

The Board of Directors is committed to sustainable business operation, based on sufficiency economy which emphasizes modesty, reasonableness and possession of immunity by utilizing knowledge, prudence and due diligence in business operation while adhering to good corporate governance and placing importance on building good corporate governance systems.

In the belief that having effective management systems requires transparency, accountability and an internal control system which is adequate and appropriate, together with a determined respect for the rights and equality of shareowners and responsibility towards all stakeholders, being free from corruption in all forms whether directly or indirectly. These are the key factors which contribute to the strengthening of the organization's immune system, enhancing its integrity and promoting balanced and sustainable growth in the long run.

## Code of Conduct under Good Corporate Governance

In pursuit of the abovementioned aspirations, the Board of Directors has prescribed corporate governance policies based on the Corporate Governance Report of Thai Listed Companies (CGR) issued by the Thai Institute of Directors and is in line with the ASEAN CG Scorecard criteria, as a Code of Conduct for the Company's Directors, Executives and all its employees as follows:

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 of Association 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 risk management shall be managed at suitable levels, including an accounting system and financial statement reports 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. Any undertaking must take into account the Company's responsibility towards shareholders, stakeholders, communities, society and the environment.
8. Pursuit of business excellence shall be based on the commitment to creating customer satisfaction by being receptive to comments and self review in order to enhance management potential and continual creativity.
9. Virtue, ethics and good values shall be instilled. Employees shall be treated fairly with firm commitment to their capacity building and professional development
10. Misconduct, corruption and intellectual property violations shall be countered. Laws and human rights shall be respected.
11. Conflicts of interests shall be dealt with prudently and reasonably with due regard for the Company's best interests.

## Review of Good Corporate Governance Principles

The Board of Directors has prescribed an annual review of the Company's Good Corporate Governance principles so as to always be aligned with any new criteria and up-to-date with emerging business models.

In 2017, had a number of activities according to its set work plans.

1. The Board of Directors studied and considered the suitability of the CG Code in line with the Securities and Exchange Commission's modification of the CG Code of Conduct of the Stock Exchange of Thailand 2012 Edition from 5 Sections previously to 8 Principles, for greater sustainability, as follows:

- 1.1 The Company's prescribed good corporate governance policies are appropriate and complete.
- 1.2 The Company is in the process of further study and improvement of its Code of Conduct in accordance with the CG Code of 2017.

Pursuant to this, the Board of Directors has assigned corporate management to carry out this task and report to the Board periodically.

### 2. Recognition

- 2.1 The results of the assessment of the quality of the Annual General Meeting of Shareowners for the year 2017 by the Thai Investors Association received total score of 100, classified at the level of "Excellence and Exemplary" for the eleventh consecutive year.

2.2 Corporate Governance Report of Thai Listed Companies Award granted by the Thai Institute of Directors Association under the support of the Securities and Exchange Commission and Stock Exchange of Thailand, classified at the level of “Excellence and Exemplary” (Five Stars).



## Compliance with Good Corporate Governance Principles

Good Corporate Governance principles can be classified into 5 sections as follows:

### 1. Shareowners Rights

Realizing the importance of shareowners and in respect to their ownership rights, the Company's Board of Directors has set a policy to ensure protection of shareowners' equitable basic rights and equal and fair treatment as specified in the Company's articles of association and business ethics code in conducting its business operation, taking into consideration shareowners' legal rights, without encroaching or lessening it, and support and promotion of all shareowner groups, especially institutional investors, to attend shareholders' meetings. The basic rights of the shareowners are as follows:

- The right to own, trade and transfer the shares.
- The right to attend the shareowners' meetings.
- The right to appoint a proxy to attend the meeting and to vote on one's behalf.
- The right to vote and jointly make decision on crucial matters
- The right to receive dividends on an equal basis.
- The right to elect the Company's board of directors, and determine their remuneration.
- The right to appoint auditors and determine their remuneration.
- The right to provide comments and questions during the Shareowners' meetings, as well as to receive sufficient, timely and equitable information.
- Equal repurchase rights of the Company's shares to all shareowners.

Aside from the shareowners' basic rights, the Board of Directors have emphasized an importance on correctly, completely, timely and transparently disclosing of information and news with a view on benefit for shareowners to receive all information equally and thoroughly. Additionally, some other measures have been executed to promote the rights of shareowners and facilitate for exercise of their rights as follows:

#### 1.1 Right to receive information

All shareowners have the right to equally receive the Company's information which the Company publishes in Thai and English via communication channel of the SET and company website (<http://www.icc.co.th>) to ensure all shareowners will be informed.

#### 1.2 Right to attend shareowners' meetings

The Board of Directors considers as its important responsibility arrangement of the annual AGM within 120 days after the end of the Company's fiscal year at a convenient and proper date, time and venue for every shareowner to attend in order to allow them to participate in monitoring and supervising the company's operation.

##### Before the Annual General Meeting

In 2017, the Company organized the 52nd Annual General Meeting of 2017 on 24 April 2017 at the Montien Riverside Hotel.

1. The agenda and details of the meeting in both Thai and English was publicized in advance to all shareowners via the channel of the Stock Exchange of Thailand since February 24, 2017, approximately 60 days prior the meeting in order that shareowners can arrange their availability to attend the meeting. The information was also published on the Company's website (<http://www.icc.co.th>).

2. The Company publicized the invitation letter to the meeting and supplementary documentation, having identical content to the counterpart sent to shareowners in both Thai and English version on the company website more than 30 days prior to the meeting date. The disclosure was made on 22 March 2017 to enable quick and convenient access among Thai and foreign shareowners in order to have more time for consideration of all the information.

3. The Company sent out in advance the invitation letter and supplementary documentation with sufficient details containing facts with explanation and reasons clearly defined whether it is for acknowledgement or for approval including the Board of Directors' comments for each agenda as well as accompanying documents such as the Annual Report, financial statements, Proxy Form B, information on eligible candidates for the Board and a map of the meeting venue along with explanatory notes regarding list of necessary

documents required to be presented to the meeting, the attendance procedure to enable shareowners to maintain their rights, and regulations concerning the AGM—all of which were sufficient to allow informed consideration and voting on each agenda. The aforementioned letter and information was sent out 22 days prior to the meeting date, better than the required timeline standard, on 3 April 2017 in order to allow the shareowners to consider the information. The invitation letter was also announced in Thai newspapers for 3 consecutive days during April 3 - 5, 2017—more than seven days prior to the meeting date.

For foreign investors or institutional investors, the Company sent out the invitation and supplementary documentation in both English and Thai as to encourage their attendance. They were also able to see more details relating to the meeting on our website [www.icc.co.th](http://www.icc.co.th).

In 2017, 4 foreign shareowners and institutional investors assigned proxy to the Audit Committee.

Furthermore, the shareowners were able to download from the website authorized proxy forms which have been prepared and complied with the announcement of the Ministry of Commerce in three options: types A, B, and C. Any one of the three available formats can be chosen to suit individual needs.

4. The Company provided the opportunity for shareowners to fully participate in the meeting in terms of providing comment and posing questions pertaining to the Company, including allowing minor shareowners to propose any agenda to the AGM and to nominate any person to be elected as a member of the board of directors.

In the 2017 AGM, the Company additionally allowed shareowners to propose agenda items for inclusion in the 52<sup>nd</sup> AGM of 2017 and nominate persons to be elected to the Board of Directors in advance during December 1 - 30, 2016. This process was publicized in both English and Thai language via the channel of the Stock Exchange of Thailand and the Company's website. However after the due date, no additional agenda nor candidates had been proposed.

In addition, the Company provided the opportunity for shareowners to pose questions regarding the AGM over 30 days in advance of the meeting via email to [iccset@icc.co.th](mailto:iccset@icc.co.th) or via facsimile to 0-2294-1155 as stated in the invitation letter along with being published on the company website (<http://www.icc.co.th>). However, in 2017, shareowners did not pose any questions in advance.

### **Attendance at AGM**

1. The Board of Directors has a responsibility to shareowners and recognizes the importance of their participation in the shareowners' meetings. It is regarded as the duty of the Board of Directors, members of every committee and every executive to attend every such meeting in order to allow all shareowners to ask about the company's information and respond to their questions.

In the 52<sup>nd</sup> AGM of 2017, all eleven members of the Board of Directors, including the Chairman of the Board and the Chairs of the six Sub - committees, all members of Audit Committee, the Remuneration Committee, the Nomination Committee, Risk Management Committee, Corporate Governance Committee, the Executive Committee, corporate management - represented by Vice Presidents from all divisions, including the Vice President of Finance and the Company's auditors, attended the meeting. The name list with title of all Company Board and committee members and executives who attended the AGM can be found in the minutes published on the Company's website (<http://www.icc.co.th>).

2. The Company extends fair treatment to all shareowners. Prior to commencement of the meeting, the Company Secretary announces the number /proportion of shareowners in attendance and the Chairman of the meeting clarifies the procedural rules.

- Method of voting and vote counting which according to article 43 of the Articles of Association is that the vote of one share is equivalent to one vote.
  - Voting on each agenda is done openly with ballots handed out to shareowners to record their vote. Only ballots indicating disapproval and abstention are collected, except for the Election of Directors agenda whereby the ballots of every shareowner are collected.
  - In vote counting, only disapproval and/or abstention votes, including votes on bad ballots, are deducted from the total number of votes of shareowners in attendance. The remaining number of votes is regarded as votes of approval of the respective agenda.
  - The Barcode system is used in the vote counting. Voting results on each agenda are displayed on a projector for shareowners attending the meeting.
  - Shareowners have the right to pose questions and express their opinion on each agenda. Should they have any questions regarding matters not on the agenda, they can pose these during the agenda 'Other Matters'.
  - In cases where shareowners arrive for registration after the meeting has commenced, they are entitled to vote only on agenda items which had not yet been considered or voted upon, and their attendance will only be counted from the agenda on which they voted.
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In addition, all shareowners attending the meeting are fully allowed the opportunity to ask questions, express opinions and propose recommendations on each agenda. All questions shall receive clear and succinct response to be duly recorded in the Minutes of Meeting. The Minutes of the Meeting also includes details of the voting method and summary of voting results on each agenda using the Barcode system to clearly record votes of approval, disapproval and abstention.

In the past year, the Company has provided such opportunity with shareowners posing questions on matters of their concern and the Board of Directors providing clear and accurate response - all of which have been recorded in detail in the Minutes of the Meeting publicized in the company website (<http://www.icc.co.th>).

3. The Board of Directors promotes applying the use of technology in shareowners' meetings, in order to enhance accuracy and speed, by using the Barcode system for registration and vote counting to facilitate shareowners participation.

In counting votes for each item of the agenda by using the barcode system, officers from Vira Law Office, as the Company's legal adviser, witnessed and participated in the vote counting and cross-checked the voting result on every item of the agenda for accuracy, transparency and compliance with legal and regulatory requirements as well as the Company's articles of association. Company's Auditors also observe the vote counting and the results are disclosed to the meeting and recorded in the minutes of the meeting. In case that any shareowners question or contradict the voting result, they are able to double-check after the meeting.

In addition, prior to the start of consideration of each agenda, the registration officials shall re-announce the number of shareowners in attendance.

Following are the results of voting on each agenda at the 2017 AGM.

Agenda	Approval			Disapproval			Abstention		
	Number of persons	Number of shares	%	Number of persons	Number of shares	%	Number of persons	Number of shares	%
1 - 6, 8	143	237,673,894	100.00	-	-	-	-	-	-
7	139	234,691,594	98.75	4	2,982,300	1.25	-	-	-

(Prior to the start of Agenda 1, 2 additional shareowners arrived; while prior to the start of Agenda 3, 1 additional shareowner arrived; and prior to the start of Agenda 6, 2 additional shareowners arrived. Details are stated in the Minutes of the AGM published on the company website.)

4. The important agenda of the AGM are the following:

- **Dividend Payment** : the Company provides details of the profit appropriation, the proposed dividend payment ratio with rationale and related documents to comply with the dividend payment policy of the company and to provide dividend payment comparison between the current and previous years, as well as indicating the record date for eligible shareowners to receive dividend, the closing date for shares transfer registration and the dividend payment date.

- **Appointment of the Board of Directors** : The Company entitles shareowners to elect individual directors and to propose candidates for directorship. The proposed candidate shall be approved by Nomination Committee. In case of independent director, he/she must possess the qualifications as stipulated by the Company and the notification of the Market Advisory Board. The list of candidate(s) shall be included in the invitation letter, having names, brief biography, age, position, education, work background, number of previous companies he/she has held directorship/executive position in listed and other companies, position(s) in any competing entity/any entity related to the Company's business, shareholding in the Company, criteria and method of nomination, type of director being proposed (according to the information sent in the invitation letter and as disclosed on the company website).

In the re-election of retiring directors, the company also provides attendance record at past meetings of the directors, as well as terms / years of their directorship.

In 2018, the Company still entitles shareowners to nominate candidate(s) to be elected as the Company's directors prior to the 53<sup>rd</sup> Annual General Meeting of 2018. Details are as per item 1. Before the Annual General Meeting (Right of Shareowners) on page 88 - 89 in this Annual Report.

- **Remuneration of Directors** : The Board of Directors has granted shareowners the right to approve the remuneration of Company Directors on a yearly basis as well as to determine the criteria for remuneration payment to each member of the Company committees and the value of all forms of remuneration for approval by shareowners in the AGM. The proposal for consideration and approval is scrutinized by the Remuneration Committee based on the Company's operational results, director's

performance, appropriation value of remuneration approved by the AGM, the previous year's remuneration and comparable remuneration in other companies engaged in the same type of business, as well as the director's authority, duties and responsibilities. The remuneration policy and criteria are set forth for each director position, divided in terms of their role(s) on the Board of Directors, Audit Committee, Nomination Committee, Remuneration Committee, Corporate Governance Committee, and Risk Management Committee. The approved budget is summarized in terms of actual amounts being paid and form of payment to individual members of each committee namely the Board of Directors, Audit Committee, Nomination Committee, Remuneration Committee, Corporate Governance Committee, and Risk Management Committee as specified in form 56-1 and in pages 76 - 77 of this Annual Report.

• **Appointment of the Company's auditor and setting of audit fee:** The Company provides all relevant details pertaining to the auditions such as auditor's name, company affiliation, experience, capabilities, independence, past performance, number of years on duty, reasons for change of auditor, and auditor's fee, including comparable information on the auditing fee between the previous and current years along with any other service fees charged by the auditor's company, in comparative proportion to the amount of work and audit fees paid by other listed companies of the same level. All information included in the submission to the AGM has passed the consideration of the Audit Committee.

#### **After the AGM**

1. The Company discloses resolutions of the Annual General Meeting with voting results of each agenda in Thai and English versions via the channel of the Stock Exchange of Thailand on the day following the AGM and publicized through the Company's website.

2. The Company provides the Minutes of the Annual General Meeting both in Thai and English versions with sufficient, clear, accurate and complete factual details. Included in this were records of the names and titles of all directors who attended, questions raised by shareowners during the meeting and the answers, voting and vote counting methods, including the number of votes counted as Approval, Disapproval and Abstention on each agenda. Minutes of the meeting are submitted to the Stock Exchange of Thailand and all regulatory agencies concerned within 14 days after the AGM. The Minutes of the meeting in both Thai and English versions were publicized on the company's website so as to allow shareowners to check the data without having to wait until the next AGM, and also sent to the Department of Business Development, Ministry of Commerce within the time stipulated by law.

3. The Company also does a visual recording of the AGM and all proceedings throughout the meeting which is publicized on the company website (<http://www.icc.co.th>).

### **1.3 Shareholding Structure**

The Company has not developed a mechanism to prevent domination of business, which may be exploited by management or authorized persons in case of inefficiency or mismanagement. In 2017, the Company disclosed the structure of related businesses in the business group with similar or related natures, or having cross shareowning structures on page 40 - 41 of this Annual Report. Similar information was also posted on the Company's website.

In 2017, the Company did not repurchase company shares or made any agreement between the shareowners which may have a material impact on the Company or other shareowners. Moreover, it did not prevent or create obstacles to the opportunity for shareholders to communicate with each other.

In the year 2017, the board of directors and executives, including their spouses and minor children, held company shares totaling 4.70 %, which does not exceed 25 % of the Company's issued shares, and the proportion of free float share-holding is at 30.90 %, which is higher than 25 % of the Company's issued shares.

### **2. Shareowners' Right to Equitable Treatment**

1. The Company fully respects the equity rights of shareowners, recognizes their importance and treats all shareowners on equal basis. The Company has no policy to provide unequitable benefits to any specific party whether they be major, minor or foreign shareowners. All shareowners are able to fully exercise their own rights in terms of voting on any matter as the business owner and secured that their rights shall be protected on fair basis with proper provision of sufficient facility.

2. The Board of Directors treats all shareowners with equality and fairness. Owner of the same type of share have identical right to vote, whereby one share represents one vote.

3. The Board of Directors supports shareowners who cannot attend the meeting to assign a proxy to attend and vote on their behalf, by using the proxy form to direct their voting preference and assign at least one independent director as their proxy.

4. The Board of Directors allows minor shareowners to propose a candidate as a director in the Annual General Meeting.

5. The Board of Directors disseminates the invitation letter to the AGM, both in Thai and English versions, on the company website at least 30 days prior to the meeting date.

6. The Board of Directors supports all shareowners to exercise their right as a shareowner. The invitation letter to the meeting

and supplementary documentation are sent out for consideration in advance including the English version for foreign shareowners.

7. The Board of Directors has established a policy to prevent unethical exploitation of insider information for personal interests or others' benefits. It prohibits members of the Board of Directors and committees, executives and all employees who have access to the confidential information (by their position) from trading in company assets in the period of 1 month prior to the public disclosure of the Company's financial statements.

8. The Board of Directors requires company directors and executives to disclose their interests their related persons' interests, as well as manage any possible conflict of interest with prudence, in compliance with the rules of the Securities and Exchange Commission.

According to the Corporate Governance Policy and Principles, in the section relating to Equitable Treatment of Shareowners, the Company treats all shareowners equally and fairly, based on recognition of the equitable rights and equality of all shareowners.

## **2.1 Exercising the right to attend the AGM**

1. In the case of foreign shareowners, the Company prepares the invitation letter to the meeting as well as supplementary documentation and the minutes of the meeting in English which is sent out together with the Thai version. These can also be viewed on the company website, which provides both the Thai and English versions.

2. The right to vote in the meeting is in accordance with the number of shares owned by shareowners. One share is equivalent to one vote and the Company has only ordinary shares.

3. In the Annual General Meeting, the Company has a procedure and channel in place so as to provide the opportunity for minor shareowners to propose qualified candidates to be considered and elected as a director. The shareowners were required to submit their proposed candidates prior to the AGM meeting date as prescribed in the set criteria, which included the channel and timing of the submission during 1-30 December 2016. Such information, both in Thai and English versions, was distributed through channels of SET and the company's website.

Shareowners are also allowed to send in their inquiry in advance. However for the 2017 AGM, no proposed candidate for a director position or inquiry was sent in advance.

4. In 2017, the Company held 1 general meeting of shareowners, the Annual General Meeting, on Monday 24 April 2017 and assigned the Depository for Securities (Thailand) Company Limited, the Company's share registrar to send the invitation letter to the meeting to shareowners 22 days in advance on 3 April 2017 and disclosed on the company website 30 days in advance in order to facilitate both local and foreign shareowners and institutional investors to have plenty of time to study details of each agenda item and appoint a proxy to attend and vote on their behalf in case they are unable to attend the meeting.

The Company facilitates foreign shareowners by sending out the invitation letter with relevant documents in English as well as Thai so as to support attendance by all shareowners, including institutional investors.

Furthermore, the details of the invitation letter with all supplementary documentation which present the same written information as that sent to the shareowners in both Thai and English versions are also published via the company website (<http://www.icc.co.th>), 30 days ahead of the meeting date, since March 22, 2017, allowing Thai and foreign shareowners to access the information conveniently and rapidly, including having more time for consideration.

For the 53rd AGM on April 23, 2018, the Company will send out an invitation letter with all related documents as enclosure on April 2, 2018 which is 21 days prior to the meeting date. The supplementary documentation comprises the meeting agenda, annual report, financial statement, proxy Form B, proxy procedure, information on eligible candidates for the Board and a map of the meeting venue. These documents will be complete and sufficient enable shareowners to prepare correct documents and make their decisions in voting on each item of the agenda.

5. The Company facilitates shareowners who themselves are unable to participate in the meeting to appoint a proxy so as to take part in the consideration and voting process on company activities according to the meeting agenda. For this purpose, a Proxy Form B is attached with the invitation letter providing sufficient information on the proxy appointment procedure, and relevant conditions were simplified to facilitate the process. Shareowners can authorize a proxy to attend the meeting on their behalf and the Proxy rights can be given to an individual or an Audit Committee member who is an independent director. Name list of the four audit committee members together with addresses and details of their stake holding in each meeting agenda have been provided in the invitation letter, and are also available in the company annual report sent to the shareowners along with the invitation letter. The authorization can be executed by using the Proxy Form B sent out with the invitation letter to set their voting direction or download the form prepared in compliance with regulations of Ministry of Commerce from the Company's website (<http://www.icc.co.th>) which contains three forms: Form A, Form B and Form C (used only in the case that the shareowner is a foreign investor and has appointed a custodian in Thailand). Only one form can be chosen.



In the 52<sup>nd</sup> AGM held on April 24, 2017

	Persons	No. Of shares	% (shares)
Shareowners as listed in share registration	2,061	290,633,730	100.00
Total number of attendants	143	237,673,894	81.78
Attended in person	57	21,825,370	7.51
Proxy	86	215,848,524	74.27
- Proxy to audit committee	13	6,622,570	2.28
- Proxy to individual	73	209,225,954	71.99

6. Registration and attendance by proxy are facilitated by the Company providing complimentary excise stamps for affixing on the proxy form.

7. For convenience of registration at the meeting, attendees may register at least two hours prior to the meeting time and also late attendees will be entitled to cast their vote on the remaining yet-to-be-deliberated items on the agenda counted as part of the quorum from the time they cast their votes.

8. The Company conducts the AGM in accordance with the set meeting agenda. No additional agenda items or change of important information are introduced without advance notice to shareowners.

9. To vote in each agenda, which is proceeded openly, the Company distributes ballots to all shareowners/proxy holders during the registration. Shareowner/proxy holder who disagree or abstain shall return the ballot with affixed signature only. The exception is on the agenda involving election of directors whereby the ballot is collected from all shareowners/proxy holders attending. The Company provides adequate personnel and technological support of the registration and voting procedures by using barcode system to enhance convenience, speed and transparency.

## 2.2 Supervision of Internal Information Usage

One of the long-standing admirable characteristics of corporate culture is a conscientious sense of business ethics that the Company belongs to the public at large and not to any individual or group of individuals. Hence, a major duty of all personnel at all levels is to safeguard the use of corporate property and to prevent its misuse for personal or any other purposes. This communal sense of responsibility is ingrained into the conscience of all staff at all levels.

Such sense of responsibility has resulted in the Company management being almost wholly by a collective group of people for many decades through a consultative process with meetings being held at the same levels and across departments at all times. This practice has prevented any one executive from causing material damage to the Company by acting alone without discretion.

In addition to collective management, the Company strictly adheres to the principles of ISO 9001: 2008, which upholds transparency in management and decision-making rendering the Company's good corporate governance in every aspect and resulting in the satisfaction that the Company's system of internal control is fully effective.

The company has policies and measures to supervise the use of internal data. Details can be found on page 117 of this annual report. It is also stated in the Company's code of business operation and specified in the code of conduct for company directors, executives and employees

The Company has developed its IT control system in electronic documents interchange and determining access level (with password for each user), to suit the duties and responsibilities of particular users at every level.

In 2017, all these regulations and procedures have been strictly followed by all directors, executives and staff at all levels.

## 2.3 Trade in Securities of the Company and Report on Related Transactions

The Company has policies and measures in its Code of Conduct to supervise trade in securities of the Company and to report on related transaction of directors and executives, which prohibit directors, executives and employees, having access to inside information, from trading in securities of the Company, one month before public disclosure of the Company's financial statements, except in cases of normal trading transactions irrelevant to the inside information.

The Company requires its directors and executives, including spouses and minor children to report the first holding of securities of the Company and any changes thereof to the Office of the Securities and Exchange Commission within 3 days from the date of such change, as well as send a copy to the Company Secretary for further reporting to the Board of Directors in the next meeting of the Board. In addition, the Company includes any item concerning the report on securities holding of directors and executives, including spouses and minor children, in the regular meeting agenda of the Board of Directors.

In 2017, the directors and executives of the Company acted in strict compliance with the policy, resulting in no trading of company securities during the silent period.

The Company has in place measures to control interest of the Board of Directors and executives. The Board of Directors and executives shall report their interest, or related person's interest as per following circumstances:

1. Holding directorship or executive position for the first time
2. Change of interest information
3. The Board of Directors and Executives are required to report such interest to the Company Secretary who further sends it to the Chairman and Chairman of the Audit Committee for acknowledgment within 7 working days from the date of receipt of the said report.

In 2017 the Board of Directors and executives have complied to the set criteria.

## 2.4 Conflict of interest

The Company carefully and reasonably manages conflict of interest based on the highest benefit of the Company. Pricing is based on the same fair trading conditions as trading with external persons. The Company sets operational system with transparency and strict adherence to the regulation of the Stock Exchange of Thailand by incorporating such principle into its good corporate governance policy as well as inclusion into the ethical code of conduct towards the Company and shareowners. Disclosure of information is provided in order to achieve equitable acknowledgment of information to all stakeholders.

Regarding related transactions that may bring about conflict of interest, would be governed by the process of related transactions with fairness and according to market price as per normal business. The transactions are notified and disclosed to the meeting with specific details which include name and relationship of the related party, pricing policy, value of transaction, parties involved, the need for such transactions, as well as the opinions of the Audit Committee, the Executive Board and the Company's Board of Director as well as differing views (if any) as required by the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. At the Board of Directors' meeting, directors who have a stake in the transaction must leave the conference room and must refrain from voting on this agenda. All transactions are disclosed in Thai and English to the SET and posted on the Company's website (<http://www.icc.co.th>) in both Thai and English as well. In addition, the summary of transactions is also published in the Company's annual report and on the Form 56-1.

Related transactions likely to incur possible conflicts of interest when compared to the total income is equal to 4.20 % or when compared to total expense, is equal to 3.52 %, which is lower than 25 percent.

Furthermore, the Company has measures to control related transactions and limit financial support for non-subsidiary companies. In providing loans or loan guarantees, it is prescribed that these must be according to the proportion of the Company's equity under the joint-venture agreement. Related transactions in 2017 have been disclosed on page 126 -132 of this annual report with complete, sufficient and transparent information.

In 2017 the Company has not provided financial support to associated or related companies, but to certain subsidiaries by renewal of loan agreement and joint loan guarantees to joint venture partners in proportion to the Company's equity. In 2017, there were neither related transactions nor trading of assets that violated and/or contravened the regulations of the SET or the SEC.

## 3. Role of Stakeholders

1. The Board of Directors appreciates and is firmly committed to its responsibility and respect for the rights of the various stakeholders whether internal or external, in the public sector and related agencies based on lawful provisions or legal agreements with the Company. In order for stakeholders to be ensured that their rights are protected and that they are treated fairly and equitably, a policy guideline has been prescribed for the treatment of each stakeholder group, which takes into consideration the community, society and the environment, to promote sustainable growth and development as well as mutual benefits which lead to sustainable business, while preventing and suppressing misconduct and corruption, refraining from intellectual property infringement, including giving due respect to human rights. The policy guideline for each stakeholder group is as follows:

Employees	- Appropriate compensation and welfare
	- Training and development of knowledge and skills
	- Equality and opportunity for advancement
	- Provision of safe work environment and quality of life
Customers	- Access to accurate information regarding products and services



	<ul style="list-style-type: none"> <li>- Quality products and services at appropriate pricing</li> <li>- Availability of alternative products which mitigate environmental impacts</li> <li>- Provision of warranty for products and services</li> <li>- Safeguarding the confidentiality of customers' information</li> </ul>
Shareowners	<ul style="list-style-type: none"> <li>- Continuous provision of high returns</li> <li>- Continuous good operational results and sustainable growth</li> <li>- Ensuring effective and transparent corporate management and disclosure of information based on good corporate governance principles</li> </ul>
Trade Partners	<ul style="list-style-type: none"> <li>- Compliance with the terms and conditions of the trade agreement and provision of accurate information</li> <li>- Promotion of good cooperation and understanding</li> <li>- Promotion of knowledge transfer to jointly develop value-added products and services</li> </ul>
Competition	<ul style="list-style-type: none"> <li>- Conduct business operation with honesty and transparency based on fair competition framework</li> </ul>
Trade Creditors	<ul style="list-style-type: none"> <li>- Compliance with the terms and conditions of the trade agreement</li> <li>- Transparency in business operation</li> </ul>
Lenders	<ul style="list-style-type: none"> <li>- Compliance with the terms and conditions of the loan agreement with transparency and fairness</li> <li>- Provide advance notification if unable to meet any obligation under the loan agreement in order to find joint resolution based on reasonableness</li> <li>- Always repay principle and interests on loans as scheduled.</li> </ul>
Debtors	<ul style="list-style-type: none"> <li>- Compliance with the terms and conditions of the loan agreement with transparency and fairness</li> </ul>
Community, Society and Environment	<ul style="list-style-type: none"> <li>- Availability of appropriate products and services for daily living</li> <li>- Promotion of knowledge and understanding on healthy living</li> <li>- Conduct business operation which is mindful to impacts on the community, society and the environment</li> </ul>
Government	<ul style="list-style-type: none"> <li>- Compliance with all relevant legal and regulatory requirements</li> <li>- Cooperation and support for development projects and charity activities</li> </ul>
Media	<ul style="list-style-type: none"> <li>- Disclosure of accurate information in a timely manner</li> </ul>

In case of any loss, the company and each group of stakeholders fully cooperate to seek possible resolution and determine the appropriate measure favorable to all parties.

The Company has formulated stakeholders' policies and guidelines into a handbook: 'Business Code of Conduct and Ethics for the Board of Directors, Executives and Employees' published on the company intranet and website (<http://www.icc.co.th>) as the moral and ethical framework for best business practice, based on creating balance and fairness among stakeholders, as well as serving as a code of conduct for company directors, executives and employees in the engagement and interaction with the Company, shareowners, customers, employees, trading partners, trade creditors, lenders, competitors, government sector, society and the environment, as well as to enhance stakeholders' participation in promoting the Company's sustainable operation.

The Company has policies and directions regarding the treatments of interested parties, anti-corruption, anti-copyright violation, as well as the observation of human rights. Details of corporate social responsibility can be found in the Sustainability Report 2017 and posted on the Company's website (<http://www.icc.co.th>).

Moreover, the Company has implemented code of conduct for Company Directors, Executives and Employees as guidelines for the management and all employees in undertaking operations conscientiously. The guidelines are available for directors, executives and staff of all levels via the Company's intranet and Company's website.

2. The Board of Directors has prescribed channels and procedures by which all groups of stakeholders can file a report or complaint on any matter that may result in damage to the Company, the accuracy of the financial report or unfair treatment.

The Company has provided a communication channel for stakeholders contact, complaint, and suggestion via the "Call Center" at Tel: 0-2294-4999 and e-mail: [service@icc.co.th](mailto:service@icc.co.th) or via business response letters placed at the Company's sales counters nationwide. All the complaints and suggestions received by the Call Center have to be reported to the Audit Committee for investigation. Investigation results will be further reported to the Board of Directors and will be kept confidential.

In 2017, the number of complaints dropped by 17% in comparison to 2016. The Company has brought such information into the product and service development process in order to render highest customer satisfaction.

3. The Board of Directors has formulated policy guidelines to protect its employees or whistle-blowers who bring to the Company's attention matters that may cause damage to the Company, or relating to misconduct or unfair treatment.

4. The Board of Directors supports the publishing of a 2017 Sustainability Report based on the framework of the Global Reporting Initiative (GRI) as a separate publication considered as an integral part of this annual report.

### **Sustainable business practice under environmental standards**

The Company is committed to sustainable business practices, based on responsibility under environmental standards, and included as a key policy in the corporate mission statement and set forth in our Corporate Governance Policy and Business Ethics. This is to ensure that the Company's business operation places consideration to the impacts on natural resources and environment.

Thus, the Company has issued code of conduct under management of natural resources and environment, details of which are available in the 2017 Sustainability Report.

In 2017, the Company conducted business under environmental standards which applied within and outside the organization. For more details, please see our 2017 Sustainability Report Year.

#### **Within the organization**

- The Company has installed rooftop solar cell panels for its head office in Bangkok to support the use of alternative renewable energy.

#### **Outside the organization**

1. The Company's commitment to environmentally-friendly business operation is reflected in our carefully selected children's products. 'ENFANT', children's apparel, is manufactured to the highest standard under Health&Safety concept for your little loves, by a trading partner of ICC. ENFANT products are certified as 'Green Label' for its safety, non-toxic and environmentally - friendly properties.

2. The Company took part in Little Forest, a reforestation project initiated by Kasetsart University with the objective to plant and protect a forest area of 100 rai in Wang Chin Forest, Wang Chin District, Phrae Province.

### **Human Resource Development Policy**

The Board of Directors recognizes the importance of employees as a valuable asset and an essential part that drives the organization toward success. Thus, the policy and practice guidelines related to the development of knowledge and potential of employees are formulated.

In addition to professional development, the Company also attaches importance to taking care of all employees in terms of fair treatment, hence our staff remuneration policy, formulated as part of the strategy to retain employees who are knowledgeable and capable whereby senior management at Vice President level who head all the corporate divisions review and consider staff remuneration in terms of salary, commission, transport allowance, allowance, overtime, target bonus and bonus, including short-term and long-term compensation in the form of retirement bonus and provident fund.

The Company is also concerned about safety of life, health and assets of its employees, and has in place appropriate policy and practice guidelines related to safety, hygiene and work environment. For more details please see the Company's Sustainability Report Year 2017.

In 2017, there is no report of any accident resulting in employee losing work time.

#### **Anti-Corruption Policy**

'Honesty' is one of the Company's 7 Principles of Thought leading to Success. Realizing the importance of internal organization management and business operation renders a firm commitment to transparency and integrity. The Company has therefore defined its anti-corruption policy and code of conduct, which were approved by the Board of Directors on 31 March 2015 and 15 March 2016 respectively, and serve as the practical guidelines for company directors, executives and employees at all levels. The Company has communicated its anti-corruption policy and guidelines for the best interest of corporate business to company directors, executives, senior management and managers at all levels, as well as being included in staff orientation for new employees, in engagement with our trading partners and suppliers. The policy and guidelines have been published in print version for distribution to Board members and directors, executives, trading partners and suppliers and posted on the company website.

Furthermore, the Company has also started publicizing a 'no gift' policy to employees, trading partners, suppliers and external business contacts urging them to refrain from giving gifts to company directors, executives or employees on every occasion. This policy has been communicated through various channels including posting announcements, sending out letters and emails, as well as on the company website.

The Company has also prescribed a transparent and fair procurement process which stipulates procurement proposal procedures and guidelines for transparent business operation for our trading partners. A central price list for materials and equipment as well as a comparison purchase price list, construction tenders, or store finishings in normal cases and in urgent cases is compiled for reference. Corporate management and employees are required to strictly adhere to this system. Any deliberate non-compliance with corrupt intent is regarded by the Company as serious misconduct.

The Company's anti-corruption policy and guidelines are widely available both internally and externally via announcement boards, intranet system, e-Learning, arranging of such activities as "This is the one...ICC click LIKE" every month to celebrate people who do good deeds or demonstrate honesty, holding 'Anti-corruption Policy' training and test for employees via the internal e-Learning system, as well as publishing the policy on the company website (<http://www.icc.co.th>).

Moreover, the Company has developed the Complaints and Corruption Reporting System to receive any information about suspected fraud and corruption through email: [iccauditcommittee@icc.co.th](mailto:iccauditcommittee@icc.co.th) and P.O. Box 22, Yannawa, Bangkok 10120.

In 2017, there were no complaints or petitions from stakeholders.

For 2018, the Company is in the process of proposing a project to award suppliers who provide full cooperation in anti - corruption efforts and have a proven record of compliance with the Company's anti-corruption criteria in order to encourage and inspire our suppliers to more actively participate in the anti-corruption activities.

#### **4. Information Disclosure and Transparency**

1. The Board of Directors oversees disclosure of significant information to ensure accuracy, transparency and timeliness as well as compliance 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 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.

The Board of Directors has established both English and Thai language websites which are easily and conveniently accessible in order to present and publicize up-to-date corporate information. The website is a communication channel between shareowners and investors in addition to being a marketing tool.

2. The Board of Directors is aware of the importance of preparing accurate and reliable financial statements in keeping with the most accredited accounting standard, recording accounting information carefully using discretion in estimation of the financial statements which reflect the actual performance of the Company and emphasizing the quality of the financial statements through a process of review and cross-checking by qualified and independent auditors approved by the Audit Committee and the Board of Directors. Significant additional information is adequately disclosed in the accompanying notes to the financial statements, together with explanations and analysis for the benefit of shareowners and public investors.

The company auditor is a person with knowledge and expertise, being independent and approved by the SEC. In addition, the Auditor must not be related in anyway to or have any interest in the Company/ subsidiary/ associated companies or with any executive/major shareowner or related person of those. Thus, the auditor is independent in conducting audits and providing opinions on the Company's financial statements.

3. The Board of Directors assigns a work unit or a person responsible for investor relations to communicate with external parties with equality and fairness.

##### **Corporate Governance Policy and Principles on 'Information Disclosure and Transparency'**

The Board of Directors, recognizing the importance of the quality of information, as well as equitable disclosure of information with transparency and fairness, provides oversight to ensure the disclosure of important corporate information related to the Company, both financial and non-financial information, or information that may affect the Company's securities price to enable shareowners and interested persons to have access to significant corporate information which is accurate, transparent, equitable and timely.

The Company discloses the information through diverse channels that are easy to access, through SET channel and company website in Thai and English versions to ensure confidence among all stakeholders. Our principles are as follows.

1. Disclose the important information whether financial or non-financial.

The Company discloses the important information whether it is financial or non-financial according to the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission (SEC) . The Company submits financial and non - financial information to the Stock Exchange of Thailand and the SEC within the designated time and discloses information accurately, completely, timely and transparently both in Thai and English versions via channels of the SET and the Company's website (<http://www.icc.co.th>)

- **Information disclosed in the Annual Information Report (Form 56-1) and in the Annual Report of the Company**

has been provided clearly and completely according to all regulations of the SEC, the SET and the 2012 good corporate governance principles so as benefit shareowners in their consideration. More information on each item is listed in form 56-1 and the Company's annual report as well as being publicized on the company website (<http://www.icc.co.th>)

- **Annual financial statement and quarterly financial statement**

The Company's annual financial statement and quarterly financial statements are prepared and approved by the Auditor, Audit Committee. The Board of Directors discloses such information to shareowners or investors prior the due time, so as to be a supporting factor for investors in making their decision.

- **Report of quarterly operation results**

The corporate operation result is reported on quarterly basis in case the net profit as shown in the latest financial statement exceeds 20% compared to the same period of the previous year. The explanation and analysis of the quarterly report is disclosed via SET disclosure channel and company website.

During the past year, the Company was not cited for any violation of the information disclosure regulations as prescribed by the SEC and SET.

In 2017, the Company's financial statements have been certified with unequivocal opinion by the Company's Certified Auditor and submitted to the SEC and the Stock Exchange of Thailand on time with no correction requirement.

2. The Board of Directors is aware of its responsibility for the accuracy and reliability of the financial statements which enable investors or shareowners to make informed decisions. Hence the Company has prepared a Report on the Board of Directors' Responsibilities for the Financial Statements as shown in page 133 of this Annual Report.

3. The Company has disclosed the corporate governance policies, the 5 categories of corporate governance principles, business ethics and code of conduct for company directors, executives and employees in writing and publicized through the company website.

In 2017, results of the implementation of the corporate governance policy were reported to be in conformity with the 2012 good corporate governance principles set by the Stock Exchange of Thailand, and publicized in the Company's Annual Report, the annual information report form (Form 56-1), and the company website.

4. The Board of Directors has set social and environmental policies, and promoted their continual and consistent implementation as shown in the Sustainability Report of 2017.

5. Regarding disclosure of related transactions, the Company follows the rules and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand by disclosing the name of persons responsible for the transaction, relationship, transaction type, pricing policy, transaction value, including setting clear and fair guidelines for execution of the transaction at market price for normal business in order to prevent conflicts of interest reasonably so as to maximize the benefits to the Company and shareowners. For more information on the related transactions, see page 126 - 132 of this annual report.

6. Important related transactions must be considered and approved by the Board of Directors.

The Company set its Related Transaction Policy to be aligned with notifications of the Capital Market Supervisory Board and the Stock Exchange of Thailand. Any related transaction must be proposed to the Audit Committee for consideration, prior submission to the Executive Committee and the Board of Directors. If such transaction is required to be disclosed pursuant to regulations of Stock Exchange of Thailand, the Company shall fully comply to such regulation.

7. The Company has measures in place to safeguard internal information usage together with a policy requiring company directors and executives, as well as their spouse and minor children to report their trading and holding of company securities, and to report any changes thereof to the Board of Directors meeting. Measures to control usage of internal information are described on page 117 of this annual report.

**The measures and practical guidelines are as follows;**

- Report when assuming the directorship or executive position for the first time
- Report upon changes of interest.
- Report at the end of every year.
- Directors and executives are required to submit the Report of Interest to the Company Secretary within one month after being elected/appointed and upon any change thereof.
- The Company Secretary will submit the Report of Interest to the Chairman of the Board and Audit Committee within 7 days from the date of receipt such report.

In 2017 the Company did not receive any warning letter regarding non-compliance from the Office of Securities and Exchange Commission (SEC).

### 8. Long-term objective/target of the Company

The Company has a policy to create new brands and expand sales in online business and Speciality Shop operated and managed by the Company in response to the current market situation and changing consumer behavior trends among the younger generation. At the same time, the Company is determined to focus on product development to attract more diverse customer groups, details of which are under Policy and Business Overview on page 36 - 39 of this annual report.

9. Meetings and communication between the Board of Directors, executives, senior management and vice presidents who head all the divisions are held regularly. The Company holds a meeting of senior management and all division heads on monthly basis in order to acknowledge business targets and strategies which are compulsory to be communicated to all personnel to ensure their understanding and implementation in the same direction as well as to be a practical guideline in performing their duties and responsibilities to achieve the corporate goals.

10. Regarding investor relations, the Company has appointed the Office of the Secretary to the Board of Directors to be responsible for this matter, particularly to provide data and information to investors and concerned parties upon request.

Contact address is as follows:

Mrs. Duangrudee Milintangul  
The Company's Secretary  
Tel. 0-2295-0688 Fax. 0-2294-1155  
E-mail : duangm@icc.co.th

Or Mrs. Thanyaluck Watanakularoj  
Office of the Secretary to the Board of Directors  
Tel. 0-2295-0688 Fax. 0-2294-1155  
E-mail : iccset@icc.co.th

The Company also publicized the name of persons as well as convenient communications channel via the Investor Relations Information in the company's website (<http://www.icc.co.th>)

Moreover, the meeting with securities analysts is held annually within the Company's compound to provide them the opportunity for any inquiries. This meeting is also attended by the Company's Executive Board for the purpose of providing further clarification.

In 2017, the Company and other companies of the Saha Group jointly cooperated with the Stock Exchange of Thailand (SET) to organize the "Investors and Analysts Meeting with Saha Group", for the ninth consecutive year at the 21<sup>st</sup> Saha Group Fair at the Queen Sirikit National Convention Center. At this event the President and Vice Executive Chairman welcomed the group of investors, analysts, press, and provided them with information on corporate business and operating results. ICC also provided a summary report on its company profile and operating results to all investors, analysts, press and their positive responses were publicized via the SET channel of communications and the Company's website (<http://www.icc.co.th>).

Moreover, in the past year the Company also provided information and responses to questions to shareowners, investors and other related parties via email and telephone.

11. The Company recognizes the importance of transparency in the equitable and comprehensive disclosure of information, which are easily accessible. The Company disseminates news and information to investors and parties concerned for acknowledgement via various channels including the Stock Exchange of Thailand and the Company's website (<http://www.icc.co.th>). Equity in various companies and press releases in relation to the Company's financial status are also reported on the company website.

12. Apart from disclosure of the financial statements and other information as strictly required by the SEC and the Stock Exchange of Thailand through various channels in a complete and timely manner, the Company also discloses the following, including continuously updated information, in the Company's Annual Report, Form 56-1, and the company website :

1. Name list of the directors, independent directors and sub-committees including profiles, roles and responsibilities thereof, including their record of attendance at meetings as stated on page 8-18 and page 80 - 81 respectively of this annual report.

The information relating to the Board of Directors and Executive Committee has been publicized on the company's website (<http://www.icc.co.th>).

2. Remuneration payment policy for the directors and executives including the type, characteristic and the amount of remuneration paid to each details of which are disclosed on page 76 - 77 of this annual report.

3. The shareowning of directors and executives including spouses and minor children are disclosed on page 79 of this annual report and through the company website.
4. The shareowning structure: the Company discloses the top ten shareholders as at the closing date for the Share Register Book for the AGM as shown on page 63 of this annual report and through the company's website.
5. The corporate management structure has been disclosed on page 72 of this annual report. Moreover, the Company also discloses the structure of the business group according to equity on page 52 - 57 , together with the structure of its shareowning on page 40 - 41 of this annual report. This information is also published on the company website.
6. Disclosure of business policy and performance overview on page 36 - 39 of this annual report.
7. The information on nature of the Company's business together with industry and competitiveness analysis, competitive status and potential of the Company and market share has been clearly disclosed in the Nature of Business on page 42 - 48 of this annual report.
8. Information on non-financial performance of the Company, measured by customer satisfaction with product and service standards, see the Sustainability Report of 2017.
9. The Company's operational risks, their nature, cause and impacts as well as prevention and mitigation have been disclosed on page 49 - 50 of this annual report and on the company website.
10. Internal control and internal audit systems, assessment results of the internal control system in five major areas based on the Securities and Exchange Commission requirements appear under Internal Control and Risk Management on page 123 -125 and the Audit Committee Report on page 71 of this annual report and on the company website.
11. The company reports its Financial Statements on a quarterly basis in both Thai and English versions, also published on the company website which is available for public download as well.
12. Annual Reports for the last 10 years, Form 56-1, Invitation letter to the AGM in both Thai and English versions are publicized on the company's website, and also available for public download.
13. The general public have the opportunity to pose questions to the Company via the Office of the Secretary to the Board of Directors and the Company's Secretary who are responsible for investor relations for the Company. This Q&A is publicized on the company website.
14. Information on attendance of training courses of directors and executives is disclosed on page 105 of this Annual Report.
15. Qualifications and experience of the Company's Secretary is also disclosed and disseminated on the Company's website.
16. The Company's Articles of Association, Vision and Mission are publicized on the company website.
17. Charters, duties, responsibilities, qualifications and directorship terms of the Board of Directors and all Committees and their members are publicized on the company website.
18. Disclose the Whistle Blowing policy and publish on the Company website.
19. Disclose Corporate Governance Policy and Principles in 5 Sections, Business Code of Conduct, Code of Conduct for the Board of Directors, Executives and Employees on the company website.
20. Disclose the Anti-Corruption Policy and Procedures on the company website.
21. Disclose information about investor relations.
22. Prepare and disseminate the newsletter that presents the Company's operation result and post on the company website.
23. Disclose Company's information and press releases through the company website.

## 5. Board of Directors' responsibilities

The Company's Board of Directors has an important role in determining the direction of the Company's business operation, and monitoring the management team as well as setting up corporate governance policy, the principles of corporate governance, business ethics and code of conduct for company directors, executives and employees. Such codes of conduct are published and distributed to company directors, executives and employees. The Board also has responsibility of implementing good corporate governance to



ensure the best interest of the Company and shareowners, including supervising that corporate activities are undertaken appropriately and legally.

In the past year, there was no record stating that the Company has :

- committed any gross regulatory violation;
- committed any fraudulent and unethical misconduct;
- any case that a non-executive director resigns due to corporate governance issues;
- any case bearing negative impact on reputation due to failure in the discharge of duties as the Board of Directors.

## 1. Board of Directors' Structure

### 1.1 Board of Directors Composition

The Board of Directors comprises 12 members as follows :

- Non - executive Directors 8 persons (5 Independent Directors)
- Executive Directors 4 persons

The Board of Directors has prescribed its structure as comprising persons having a diverse range of knowledge, capabilities and experiences, whether in management, marketing, law and/or finance, without limitation to gender, and having the qualifications required by law. Two such Directors are Non-Executive Directors who have experience in the Company's business. There are also Independent Directors as required under the Notification of the Office of the Securities and Exchange Commission. For the Board of Directors' structure and checks and balance of Independent Directors see page 73 - 74 of this annual report.

### 1.2 Qualifications of Independent Directors

The Board of Directors consists of 5 of Independent Directors, all of whom are fully qualified to hold the position of Independent Directors under the Company's Articles and Association, equivalent to 41.67% of the total number of members of Board of Directors, which is higher than the minimum requirement of Capital Market Supervisory Board which specifies the proportion at 1:3 or 33.33% of total number of members of Board of Directors. Moreover, one Independent Director on the Board of Directors is a women.

The Board of Directors' definition of an Independent Director is stricter than the minimum requirements of the Office of the Securities and Exchange Commission. All Independent Directors of the Company and their related persons do not hold shares of the Company, as well as subsidiary and associated companies, as well as not being related to substantial shareholders or authorized persons of the Company. Definition of Independent Director is stated in the Form 56-1, an attachment to the invitation letter for the 53<sup>rd</sup> Annual General Meeting of 2018 and is publicized on the company's website (<http://www.icc.co.th>).

The Company appoints the Nomination Committee to select Directors from a pool of knowledgeable professionals who are equipped with multiple professional expertise, experience and vision and are known to have integrity and unblemished professional records. They are urged to express themselves freely. The Board of Directors has clearly defined the duties and responsibilities of each committee, with the Executive Chairman as the Head of Administration, appointed by the Board of Directors to manage and conduct the business operations of the Company to achieve the goals and targets established by the Board of Directors.

### 1.3 Selection Process of Directors

The Board of Directors appoints the Nomination Committee to recruit and scrutinize qualified candidates through a clear and transparent selection process. The Nomination Committee is responsible for vetting candidates, with diverse knowledge and capabilities, by adopting the Board Skill Matrix and giving due attention to knowledge and expertise, ability, and appropriate experiences of the individual candidates. The nomination list is then submitted to the Board of Directors' for consideration.

### 1.4 Term of the Independent Director

The Company's Board of Directors is elected by shareowners at the Annual General Meeting with the tenure specified in the Articles of Association of the Company. Upon completion of the term, a Director may be reappointed. The Company does not restrict the period of holding Independent Director's position even though there are 2 Independent Directors who have been on the Board of Directors for over 9 years. These long-serving Independent Directors are fully qualified according to the Company's articles of association and have the knowledge, expertise and experience desired by the Company, as well as being fully effective because each performs the duties and responsibilities of an Independent Director with independence from corporate management and major shareowners, no conflict of interest which might interfere with Company's interest and decision-making based on the highest benefit of the Company.

### 1.5 Directors' Positions in Other Companies

The Company has disclosed director's name list together with their profiles, experiences, portion of shareholding in the Company, and details of the positions and title held by each Director in other company/companies on page 8-18 of this annual report.

The Board of Directors does not restrict the holding the Director's position in other companies to not more than 5 companies, because the Board believes that the business acumen and professional experiences are not subject to the number positions if the Directors have the abilities and intention of performing their duties and responsibilities as entrusted by the Board of Directors and shareowners. The Company currently has 1 Director holding positions in more than 5 registered companies but remains confident that this does not pose any negative impact as this Director is fully effective and responsible in discharging the duties of Company Director, always attending meetings of the Board of Directors and making positive contributions for the benefit of the Company.

#### **1.6 Holding the title of director in other companies by the Company's Directors, Managing Director and Executive Directors**

The Board of Directors has a policy which requires Company Directors and Executives holding director positions in other companies to make a disclosure to the Company Chairman and Chairman of the Audit Committee.

Implementation of such policy and established practice to allow the Company directors and the executives to hold title in other companies, is that the Saha Group of companies by a top management team would consider whether it is necessary to assign any director or executive from which company in the Group to be its representative as a joint-venture partner or in accordance with a joint - venture agreement depending on type of business and the individual's knowledge, capabilities and expertise in such business.

In addition, the Board of Directors prescribes a policy allowing the Executive Chairman to hold directorship in subsidiary and associated companies in order to ensure flexibility and consistency in management.

#### **1.7 Consolidation or Segregation of Office**

Due to the difference in the duties and responsibilities between the Chairman and the Board of Directors and top corporate management, the Company determined that the Chairman must not being the same person as the President of the Company, in order to clearly separate the monitoring of corporate governance from the executive management duties, rendering checks and balance in business operation. Furthermore, the Board of Directors determined the written scope of duties and responsibilities of the Board of Directors and sub-committees, Chairman to the Board of Directors and President of the Company for further accountability and transparency of business management, and disclosed in the Company's website.

However, the Chairman of the Board of Directors is not an Independent Director, but the Chairman performs the role with independence and allows all Directors the opportunity to express opinions and provide suggestions for the best interest of the Company.

#### **1.8 Company's Secretary**

The Company has appointed Mrs. Duangrudee Milintanggul, who is fully qualified and appropriately experienced to be the Company's Secretary. Mrs. Duangrudee has completed full training on the responsibilities of Company Secretary and has been continuously acquiring development and knowledge through various trainings. She is thus qualified as Company Secretary to ensure the effectiveness of company operations according to the good governance policy and principles. Duties and responsibilities of the Company Secretary can be found on page 74 of this annual report.

### **2. Sub Committee**

The Board of Directors has appointed a number of other sub committees whose members are appropriately qualified in the specific areas of responsibility to be in charge and report to the Board at all times. At present, the Sub-committees consist of the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Corporate Governance Committee, with separate and independent scope of duties and responsibilities in order to enhance good corporate governance, details of which are on page 109 -116 of this annual report.

The Board of Directors has issued a charter for each of the Sub - committees to prescribe the tenure and scope of their respective powers and duties to clearly define their roles and responsibilities which are differentiated from the Board of Directors, the Chairman and corporate management. These are disclosed on the company website.

The structure of the Sub-committees and the meeting attendance of each can be found on page 80 - 81 of this annual report.

The Nomination and Remuneration Committees do not comprise Independent Directors as members, but all of the committee members possess knowledge, capabilities and experience in the discharge of their duties for many years. They have performed their duties with responsibility and loyalty. Nor did they cast votes in the agenda items, in which they may possess vested interests.

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

#### **3.1 Leadership and Vision**

The Board of Directors comprises individuals who have knowledge, expertise and experience beneficial to the Company, as well as having leadership, independence and discretion in decision making, and qualities which enable them to ensure good corporate governance in accordance with the set objectives and targets for the highest benefit to the Company and shareowners.

The Board of Directors plays a crucial role in defining corporate vision and mission, as well as setting business targets and annual budgets to achieve the highest value increase for the business and security for shareowners. The Board also considers and approves important corporate policies and strategies especially financial targets and business plans which are part of the Key Performance Indicators (KPI). Targets and KPIs are established and approved at the beginning of each year and monitored regularly

Corporate vision and mission are reviewed annually, the latest review having been approved by the Board of Directors on 23 February 2018, and found to still be well suited to the Company's business operation and aligned with the present economic situation.

Moreover, the Board of Directors also monitors the operation results of management and presides over the application of corporate strategies. Corporate management reports operational plans and formulation of strategic plans to the Executive Committee and the Board of Directors for acknowledgment on a monthly basis as a compulsory agenda of the respective meetings (of the Executive Committee and the Board) in reviewing the Company's performance each month. The strategic plans are reviewed on a quarterly basis and the Executive Committee and the Board of Directors would give their views and suggestions to corporate management for further development and improvement.

### **3.2 Good Corporate Governance**

The Company has promoted corporate governance by establishing good corporate governance policies, along with business ethics and a Code of Conduct for Company Directors, Executives and Employees in written as well as handbook forms, in 3 languages namely Thai, English and Japanese. Evaluation of implementation results and review are conducted on an annual basis. The manuals are distributed to the Company directors, members of each sub-committee, executives, and employees at all levels as the same guidelines for working operation. It is publicized via the Company's intranet system and on the company website, and includes an animation video to promote a better understanding of good corporate governance among corporate management and employees.

The Board of Directors also follows up the implementation of its corporate governance principles in order to promote good management systems which are transparent and effective in business operations. Those who do not adhere to such policy and principles may face disciplinary action as appropriate and may also face legal action in cases where any laws are violated. In cases where an employee is doubtful or unable to follow an instruction or make a decision, he/she may raise the issue with the supervisor up the chain of command. Should there be any dispute, a directive by the President, Executive Committee and the Board of Directors should prevail as a final judgment.

The Board of Directors has established the Corporate Governance Committee in order to monitor and assess corporate governance of the Company, to support the work of the Executive Committee and the Board of Directors in corporate governance so as to achieve success as set in the objectives and targets.

### **3.3 Conflict of Interests**

The Board of Directors has judiciously considered the issue of conflict of interests and has defined a clear related policy and guidelines as part of the Policy on Good Corporate Governance and Business Ethics in order to eliminate conflict of interest. Such policy includes clear guidelines and procedures, formulated with care and reason for the best interest of the Company and shareowners and in compliance with the regulatory requirements of the SEC and the Stock Exchange of Thailand, of which details are published on the company website.

In 2017 had no related transaction which required approval of shareowners and had disclosed transactions which may have possible conflicts of interest in Related Transactions on page 126 - 132 of this annual report.

The Board of Directors has set a policy to prohibit Company Directors and executives from trading company securities during the one - month period prior to the public disclosure of the Company's financial statement.

The Board of Directors has directed Company Directors and Executives as well as their spouses and minor children to have the duty to disclose shareholding and changes in shareholding 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.

The Board of Directors has directed Company Directors and Executives to disclose their personal stakes, as well as those of persons related to them in accordance with the prescribed criteria.

More information as stated in Control of Internal Information Usage on page 117 of this annual report.

### **3.4 Internal Control and Internal Audit**

The Board of Directors has established internal control systems and risk management system.

The Board of Directors recognizes the significance of company's internal control systems in monitoring its operation, finance and corporate governance. The company's internal auditing unit checks, evaluates and follows up on those systems which also

include the computer system, providing consultation to ensure efficiency and independence in their full capacity as auditors. Details are presented in Internal Audit and Risk Management on page 123 - 125 of this annual report.

The company has established an Internal Audit Unit, reporting directly to the Audit Committee, and is supervised by the Secretary of the Audit Committee. The Company has hired Dharmniti Internal Audit Co., Ltd., as an advisor on quality of internal audit work and internal control systems by working closely with the Secretary of the Audit Committee, and then reporting the findings to the Audit Committee continuously on a monthly basis. In the Board of Directors' Meeting No.10/2560, which was held on 23<sup>rd</sup> February 2018 and attended by all members of the Audit Committee, it was assessed that the internal control and risk management systems of the Company are appropriate and sufficient.

In 2017, the Audit Committee appointed Ms. Somcharee Kawkomdee, a Director of Dharmniti Internal Audit Co., Ltd. as the Company's internal auditor. Her resume and qualifications can be found on page 123 of this annual report.

### **3.5 Risk Management**

The Board of Directors prioritized risk management which might impact on business targets, and established a systematic risk management process which is aligned with the Company's policy.

Board of Director appointed The Risk Management Committee, with members comprising of Mr. Amorn Asvanunt as a Chairman, and Mr. Thamarat Chokwatana, Ms. Munchusa Terapongpipat, Mrs. Pitacha Poosunthornsri, Mr. Pranot Vesaruchavit, Ms. Yauwaluk Namakorn as members, and Mrs. Duangrudee Milintanggul as member and Secretary. The Management Committee monitors risk management to ensure that it is effective and aligned with the necessary standard, provides risk assessment, follow-up plan and provide a report on the Company's risk management in 2017 to Audit Committee for further acknowledgement.

In 2017, the Finance and Accounting Division and the Information Technology Division proceeded to introduce modifications to the ERP : Enterprise Resource Planning system, and collaborated with the Corporate System Development unit and an assigned Working Committee to implement a new and improved work process in all the Company's database systems to create value-added applications in using the new ERP system rendering more efficient and effective usage under corporate risk assessment encompassing strategic and operational risks, as well as risks from fraud and corruption aligned with the Company's anti-corruption policy in order to enhance the company's preparedness in the face of changing internal and external situations and to bolster sustainable growth of its business.

### **4. Board of Directors' Meetings**

The meeting schedule is pre-planned to be held on a monthly basis throughout the year. Invitation letter, meeting agenda, minutes of the previous meeting with annexes are sent by the Company's secretariat to all directors at least seven days before the meeting for acknowledgement and prior consideration as legally stipulated. The Chairman of the Board of Directors and the President jointly consult to consider matters which should be included on the meeting agenda. In addition, members of the Board of Directors may raise any issue as additional agenda by submitting their proposal to the Company's Secretary, and have it discussed and debated openly. The Company's Secretary is responsible for preparing the minutes of meeting and keeping a record of the minutes of previous meetings which had been certified by the Board for any further review and/or audit by the Board and any relevant parties.

The Board of Directors attaches importance to meeting attendance and considers it a duty for Board members to attend every meeting except in cases of unforeseen/uncontrollable necessity, incident or illness, and encourage the top corporate management to attend the meeting so that they are aware and acknowledge what transpires in the meetings, participate in policy formulation and decision - making on the Company's business direction.

Top corporate executives are able to attend the Board of Directors meetings to clarify any matters in which they are directly involved. All the Board members can have questions or request additional information on any matter from the Chairman of the Board, the President or the Company's Secretary.

In considering any agenda, the Chairman of the Board as the Chairman of the meeting, gives an opportunity to all directors and executives to freely express their opinions and comments. Directors with possible conflicts of interest are not eligible to vote on the agenda related to his or her interest.

To pass a resolution on each agenda item by the Board of Directors, requires that there should be no less than two-thirds of the directors present at the Meeting

When the meeting is adjourned, the Company's Secretary shall prepare the minutes of the meeting to be subsequently approved, certified and signed by the Chairman, before being submitted and placed as the first agenda of the next meeting for approval by the Board. However, any member of the Board can express their opinions or request amendments to the minutes in order to ensure utmost clarity and accuracy.

The certified minutes of meeting shall be systematically filed at the Company's Head office in the form of original and electronic documents with annexes of each agenda for easy reference and detection.

The non-executive directors are provided an opportunity by the Board of Directors to regularly hold meetings amongst themselves as deemed necessary. Reports of such meetings shall always be sent to the President and Executive Chairman and to the Board of Directors' meeting for acknowledgement

The Board of Directors has a policy to encourage Independent Directors to organize a Non-executive Meeting, at least once a year, without participation by the Executive Director and corporate executives, in order to consider and discuss managerial issues, or the issues of their interest. Minutes of every Non-executive Meeting are submitted to the Executive Chairman, and the Board of Directors for attention.

In 2017, independent directors held 1 meeting among themselves without any management participation. Every independent director participated in the Meeting.

In 2017, (according to tenure from April 2016 to April 2017) the Board of Directors held 12 meetings. The attendance of each director as stated in the Chart displaying Directors' and Executives' position, remuneration, shareowning and meeting attendance on page 80 - 81 of this annual report. Each director had attended more than 80% of all Board meetings.

## 5. Self Evaluation of the Board of Directors

The Board of Directors determines that Board members perform performance assessment of the entire Board and Sub-committees on an annual basis, where each Director could review and evaluate the overall performance, including problems and obstacles during the past year for further improvement to increase effectiveness.

**Criteria :** The Assessment covers duties and responsibilities of Directors and Committees, independence of opinion, transparency, collaborating with the Management Team and stakeholders, and the Board's and Committees' compliance with good corporate governance principles.

The assessment criteria calculated in percentage score of the total score for each item.

More than	85 percent	=	Excellent
More than	75 percent	=	Very Good
More than	65 percent	=	Good
More than	50 percent	=	Fair
Lower than	50 percent	=	Need Improvement

**Process :** In Year 2017, the Company's Secretary sends an overall performance assessment form of Board of Directors and Sub-committees to all Directors and committees for evaluation, then collects, verifies and prepares the summary report to the Board of Directors' Meeting for acknowledgement and further discussion on an annual basis.

The average assessment results of the Board of Directors and Sub - committees are as follows;

1. The average assessment of the Board of Directors in 2017, the score is 78.03%, Very Good level.
2. The average assessment of the Executive Committee in 2017, the score is 75.92%, Very Good level.
3. The average assessment of the Audit Committee in 2017, the score is 89.21%, Excellent level.
4. The average assessment of the Remuneration Committee in 2017, the score is 81.90%, Very Good level.
5. The average assessment of the Nomination Committee in 2017, the score is 73.65%, Good level.
6. The average assessment of the Risk Management Committee in 2017, the score is 80.71%, Very Good level.
7. The average assessment of the Corporate Governance Committee in 2017, the score is 84.41% , Very Good level.
8. The average assessment of CEO in Year 2017, the score is 79.03%, Very Good level.

The Company does not prescribe self assessment of individual Directors or Committee members, because of the evaluation based on collective management better reflects overall performance (than individual assessment) which each Director or committee member can then apply to the respective topics.

Besides, the Board of Directors required each member of the Executive Committee to assess the performance of the Executive Committee as a whole, against the criteria topics, partly in order to set remuneration for members of the Executive Committee with another part resulting from the consideration of the Remuneration Committee.

As for assessment of the CEO, that is the Executive Chairman & CEO, based on monthly operational results, the company performance in terms of the annual sales turnover and profits, as well as partly from consideration of the Remuneration Committee and partly from consideration of the Board of Directors and the participation in the assessment by all Executives Directors in the performance assessment of CEO under the prepared evaluation form.

## 6. Remuneration of Board of Directors and Executives

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.

The Remuneration Committee is responsible for considering reasonable amount of remuneration of directors. Criteria for consideration are based on the experiences, duties, scope of work, roles, participation, and responsibilities of each individual director and executive. The amount shall be proposed to the Board of Directors for consideration before submission to the Annual General Meeting of shareholders for approval.

At the 52<sup>nd</sup> AGM of 2017, held on April 24, 2017, a resolution was passed to approve payment of remuneration to the Company's directors of no more than Baht 20 million per annum, and the Remuneration Committee was assigned and authorized by the Board of Directors to allocate this amount.

The Executive Chairman (CEO) remuneration is in accordance with the criteria and policy set by the Remuneration Committee, in the short term such as salary and bonus and in the long term, based on the company operation and performance and the Executive Chairman's (CEO) annual performance evaluation

In 2016, the Executive Chairman (CEO) remuneration for Year 2017 consists of salary, bonus, pension and attendance fee amounting to a total of 10,228,000 baht.

Remuneration of corporate management is determined in accordance with criteria and policies stipulated by the Remuneration Committee, which correspond to the performance of each executive individually.

Criteria to consider directors' remuneration and amount of remuneration paid to directors and executives in 2017 on page 76 - 77 of this annual report.

As for the Employee Stock Option Program (ESOP), is not a factor in retaining executives and staff loyalty to the Company, also it is considered as a burden to employees who gain share allocation and must pay tax from shares transfer, since there is no law in Thailand facilitating this policy, the Company then disregards its implementation.

## 7. Directors and Executives Development

The Board of Directors has a policy of continually promoting and sponsoring the development of knowledge amongst Company Directors, Executives and employees.

All directors and executives are encouraged to develop their knowledge. The Company prioritizes their attendance at seminars which are useful to their performance as Directors. Seminars for training include the Director Accreditation Program (DAP), the Director Certification Program (DCP) and Audit Committee Program (ACP), Understanding the Fundamental of Financial Statements (UFS) and Finance for Non-Finance Directors (FND), as organized by the Thai Institute of Directors Association (IOD). Other seminars will be short seminars being useful for performance by the directors and executives, as well as other courses to be organized by IOD in the future.

In the past year, the Board of Directors had supported the directors and executives attended course organized by Thai Institute of Directors Association as follow:

Director and Executive's Name	Course Details
1. Ms. Munchusa Terapongpipat	- Directors Certification Program (DCP 233/2017)
2. Mrs. Kobsuk Saengsawad	- Directors Certification Program (DCP 233/2017)
3. Surat Wongrattanapassorn, Ph.D.	- Directors Certification Program (DCP 233/2017)
4. Mrs. Ramida Russell Maneesatien	- Directors Certification Program (DCP 237/2017)

Moreover, Company Directors and Executives attended the following seminars and training courses relevant to their work performance :

- Good Corporate Governance Principles (New and Improved Edition) for 2017 presented by Mr. Thanakit Permpoonkantisuk
- Civil and Criminal Liability of Directors and Executives by Special Professor Kitipong Urapeepatanapong
- 2017 Tax Update by Mrs. Punnee Worawuthichongsathit

The Board of Directors and executives of the Company meet on a regular basis to discuss and exchange opinions with the Boards of Directors and top management of other organizations, including attending seminars and taking educational trips with business partners or other organizations, both domestic and international.



## 8. Orientation of New Directors

The Board of Directors organizes an orientation course for newly-elected directors of the Company, together with a new director's manual, in order to provide key information on the Company, Corporate Governance Policy, Business Ethics, Code of Conduct for Directors, Executives and Employees, Securities and Exchange Act, Public Limited Company Act, and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.

In addition, the Company distributed the Director's Manual to all directors in order that they can study and review the regulatory requirements at all times.

## 9. Plan for Successors

The Board of Directors has prescribed a succession plan for employees in various positions in view of their advancement to higher positions in their career path.

The Board of Directors has assigned the President and Executive Chairman, in cooperation with the Human Resources Management Division to prepare a succession plan for executives as follows :

1. To provide opportunity for middle managers to work closely with senior managers including the Vice President in both direct-functional and cross-functional lines.
2. To define appropriate career paths for potential middle managers.
3. To prepare rotation plan in other functional line for a senior manager, when necessary.
4. To prepare necessary skills and capability for specialized personnel for higher management positions.
5. To map out corporate strategies and strategic directions for cooperation between senior and middle managers.
6. To establish committees to handle several functions, such as marketing, advertising, research, etc., for development of works and potentials in a systematic process.
7. To provide more opportunity to middle managers in management of both direct-functional and cross-functional lines.
8. To hold systematic training courses that fit each area of work, such as inventory control, marketing, as well as product and design management.
9. To organize a training course for senior and middle managers to promote common awareness and understanding of accountability, integrity and corporate image as a whole.
10. To include training courses for managers of each department for development of higher potential, advance planning and systematic thinking.
11. Recruitment of qualified personnel for each operational division, such as CFO.
12. Provide training on systematic planning process for middle managers.
13. Rotate executives in some divisions to enhance efficiency in business administration.
14. Enhance charitable spirit and activities among managers at all levels for promoting happy living in the society.

## Good Corporate Governance Policy and Resulting Implementatiion

The Board of Directors is well aware of the importance of corporate governance and is committed to adhering to good corporate governance practices for public listed companies so as to inspire confidence in the Company's business operation among investors and achieve sustainable growth. The Board has prescribed 5 categories of principles in the Company's Good Corporate Governance Policy: encompassing business ethics and ethics of Company Directors, Executives and employees.

The Company requires that its Good Corporate Governance Policy is reviewed every year and continuously improved to ensure appropriate compliance and consistency with the ASEAN CG Scorecard criteria, as well as being practical and suitably applicable for effective implementation. Some parts which have not yet been put to practice, the Company will use as guidelines to be appropriately adapted in future.

Not in practice	Reasons
1. The Company has a cross shareholding structure, otherwise known as a pyramid of a group of companies.	Because this has been the nature of the business of the Company long before being listed on the Stock Exchange of Thailand. However, such cross shareholding structure is not cross-shareholding which contravenes Article 14 of the Notification of the Capital Market Supervisory Board No. Thor Jor 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares.
2. The Company has not set a policy to restrict the number of listed companies each of its directors, including Independent Directors, may hold director position, to not more than 5 companies.	The Company is assured that there will be no effect to their performance because all directors devote their time and make best efforts to perform the duties for the Company, attend all meetings and contribute to the best interest of the Company.
3. The Company has no policy to limit the number of years of tenure of Independent Directors to not more than 9 years.	The Company is confident that its Directors possess knowledge, expertise and experience which are enhanced by their long service to the Company, rendering a better understanding of the Company's business.
4. The Remuneration Committee, Nomination Committee, Chairman of Remuneration Committee and Chairman of Nomination Committee are not independent directors.	These directors fully possess the required knowledge, experiences and expertise to perform such duties.
5. The Company does not conduct performance evaluation of all its directors on individual basis.	Because performance evaluation of the Board of Directors collectively reflects the whole operation and enable each director to develop and improve their performance well in each topic.

## Sub Committees

Management structure consists of the following:

1. Board of Directors
2. Executive Committee
3. Audit Committee
4. Remuneration Committee
5. Nomination Committee
6. Risk Management Committee
7. Corporate Governance Committee

Name list of each set of directors are shown on page 80 - 81 of this annual report.

To give confidence to shareowners that the Company's operation is transparent, with due diligence and sufficient s-checks and balance as well as discreet consultations.

The Board of Directors has appointed other sub-committees to be in charge and report to the Board at all times. At present, the Sub-committees comprise the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Corporate Governance Committee.

The Structure of the Board and the company's administration provides sufficient checks and balance. The scope of power and responsibilities of each committee are separate and not interdependent to promote corporate governance with the Chair of each sub-committee providing direction in the discharge of the committee's duties in accordance with corporate policy. The committees are required to report their outcomes and findings to the Board of Directors' meetings.

- **Board of Directors** a group of twelve people, management structure consisted in page 99 -100 in this annual report. The meeting schedule for the Executive Board of Directors is set on a monthly basis.

In 2017, (according to the year of service from April 2016 to April 2017) the Board of Directors arranged the meeting on a monthly basis. The attendance of each director is shown in the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 80 - 81of this annual report.

- **The Executive Board of Directors** a group of ten people who is assigned and authorized by the Board of Directors, consists of four Directors and six executives. The Executive Board of Directors is responsible for the company administration with designated status as executive company staff or permanent employee. The meeting schedule for the Executive Board of Directors is set on a weekly basis.

In 2017, (according to the year of service from April 2016 to April 2017) the Executive Board of Directors arranged the meeting on a weekly basis. The attendance of each director is shown in the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 80 - 81 of this annual report.

- **The Audit Committee** is a group of four independent directors and two Audit Committee Members (Mr. Amorn Asvanunt and Mrs. Duangphorn Sucharittanuwat) who graduated and expertise in Accounting with two years term of office. The Audit committee has set their meeting at least once per quarter. An extraordinary meeting is available for considering any related transaction or other special issues which must be reported to the Board of Directors as well as a joint meeting with the Company's Auditor and the Chief Financial Officer on a quarterly basis. Member of the Auditor Committee must not own any company shares.

The Company has not set a limitation terms to be as a successor of Audit Committee Member at present, it would depend on consideration of the Nomination Committee together with the Executive Board of Directors based on their past performance in the previous year.

In 2017, (according to the year of service from April 2016 to April 2017) the Audit Committee has arranged twelve meetings. The attendance of each Audit Committee Member is shown in the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 80 - 81 of this annual report.

- **The Remuneration Committee** consists of three members of the Board of Directors whose term of office is one year. This committee arranges their meeting annually, and an extraordinary one is also available as required.

In 2017, (according to the year of service from April 2016 to April 2017) the Remuneration Committee arranged two meetings. The attendance of the Remuneration Committee is shown on the chart on page 80 - 81 of this annual report, which also shows his position, shareholding and attendance to the meetings.

- **The Nomination Committee** consists of five members from the Board of Directors whose term of office is one year. This committee arranges their meeting on a yearly basis, and an extraordinary one is also available as required.

In 2017, (according to the year of service from April 2016 to April 2017) the Nomination Committee arranged three meetings. The attendance of the Nomination Committee is shown on the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 80 - 81 of this annual report.

- **The Risk Management Committee** consists of one Audit Committee member, two Directors and four Management staffs with two years term of office. This committee arranges their meeting once per quarter at least, and an extraordinary one is also available as required.

In 2017, (according to the year of service from April 2016 to April 2017), the Risk Management Committee arranged eleven meetings. The attendance of the Risk Management Committee is shown on the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 80 - 81 of this annual report.

- **The Corporate Governance Committee** consists of one Audit Committee member, one Director and two Management staffs with one year term of office. This committee arranges their meeting twice per year at least, and an extraordinary one is also available as required. Name List of the Corporate Governance Committee is shown on the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 80 - 81 of this annual report.

In 2017, (according to the year of service from April 2016 to April 2017), the Corporate Governance Committee arranged three meetings. The attendance of the Corporate Governance Committee is shown on the Chart displaying Directors and Executives' position, shareowning and attendance to the meeting on page 80 - 81 of this annual report.

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## Term for company directors

The term for company directors is in accordance with 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 12 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.

## Scope of the Authority and Responsibilities

### The Authority and Responsibilities of the Board of Directors

#### - Operational Authority

1. To consider and appoint the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Management Committee and determine their authorization.
2. To appoint, remove, and delegate authority to the advisors of the Board of Directors, committees and other parties for further actions.
3. To approve borrowing to more than Baht 50 million and debenture issuance for use as company's working capital.
4. To approve the granting / revoking of more than Baht 50 million loan.
5. To approve purchase / revocation / sales of assets, investment capitals and expenditure for the amount of more than Baht 50 million.
6. To approve collateral granting / revoking and liability granting / revoking of liability to individuals / companies for the amount of more than Baht 50 million.
7. To approve investment policies for investing in other companies for the amount of more than Baht 50 million.
8. To approve the renovation, demolition, retirement of fixed and intangible assets which are no longer in use, defective, lost, destroyed, deteriorated or so outdated as to be useless of which the total book value exceeds Baht 50 million.
9. To approve price adjustment and destruction of raw materials and/or deteriorated or outdated stock rendering reduced book value of the amount exceeding Baht 50 million.
10. To consider entering into transactions with all individuals involved.
11. To file a suit to either Civil or Criminal Court, to submit a request for Juridical Arbitration, to petition to an inquiry official, to charge against an offender of the company for legal proceedings under the Criminal Code, and to conduct sub - delegation of power to any party to act on behalf of the company. The sub-delegation of power shall include the power to revoke the petitions, to compromise on any conflict, and to accept compensation for the company. This includes the appointment of a lawyer to file suit or to attend trials in all courts on behalf of the company until the final court proceedings for any cases relevant to the irregular course of business, and / or vice versa.

12. All power of the Company's Board of Directors relating to acquisition or disposition of assets and entering into connected transactions must be in compliance with the notifications of the Capital Market Supervisory Board.

13. To propose a capital increase / decrease, change in stock value, amendment of the Memorandum of Association, Articles of Association, and / or objectives of the company to the General Shareowners' Meeting.

14. To approve the establishment, merger or liquidation of subsidiary companies.

15. To delegate authority to the Management, executives of the company or other party to act on behalf of the Board.

16. To invite the Management, executives and employees of the company involved in any particular issues to provide some explanation, to give comments, to participate in the Meeting, or to provide any documents as necessary.

17. To seek advice and consultation by experts or advisors of the company (if any), or to commission an external advisor or expert in any necessary cases under expenses of the company.

18. To appoint and remove the Secretary of the company.

### - Duties and Responsibilities

1. To carry out corporate operation in accordance with the law and regulations of the Securities and Exchange Commission and of the Stock Exchange of Thailand, with the company's objectives and articles of association, and with the resolutions of the shareowners' meetings.

2. To act responsibly and consistently on behalf of the shareowners.

- To run the business for the best interest of the shareowners.

- To disclose an accurate, complete, up-to-standard and reliable information.

- To report company's operation with correct, complete and up-to-date content.

- To allocate compensation to shareowners with proper and worthwhile standard.

3. To set up policies and direction for corporate operation, to supervise and control the administration efficiently and effectively in accordance with the set policies so as to optimize economic value to the business and wealth to the shareowners.

4. To control corporate operation consistently, as well as to follow up on related contract obligation and liability.

5. To approve the annual business plan and budget, and to supervise efficient and effective actions by the Management in compliance with the regulatory requirements, policies and plans as specified.

6. To promote the formulation of a corporate governance policy, code of conduct, and code of business conduct in writing, for pursuance by the Board of Directors, executives and employees of the company in any business undertakings; and to supervise subsequent actions closely.

7. To adopt the sufficient and appropriate internal control system for assuring that all transactions have been conducted under legitimate approval authority, to review and prepare the right accounting procedures, as well as any systems to prevent misuse of the company's assets.

8. To adopt a prudent and clear consideration procedure of any transactions likely to create conflicts of interest in order to protect the benefits of the company and shareowners, by disallowing any related parties from participation in the decision - making process in compliance with the regulatory requirements governing related transaction procedures and disclosure of related transactions.

9. To review and approving the financial statements and financial reports as approved or reviewed by auditors, as well as approved by the Audit Committee.

10. To acknowledge administrative reports from the executive committee.

11. To call meetings of shareowners by announcing the date, time, venue of such meetings including the set agenda as well as determination of the dividend rate (if any) and opinions of the Board of Directors regarding matters to be proposed for consideration by the shareowners in a 21-day period before each shareowners' meeting. The company may set the date for suspension of share transfers registration, which shall be announced for acknowledgement by the shareowners at the Head Office and branch offices of the company for not fewer than 14 days before the suspension of transfer registration; or to set a record date (RD) of eligible shareowners' participation and dividend payment of not more than two months in advance before the meeting schedule.

12. To prepare a report on the "Board of Directors' Responsibility for the Financial Reports", for disclosure in the Annual Report of the company (56-2 Reporting Form) and the annual financial report (56-1 Form).

13. To supervise the submission of documents to regulatory agencies to ascertain that there are statements and entries of transaction in accordance with the data as shown in the book of account, registration or other documents of the company.

14. To approve Charters of the Board of Directors and / or other committees.

15. Other businesses as required in the Board of Directors' meeting.

### **The Authority and Responsibilities of the Company's Executive Board**

The Executive Board has been empowered by the Board of Directors to sign on behalf of them for the business operation of the company as follows:

#### **- Operational Authority**

1. In accordance with the authority assigned by the Board of Directors.

2. To consider and scrutinize the process for entering into all connected transactions with any amounts as well as to summarize and propose the results of the transaction to the Board of Directors for approval such as making contracts of purchase or sales of goods and every kind of products including making contracts to provide or receive services with any persons, companies, partnerships, government agencies, state enterprises and juristic persons in domestic and foreign countries in accordance with the company's objectives and regulations.

3. To enforce other operational regulations as appropriate.

#### **- Duties and Responsibilities**

1. In accordance with the authority assigned by the Board of Directors.

2. To acknowledge and comply with the company's policies and business operation strategies set by the Board of Directors and / or the Executive Board such as claim, demand, debt repayment or claim on any assets including benefits or rights from any persons, companies, partnerships, government agencies, state enterprises and juristic persons in accordance with company's objectives and regulations. In addition, the Executive Board has been authorized to agree upon any conditions and sign on any contracts as well as other related documents.

3. To be consistently accountable for the Board of Directors and / or the Executive Board.

- To report on corporate movement and performance continually and promptly.

- To reveal accurate, complete, up-to-the-standard and reliable information.

4. To supervise, review and approve policies, major strategies, plans and annual budget.

5. To be responsible for preparation of financial statement, financial reports audited by external auditor and

proposing it to the Executive Board, the Audit Committee and the Board of Directors for approval, respectively. In addition, the Executive Board has been authorized to sign on the cheque within the limit set by the Board of Directors for deposit and withdrawal including making the contracts relating to borrowing, lending, overdraft lending and endorsing the promissory note, cheque, draft, bill of exchange and other financial instruments with any persons, companies, partnerships, government agencies, state enterprises and juristic persons in accordance with the company's objectives and regulations. Additionally the Executive Board has been authorized to agree upon any conditions and sign on any contracts as well as other related documents.

6. To consider and scrutinize the process of borrowing, repayment and debenture issuance in any amounts for use as working capital of the company as well as concluding the result and propose the transactions to the Board of Directors for approval.

7. To consider and approve the loan granting / revoking within the limit set by the Board of Directors. For the overauthorized limit, it will be considered and proposed its results to the Board of Directors for consideration and approval.

8. To consider and approve the purchase / revocation / sales of assets, investment and expenditures within the limit set by the company's Board of Directors. For the overauthorized limit, it will be considered and proposed its results to the Board of Directors for consideration and approval such as making the contracts relating to rent, sublease of movable and immovable properties, registration of lease assignment and / or sublease and its cancellation of registration with any persons, companies, partnerships, government agencies, state enterprises and juristic persons in accordance with the company's objectives and regulations. Additionally, the Executive Board has been authorized to agree upon any conditions and sign on any contracts as well as other related documents.

9. To consider and scrutinize the process of guaranteeing / revoking, taking liabilities / revoking with any persons / companies under the limit set by the Board of Directors. For the overauthorized limit, it will be considered and proposed its results to the Board of Directors for consideration and approval.

10. To consider and approve the investment policy in any companies within the limit set by the Board of Directors. For the overauthorized limit, it will be considered and proposed its results to the Board of Directors for consideration and approval.

11. To approve the opening and closing of bank accounts.

12. To approve the receiving and revoking of bank loan.

13. To amend the authorization of payment and approval of goods request and borrowing slips.



14. To approve price adjustment and / or destruction of deteriorated and / or outdated inventory.
15. To be responsible for setting up marketing policies.
16. To be responsible for management of sales, outlets, debt undertaking and sale collateral mortgaging.
17. To be responsible for Human Resource Management such as recruitment, termination, punishment, promotion, relocation of employee and to command the employee including making the employment contracts as well as to agree upon any conditions and sign on any contract and documents relating to Human Resource Management with Labour Department, Social Security Office, government agencies and state enterprises in accordance with the company's objectives and regulations.
18. To appoint, recall, transfer, accredit as well as determining remuneration included welfare for executive management.
19. To claim to the inquiry official against the criminal of a company for proceeding with the criminal case, appoint the subagent to handle this process, revoke the claim, make a reconciliation agreement, receive money on behalf of the company and appoint the lawyer to file the statement to every court on behalf of the company until final.
20. To improve the Charter of the Executive Board and present it to the Board of Directors for approvals.
21. To carry out other matters assigned by the Board of Directors.

**The conditions for the company's empowerment are as follows:**

1. Two of the Executive Board are required to co-sign without affixing the corporate seal within a limit of 500,000 Baht.
2. The Executive Board and one of the authorized Board of Directors are required to co-sign without affixing the corporate seal within a limit of 1,000,000 Baht.
3. Two directors of the Company's Board are required to co-sign and affix the corporate seal without amount limit (no authorization is required in accordance with the registered Certificate of the Company).
4. If the amount of transaction is beyond a set limit, it is required to get approval from the VC Committee within a set limit of 10 million Baht; and from the Executive Board's meeting within a set limit of 50 million Baht.
5. For the transaction limit beyond 50 million Baht, it is required to get approval from the Board of Directors' meeting.
6. In case of urgency and the approval cannot be sought, the two Executive Board who are members of the Board of Directors altogether will consider and pre-approve the transaction, then propose it for ratification by the Executive Board and/or the Board of Directors under the authorized limit.
7. These regulations shall be reviewed and updated every year, under the supervision of Mrs. Duangrudee Milintanggul, the Company Secretary acting as the registrar.

**The Authority and Responsibilities of Company's Audit Committee**

- **Operational Authority**
    1. To coordinate between the auditor, Board of Directors, and internal audit unit for mutual understanding in the same direction.
    2. To invite the executives, management, internal audit or employees of the company who involved in any particular issues to provide some explanation, to give comments and to participate in the Meeting, or to provide documents as necessary and to access to information of the company at all levels.
    3. To investigate any persons involved in any particular issues within its authority and responsibilities of the audit committee.
    4. To seek advice and consultation by experts or advisors of the company (if any), or to commission an external advisor or expert in any necessary cases under expenses of the company.
  - **Duties and Responsibilities**
    1. To review and ensure that the Company has accurate and adequate financial reporting by verifying the company's important Accounting Policy including Financial Report disclosure according to the standard.
    2. To review and ensure that the Company has suitable and effective internal control system and internal audit system.
    3. To verify implementation comply with the Anti-corruption policy.
    4. Its responsibilities include considering an independence of the internal audit unit, as well as to approve an appointment and termination of the head of the internal audit unit or other related units responsible for the internal audit.
    5. To approve internal audit plan and monitor internal audit unit's performance.
    6. To review that the Company comply with laws concerning securities and exchange, regulations of the Stock Exchange of Thailand, and other laws related to the Company's business.
    7. To consider, select, nominate or remove independent persons to be the Company's auditor, and propose such person's remuneration fees, as well as to attend a non-management meeting with the auditor at least once a year.
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8. To consider that the related transactions or transactions which may have conflicts of interests are complied with the laws and the regulations of the Stock Exchange of Thailand and Capital Market Supervisory Board in order to ensure that they are reasonable and for the best benefit of the Company.

9. To prepare the Audit Committee's Report and have it disclosed in the Company's Annual Report to which it must be signed by the Audit Committee's Chairperson and consisted of at least the following information :

- a. an opinion on the accuracy, completeness and reliability of the Company's financial report.
- b. an opinion on the adequacy of the Company's internal control system.
- c. an opinion on compliance with the laws concerning securities and exchange, the regulations of the Stock Exchange of Thailand, or other laws related to the Company's business.
- d. an opinion on the suitability of the auditor.
- e. an opinion on transactions that may have conflicts of interests.
- f. the number of the Audit Committee meetings, and its attendance record of each committee member.
- g. an opinion or overview comment that the Audit Committee perceived from its performance under the charter.
- h. other transactions that the shareowners and general investors should know under its scope of duties and responsibilities assigned by the Board of Directors.

10. In carrying out the Audit Committee's duties, if it finds or has any suspects that there are transactions or the following actions which may have a considerable impact on the Company's financial status and performance; it should report them to the Board of Directors in order to correct them within a suitable time frame set by the Audit Committee:

- a. transactions causing conflicts of interests.
- b. fraud or irregularity or have key mistakes in the internal control system.
- c. breach of laws concerning securities and exchange, regulations of the Stock Exchange of Thailand, or other laws related to the Company's business.

If the Board of Directors or its executives failed to arrange to have them corrected within due course, any member of the Audit Committee may report such transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.

11. To support and follow up to ensure that the Company has effective risk management system.
12. To ensure that the company management comply with good governance principle.
13. To review improve and correct the Charter of the Audit Committee and present it to the Board of Directors for approvals.
14. To perform self-evaluation at least at once a year.
15. To perform any other matters as assigned by the Board of Directors with the Audit Committee's approval under the Company's Articles of Association and laws.

Reference to the above duties, the Audit Committee is accountable directly to the Board of Directors whereas the Board of Directors remains responsible to third parties for the operations of the Company.

## **The Authority and Responsibilities of the Remuneration Committee**

### **- Operational Authority**

1. To invite the Management or employees of the company involved in any particular issues to provide some explanation, to give comments and to participate in the Meeting, or to provide any documents as necessary.
2. To seek advice and consultation by experts or advisors of the company (if any), or to commission an external advisor or expert in any necessary cases under expenses of the company.

### **- Duties and Responsibilities**

1. To consider and formulate policies and criteria relating to remuneration for the Company's directors and senior executives.
2. To propose policy and criteria for consideration of remuneration payment for the Company's Directors and top management.
3. To evaluate the performance of the Board of Directors on a yearly basis.
4. To determine the limit of remuneration for the Company's Directors (with consideration on its business performance and being compared with the same industry), the amount approved by the general shareowners' meeting, as well as the amount paid in the previous year to be submitted for consideration to the Company's Board of Directors and the general shareowners' meeting.

5. To consider appropriation of remuneration to the Company's Directors and members of other committees (who are not concurrently on the Board of Directors) on individual basis, by taking into account the authority and scope of responsibilities within the limit amount approved by the shareowners' meeting.

6. To prepare a Report of the Remuneration Committee for publication in the Company's Annual Report. The Chairman of the Remuneration Committee is required to sign such report.

7. To review, improve and amend the Charter of the Remuneration Committee and present it to the Board of Directors for approval.

8. To conduct self assessment at least once a year.

9. To carry out other matters assigned by the Board of Directors.

## The Authority and Responsibilities of The Nomination Committee

### - Operational Authority

1. To invite the Management or employees of the company involved in any particular issues to provide some explanation, to give comments and to participate in the Meeting, or to provide any documents as necessary.

2. To seek advice and consultation by experts or advisers of the company (if any), or to commission an external adviser or expert in any necessary cases under expenses of the company.

### - Duties and Responsibilities

1. To consider and define the criteria and procedures relating to the selection of company directors and senior management.

2. To verify the personal record and data of the nominated persons by taking into account of knowledge, abilities, experience, professional expertise, proper qualifications in accordance with the Company's Regulations and related laws.

3. To consider the selection of suitably qualified persons to be appointed company directors for nomination to the meeting of the Board of Directors for consideration and approval, except in cases where a company director completes his term of office, whereby such nomination shall be made to the shareholders' meeting for consideration and approval.

4. To consider the selection of suitably qualified persons to be appointed to senior executive positions for nomination to the meeting of the Board of Directors for consideration and approval.

5. To give comments or recommendations for consideration.

6. To propose the nominated persons to the Board of Directors for consideration.

7. To prepare a Report of the Nomination Committee for publication in the Company's Annual Report. The Chairman of the Nomination Committee is required to sign such report.

8. To review, improve and amend the Charter of the Nomination Committee and present it to the Board of Directors for approval.

9. To conduct self assessment at least once a year.

10. To carry out other matters assigned by the Board of Directors.

## The Authority and Responsibilities of The Risk Management Committee

### - Operational Authority

1. To seek advice and consultation by experts or advisers of the company (if any), or to commission an external advisor or expert in any necessary cases under expenses of the company.

2. To appoint a working group, evaluate and follow-up risk factors throughout the company.

### - Duties and Responsibilities

1. To determine policies, targets, and to plan and organize the corporate risk management systems clearly and consistently, as well as to ensure that the internal control system is adequate for major risk management; and to report to the Audit Committee.

2. To encourage and stimulate cooperation in company risk management at all levels.

3. To supervise corporate risk management appropriately and effectively, and to give priority to the precautionary signals and all irregularities.

4. To attend to overseeing that the Company and its agencies fully comply with all relevant legal and regulatory requirements governing the conduct of its business operations.

5. To develop corporate risk management systems with efficiency and consistency.

6. To prepare a Report of the Risk Management Committee for publication in the Company's Annual Report. The Chairman of the Risk Management Committee is required to sign such report.

7. To review, improve and amend the Charter of the Risk Management Committee and present it to the Board of Directors for

approval.

8. To conduct self assessment at least once a year.
9. To carry out other matters assigned by the Board of Directors.

## **The Authority and Responsibilities of The Corporate Governance Committee**

### **- Operational Authority**

1. Has the authority to invite related Company management or employees to show their opinion, participate in meetings or submit documents as deemed necessary.
2. Can ask for advice from experts or Company Consultant (if any) or if it is necessary employ consultants or experts from outside and expense will be paid by the Company.
3. Has the authority to appoint Working Committee to implement corporate governance policy throughout the organization.

### **- Duties and Responsibilities**

1. Stipulate, review and improve Corporate Governance policy and guidelines, Business Ethics, Code of Conduct for company's directors, managements and employees, Anti-Corruption Policy and Rules & Regulations to conform with changes in business, related rules, announcements, regulations and law, on a continuous basis.
2. Formulate guidelines and procedures in accordance with the principles of good corporate governance and anti-corruption policies, as well as monitor and provide counsel, advice and evaluation of their implementation in the development of the Company's corporate governance systems.
3. Promote and support Company Directors, management and employees to conform to Good Corporate Governance Guidelines and Anti - Corruption Policy.
4. To attend to overseeing, mentoring and monitoring the implementation of the Company's Corporate Social Responsibility (CSR) programs to ensure their effectiveness for the benefit of the community and the environment.
5. To prepare a Report of the Corporate Governance Committee for publication in the Company's Annual Report. The Chairman of the Corporate Governance Committee is required to sign such report.
6. To review, improve and amend the Charter of the Corporate Governance Committee and present it to the Board of Directors for approval.
7. To conduct self assessment at least once a year.
8. Other operations as assigned by the Board of Directors.

## **The Authority and Responsibilities of The Chairman of the Board of Directors**

The Board of Directors stipulated the roles, duties and responsibilities of the Chairman of the Board of Directors

1. Being as the Chairman of the Board of Directors to oversee the performance by Board of Directors and Subsidiary Boards, in order to achieve the objectives and work plan as required.
2. Call for the Board of Directors' Meeting.
3. Being as the Chairman of the Board of Directors' Meeting and be the arbitrator in case the Chairman of the Board casted his vote and votes of both parties are equal.
4. Chairman of the Stockholders' Meeting and effectively guide the Meeting.
5. Build up good relationship among company shareholders.
6. To carry out other matters assigned by the Board of Directors.

### **- The Authority and Responsibilities of Management**

The Board of Directors has stipulated the role, duties and responsibilities of the Management as follows :

1. To undertake and / or manage daily operations according to policies, target and planning, and corporate rules and regulations.
2. To conduct business management according to the meeting's resolutions of the Executive Board and the Company Board within the approved budget strictly, honestly and judiciously in the best interests of the Company and shareowners.
3. To carry out the operations of the Company according to good governance as stipulated in the guidelines by the Company Board.
4. To report the monthly progress of operations according to resolutions from the meetings and any significant corporate performance to the Company Board.
5. To enhance and develop business management according to code of conduct, rules and regulations, moral and good culture.

6. To carry out other matters assigned by the Board of Directors and the Executive Board.

### **Nomination and appointing of Board of Directors and Top Management**

The Company has a Nomination Committee who will be responsible for selecting the qualified person(s) to replace the vacant position and propose to the Board of Directors and Shareowners' Meeting for approval respectively. Except in case that member(s) of the board of directors has not resigned in due course, the Nomination Committee may consider to appoint a new director to replace the vacant position in compliance with the Company's Articles of Association. This process can be done in the next board of directors' meeting, unless the remaining term of service of such director is less than 2 months.

Regarding the process of appointment directors, the Company has a specific recruitment guideline, that is, to considered well-rounded and qualified person who best fitted to take up the vacant position. A Board Skill Matrix is prepared, along with details regarding personal skill and expertise of each director, and is used in the appointment process. Such procedure is to ensure that the Company directors are recruited from varieties of background and expertise, with visions, morals and ethics. Their professional background must also be unquestioning, with no qualification against either corporate or legal regulations.

Additionally, Nomination Committee also finds possible candidate for company director from members of the Thai Institute of Directors (IOD).

Independent directors, Nomination Committee select, recruit and nominate independent directors according to the criteria and qualifications stipulated by the Stock Exchange of Thailand and the SEC in order to propose the list to the Board of Directors and the Shareowners' meeting.

#### **Qualifications of Independent Director**

The Company has specified definitions and qualifications for independent directors, which are stricter than minimum requirements of the Securities Exchange Commissions stated in the Form 56-1, attachment of the invitation letter for the 53rd general shareowners' meeting 2018 and is publicized on the company's website (<http://www.icc.co.th>).

#### **Right of minor shareowner's in nominating directors**

The Company authorizes minor shareowners to propose nominate candidate(s) to be elected as director(s) in advance of the 53rd Annual General Meeting 2018 according to the set criteria by publicizing such authorization procedure in its website (<http://www.icc.co.th>).

#### **Top Management Nominations**

The Nomination Committee finds and selects company directors by selecting either from internal management personnel or external candidates. They must be well-qualified, have good understandings of the Company's business, able to achieve the targets given by Board of Directors, and possess no forbidden qualifications according to laws.

The Board of Directors clearly defines top management's duties and responsibilities. Executive Chairman (CEO) appointed by Board of Directors as management head, is to govern the company's operational administration.

The Company also has a successor policy in case of retirement or emergency termination, with a clear and transparent procedure.

#### **Management Recruitment**

The Company considers managerial candidates from within the company by finding person who is well-rounded, skillful and experienced in the related field of work. The Company develops and prepares all staff so that they can become future management. Staff will undergo performance appraisal after which those with outstanding performance will be assigned a higher and more challenging task. The Company is on its constant preparation to develop and train replacement staff in case any function becomes vacant. However, in the case that vacant position could not be filled from internal resources, external recruitment will be employed and the qualified candidates will propose to Executive Chairman for approval.

### **Supervision of the operation of subsidiary and affiliated companies**

The Company has four subsidiary companies to which the Company sends its management to act as directors, and its Executive Chairman as Chairman. The roles and duties are to govern the operation of subsidiary companies, to ensure that any accounting transactions are abided by its parent company which is listed in the Stock Exchange of Thailand.

Additionally, the Company appoints persons-in-charge whose responsibilities are to ensure that its subsidiaries companies follows procedures and disclose important information as practiced by its parent company, for instance, related activities between parent and subsidiary companies, the acquisition and the selling of assets, or other significant activities

The Company has eight affiliated companies. These companies are joint —ventured by companies in Saha Group as well as other non-group companies. The Company has no control over the management of the affiliated companies. The management of each company is under the supervision of its board of directors.

In execution to allow the Company directors and the executives to hold title in other companies, the Saha Group of companies by a top management team would consider to whether assign or not any directors or executives from which company in the group to be the group's representative as a joint-venture or in accordance with the joint-venture agreement based on type of business, and its necessity of that acquirement. If this is applicable, the qualified director or executive with necessary knowledge, capability and expertise in related business shall be assigned.

### **Internal Information Management**

The Company has the measure for internal information management. It has been set in the business ethics as a guideline in dealing with the Company and shareowners, as well as to set the employee conduct for the directors, executives and staff at all levels performing with honesty, responsibility, discipline and consciousness towards public and oneself, not for the seek of the benefit of oneself and/or others improperly. The Company's benefit and assets should be kept by not using the Company's information and assets for self or other's benefit and do not perform anything that will support others in competition with the Company. The Company has provided the corporate governance policy, business ethics and employee code of conduct to board of directors, executives and staff as a guideline for business operation and a principle for working. This is distributed through the Company's website (<http://www.icc.co.th>)

The above-mentioned topics have been stipulated in the Company's working regulation. The highest disciplinary punishment for violation is dismissal from the Company. This regulation has been followed by all directors, executives and staff at all levels.

The Company has measures to supervise the corporate securities trading, by stipulating in the directors, executives and employee's code of conduct preventing directors, executives and staff who work in the divisions with accessibility to inside information, from purchasing or selling the Company's shares within the period of one month prior to the disclosure of the Company's financial statements to the public except doing it as normal transactions without related to the said information

In addition, at every board of directors' meeting, there is to be an agenda for acknowledgement which relating to the report on sales / purchase of properties, possession of Company shares by board of directors, and executives committee included their spouses and minor children at all times. In cases of any sale or purchase of Company shares, the Company and the Stock Exchange Commission (SEC) shall be informed of this transaction in accordance with the SEC's regulations.

In 2017, the directors and executives so far followed the policy strictly. There was neither share trading in the forbidden period nor trading by using the Company's inside information. However, there was two directors who traded shares of the Company this year and already informed the transaction to the Securities and Exchange Commission in due time together with the report of their assets ownership to the board

The Company will enforce one additional policy requiring the directors and executives to report their trading in securities to the Board of Directors at least one day before the trading date.

Furthermore, the Company has adopted a supervising measure on directors' stakeholding. The directors and executives are required to report to the board at all times concerning their stake holding or related person's, as set by rules and regulations of the Securities and Exchange Act, and also report to the Company's board of director at every change.

In 2017, the Directors and Executives followed the policy strictly.

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## Remuneration of Auditor

### 1. Remuneration for auditing service

The Company and its subsidiaries have been approved by the Annual General Shareowners's Meeting to pay the remuneration as follow:

(in Baht)		
Remuneration for auditing service	2017	2016
I.C.C. International Public Co., Ltd.	2,100,000	1,750,000
The Company's subsidiaries (3 companies)	425,763	427,759
<b>Total</b>	<b>2,525,763</b>	<b>2,177,759</b>

The Amis Du Monde SARL and Thai Itokin Co., Ltd does not use the same auditor as the parent company due to:

1. The Amis Du Monde SARL. In the process of dissolution, the former auditor must also be used.
2. Thai Itokin Co., Ltd. to be able to negotiate the price of the auditor as the last year and the auditor is standard legal.

In addition, Canchana International Co., Ltd did not use the same auditor as ICC as the company had just changed its status from the associated company to the subsidiary on 30 November 2017. As a result, the change of audit for the year 2017 is still cannot be implemented and will be auditing in 2018.

Although certain subsidiaries does not use the same auditor as the parent company but the company has a take care and follow up for prepare the financial statements on time.

### 2. Non - Audit fees

In the year 2017, the Company and its subsidiaries do not pay the cost of other services provided to the auditor of the Company and subsidiaries auditing the auditors, parties related to auditors and the audit as the auditors under.