

Certification of Accuracy of Audit Fee

As of 31 December 2016

Audit Fee

No.	Company	Auditor	Audit Fee
1	Sahacogen (Chonburi) PLC.	Miss Sirirat Sricharoensup	975,000
2	Sahacogen Green Co., Ltd.	Miss Sirirat Sricharoensup	490,000
3	Sahagreen Forest Co., Ltd.	Miss Sirirat Sricharoensup	260,000
4	Sahagreen Energy Co., Ltd.	Miss Sirirat Sricharoensup	280,000
Total Audit Fee			2,005,000

Non-audit Fee

No.	Company	Non-Audit Service	Auditor	Non-Audit Fee
5	Sahacogen Green Co., Ltd.*	BOI examination	EY Office Limited	50,000
6	Sahagreen Forest Co., Ltd.*	BOI examination	EY Office Limited	50,000
7	Sahagreen Energy Co., Ltd.	BOI examination	EY Office Limited	-
Total Non-Audit Fee				100,000

The above-mentioned information

☒ is accurately correct. In this regards, this is to certify that there was no other information relating non-audit fee which the company and its subsidiaries paid to me, the audit office where I work for, and other parties or businesses which I and the audit office are involved with.

☐ is inaccurate and incomplete; that is,.....
.....

After correcting such deficiency, if any, I certified that all information in this page accurately disclosed audit fee and non-audit fee which the company and its subsidiaries paid to me, the audit office where I work for, and other parties or businesses which I and the audit office are involved with.

Signature *Sirirat Sricharoensup*

(Miss Sirirat Sricharoensup)

EY Office Limited

Auditor of Sahacogen (Chonburi) PLC.

Internal Control System Assessment

Control Environment

1. Adherence to Integrity and Ethics

Questions	Yes	No
<p>1.1 The Board of Directors and the management define the guidelines and set a practice based on the principles of integrity and ethics which cover:</p> <p>1.1.1 The daily duties and decision making on various matters</p> <p>1.1.2 Practice toward business partners, customers and third parties</p> <p><u>Additional Opinion :</u></p> <p>The company places importance on such matter, which is defined in company regulations, corporate governance principles and code of conduct.</p>	✓	
<p>1.2 There are written requirements for executives and employees to follow with integrity and ethics which cover:</p> <p>1.2.1 Proper code of conduct requirements for the management and staff</p> <p>1.2.2 Restrictions to the management and employees to conduct themselves in a manner that may cause a conflict of interest with the company including a ban on corruption that may cause damage to the organization¹</p> <p>1.2.3 Appropriate punishment in case of violation of the above</p> <p>1.2.4 Communication of the regulations and punishments to all of the management and staff e.g. in new staff orientation for them to sign and acknowledge the rules and punishments on a yearly basis and publish the code of conduct to inform the staff and outside party</p> <p><u>Additional Opinion :</u></p> <p>The company has defined written policies and punishment in company regulations, corporate governance principles and business ethics, and informed such matters to the management and all employees at their orientation with their signature to ensure the compliance. Moreover, the policies have been reviewed at the management and employees' annual meeting. The corporate governance principles and business ethics have been informed and disclosed to third parties via the company's website.</p> <p>The company received the certification from Thailand's Private Sector Collective</p>	✓	

¹ The company should define internal control systems based on anti-corruption measures suitable for its risk nature.

Questions	Yes	No
<p>Action Coalition against Corruption (CAC) on October 14, 2016.</p> <p>Moreover, its subsidiaries; Sahacogen Green Co., Ltd. (SGN) and Sahagreen Forest Co., Ltd. (SGF), signed a declaration of intent to join Thailand's private sector Collective Action Coalition Against Corruption. Such working group and action plan have been established to meet the operation objectives. It is estimated that SGN and SGF will submit the self-assessment for the certification process of CAC within 2017.</p>		
<p>1.3 There is a process to monitor and evaluate the compliance according to the code of conduct.</p> <p>1.3.1 There is an internal audit unit or compliance unit to monitor and evaluate the performance.</p> <p>1.3.2 Self-assessment by the management and employees</p> <p>1.3.3 Assessment by independent expert from outside organization</p> <p><u>Additional Opinion :</u></p> <p>The company has the internal audit unit to monitor and evaluate some part of the code-of-conduct compliance based on annual audit program, and operation procedures of the company, the management and employees (section head) who supervise their subordinates and report misconduct or violation against the policies and regulations to their superiors immediately.</p>	✓	
<p>1.4 The company handles the issue in a timely manner if found that the staff fail to comply with the rules of integrity and code of conduct.</p> <p>1.4.1 There is a process that enables them to detect the violation within a reasonable time.</p> <p>1.4.2 There is a process that enables them to deal with the violation or issue punishment appropriately within a reasonable time.</p> <p>1.4.3 There is appropriate correction of the act against the principles of integrity and code of conduct within a reasonable time.</p> <p><u>Additional Opinion :</u></p> <p>The company has defined the written guidelines on such matter in company regulations, corporate governance principles and business ethics of the company, the management and employees (section head) to ensure the effective compliance. If any misconduct or violation against such policies is found, this must be reported to their superiors immediately.</p>	✓	

2. The Board of Directors is independent from the management and is responsible for the oversight function and development of internal controls

Questions	Yes	No
<p>2.1 The roles of the board of directors are clearly separated from the management. All rights on the authority of the board of directors are clearly reserved.</p> <p><u>Additional Opinion :</u></p> <p>The company has specified the clear functions and separation with respect to authority and responsibility of the Board of Directors, Audit Committee, Executive Board, Risk Management Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committee.</p>	✓	
<p>2.2 The board of directors oversees the operations to set goals that are clear and measurable to guide the operation of the management and staff.</p> <p><u>Additional Opinion :</u></p> <p>The Board of Directors has assigned the Executive Board to set goals, plan and annual budget of the company. Then, it will be further presented to the Board of Directors for approval before informing the management and employees for the guidelines to perform every year. In this regard, the 2017 action plan and budget was already approved at the Board of Directors' meeting No. 6/2016.</p>	✓	
<p>2.3 The Board of Directors determines the roles of the Board and the management to comply with the law and charter, which covers the important roles of the audit committee, external auditor, internal auditor and responsible person for financial reporting.</p> <p><u>Additional Opinion :</u></p> <p>The Board of Directors has assigned the Audit Committee to monitor such compliance and report the result to the Board of Directors on a quarterly basis. The Audit Committee Charter specifies the roles, duties, authorities and responsibilities.</p>	✓	
<p>2.4 The board of directors shall have knowledge about the company and their expertise is beneficial to the company or able to seek advice from the expert on that matter.</p> <p><u>Additional Opinion :</u></p> <p>The Board of Directors consists of those who are knowledgeable, competent and experienced as required by the company, which is disclosed in section "Details of the Boards of Directors".</p>	✓	
<p>2.5 The board of directors is comprised of appropriate number of independent directors who</p>	✓	

Questions	Yes	No
<p>are knowledgeable and reliable and are truly independent to act e.g. no business relationship with the company, no any other relationship which may influence significant judgment and independent act.</p> <p><u>Additional Opinion :</u></p> <p>The Board of Directors comprises five independent directors who have no relationship with management, no company' shares, and hold not more than 1% of its shares as specified in the independent director's qualifications by the Securities and Exchange Commission.</p>		
<p>2.6 The board of directors oversees the development and implementation of internal control in the organization, including the forming of control environment, risk assessment, control activities, information and communication and monitoring and evaluation.</p> <p><u>Additional Opinion :</u></p> <p>The Board of Directors has assigned the Audit Committee to review the internal control, internal audit, and risk management in an appropriate and effective way, which is reported to the Board of Directors on a quarterly basis.</p>	✓	

3. The management has established the reporting line structure, the commanding authority and appropriate responsibility to achieve the objective under the oversight of the board.

Questions	Yes	No
<p>3.1 Top management defines the organizational structure that supports the objectives of the company. It considers the appropriateness of both business and law, including the arrangement of effective internal control e.g. segregation of duties in key activities which leads to the checks and balances between them, an internal audit that directly reports to the audit committee and a clear line of reporting, etc.</p> <p><u>Additional Opinion :</u></p> <p>The company has completely defined the organizational structure according to its objectives. The organizational structure is reviewed on an annual basis.</p>	✓	
<p>3.2 Top management sets the reporting line in the company by considering the appropriateness of the authority, responsibility and information and communication.</p> <p><u>Additional Opinion :</u></p> <p>The company has defined the reporting line in the organizational structure.</p>	✓	

Questions	Yes	No
<p>3.3 Establishment, assignment and limitation of authorities, duties and responsibilities of the Board of Directors, top management, management and employees.</p> <p><u>Additional Opinion :</u></p> <p>The company has separately defined limitation, authorities, responsibilities of the Board of Directors and sub-committees; Audit Committee, Executive Board, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Social Responsibility Committee. Moreover, there are establishment, limitation of authorities and responsibilities of Managing Director, top management, management, and employees, which is specified in the company's procedures manual of authority limits and job description of each position.</p>	✓	

4. Organization presents its commitment to motivate, develop and maintain capable staff

Questions	Yes	No
<p>4.1 The company has policy and procedures to recruit, develop and maintain staff with knowledge and appropriate ability and has a process to review the policies and practices regularly.</p> <p><u>Additional Opinion :</u></p> <p>The company has recruitment process based on job specification together with job interview assessed by the management and pre-employment tests for some positions. In addition, there are annual development plans for the management and employees such as in-house and external trainings. Such training programs are considered the importance of employee training (performance), training need survey as well as the specified welfares in the employee handbook and the organizational regulations in accordance with Policy B.E. 2556.</p>	✓	
<p>4.2 The company has performance evaluation process by providing incentives or rewards for people who have good performance and handling procedure on staff who are not achieving targets as well as communicating these processes to managements and employees.</p> <p><u>Additional Opinion :</u></p> <p>The company has performance evaluation for the management and employees every year, and uses such information to consider the succession plan, promotion and bonus. Moreover, development plan for the management and employees has been set. These are communicated to them at the meeting.</p>	✓	

Questions	Yes	No
<p>4.3 The company has a solution process, or preparing for the lack of staff with knowledge and capabilities in a timely manner.</p> <p><u>Additional Opinion :</u></p> <p>The company has a solution process, specified in the procedures manual of authority limits, in case of lacking staff such as giving authority to the higher position on his behalf, assigning the section head to take the vacant position's responsibility by re-assigning duties according to the amount of staff, or hiring consults/ professionals, as well as setting work rotations in some positions etc. Moreover, there is a succession plan by setting database to search position to replace key position, defining candidate qualifications as well as development plan.</p>	✓	
<p>4.4 The company has recruitment, development, and maintain process for all executives and employees, such as mentoring system and training.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 4.1.</p>	✓	
<p>4.5 The company has plan and selection process for significant successor position.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 4.3.</p>	✓	

5. The organization identifies its staff to have the duty and responsibility in internal control to achieve the objectives of the organization

Questions	Yes	No
<p>5.1 The Board of Directors and the management have communication process to force all personnel with responsibility for internal control and provide a corrective action process as necessary.</p> <p><u>Additional Opinion :</u></p> <p>The company has communicated the compliance awareness in alignment with the internal control by the management and employees' meetings, hiring external auditor to assess the sufficiency of internal control and provide suggestions to the management and employees from every departments.</p>	✓	
<p>5.2 The Board of Directors and the management set performance indicator, motivation and appropriate reward by taking into consideration of the Code of Conduct and short and long-term objectives.</p> <p><u>Additional Opinion :</u></p> <p>The Board of Directors and management have recognized such matter and set the performance indicator for management and employees every year, which is supported to consider promotion, salary increase, and bonus.</p>	✓	
<p>5.3 The Board of Directors and the management assess the motivation and reward constantly by focusing on the link to success of the duty in complying with the internal control.</p> <p><u>Additional Opinion :</u></p> <p>The company has the performance assessment process for management and employees every year, which is supported to consider promotion, salary increase, and bonus. Such performance and bonus criteria are specified in the assessment form, which its employees are clearly informed.</p>	✓	
<p>5.4 The Board of Directors and the management have considered not to give too much pressure on the performance of each staff.</p> <p><u>Additional Opinion:</u></p> <p>The Board of Directors has monitored and overseen the performance at the meetings to review the operation objectives on a monthly basis. Deficiencies were noted and promptly rectified.</p>	✓	

Risk Assessment

6. The organization sets the objectives clearly enough to identify and assess various risks that relate to the objectives of the organization.

Questions	Yes	No
<p>6.1 The company can comply with generally accepted accounting standards and appropriate to the business at that time by showing that the items in the financial report truly exist and reflect the rights or obligations correctly with suitable value and correct disclosure of information.</p> <p><u>Additional Opinion :</u></p> <p style="text-align: center;">-</p>	✓	
<p>6.2 The company sets the materiality of financial transactions by taking into account important factors such as the users of financial report, size of transaction, trend of business.</p> <p><u>Additional Opinion:</u></p> <p style="padding-left: 40px;">The company is responsible for preparing financial statements in accordance with accounting standards, and monitoring internal control which the management considers the necessity of and free from material misstatement.</p>	✓	
<p>6.3 The financial report of the company truly reflects the actual operating activities of the company.</p> <p><u>Additional Opinion:</u></p> <p style="text-align: center;">-</p>	✓	
<p>6.4 The Board of Directors or the Risk Management Committee has approved and communicated the risk management policy to the management and all employees to be aware and comply accordingly as part of the culture of the organization.</p> <p><u>Additional Opinion:</u></p> <p style="padding-left: 40px;">The Board of Directors has appointed the Risk Management Committee and approved the Charter of Risk Management Committee as well as announced the Risk Management Policy.</p> <p style="padding-left: 40px;">The company has set the organizational risk register based on its business nature and risk register for each department for Sahacogen (Chonburi) PLC. (SCG), Sahacogen Green Co., Ltd. (SGN), Sahagreen Forest Co., Ltd. (SGF). This includes risk descriptions, risk response strategies, current risk level, goals, risk mitigation plan. In addition, the company has appointed working groups and set exact timeframe. The risk management</p>	✓	

Questions	Yes	No
working groups are responsible for monitoring the progress of risk protection plan and mitigating risk quarterly.		

7. The organization identifies and analyzes all kinds of risks that may affect the achievement of objectives in the entire organization.

Questions	Yes	No
<p>7.1 The company has identified all kinds of risks that may affect the business operation in the levels of organization, business unit, department, and job function.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 6.4.</p>	✓	
<p>7.2 The company analyses all kinds of risks that may occur from both the internal and external factors. This includes strategic, operation, reporting, compliance and information technology risks.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 6.4.</p>	✓	
<p>7.3 The management at all levels are involved in risk management.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 6.4.</p>	✓	
<p>7.4 The company has assessed the importance of risk by considering the probability of the event and the effects that may arise.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 6.4.</p>	✓	
<p>7.5 The company has the measures and action plan to manage the risk. This could be risk acceptance, risk reduction, risk avoidance or risk sharing.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 6.4.</p>	✓	

8. Organization considers the likelihood of fraud in assessing the risk to achieve corporate objectives

Questions	Yes	No
<p>8.1 The company has assessed the probability of fraud covering various fraud, such as the preparation of false financial reports, loss of property, corruption, the management override of internal controls, change of information in important reports, improper acquisition or use of property, etc.</p> <p><u>Additional Opinion :</u></p> <p>The company has assessed the probability of fraud at the company's meetings; the Board of Directors', Executive Board's, Audit Committee's, and Risk Management Committee's. This matter is monitored by line supervisors. In addition, the company received the certification from Thailand's Private Sector Collective Action Coalition Against Corruption, defined the Anti-Corruption Policy, of which already informed employees and related parties. Moreover, the company also hires external auditors to review the procedures and the sufficiency of internal control system on a regular basis.</p>	✓	
<p>8.2 The company has reviewed its performance targets carefully by considering the possibility of the set goals as well as determining the reasonableness of incentives or rewards to employees to ensure in no way to encourage them to behave inappropriately such as not setting too high, unrealistic sales target that will motivate them to alter the sales figures.</p> <p><u>Additional Opinion :</u></p> <p>The company's business goals have been regularly reviewed in the Board of Directors and Executive Board's meetings.</p>	✓	
<p>8.3 The Audit Committee has considered and inquired the management about the possibility in the occurrence of fraud and the measures that the company has to prevent or resolve fraud.</p> <p><u>Additional Opinion :</u></p> <p>-</p>	✓	
<p>8.4 The company has communicated to all employees to understand and comply with the policies and guidelines.</p> <p><u>Additional Opinion :</u></p> <p>The company has communicated the policies and guidelines with respect to risk management to all employees at the meetings, and set the risk management measures as a part of operational procedures, which shows such details in the operational handbook.</p>	✓	

9. Organization can identify and assess the changes that may affect the internal control system

Questions	Yes	No
<p>9.1 The company assesses the changes in the external environment that may affect its business operation, internal control and financial reporting. It also has adequate measures to respond to these changes.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 6.4.</p>	✓	
<p>9.2 The company has an assessment of the change to its business models that may affect its business operation, internal control and financial reporting. It also has adequate measures to respond to these changes.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 6.4.</p>	✓	
<p>9.3 The company has an assessment of the change in its organization leader that may affect the business operation, internal control and financial reporting. It also has adequate measures to respond to these changes.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 4.5 and 6.4.</p>	✓	

Control Activities

10. Control measures to reduce the risks that may cause inability to achieve the objectives to an acceptable level

Questions	Yes	No
<p>10.1 The company's control measures are appropriate to the risks and specific characteristics of the organization such as environment, complexity of work, job nature and scope of operation as well as other unique characteristics.</p> <p><u>Additional Opinion :</u></p> <p style="text-align: center;">-</p>	✓	
<p>10.2 The company has internal control measures stipulated in writing and cover various processes such as policies and procedures relating to financial transactions, procurement and general management including clear and stringent scope, authorities and approval of the management by levels to prevent fraud, such as approval limit and authorization of management level, procedure for investment project approval, process of purchasing and supplier selection, record of details in purchasing decisions, disbursement procedures of materials or tools by providing a process for the various cases as follows:</p> <p style="padding-left: 40px;">10.2.1 Collect information about major shareholders, directors, executives and other related parties including related party for the purpose of monitoring and reviewing related transactions or transactions that may have conflict of interest as well as to always update the information.</p> <p style="padding-left: 40px;">10.2.2 If the company approves transaction or enters into agreement with those involved by binding the company in the long-term such as selling agreement, loan, guarantees, the company has ensured the compliance with the conditions as agreed throughout the term e.g. repayment on schedule or agreement review for its appropriateness, etc.</p> <p><u>Additional Opinion :</u></p> <p style="padding-left: 40px;">The company has the written regulations for approval limit and authorization in every significant activities and transactions. The company also assigns the company secretary to gather and record the information of related parties to check the accuracy of transactions.</p>	✓	
<p>10.3 The company has determined various internal controls as appropriate such as automated or manual control, preventive control and monitoring control.</p>	✓	

Questions	Yes	No
<p><u>Additional Opinion :</u></p> <p>The company has defined the internal control system concerning both protection and monitoring as a part of working procedures, and set the annual internal audit plan for quality management system, environment management system, and occupational health and safety management system.</p>		
<p>10.4 The company sets internal controls at all levels of the organization e.g. as the group business, business unit, division, department, or line process.</p> <p><u>Additional Opinion :</u></p> <p>-</p>	✓	
<p>10.5 The company has segregated 3 responsibilities in order to recheck each other:</p> <p>(1) Approval</p> <p>(2) Record accounting transactions and MIS, and</p> <p>(3) Safeguarding of assets</p> <p><u>Additional Opinion :</u></p> <p>The company has a clear separation of responsibilities for approving transactions. Every transactions must be verified the accuracy of information prior to being submitted to the approver. Moreover, there is auditing process to ensure the appropriateness of accounting record or other management information system more than one source every time. The company has a written policy on the management of fixed assets, and appointed persons to take this responsibility.</p>	✓	

11. Organization chooses and develops general control activities by technology system to achieve the objectives

Questions	Yes	No
<p>11.1 The company should set the use of information technology, action process and general control of information technology system.</p> <p><u>Additional Opinion :</u></p> <ul style="list-style-type: none"> ■ The company has a procedures manual on the process of system access request and the purpose of such request to ensure the effective access control of the organization's information technology system. Such access and change can be only operated by the relevant persons. 	✓	

Questions	Yes	No
<p>■ The company also has the IT Security Policy.</p>		
<p>11.2 Company should define the control of basic structure of technology system.</p> <p><u>Additional Opinion :</u></p> <p>The company has designed the technology system to control the operation and data access. Moreover, the company has assigned the IT Network & System Management Department to take this responsibility; that is, procurement and installation of network system, computers, computer program, equipment and parts according to the current situation with a reasonably appropriate way.</p>	✓	
<p>11.3 The company should set the control on security of technology system.</p> <p><u>Additional Opinion :</u></p> <p>The company has assigned the IT Network & System Management Department to take this responsibility and defined the guidelines on such matter.</p>	✓	
<p>11.4 The Company should define the proper process for the acquisition, development and maintenance of the system.</p> <p><u>Additional Opinion :</u></p> <p>The company has assigned the IT Network & System Management Department to take this responsibility; that is, procurement and installation of network system, computers, computer program, equipment and parts according to the current situation with a reasonably appropriate way as well as setting the maintenance plan.</p>	✓	

12. Organization arranges the control activities with the policy which sets out the expectations and procedures to ensure they can lead to actions

Questions	Yes	No
<p>12.1 The company has stringent policy to monitor the transactions of major shareholders, directors, the management or related persons that have to go through the approval procedure such as the Articles of Association, criteria of the SET, office criteria, etc. to prevent the opportunity in taking advantage of the company's interest for personal use.</p> <p><u>Additional Opinion :</u></p> <p>The company has the policy and guidelines of related transactions in compliance with the Securities and Exchange Act, Articles of Association, rules or the SET's regulations. The Audit Committee and the company secretary are assigned to monitor such</p>	✓	

Questions	Yes	No
transactions.		
<p>12.2 The company has a policy to approve transactions operated by non-interested persons.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 12.1.</p>	✓	
<p>12.3 The company has a policy to approve the business transactions that take into account the best interest of the company at arms' length basis.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 12.1.</p>	✓	
<p>12.4 The company has a process to continuously monitor the operations of its subsidiaries or affiliates including the guidelines for the individuals appointed as directors or management in the subsidiaries or affiliates to follow (if the company has no investment in subsidiaries or affiliates, please skip this question).</p> <p><u>Additional Opinion :</u></p> <p>The company's directors are also its subsidiaries' directors who are able to monitor and oversee the subsidiaries' operations to achieve the goals.</p>	✓	
<p>12.5 The company sets the duties and responsibilities in implementing the policies and processes into action by the management and staff.</p> <p><u>Additional Opinion :</u></p> <p>The company has defined the duties and responsibilities on this matter in every procedures manual and job description document as well as communicated it at the management and employees' meetings to ensure the effective compliance.</p>	✓	
<p>12.6 The company's policies and procedures have been adopted in a timely manner by capable persons along with the corrective action process.</p> <p><u>Additional Opinion :</u></p> <p>-</p>	✓	
<p>12.7 The company reviews the policies and action process regularly.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 6.4.</p>	✓	

Information & Communication System

13. Organization related information and quality to strengthen the internal control that can proceed as scheduled

Questions	Yes	No
<p>13.1 The Company defines the data to be used in the operation both internal and external sources of data, which supports the identification of relevant and reliable sources of information and data.</p> <p><u>Additional Opinion :</u></p> <p style="text-align: center;">-</p>	✓	
<p>13.2 The company considers the cost and benefit including quantity and correctness of the information.</p> <p><u>Additional Opinion :</u></p> <p style="text-align: center;">-</p>	✓	
<p>13.3 The company proceeds for the Board of Directors to obtain adequate important information to support decision making. Examples of important information e.g. details of the proposed matter, reason, effect, option, etc.</p> <p><u>Additional Opinion :</u></p> <p style="padding-left: 40px;">The company has assigned the company secretary to take this responsibility by defining the guidelines on meeting arrangement, process, supporting document as well as the period of time in accordance with laws and regulations.</p>	✓	
<p>13.4 The company has taken action for the Board of Directors to receive the meeting invitation letter or meeting documents that identify necessary and sufficient information to consider before the meeting at least by the minimum period prescribed by the law.</p> <p><u>Additional Opinion :</u></p> <p style="padding-left: 40px;">Such matter is disclosed in Item 13.3, and the invitation letters with supporting documents were sent around 8 days in advance, which exceeded the minimum time limit specified by the regulation.</p>	✓	
<p>13.5 The company makes sure the meeting report of the Board of Directors Meeting contains the details as appropriate to be able to check back on the performance of each director, for example, record of the comments/observations of directors on the considering matters, the opinion of the director who disagrees with reasons, etc.</p> <p><u>Additional Opinion :</u></p>	✓	

Questions	Yes	No
Such matter is disclosed in Item 13.3.		
<p>13.6 The company takes action as follows:</p> <p>13.6.1 Store significant documents completely in category</p> <p>13.6.2 In case of deficiency in internal control commented by auditor or internal auditor, the company has corrected it completely.</p> <p><u>Additional Opinion :</u></p> <p>The company has assigned all departments to systematically store significant documents such as storing in each category or through document register etc.</p>	✓	

14. Organization communicates within the organization including the purpose and responsibility to strengthen internal control

Questions	Yes	No
<p>14.1 The company provides the process of internal communication effectively and has an appropriate communication channel to support internal control.</p> <p><u>Additional Opinion :</u></p> <p>The company has the appropriate communication processes and procedures such as meetings of the Board of Directors, Audit Committee, Executive Board, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Social Responsibility Committee, or has assigned all departments to report the performance to the management on a regular basis.</p>	✓	
<p>14.2 The company reports important information to the Board on a regular basis and the board of directors has access to the information necessary to view the performance or review various items, such as determining the person who is able to request information other than that given by the management including the contact information of the external auditors, internal auditors, meeting of the executive committee, organized meetings between the board and executive committee, etc.</p> <p><u>Additional Opinion :</u></p> <p>The company regularly reports important information to the Board of Directors in the meetings of the Board of Directors, Executive Board, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, and Corporate Social Responsibility Committee. All departments are supposed to submit the operational</p>	✓	

Questions	Yes	No
performance to the management. Moreover, the company has assigned the company secretary to coordinate with the Board of Directors, external auditors and internal auditor from outside the organization.		
<p>14.3 The company provides a communication channel or secret channel to stakeholders outside the organization to report information or clues on fraud or corruption (whistle-blower hotline) to the company safely.</p> <p><u>Additional Opinion :</u></p> <p>The company has a proper communication channel. The Managing Director's contact; telephone no. 038-481-555 or fax no. 038-481-551 or e-mail viroj@sahacogen.com. The secretary to the Audit Committee's contact (who reports information directly to the Audit Committee); telephone no. 038-481555 ext. 282, or email pannee@sahacogen.com. The Chairman of Audit Committee's contact; telephone no. 038-481555 ext. 203, or e-mail auditcommittee@sahacogen.com, or fax no. 038-481551. The result of investigation is reported to the Board of Directors. In this regard, the details of those who report any suspicion and make a complaint will be kept secretly. In 2016, there was no complaint from shareholders and stakeholders.</p>	✓	

15. Organization communicates with external agencies about the issues that may affect internal controls

Questions	Yes	No
<p>15.1 The company provides a process of information communication to stakeholders outside the organization efficiently and has an appropriate communication channel to support the internal control such as providing staff or investor relations agency, hotlines, etc.</p> <p><u>Additional Opinion :</u></p> <p>The company has assigned the investor relation division to take this responsibility and defined appropriate category and form of information system to communicate with stakeholders outside via the company's website.</p>	✓	
<p>15.2 The company provides a communication channel or secret channel to stakeholders outside the organization to report information or clues on fraud or corruption (whistle-blower hotline) to the company safely.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 14.3.</p>	✓	

Monitoring Activities System

16. The organization monitors and evaluates the result of internal control to ensure that internal controls are carried out completely and appropriately.

Questions	Yes	No
<p>16.1 The company provides a mechanism to monitor compliance with the Code of Conduct and prohibits the management and employees to conduct themselves in a manner that may cause conflict of interest such as determining each segment monitoring and reporting to supervisors or following up on the internal audit unit and report to the Audit Committee etc.</p> <p><u>Additional Opinion :</u></p> <p>The company has assigned the management and employees to monitor the compliance of their subordinates. If any disobedience or violence is found, this must be reported to supervisors immediately. Also, such code of conduct and business ethics are set to be a part of the annual performance assessment of the management and employees.</p>	✓	
<p>16.2 The company provides for the monitoring of compliance with internal controls by the self-assessment and/or evaluation by independent auditors.</p> <p><u>Additional Opinion :</u></p> <p>The company hires independent auditors from outside, and has arranged the audit plan taking into account of risks which probably have a negative impact on the company's objectives. In this regard, the audit plan will review and ensure the sufficiency and appropriateness of the internal control system, which is reported to the management and the Audit Committee on a quarterly basis.</p>	✓	
<p>16.3 The frequency of monitoring and evaluation is appropriate to changes of the company.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 16.2.</p>	✓	
<p>16.4 Internal control systems are implemented, monitored and evaluated by those who have the knowledge and ability.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 16.2.</p>	✓	
<p>16.5 The company sets the reporting guidelines of the internal control directly to the audit committee.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 16.2.</p>	✓	

Questions	Yes	No
<p>16.6 The company supports the internal auditors to perform their duties in accordance with International Standards for the Professional Practice of Internal Auditing.</p> <p><u>Additional Opinion :</u></p> <p>Such matter is disclosed in Item 16.2.</p>	✓	

17. The organization assesses and communicates the deficiencies in internal control in time to the responsible person including the top management and the Board of Directors.

Questions	Yes	No
<p>17.1 The organization assesses and communicates the deficiencies in internal control in time if the company's performance significantly differs from the defined target.</p> <p><u>Addition Opinion :</u></p> <p>In case of the company's business operation negatively impacted by significant situations, the management has a policy to assign the relevant persons to immediately correct such deficiencies and report it to the management.</p>	✓	
<p>17.2 The company has the policy to report as follows:</p> <p>17.2.1 The management must report to the Board of Directors immediately in case there are incidents or suspicion of serious fraud, law violation or other unusual actions which may significantly affect the reputation and financial position of the company.</p> <p>17.2.2 Significant report of the deficiency with corrective action (although actions are already taken) to the Board of Directors/Audit Committee for consideration within a reasonable time.</p> <p>17.2.3 There is reporting of the progress of improvement of the significant deficiency to the Board of Directors/Audit Committee.</p> <p><u>Additional Opinion :</u></p> <p>There is a report on significant deficiencies with the corrective action, which is defined in both the Board of Directors' meeting agenda and the company's monthly meeting agenda.</p>	✓	