

**Part 2**  
**Management and Corporate Governance**

**7. The Company's Capital and Shareholders**

**7.1 The Company's Capital**

As of December 31, 2014, the Company has registered and fully paid-up capital of THB 125 million consisting of 125 million common shares each with THB 1 par value.

**7.2 Shareholders**

The list of the top 10 shareholders as of February 16, 2015 is summarized as follows:

No.	Shareholder Name	As of February 16, 2015	
		No. of Shares	% Total
1.	Mr.Kenuo Lin	19,000,000	15.20
2.	Dr.Vivat Vithoontien	11,090,030	8.87
3.	Sutaschuto Group <sup>1</sup>	9,618,700	7.69
4.	Mr.Kaneearch Dandumrongsuk	6,830,400	5.47
5.	Mr.Nithan Piyarat	6,284,000	5.03
6.	Mrs.Wantanee Ungkasorn	6,249,800	5.00
7.	Ms.Sugunya Sukjaroenkraisri	6,247,000	5.00
8.	Mr.Surasak Sukjaroenkraisri	5,852,800	4.68
9.	Mr.Anake Pinvanichkul	2,812,210	2.25
10.	Thai NVDR	2,612,700	2.09
11.	Other shareholders	48,402,360	38.72
	<b>Total</b>	<b>125,000,000</b>	<b>100.00</b>

**Remark:** <sup>1</sup> Shareholder proportion of Sutaschuto Group comprises:

		No. of Shares	% Total
1.	Mr.Saringkam Sutaschuto	7,981,500	6.39
2.	Mr.Saranroj Sutaschuto	1,637,200	1.30
	<b>Total</b>	<b>9,618,700</b>	<b>7.69</b>

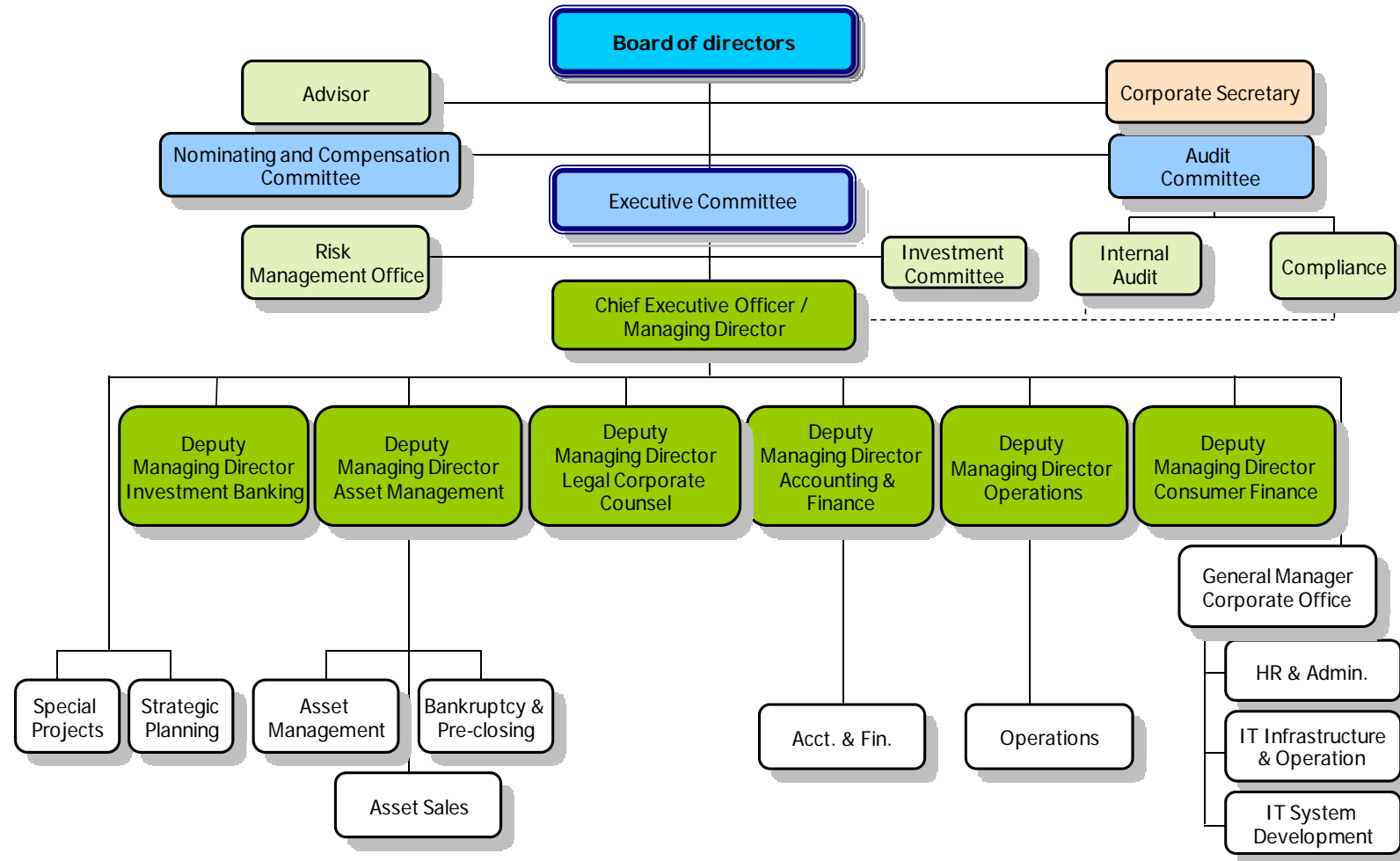
### 7.3 Dividend Policy

The dividend policy of the Company and subsidiaries is that the dividend payout ratio shall be at a rate of no less than 50% of the Company's annual net profit after deducting income tax and legal reserves. The dividend payment policy may be adjusted from time to time based upon the Company's future investment plans and other factors. The annual dividend payment must be approved by a shareholder resolution, while the Board of Directors has authority to approve the interim dividend payment which must be reported in the minutes for the next shareholder meeting.

*Details of dividend payment for operating year 2014 compared with previous years.*

<b>Dividend Details</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
1. Net Profit (THB million)	(220.09)	787.63	(92.61)
2. Number of Shares (million)	125.00	125.00	125.00
3. Dividend paid per share			
3.1 Interim Dividend (THB/share)	-	1.00	-
3.2 Annual Dividend Paid (THB/share)	-	-	-
<b>4. Total Dividend Paid (THB million)</b>	-	<b>125.00</b>	-

**8. Organisation Structure**



The Committees's structure comprises the Board of Directors and four sub-committees : the Executive Committee, the Audit Committee, the Nominating and Compensation Committee and the Investment Committee as follows :

### 8.1 Board of Directors

As regards the performance of the Board of Directors during 2014, the Board of Directors comprised 9 qualified, competent and experienced directors, 1/3 of whom, or 3 directors, were independent audit directors. Although the Board had in-coming and out-going directors during the year but the Company still maintained the original numbers of executive and non-executive directors. (Attachment 1-2 : Details of Directors, Management and Authorized person and Secretary of the Company and Subsidiaries.)

Non-Executive Directors are not directly involved in managing the Company, do not hold a management or permanent employee position in the Company, and do not hold delegation authority per the Company's Article of Association.

Three of the non-executive directors are independent directors. The three independent directors are in the Audit Committee monitoring the Company's internal audit, financial statement reporting and other compliances with the Company's pre-established regulations and policies. Moreover, the Audit Committee works closely with the Internal Audit Department to monitor business operations conducted by the Executive Director Committee for compliance and transparency.

Of the 9 directors, there were 3 executive directors, namely Dr. Vivat Vithoontien, Mr. Issarachai Decharit and Mr. Chalermchai Sirinopawong, and 5 non-executive directors, 3 of whom were independent and audit directors, jointly perform their duties during 2014 in auditing the internal control system, financial reports as well as the compliance with regulations and polies established. Moreover, the Audit Committee would work jointly with the Internal Audit Department to monitor the Executive Committee performance to see it was proper and transparent. However, on 18 December 2014, the Chairman of the Audit Committee resigned, and as at 31 December 2014 the Company had 8 directors to the Board as follows.

As of December 31, 2014, there were nine members of the Board as follows:

No.	Name	Position	2014 Attendances
1.	Dr.Vivat Vithoontien	Chairman / Authorized Director	8/8
2.	Mr.Kenuo Lin <sup>1</sup>	Director / Authorized Director	4/8
3.	Mr.Issarachai Decharit <sup>2</sup>	Director / Authorized Director	6/8
4.	Mr.Chalermchai Sirinopawong	Director / Authorized Director	8/8
5.	Pol.Lt.Col.Pongsiri Hiruntecha <sup>3</sup>	Director / Authorized Director	2/8
6.	Mr.Chotipong Discharoen <sup>4</sup>	Director / Authorized Director	1/8

No.	Name	Position	2014 Attendances
7.	Mr.Chatchawan Triamvicharnkul <sup>5</sup>	Independent Director / Chairman of the Audit Committee Member / Nominating and Compensation Committee Member	8/8
8.	Mr.Isara Wongrung <sup>6</sup>	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee	2/8
	Mrs.Pennipa Dabbaransi <sup>7</sup>	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	2/8
	Mr.Suraphol Sindhuvanich	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	5/8
	Ms.Narumol Wangsatorntanakul	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee	4/8

<sup>1</sup> Mr.Kenuo Lin was appointed as Director on July 4, 2014

<sup>2</sup> Mr.Issarachai Decharit has resigned from the Director position on September 30, 2014 and He was appointed as Director again on November 7, 2014

<sup>3</sup> Pol.Lt.Col.Pongsiri Hiruntecha was appointed as Director on October 1, 2014

<sup>4</sup> Mr.Chotipong Discharoen was appointed as Director on December 18, 2014

<sup>5</sup> Mr. Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>6</sup> Mr. Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

<sup>7</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of the Audit Committee on December 18, 2014

(Attachment 1, 2 : Details of Directors, Management, Authorized person and Secretary of the Company)

#### *Authorised Persons*

Delegation of Authority of the Company's authorized signatories as follows: Anyone of Mr.Vivat Vithoontien or Mr.Issarachai Decharit or Mr.Chalermchai Sirinopawong jointly signs with anyone of the other directors, with the exception of Mr.Chatchawan Triamvicharnkul and Mr. Isara Wongrung who are independent directors, with the Company's seal affixed.

## 8.2 The Executive Director Committee

As of December 31, 2014, the Executive Director Committee comprised six members as follows:

No.	Name	Position	2014 Attendances
1.	Dr. Vivat Vithoontien	Chairman and Chief Executive Officer	17/18
2.	Mr. Issarachai Decharit	Executive Director and Deputy Managing Director of Legal Department	17/18

No.	Name	Position	2014 Attendances
3.	Mr. Chalermchai Sirinopawong	Executive Director and Deputy Managing Director of Accounting / Finance Department	18/18
4.	Ms. Sugunya Sukjaroenkraisri <sup>1</sup>	Executive Director	8/18
5.	Mrs.Nongluck Kowatana <sup>2</sup>	Executive Director	6/18
6.	Mr.Tinnakorn Punpanichgul <sup>3</sup>	Executive Director	7/18

<sup>1</sup> Ms. Sugunya Sukjaroenkraisri was appointed as Executive Director on October 1, 2014

<sup>2</sup> Mrs.Nongluck Kowatana was appointed as Executive Director on October 1, 2014

<sup>3</sup> Mr.Tinnakorn Punpanichgul was appointed as Executive Director on November 7, 2014

(Attachment 1 : Details of Directors, Management, Authorized person and Secretary of the Company)

### 8.3 The Audit Committee

Each meeting of the Audit Committee during 2014 was attended by all 3 audit directors, comprising independent directors with different expertise in each professional field, i.e. engineering, economic and accounting and financial, to review financial statements of the company and subsidiaries, review the internal audit results jointly with the Internal Audit Department, attend meeting with auditors and director of Accounting Department, consider related transactions, etc. However, the Chairman of the Audit Committee of the Company resigned on 18 December 2014, and the Company appointed Mr. Chatchawan Triamvicharnkul to the office of the Chairman of the Audit Committee on 29 January 2015. During 2014 the active Audit Committee comprised the following individuals.

No.	Name	Position	2014 Attendances
1.	Mr. Chatchawan Triamvicharnkul <sup>1</sup>	Chairman of the Audit Committee	12/12
2.	Mr.Isara Wongrung <sup>2</sup>	Audit Committee Member	3/12
	Mrs.Pennipa Dabbaransi <sup>3</sup>	Chairman of the Audit Committee	4/12
	Mr. Suraphol Sindhuvanich	Chairman of the Audit Committee	8/12
	Ms. Narumol Wangsatorntanakun	Audit Committee Member	9/12

<sup>1</sup> Mr. Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>2</sup> Mr. Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

<sup>3</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

#### 8.4 The Nominating and Compensation Committee

Resolution of the Board of Directors meeting no. 4/2008 dated August 13, 2008, approved the appointment of the Compensation Committee comprising three members who serve as independent directors and members of the Audit Committee. Board of Directors meeting no. 1/2009 on February 26, 2009 appointed the same committee to nominate directors and senior management and changed the name from Compensation Committee to Nominating and Compensation Committee. Consequently, on 18 December 2014, the Chairman of the Audit Committee of the Company, who was 1 of the members of the Nominating and Compensation Committee, resigned which caused the Company to expedite appointing an independent director to perform as a nominating and compensation director as well as an audit director, During 2014 the Nominating and Compensation Committee comprised the following individuals.

No.	Name	Position	2014 Attendance
1.	Mr.Isara Wongrung <sup>1</sup>	Chairman of the Nominating and Compensation Committee	1/5
2.	Mr. Chatchawan Triamvicharnkul	Nominating and Compensation Committee Member	5/5
	Mrs.Pennipa Dabbaransi <sup>2</sup>	Nominating and Compensation Committee Member	2/5
	Ms. Narumol Wangsatorntanakun	Chairman of the Nominating and Compensation Committee	5/5
	Mr. Suraphol Sindhuvanich	Nominating and Compensation Committee Member	3/5

<sup>1</sup> Mr. Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

<sup>2</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

#### 8.5 The Investment Committee

Investment Committee shall be composed of four members, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of ACAP, one other member of the Executive Committee and one additional member with relevant knowledge and expertise in investment management and analysis. As of December 31, 2014, the Investment Committee comprised the following members:

No.	Name	Selected from
1.	Mr.Vivat Vithoontien	Chief Executive Officer
2.	Mr.Chalermchai Sirinopawong	Chief Financial Officer
3.	Mr.Saringkarn Sutaschuto	Executive Committee Member
4.	Mr.James Landy	Senior Vice President

## 8.6 Company Secretary

In order to comply with the Securities and Stock Exchange of Thailand Act (4<sup>th</sup> edition) B.C. 2551 section 89/15 regarding the setting up of the Company Secretary by the board of directors, Board of Director meeting no. 4/2008 dated August 13, 2008 approved the appointment of Mr. Ithidej Chuerangsun as the Company Secretary. (Attachment 1 : Responsibilities of the Company Secretary)

## 8.7 Director and Management Remuneration

### Cash Remuneration

#### 8.7.1 Directors

During 2014, the Company set policy for director remuneration as follows:

1. Each director will receive a meeting allowance of THB 20,000 per person per meeting of which the directors who also hold a management position will receive such meeting allowance besides their regular salary.

	2013 (THB/ meeting)	2014 (THB/ meeting)
Board of Director meeting allowance	20,000	20,000

2. Each member of the Audit Committee will receive a meeting allowance of THB 20,000 per person per meeting.

	2013 (THB/ meeting)	2014 (THB/ meeting)
Audit Committee meeting allowance	20,000	20,000

3. Each member of the Nominating and Compensation Committee will receive a meeting allowance of THB 20,000 per person per meeting.

	2013 (THB/ meeting)	2014 (THB/ meeting)
Nominating and Compensation Committee meeting allowance	20,000	20,000

4. The Company will pay a special remuneration to all members of the Board of Directors at the same rate as the previous year of one percent of the Company's net profit, in addition to payment of the meeting allowances. The special remuneration is paid after the Company's annual report is approved in the annual shareholders' meeting in the following year and the one percent of net profit is divided equally among all directors.



## 8.7.2 Remuneration of Non-Executive Directors

As of December 31, 2014, the details of the remuneration for non-executive directors are as follows:

Name	Remuneration for 2013 (THB)				Remuneration for 2014 (THB)			
	Board of Directors	Audit Committee	Nominating and Compensation Committee	Special	Board of Directors	Audit Committee	Nominating and Compensation Committee	Special
1. Mr. Suraphol Sindhuvanich *	120,000	220,000	60,000	339,184	40,000	80,000	20,000	-
2. Ms. Narumol Wangsatornanakun *	120,000	240,000	60,000	339,184	40,000	80,000	20,000	-
3. Mrs. Pennipa Dabbaransi *	-	-	-	-	40,000	80,000	40,000	-
<u>Independent Directors and Audit Committee Members</u>								
1. Mr. Chatchawan Triamvichamkul	120,000	240,000	60,000	339,184	160,000	240,000	100,000	-
2. Mr. Isara Wongrung	-	-	-	-	40,000	60,000	20,000	-
<b>Total</b>	<b>420,000</b>	<b>700,000</b>	<b>180,000</b>	<b>1,179,551</b>	<b>320,000</b>	<b>540,000</b>	<b>200,000</b>	<b>-</b>

\* They have resigned in 2014.

## 8.7.3 Remuneration of Executive Directors

In 2014, the Company's remuneration structure for its six executive directors was as follows:

Type of Remuneration	2013	2014
	Total remuneration (Baht)	Total remuneration (Baht)
Salary	18,797,520	15,522,689
Special remuneration	-	7,876,279
Director remuneration	660,000	600,000
Provident Fund	986,076	728,440
<b>Total</b>	<b>20,443,596</b>	<b>24,727,408</b>

Remark: The executive directors were not paid any other type of remuneration, such as commissions or other types of compensation, except as stated above.

## 8.8 Human Resources

### 8.8.1 Management and Staff

As of December 2014, the Company had reorganized its employee structure by decreasing certain amount of staffs. Most of the employees are operations staff officers in asset management division. This is owing to the disposition of NPL portfolios owned by the subsidiary, together with the Company had no new portfolios to operate. As of December 31, 2014, the Company employed a total of 22 staffs, excluding the subsidiaries' staffs. The Company allocates staff based on individual skills and ability and to be in line with the business expansion and investment plans. Staff levels can be seen in the tables below.

No.	Position	Headcount
1.	Chief Executive Officer / Managing Director	1
2.	Directors	5
3.	Executive Vice President	1
4.	Vice Presidents	1
5.	Assistant Vice Presidents	2
6.	Managers	2
7.	Unit Heads	1
8.	Support Staff	9
	<b>Total</b>	<b>22</b>

Staff Counts in Company subsidiaries as of December 31, 2014 are as follows:

Subsidiary	% Shareholding	Headcount
ACAP Corporate Services Co., Ltd. (ACS)	99.99	5
Global Service Center Co., Ltd. (GSC)	99.99	93
ACAP Consulting Co., Ltd. (ACON)	99.99	2
Capital OK Co., Ltd. (CAP OK)	99.99	17
Professional Collection Co., Ltd. (P COL)	99.99	0
ACAP (Asia) Asset Management Co., Ltd. (ACAP ASIA)	97.60 held by CAP OK 2.39 held by ACAP	0
Aurum Capital Advisory Pte Ltd. (Singapore)	63.97	0

## 8.8.2 Remuneration

## (1) Staff Salary and Benefits (excluding Executive Directors and Subsidiaries)

As of December 31, 2014

(Unit : Baht)

<b>Types of Remuneration</b>	<b>2013</b>	<b>2014</b>
Salary	12,871,160	10,226,673
Special Remuneration (bonus, overtime and food, transportation and gasoline reimbursement)	1,897,035	4,174,195
Provident Fund Contribution	604,742	547,846
<b>Total</b>	<b>15,372,937</b>	<b>14,948,714</b>

## (2) Other Remuneration (if any)

The Company does not offer other types of remuneration, including commissions, to staff, apart from the salary and benefits disclosed above.

## **9. Corporate Governance**

### **9.1 Corporate Governance Policy**

As the shareholders' representative, the Board of Directors confirms that the Company is in full compliance with the SET's guidelines for implementation of good corporate governance. The Company's operational procedure manual is placed on the Company's website for disclosure to shareholders. The Board of Directors believe that, given the Company's professional management system, experienced board, talented management team with good vision and sense of fiduciary duty, checks and balances, transparent administration, and respect for shareholders' rights and equitable treatment, the Company can add more value and provide higher returns to shareholders in the long run. Furthermore, assessment results for the Company in the Corporate Governance Report to Thai Listed Companies 2014 was "Very Good" based on an assessment during 2013-2014 organized by the Thai Institute of Directors (IOD).

In another independent assessment, the Company's commitment to shareholder rights and procedural standard of the Company's annual shareholders' meeting in 2014 was reviewed by the Thai Institute of Investment. As a result a score of 100/100 points was given for three consecutive years (2011-2014).

The Company's policies on good corporate governance follow below.

#### **Section 1: Shareholders' Rights**

The Company places importance on and respects the rights of all shareholders without favoring any group of shareholders and facilitates shareholders in exercising all rights they deserve in accordance with the Company's practice, e.g. the right to trade or transfer securities they hold, the right to buy back shares, the right to equal profit sharing, the right to receive sufficient information of the Company, the right to participate in meetings of shareholders of all types and institution investors, the right to express their opinions, the right to participate in making decision on significant matters of the Company, e.g. dividend distribution, director appointment or removal, determination of directors' remunerations, appointment of auditor and determination of auditing fee, approval of significant transactions impacting upon the Company's business operation direction, amendments to the Memorandum of Association and the Articles of Association etc., including the right to awareness of agreements between the Company and shareholders (Shareholders Agreement) with significant impact upon the Company. Apart from the afore-mentioned basic rights, the Company also took actions in promoting and facilitating shareholders in exercising their rights as follows.

- 1) The right of shareholders to attend an annually held general shareholder's meeting at least once a year but in 2014 the Company organized 2 shareholder meetings, i.e. Annual General Meeting of Shareholder on 29 April 2014, and Extraordinary Shareholder Meeting No. 1/2557 on 18 December 2014. The 2 meetings were held at venues set up for convenient access. Before the meetings, the Company assigned Thailand Securities Depository Co., Ltd., the Company's share registrar, to disseminate the meeting invitation together with relevant meeting documentations on various agendas with adequate details to shareholders. For annual ordinary shareholder meeting, the Company shall send the documents to shareholders 21 days in advance of the meeting date.
- 2) On meeting days, the Company facilitated shareholder voting by using a barcode system to register and count votes, as well as providing duty stamps for powers of attorney.

- 3) On meeting days, meeting attendance registration took place two hours before the meeting time. The Company also allowed shareholders to join the meeting after the meeting had already started and they were included among attendees with voting rights.
- 4) The Company arranged notices of meetings with related documents together with three types of proxies: type A, type B and type C, which were posted in our website [www.acap.co.th](http://www.acap.co.th) to help shareholders to choose the appropriate proxy. Additionally, the Company proposed at least one independent director to be a proxy holder to be nominated on behalf of shareholders not able to attend the meetings. The Company disseminated all facts and reasons of the nominated independent director, in case there were differences of opinion in the Board, both in Thai and English, to provide all shareholders equal treatment and with sufficient information.
- 5) During the Company annual shareholders meeting in 2014, there were all directors attended the meeting. In the event that a meeting that requires an independent opinion to enter into a certain transaction of the Company, the representatives of the Company's auditor and independent financial advisors would always attend such meeting.
- 6) For transparency and accuracy in vote counting, the company invited representatives from another auditing company which was not the Company's auditor, to provide auditing service for the vote counting.
- 7) At the beginning of each meeting, the Chairman of the meeting explained all meeting rules including the method of specifically counting the numbers of eligible voting rights for each specific meeting agenda according to Company rules. During the meeting, shareholders are treated equally, and are allowed unlimited opportunity for discussion and expressing opinions and suggestions. The Board straightforwardly answered all questions of each meeting agenda. All minutes of the meetings are precisely and comprehensively recorded with a conclusion of each meeting agenda's resolutions. On the same day of the meeting, the meeting minutes and resolutions are disseminated via the SET's ELCID system to shareholders and the public in both Thai and English. Copies of full meeting minutes are provided to the Office of the SEC within 14 days after the meeting date. They are also posted on the Company's web site in both Thai and English.
- 8) No agenda was added to any meeting without prior notice to the shareholders, especially material agenda requiring sufficient time to study for decision making. Meeting agenda were presented as stated in meeting invitations.

## **Section 2: Equitable Treatment of Shareholders**

We recognise and respect rights of all shareholders to fair practice without discrimination, with voting based on the number of shares held and free from influence by major shareholders. The Company's guidelines are as follows:

- 1) The Company allows shareholders to nominate anyone, including independent directors proposed by the Company, to be proxy holders and attend meetings to maintain the shareholder's voting rights.
- 2) Before every shareholders meeting, the Company allow minority shareholders to add any meeting agenda or any matters including suggestions onto our website without discrimination for at least 30

days prior to the meeting. Such additions are reviewed by management before being submitted to the Board of Directors. There were no submissions of agendas from shareholders during 2014.

- 3) In case a minority shareholder would like to nominate any individual for a director position, they are allowed to do so by notifying of such on the Company's website at least 30 days prior to the shareholders' meeting in order for the Board of Directors to consider their qualifications and place the nomination in the agenda for the next shareholders' meeting.
- 4) In order for shareholders to have sufficient time to consider the shareholders' meeting agenda, the company will deliver the meeting invitation and attached documentation in both Thai and English at least 21 days prior to the meeting. The same invitation and attached documentation will also be posted on the Company's website.
- 5) For agendas involving a vote for directors, the Company allows shareholders to vote for each director individually.
- 6) During the meeting, the Company encourages comments and questions by opening floor and allowing sufficient time for to shareholders to come forward with their comments and questions.
- 7) The Company pays serious attention to protect the Company's inside information from abuse by directors, executives, and staff for personal profit or for running any related business that competes against the Company, regardless of the type of transaction, including buying or selling of related securities or undertaking any other action to the detriment of shareholders. A policy for the use of insider Information is clearly stated in the Company's staff Code of Ethics.
- 8) When any director or executive undertakes any transaction involving Company listed shares, he or she must inform our compliance unit, which then prepares a statement of shareholding of those directors, including of their spouses and dependent children, for the Office of the SEC. All directors and executives must abide by the Company's Code of Ethics, including strict avoidance of transactions in Company listed shares one month before and one week after financial statements are publicly disseminated.

### **Section 3: The Role of Stakeholders**

We recognise the rights of all related persons no matter whether they are shareholders, employees, counterparties and creditors, clients, competitors, the community and society. Our policy to ensure that they are fairly treated is as follows:

Shareholders: The Company aims to continuously generate reasonable profits for shareholders by running the business to consistently produce high turnover and also by operating the business with transparency. Accordingly, the Company adheres to the following practices:

1. Running the Company to gain profit and steady turnover to benefit shareholders as entrusted to us.
2. Managing the business based on the principles of duty of loyalty and duty of care with capable, experienced and skilled people.
3. Not perform any act that may cause undue risk or possible damage to the Company and the shareholders without approval from the shareholders.
4. Not using information of the Company which is not yet public for the benefit of any individual or other related person.

5. Disclosing the report of Company's status and annual report to all shareholders equally, regularly, completely and on time.
6. Paying attention to opinions or suggestions from shareholders which are reasonable and beneficial to the development of the Company.
7. Honouring the rights of shareholders, such as the right to attend meetings, to propose agendas for meetings, to nominate director candidates, to have access to appropriate information, to express opinions, to receive information sufficiently in advance for making decisions, to petition, among others.

Employees: The Company recognises the importance of employees since they are crucial to maintaining and growing the organization. The Company aims to continuously develop and strengthen the work culture and atmosphere. In order to instil confidence in employees, the Company established the following guidelines:

1. Conduct fairness in every matter to all employees without discrimination of race, religion, nationality, gender, age or education.
2. Provide fair compensation in salary and/or bonuses to all employees.
3. Maintain a clean and safe work environment for employee well-being and security of their property.
4. Neither directly or indirectly infringe on the liberty and rights of any person.
5. Support and develop employee skills by providing training and updating knowledge of employees on a regular basis.
6. Listen to opinions and suggestions from employees in every level equally and impartially.
7. Comply strictly with laws and regulations concerning employee provisions.
8. Treat all employees with courtesy and respect.
9. Keep channels open for employees to make complaints or inform of any matter involving a possible violation of any rule or law.

Counterparties and Creditors: The Company's business is run under cooperative benefit with its business partners. Such cooperation and fairness is fostered through the following practices:

1. Comply with agreed commercial terms strictly and honestly under stipulated conditions, rules and laws.
2. Find solutions in cooperation with partners to reach a compromise in case any commercial dispute or other problem has occurred.
3. Not to seek or receive any benefit which may compromise the Company's loyalty to the business partner.

The Company strictly adheres and conforms to laws and other rules relating to its obligations with creditors by following these guidelines:

1. Consistently comply with conditions of contract with creditors in regards to the debt repayment or other terms.

2. Not conceal the financial status of the Company for the purpose of avoiding or postponing overdue repayments.
3. Not distort any facts or amend any document which benefits the Company and causes damage to the creditor.
4. Inform creditors in advance of any pending contractual defaults in order to jointly find a solution to the default.

Clients: Success in business comes from satisfying our customers. Therefore, the Company must maintain strong and caring relationships with its customers. It must adhere to principles of integrity and maintain high moral standards and respect. It strives to exceed the various needs of each customer with utmost care and effort, and hold a long-term view of each relationship. The Company applies the following practices in dealing with customers:

1. Provide only the products and services that the Company is capable and skilled in providing.
2. Charge a fair fee for products and services that is not excessive when compared to the quality provided.
3. Inform customers of the terms and conditions of services clearly, accurately, transparently and without any misrepresentation.
4. Provide customers with fair and impartial advice without the intention of taking any advantage in providing such advice.
5. Comply with conditions as agreed with customers. In the event of force majeure, inform the customer in advance if possible in order to mutually find a solution.
6. Strictly and regularly protect the confidentiality of customer information and not use such information for self benefit.

Competitors: The Company respects all business competitors and rules of competition with honesty through the following guidelines:

1. Refrain from defaming any competitor or using any other method that may misrepresent facts of competitor.
2. Refrain from using proprietary products or information from a competitor and claiming that it belongs to the Company.
3. Refrain from taking a competitor's customer in a dishonest manner.
4. Comply with rules and regulations in relation to good business practice.

The Community and Society: The Company places great importance on Corporate Social Responsibility (CSR) and strives to play a part in improving society. The Company was established by a group of Thai individuals, and is bonded with Thai society and patriotic to its home country. The Company runs its business while caring for the environment and society. Its Corporate Social Responsibility (CSR) Policy can be seen in its Good Governance Statement on the company website.



**Section 4: Information Disclosure and Transparency**

The Company's policy on information disclosure is to make it transparent, punctual, complete and accurate according to the standard of information disclosure efficiency stated in the SET's listed company requirements. This policy is the responsibility of our executive directors who recognise that it does affect investors' decision making. To treat public investors equally in access to company information, the Company disseminates its information disclosures, including our annual report and our 56-1 form, through the SET's and SEC's information disclosure media along with the company website, [www.acap.co.th](http://www.acap.co.th), in both Thai and English. The policy on information disclosure is stated as follows:

- 1) The Company widely discloses its executive directors' roles and responsibilities, including their remuneration packages, to its shareholders in the annual information disclosure form 56-1.
- 2) When a new director is appointed, the Company will fully reveal his/her profile and directorship tenure in the notices of meetings to its shareholders.
- 3) Our Board of Directors is responsible for our financial statement reports, including financial figures in the annual report. Our Board of Directors and Audit Committee issue acknowledgement clauses in all our financial statement reports and annual reports.
- 4) All related party transactions are disclosed in our financial statement reports. Our Audit Committee reviews and monitors related party transactions to affirm that they conform to rules, regulations, notifications, announcements and standard practices of the SET. Related party transactions must also be presented in Board of Director meetings or shareholder meetings, depending on transaction size. The Company presents transaction values, counterparty and related party, rationales, and other information related to the transactions in both Thai and English through the ELCID system of the SET to publicly inform all investors.
- 5) The Company Secretary is Mr. Ithidej Chuerangsun, who is responsible for preparing and coordinating the shareholders' meeting, and for investor relations. Shareholders, investors and analysts may contact the Company Secretary through the following channels:

The Company Secretary and Investor Relations  
ACAP Advisory Public Company Limited  
1 Empire Tower 2-3, 22<sup>nd</sup> Floor, South Sathorn Road  
Yannawa, Sathorn, Bangkok 10120  
Tel. 02-694-4915  
Fax. 02-670-1152  
Email: [ithidej\\_c@acap.co.th](mailto:ithidej_c@acap.co.th)

Senior management also takes a role in explaining information directly to investors. The Company provides other public relation channels through SET's Information Technology system and the company website and ensures the completeness, transparency, accuracy and timeliness of the information distributed.

- 6) The Company's Policy of Monitoring Compliance with the Provisions Complaints and Protection, the Company makes available a channel for complaint or recommendations from all employees, executives or stakeholders directly to the Audit Committee as follows.

Chairman of the Audit Committee/Audit Committee  
ACAP Advisory Public Company Limited  
1 Empire Tower 2 & 3, 22<sup>nd</sup> Floor, South Satorn Road  
Khwaeng Yannawa, Khet Satorn, Bangkok 10120

Or via email to:

Chairman of the Audit Committee/Audit Committee ; [ac\\_acap@acap.co.th](mailto:ac_acap@acap.co.th) Tel 02-694-4999  
Office of the Company Secretary/Investor Relations; [lthidej\\_c@acap.co.th](mailto:lthidej_c@acap.co.th) Tel 02-694-4915

#### **Section 5: Board of Directors' Responsibilities**

The Board of Directors, as representative of shareholders, has the duty to supervise and monitor the Company's business administration to ensure compliance with laws, objectives and the Articles of Association, based on the good governance principles which will lead to transparent and fair business operation to create optimal benefits to all groups of shareholders and stakeholders. The following primary elements are established.

##### ***Independence of the Directors***

The Board of Directors is the persons who cohere between the shareholders and the Managements, hence, in order to convince the shareholders by the Board of Directors that the business operation will be made for the purpose of long-term gaining the highest benefit to the shareholders, each director shall perform his/her duty with neutrality, uncontrollable from managements or any group of people or any juristic person that may has controlling power upon the Managements. Moreover, all of the Company's Directors shall perform the duty of care which means that he/she shall reasonably perform his/her duty with sufficient information and such information shall not have any doubt of suspiciousness.

In addition, the Company's Directors shall perform the duty with loyalty, transparency and shall make decision without any conflict of interest except such decision is made by the person who is not related thereof and is considered as the highest benefit of the Company. Furthermore, the Company's Director shall not make any benefit for his/her self or any other person or any specific juristic person from disclosure of the Company's information or secret.

##### ***Qualifications of the Board of Directors***

To effectively oversee company business, the Company's Board of Directors is comprised of individuals with relevant experience, knowledge, expertise and ability to oversee operations. Moreover, the Board of Directors use best efforts, take accountability and dedicate themselves in managing the business, including acquiring a thorough understanding their roles and responsibilities.

Thus, in order to form an appropriate board structure, the Company requires board composition and individual qualifications as follows:

1. The composition of the Board of Directors shall be suitable for flexibility in managing the business, the number thereof shall be a minimum of five directors, and not less than half of all directors shall reside in the Kingdom of Thailand. The nomination of directors shall be made in a Shareholder's meeting except for a nomination of the replacement of an outgoing director which will be made by the Board of Directors.

2. The Board of Directors shall comprise at least three independent directors or at least one-third of the Board of Directors to adequately ensure check and balance of the committee. Moreover, there shall be at least one independent director who is a professional in Accounting and Finance.
3. Directors shall have relevant knowledge and capability, and shall be qualified in diverse fields to have a broad view for finding new business opportunities and planning risk management with different points of view. The Board shall comprise of at least one specialist in each of the following fields: finance or banking, accounting and law.
4. Directors shall not have any legal dispute or problem that impairs their performance as a director, neither in the past nor in the present.
5. Directors shall not hold director positions in more than five listed companies. In the event that any director must hold more director positions than the number stipulated herein, such director shall declare his or her reason to the Board of Directors and disclose such information to shareholders through the annual information report and annual report.
6. Directors shall be qualified and shall not have exhibited characteristics of ineptitude in managing the business as specified in the regulations for public limited companies.
7. The Company shall disclose information concerning the Board of Directors through the Securities and Exchange of Thailand and through the Company's website. Moreover, information on any changes to the Board of Directors or Senior Management shall immediately be released on the online system of the Securities and Exchange Commission.

As of December 31, 2014, there were nine members of the Board as follows:

No.	Name	Position	2014 Attendances
1.	Dr.Vivat Vithoontien	Chairman / Authorized Director	8/8
2.	Mr.Kenuo Lin <sup>1</sup>	Director / Authorized Director	4/8
3.	Mr.Issarachai Decharit <sup>2</sup>	Director / Authorized Director	6/8
4.	Mr.Chalermchai Sirinopawong	Director / Authorized Director	8/8
5.	Pol.Lt.Col. Pongsiri Hiruntecha <sup>3</sup>	Director / Authorized Director	2/8
6.	Mr.Chotipong Discharoen <sup>4</sup>	Director / Authorized Director	1/8
7.	Mr.Chatchawan Triamvicharnkul <sup>5</sup>	Independent Director / Chairman of the Audit Committee Member / Nominating and Compensation Committee Member	8/8
8.	Mr.Isara Wongrung <sup>6</sup>	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee	2/8
	Mrs.Pennipa Dabbaransi <sup>7</sup>	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	2/8

No.	Name	Position	2014 Attendances
	Mr.Suraphol Sindhuvanich	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	5/8
	Ms.Narumol Wangsatorntanakul	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee	4/8

<sup>1</sup> Mr.Kenuo Lin was appointed as Director on July 4, 2014

<sup>2</sup> Mr.Issarachai Decharit has resigned from the Director position on September 30, 2014 and He was appointed as Director again on November 7, 2014

<sup>3</sup> Pol.Lt.Col.Pongsiri Hiruntecha was appointed as Director on October 1, 2014

<sup>4</sup> Mr.Chotipong Discharoen was appointed as Director on December 18, 2014

<sup>5</sup> Mr.Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>6</sup> Mr.Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

<sup>7</sup> Mrs.Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

(Attachment 1, 2 : Details of Directors, Management, Authorized person and Secretary of the Company)

#### ***Duties and Responsibilities of the Board of Directors***

The Board of Directors has the authority and responsibility to manage the Company to comply with law, Company's objectives, regulations and shareholder meeting resolutions with integrity and prudence, and to protect the Company's and shareholders' rights and benefits as follows:-

1. To convene the annual ordinary shareholders' meeting within 4 months from the last date of the accounting period.
2. To convene Board of Director's meetings at least quarterly.
3. To arrange for the preparation of audited financial statements as of end of the Company's accounting period to be proposed at the shareholders' meeting for approval.
4. To empower, under Board of Directors regulations, a director or directors or others to act on behalf of the Board of Directors or to have authority for only a specified period that the Board of Directors deems appropriate. In the meantime, the Board of Directors is able to terminate, revoke, change or alter such authorised persons as the Board of Directors deems appropriate.

Moreover, the Board of Directors may empower the Executive Director Committee with the authority to manage the business within the scope of responsibilities of the Executive Director Committee. Nevertheless, such authority should not raise any conflict of interest with the Company or subsidiary companies except those transactions under policy and approved by the Board of Directors.

5. To review and approve visions and missions of the Company every 5 years, including to determine targets, guidelines, policies, work plans and budgets of the Company, supervise the administration and management of the Executive Committee to ensure compliance with policies assigned, except for the

following matters in which the Board of Directors must obtain prior approval from the shareholder meeting, i.e. matters required by law to obtain prior approval from shareholder meeting, e.g. capital increase, capital decrease, debenture issuance, sale or transfer of the Company's business, in whole or in material part, to a third party, or purchase or taking transfer of another company's business to the Company, amendments of the Memorandum of Association or the Articles of Association etc.

Furthermore, the Board of Directors has the responsibility to monitor compliance with the Securities and Stock Exchange of Thailand Act, Stock Exchange of Thailand regulations regarding related party transactions of material assets or any other applicable laws related to the Company's businesses.

6. To review and evaluate the management structure, appoint members of the Executive Director Committee, the Managing Director and members of other committees as deemed appropriate.
7. To continuously evaluate the performance to achieve the business plan and budget.
8. To refrain from running any business within the same industry that may compete against the Company's businesses either personally or for someone else, either by assuming a partner role in any general partnership organization or unlimited partner role in any limited partnership organisation. The only exception is when consent has already been given in a shareholders' meeting before such director is appointed.
9. To notify the compliance unit as soon as he/she has either directly or indirectly been involved in any transaction or contract with the Company, or changed their holdings of shares or bonds issued by the Company or subsidiary companies.

However, the authority of the Board of Directors does not extend to the approval of any transactions potentially perceived to be in conflict of interest between the Board of Directors or related persons thereof and the Company or subsidiary company according to the SET rules and regulations. Such transactions can be approved only by shareholders' resolution according to the Company's Article of Association or related laws.

#### **Term of Office of the Board of Directors**

The Company requires that at every annual general meeting one-third of the directors shall retire. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire.

Directors retiring in the first and the second years after the Company registration shall be selected by drawing lots. In subsequent years, the director who has held office longest shall retire. A director who vacates office may be re-elected by shareholders.

#### **Board of Directors Self Assessment**

In the past year, the directors conducted a performance evaluation by reviewing the Company's performance in relation to the Company's target, directors' understanding of the Company's businesses, appropriateness of the Board structure and qualifications of the directors, directors' meetings, relationships among directors and management, directors' independent opinion, and directors' attention to the new directors. The overall results of the evaluation were highly satisfactory.

Each director provided an anonymous opinion in the evaluation form which was submitted directly to the office of the Corporate Secretary. The Corporate Secretary summarise the overall assessment and presented the findings to the Board of Directors. The Board considered the positive and negative aspects of the assessment as well as specific problems to help make improvements and corrections and make a positive impact on the Company and its shareholders.

#### ***Duties and Responsibilities of the Chairman***

The Board of Directors shall select 1 director of the Company to act as Chairman of the Board to supervise meetings of the Board of Directors and of shareholders to ensure smooth convention and achievement of the objectives thereof. The Company requires the Chairman of the Board of Directors to have the following duties and responsibilities.

1. To supervise and direct persons concerned in organizing meetings to check the meeting venue to ensure its readiness and all meeting documents and equipments to be used to ensure their properness and completeness.
2. To study and ascertain the meeting format and procedures to be adopted.
3. To study details of the matters to be taken up for discussion in the meeting and find additional facts as necessary.
4. To supervise the meeting to be convened properly and smoothly to achieve the objectives thereof.
5. To urge participants to take part and express their opinions in the meeting equally.
6. To urge participants to consider facts and information carefully and thoroughly.
7. To provide updated facts when finding that the meeting lacks such information.
8. To try to provide opinions and recommendations including reasonable facts.
9. To summarize opinions of debaters in the meeting at appropriate intervals and opportunities.
10. To convene the debates in the meeting efficiently and reconcile or compromise serious disagreement in participants' debates.
11. To make a casting vote in case of a tied vote.
12. To summarize the meeting results accurately, clearly and completely.

## **9.2 Sub-Committee**

The structure of the committees of the Company comprises the Board of Directors and sub-committees including the Executive Committee, the Audit Committee, the Nomination and Compensation Committee, the Investment Committee. Apart from details of the committees of the Company referred to in Section regarding responsibilities of the committees under the heading of good corporate governance discussed earlier, details of each sub-committee are as follows.

### ***9.2.1 Executive Director Committee***

As of December 31, 2014, the Executive Director Committee comprised six members as follows:

<b>No.</b>	<b>Name</b>	<b>Position</b>	<b>2014 Attendances</b>
1.	Dr. Vivat Vithoontien	Chief Executive Officer / Managing Director	17/18

No.	Name	Position	2014 Attendances
2.	Mr. Issarachai Decharit	Executive Director and Deputy Managing Director of Legal Department	17/18
3.	Mr. Chalermchai Sirinopawong	Executive Director and Deputy Managing Director of Accounting / Finance Department	18/18
4.	Ms. Sugunya Sukjaroenkraisri <sup>1</sup>	Executive Director	8/18
5.	Mrs. Nongluck Kowatana <sup>2</sup>	Executive Director	6/18
6.	Mr. Tinnakorn Punpanichgul <sup>3</sup>	Executive Director	7/18

<sup>1</sup> Ms. Sugunya Sukjaroenkraisri was appointed as Executive Director on October 1, 2014

<sup>2</sup> Mrs. Nongluck Kowatana was appointed as Executive Director on October 1, 2014

<sup>3</sup> Mr. Tinnakorn Punpanichgul was appointed as Executive Director on November 7, 2014

(Attachment 1 : Details of Directors, Management, Authorized person and Secretary of the Company)

#### **Scope of Duties and Responsibilities**

1. To review the annual budget proposed by department heads before proposing to the Board of Directors for review and approval. Additionally, to review and approve any urgent changes in the annual budget before a Board of Director's meeting can be held, then to report the amended budget at the next Board of Director's meeting.
2. To approve transactions that are less than or equal to 50 million baht.
3. To approve payments less than or equal to 50 million baht, or investments in non-performing assets portfolios of less than 100 million baht per portfolio.
4. To approve the utilization of investment funds for investment purposes and business expansion within the limits stated in the Company's Investment Policy Statement.
5. To approve important investments stated in the annual budget principally approved by the Board of Directors.
6. To give advice to the management team for developing the master plan and policy for finance, investment, marketing, personnel management and other operations.
7. To allocate the budget for bonuses approved by the Board of Directors for employees or people involved in the business of the Company.
8. To oversee the Company's day to day business operations and administration.
9. To execute business transactions on behalf of the Company as required by the Company's Article of Association registered with the Ministry of Commerce.

However, the authority of the Executive Committee does not extend to the approval of any transactions potentially perceived to be in conflict of interest between the Executive Committee or related persons thereof and the Company or subsidiary company according to the SET rules and regulations. Such transactions can be approved only

by the Board of Directors or by shareholders' resolution according to the Company's Article of Association and related laws.

**Chief Executive Officer (CEO) / Managing Director (MD)**

The Board of Directors appointed Dr. Vivat Vithoontien as the Chief Executive Officer (CEO) which is the same position as Managing Director to oversee the business operations in accordance with company objectives and business plan as set forth by the Board of Directors, with the following functions and responsibilities:

**Functions and Responsibilities of the Chief Executive Officer**

1. To oversee the Company's overall business operations in order to achieve the Company's missions and objectives.
2. To develop business strategies and plans for proposal to the Board of Directors and to implement approved business strategies and plans.
3. To implement and fulfill responsibilities and policies assigned and set forth by the Board of Directors.
4. To issue instructions, orders, regulations, announcements, and memos to manage business operations of the Company for achieving profit and other objectives, including maintaining discipline in the organization.
5. To approve and/or delegate authority to other executives or employees to undertake business transactions under normal commercial terms that do not negatively affect the Company's assets.
6. To direct executives and employees to implement the Company's business policy and directives set forth by the Board of Directors.
7. To seek out business opportunities in corporate finance, securities, investment, business consulting, financial and accounting advisory, investment advisory and other new business opportunities to increase the Company's and shareholders' income.
8. To review the deployment of the Company's rights and assets for use in entering liabilities with other parties, companies or financial institutions and propose to the Board of Directors for approval.
9. To consider and approve payments for operating expenses that are less than or equal to 10 million baht.
10. To consider and approve investments in financial instruments and securities by the Company that are less than or equal to 25 million baht.
11. To approve important investments for business expansion and joint investments with other investors that are less than or equal to 25 million baht.
12. To oversee that the work of employees is in line with policies, rules and regulations of the Company as well as to promote good corporate governance in carrying out business.
13. To support the development of knowledge and skills of employees to enhance corporate potential.
14. To appoint consultants or advisors as necessary for the operation of the business, including the appointment of lawyers to file lawsuits on behalf of the Company or subsidiaries.
15. To consider and approve transactions related to business operations, such as selling and purchasing goods or services at market prices, charging fees at commercial rates and determining credit terms according to standard practice, etc.
16. To approve the appointment, transfer and termination of executive employment contracts.



17. To approve the appointment of certain officers authorised to sign Company cheques and purchase orders, financial instruments such as shares, bonds, convertible bonds, warrants, unit trusts, contracts and accounting and financial documents.
18. To implement ad hoc projects assigned by the Board of Directors.
19. To delegate other individuals to manage necessary and appropriate businesses or operations as deemed fit within the functions and responsibilities assigned by the Board of Directors.
20. To delegate tasks to Deputy Managing Directors or other executives.

However, the authority of Chief Executive Officer or such authorised person does not extend to the approval of any transaction potentially perceived to be in conflict of interest (according to the S.E.C rules and regulations) with the Company or subsidiaries, except for transactions that are executed on general commercial terms approved by the Board of Directors, are in compliance with regulations of the Stock Exchange of Thailand and which concern the acquisition or sale of assets of the Company or subsidiaries.

#### **Performance Assessment of the Chief Executive Officer by the Board of Directors**

During 2014, members of the Board of Directors excluding the Chief Executive Officer conducted an evaluation of the Chief Executive Officer's performance by evaluating business operations, amount of time dedicated to managing the businesses, internal control, responsiveness to opinions from management, risk management policy, and Board of Director meeting attendance. The evaluation forms were anonymous to ensure independent evaluation. The forms were submitted directly to the office of the Corporate Secretary who summarised the evaluation and presented the results to the Board of Directors

The overall performance of the Chief Executive Officer in the past year was found to be highly satisfactory. Recommendations and advice from other directors were also made to the Chief Executive Officer in order to improve the performance of the Board of Directors, the Executive Director Committee, management and employees.

#### **Independent Director**

##### ***The Independent Director Qualification***

The Independent directors are independent from the Management and have no business or activities with the Company and must not be involved in the day-to-day management of the Company and/or subsidiary companies which may compromise the interests of the Company and/or the shareholders. The Company's Independent Directors comprises of the following three members: Mr. Suraphol Sindhuvanich, Miss Narumol Wangsatorntanakun and Mr. Chatchawan Triamvicharnkul. All of them have qualifications comply to the Company's definition of Independent Director, which are stricter than the minimum requirements of the Securities and Exchange Commission, the Stock Exchange of Thailand and the Capital Market Supervisory Board. The following conditions apply:

1. Holding shares not exceeding 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person including shares held by related persons of the independent director.
2. Not being nor having been an executive director, employee, officer, controlling person or advisor who receives a regular salary, of the Company, its parent company, subsidiary, same-level subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two years prior to the date of

appointment. This restriction shall not apply to an independent director who has been a government officer or an advisor to a government authority that is a major shareholder or controlling person of the Company.

3. Not being a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children, executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries.

4. Not having nor having had a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in a manner which may interfere with his/her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person who may have a conflict of interest unless the foregoing status ended not less than two years prior to the date of appointment.

The term "business relationship" mentioned above includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the Company or THB 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for the value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness occurring during the course of one year prior to the date on which the business relationship with the person commences.

5. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person nor being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing relationship ended not less than two years prior to the date of appointment.

6. Neither being nor having been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding THB 2 million from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and neither being nor having been a substantial shareholder, controlling person or partner of the professional advisor unless the foregoing relationship ended not less than two years prior to the date of appointment.

7. Not being appointed as a representative of the Company's directors, the major shareholder or any other shareholder who is a related person to the major shareholder.

8. Not conducting any business which is of the same nature as the Company's or its subsidiaries' businesses and being in competition with them in any material respect, nor being a substantial partner, shareholder holding more than 1 percent of the voting shares, executive director, employee, officer or advisor who receives a regular salary, of any company whose business is of the same nature as the Company's or its subsidiaries' businesses, and being in competition with them in any material respect.

9. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as an independent director with qualifications complying with the criteria under 1. – 9., the independent director may be assigned by the Board to take part in the business decisions of the

Company, its parent company, subsidiary, affiliate, same-level subsidiary or legal entity who may have a conflict of interest, on condition that these decisions must be collective ones.

### 9.2.2 Audit Committee

As of December 31, 2014, three members of the Audit Committee comprised independent board members with different skills, abilities and professions, namely engineering, economics and accounting and finance to consider financial statements of the Company and subsidiaries, review internal audit results with the Internal Audit Department, meet with auditors and the Accounting Department head to consider all related transactions. However, the Chairman of the Audit Committee of the Company resigned on 18 December 2014, and the Company appointed Mr. Chatchawan Triamvicharnkul to the office of the Chairman of the Audit Committee on 29 January 2015. During 2014 the active Audit Committee comprised the following individuals.

No.	Name	Position	2014 Attendances
1.	Mr. Chatchawan Triamvicharnkul <sup>1</sup>	Chairman of the Audit Committee	12/12
2.	Mr. Isara Wongrung <sup>2</sup>	Audit Committee Member	3/12
	Mrs. Pennipa Dabbaransi <sup>3</sup>	Chairman of the Audit Committee	4/12
	Mr. Suraphol Sindhuvanich	Chairman of the Audit Committee	8/12
	Ms. Narumol Wangsatorntanakun	Audit Committee Member	9/12

<sup>1</sup> Mr. Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>2</sup> Mr. Isara Wongrung was appointed in replacement of Ms. Narumol Wangsatorntanakun on October 1, 2014

<sup>3</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

#### **The Audit Committee Qualification**

All members of the Audit Committee possess the same qualifications as those of the "independent Director". They are not authorised by the Board of Directors to make decisions on the business operation of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person, and neither being directors of its parent company, subsidiary or same-level subsidiary, which is a listed company. The Committee must have at least one member who is qualified in finance and accounting and has adequate experience to ascertain the integrity of the financial statements of the Company.

#### **Duties and Responsibilities of the Audit Committee**

The duties and responsibilities of the Audit Committee, as set forth by the Board of Directors, are as follows:

1. To review the Company's financial reports with integrity to ensure they comply with generally accepted accounting standards and have adequate information disclosure.
2. To examine the Company's internal audit system to ensure it is appropriate and effective.

3. To examine the Company's operational procedures to ensure compliance with the Securities and Stock Exchange of Thailand Act as well as Provisions and Regulations of the Stock Exchange of Thailand and the Securities Exchange Commission.
4. To seek and propose the appointment and cancel of the external auditor, determine remuneration, conduct performance evaluations and ensure that the independent status of the auditor is maintained.
5. To monitor to prevent any conflicts of interests between related parties.
6. To review information disclosures on conflict of interest or related party transactions.
7. To approve the charter of the internal audit, risk management, and compliance departments, including approval of audit plans, work processes, head counts and annual budgets.
8. To approve staff promotions, demotions, terminations and to review staff performance. Additionally, to maintain the independent status of the internal audit, risk management, compliance departments.
9. To implement other related tasks assigned by the Board of Directors and agreed by the Audit Committee such as:
  - 9.1 To review and evaluate the appropriateness of the Company's rules and regulations, including monitoring the Company's compliance with laws and regulations and with policy set forth by the Board of Directors.
  - 9.2 To review the Company's financial management policy and risk management.
  - 9.3 To review the executive code of conduct and practice.
  - 9.4 To review, together with other executives, reports which must be publicly disclosed such as the Management Report and Analysis.
10. To prepare the good governance report for disclosure in the Company's annual report as concurred by the Chairman of Audit Committee.
11. To implement any other related tasks as stated by law and regulation or assigned by the Board of Directors.

The above duties and responsibilities of the Audit Committee are ultimately the responsibility of the Board of Directors. The Board of Directors is also ultimately responsible for reporting the Company's business operations to shareholders and external parties.

#### ***Term of Office of the Audit Committee***

The Audit Committee shall have a term of office of 3 years each and for not exceeding 3 terms consecutively. Audit directors vacating their office at the end of their term may be reelected by the Board of Directors or shareholder meeting.

#### ***Audit Committee Self Assessment***

In 2014, the Audit Committee conducted a self assessment and presented the results at Board of Director's meeting no. 3/2015 on March 20, 2015 with the aim to further improve the Audit Committee's performance. The results can be summarised as following:

#### 1. Audit Committee Composition

The Audit Committee found its composition to be fully up to standard and in line with the Audit Committee Charter approved by the Board of Directors. All members of the Audit Committee had sufficient time to devote to performance of duty. Each member of the Audit Committee had sufficient knowledge and experience suited to each mission. In addition, at least one member of the Audit Committee was a professional in finance, accounting and auditing.

#### 2. Audit Committee Training and Dedication of Resources

The Audit Committee found its training and dedication of resources to be fully up to standard. Throughout the year, the Audit Committee was provided sufficient information and relevant training.

#### 3. Audit Committee Meetings

Overview of the Audit Committee meetings was very good. In 2014 the Audit Committee held 12 meetings although there was a change to the Audit Committee during the year, but all the 3 audit directors attended each such meeting. Meeting agendas were established with adequate relevant information for each meeting. Participants in each agenda item were not interested in that matter. Executives or auditors were invited to participate where necessary. At least 1 meeting was held in each quarter with the Legal Department of the Company for enquiries and acknowledgements if there was any related legal issues or possible impact upon the Company's financial statement.

#### 4. Audit Committee Reports

The Audit Committee found its reports to be fully up to standard. The Audit Committee had reported its activities to the Board of Directors on regular basis. In addition, the Audit Committee made a formal annual report on its work and performance during the year to the Company's shareholders and investors.

#### 5. Audit Committee Activities

The Audit Committee found its activities to be fully up to standard. The Audit Committee undertook responsibilities pursuant to its Charter, which are summarised as follows:

- 5.1 Co-reviewed with the Company's management the procedure for risk evaluation relating to significant errors in financial statements, either intentional or unintentional.
- 5.2 Queried management, external auditors and the internal audit manager on appropriateness of currently used accounting principles, changes which did not result from alteration of accounting principles or regulations; effects on interim financial statements and reports, including problem resolution, significant changes on annual financial statements, adequacy of the existing reserve accruals, and management forecasts that have a significant effect on financial statements.
- 5.3 Ensured the Company made accurate and complete disclosure of information regarding related transactions or transactions that may cause a conflict of interest.
- 5.4 Monitored the Company's financial disclosures to ensure that they accurately represent the financial position of the Company and that they were prepared in accordance with generally accepted accounting principles and were submitted to the Stock Exchange of Thailand (SET) within the required time period.
- 5.5 Convened separate meetings with external auditors to seek their opinion upon matters such as evaluation of accounting staff and internal auditors, in addition to other advice.

#### 6. Audit Committee's Relationship with External Auditors and the Internal Audit Manager

The Audit Committee found its relationship with external auditors and the internal audit manager to be fully up to standard. The Audit Committee was involved in the selection of the Company's external auditors, and the review, appointment and task assignment of the internal audit manager. In addition, the Audit Committee reviewed and approved the internal audit plan, revisions to the internal audit plan, and the manpower and budget plan of the internal audit department.

#### 7. Audit Committee's Relationship with the Compliance Manager

The Audit Committee found its relationship with the compliance manager to be fully up to standard. The Audit Committee was involved in task assignment of the compliance manager. In addition, the Audit Committee reviewed the compliance plan, revisions to the compliance plan, and the manpower and budget plan of the compliance department.

### 9.2.3 Nomination and Compensation Committee

Resolution of the Board of Directors meeting no. 4/2008 dated August 13, 2008, approved the appointment of the Compensation Committee comprising three members who serve as independent directors and members of the Audit Committee. Board of Directors meeting no. 1/2009 on February 26, 2009 appointed the same committee to nominate directors and senior management and changed the name from Compensation Committee to Nominating and Compensation Committee. Consequently, on 18 December 2014, the Chairman of the Audit Committee of the Company, who was 1 of the members of the Nominating and Compensation Committee, resigned which caused the Company to expedite appointing an independent director to perform as a nominating and compensation director as well as an audit director, which was expected to be completed within the 1/2015 quarter. During 2014 the Nominating and Compensation Committee comprised the following individuals.

No.	Name	Position	2014 Attendance
1.	Mr. Isara Wongrung <sup>1</sup>	Chairman of the Nominating and Compensation Committee	1/5
2.	Mr. Chatchawan Triamvicharnkul	Nominating and Compensation Committee Member	5/5
	Mrs. Pennipa Dabbaransi <sup>2</sup>	Nominating and Compensation Committee Member	2/5
	Ms. Narumol Wangsatorntanakun	Chairman of the Nominating and Compensation Committee	5/5
	Mr. Suraphol Sindhuvanich	Nominating and Compensation Committee Member	3/5

<sup>1</sup> Mr. Isara Wongrung was appointed in replacement of Ms. Narumol Wangsatorntanakun on October 1, 2014

<sup>2</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

### ***The Nominating and Compensation Committee Qualification***

All members of the Nominating and Compensation Committee possess the same qualifications as those of the "independent Director". They are not authorised by the Board of Directors to make decisions on the business operation of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person, and neither being directors of its parent company, subsidiary or same-level subsidiary, which is a listed company. The Committee must have sufficient time to devote and carry out his/her duties as a Nominating and Compensation Committee member to further improve his/her performance.

### ***Scope of Duties and Responsibilities***

The Nominating and Compensation Committee shall undertake duties and responsibilities as defined by the Board as follows:

1. *Scope of duties and responsibilities – Nominating Committee:*

- 1.1 To consider the appropriateness of the structure and composition of the Board.
- 1.2 To determine the qualifications of directors, the managing director / CEO, the criteria for the nomination of persons for such positions, and to review the qualifications and evaluate the performance of directors, the managing director / CEO who complete their term of service.
- 1.3 To set out methodology and procedures for preparing the persons qualified for being appointed as a director, the managing director / CEO.

2. *Scope of duties and responsibilities – Compensation Committee:*

- 2.1 To determine proper and fair compensation policy for directors, managing directors / CEO and any specific committee as appointed by the Board.
- 2.2 To propose appropriate compensation, rewards, meeting allowances, pensions, bonuses, and other fringe benefits for the Company's directors, executives and Board appointed committees to the Board for consideration. The Board shall then make recommendations to shareholders for approval.
- 2.3 To evaluate the CEO's performance and determine the compensations and other fringe benefits for CEO.
- 2.4 To help the Company achieve its business objectives, the Board may from time to time assign the Compensation Committee to perform other functions with respect to compensation and other fringe benefits for senior executives as follows:
  - 2.4.1 Determine compensation policies for senior executives and coordinate with the Human Resource Department in the execution of such policies in accordance with the Company's business goals.
  - 2.4.2 Assure that the compensation and benefits paid to senior executives are comparable to competitive market practice.
  - 2.4.3 Help the Company retain its key senior executives.

### ***Term of Office of the Nominating and Compensation Committee***

The Nominating and Compensation Committee shall have a term of office of 3 years each from the date of election by the Board of Directors or shareholder meeting, and for not exceeding 3 terms consecutively. Nominating and Compensation directors vacating their office at the end of their term may be reelected by the Board of Directors or shareholder meeting.

However, any independent director who has been holding his/her office in excess of 9 years and is vacating the office at the end of his/her term, but for the time being the Board of Directors meeting needs to reelect the director to hold the office of independent director of the Company, the Board of Directors shall nominate the independent director to the shareholder meeting to consider granting approval and the Board of Directors shall give reasons and such requirements in the notice of the shareholder meeting and to the shareholder meeting.

### ***The Nominating and Compensation Committee Self Assessment***

The Nominating and Compensation Committee is responsible for conducting an annual self-assessment of their performance. The assessment results for performance during the year 2014 are summarised below:

1. Composition of the Nominating and Compensation Committee was found to be fully up to standard given that the Committee complied with regulations and procedures set forth by the Board of Directors. All members of the Nominating and Compensation Committee dedicated sufficient time for business operations.
2. Training and dedication of resources were found to be fully up to standard given that the Committee received sufficient training and information.
3. Meetings of the Nominating and Compensation Committee were found to be fully up to standard. The Committee held a total of five meetings during 2014 for a selection of a new director to replace a director whose term of directorship was ending and also there was a consideration of the Committee's compensation to be presented for the shareholder's approval in the annual general meeting. There was sufficient information and meeting agendas discussed during each meeting and there were no potential conflicts of interest among the attendants.
4. Reporting of the Nominating and Compensation Committee was found to be fully up to standard given that performance reports were regularly submitted to the Board of Directors and an activities report during the year was disclosed to shareholders and other investors in the Annual Report.
5. Activities of the Nominating and Compensation Committee was found to be fully up to standard given that the Committee fully complied with the Charter as follows:
  - 5.1 Coordinate with the Board of Directors in considering qualifications of nominees for the Company's directors replacing outgoing directors whose term of directorship is expiring, review the Board of Directors structure to ensure the portion of independent directors comply with S.E.C regulations, and set remuneration for committees and sub-committees.
  - 5.2 Review the remuneration policy for management and staff to ensure appropriateness, fairness and motivation for company staff.

#### **9.2.4 Investment Committee**

Investment Committee shall be composed of four members, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of ACAP, one other member of the Executive Committee and one additional



member with relevant knowledge and expertise in investment management and analysis. Investment Committee terms of membership shall be as follows :

- ▶ Chief Executive Officer : Indefinite
- ▶ Chief Financial Officer : Indefinite
- ▶ Executive Committee Member : Appointed Annually by the Executive Committee
- ▶ Additional Member : Appointed Annually by the Executive Committee

#### ***Scope of Duties and Responsibilities***

It is the responsibility of the Investment Committee to perform the following duties, among others:

1. Report in a timely manner all Approved Investment Proposals to the Executive Committee.
2. Approve Investment Proposals Under the Investment Authority as Specified in Investment Authority Guidelines.
3. Conduct Regular Investment Performance Reviews : Monthly for Specific Investments : Quarterly for all Investable Assets.
4. Conduct "As Needed" Investment Performance Reviews When Notified by the Investment Management Unit (via Call Report) that an Investment has reached its Pre-determined Price or IRR Target.
5. Review ACAP's Investment Policy Statement annually and Propose Changes to the Board of Directors.
6. Review annually and approve change to : Asset Allocation; Allowed Investment Instruments; Minimum Investment Quality Criteria; Investment Concentration Limits, etc.

#### **9.3 Director and Executive Director Recruitment**

For the annual director and executive director election, the Company provided opportunity for shareholders to submit the name of qualified individuals for nomination as new directors. Considerations were based on qualifications, experience and skills related to the Company's business operations. At the same time, consideration was also made for reappointing directors whose term of directorship was ending. Such nominations were initially considered by the Nominating and Compensation Committee for their appropriateness. Qualified individuals were then submitted to the Board of Directors' for consideration and further submitted to the annual shareholders meeting for approval in accordance with following procedure:

1. Each shareholder is entitled to one vote per share.
2. During the shareholder meeting, a single candidate or a group of candidates may be proposed. Each shareholder has voting rights as stated above but is not allowed to split his/her voting rights.
3. Directors are appointed by majority vote. In the case where equal votes are counted for competing candidates, the chairman of the meeting will cast a deciding vote.

In case of a vacancy of directorship for reason other than expiration of term of office, e.g. death or resignation, the Nominating and Compensation Committee shall nominate a new director with suitable qualifications for the Board of Directors to consider electing in the Board of Directors meeting to replace the director who died or resigned without calling a shareholder meeting to pass a resolution to elect a new director. Appointment of high-level executives including the Chief Executive Officer or the Managing Director shall also be screened by the Nominating and Compensation Committee in accordance with the policy on position succession and new director election in the Company's Business Supervision Handbook before presenting to the Chief Executive Officer for appointment.

#### 9.4 Supervision of the business of subsidiaries and associated companies

The Company has 5 subsidiaries in which the Company holds 99.99 per cent of their shares and 1 subsidiary in which the Company holds 63.97 per cent of its shares. The Company has a policy and mechanism to supervise the business operation of all subsidiaries by sending executives or directors of the Company to manage the business and determine all business management policies. Transactions between the Company and all subsidiaries are under the supervision mechanism steps and considered by board of directors of each subsidiary, while the Company, as the parent company, shall have another consideration step as appropriate to the significance of the transactions.

Moreover, the policy on disclosure of information and related transactions including rules and regulations the Company is required to follow under supervision of the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand cover transactions of all subsidiaries as well. As regards the supervision of accounting standard or financial information of subsidiaries, the Company employed auditors of the same standard as that of the Company who are recognized by the Office of the Securities and Exchange Commission to ensure that the consolidated financial statements of the Company are prepared with the same standard.

#### 9.5 Policy of Trading Stocks and Internal Information Use Guidelines

The Company established a Compliance Unit to have the roles and responsibilities in supervising the management of various units, including the use of internal information to ensure properness and compliance with good governance policy to prevent the use of information of the Company for personal benefits. This policy is posted on the Company's board for acknowledgement of all staffs for adoption as their performance principles. The Company established a measure to prevent access to information obtained from work performance between units and personnel of the Company (Chinese Wall) to eliminate conflict of interest between various units as follows.

1. Different departments are distinctly and physically separated, especially those departments handling sensitive non-public information to avoid inside information leakage.
2. A list of restricted securities is maintained which the Company, staff and executives are not permitted to make use in any personal transactions, such as securities of listed companies which are currently under advisory of the Company. Such restricted list prevents staff from using this information illegally for their own benefit.
3. Internal Confidentiality Control Policy
  - Different passwords are required to log on to different systems.
  - Code names must be set up for each Client.
  - Disclosure of client information shall not take place without written consent from such client.
  - Only staff specifically assigned to a case at hand has access to the information of that case. If other departments need to use the information, they must first ask permission from their department heads.
  - In case there are clients that are in the same industry or in conflict with each other, the Company assigns different financial advisors to each client. The financial advisors must keep their information classified and confidential.
4. Maintenance of Documents and Information

- Client profiles and operational information are filed separately and kept safely to prevent loss or damage, as well as to prevent illegal use of the information.
  - All information in hard-copy form is kept safely in filing cabinets of the relevant department.
  - All information in soft-copy form is stored in a computer database where access is restricted by passwords assigned only to relevant staff. Soft files stored on other information media, such as diskette tapes, and are kept safely in filing cabinets of the relevant department.
  - Only specifically assigned staff have access to documents relevant to them. In case others need to use such information, they must make their request explaining their rationale and obtain prior approval from their department head.
  - Document storage and destruction of confidential information require prior approval of department heads. In addition, in the case of information being stored in a central filing center, the documents must be enclosed in a sealed box.
5. Requesting or Providing Information
- To request information from or to provide information to another department, the requestor and provider must first obtain permission from their department heads. The requesting staff can only ask for the information relevant to his/her assignment or task. Furthermore, the exchange of this information must be reported to the Compliance Unit.
  - The departments in possession of non-disclosed information or confidential client data must not publicly disclose such information or use it for personal benefit. All exchanged information must be based on a "Need to Know" basis.
6. No staff and executive who are aware of internal information on operation results or significant incidents which may affect the price of shares of the Company may trade the Company's securities from the date of such awareness or the date of resolution of the Board of Directors until the information shall have been disclosed to the public, and no internal information which should not be disclosed may be disseminated to up the price of the Company's securities.

The Company requires all directors and executives to notify the Board of Directors at least 1 day in advance if they shall purchase or sell the Company's shares. Such notification shall be made initially via email to all directors and executives and director or executive concerned is required to so notify once again in the next Board of Directors meeting.

Additionally, all directors and executives are required to file reports of share holding of themselves, their spouses and dependent children, and report any changes in share holding to the Office of the S.E.C. as per Section 59 and Provisions and Regulations of the Securities and Stock Exchange of Thailand Act B.E. 2535. All directors and executives are required to submit the copy of such report to the Company on the same day they submit such report to the Office of the S.E.C.

As 31 Dec. 2014, the changes in shareholding proportions of Directors and Management are as follows:

Names	Amount (Shares) as Dec.31, 2013	Transferred during Year		Amount (Shares) as Dec.31, 2014
		Acquisition	disposition	
1.Mr.Vivat Vithoontien	61,490,030	-	50,400,000	11,090,030
2.Mr.Kenuo Lin	-	19,000,000	-	19,000,000
3.Mr.Issarachai Decharit	880,155	-	723,900	156,255
4.Mr.Chalermchai Sirinopawong	674,700	-	674,700	-
5.Mr.Sugunya Sukjaroenkraisri	-	6,247,000	-	6,247,000
6.Mrs.Nongluck Kowatana	-	1,580,000	-	1,580,000

#### 9.6 The Auditor's remuneration

In 2014, PricewaterhouseCoopers ABS Co., Ltd. was the external auditor for the Company and its six subsidiaries (excluding subsidiary company, namely Aurum Capital Advisory Pte. Ltd.). The auditors and the audit company have no relationship with the Company and the subsidiaries. The following table shows the auditing expenses for the years 2014.

Expense Types	2013			2014		
	The Company	Subsidiaries (7)	Total Company and Subsidiaries	The Company	Subsidiaries (6)	Total Company and Subsidiaries
<b>Audit fees (THB)</b>						
Statutory Financial Statements	350,000	901,000	1,251,000	327,000	790,500	1,117,500
Review of interim financial statement (3 quarters)	210,000	144,000	354,000	250,000	197,000	447,000
Total audit fees	<b>560,000</b>	<b>1,045,000</b>	<b>1,605,000</b>	<b>577,000</b>	<b>987,500</b>	<b>1,564,500</b>
<b>Other expenses (THB)</b>						
Verification of Por.Ngor.Dor.50	10,000	50,000	60,000	10,000	50,000	60,000
Total audit expenses	<b>570,000</b>	<b>1,095,000</b>	<b>1,665,000</b>	<b>587,000</b>	<b>1,037,500</b>	<b>1,624,500</b>

## 9.7 Compliance with other good corporate governance

The Company prepared a Corporate Governance Handbook in accordance with guidelines of the Stock Exchange of Thailand as guidelines for business operation to ensure good and sustainable management thereof to be practiced by all executives and employees, and disclosed them in the Company's website [www.acap.co.th](http://www.acap.co.th). The policy and some other significant code of practice may be summarized as follows.

### ■ **Conflict of Interest Transactions**

When the Company reports transactions that may be in conflict of interest, related transactions or related person transactions, these transactions must be approved by the Board of Directors and the Audit Committee must provide initial opinion for such transactions. The approval of these transactions is based on optimal benefit to the Company, fairness, transaction rationale, and market prices and rates. In addition, any related persons who may undertake a transaction potentially in conflict of interest must not be involved in any part of the approval process. To be involved in any related party transactions as defined by the rules, announcements, notifications, provisions or regulations of the Stock Exchange of Thailand, the Company must also abide by Stock Exchange of Thailand rules and regulations.

### ■ **Risk Management Policy**

The Board of Directors assigned the Risk Management Department to examine and monitor risk management directly, e.g. financial risks, operation risks, business risks, event risks, etc., by preparing a separate risk management policy with 6 primary risk management steps as follows.

#### 1. Objective Setting

Clearly set objectives to learn of the scope of work at each step and enable full risk analysis.

#### 2. Risk Identification

To consider events leading to damage by considering both external factors, e.g. government policies, politics, global economic situation, exchange rates, natural disasters, etc., and internal factors, e.g. policies, company's strategies, company's structure, working process, which shall impact upon the Company's targets and performance. The Risk Management Department clearly identifies type of risk in each event if which is the key risk and which is the subsidiary risk.

#### 3. Risk Evaluation

The Company has a risk evaluation system to prioritize risks, identify opportunities of risk occurrences and consequential impacts, e.g. on aspects of finance, business, safety, customers, etc.

#### 4. Risk Treatment and Mitigation

After prioritizing risks the Company shall determine risk treatment methods. If the Company has limited budget and resources, risk with high impact with frequent occurrences shall be determined as key risk to be treated first, while risks with low impact and less frequent occurrences shall be treated subsequently.

#### 5. Risk Reporting and Monitoring

The Risk Management Department shall prepare risk evaluation report directly to the Executive Committee and coordinate with the Supervision Department, the Internal Audit Department and the Audit Committee to evaluate the situation in such risk to identify preventive method and remedy it

before damage occurs. After the Executive Committee is aware thereof, it shall review the matter and present the report to the Board of Directors.

6. Review of the Risk Management Plan

The Risk Management Department shall compile outcomes from the internal audit and summarize annual risk management outcomes jointly with high-level executives and agencies concerned, e.g. the Audit Committee, to disclose the report summary in the 56-1 form and the annual report of the Company. Concurrently, there shall be risk evaluation in a joint discussion at the end of every year to consider what needs improvements, and report on risk management and risk management plan shall be prepared in continuous manner for presentation to the Audit Committee and the Board of Directors for approval for adoption in subsequent years.

▪ **Investment Policy**

The Company's investment policy is based on the premise that any investment must bring positive returns the Company and its shareholders. All investments are carefully considered and analysed. The Investment Policy is clearly stated with details for various types of investment transactions and is disclosed on the Company's website.

▪ **Compliance and Internal Audit**

The Company place great importance on the internal audit function at both management and operational levels. Relevant roles, obligations and management authority are defined in writing. To protect the Company from damage, the Compliance and Internal Audit Departments undertake an evaluation process to quickly identify mistakes and to reduce business and operational risk at both management and operational levels. The measurements conform to guidelines of the Stock Exchange of Thailand which are defined in five parts:

- Part 1) Control Environment
- Part 2) Risk Assessment
- Part 3) Control Activities
- Part 4) Information and Communication
- Part 5) Monitoring Activities

▪ **Business Ethics**

Directors are required to conform to the Code of Best Practices for Listed Companies established by the Stock Exchange of Thailand. Directors must use their knowledge, competences and experiences for the benefit of the Company's business. They must apply business ethics in running the business. They must act in accordance with law, the Company's objectives and regulations, and shareholder meeting resolutions with honesty and integrity, both towards the Company and towards any major connected parties. Business ethics also apply to other staff in honesty of conduct and equal treatment of the Company and other connected parties including the public community and society. The Company closely monitors compliance with this practice.

▪ **Combined Roles and Responsibilities**

As a small company with a flat organisation chart, the Chairman and the Managing Director positions are held by the same person. Moreover, the same Independent Directors who are members of the Audit Committee are also members of the Nominating and Compensation Committee. However, the functions and responsibilities of the

Board of Directors, Executive Director Committee, Audit Committee, Nominating and Compensation Committee as well as the Managing Director are separate and distinct. The Audit Committee and the Internal Audit Department are independent in their compliance task to ascertain that the Managing Director and the Executive Directors do not have complete power and that material transactions follow a check and balance process and are approved by the Board of Directors or by shareholder resolution. The given scope of authority of the Managing Director or the Board of Directors does not allow them to approve any transaction qualified as a conflict of interest or related party transaction with the Company or its subsidiaries.

▪ ***Directorships in Other Companies***

- The Company places the importance on the amount of a director's time that is dedicated to the Company's business operations. Directors who serve director positions in other companies may negatively impact their work efficiency within the Company. As such, the Company has set forth a policy for such directors as follows:
  - Managing Director shall be in the position of Managing Director of only one listed company in order to have sufficient time to monitor the Company's business operation.
  - Managing Director shall not perform business or enter the limited partnership or be the Director in a juristic entity with the same nature of business and in competition with the Company's business whether for his own business or other businesses unless the matter is informed to the meeting of the shareholders prior to the appointment resolution.
  - Executive directors may take director positions in up to three companies provided that such directors are able to dedicate sufficient time to assume their responsibilities within the management team to the greatest extent possible for the benefit of the Company.
  - Independent directors and director representatives of major foreign shareholders can take director positions in up to three companies.

In case a Company director must take director positions in more companies than the policy allows, such director must report the reason and necessity to the Board of Directors. If the Board of Directors deems such directorships to not significantly impact the director's performance, the director may be allowed to occupy such directorships. The performance of such directors will be monitored by the Board of Directors and reported in the Compliance of Corporate Governance Report in the Company's 56-1 report and annual report.

▪ ***The Determination of Remunerations for Directors / CEO / Managing Director and Sub-Committee***

Remunerations of directors, the Chief Executive Officer and/or Managing Director, including remunerations of directors of various committees shall be determined by the Nominating and Compensation Committee and presented to the Board of Directors for approval and, in turn, presented to the shareholder meeting to consider for approval. Remunerations presented are:

1. Meeting allowances are to be provided to all directors participating in meetings of the Board of Directors, the Audit Committee and the Nominating and Compensation Committee to reflect the performance of directors and stimulate directors to perform their duties and participate in meetings regularly and they must register their participation after conclusion of all meetings they attend.

2. Special bonus to be granted to all directors in percentage of net profit of the Company's annual operation as remuneration for their performance and incentive to directors to create profits from good operation for the Company.

#### **Rules for determination of directors' remunerations**

In determining meeting allowances and special bonuses of various committees including the Chief Executive Officer and/or Managing Director, the Nominating and Compensation Committee must ensure consistency with duties, responsibilities and attention to duties of directors, type and dimension of the business of the Company, markets and competitors. Such remunerations must be at appropriate and sufficient levels to attract and retain quality directors of the Company. The Chief Executive Officer and/or Managing Director holding office in the Board of Directors shall be entitled to such remunerations for holding the office similar to other directors. The Nominating and Compensation Committee shall present the remunerations to the Board of Directors for approval, and thereafter to the shareholder meeting for approval, and the remunerations shall be disclosed in the annual information form (56-1 form) and the annual report of the Company.

While the monthly remunerations of all directors including the Chief Executive Officer and/or Managing Director shall be determined based primarily on significance of units and duties and responsibilities concerned and presented to the Board of Directors for consideration and approval.

#### ▪ **Director Meetings**

##### **Board of Directors Meetings**

The Board of Directors holds regular meetings every three months or at less four times per year and extraordinary meetings for any urgent cases. The Corporate Secretary will set the agenda for the meeting and deliver meeting documentation to the Board of Directors at least 10 days in advance to allow sufficient time to study and analyse each agenda. Each director has the opportunity to express their opinion to facilitate decision making of the Board of Directors by taking into account the returns of shareholders and involved parties. Minutes of each meeting are recorded and reported. Meeting resolutions are disseminated to relevant parties within the prescribed timeframe. In 2014, there were a total of eight meetings with attendance as followings:

<b>No.</b>	<b>Name</b>	<b>Position</b>	<b>2014 Attendances</b>
1.	Dr.Vivat Vithoontien	Chairman / Authorized Director	8/8
2.	Mr.Kenuo Lin <sup>1</sup>	Director / Authorized Director	4/8
3.	Mr.Issarachai Decharit <sup>2</sup>	Director / Authorized Director	6/8
4.	Mr.Chalermchai Sirinopawong	Director / Authorized Director	8/8
5.	Pol.Lt.Col.Pongsiri Hiruntecha <sup>3</sup>	Director / Authorized Director	2/8
6.	Mr.Chotipong Discharoen <sup>4</sup>	Director / Authorized Director	1/8



No.	Name	Position	2014 Attendances
7.	Mr.Chatchawan Triamvicharnkul <sup>5</sup>	Independent Director / Chairman of the Audit Committee Member / Nominating and Compensation Committee Member	8/8
8.	Mr.Isara Wongrung <sup>6</sup>	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee	2/8
	Mrs.Pennipa Dabbaransi <sup>7</sup>	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	2/8
	Mr.Suraphol Sindhuvanich	Independent Director / Chairman of the Audit Committee / Nominating and Compensation Committee Member	5/8
	Ms.Narumol Wangsatorntanakul	Independent Director / Audit Committee Member / Chairman of the Nominating and Compensation Committee	4/8

<sup>1</sup> Mr. Kenuo Lin was appointed as Director on July 4, 2014

<sup>2</sup> Mr. Issarachai Decharit has resigned from the Director position on September 30, 2014 and He was appointed as Director again on November 7, 2014

<sup>3</sup> Pol.Lt.Col. Pongsiri Hiruntecha was appointed as Director on October 1, 2014

<sup>4</sup> Mr. Chotipong Discharoen was appointed as Director on December 18, 2014

<sup>5</sup> Mr. Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>6</sup> Mr. Isara Wongrung was appointed in replacement of Ms. Narumol Wangsatorntanakul on October 1, 2014

<sup>7</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

#### **Executive Director Committee Meetings**

As of December 2014, the Executive Director Committee comprises six Executive Directors as stated in the Executive Director Committee section. The Executive Directors hold monthly meetings and have further discussion on a weekly basis in order to follow up any progress on important tasks. However, in the event of any urgent issues that require more than one meeting in a month, the Board of Directors shall set up special meetings as it deems appropriate. Last year there were several occasions which required more than one monthly meeting. The details are as follows;

No.	Name	Position	2014 Attendances
1.	Dr. Vivat Vithoontien	Chief Executive Officer / Managing Director	17/18

No.	Name	Position	2014 Attendances
2.	Mr. Issarachai Decharit	Executive Director and Deputy Managing Director of Legal Department	17/18
3.	Mr. Chalermchai Sirinopawong	Executive Director and Deputy Managing Director of Accounting / Finance Department	18/18
4.	Ms. Sugunya Sukjaroenkraisri <sup>1</sup>	Executive Director	8/18
5.	Mrs.Nongluck Kowatana <sup>2</sup>	Executive Director	6/18
6.	Mr.Tinnakorn Punpanichgul <sup>3</sup>	Executive Director	7/18

<sup>1</sup> Ms. Sugunya Sukjaroenkraisri was appointed as Executive Director on October 1, 2014

<sup>2</sup> Mrs. Nongluck Kowatana was appointed as Executive Director on October 1, 2014

<sup>3</sup> Mr.Tinnakorn Punpanichgul was appointed as Executive Director on November 7, 2014

#### **Audit Committee Meetings**

Attendees of the Audit Committee meetings include Audit Committee members, the Internal Audit Department, the Compliance Department and the Managing Director of Finance & Accounting. Meetings are held on a monthly basis. The Company's auditor also attended meetings when necessary. In 2014, there were twelve Audit Committee meetings and the attendance record of Audit Committee members was as follows:

No.	Name	Position	2014 Attendances
1.	Mr. Chatchawan Triamvicharnkul <sup>1</sup>	Chairman of the Audit Committee	12/12
2.	Mr.Isara Wongrung <sup>2</sup>	Audit Committee Member	3/12
	Mrs.Pennipa Dabbaransi <sup>3</sup>	Chairman of the Audit Committee	4/12
	Mr. Suraphol Sindhuvanich	Chairman of the Audit Committee	8/12
	Ms. Narumol Wangsatorntanakun	Audit Committee Member	9/12

<sup>1</sup> Mr. Chatchawan Triamvicharnkul was appointed as the Chairman of Audit Committee on January 29, 2015

<sup>2</sup> Mr. Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

<sup>3</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

#### **Nominating and Compensation Committee Meetings**

The purpose of these meetings is to review the workload and staffing requirements of the Company, and to search and nominate key executive positions when necessary. The number of meetings is not specified or fixed. The Chairman of the Compensation Committee may call for extraordinary meetings as necessary or in special circumstances to consider any related issues. Last year the committee held five meeting and all committee members attended. Details are as follows:

No.	Name		2014 Attendance
1.	Mr.Isara Wongrung <sup>1</sup>	Chairman of the Nominating and Compensation Committee	1/5
2.	Mr. Chatchawan Triamvicharnkul	Nominating and Compensation Committee Member	5/5
	Mrs.Pennipa Dabbaransi <sup>2</sup>	Nominating and Compensation Committee Member	2/5
	Ms. Narumol Wangsatorntanakun	Chairman of the Nominating and Compensation Committee	5/5
	Mr. Suraphol Sindhuvanich	Nominating and Compensation Committee Member	3/5

<sup>1</sup> Mr. Isara Wongrung was appointed in replacement of Ms.Narumol Wangsatorntanakul on October 1, 2014

<sup>2</sup> Mrs. Pennipa Dabbaransi was appointed in replacement of Mr. Suraphol Sindhuvanich on August 9, 2014 but she has resigned from the Chairman of Audit Committee on December 18, 2014

#### ■ **Succession Plan and New Directors Nomination Process**

The appointment of individuals for open positions, especially in Chief Executive Officer, Managing Director and management, will be the responsibility of the Nominating and Compensation Committee which nominates qualified individuals. The Company considers both internal and external qualified individuals. With regards to resignations, company policy requires resigning individuals to inform the Company at least 30 days in advance in order for the Company to have sufficient time to recruit a qualified replacement. For general succession planning, the Nominating and Compensation Committee will submit nominees to the Board of Directors based on their skills and ability together with the name of the second runner-up from the same department. However, the Company also considers external nominees who possess relevant skills and ability that are compatible with the Company's business operation. The recruitment and selection process for all positions is on a transparent basis.

#### ■ **Orientation of New Directors**

After a new director is elected, the Chief Executive Officer will introduce the new director to management and other directors as well as present company information and other relevant information such as the Corporate Governance Manual. The new director will be informed of the roles and responsibilities of directors, business ethics and internal control. In case the new director has not attended the Director Certification Program (DCP) or Audit Committee Program (in case of Audit Committee) from the Institute of Directors (IOD) as well as other training courses that may be helpful to their performance, the Company will take charge of this matter.

#### ■ **Board of Directors Reports**

- The Board of Directors is responsible for overseeing important aspects of the Company's business and for monitoring the Company's consolidated financial statements and all publicly released financial information including the Annual Report. The financial statements are carefully and consistently prepared and are based on

generally accepted accounting principles in Thailand. The Board also ensures adequacy of information in the Notes to Financial Statements.

- The Board of Directors maintains an effective internal audit system to affirm that the Company's accounting and bookkeeping is accurate and complete, to ensure that capital adequacy is sufficiently maintained and to identify weak points in the system to protect against possible fraudulent activity.

- At present, the Board of Directors has the opinion that the Company's Compliance and Internal Audit systems are satisfactory and is confident that the Company's financial statements are accurate and reliable.

■ ***Policy of Monitoring Compliance with the Provisions Complaints and Protection***

In order to efficiently implement the good governance principles, cooperation from employees, executives including stakeholders in watching for unusual matters or conducts which may be illegal, unethical and against the code of ethics due to business operation of executives or from action of employees, for example, abnormality in the financial report, defect of the internal control system, behavior which may lead to corruption, unequal treatment, careless action in the work performance, including action for personal benefits. If finding any of these matters, the Company makes available a channel for complaint or recommendations from all employees, executives or stakeholders directly to the Audit Committee as follows.

Chairman of the Audit Committee/Audit Committee  
ACAP Advisory Public Company Limited  
1 Empire Tower 2-3, 22<sup>nd</sup> Floor, South Satorn Road  
Khwaeng Yannawa, Khet Satorn, Bangkok 10120

Or via email to:

Chairman of the Audit Committee/Audit Committee

[ac\\_acap@acap.co.th](mailto:ac_acap@acap.co.th) Tel 02-694-4999

Office of the Company Secretary/Investor Relations

[lthidej\\_c@acap.co.th](mailto:lthidej_c@acap.co.th) Tel 02-694-4915

***Fact-finding process***

If information is given through the Company Secretary Office, the Company Secretary Office shall compile relevant documents to summarize recommendations and issues to notify the Audit Committee for acknowledgement, or in case the matter is reported directly to the Audit Committee, the Audit Committee shall comprehensively examine the information, which must be sufficient for adduction, and shall summon parties concerned to give explanation and for additional inquiries on the incident. During the inquiries, details on the reporter and the respondent, including statements of other persons involved in the incident shall be documented. The Audit Committee shall not disclose the identity of the whistleblower and sources of information, and shall keep all information confidential to protect the whistleblower from being affected from provision of the information.

***Justice provision process***

The Committee which receives the complaint shall consider providing justice and protection to the whistleblower or the complainant, the respondent and parties concerned or under the fact-find process. If evidences

or facts are not yet ascertained there shall be no judgment made against the respondent. All reports and relevant information shall be kept confidential within a limit and disclosed only as necessary, primarily taking into consideration safety and damage of the reporter or the whistleblower and the respondent.

#### Reporting process

After the fact-finding process is concluded, if the Audit Committee finds that such case has a clear progress or sufficient evidences and seriously affects the Company, the Audit Committee shall so inform the Board of Directors immediately. But if the matter involves an employee at operation level and has no serious impact or material damage to the reputation of the Company, the Audit Committee shall so inform the Director of the Human Resources Department or the Director of the Department to which the employee belongs for acknowledgement and issuance of a warning. If the offender is a director or superior, the Audit Committee shall forward the matter to the Executive Committee or the Board of Directors for further consideration.

#### Penalization process

The Company prescribes penalties appropriate to the nature and circumstances of offenses and the degrees of severity of the penalties shall differ in accordance with the degrees of severity of the offenses.

Primarily, if the offense is minor and committed for the first time, a warning letter shall be issued first and signed by authorized signatory of the Human Resources Department, but if the offense is severe and causes the Company to suffer damage or defamation, the Company has penalties ranging from suspension without pay to termination of employment. But if such offense leads to other legal offense of the country, e.g. the penal code, the civil code or applicable laws of any independent organization regulating the Company's business operation, steps of such law shall be followed.

## **10. Corporate Social Responsibilities : (CSR)**

### **10.1 Overview of business operation under Corporate Social Responsibilities. (CSR)**

The Company deems the responsibility for the society and the environment a no less important matter than business development. The Company has been undertaking such activities along with its business operation, as it was well recognized that mutual support between the business and the society as a whole as well as attention to the environment would be a key contributing factor to the growth of the business and enhancing the society and the environment, the Company, therefore, prescribed the vision, mission and strategies which would lead to sustainability as follows.

Vision: The Company shall be responsible to the society by striving to provide various financial advisory services with good quality management under environmental conservation and care.

Mission: The Company shall develop the business to be growing, promote job and income creation to the general public and assist entrepreneurs, investors, debtors to enhance the national economic stability, and operate the business while concurrently assist and care for the society as well as the environment to ensure sustainable livability and good quality.

Strategy: The Company has a strategy to operate the business and care for the communities and the society as well as to conserve the environment concurrently by implanting the consciousness for everybody to recognize the significance of communities, the society and the environment, and prepared the Good Corporate Governance Handbook (under the heading of good corporate governance) for all executives and employees to follow.

## **10.2 Guidelines for work execution under the Corporate Social Responsibilities**

The Company aims to run the business with morality and under the Good Corporate Governance principle along with the attentiveness and taking care of the social and environment in order to bring our business into sustainable growth by which we comply with principle of the Corporate Social Responsibility ("CSR"). We believe that the creation of "Corporate Sustainability" is the essential basis in managing the modern business.

Hence, we believe that in providing the CSR policy for the Managements and all employees to use as guideline practice to the community, society, and related person shall benefit in many ways to the Company such as to make credibility to the Company, to create the positive image of the Company to the society, etc. Such CSR policy is as these follows;

### **10.2.1 Running the business with fairness**

Running business with fairness means to run the business morally and ethically to the employees, shareholders, business partners, creditors and all related person by adhering to these following principles;

- Honesty

The Company has served the customers honestly, loyally and frankly, including behaving to the related person aboveboard or distort the fact which will cause any misunderstand and lead to its own benefit.

- Fairness and Integrity

The Company shall indicate the justice and morality in the business operation which is not to take advantage on the business partners or defame the business competitors, including not to take advantage on the employees and to ensure the employees' appropriate payroll and welfare, to disclose the information to the shareholders transparently, in time and equally among their group which is not limited to any specific group or person.

- Promise-keeping and Trust worthiness

The Company shall keep its promise to all related person e.g. creditors and customers, etc. in order to create the confidence and credibility to all related persons. In the event of misunderstanding, the Company shall solve such misunderstanding from the actual fact, without deception, in order to complete its' mission and commitment.

- Respect to others

The Company shall not accuse or insult others and shall respect to their freedom and individual privacy. Moreover, the Company shall listen to the employees' opinion, customer's complaint or blame in order to improve and develop the organization to be equal for every level of all related persons.

- Law Abiding

The Company has run business under the rule of law including the regulations of other related government sector in order to ensure that the business operation has been made correctly and shall be valued to the country's economic system.

### **10.2.2 Policy of Anti-Corruption**

In the Board of Directors Meeting No. 6/2556 held on 12 November 2013, the Meeting resolved to approve the anti-corruption policy, which formed a part of the Good Corporate Governance Handbook. Approval of such policy was to confirm the adherence to the responsibility for the society and all groups of stakeholders in accordance with the good corporate governance principles. The Company expressed the intent not to tolerate any form of corruption, directly or indirectly, covering the business and all transactions in all countries and agencies concerned, both of the Company and subsidiaries. The Company has the policy to prohibit directors, executives, employees as well as third parties who are related with the Company from taking any action deemed as corruption, whether being offering, promising, soliciting, demanding, giving or accepting bribes, and to reiterate such affirmation, the Company expressed the intent to participate in the Private Sector Collective Anti-Corruption (CAC), and to implement this policy, the Company requires all directors, executives and employees to comply with this policy.

#### Definitions under the anti-corruption policy

Corruption means bribery in any form, through offering, promising, granting, pledging, demanding or receiving money, property or any other undue benefit, with government officials, government agencies, private agencies or those in charge of duties, directly or indirectly, for such person to perform, or refrain from performing, their duties in order to obtain or maintain a business or introduce a business specifically to the Company, or to obtain or maintain any other undue business benefits, except where laws, regulations, notifications, requirements, local customs or commercial traditions so permit.

#### Duties and responsibilities

1. The Board of Directors have the duties and responsibilities in determining policies and making available efficient anti-corruption system to ensure that the Management recognized and placed importance on anti-corruption and implanted it until it became organizational culture.
2. The Audit Committee has the duties and responsibilities in reviewing the financial reporting and accounting system, the internal control system, the internal audit system and the risk management system to ensure their compliance with international standards, concision, suitability, modernity and efficiency.
3. The Chief Executive Officer and/or Managing Director has the duties and responsibilities to require availability of systems and promote and support anti-corruption policy to communicate to all employees and parties concerned, and to review the appropriateness of all systems and measures to ensure consistence with the changes in the business, rules, regulations and provisions of laws.
4. The Internal Audit Director has the duties and responsibilities in auditing and reviewing work performance to see if it is properly in compliance with policies, guidelines, authorities, procedures, laws and requirements of the Compliance Unit to ensure that a system which is suitable and adequate to cope with possible corruption risks is available and promptly report to the Audit Committee for information.

Guidelines

1. The Company requires all directors, executives and employees to comply with the anti-corruption policy and ethics of the Company by refraining from getting involved with corruption, directly or indirectly.
2. All employees must help watching and not neglecting or ignoring when finding any action within the scope of corruption by promptly reporting it to the supervisor or the person in charge, and cooperate in checking facts. If there is any doubt or question, the supervisor or the person designated for such purpose, e.g. the Audit Committee, shall be consulted.
3. The Company shall provide justice and protection to whistleblowers on corruption by introducing measure on protection of whistleblowers or those cooperating in reporting on corruption as prescribed by the Company in the Whistleblower Policy.
4. Whoever is ruled with proven evidences of the offense of corruption shall be penalized in accordance with regulations prescribed by the Company including legal penalty if such action has any applicable legal effect.
5. The Company shall publicize its guidelines on the website and inform make it clear with other persons performing duties relating to the Company or which may affect the Company, on matters to be performed in compliance with this anti-corruption policy.
6. The Company shall create and implant consciousness for all executives and employees to observe the anti-corruption guidelines as a basis for sustainable strengthening of the Company by publicizing this policy to employees at all levels, and organizing training on clarification of the guidelines for new employees.

Procedures

1. Any action taken in accordance with this anti-corruption policy shall be in compliance with the procedures prescribed in the Code of Ethics, Good Governance Manual as well as Ethical Procedures of the Company.
2. This policy shall cover the personnel management process, personnel recruitment, promotion, training and employee performance evaluation and provision of remunerations.
3. All executives and employees shall exercise care in respect of giving, granting or receiving gifts or presents from customers and those with business relationships with the Company or stakeholders of the Company to ensure compliance with the Code of Ethics of the Company.
4. Cash donation or financial support to any activity of the Company must be transparent and legitimate by preventing any cash donation or financial support from being referred to in bribery.
5. The Procurement Department or agencies coordinating businesses in various sectors must perform their duties transparently, honestly and verifiably.

Assessment monitoring

1. The Company requires the Internal Audit to monitor compliance with the anti-corruption policy and report any incident or action which may cause such corruption to the Management and/or the Audit Committee immediately.



2. If such action is proven an offense the Company shall penalize the offender based on the degree of severity of such incident, primarily by taking disciplinary action against the employee causing the corruption. If the offense involves legal offense the Company shall take additional action in accordance with the legal penalty.
3. The Internal Audit has prepared an annual self-assessment form in respect of anti-corruption to assess the Company's anti-corruption procedures. Such assessment form is based on the self-assessment form in respect of anti-corruption measure prepared by the Thai Institute of Directors (IOD) to report to the Audit Committee and the Board of Directors on the outcomes of compliance with the Anti-corruption Policy, and shall disclose the assessment outcomes in the annual report of the Company for information of stakeholders of the Company.

### **10.2.3 Ethics and Conduct of Compliance with Laws and Regulations and International Human Rights Principles**

ACAP Advisory Public Company Limited supports and strives to operate the business with transparency and observations of laws and human right principles. This awareness is founded from the visions and organizational values, and the Company has expressed this intent by signing the Universal Declaration of Human Rights (UN Global Compact). Apart from what specified in said Universal Declaration, all directors, executives and employees are required to comply with the code of conduct governing observations of laws and human right principles as follows.

1. The Company shall operate the business by observing all laws and all employees and executives must also comply with laws.
2. The Company shall strictly comply with the universal human right principles and provide knowledge, comprehension in the universal human right principles to employees for observation as a part of the Company's business operation.
3. The Company does not support activities which violate the human right principles.
4. The Company urges employees to exercise their lawful and legitimate rights as Thai citizens.
5. The Company shall keep confidential personal information of employees. Disclosure or transfer of personal information of employees to the public may be made only with consent of employees concerned. Violation of this provision is deemed disciplinary offense, except if committed in accordance with the Company's regulations or with laws.
6. The Company shall give employees channels for communications, suggestions and grievances on their work-related frustrations. All suggestions shall be seriously considered and solutions shall be determined for benefits of all parties and to create good relationships in working as a team.
7. Employees at all levels of the Company must thoroughly acquaint themselves with laws directly applicable to their duties and responsibilities and strictly comply therewith. If in doubt, they shall seek advice from the Legal Office, and shall not take action in accordance with their own assumption without advice.
8. All employees must not commit any act of tort or threatening, verbally or physically, against others based on race, sex, religion, age, physical and mental disability.

**10.2.4 Respect to the right and behave to the workforce with fairness**

The Company has provided the welfare and remuneration to the employees correctly according to the labour law, provided activities for relaxation, provided training courses to enhance their skill, provided the provident fund, etc. Moreover, we also respect to the right of the employees without any intimidation or persecution for instance the right to leave for vacation, right for errand leave, right for sick leave, right to express opinion to the operation policy which the employees can suggest through the human resource department or through his/her superior.

Moreover, the Company has a policy to employ staffs by adhering to the lawful labor employment principle and respecting the labors' human rights covering employment, social protection, freedom in social association, health and safety, etc.

**10.2.5 Responsibility to the clients or customers**

We pay attention in serving our customers by follow up the result of our service whether it has been complied with the objective or not. The service served to the customers shall be served with care, circumspection, comply with the law and related regulations. In the event that any problem is occurred, we shall consult with our customer in order to find solution jointly and shall not leave such problem be solved solely by the customer.

Success in business comes from satisfying our customers. Therefore, the Company must maintain strong and caring relationships with its customers. The Company applies the following practices in dealing with customers:

1. Provide only the products and services that the Company is capable and skilled in providing.
2. Charge a fair fee for products and services that is not excessive when compared to the quality provided.
3. In providing the instruction about the period of time, condition, right, privilege and obligation of the services to the customers, the Company shall provide such information clearly, actually, transparently and without any misrepresentation.
4. In order to invite the customers to use our services, the Company shall not specify any condition that is unfair and unclear and may show the intention to take advantage from the customers intentionally.
5. Comply with conditions as agreed with customers. In the event of force majeure, inform the customer in advance if possible in order to mutually find a solution.
6. Strictly and regularly protect the confidentiality of customer information and not use such information for self benefit.

**10.2.6 Environment Preservation**

Although the Company is not running the business using any natural raw materials to generate goods or services, but the Company launched a campaign for employees to recognize the importance of energy saving by introducing a policy to train employees on the environment aspect and implementing a code of practice as a part to help reducing the global warming and pollutions as well as to help the country to indirectly save the energy by announcing, in writing, seeking cooperation from employees to turn off the light during lunch break, recycle usable papers, use office equipments economically, etc. The Company believes that with earnest cooperation, the country shall save its natural resources and conserve the environment on a sustainable basis.

**10.2.7 Participation in community or social development**

Employees and executives of the Company jointly carried out, every year, activities for less fortunate persons in the society, e.g. orphans, disabled children, eldercare nursing home, by giving donations and meals etc. to those people who needed assistance from the society to encourage them to live happily in the society. The Company, perceiving such important facts and wanting to encourage people in the same society, therefore, organized such activities regularly, which included assistance to non-Thai fellowmen in cases of floods or earthquakes overseas, the Company would jointly with employees and executives provide assistance, in cash or in kind, to them.

**10.3 Activities for benefits of the society and the environment**

In 2003 the Company established a Foundation for Underprivileged Children and Elderly to carry out activities in providing social assistance. Throughout the past several years the Company participated in caring and taking responsibility for the society through the Foundation under cooperation of executives and employees of the Company to provide underprivileged children and elderly, including those suffering from incidents leading to loss of life or property, with opportunities. Such activities included cash donation through other charities and those organized by the Foundation itself. Activities organized during the past years are as follows.

- |      |   |
|------|---|
| 2008 | Donating money and necessary goods to Bang Lamung Elderly Home in Choburi.<br>Donating money to the Thai Red Cross for disaster victims in Myanmar.<br>Donating money to the Thai Red Cross for earthquake victims in China.  |
| 2009 | The company donated money and necessary goods to disabled people in Phrapradaeng, Samutprakarn. Moreover, the Company responds to the financial needs of major disasters which might take place in Thailand or abroad.  |
| 2010 | The company has support the social activity by building a school library including donating of books, educational aid and the scholarship to WattoongKham school at Korkar district, Lampang province.  |
| 2011 | The Company provided social assistance by visiting flood victims in Bangbuathong District to distribute 500 relief bags.  |
| 2012 | The Company provided social assistance by donating money for educational supplies and building volleyball court to Baan-Koh-Mai-Lam School located in Baan-Bung District, Chonburi Province<br>The Company gave educational materials, teaching supplies, and donated money for constructing toilets to Wat-Na-Ku School located in Pak-Hai District, Ayutthaya Province. |
| 2013 | The Company provided social assistance by donating educational supplies and sport equipments to Ban Rai School located in Pantong District, Chonburi Province   |

The Foundation monitored and evaluated its performance within 3 months after conclusion of each activity. The person in charge of the Foundation would inquire caretaker of the venue and send representatives to visit it to evaluate if such assistance was useful and met the objective thereof.

## **11. Internal Control and Risk Management**

The Company has taken several measures to ensure its internal control processes function effectively. This includes a balanced composition of the board of directors, an audit committee made up of independent directors and dedicated monitoring and risk management departments which report directly to director-level committees.

For monitoring and control, the Company has an Internal Audit Department and a Compliance Department which report directly to the Audit Committee and attend monthly Audit Committee meetings. The Company also has a Risk Management Department which reports directly to the Executive Committee.

### ***Internal Audit Department***

The Company had a total of 3 independent directors performing throughout the year 2014, representing 1/3 of the total number of directors of the Company, all of whom constituted the Audit Committee. Although there were changes to the audit directors, i.e. Mrs. Pennipa Dabbaransi was elected to the office of the Chairman of the Audit Committee replacing Mr. Suraphol Sindhuanich on 9 August 2014 (later Mrs. Pennipa Dabbaransi resigned on 18 December 2014), and Mr. Isara Wongrung replacing Ms. Narumol Wangsatorntanakun on 1 October 2014, but the Company had its Audit Committee performing independently throughout the year without restrictions in being provided with information as well as good cooperation from executives and staffs concerned. Such duties include review of the Company's financial statements to ensure transparency, reliable and accuracy. Internal Audit Department and Supervision Department, independent units under the Audit Committee reporting directly to the Audit Committee, participated in meetings with the Audit Committee regularly every month. Risk Management Department reported on possible risks directly to the Executive Committee of the Company.

### ***Compliance Department***

Ms. Onsuang Keiwkarnka also performed as Chief of the Compliance Department in charge of monitoring, evaluates and controls the Company's operation systems to ensure compliance with all relevant laws and regulations. The department reports evaluation results concerning risk prevention and control plans for each department directly to the Audit Committee and the Board of Directors.

Moreover, the Company has systems in place to prevent leakage of information between different operating units (i.e., Chinese Wall policy) by segregating the section that holds confidential information into a separate area, setting up a code name for each client, allocating and limiting the team for each project to avoid conflicts of interest. Staff are trained regarding regulations concerning the safeguarding of confidential information (as disclosed in the section on corporate governance). The Company also has a secure documentation management system in place so only internal auditors or authorised juristic persons can inspect documents when necessary.

### ***Risk Management Department***

The Risk Management Department develops and monitors the Company's risk management program. This involves coordinating with and advising each department on risk evaluation and risk management, and also assisting in the creation of their risk prevention and control plans.

The Audit Committee together with the Internal Audit Committee reviewed, evaluated and audited the Company's internal control systems in 2014 - during the Audit Committee's meeting of 1/2015 held on 29 January 2015. The results were reported to the Executive Committee at meeting on 16 February 2015 and the Board of

Directors at meeting 3/2014 on 20 March 2015. The evaluation concerned five areas: 1) Controls Environment, 2) Risk Assessment, 3) Control Activities, 4) Information and Communication, and 5) Monitoring Activities.

The Audit Committee concluded that the Company has sufficient internal control systems that are able to support the Company's operations according to the principles of Good Corporate Governance. In addition, the Audit Committee has reviewed and approved the Company's financial statements and has reported this issue to the Board of Directors.

**12. Relate Transaction**

**12.1 Revenue and Expenses between the Company, Subsidiaries and Related Companies**

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2014	2013		
Global Service Center Co., Ltd. (GSC) (Formerly named ACAP Services Co., Ltd.)	99.99% owned subsidiary of the Company	The Company received Service Fee from GSC for management.	0.01	0.01	These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which are reasonable and given the benefit to the Company.
		The Company received Interest Income from loans to GSC.	1.58	1.11		
ACAP Consulting Co., Ltd. (ACON)	99.99% owned subsidiary of the Company	The Company was reimbursed by ACON as part of expense allocations among the companies in the group.	0.13	0.13	These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which are reasonable and given the benefit to the Company.
		The Company received Interest Income from loans to ACON.	0.27	0.18		

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2014	2013		
ACAP Corporate Services Co., Ltd. (ACS)	99.99% owned subsidiary of the company	The Company received Interest Income from loans to ACS.	0.03	0.16	These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which are reasonable and given the benefit to the Company.
		The Company was reimbursed by ACS as part of expense allocations among the companies in the group.	0.23	0.24		
Capital OK Co., Ltd. (CAP OK)	99.99% owned subsidiary of the company	The Company received Service Fee from CAP OK for serving software systems.	0.09	0.08	These inter-company transactions were in accord with the usual business and trade practice.	The Audit Committee has an opinion that these transactions are reasonable and given the benefit to the Company.
		The Company paid Interest Income from loans to CAP OK.	3.23	10.15		

Individual / Juristic Person Which may be in Conflict	Type of Relationship	Type of Transaction	Transaction Value (THB million)		Necessity and Reasonability of Transactions	Opinion of Audit Committee
			2014	2013		
Professional Collection Co., Ltd. (PCOL)	99.99% owned subsidiary of the company	The Company received Service Fee from PCOL for serving software systems	0.01	0.01	This transaction was in accord with the usual business and trade practice.	The Audit Committee has an opinion that these transactions are reasonable and given the benefit to the Company.

**12.2 Assets and Liabilities between the Company, Subsidiaries and Related Companies**

Individual / Juristic Person Which may be in Conflict	Relationship Type	Transaction Type	Transaction Value (THB million)		Reasonableness and Necessity of Transactions	Audit Committee's opinion
			2014	2013		
Global Service Center Co., Ltd. (GSC) (Formerly named ACAP Services Co., Ltd.)	99.99% owned subsidiary of the company	The Company received Interest Income from loans to GSC.	0.19	0.19	These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which is reasonable and causes no loss of benefit to the Company.



Individual / Juristic Person Which may be in Conflict	Relationship Type	Transaction Type	Transaction Value (THB million)		Reasonableness and Necessity of Transactions	Audit Committee's opinion
			2014	2013		
ACAP Consulting Co., Ltd. (ACON)	99.99% owned subsidiary of the company	ACON paid Interest Income from loans to The Company.	0.03	0.02	These inter-company transactions with subsidiary companies were in accord with the usual business and trade practice.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company, which is in accord with the usual business and trade practice.
Professional Collection Co., Ltd. (PCOL)	99.99% owned subsidiary of the company	Advance for expenses made by ACAP on behalf of PCOL.	0.10	-	These transactions were in accord with the usual business and trade practice and given the benefit to the Company.	The Audit Committee has an opinion that these transactions are reasonable and given the benefit to the Company.
Capital OK Co., Ltd. (CAP OK)	99% owned subsidiary of the company	The Company has account receivable & advance payment for software provided to CAP OK.	0.46	0.03	These transactions were in accord with the usual business and trade practice and given the benefit to the Company.	The Audit Committee has an opinion that these transaction are in accord with the usual business and trade practice, reasonable, and given the benefit to the Company.

**12.3 Borrowings between the Company, Subsidiaries and Related Companies**

Individual / Juristic Person Which may be in Conflict	Relationship Type	Transaction Type	Transaction Value (THB million)		Reasonableness and Necessity of Transactions	Audit Committee's opinion
			2014	2013		
ACAP Consulting Co., Ltd. (ACON)	99.99% owned subsidiary of the company	The Company provides loan to subsidiary to be utilized as a working capital.	10.50	7.70	These inter-company transactions provided financial support to the subsidiary a part of normal business operations. The Company set up a full impairment for the loan.	The Audit Committee has an opinion that this is an Inter-company transaction with subsidiary company which is reasonable and this transaction was charged at a normal rate. However, the Company set up a full impairment for the loan.
Global Service Center Co., Ltd. (GSC) (Formerly named ACAP Services Co., Ltd.)	99.99% owned subsidiary of the company	The Company provides loan to subsidiary to be utilized as a working capital.	82.50	41.50	These inter-company transactions provided financial support to the subsidiary a part of normal business operations. The Company set up a partial impairment for the loan.	
Capital OK Co., Ltd. (CAP OK)	99% owned subsidiary of the company	CAP OK provides loan to the Company to be utilized as a loan to other company.	200.00	-	These transactions were in accord with the usual business and trade practice and given the benefit to the Company.	The Audit Committee has an opinion that these transaction are in accord with the usual business and trade practice, reasonable, and given the benefit to the Company.

**12.4 Guarantee obligation**

-None-

**12.5 Procedure in approving related party transactions**

Related party transactions must be approved by the Audit Committee and Board of Directors, under which the parties that may be in conflict of interest cannot exercise their voting rights. Moreover, the approved items must be in compliance with prevailing laws, regulations, orders, related notifications, including the requirements of the Security Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

**12.6 Anticipated future related party transactions**

At present, the Company has sufficient liquidity and working capital to support its business operation. However, under circumstances where the Company and its subsidiaries require financial support of the Company's directors, the Company would propose the matter to the Board of Directors and inform the Audit Committee. The Board of Directors and the Audit Committee would consider the necessity and reasonableness of such transactions to ensure that the transactions do not impair the rights of the Company, its subsidiaries and its shareholders.