structure of directors for the Company's business strategy for consideration by the Board of Directors, prior to submitting to the shareholders' meeting for approval by the majority votes of the shareholders present at said meeting. In the case where the retirement took place prior to term completion with the remaining term being not less than 2 months, the Board of Directors' meeting shall then be authorized to select the persons from the candidates proposed by the Nomination and Remuneration, for further

appointment as Company directors, by the majority votes of not less than 3/4 of the remaining directors. In such case, the newly-appointed directors shall serve out the remaining term of their predecessors.

For such nominating process of the persons to be appointed directors, the Company has set the screening criteria for such candidates based upon their basic qualifications and qualities that can meet the requirements of the vacancy, in order to have the Board of Directors with knowledge and various field of expertise, including leadership, vision, integrity and ethics, as well as transparent work experiences and not be prohibited under the laws and regulations of the Company. With this regard, the Company provided an opportunity for minor shareholders to participate in nominating qualified directors. In addition, the Nomination and Remuneration Committee also considered the person to be nominated to serve as directors, apart from professional directors of the Thai Institute of Directors Association (IOD).

With regard to the selection of persons to be appointed independent director, the Nomination and Remuneration Committee shall select from those persons having qualifications required for independent directors, in accordance with the Notification by the Capital Market Supervisory Board, in addition to basic qualification requirements above.

Independent director's qualifications

The Board of Directors resolved to adopt the definition for "independent director" having qualifications in accordance with the notification of the Capital Market Supervisory Board as disclosed in "9.3 The selection and appointment of the directors and chief executive officer".

2. The rights accorded minor shareholders regarding director(s) appointment

Nomination of Directors

The Company provided minor shareholders with the opportunity to nominate candidates to be appointed as Company directors at the annual shareholders' general meeting in advance according to the criteria specified by the Company, whose further details were displayed on the Company website under the heading "Investor Relations : IR News".

Vote-casting method for director appointment

According to the Company's Articles of Association, the chapter 3 on the item 11, the shareholders' meeting was authorized to appoint Company directors according to the criteria and method as follows:

- One shareholder shall have one vote per one share.
- Each shareholder must exercise all of the votes he or she has under the first paragraph to elect one or several persons to be a director or directors and must not allot his or her votes to any person in any number.
- The persons receiving the highest number of votes, followed by those with descending highest number of votes shall be elected as the directors fulfilling the number of directorship required to be elected by the shareholder's meeting. In case the number of votes for the candidates in descending order are equal and exceed the number of directors to be elected at said meeting, the Chairman shall cast the deciding vote.

The selection of the management

The selection process for the persons to further serve in management positions for the Company begins with the selection of the persons having good qualifications and sound morality and ethics to join the Company. The Company then trains and develops these people to be well-prepared to meet the challenges as future management members, through its consistent evaluation process of employees' potentials and capabilities. Those employees so selected and trained by the Company would be assigned to work in the positions having higher authority and responsibility scope. As general practice, the Company regularly carries out training programs seeking to upgrade employees' potentials to a higher level, so as to be well-prepared to take up further significant positions when they become vacant.

The selection of the Chief Executive Officer

With the regard of selection methods for the Company's Chief Executive Officer, the Nomination and Remuneration Committee shall consider and select from the current management or others, with qualified knowledge and abilities, who understand the Company's business very well, as well as be able to manage to achieve the objectives and targets set by the Board of Directors, and also not be prohibited by laws. Accordingly, such person is then proposed to the Board of Directors for consideration of appointment.

Supervising the operations of subsidiaries and associates

The Nomination and Remuneration Committee will make a decision in selecting the person and present it to the Board of Directors to consider selecting the person nominated and appointed to be a director in subsidiaries and associate. The number of individual that the Company voted to appoint as a director is in accordance with the Company's proportion of shareholding. The person who was appointed as a director in subsidiary or associated companies was entitled to perform the operations for the best interests of their subsidiaries or associate, unless it is important policies affecting the Company's business operations. The Company required the appointed person to be approved by The Executive Board prior to cast a vote.

The Company has laid down the policy for subsidiaries and associate that is the Company's main business to have proper and adequate internal control systems. Such internal control systems of subsidiaries were monitored annually by Dharmniti Internal Audit Co., Ltd.

Furthermore, the Company has assigned the person who was appointed by the Company to oversee its subsidiaries to operate and disclose significant information according to the rules in the same way as the Company performed, such as making connected transaction, the acquisition or disposition of assets, or making other important transactions, including to supervise the information storage and bookkeeping of the subsidiaries for the Company, so that it can be reviewed and collected for financial statements in due time.

The Company had no agreements between the Company and other shareholders in the management of subsidiaries, totaling 2 companies (Sahacogen Green Co., Ltd. and Sahagreen Energy Co., Ltd., since it is a major shareholder and no other persons holding shares more than 10 percent of the shares with voting rights of subsidiaries. In addition, the Company had no agreements between the Company and other shareholders in sharing returns beyond normal returns according to proportion of their shareholding in subsidiaries. For Sahagreen Forest Co., Ltd, its subsidiary,

the Company has the agreement with other shareholder in accordance with “Joint Venture Agreement for Biomass Power Plant Project” at August 21, 2010.

3. Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has been elected by the shareholders as their representatives in implementing the Company’s policies. They collaborated with the executives in formulating vision, missions, strategies, operational plan, annual budget, good governance, and supervision so as to support and direct the performance of the executives and employees.

During the previous year, the Board of Directors has legally operated the Company in compliance with the laws and regulation. Therefore, there is no infringement on the official regulations found.

3.1 Leadership and Vision

The Board of Directors is comprised of persons with knowledge, competence, skills and experience in the Company’s principal business. The vision, mission, strategies and goals as well as working plans and annual budget are determined in order to enhance operational efficiency for the greatest benefits of the business and achievement of the Company’s business goals. In this regard, the Board of Directors undertakes the duties of monitoring the management of the executive according to the various working plans, as well as the determination and delineation of roles, functions and responsibilities between the Board of Directors, executive officers, employees and relevant persons.

In addition, the Audit Committee has been entrusted with the function of supervising the operations of the internal audit section. Dharmniti Internal Audit Co., Ltd. was assigned to audit all procedures of the Company and its subsidiaries’ operation so as to ensure sufficiency for the business and to ensure suitable risk management in order to achieve the highest safeguard of interests. The principles of good corporate governance are applied as management tools for adding value to the business and the shareholders.

In regard to the Company’s vision and missions, the Board of Directors has supervised the Company’s performance by considering the quarterly report of operation, Company’s turnover, and security holding of the Directors and the executives in order to appropriately and timely adjust the Company’s strategies.

3.2 Good Corporate Governance

The Board of Directors appreciates the importance of good corporate governance. In consequence thereof, the Board of Directors has laid down a policy on corporate governance in writing, consisting of 4 parties, i.e. corporate governance policies, the principles of corporate governance divided into 5 categories, business ethics and code of conduct for company directors, executives and employees. Such policies were handed to the Board of Directors, the executives and all employees of the Company, in order to be a guideline for all employees to responsibly their duty with good conscious, to promote the implementation of good corporate governance systems in the organization, thus achieving transparency in business operations, trust of shareholders and general investors, stability to the business and generation of beneficial returns to the shareholders, stakeholders and the society as a whole as well as the promotion of advancement of employees. Revisions were made to certain parts of the business ethics and in compliance with ASEAN CG Scorecard,

the tool to evaluate the grade of “good corporate governance for the listed companies” for the ASEAN countries, which had been approved by the Board of Directors meeting No. 1/2014, held on February 18, 2014. The policies are also published on the Intranet and the Company’s website. For those who do not comply with such measures will be appropriately punished and might be prosecuted in the case of law violation. If employees are in doubt and cannot comply or make decision, they shall consult with sequence supervisor. In the case of dispute, the judgment from the Managing Director, the Executive Board and the Board of Directors will be considered as final order.

Establishment of the organization with the good governance culture

1. Corporate Governance Policies

The Company developed its Good Corporate Governance Principles in accordance with the “Principles of Good Corporate Governance for Listed Companies 2012” by the Stock Exchange of Thailand.

2. The Principles of Corporate Governance which are divided into 5 categories

- 2.1 Rights of Shareholders
- 2.2 Equitable Treatment of Shareholders
- 2.3 Role of Stakeholders
- 2.4 Disclosure and Transparency
- 2.5 Responsibilities of the Board

3. Business Ethics

- 3.1 Responsibilities to Stakeholders
- 3.2 Conflict of Interest
- 3.3 Receptions, Receipts and Grants of Gifts
- 3.4 Combating Dishonest Acts Corruption
- 3.5 Non-infringement of Intellectual Property
- 3.6 Non-violation of Human Rights
- 3.7 Safety and Occupational Hygiene

4. Code of Conduct for Company Directors, Executives and Employees

- 4.1 Formal Responsibilities
- 4.2 Maintenance of Company Assets
- 4.3 Informants and Complaints
- 4.4 Interpretations

3.3 Conflict of Interests

The Board of Directors has clear guidelines for managing the avoidance of conflict of interests prudently and reasonably, and in order to confer the greatest benefits for the Company and the shareholders. Transactions which might entail conflicts of interests have been notified by the Company and the resolutions disclosed specifying the value of the transaction, the contractual party and reasons of necessity for entering into such a transaction in accordance with the rules of the Stock Exchange of Thailand. The interested Directors have left the meeting room and did not vote on such agenda

so as to ensure independence in decisions and information were disclosed immediately in the interest of transparency. Connected transactions would be considered by the Board of Directors meeting on the suitability of the transaction and the Audit Committee would give its approval for the disclosure of information in Form 56-1 and the annual report. The Company has conducted as the following principals;

1. Directors and the executives shall report their personal and related persons' interests in the report form within 1 (one) month as from the effective date of the law, or as from the date of election/appointment.
2. If there is a change in information on interests, the amended interest report shall be submitted to the Company Secretary within 1 (one) month as from the date of the change.
3. The Company Secretary shall submit a copy of the report to the Chairman of the Board of Directors and Chairman of the Audit Committee within 7 (seven) days as from the date of receipt of interest report.

In 2016, all Directors and Executive Officers have already filed such reports, including any amendments thereto conducted according to the regulations.

3.4 Promotion of Social Responsibility, Environment and Human Rights

The Company has realizes on the importance of social responsibility and environment in parallel with the business operation. Therefore, the Company focuses on fostering quality of life in surrounding communities, human rights awareness, and fair employment in the sustainable ways.

3.5 Internal Control and Audit

The Board of Directors attaches importance to and has installed a control system for operations, financial reporting in compliance with rules, regulations and policies. The Company has employed Dharmniti Internal Audit Co., Ltd. to audit the internal control and reported to Audit Committee, and the Board of Directors. The auditors have independence on their audit. The Board of Directors shall consider the suitability and adequate on internal control system in accordance with the COSO (Internal Control Integrated Framework) on the 5 sections i.e. the Control Environment, the Risk Assessment, the Control Activities, the information and Communication, and the Monitoring, which will be done every year.

Guidelines for the assessment of internal control and audit described as follows;

The Internal Control; all employees of the Company have roles and responsibilities in a mutual way in writing clearly defined duties, responsibilities, authorities both in management and operational levels, also including financial control, operations and management in accordance with laws and relevant regulations.

Risk Assessment; the Company assesses type of risks, causes, risk factors, opportunities and impacts that may occur in order to find ways preventing and managing such risks in an acceptable level. This is also informed to the management and employees to help reduce and prevent risks that may arise. The internal audit unit keeps monitoring each operational unit and considers risks that may happen, which the Board of Directors and the Audit Committee support.

Control Operation: The Company clearly specified the scope of authority and approved amount to each level of management in writing, including segregation of the roles and responsibilities of each working unit for check and balance. The Company follows up, reviews and monitors the results relating to the business operations monthly in accordance with the resolution of the Board of Directors, shareholders' meeting and related laws.

Information and Communication: The Company provides both initial and external communications effectively. The Company keeps accounting documents in full and classified categories, accounting policies generally accepted are applied, and the communications about financial information or other information that are currently accurate are supported, which is informed to people involved for making decision.

Monitoring System: The Company's operating results are monitored on a monthly basis and compared with the prior year performance in order to analyze the causes of differences and adjust their strategies to meet and achieve expected goals. In order to maintain the adequate internal control, the internal audit is required to audit, analyze and evaluate the internal control of various systems and monitor the operating performance continuously. Such results need to be reported directly to the Audit Committee. If any significant defects are found, the Audit Committee has to report them to the Board of Directors for corrective action, monitoring and keeping track of such deficiencies that need to be solved.

In the Board of Directors' Meeting No. 1/ 2017, held on February 14, 2017, which was also attended by the Audit Committee, the meeting together reviewed the adequacy of the internal control system, and then concluded that the Company had adequate internal control system in place. (The details are disclosed in the Audit Committee report Form 56-1 and the annual report.

The Internal Audit

The Board of Directors has assigned the Audit Committee to inspect the sufficiency, appropriateness, and effectiveness of the internal control system. The results of the internal audit should be reported to the Board of Directors and shareholders. The Company has employed Dharmniti Internal Audit Co., Ltd. to audit the internal control system and report directly to Audit Committee. Mr. Saksri Ampawan, the Head of Internal Audit and their qualified supporting team are responsible for the assessment of sufficiency and effectiveness of the internal control system and be independent. They have given suggestions in proposing improvement for the added value of the organization, and simultaneously supporting the good corporate governance.

In 2016, the Audit Committee has effectively performed their responsibilities as assigned, making the mission completely. The evaluation of internal control system was revealed in "Shareholders and Management Structure" in the annual report and the Form 56-1. The assessment of the internal control system was reported some issues to be improved to the recipients and the related parties as well as properly recommendations for corporate operation, which were presented to the Board of Directors for consideration on the quarterly meeting.

3.6 Risk Management

The risk management is a policy implemented systematically in the organization under the supervision of the Risk Management Committee comprising the Executive Director and Managing Directors.

In this regard, the senior management of each department have been appointed as a commission responsible for the risk management according to the policy and assigned duties. The report on risk management is presented to the Audit Committee and the Board of Directors. If necessary, they can propose statement of necessity to the Board of Directors to be considered. Whenever there is a significant risk or an irregular transaction. These proceedings are taken to ensure that the level and magnitude of damages that could occur are maintained within acceptable, assessable and controllable levels for the organization that can be systematically inspected with due consideration to the organization's goals.

In 2016, the Risk Management Committee arranged totally 4 meetings and reported to the Audit Committee and Board of Directors every year. Such reports specified opinions and considerations which were good for the company operations and approved by all committees. The Company disclosed the risk management in "Risk Factors" and "Report of the Risk Management Committee" in the annual report.

4. Board of Directors' Meetings

The Board of Directors has determined that meetings shall be held at least once every quarter. An annual schedule of Board of Directors' meetings is prepared wherein the agenda are clearly stated. The Company Secretary would submit such schedule in the December of each year together with the submission of documents at least 7 days prior to the meeting date so as to give the Board of Directors sufficient time to consider and examine the data prior to attending the meeting, except in the event of urgency for the protection of the Company's interests where notice may be given less than 7 days. Each meeting would last approximately 2 hours.

A quorum of the Board of Directors' meeting requires the presence of at least half of all directors.

All directors are considered as their duties to attend the meeting each time unless unable to do so due to significant obligation or illness. On consideration of other issues, the Chairman of the Board of Directors, be the Chairman of the Meeting, has invited the Directors to comment independently. The voting shall be held the majority. Each director shall have one vote and the director who have conflicts of interest in each agenda, as the case may be. In case that the voting is equal, the Chairman of the Meeting is entitled to one vote on a resolution.

The Board of Directors has focused on the management of the conflicts of interest of all parties carefully and fairly. The information must be completely disclosed. In the event that any directors have conflicts of interest with the benefit on the issued considered, such interested director has no right to make decision.

One the Board of Directors' Meeting, if there is a query or a need to obtain additional information from relevant persons, Managing Director would invite a high level management to give an explanation.

The Company Secretary would record the meeting and propose to the Executive Board to review prior to present to the Board of Directors' Meeting for endorsing on the first agenda of the next meeting and verified by signatures of the Chairman of the Board of Directors. In addition, the Directors can express opinion or amend on the Minutes of the Meeting before endorsement.

The Minutes of Meetings, already endorsed, are kept at the head office and filed the original minutes of meeting together with the relevant documents on each agenda for convenience of reference and searching.

Besides, the Board of Directors has allowed the Non-Executives Directors to hold meetings amongst themselves in the absence of the management in necessity and present to the board for acknowledgement.

In 2016, the Company has held 6 meetings of the Board of Directors which were considered as the appropriate numbers and adequate time for the performance of the Director and the nature of business. Not less than 80% of the Directors attended the meeting. If the Directors would like to have more information, they could make a request to the Company Secretary.

The Board of Directors supported the joint meeting between the Board of Directors and the Executive Board at least once a year, to deliver yearly strategic targets and operation plans of the Company, as well as to build good relationships between directors and executives. Moreover, Chief Financial Officer has joined the Board of Directors' meeting at all times.

The Board of Directors has laid down a policy that independent directors arrange their own meeting, without executive directors or the management of the Company, at least once a year so that independent directors can consider and discuss various issues about management or issues that are of interest. The results of the meeting were informed to the Managing Director.

During 2016, Independent Directors and Audit Committee held the meeting without the management attending the meeting (the amount of meetings shown in "Management Structure").

The Audit Committee regularly held a meeting on a regular basis with Company's auditor, Dharmniti Internal Audit Co., Ltd. The Audit Committee invited the management to participate the meeting as well.

5. Remuneration of the Directors and the Executives

The Nomination and Remuneration Committee would determine the appropriate remunerations by consideration of the experience, duties, scope of roles and functions, participation and responsibilities of each Director for proposal to the Board of Directors and to the meeting of shareholders for approval. In this regard, the Annual General Meeting of Shareholders No. 14 held on Monday, April 25, 2016 approved directorial remunerations on the amount of not exceeding Baht 10 million per year. The Board of Directors has delegated to the Nomination and Remuneration Committee the tasks of determining the remunerations for the Directors and Sub-Committees, and then proposing the appropriate remuneration to the Board of Directors for approval.

The Nomination and Remuneration Committee has defined the remuneration structure appropriately to the responsibilities and benefits which each director has received, as well as, according to the Company's operation performance and comparable to the similar industries. The Sub-Committee shall receive additional remuneration from appropriately performance.

In 2016, the Nomination and Remuneration Committee held 2 meetings. The committee considered remuneration for year 2016 to directors and proposed the remuneration amount for the year 2017 to get an approval from the Board of Director and the shareholders' meeting respectively. The amounts of remuneration to each director are disclosed in the "Shareholders and Management Structure" of the annual report and the Form 56-1.

6. Succession Plan

The Company has set succession plans for key management positions at all levels, starting from the process of nominating the persons who will be responsible, in a proper and transparent manner. The persons were prepared in different areas, as well as continuously participated in training for development. There was also monitoring activities to create the management with knowledge, abilities, leadership, who is professional and honest, allowing the Company to precede its operations continuously and effectively.

Additionally, the Board of Directors has recognized the importance of creating the management to succeed to Chief Executive Officer, with the principles as follows:

1. Specify description for the position of chief executive officer, and relation with targets and strategies of the organization, including qualifications of knowledge and skills required.
2. Select subordinate executives with potential and capabilities.
3. Analyze their qualification individually to find prominence and what needs to be further developed.
4. Create individual developing plan to promote potential and capability development.
5. To provide opportunity for middle management to work closely with top managers including department managers in both direct-functional and cross-functional lines.
6. To select the Executives of high potential to succeed and place in the appropriated positions.
7. To prepare having senior management be ready to take up other functions if necessary.
8. To prepare specialized personnel to be able to take up higher management positions.
9. To give the executives more opportunities on both direct-functional and cross-functional lines.
10. To organize a training course for senior and middle management to promote common awareness for accountability, integrity and corporate image as a whole.
11. To provide the executives training for each department for higher potential, advance planning in addition to systematic thinking to middle managements.
12. There are other training courses on systematic planning process for middle managers.
13. The Company rotates executives in some divisions to enhance efficiently in business administration.

7. The Operation of Anti-Corruption

The Company signed a declaration of intent to join Thailand's private sector Collective Action Coalition Against Corruption (CAC) on February 18, 2014. All employees were informed of the Anti-Corruption Policy on February 17, 2015, which is monitored closely by the Risk Management Committee. Additionally, the company directors, management and all employees were provided with seminars and workshops about such issue. The policy is publicized on the Company's website at www.sahacogen.com, in which related parties and stakeholders can acknowledge it, in order to support the enhancement of anti-corruption awareness and practices, together with the good governance policy, business ethics and code of conduct published in kind of cartoon animation, which finished in the beginning of year 2015.



Anti-Corruption Policy

The company follows the policy relevant to laws countering corruption by prohibiting the company directors, executives and employees from accepting or supporting every type of corruption both in direct and indirect manner, which is written for exercising it as follows;

1. The company will not be a party to pay bribes. In case of charitable contributions, political contributions as well as offering gifts in a business manner, this must be transparent, explainable and audited.
2. Supporting enhancement of awareness and value for anti-corruption among the company directors, executives and employees to perform duties in accordance with relevant laws, notifications and regulations by preparing such manual for guidelines.
3. The company directors, executives and employees must not act as an intermediary in demanding and accepting gifts or benefits from government sectors or private sector, which induces to violate the laws. Moreover, it is illegal to use positions and/or duties to use the company's data to seek benefits for oneself or others.
4. Setting the system to report financial status transparently and accurately, providing an efficient and effective internal control system, and controlling check-and-balance system to be appropriate in order to prevent conducting any fraud or taking part in any fraud and corruption.
5. Monitoring and reviewing the anti-corruption policy, guidelines and regulations consistently for operation in order to adjust with business changes, laws and regulations.
6. Opening channel for reporting any suspected activity and ensuring that such reporters receive protection.

Guidelines for the operation of Anti-Corruption with stakeholders

1. Persuade customers/ business partners to join and be a partner of anti-corruption and share good practices with them.
2. Enhance awareness of employees by reviewing the business ethics regularly.
3. Organize activities or campaigns relating to anti-corruption and congratulate and praise employees who conduct themselves well and honest.
4. Provide information to communities and schools as well as support anti-corruption campaign.
5. Set measures and systems for internal control for transparent business operation.
6. Be a partner or member of anti-corruption institutions or agencies; for example: the Company has joined the Partnership against Corruption for Thailand (PACT) Network on July 6, 2015.

Anti-Corruption Practices in 2016

1. Anti-Corruption handbook and guidelines were established, and also forms and work instructions relating sponsorship, gift, gratuity, and entertainment etc. for employees to compliance with.

2. The Company has channel communicating the anti-corruption policy to its customers and business partners via e-mail, intranet, website and notice of no gift policy.
3. There are channels for employees to provide notices of any suggestion or suspicion to its supervisors. Informants can give information or file a complaint on a matter which could constitute a violation of the law via notice box to the Social Security Committee or comment box or via the Company's intranet system, which will be presented to the Executive Board afterwards for consideration and tracking of rectification. All suggestions and complaints of its employees are noted and observed righteously in order to maintain good relationship with each other. The Company will keep relevant information secret with the confidence of complainant's protection.
4. The Company received the certification from Thailand's Private Sector Collective Action Coalition against Corruption (CAC) on October 14, 2016 (No 181).
5. Sahacogen Green Co., Ltd. and Sahagreen Forest Co., Ltd., its subsidiaries, signed a declaration of intent to join Thailand's Private Sector Collective Action Coalition against Corruption (CAC) on December 6, 2016.

“Sahacogen Fights Against Corruption”





8. A Survey of Corporate Governance Practices of the Listed Companies

In 2016 Thai Institute of Director (IOD) associated with Securities and Exchange Commission Thailand and Stock Exchange of Thailand in a survey of corporate governance practices of the listed companies in 2016, the total listed is 601 companies, by evaluation from annual report 2016 and published information disclosure in 2017. The Company was scored on the level of “Very Good”.

Details of Corporate Governance Evaluation;

Categories	2014 (%)	2015 (%)	2016 (%)
Right of Shareholders	91	91	92
Equitable Treatment of Shareholders	96	99	99
Role of Stakeholders	82	88	93
Disclosure and Transparency	86	97	97
Responsibilities of the Board	66	70	78
Score Average	79	84	88

The Company has appreciated the importance of Corporate Governance development continually for rewarding to society under balancing between business profits and responsibility to stakeholders, social, community and environment, in order to the sustainable growth in the long term.

In addition, the Good Corporate Governance has been adjusted to Corporate Governance Code by the Securities and Exchange Commission which the Company recognizes the importance of, and is on the progress of study for its further adjustment and compliance.

Report on changes in securities held by company directors and the management as of 31 December, 2016

	Name	No. of Shares		*Share Increment	Shareholding Ratio (%)	2016	
		2015	2016			Director	Spouse
1	Mr. Sujarit Patchimnun	-	-	-	-	-	-
2	Mr. Boonkiet Chokwatana	14,837,710	16,337,710	1,500,000	1.71	14,597,710	1,740,000
3	Mr. Boonsithi Chokwatana	16,500,000	18,000,000	1,500,000	1.88	18,000,000	-
4	Mr. Thirasak Vikitset	2,040,000	2,040,000	-	0.21	2,040,000	-
5	Mr. Atthakorn Glankwamdee	200,000	200,000	-	0.02	200,000	-
6	Mr. Tanong Srichit	-	-	-	-	-	-
7	Mr. Viroj Theeravatvatee	-	-	-	-	-	-
8	Mr. Suthep Dansiriviroj	-	-	-	-	-	-
9	Mr. Nophorn Bhongsvej	-	-	-	-	-	-
10	Pol. Gen. Somchai Prabhasabhakdi	-	-	-	-	-	-
11	Mr. Amorn Asvanunt	1,000,000	1,000,000	-	0.10	1,000,000	-
12	Mr. Boonyarith Mahamontri	50,000	50,000	-	0.01	50,000	-
13	Admiral Apiwat Sriwattana	-	-	-	-	-	-
14	Mr. Sontaya Tabkhan	-	-	-	-	-	-
15	Mr. Teerayuth Kaewcoon	-	-	-	-	-	-
16	Mr. Thanawat Kamsri	-	-	-	-	-	-
17	Mr. .Apipong Vischuveskamin	-	-	-	-	-	-
18	Ms. Penpak Vongrakvanich	-	-	-	-	-	-

Remarks: * Including shares held by the spouse and minor children.

The proportion of shares collectively held by the company directors is not over 25 % of issued share capital (3.93%).

10. Corporate Social Responsibility

The Company has disclosed the information relating to corporate social responsibility in the Sustainability Report 2016 separately, which can be found on www.sahacogen.com.

11. Internal Control and Risk Management

11.1 Internal Control

Sahacogen & Affiliates have recognized the importance of the internal control system. The Board of Directors has appointed the Audit Committee to review the assessment of the company's internal control to ensure the sufficiency and appropriateness, as well as to provide accurate and credible accounting system and financial report, also to contribute asset protection and mitigate damage occurring from errors and corruption, along with effective compliance according to relevant laws and regulations.

At the Board of Directors' Meeting No. 1/2017 on February 14, 2017, the Board of Directors evaluated the company's internal control system for 2016. Such internal control was audited and reported by the internal control audit unit from Dharmniti Auditing Co., Ltd., headed by Mr. Saksri Amphawon. According to the assessment, the company and its subsidiaries have monitored the operating management, risk assessment and internal control system sufficiently and adequately to meet the goals, objectives, laws and relevant regulations. In addition, the company and its subsidiaries have systematic plan for asset protection from corruption as well as credible and auditable financial report. However, some issues are supposed to be improved and corrected. As the whole consideration and assessment, it was ensured to meet the objectives of the organization.

According to the internal control assessment in 2016 together with the previously audited and monitored internal control, the internal control audit unit reported that the company has monitored the internal control system, risk management and each operating process in a sufficient and appropriate way (3.12 scores), however, there were some issues which should be improved.

The internal control audit unit has monitored, corrected and keeps track of deficiencies on a regular basis, which the management and officers in charge promptly rectified some shortcomings and deficiencies as suggested.

Dharmniti Auditing Co., Ltd. assessed and summarized the internal control list based on the Committee of Sponsoring Organizations of the Treadway Commission or COSO as follows;

1. Control Environment

The company has specified explicit policies and objectives for its business with evaluation by considering fairness to employees, customers, business partners, and responsibility for shareholders, society, community and environment. It has also reviewed the implementation of the goals set on a regular basis to comply with the conditions at that time.

Moreover, the company has established the organizational structure and charters of various committees in order to separate duties and responsibilities of the Board of Directors and the management apart for the effective operation. Additionally, there are written policies on corporate governance, business ethics, and code of conduct for directors, executives and employees, which was acknowledged by all directors, executives and employees as guidelines for everyone to perform their duties with integrity, and restrain from posing conflict of interest with the company with no any cheat or corruption which causes damage to the organization. The company has set up systematic process for monitor and evaluation based on the principles of good corporate governance and regulations in such work. Provided the company

found disobedience, it would have the process which could appropriately punish and manage any violations in due time according to the regulations on work and related legislation.

2. Risk Management

The Board of Directors has assigned the Risk Management Committee to be responsible for risk management in a systematic and effective manner. There was risk analysis that revealed probable risks occurring from internal and external factors which have a negative impact on the business operation. Moreover, clear working plans, working procedures were well set up with keeping track of risk management result on a regular basis to ensure that it is at acceptable level. This includes all executives responsible for risk management, and communication on this matter to all employees to comply with as a part of an organizational culture.

The company has evaluated the potential for corruption, and carefully reviewed the targets of operations, as well as considered the reasonableness of offering incentives or rewards to employees that does not encourage them to act in an inappropriate manner. In addition, the Audit Committee has considered and inquired information from the management about the likelihood of fraud, and the company's measures to prevent corruption. With this regard, the company communicated on this matter to employees to understand and follow the policies and guidelines on anti-corruption, also not to receive or pay a bribe for business interests as stated by the company.

Meanwhile, the company has assessed the change for the business structure and organizational leadership, as well as specified response measures to any changes affecting business operation, internal control and financial report.

Moreover, the company complied with generally accepted accounting principles, which is suitable for its business, by revealing financial report which is fully accurate and reflects the operating activities of the company.

The company manages risks based on nature and types of risk, which is assessed taking account of internal and external factors. With this regard, the protection measures and risk management are specified at an acceptable level without harming business operation of which relevant persons have already been informed to ensure the compliance and follow-up.

3. Control Activities

The company has clearly specified the limitation of authority and approved credit line for each management level in writing, as well as separated duties and responsibilities of each department apart for counter-verification. It has also set the regulations concerning financial transaction, purchasing, and general management in writing, to prevent from authority abuse seeking to misappropriate company assets, or acting beyond mandate. Additionally, the company has monitored measures allowing the company operations to correspond with related laws. In the case of transactions with the major shareholders, directors, executives, or those who are involved with such persons, the company has followed related procedures and regulations with regard to the best interest of the company (at arms' length basis). There was also a policy about the approval of business transactions that must be carried out by those with no conflict of interest to prevent from putting the interests of the company to private use.

Furthermore, in the case of the approval of business transactions with long-term bindings, the company has follow-up measure to ensure full compliance according to agreed conditions. Also, the company has regularly reviewed over the appropriateness of the contract in accordance with the situations, as well as consistently monitored business operations of its subsidiaries and associate.

4. Information and Communication

The company has presented sufficient information and document to the Board of Directors in advance for their decision-making. Accounting records and supporting document of financial statements are completely kept in orderly manner. In addition, the company has drawn up financial statements in compliance with Thai Financial Reporting Standards (TFRS), by selecting accounting policy which is suitable with its business nature. The company also uses an application software for the effective resource consumption plan, accounting information management, financial statements, procurement, sale, inventory management and production plan. In addition to exact and accurate information, the management can make an immediate decision. Moreover, the company provides systematic measures to protect and safeguard the IT structure on a regular basis.

Regarding to the Board of Directors and shareholders' meetings, the meeting notice and relevant document were sent for consideration in advance according to specified regulations. Minutes of meeting also recorded completely, containing necessary and sufficient information, with the opinions of directors and shareholders as well as questions or disagreement on some matters.

The company effectively communicated information to inside and outside the organization with appropriate channels, in order to encourage internal control to be proceeded as required by the company. It also provided a whistle blower hotline for information or clues about fraud or corruption, while the detail of the complainers and complaints will be kept confidential.

5. Monitoring Activities

The company has specified the operation goals and made the comparison of operating performance for the achievement. If different issues are found, these must be corrected in time or adjusted suitably for the current situation. In addition, the internal control audit unit has monitored and evaluated performance regularly to ensure that the internal control system is carried out fully and appropriately. The results of the audit were reported directly to the Audit Committee. Provided that significant deficiency is detected, the Audit Committee will report such matter to the Board of Directors for suggesting, improving the situation and monitoring progress in improving deficiencies immediately.

Regarding to the above-mentioned assessment of the internal control in 5 categories, the Board of Directors gave opinions that the company's internal control system was sufficiently appropriate, and well realized that any internal control system may not cover all damage occurring from any significant errors but can be protected in a reasonable level.

11.2 Opinions of the Audit Committee and Auditors

The Board of Directors gave opinions that the company's internal control system and subsidiaries' management control system were sufficiently appropriate, which the Audit Committee agreed with (more details were disclosed in the Audit Committee's Report). The auditor, Miss. Sirirat Sricharoensup, Certified Public Accountant No. 5419 from EY Office Limited, reviewed and audited the 2016 financial statements that there was free from deficiency on the internal control of accounting reports and financial statements

11.3 Head of Internal Audit and Head of Compliance Unit

11.3.1 Head of Internal Audit

At the Audit Committee's Meeting No. 1/2016 on February 16, 2016, the committee approved to appoint Dharmniti Auditing Co., Ltd. to act as internal audit of the company headed by Mr. Saksri Amphawon. The framework of the internal audit is described as follows;

1. Independently perform duties on auditing and assessing the internal control system and internal audit as the annual audit plan required
2. Audit and review document and evidence relating operations as well as analyze, assess, suggest, give opinion about risk control and corporate governance process
3. Internal auditor's main responsibilities are specified as follow;
 - 3.1 Review and report the creditable, sufficient and appropriate financial information, operating performance together with the evaluation procedures
 - 3.2 Review the operating system probably impacting on operations, and report that the compliance meets the policies, plans, specified regulations and relevant laws
 - 3.3 Review the appropriateness of asset control and management, and evaluate the effectiveness of resource consumption of the company
 - 3.4 Review the operating performance or working plan to ensure the compliance with the specified objectives, goals and action plans
 - 3.5 Give opinions or suggestions in accordance with the Good Corporate Governance and Risk Management
 - 3.6 Prepare the internal audit report to be presented to the management and the Audit Committee
 - 3.7 Attend the meeting for the review of internal audit result to achieve the internal audit's objectives

The Audit Committee has already considered Mr. Saksri Amphawon, the company's auditor since 2004 until now, that he possesses the adequately appropriate qualification to perform the head of internal audit due to independence and experiences with the audit works in the same kind of its business operation. Moreover, he attended training courses relating to internal audit operation. The company has assigned Ms. Naiyachan Chongkolvanich who is the company representative, to coordinate with the external auditor and related units.

Regarding to appointment, transfer, and dismissal of the company's head of internal audit office, the approval from the Audit Committee must be received. The qualification of the head of internal audit office are specified in the Attachment 3.

11.3.2 Head of Compliance Unit

The company does not appoint the head of compliance unit directly. However, the company has assigned each of the department heads to supervise and monitor their operation in compliance with laws, regulations, rules and code of conduct.

11.3.3 The Accountant

The company has assigned Ms. Penpak Vongrakvanich, Accounting Division Manager to be responsible for the financial statements in compliance with the Accounting Act B.E. 2543. Her responsibilities are to supervise the compilation of the financial statements and to ensure that the disclosure of the company's information is duly carried out in a comprehensive and accurate manner (the details of the accountant's educational background and working experiences, under the heading "Details of the Boards of Directors and Executive Members and Company Secretary).

12. Related Transactions

Information disclosure for inter-transaction

During 2016, the company and its subsidiaries entered into inter-transactions with parties with possible conflict of interests, according to the details as follows:

1. Normal business transaction, normal business support transaction, rental or lease transaction for immovable property (not more than 3 years), and transaction related to assets and services

(Million Baht)

Parties with possible conflict of interests		Relationship	Shareholding Percentage (%)		Significant Item	Inter-Transaction Value (Million Baht)	Price Policy
			Shareholding by the company	Shareholding in the company			
1	Saha Pathana Inter-Holding Plc.	A	-	15.47	- Selling electricity Selling Steam - Fee paid for guarantee of minimum electricity demand - Utility Charges (Raw water & Wastewater Treatment)	1,442 270 5 2	Predetermined applicable discount On contract On contract Normal price like other customers
2	Thai President Foods Plc.	B	-	-	- Selling Steam	21	On contract
3	Operational Energy Group	B	-	-	- Service fee on distribution - Machine rental	92 66	On contract On contract
4	Sinparadorn Co., Ltd.	B	-	-	- Land rental	2	On contract
5	Pitakkij Co., Ltd.	B	-	-	- Contractor charge - Security service fee	2 3	On contract On contract

Relationship Nature A = The company's shareholders and joint directors B = Joint directors

Remuneration Policy The company carried out inter-transactions with other companies, on a fair business practice basis and at arms' length, based on market prices and normal business terms being applied to those transactions conducted with unconnected outside business parties or persons.

Item	Remuneration Policy
Utility charges	According to the rates announced by Saha Group Industrial Park, based on actual units or volume used
Machine rental fees	Fees depending on the condition and duration of such property in use
Immovable property rental fees	Fees depending on the location, surrounding, building condition, and utilization purpose for said assets
Security fees	Fees depending on the number of security personnel for each shift

2. Transaction in providing financial assistance as of December 31, 2016

Company Name	During the Year				Balance as of Dec 31, 16
	Balance as of Dec 31, 15	Additions	Settlements	Interest Rate	
1. Sahagreen Energy Co., Ltd.	30,000,000	-	-	2.17	30,000,000
2. Sahagreen Forest Co., Ltd.	15,000,000	-	-	4.25	15,000,000
3. Sahacogen Green Co., Ltd.	-	300,000,000	-	2.17	300,000,000
Less: Allowance for doubtful debts	-	(30,000,000)	-	-	(30,000,000)
Total	45,000,000	270,000,000	-	-	315,000,000

Loan facilities provision The company provided short-term loan to its subsidiaries. The balance totaled Baht 315 million (Please refer to supplementary note to financial statements no. 7), under such policy basing interest rate equal to short-term loan rate of the company plus the additional.

The company and its subsidiaries did not provide long-term loan to related parties.

3. Transaction in receiving financial assistance as of December 31, 2016

Company Name	Relationship	During the Year				Balance as of Dec 31, 16
		Balance as of Dec 31, 15	Additions	Settlements	Interest Rate	
1. Better Way (Thailand) Co., Ltd.	The company's shareholders and joint directors	-	320,000,000	-	3.0-5.0	320,000,000
Total	-	-	320,000,000	-	-	320,000,000

Loan provision The long-term loan provided to related party with monthly interest payment, and is to be repaid within 5 years and unsecured.

Financial guarantees provision The company and its subsidiaries had no financial guarantees to related parties.

The necessity and rationale for entering into transactions with parties with possible conflict of interests

To sustain the company's operations under the prevailing severe competitive situation, the company needed to secure the support of business partners and business alliance network from upstream to downstream industries, further contributing to its competitiveness and business potentials, and leading to its further development and sustainable growth in the future.

While its business partners and business alliance members might be parties with possible conflict of interests, nevertheless, the Board of Directors might find it reasonable and necessary to enter into agreement or transaction with said parties, with the interests of the shareholders and the company in mind. In such case, the transaction price would be based on normal business terms, without harboring any intention to engage in unjust transfer of company asset or interest to such parties with possible conflict of interests.

At the same time, The Board of Directors duly followed the requirements in the Securities and Exchange Act (no.4) B.E. 2551 article 89/12, by authorizing the company's management, after the completion of the annual shareholders' meeting, to enter into such transactions considered to normal business transactions and business support transactions under normal business terms in such same manner as other business partners under the same circumstances. Such transactions would be carried out without any exercise of undue influence due to such status as director, management member, or related persons, with such transactions duly reported to The Board of Directors' meeting held each quarter.

Opinions regarding inter-transactions by the Audit Committee

In case of inter-transactions considered significant, the company followed its policy in proposing such transactions to the Board of Directors' meeting to be accepted from the Audit Committee and approved by the Board of Directors for further forwarding to the shareholders' meeting for their approval according to the volume of inter-transactions.

The Audit Committee concluded not to have any different opinions regarding inter-transactions in 2016, from those resolutions adopted by the Board of Directors' meeting.

Policy or Potential Related Transaction in the Future

The Board of Directors duly recognized their responsibilities as the directors of public company in carrying out their duties toward the shareholders, employees, and all stakeholders, in accordance with the good corporate governance principles. Accordingly, those inter-transactions likely to take place in the future, would represent normal business transactions, with the disclosure of information duly carried out in accordance with the Notification of the Capital Market Supervisory Board, regarding "rules on connected transactions".

Persons with possible conflict of interests holding combined shareholding in subsidiary /associate companies over the level of 10%

The company did not have persons with possible conflict of interests holding combined shareholding in subsidiary companies over the level of 10%.