

9.1 Corporate Governance Policy

The Company is aware of an importance of good corporate governance according to the principles set by the Stock Exchange of Thailand. All directors, executives and employees must comply with the good corporate governance principle. In addition, the board of directors has also established the policy on corporate governance which covers the following areas;

1. The Board of Directors, executives and employees are all committed to applying 6 important principles of good corporate governance of the Company as follows;

- 1.1 Accountability: Being accountable for their own decision and action and such decision must be explainable
- 1.2 Responsibility: Being responsible for their duties with sufficient capability and efficiency
- 1.3 Equitable Treatment: Treating all stakeholders equally with fairness
- 1.4 Transparency: Operating business, which must be traceable, and disclosing information transparently to related parties
- 1.5 Vision to create long term value: Envisioning the creation of long-term added value to the organization
- 1.6 Ethics: Operating business with ethics and code of conduct and enabling the management structure that holds relationship among the Board of Directors, executives and shareholders with fairness.

2. The Board of Directors has important roles in determining the Company's vision, strategies, policies, and action plans by considering risk factors and setting appropriate management guidelines. Furthermore, the Board must ensure that the accounting system, financial report and audit are reliable.

3. The Board of Directors establishes ethics of the Company so that the Board of Directors, executives, employees and workers can apply it as practice guidelines, along with Articles of Association

4. Providing the Company's shareholders and stakeholders with sufficient, reliable financial and non-financial disclosure in timely manner equally, establishing the Investor Relations Department and the Public Relations Department to be responsible for disclosing information to investors and the public

5. Shareholders and stakeholders will be treated equitably and fairly and entitled to information accessibility and suitable communication channels with the Company

6. Providing appropriate system for selecting and recruiting personnel to hold positions in all important executive levels with transparent and fair recruitment procedures

To ensure transparent operations, enhance the management and increasing confidence of shareholders, general investors, and all related parties in long term, the Company has categorized the practices into 5 areas as follows;

9.1.1 Right of Shareholders

The Company is aware of importance and the rights in the corporate ownership of all shareholders. They supervise the Company through the appointment of the Board of Directors to perform duties on their behalf and have the rights to make a decision relating to major changes of the Company. The Company encourages shareholders to exercise their rights based on basic rights of shareholders, such as voting rights, the rights to appoint proxy, the right to sell or transfer stocks, the sharing of company's profits, the right to obtain the adequate information of the Company, the voting right in the shareholders' meeting to appoint or to demote the directors, the rights to appoint a certified auditor, and the right to make major decisions which possibly affect the Company, such as dividend allocation, amendment or modification

of Articles of Association and Memorandum of Association, capital increase or decrease, and approval of special issues, etc. In addition, the Company also establishes policies and practice guidelines to support and facilitate shareholders to exercise their rights as follows;

1. Shareholders' Meeting

1.1 The Company will disclose policies supporting or promoting all shareholders, including institutional shareholders to attend the shareholders' meeting.

1.2 The Company will provide information, date, time, venue and meeting agenda, including information supporting the meeting in detail to shareholders prior to the meeting as well as all information relating to items required decision in the meeting adequately and timely.

1.3 The Company will facilitate shareholders to exercise the right to attend the meeting and voting right and must not perform any act that restricts shareholders from attending the meeting

1.4 The Company offers opportunities to shareholders to submit questions prior to the meeting by clearly determining rules and then informs and sends the invitation letter to notify shareholders of rules of meeting, voting procedures and also publishes such information on the Company's website in advance.

1.5 The Company will support shareholders to use a proxy form on which shareholders can dictate the direction of their voting through proxies and should nominate at least one independent director as an alternative proxy for shareholders.

2. Procedures on the date of the shareholders' meeting

2.1 The Company offers opportunities to shareholders to pose questions to the chairman of various sub-committees on matters in which they are involved

2.2 At the shareholders' meeting, voting is made separately for each item in the case of several items in an agenda, such as the agenda on appointment of directors.

2.3 The Company arranges independent persons to count or inspect votes in the ordinary general shareholders meeting and the extraordinary general shareholders meeting, and discloses them to the Meeting and records in the minutes of the meeting.

2.4 The Company provides ballot tickets in major agenda item for the purpose of transparency and auditability in case of an objection occurring thereafter.

2.5 The Chairman of the Meeting offers opportunities to shareholders to express opinions and pose questions to the Meeting on matters in which the Company is involved.

2.6 The Board of Directors encourages the Company to apply technology to the shareholders' meetings, including registration of the attending shareholders and vote counting and reporting, so that the meeting can be conducted quickly, accurately and precisely

3. Preparation and Disclosure of the Resolutions of the Shareholders' Meetings

3.1 The minutes of shareholders' meeting record the explanation of the voting and vote counting procedures used to the meeting prior to commencement of the meeting, as well as the opportunity provided for the shareholders to raise issues or questions. It also records the questions and answers, the voting results for each agenda item of the number of shareholders approving, dissenting and abstaining and the list of directors who is present or absent from the meetings.

3.2 The Company discloses to the public the voting results of each agenda of the ordinary general shareholders meeting and the extraordinary general shareholders meeting on its website.

4. Rights to approve and remove directors and determine remuneration of directors

Appointment of Directors

4.1.1 The Company offers opportunities to shareholders to exercise their rights for electing individual directors by nominating persons to assume the position of a director at the shareholders' meeting and also profile of each nominated director and any information beneficial to shareholders for consideration and approval.

4.1.2 According to the Articles of Association, at every shareholder's meeting, one-third of the directors shall retire. The directors who have been in office the longest shall retire first. However, the retired directors may be re-elected.

4.2 Removal of Directors

Removal of any directors before the expiration of the director's term of office must be in accordance with specified laws and the Articles of Association by the votes 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.

4.3 Determination of Remuneration for Directors

Shareholders are entitled to consider and determine, monetary and/or non-monetary, remuneration of directors, and then approve it every year, including propose rules and policy on determining, monetary and/or non-monetary, remuneration of director of each position.

5. Rights to approve the appointment of certified auditor and determine audit fee

The appointment of a certified auditor and the determination of the audit fee must be approved by shareholders at the ordinary general shareholders' meeting every year. The certified auditor must be independent and approved by the Security and Exchange Commission. The Company will attach details of auditors nominated for appointment, their companies, experience and expertise, independence, number of years that such auditor acts as the Company's auditor (in case of re-appointment) and fee for auditor and/or other service charges (if any) together with invitation letter and also publish such information on the Company's website, so that shareholders are able to consider appropriateness of auditors prior to an approval.

6. Rights to obtain a share of profit

The Company will set the profit allocation to shareholders in a form of dividend which must be approved by shareholders at the ordinary general shareholders' meeting every year.

In addition, according to the Public Limited Company Act and the Articles of Association, it stipulates that "the board of directors may from time to time pay to the shareholders interim dividends if the Board estimates that the profits of the Company justify such payment. After the dividends have been paid, such dividend payment shall be reported to the shareholders at the next meeting of shareholders."

However, such dividend/interim dividend payout depends on the investment plan and business expansion plan of the Company, financial position and operating results, as well as necessity and appropriateness.

7. Rights to obtain information, news, operating results and management policy regularly and timely

The Company has the policy to disclose information to shareholders transparently, accurately and completely without any discrimination. All shareholders are entitled to access and obtain information, news, operating results and management policy of the Company sufficiently, regularly, timely and equally. They can contact the Company or receive information via these following channels;

- Channels of the Stock Exchange of Thailand
- Company's website : <http://www.taokaenoi.co.th>
- Analyst Site Visit Project
- Press Conference / Press Release
- Activities organized by the Stock Exchange of Thailand, etc.

9.1.2 Equitable Treatment of Shareholders

The Board of Directors respects the rights of all shareholders equitably. The Company has the policy to disclose news and information of the Company completely, accurately and transparently, including rights of shareholders and any matters affecting the Company, as follows;

- The Company will hold the shareholders' meeting in accordance with laws and shareholders' meeting guidelines as specified by the unit supervising the shareholders' meeting. The Company will notify the meeting's schedule and agenda, including opinions of directors towards the Stock Exchange of Thailand

and then publish on the Company's website in Thai and English more than 28 days prior to the meeting. In addition, the Company will inform shareholders of rules of meeting, voting procedures and rights of voting based on type of shares.

- All shareholders are fairly entitled to acquire information, express opinions, and propose questions to the Meeting in accordance with the agenda and proposed matters. The Chairman of the meeting is responsible for allocate adequate time and encourage shareholders to express opinions and propose questions in the meeting.
- All shareholders are entitled to propose additional agenda in advance prior to the date of shareholders' meeting for the fairness and transparency in considering whether the agenda item proposed by shareholders should be added.
- The shareholders' meeting must be conducted according to the agenda order outlined in the meeting invitation letter and will not add any agenda item apart from those specified in the invitation letter for the fairness of shareholders who do not attend the meeting.
- The Company will arrange for use of ballots on every agenda item which requires vote casting for transparency and inspection can be made in case an objection occurs thereafter. In addition, votes must be counted and the vote results and resolutions of the meeting shall be disclosed clearly in the minutes of meeting.
- The Company offers opportunities to shareholders to nominate persons to assume the position of a director in advance and allows shareholders to vote on individual directors.
- The directors and executives of the Company must disclose information relating to their interests and related parties so that the Board of Directors can consider transactions of the Company that may cause conflicts of interest and make a decision for benefits of the Company. However, directors and executives gaining interests from transactions of the Company

should not engage in the decision-making of such transactions.

- The directors and executives of the Company must report the holding of securities as prescribed by laws and submit such report to the Board of Directors regularly, including disclose information in the annual report.
- The directors and executives are not allowed to take opportunities or use information obtained from being a director or executive in order to seek benefits for their own benefits or any third parties, such as securities trading by using internal information, disclosing internal information to persons related to directors and executives which is exploitation or may cause damages to overall shareholders, etc.

9.1.3 Roles of Stakeholders

The Company established the policy on treatment of stakeholders and considered the rights of internal and external stakeholders. As a result, stakeholders should be treated by the Company based on their related legal rights. The Board of Directors should consider and provide the process that promotes the cooperation between the Company and stakeholders in order to create prosperity, financial stability and sustainability of businesses. In the corporate governance system, there are various major stakeholders such as customers, employees, trading partners, shareholders or investors, creditors and communities where the Company is located in, societies or the public state, and other stakeholders such as competitors, etc. The Board of Directors has established the policy on treatment of stakeholders by considering rights of such stakeholders based on laws or agreements made with the Company. However, the Company discloses important information fairly, timely, and transparently to all stakeholders so that they are treated equally. Additionally, the Company also provides channels for accepting complaints or suggestions or comments showing that stakeholders are affected or possibly affected by business operations of the Company or any illegal or immoral act of its employees, including behaviors relating to corruption, inequitable treatment or negligent act, leading to damages to stakeholders. The Company will investigate procedures and record the investigation in writing and conceal whistle blowers, as well as keep all complaint confidential in order to protect whistle blowers from any potential impact.

1. Shareholders

The Company is committed to being responsible and creating highest satisfaction to shareholders, considering the sustainable growth of the Company and offering appropriate returns continuously. In addition, the Company operates its business to constantly gain good operating results and unceasingly develops the business with transparent operation, reliable accounting system, control and internal audit system.

The Company has set guidelines for directors, executives and employees in the Company Group's business ethics to ensure that there is transparency and fairness to various stakeholders. The details of ethics on treatment of shareholders are as follows:

Ethics on Treatment of Shareholders

The Board of Directors has guidelines on equitable and fair treatment of shareholders as follows:

1. Performing duties and conducting business with integrity, transparency and accountability to shareholders on a regular basis, disclosing accurate, complete and standard information to shareholders under the legal framework, business ethics and good corporate governance principles
2. Managing the business of the Company to steadily progress by applying full knowledge, skills and experiences and making decisions with integrity, honesty, duty of care and fairness for the highest benefits of the shareholders
3. Supervising operations to ensure that the Company has appropriate financial status and management to protect and increase interests of shareholders
4. Taking due care and managing the Company's assets to prevent impairment, loss or damage without reasonable cause
5. Not exploiting oneself and related persons by disclosing internal information of the Company that is confidential and/ or has not been yet disclosed to the public or outsiders which may cause negative impacts to the Company
6. Respecting the rights of shareholders by reporting status and operating results of the Company as well as information to all shareholders equally, regularly, timely, accurately and completely based on facts, providing sufficient supporting documents in accordance with the requirements as prescribed by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission
7. Not performing any acts in a manner which may cause conflicts of interest to the Company without notifying the Company

2. Employees

Employees are the most valuable resource of the organization; therefore, the Company is committed to building the fair human resources management and performance evaluation system. The Company recruits and maintains skilled and experienced employees and also aims to develop and enhance their skills continuously, including treat all employees equally. Guidelines for treatment of employees are as follows:

1. Treating employees with respect for their honor, dignity and human rights
2. Appointing, transferring, rewarding as well as punishing employees with sincerity and based on their knowledge, competence, appropriateness and fairness without any discrimination
3. Assessing staff performances and progresses regularly
4. Providing remuneration of various types to employees fairly and appropriately based on their knowledge, competence, experience, positions, responsibilities and individual performance which are taken into consideration in line with the operating results of the Company, economic and social conditions
5. Providing appropriate welfare and other benefits for employees that are comparable to those of other companies in the same or similar business and as prescribed by law, such as provident fund, etc.

6. Supporting and focusing on importance of knowledge, skill and competency development which is beneficial to employees at all levels for their progresses in career path
7. Regularly maintaining a good working environment for health and safety to life and properties of employees
8. Providing appropriate facilities and welfare for disabled employees
9. Supporting employees to have better quality of life and promoting development of life and well-being of employees' families so that they will live happily and are able to rely on themselves sustainably according to the philosophy of sufficiency economy
10. Promoting participation of employees and respecting the rights of employee assembly to propose or set working guidelines and/or agreements to create benefits for all parties and good working relationship, including channels to complain any offences, investigation approaches and whistle blower protection
11. Supporting employees to work under mutual culture and good value and encouraging unity spirits in the organization
12. Managing works with prudence and avoiding any unfair actions which may cause impact on the job security of employees
13. Complying with rules and regulations relating to labor law (such as employment, termination of employment) and welfare of employees

3. Customers

The Company is committed to creating satisfaction and responding customers' demands so that they receive good and fair products and services with reasonable prices. Guidelines for treatment towards customers and consumers are as follows:

1. Responding the needs of customers with good quality of products and services with reasonable prices and qualified employees as well as state-of-the-art

innovation and technology

2. Regularly studying, assessing and improving impact of products and/or services which may occur to consumers and monitoring and supervising products and services to have quality and meet standards, requirements, consumer protection laws or other relevant laws
3. Providing information which is accurate, sufficient and beneficial to decision-making on products and/or services of consumers by not intentionally concealing information or giving false information to mislead consumers about the quality, quantity, or conditions of such products or services
4. Providing procedures which customers are able to report problems of product use or inappropriate services via e-mail or call center so that the Company will prevent/ resolve problems for the customers quickly and appropriately and apply such information to improve or develop such products or services
5. Supporting activities which promote and maintain good and sustainable relationship between customers and the Company

4. Trading Partners, Competitors and Creditors

The Company adheres to equity and integrity in conducting business and mutual benefits based on good ethics, strictly complies with laws, rules and conditions agreed with contract counterparts, builds trading alliances, and maintains good relationship with all parties.

Ethics on Treatment of Trading Partners

The Board of Director treats trade partners equally and considers mutual benefits. Guidelines for treatment toward trading partners are as follows:

1. Treating trading partners equally, fairly and based on fair returns acceptable to both parties
2. Strictly complying with agreements or conditions mutually agreed upon; and in case of non-compliance with one of any conditions, a notice must be submitted to trading partners immediately to jointly seek solutions on a rationality basis

3. Not requesting for or accepting assets or other benefits which are dishonest to trading with trading partners
4. In case there are grounds to believe that there is a request or acceptance of assets or other benefits which are dishonest, information must be disclosed to trading partners to jointly seek solutions without delay
5. Providing a policy or measures for inspecting and screening trading partners of the Company such as manufacturers and contractors and also supporting businesses made with trading partners who conduct business fairly without violating human rights and realizing the importance of social responsibility
6. Not giving cooperation to or supporting any persons or organizations which conduct illegal business or are a threat to the society and national security
7. Being committed to maintaining sustainable relationship with trading partners and contract counterparts on the basis of mutual trust

Ethics on Treatment of Competitors

The Board of Directors conducts business under a framework of free and fair competition. Guidelines for treatment toward competitors are as follows:

1. Treating competitors according to the rule and manner of good and fair competition
2. Not intentionally destroying reputation of competitors with groundless slander without referred information
3. Not performing any acts which breach intellectual property and copyright of any third parties or competitors

Ethics on Treatment of Creditors

The Board of Directors is committed to conducting business to create creditability for creditors. Guidelines for treatment toward creditors are as follows;

1. Strictly complying with agreements or conditions mutually agreed upon, including obligations and liabilities; in case of non-compliance with one of any conditions or default, a notice must be submitted to creditors immediately to jointly seek solutions on a rationality basis without revealing facts
2. Managing an appropriate capital structure in order to support the Company's business operation and maintaining creditor confidence
3. Not giving cooperation to or supporting any persons or organizations which conduct illegal business or are a threat to the society and national security
4. Being committed to maintaining sustainable relationship with creditors on the basis of mutual trust

5. Community, Society and Environment

The Company has conducted the business with social and environmental responsibility so it is aware of, care and considers the safety of communities and quality of life of the public and society regularly. The Company adheres to operate the business with responsibility and pay attention to overall communities, society and environment and also comply with relevant laws and regulations. The Company has operated its business along with the prevention and mitigation of impacts or potential impacts on communities and environment. The policy/practice guidelines on treatment of community, society and environment are as follows;

In this regards, the Company will disclose activities which represent the compliance of such policy/practice guidelines and also prepare the corporate social responsibility report of the Company included in or separated from the annual report as deemed appropriate.

1. Supporting provision of knowledge and training for employees at all levels to build the awareness of responsibility toward community, environment and society and encouraging employees to participate in activities organized by the Company
2. Having social participation by supporting and promoting activities which maintain good tradition and culture and behaving as a good religion follower by supporting religious activities consistently

3. Participating in supporting activities relating to education, sport capabilities, development of professional knowledge, for sustainable self-dependence
4. Having social responsibility relating to public benefits, maintenance of the environment and development of the community as well as creative projects to promote and support well-being of people in communities
5. Having social responsibility in different forms such as organizing campaigns against drugs continuously, leading to development and promotion Thai children and youths to stay away from drugs, for the purpose of a strong community and drugs-free society
6. Campaigning and building awareness of conservation and efficient use of resources and energy to employees
7. Not performing any acts which may cause damages to reputation of the nation, natural resources and environment
8. Not cooperating with or support any persons or organizations conducting illegal business or being a threat to the society and national security
9. Complying or monitoring to ensure strict compliance with relevant regulations and laws

9.1.4 Disclosure of Information and Transparency

The company recognizes the importance of disclosing significant information belonging to the company with accuracy, completeness, up-to-date information, transparency, directness and accountability within an appropriate time to benefit investment and management decision-making including any operations for all stakeholders. Therefore, the company is obligated to provide information for all related parties with fairness, information that is appropriate, accurate, reliable, up-to-date and equal access to information for all stakeholder groups via various channels such as the Stock Exchange of Thailand, the annual information form (Form 56-1), annual reports and various media, including the company's website with the following policy/practice guidelines toward the community, the environment and overall society:

- The company will disclose at least the following information on the company's website:

1. The company's vision and obligations.
2. The company's business operation characteristics.
3. List of directors on the Board of Directors and executives.
4. Financial statements and reports related to financial status and performance with both the current version and reports from the previous year.
5. Downloadable Form 56-1 and annual reports.
6. Any other information or documents presented to analysts, fund managers or other media by the company.
7. Direct and indirect shareholding structure.
8. Corporation structure including subsidiaries, affiliated companies, joint ventures and special purpose enterprises/vehicles (SPEs/SPVs).
9. Direct and indirect major shareholders holding shares from five percent of all distributed shares who have the right to vote.
10. Shares held directly and indirectly by directors, major shareholders and high-ranking executives.
11. Invitations to general shareholders' meetings and special shareholders' meetings.
12. Company regulations, memorandums of association and agreements of shareholder groups (if any).
13. The company's good corporate governance policy.
14. Risk management policy including risk management methods in various areas.
15. Charters, duties, responsibilities, qualifications and terms in office for the Board of Directors including topics requiring approval from the Board of Directors

16. Charters, duties, responsibilities, qualifications and terms in office for the Audit Committee.

17. Contact information for agencies or persons responsible for investor relations work such as names of persons capable of providing information and telephone numbers.

- The company will arrange for an Investor Relations Division to communicate, provide information and answer enquiries by shareholders, investors, analysts, mass media and related government sector in order for the aforementioned persons to receive accurate, complete and transparent information from the company.
- The company will arrange for regular annual policy reviews.
- The company will arrange for reports on responsibilities of the Board of Directors toward financial reports to be displayed with the auditor's report on annual reports.
- The company will prepare Management Discussion and Analysis (MD & A) to accompany financial disclosures in every quarter in order for investors to acknowledge information and better understand changes to the company's financial status and performance in each quarter.
- The company will disclose roles and duties of the Board of Directors and sub-committees, the number of meetings and meeting attendance during the previous year including opinions from performing duties, continual trainings and professional development of the Board of Directors on annual reports.
- The company will disclose policies on remuneration for directors and high-ranking executives of the company and subsidiaries to reflect duties and responsibilities for each director or executive including remuneration forms or characteristics.

9.1.5 Board of Director Responsibilities

The Board of Directors takes responsibility for shareholders regarding the company's business operations, governance in

accordance with the law, company objectives, regulations and shareholder meeting resolutions.

9.2 Sub-Committees

Board of Director Structure

To ensure effective duty performance by the Board of Directors, the Board of Directors organized sub-committees to help study and screen performance as necessary. As of 31 December 2015, the company had two sub-committees, namely, the Audit Committee and the Risk Management Committee. The scope of duties for the Board of Directors, each sub-committee, the Chief Executive Officer and the Secretary of the Company was as follows:

9.2.1 Board of Directors' Scope of Authority and Duties

1. The Board of Directors is authorized to manage the company, supervise and manage the company to ensure compliance with the law as well as the company's objectives and regulations, including resolutions of Board of Director meetings and shareholders' meetings with responsibility, honesty, caution and preservation of the company's benefits based on good corporate principles.
2. The Board of Directors has the power to appoint directors and/or the management of the company to perform any or multiple actions in order to operate as assigned by the Board of Directors in addition to having the power to appoint the Chief Executive Officer (CEO) and other sub-committees such as the Management Committee and the Recruitment and Remuneration Committee as deemed fitting and necessity along with approval of scopes of power and duties of various sub-committees including cancellation, revocation or revisions to change the aforementioned powers.
3. Specify or change the names of directors with signatory authority to act on behalf of the company.
4. Set goals, guidelines, policies, work plans and budgets of the company. Control and supervise administration and management by the management or assigned persons for compliance with policies and work plans prescribed by the Board of Directors.