

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

Dear Shareholders,

The Corporate Governance Committee has placed high value on ensuring that the Company has operated in full compliance with the policies of good corporate governance and the business code of conduct. The Committee is determined to develop and maintain its corporate governance practices to be on par with international standards in an ongoing manner. The current Committee is chaired by Police General Sombat Amornvivat and two Directors, Mr. Prajya Phinyawat and Police Lieutenant General Prawut Thavornsiri who was appointed on October 18th, 2013 to substitute the resigned Director Mr. Kriengkrai Thiennukul, and Mr. Bowon Vongsinudom who was appointed as President and Chief Executive Officer.

In the year 2013, the Corporate Governance Committee held six meetings in total. The Committee exercised its duties within its scope of authority and responsibilities set forth by the Company's Board of Directors, which can be summarized as follows:

The Committee performed its tasks in full compliance with applicable regulations, laws and good practice guidelines.

- ▶ An organization plan for the 2013 Annual General Shareholders' Meeting (AGM) was issued. Suggestions were also made to ensure that meeting was carried out in an orderly, transparent and effective manner in compliance with corporate governance in all AGM Checklist as recommended by the Stock Exchange of Thailand. In the assessment made by the Thai Investors Association, the Company's 2013 Annual General Shareholders' Meeting was awarded full marks of 100 for distinction.
- ▶ The Committee set up principles and a timeframe for the proposal of the meeting agenda by minority shareholders along with the list of candidates for the Board of Directors election. To promote shareholders' rights and equality, a period of more than three months was allowed (September 25th - December 31st, 2013) prior to the holding of the 2014 Annual General Shareholders' Meeting for agenda and candidate submission.
- ▶ The Committee provided continuous supervision of operations with responsibility toward various stakeholders, namely shareholders, employees, customers, business partners, creditors, communities, society and the environment. Such operations were carried out in a way that sufficiency and suitability were assessed for future improvements and development. In 2013, the responsible divisions submitted summary reports on operations in comparison with international standards, such as the Corporate Governance Report by the Thai Institute of Directors and the ASEAN CG Scorecard which is an assessment criteria at the ASEAN level. As a result, all operations of the Company achieved full compliance with the mentioned criteria.

- ▶ A 4-language version of the Business Code of Conduct Handbook was published, which comprised Thai, English, French and Chinese, in addition to the previous bi-lingual (Thai and English) version. This new version was made to ensure communication efficiency of the subsidiaries that have made investment in other countries. This was also to ensure the acknowledgement and adherence of business partners to the Company's policies on ethical business operations. Such production complied with the Dow Jones Sustainability Indices (DJSI).

Operations in compliance with the policy on good corporate governance were promoted.

- ▶ An annual corporate governance plan was considered and approved. In addition, all related operations were reviewed consistently in order to reach international standards.
- ▶ The report on good corporate governance in the 2013 Annual Report was studied to ensure that the information divulged was complete and corresponded with the corporate governance guidelines and assessments of both local and international standards.
- ▶ Recommendations were made to arrange a 2013 company visit for shareholders to the subsidiaries' businesses in Rayong province.
- ▶ Suggestions and views were provided to prepare the Company for the participation in assessment projects held by external parties, such as the ASEAN CG Scorecard and the Collective Action Coalition project (CAC).

The Committee's duty performance, assessment and development

- ▶ Pre-designated annual meeting plans for the Corporate Governance Committee were issued. This enabled the Committee to acknowledge and deliberate on various matters including future plans in order to make recommendations to the management.
- ▶ Lectures were arranged on issues in regard to the duty performance of Independent Directors and the Company's Board of Directors by internal and external speakers. Such issues included business overview (Refreshment), Directors' duties and responsibilities, overseas investment laws, and operations in accordance with corporate compliance policies. These efforts were made to boost knowledge and understanding on related businesses and laws of the Directors for their enhanced performance efficiency.
- ▶ The performance of the Corporate Governance Committee in 2013 was assessed and reported to the Board of Directors. The overall operational achievement was 98%.

The Board of Directors as well as Executives and all employees of the Company highly value good governance principles and perform their tasks in strict compliance. They mutually agreed that Corporate Governance is pivotal to effective and sustainable business operations. Such compliance will lead the Company to achieve stakeholders' trust and gain international recognition. The Corporate Governance Committee determinedly dedicates themselves to developing the Company's Corporate Governance as well as in taking the Company standard to the highest standard.

On behalf of the Corporate Governance Committee



(Police General Sombat Amornvivat)

Chairman of the Corporate Governance Committee