

# Management Structure

## 1. The Board of Directors

### 1.1 The Board of Directors

At present, The Board of Directors consisted of 15 members, classified into :

- 5 executive directors
- 10 non-executive directors (including 6 independent directors)

#### Name list of the Board of Directors

	Name	The Board of Directors	The Audit Committee	The Nomination Committee	The Remuneration Committee	The Risk Management Committee	The Corporate Social Responsibility Committee	The Corporate Governance Committee	The Executive Director
1	Mr.Boonkiet Chokwatana	Chairman	-	Chairman	Chairman	-	-	-	-
2	Mrs.Tipapom Chokwatana	Vice Chairman	-	-	-	-	-	-	-
3	Mr.Thirasak Vikitset	Managing Director	-	Director	Director	-	-	-	Chairman
4	Dr. Atthakom Glankwamdee	Deputy Managing Director	-	Director	-	Chairman	-	-	Director
5	Admiral Apichart Pengsritong	Independent Director	-	-	-	-	Director	-	-
6	Mrs.Kaewta Ongsaranakom	Director	-	Director	Director	-	-	Director	Director
7	Prof.Dr.Malyn Ungsurungsie	Director	-	-	-	-	Chairman	-	Director
8	Mrs.Chitrapom Vikitset	Director	-	Director	-	-	-	-	Director
9	Mrs.Teerada Ambhanwong	Director	-	-	-	-	-	-	-
10	Mrs.Pismai Chandrubeksa	Independent Director	-	-	Director	-	-	-	-
11	Mr.Suthep Dansiriviroj	Director	-	-	-	-	-	-	-
12	Mr.Amom Asvanunt	Independent Director	Chairman	-	-	-	-	-	-
13	Mrs.Pradiitha Chongwattana	Independent Director	Director	-	-	-	-	-	-
14	Mr.Surong Ongkosit	Independent Director	Director	-	-	-	-	-	-
15	Pol.Gen.Somchai Prabhasabhakdi	Independent Director	Director	-	-	-	-	Chairman	-

**Remark :** Qualification standards for independent director and the Audit Committee members were in accordance with the provisions set forth in related announcements.

## Directors representing the company

To represent the company, 2 out of the following 9 directors are required to sign their names, together with the affixing of company seal, namely :

- |                   |              |
|-------------------|--------------|
| 1. Mr.Boonkiet    | Chokwatana   |
| 2. Mrs.Tipaporn   | Chokwatana   |
| 3. Mr.Thirasak    | Vikitset     |
| 4. Mr.Atthakorn   | Glankwamdee  |
| 5. Mrs.Kaewta     | Ongsaranakom |
| 6. Mrs.Malyn      | Ungsurungsie |
| 7. Mrs.Chitraporn | Vikitset     |
| 8. Mrs.Teerada    | Ambhanwong   |
| 9. Mr.Suthep      | Dansiriviroj |

### 1.2 Personal information of company directors

The details of personal information of company directors were display per the section “Personal information of company directors and management members”.

### 1.3 The number of Directors’ meetings

During 2017, The Board of Directors and other committees regularly held their meetings, with the attendance record by each directors were summarized as follows :

Unit : Times

Name		Directors' Meeting								General Shareholders' Meeting
		The Board of Directors	The Audit Committee	The Nomination Committee	The Remuneration Committee	The Risk Management	The Corporate Social Responsibility Committee	The Corporate Governance Committee	The Executive Director	
		7 times / year	6 times / year	2 times / year	2 times / year	4 times / year	4 times / year	5 times / year	21 times / year	1 time / year
1	Mr.Boonkiet Chokwatana	7/7	-	2/2	2/2	-	-	-	-	1/1
2	Mrs.Tipaporn Chokwatana	6/7	-	2/2	-	-	-	-	-	1/1
3	Mr.Thirasak Vikitset	7/7	-	2/2	2/2	-	-	-	21/21	1/1
4	Dr. Atthakorn Glankwamdee	7/7	-	2/2	-	4/4	-	-	17/21	1/1
5	Admiral Apichart Pengsritong	6/7	-	-	-	-	4/4	-	-	1/1
6	Mrs.Kaewta Ongsaranakom	7/7	-	2/2	2/2	-	-	5/5	17/21	1/1
7	Prof.Dr.Malyn Ungsurungsie	6/7	-	-	-	-	3/4	-	11/21	1/1
8	Mrs.Chitraporn Vikitset	5/7	-	-	-	-	-	-	17/21	1/1
9	Mrs.Teerada Ambhanwong	6/7	-	-	-	-	-	-	-	1/1
10	Mrs.Pismai Chandrubeksa	7/7	-	-	2/2	-	-	-	-	1/1
11	Mr.Suthep Dansiriviroj	7/7	-	-	-	-	-	-	-	1/1
12	Mr.Khachomsakdi Vanaratseath	2/7***	1/6***	-	-	-	-	-	-	1/1
13	Mr.Amorn Asvanunt	5/7**	5/6**	-	-	-	-	-	-	-
14	Mrs.Pradiitha Chongwattana	7/7	6/6	-	-	-	-	-	-	1/1
15	Mr.Surong Ongkosit	7/7	6/6	-	-	-	-	-	-	1/1
16	Pol.Gen.Somchai Prabhasabhakdi	7/7	5/6	-	-	-	-	5/5	-	1/1
17	Miss.Sumeth Surachartchairit	-	-	-	-	4/4	-	-	19/21	1/1
18	Mr.Simon Rhoderick Knight	-	-	-	-	-	-	-	7/21***	1/1
19	Mr.Varith Tritrapun	-	-	-	-	-	-	-	-	1/1
20	Mrs.Patchara Pongwichan	-	-	-	-	-	-	5/5	19/21	1/1
21	Mrs.Thongsuk Upathambhakul	-	-	-	-	-	4/4	-	21/21	1/1

Unit : Times

Name	Directors' Meeting									General
	The	The	The	The	The	The	The	The	Shareholders' Meeting	
	Board of	Audit	Nomination	Remuneration	Risk	Corporate	Corporate	Executive		
	Directors	Committee	Committee	Committee	Management	Social	Governance	Director		
7 times / year	4 times / year	2 times / year	2 times / year	4 times / year	4 times / year	5 times / year	21 times / year	1 time / year		
22 Mrs.Daranee	Ajjaneeyakul	-	-	-	-	4/4	-	-	20/21	1/1
23 Mrs.Panee	Chantavaraluk	-	-	-	-	4/4	-	-	-	1/1
24 Mr.Pattara	Vikitset	-	-	-	-	1/4	-	-	-	1/1
25 Mrs.Suthanya	Sumana	-	-	-	-	4/4	-	-	20/21	1/1
26 Mrs.Rujapa	Srisurang	-	-	-	-	-	4/4	-	-	1/1
27 Mrs.Tanyanan	Tantikovit	-	-	-	-	-	4/4	-	-	1/1
28 MissThatsruang	Saengwichian	-	-	-	-	-	4/4	-	-	1/1
29 Mrs.Worawan	Tantrasadetee	-	-	-	-	-	-	5/5	-	1/1
30 Mr.Sumit	Khopaiboon	-	-	-	-	-	-	5/5	12/21**	1/1
31 Miss.Yaowaluk	Potinit	-	-	-	-	-	4/4	-	-	1/1
32 Mr.Marote	Vananan	-	-	-	-	-	-	-	11/21**	-
33 Mrs.Jariya	Thamvachirapom	-	-	-	-	-	-	-	11/21**	-
34 Miss Kitsanarut	Rassameesuriyan	-	-	-	-	-	-	-	12/21**	-
35 Dr.Kriktiat	Srisempoke	-	-	-	-	2/4	-	-	-	-
36 Prof.Dr.Narumon	Saardchom	-	-	-	-	4/4	-	-	-	-

**Remark :** \*\* Appointed on May 12, 2017

\*\*\* Retired on May 12, 2017

#### 1.4 Controller

The company does not have any controller who has the influence over the company's management policy, or its operations, in such manner deemed as significant.

## 2. The Management

### 2.1 The Management

At present, there were 10 company's management members in accordance with the definition of the management set by The Securities and Exchange Commission. The management were authorized by the company to carry out duties in accordance with the company's policies.

#### Name list of the Management as of December 31, 2017

Name	Position
1. Mr.Thirasak Vikitset	Managing Director / Director which are Management
2. Dr.Atthakorn Glankwamdee	Deputy Managing Director / Director which are Management
3. Mrs.Kaewta Ongsaranakom	Director / Director which are Management
4. Prof.Dr.Malyn Ungsurungsie	Director / Director which are Management
5. Mrs.Chitraporn Vikitset	Director / Director which are Management
6. Mr.Simon Rhoderick Knight	Overseas Business Division Manager
7. Miss Sumeth Surachartchairit	Factory Division Manager
8. Mrs.Thongsuk Upathambhakul	Domestic Business Division Manager
9. Mr.Varith Tritrapun	Office Division Assistant Manager (Accounting & Financial)
10. Mrs.Patchara Pongwichan	Human Resource Division Assistant Manager

## **2.2 Personal information of management members**

The details of personal information of management members were display per the section “personal information of company directors and management members”.

## **4. Remuneration for the directors and management**

### **4.1 Remuneration criteria for the directors and management**

The Board of Directors set up a policy on the determination of the director’s remuneration in a fair and reasonable manner and assigned the Remuneration Committee to be responsible for setting the budget and allocation criteria for the directors, on a comparative basis with other companies in the same business category. Consideration were given to such areas as, expansion in the company’s business activities, business growth rate, operating results, together with proper reference to the authority, duty, responsibility scope, the financial liquidity position, the possible factors impacts on both the company and overall economic situation, and performances by the directors. The Remuneration Committee set the criteria on meeting allowance and yearly remuneration. The said resolution would be proposed to the Board of Directors’ meeting for their consideration prior to propose to the shareholders’ meeting for final approval of said remuneration budget.

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

### **4.2 Remuneration amount**

#### **(A) Remuneration for company directors**

The shareholders’ meeting approved annual remuneration budget for company directors for total amount not exceeding 15 million baht per year as the piror year, until further changes. The disbursement of said remuneration budget required the consideration by the Remuneration Committee, and the approval of the Board of Directors, with such disbursement not exceeding the budget amount earlier approved by the shareholders’ meeting and compared with other group of companies in the same level. This is not inclusive of remuneration or welfare to which the directors are entitled to in the capacity as a staff member or and employee of the company.

1. Annual Remuneration is paid to all directors. The Remuneration Committee will allocate the remuneration on basis of principle, operational results and propose to the Board of Directors.
2. Meeting fee, is paid to attending directors only. In case of there is a meeting more than 1 times in each month, it accounts to receive the meeting fee not exceeding 1 time.
3. Remuneration of other sub-committees which organized by the Board will be in the consideration of the Remuneration Committee by considering in accordance with appropriateness, and to be in line with duties and responsibilities.

**Details of meeting allowance payments were as follows:**

	2017 (baht / time)	2016 (baht / time)
The Board of Directors		
The Audit Committee		
• Chairman	12,000	12,000
• Director	9,000	9,000
The Nominating Committee		
The Remuneration Committee		
The Risk Management Committee		
The Corporate Social Responsibility Committee		
The Corporate Governance Committee		
• Chairman	10,000	10,000
• Director	8,000	8,000

For the year 2017, the company authorized payments for meeting allowance baht 1,481,000 and remuneration baht 12,500,000 totalling baht 13,981,000.

**Details of remuneration received by each company directors in 2017 are as follows:**

Unit : baht

Name	Directors fee	Meeting fee							Total Directors fee
		The Board of Directors	The Audit Committee	The Nomination Committee	The Remuneration Committee	The Risk Management Committee	The Corporate Social Responsibility Committee	The Corporate Governance Committee	
1 Mr.Boonkiet Chokwatana	1,500,000.00	84,000.00	-	20,000.00	20,000.00	-	-	-	1,624,000.00
2 Mrs.Tipaporn Chokwatana	1,200,000.00	54,000.00	-	16,000.00	-	-	-	-	1,270,000.00
3 Mr.Thirasak Vikitset	2,750,000.00	63,000.00	-	16,000.00	16,000.00	-	-	-	2,845,000.00
4 Dr..Athakorn Glankwamdee	500,000.00	63,000.00	-	16,000.00	-	40,000.00	-	-	619,000.00
5 Admiral Apichart Pengsritong	400,000.00	54,000.00	-	-	-	-	32,000.00	-	486,000.00
6 Mrs.Kaewta Ongsaranakom	1,000,000.00	63,000.00	-	16,000.00	16,000.00	-	-	40,000.00	1,135,000.00
7 Prof.Dr.Malyn Ungsurungsie	1,000,000.00	54,000.00	-	-	-	-	30,000.00	-	1,084,000.00
8 Mrs.Chitraporn Vikitset	1,000,000.00	45,000.00	-	-	-	-	-	-	1,045,000.00
9 Mrs.Teerada Ambhanwong	400,000.00	54,000.00	-	-	-	-	-	-	454,000.00
10 Mrs.Pismai Chandrubeksa	400,000.00	63,000.00	-	-	16,000.00	-	-	-	479,000.00
11 Mr.Suthep Dansiriviroj	500,000.00	63,000.00	-	-	-	-	-	-	563,000.00
12 Mr.Khachornsakdi Vanaratseath ***	600,000.00	18,000.00	12,000.00	-	-	-	-	-	630,000.00
13 Mr.Amom Asvanunt **	-	45,000.00	60,000.00	-	-	-	-	-	105,000.00
14 Mrs.Pradittha Chongwattana	400,000.00	63,000.00	54,000.00	-	-	-	-	-	517,000.00
15 Mr.Surong Ongkosit	400,000.00	63,000.00	54,000.00	-	-	-	-	-	517,000.00
16 Pol.Gen.Somchai Prabhasabhakdi	450,000.00	63,000.00	45,000.00	-	-	-	-	50,000.00	608,000.00
<b>Total</b>	<b>12,500,000.00</b>	<b>912,000.00</b>	<b>225,000.00</b>	<b>84,000.00</b>	<b>68,000.00</b>	<b>40,000.00</b>	<b>62,000.00</b>	<b>90,000.00</b>	<b>13,981,000.00</b>

**Remark :** \*\* Appointed on May 12, 2017

\*\*\* Retired on May 12, 2017

**(B) Remuneration for management** Referred to the remuneration for the 5 executive directors who were non-management members and 5 company's management members in accordance with the definition of the management set by The Securities and Exchange Commission, altogether totaling 10 persons. The remuneration details were classified into salary, bonus, allowance, and meeting allowance accorded their status as company employees.

**Remuneration details for management members**

Remuneration	2017		2016	
	Number of persons	Amount (baht)	Number of persons	Amount (baht)
Salary and bonus	10	45,991,525	10	41,011,010
Meeting fee	10	582,000	10	625,000
<b>Total</b>		<b>46,573,525</b>		<b>41,636,010</b>

**4.3 Other Remuneration**

The company does not have the policy to provide any extra benefits to its executives, whether in term of shares, debentures, other than those remuneration normally accorded the directors and company employees.

**(A) Other remuneration for company directors**

- None -

**(B) Other remuneration for management members**

The Company has established a provident fund to management by subscribing to be provident fund membership. The company has contributed at rate of 3 percent of salary.

**Other remuneration details for management members**

Other Remuneration	2017		2016	
	Number of persons	Amount (baht)	Number of persons	Amount (baht)
Provident fund contribution	10	220,968	10	128,979
<b>Total</b>		<b>220,968</b>		<b>128,979</b>

## 5. Employees

The company has focus on the allocation of manpower suitable for its division and arrange it for the future plans, which the company has a systematic process to recruit and hire staff of the company with the basic of competency-skill fairness, equality, non-discrimination in both gender and religion. As at December 31, 2017 and 2016, the Company had total staffs of 2,070 and 2,180 persons respectively, divided into 6 main departments as follows :

<b>Main Division</b>	<b>2017 (Persons)</b>	<b>2016 (Persons)</b>
Customer Service	201	296
Office	84	78
Human Resource	139	147
Technical	283	385
Factory	1,361	1,272
Internal Audit	2	2
<b>Total</b>	<b>2,070</b>	<b>2,180</b>

### **Human Resource Management**

The company's human resource management is to focus on the recruitment, selection and development to meet the organizational context to create good people to society. The process of recruiting, selecting good people and developing people in the organization to be a good one. It will help the organization to gain competitive advantage amidst the changing conditions of today's business.

In 2017 the corporate policy that focus on growth with the creation of new businesses and the creation of new innovations in both products and services. Human resources is subject to the company's priority response to such business proposition. The company has set the direction for the management of human resources by the start of the corporate restructuring to clear up. The recruitment, selection, new staffs in management level to participate in various positions. Therefore, the personnel resource development process, so it is important that the processes need to be modified to comply with the policy and business strategy by major development topics that focus on creating attitudes and ideas to create new innovations in the organization. Development supervisor, is a leader in the creation of man. Create professional, as well as the artistic concept of virtue. Ethics in business required organizations through activities in various forms to the base to accommodate the expansion of the business in the future.

### **Human Resource Strategy in 2015 – 2017**

#### HR Vision

Human capabilities (knowledge, skill and behaviors) in operation and ready to get along with business changes.

#### HR Mission

1. Participation in the success of the business.
2. Development of management and human resources to respond to the environment of changes in organization.
3. Promotion and build up happiness in the workplace.

### Goal

1. People Development - Development of performance evaluation system
2. People System - The development of human resource capacities.
3. Moral - Creating employee engagement.

### **Compensation management and employee retention.**

Good and standard compensation management will help to support employees who are capable of sharing the driving organizations effectively. Keeping good staff and good with the company. The Company has set to pay the remuneration to the employees according to qualifications, skills and work experience. The minimum salary of the employee is based on the minimum wage-set by the government. The company considers the salary adjustment and bonus once a year by assessment based on the Competency Model and Key performance Indicator (KPI). The company has a compared and improved the management of the remuneration with the return paid to leading companies annually.

<b>Staff Benefit</b>	<b>2017 (Million baht)</b>	<b>2016 (Million baht)</b>
Employee benefit expenses	710.2	772.2
Provident fund	9.4	8.7

In addition, the company has paid other compensation of employee as Provident Fund for employees at all levels by the company contribution rate at 3 percent of salary, Savings Cooperative, employee retirement plan, employee awards 30-year 20-year 10-year, employee awards, who have no statistics for absent, leave and late, etc.

The company recognizes the importance of human resource in the organization who drive sustainable growth. Hence, knowledge, ability of personnel are essential that organization needs to develop a system of care and to encourage a positive attitude at work place from beginning of being employee through the activities and processes. Learning in different ways both in and outside the classroom, such as training, teaching, job assignment to work tasks, work observation etc. During the past year, there were no changes in number of employees or labour dispute significantly.

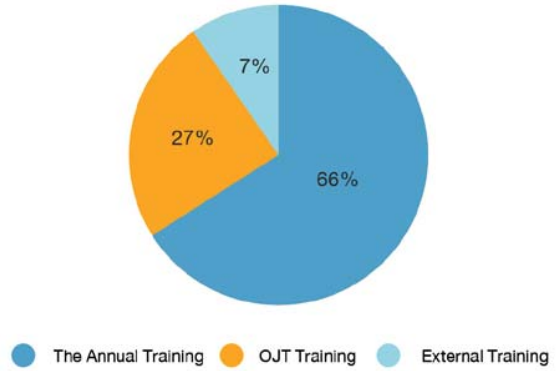
### **The development and employee training.**

Each year, the company is planning to develop the skills and abilities of the employees in the various aspects of both the Soft side and Hard side, both the Class room and Non Class Room, which is consistent with the direction and strategy of the organization. To provide employees with career advancement and training employees to realize the core value of the Organization and encourage all employees to operating with integrity, do not seek personal interests that may conflict of interests of the company and its stakeholders. It can be driven organization to the target and sustainable success in the long run.



## Human Resource Development

The Graph shows % of each type of training

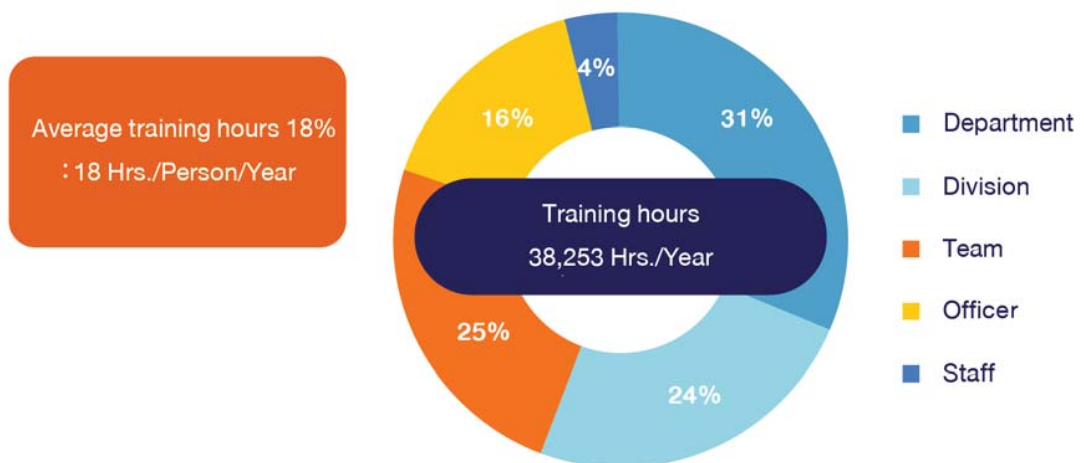


### 1. The Annual Training

The company is planning, personnel development and training according to the annual course evaluations from the policy and business strategy as well as to explore and analyze the training needs of the various agencies on each side. From the information collected can be summarized that the categories of primary necessity that affects business processes and relationships with key stakeholders: employees, customers, consumers, will be security courses. Quality courses, Technical courses and Management courses required attention to processes, leadership development, leadership changes and to support the business growth of the company in the future.



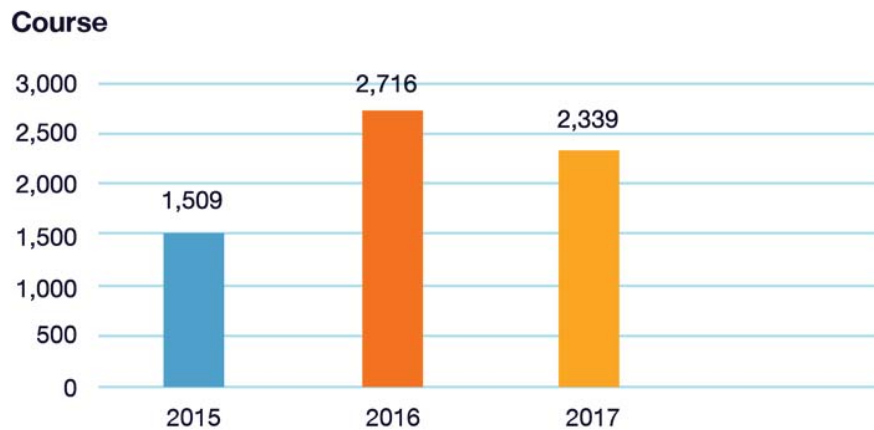
Graph shows the number of HR training year during 2017 by a group of employees as follows



### 2. OJT Training

The training is to help strengthen the knowledge/technical skills in the performance of departments, which will affect the quality and effectiveness of the activity. So, the development/training that will help to build up confidence that personnel in the organization having knowledge/skills/abilities enough to work or not. The organization is required to have a curriculum to teach internal through processes that access the OJT every positions.

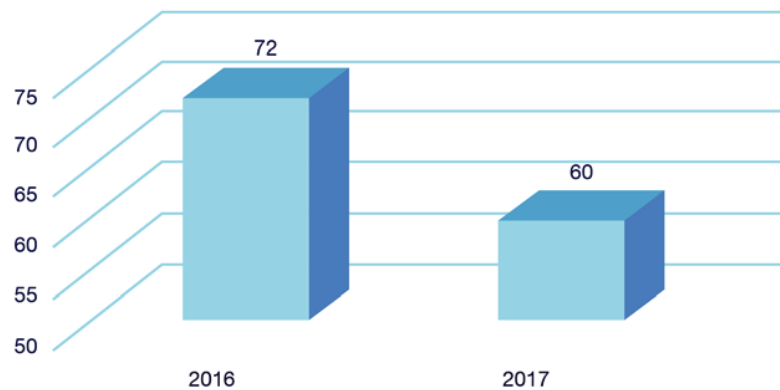
Graph show number of OJT training courses in year 2015–2017



### 3. External training

The company sent personnel to external training in the specific courses required of individual divisions so that employees have the opportunity to fill the knowledge/skills in professions necessary and sufficient for operating effectively and be able to put this knowledge to work in various fields by modified as required in each year.

Number of external training courses in year 2016–2017



Graph shows number of external training courses in year 2016–2017

From sending employees to training and development courses in both inside and outside the company, which is in accordance with policy or the need for the division itself, causing a positive impact on our employees in terms of their skills / knowledge that can be applied. In management and problem solving of divisions as well as developing various techniques that contribute to achieving the division. There is also a positive impact on the business aspects of the experience helpful which can be used to develop or continue business with a stable and more sustainable.

In 2017, the company has collected and stored the knowledge derived from experience of personnel both Explicit Knowledge and Tacit Knowledge more than 250 stories.

## Employee Engagement Assessment

The company has been exploring employee engagement levels on various levels in 2 categories, including the well-being 6 aspects and the engagement of personnel to the organization 3 aspects to improve and develop to be the Best Employer.

### The well-being 6 aspects

1. Job description
2. Stability and advance.
3. Colleague
4. Leader
5. Motivation
6. Workplace and facilities

### The engagement of personnel to the organization 3 aspects

1. Dedicated efforts to achieve the objectives of the organization.
2. Pride and loyalty to the organization.
3. Sustaining membership and be a part of the organization.

From assessment of employee engagement evaluation, the issues that need to be developed in 2017 are as follows.

Topic	Project	Time line
1. The Organization's information technology system to assist in tracing work easier. quick and convenient.	<ul style="list-style-type: none"><li>• The preparation program to help record / search knowledge in the organization.</li></ul>	Complete 2018
2. Satisfied with the benefits received from the company ie. fitness room and nursing rooms	<ul style="list-style-type: none"><li>• Renovate the fitness room</li><li>• Renovate the nursing room to be more proportionally.</li></ul>	Complete 2017
3. Lead the results to the award evaluation system.	<ul style="list-style-type: none"><li>• Develop annual evaluation system.</li></ul>	Complete 2018

In addition, the company is also the leading principles of health promotion in organizations (Happy Workplace) to be operated through various projects on an ongoing basis in order to create a loving bond to the employee as follows:

- Happy Body** The project was held for healthcare employee and create a career for employees including people in the communities such as fitness room project, the health market project which held 2 times per month, annual health check up project, check for cervical cancer screening in women project.
- Happy Brain** Knowledge/skill development projects in various fields to promote the employees have the opportunity to develop themselves, which will lead to steady and progress in the work, such as Leaders Potential Development Course, Happy in work Course, The Modern Supervisor Course etc.
- Happy Family** Health care projects, pregnant mothers, and after childbirth by providing the leading milk companies to educate health care employees, pregnancy and child since 1-3 year olds regularly. In 2017, there were 87 pregnant mothers attended.

- Happy Heart** The project established a fund to help coworkers experiencing afflicted. Promoting the gracious favor in hospitality at work, such as Friend for Friend project No.3. In 2017, received donation 150,000 Baht.
- Happy Money** Savings money project to encourage employees to use money saving and cost-effective, including employee kept money for future use. The project has been carried on since year 2007 until today totalling of 28,804,803 baht in deposits. In addition, employees also initiated a deposit in a savings cooperative project of Saha Group, which is the first year totalling 6,415,300 baht.
- Happy Relax** The project is designed to create a fun, relaxed atmosphere, fatigue and stress from work and make employees have the opportunity to build a good relationship, such as Maha Songkran delight project, Ergonomic exercises project, etc.
- Happy Society** Company established the project to build the relationship and live together happily between the company and the surrounding community, such as Mobile public health project, Volunteer local development project, Seniors school project, etc.
- Happy Soul** Projects that promote moral ethics of collaboration in the organization and encourage employees to merit the holy days, such as The project good started for good life, Good morning Dharma projects and prayer evening project.

#### **Human rights and labor practices**

The Company recognizes the human rights and equality are equal. Workers are treated fairly regardless of differences in age, sex, race, color, religion, language, caste, disability, including failure to use child labor and forced labor.

The company, given the guidelines fairly towards all employees according to the framework of the code of conduct and ethical business conduct, including the implementation of the labor standard system, Thailand. With the election and appointment of the Welfare Committee in the establishment. The Safety Board to represent the employees consulted and offered comments on the Company's Executive Board. Employees were given opportunity to express opinions through various channels such as the box, meeting reviews satisfaction evaluation activities in order to bring about improvement and continuous development.

**Remark :** More details can be found at "Sustainable Development Report 2017 : Good People"