

OTHER BUSINESSES

RUBBER PLANTATION

As at 31 December 2015, Sri Trang Group has obtained approximately 51,650 rai (8,264 hectares) in 19 provinces of Thailand suitable for rubber plantation, 83% has already planted and some of which started to yield from December 2015 onwards. The majority are located in the Northern and North-Eastern regions of Thailand.



RUBBER WOOD PROCESSING

Through our subsidiary, Anvar Parawood, we also involved in the production and distribution of processed dried rubber wood and other types of woods for packaging and furniture industry in both local and global markets.



HIGH-PRESSURE HYDRAULIC HOSES

Semperflex Asia, jointly established by STA and an Austrian company, is Thailand's largest producer of high pressure hydraulic hoses which are primarily used for heavy industry, mining industry, and other industries. Currently, Semperflex Asia is Thailand largest producer of high pressure hydraulic hoses.



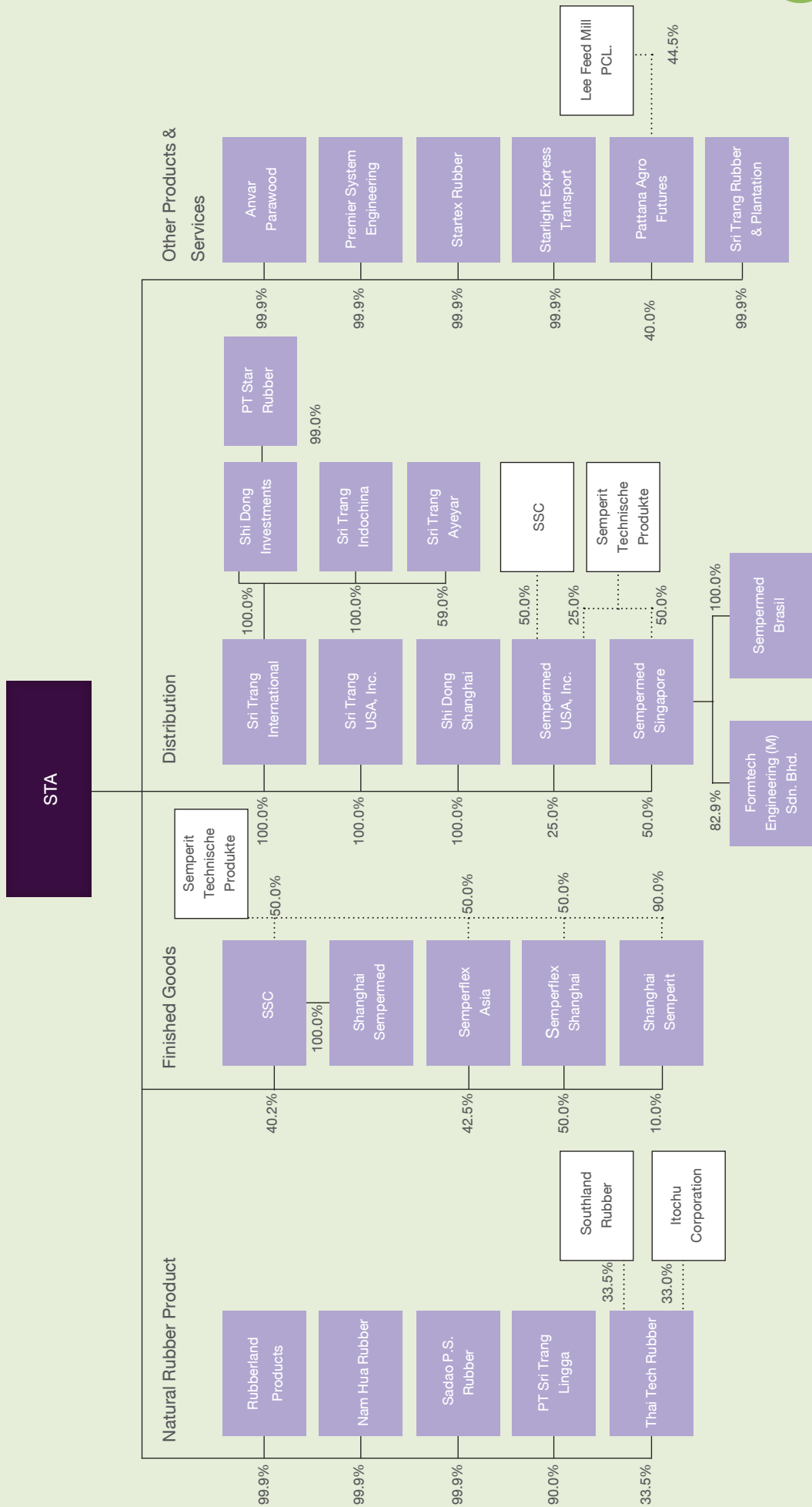
ESCALATOR HANDRAILS

We participate in the production and sale of high quality escalator handrails through Shanghai Semperit, a leader of world's escalator handrail industry.



GROUP STRUCTURE

The group structure of the Company as of 31 December 2015 is shown in the diagram below.



REVENUE STRUCTURE OF SRI TRANG GROUP

| Type of Business / Operated by | % Shareholding by STA | Year ended 31 December | | | | | |
|--|-----------------------------|------------------------|------|--------------|------|--------------|------|
| | | 2013 | | 2014 | | 2015 | |
| | | Baht million | (%) | Baht million | (%) | Baht million | (%) |
| REVENUE FROM TSR PRODUCTS | | 70,773.7 | 76.6 | 57,512.4 | 76.0 | 44,482.7 | 72.3 |
| STA | - | | | | | | |
| Sri Trang International | 100.0 | | | | | | |
| Sri Trang USA, Inc. | 100.0 | | | | | | |
| Rubberland Products | 99.9 | | | | | | |
| Nam Hua Rubber | 99.9 | | | | | | |
| PT Sri Trang Lingga | 90.0 | | | | | | |
| Shi Dong Shanghai | 100.0 | | | | | | |
| PT Star Rubber | 99.0 | | | | | | |
| REVENUE FROM RSS PRODUCTS | | 12,845.5 | 13.9 | 9,818.5 | 13.0 | 5,462.4 | 8.9 |
| STA | - | | | | | | |
| Sri Trang International | 100.0 | | | | | | |
| Sri Trang USA, Inc. | 100.0 | | | | | | |
| Nam Hua Rubber | 99.9 | | | | | | |
| Shi Dong Shanghai | 100.0 | | | | | | |
| Sadao P.S. Rubber | 99.9 | | | | | | |
| REVENUE FROM CONCENTRATED LATEX PRODUCTS | | 6,047.4 | 6.5 | 5,631.5 | 7.4 | 4,774.2 | 7.8 |
| STA | - | | | | | | |
| Sri Trang International | 100.0 | | | | | | |
| Shi Dong Shanghai | 100.0 | | | | | | |
| Sri Trang USA, Inc. | 100.0 | | | | | | |
| Rubberland Products | 99.9 | | | | | | |
| Nam Hua Rubber | 99.9 | | | | | | |
| REVENUE FROM OTHER PRODUCTS AND SERVICES* | | 2,518.5 | 2.7 | 2,567.5 | 3.4 | 6,572.5 | 10.7 |
| STA | - | | | | | | |
| Anvar Parawood | 99.9 | | | | | | |
| Sri Trang International | 100.0 | | | | | | |
| Premier System Engineering | 99.9 | | | | | | |

| Type of Business / Operated by | % Shareholding by STA | Year ended 31 December | | | | | |
|--|-----------------------------|------------------------|--------------|-----------------|--------------|-----------------|--------------|
| | | 2013 | | 2014 | | 2015 | |
| | | Baht million | (%) | Baht million | (%) | Baht million | (%) |
| Starlight Express Transport | 99.9 | | | | | | |
| Startex Rubber | 99.9 | | | | | | |
| Rubberland Products | 99.9 | | | | | | |
| Sri Trang USA | 100.0 | | | | | | |
| Shi Dong Shanghai | 100.0 | | | | | | |
| Sri Trang Rubber & Plantation | 99.9 | | | | | | |
| OTHER INCOME | | 249.5 | 0.3 | 133.9 | 0.2 | 186.3 | 0.3 |
| TOTAL REVENUE | | 92,434.6 | 100.0 | 75,663.8 | 100.0 | 61,478.1 | 100.0 |
| Share of profit of investments in associates and joint ventures | | 495.6 | | 535.1 | | 648.8 | |

Note* : Comprises (i) the sale of rubber wood and wood packing products and (ii) the provision of certain services (such as logistics, research and development and information technology services) to our associates and a joint venture entity as well as other external third parties (iii) RSS processing fee for Thai Government recognized from Q3 2012 onwards (iv) the sale of gloves.

OUR BUSINESS STRATEGY AND FUTURE GROWTH PLAN

In order to strengthen our position as leader in the natural rubber business and ensure sustainable growth, Sri Trang Group continuously seeks to expand the business and improve every facet of operation and procurement to environmental practices.



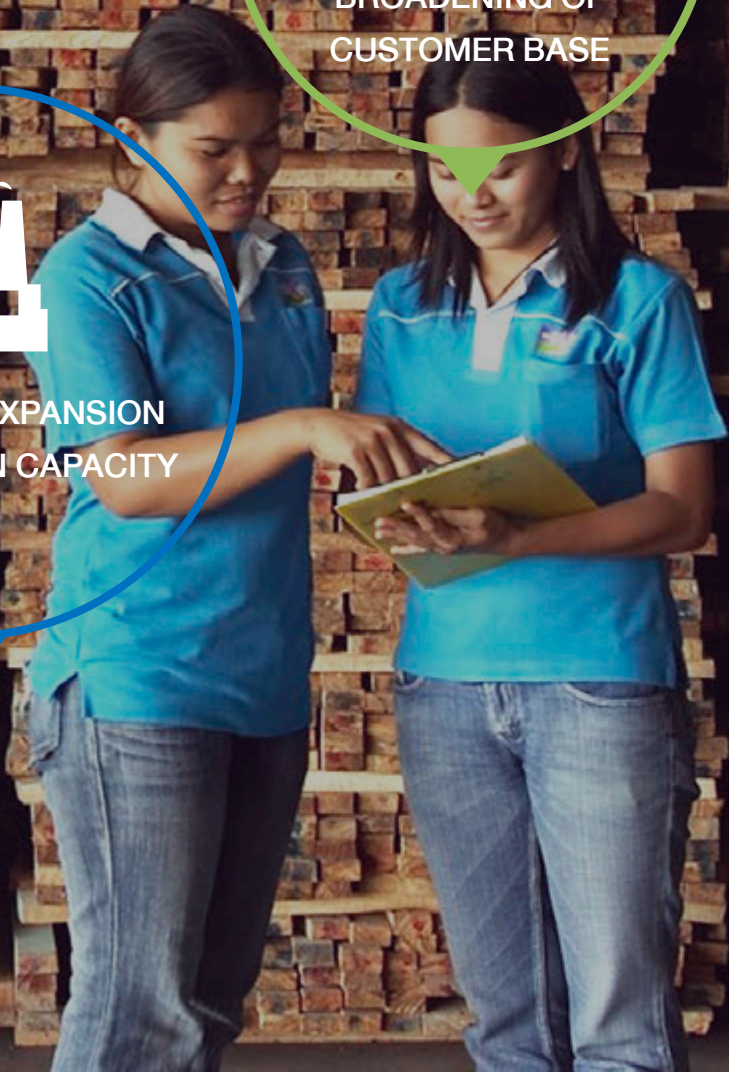
BROADENING OF
RAW MATERIAL SOURCES



BROADENING OF
CUSTOMER BASE



CONTINUOUS EXPANSION
OF PRODUCTION CAPACITY





BROADENING OF RAW MATERIAL SOURCES

Our entrance into the upstream sector through over 50,000 rai (8,000 hectares) of rubber plantations in 19 provinces of Thailand has provided us with additional sources of raw materials from neighboring plantations and given us insights as regards the supply of natural rubber. In addition, we also strive to nurture our relationships with rubber farmers and dealers through various educational and recreational activities. We believe that all this will allow Sri Trang Group to attain international standards with regard to raw material sourcing, which are traceability and sustainability, two attributes currently valued by customers.

CONTINUOUS EXPANSION OF PRODUCTION CAPACITY

Sri Trang Group has continuously sought to expand operations. Because we believe that increased market share is key to long-term growth and success, we have constantly sought to ensure that our production processes are at the cutting edge of technology. We aim to reach an annual production capacity of 1.7 million tons within 2016, which should allow us to benefit from economies of scale and strengthen our position as leader in the natural rubber business.

We are strongly aware that we cannot achieve sustainable growth without the simultaneous development of the communities in our areas of operation. Accordingly, with every single step that we take toward expansion, we also take into account the environment and the neighboring communities. All of our processing and manufacturing facilities adhere to international environmental standards and are fully certified. We also organize various educational and recreational activities and seek to create employment opportunities for neighboring communities.



BROADENING OF CUSTOMER BASE

Our key sales strategy is to supply products that satisfy the demands of customers from all over the world. We have sought to continuously expand our customer base through penetration of fast-growing markets as well as new markets with strong growth potential. Our penetration into Chinese market during the past decade has proved advantageous to our market share, as we benefited from the growing demand for natural rubber in China, presently the world's largest consumer of natural rubber, accounting for more than one-third of global demand for natural rubber.

At Present, China continues to be the largest consumer of natural rubber in the world, accounting for

more than 1/3
of global demand for natural rubber.

NATURAL RUBBER INDUSTRY AND COMPETITION

NATURAL RUBBER INDUSTRY

Natural Rubber (NR) industry underwent market volatility and uncertainties of external factors throughout the year 2015. NR price declined approximately by 20% compared with the year 2014 from various unfavorable factors including subdued growth of global economy, especially in China - the world's largest consumer of natural rubber, the appreciation of US dollar from looming US interest rate hike, and low level of oil prices.

DEMAND AND SUPPLY OF NATURAL RUBBER IN 2015

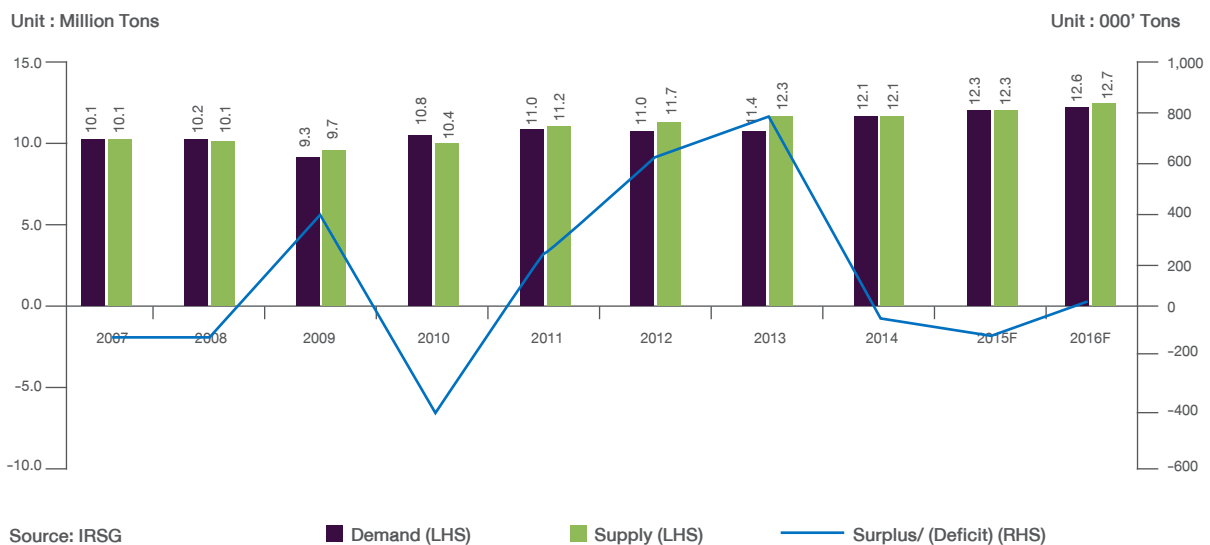
According to International Rubber Study Group (IRSG), World Rubber Industry Outlook, Review and Prospects to 2024 as of December 2015, the world demand of natural rubber (NR) in 2015 was 12,342,000 tons, up 1.8% YoY (2014 : 6.8%). The decelerating growth was mainly due to the world economic slowdown, especially in China who is the world's largest natural rubber consuming country. This was adversely affected tire industry which constituted more than 70% of NR demand. Tire production slightly grew by 2.4% in 2015 compared to 4.4% in 2014. Meanwhile, the world supply of NR increased by 1.4% to 12,274,000 tons in 2015. The growth of supply are mainly from Thailand, Vietnam and CAMAL* countries.

TREND OF DEMAND AND SUPPLY OF NATURAL RUBBER IN 2016

On the backdrop of gloomy global economic outlook, IRSG projected that NR demand in 2016 will slightly increase by 2.0% from 2015 to 12,591,000 tons. For NR supply, IRSG forecasted that the NR production will grow at 3.1% reaching 12,653,000 tons in 2016. The largest sources of additional supply volumes are CAMAL* countries, India, and China, while the top-3 producing countries (Thailand, Indonesia, and Vietnam) will maintain their production level relatively at the same level as 2015.

Note*: CAMAL countries include Cambodia, Myanmar and Lao PDR.

DIAGRAM EXHIBITS DEMAND AND SUPPLY OF NATURAL RUBBER DURING 2007-2016



BALANCE OF NATURAL RUBBER DEMAND AND SUPPLY

In 2016, an ample NR supply from new rubber plantation during upsurge of NR price during 2005-2008 is expected while NR consumption, undermined by the slowing economic development, might be insufficient to absorb the expansion of supply. However, prolonged low level of NR price would encourage the switch to other crops, postpone the new planting/re-planting schedule, reduce skilled tapping labour and tapping activities, and limit new rubber farmers. Thus, IRSG anticipated that NR supply surplus will hover around 62,000 tons, significantly decrease from its peak in 2013 of 851,000 tons.

COMPETITION

“It’s been more than half a decade that natural rubber industry has being challenged by various factors including the slowdown of global economy, the fluctuation of USD currency, the downfall of commodities’ prices, etc. Many competitors have inevitably exited the industry under this unfavorable condition. Our long-standing competitiveness in this tough industry is attributed to our product quality, our largest production scale, our excellent customer service, our geographical diversification, seasoned management team, and risk management system”

Key NR producing and exporting countries are Thailand, Indonesia, Vietnam, and China. With our 9%¹ of world market share in 2015, we believe that we are the world’s largest fully integrated natural rubber processing company. Our main competitors are Von Bundit Company Limited, Southland Group, and Thai Hua Rubber Public Company Limited who are based in Thailand, The Kirana Group, Halcyon Agri Corporation, Sinochem Group, and China Hainan Rubber Industry Group who are based in other countries.

Our remarkable size of production has allowed us to create the economies of scale and bargaining power, increase competitive edge for product quality development, and enhance our accessibility to different sources of financing.

¹Based on our sales volume of Natural Rubber Products of approximately 1,119,966 tons for the financial year ended 31 December 2015 and the total global demand for Natural Rubber Products of approximately 12,342,000 tons in 2015.

Being a midstream player in NR industry, it is crucial to ensure that we are in a position to operate efficiently with upstream and downstream counterparts. We, therefore, strategically set up production base in Thailand and Indonesia, the world’s two largest Natural Rubber producing countries collectively contributed more than 60% of world production. In addition, we also have our footstep in Myanmar, the high potential growth of NR producing country. For sales & distribution, we have established subsidiaries in China, Singapore, the US, and Vietnam to carry out sales & distribution activities. With our high standard of quality, we have excellent coverage of world’s leading tyre makers as well as other tyre manufacturers throughout the world.

Our multi-national platform and resourceful sales & marketing teams have enabled us to deliver excellent customer services. The customers around the world can reach our customer hotline at all time for Natural Rubber price updates. For after sale services, we are gearing towards zero complaint by setting up a systematic customer complain process where any complaints will be timely response.

Group of seasoned managements with almost 30-year of experience in Natural Rubber industry is one of the most important competitive advantages that we have over our competitors. In order to make a precise decision on business direction and operation plan as well as to set up an effective risk management system to hedge against volatile currency and rubber price fluctuation, natural rubber processors need to have in-depth understanding on numerous related factors such as world macro-economic conditions, demand-supply situations, currency movements, oil price trend, government policy, etc. Thus, we believe that our management team’s insights enable us to continually increase our competitive edge and profitability as well as strengthen our market position as a dominant natural rubber player.

KEY STRENGTHS



Being the world's largest natural rubber processing company with a world market share of 9%

- Capture all possible market segments with full range of natural rubber products.
- Benefit from economies of scale.
- Balance the bargaining power with suppliers and customers.
- Enhance accessibility to different sources of fund, financial instruments, and customers to support our operation and expansion.



Fully integrated natural rubber supply chain business model

- Gain direct access to supply and demand information
- Enables us to respond to changes in market conditions and manage our production and position efficiently.
- Maximise competitive edge and cost efficiency.
- Create potentials for business expansion in the future.



Well-balanced portfolio with a good coverage of sales and distribution

- Cover all class of customers to serve demand from every corner of the world.
- Good risk diversification as no single customer accounts more than 7% of our total sale volume.
- Get direct access to end-users to gain demand flow and market sentiment.



Having production base in major natural rubber producing countries

- Advantage in secure raw material as Thailand and Indonesia are the major natural rubber producing countries in the world, collectively contributed about 65% of global production.
- Flexible production management from different seasonality throughout the year.
- Having a rich number of raw material procurement centers to reduce the reliance on intermediaries.



Expand upstream to rubber plantation business

- Emphasise on cost leading position
- Enhance profitability and reduce volatility in earning
- Create procurement networks for potential raw material from neighboring areas.
- Pinpoint strategic locations for midstream factories in the future.



Possess advanced technology and strong R&D capability

- Enable us to promptly respond to different customers' requirements.
- Strengthen relationship with customers from a direct R&D integration between our team and customers'.
- Build up competitiveness from economies of speed.
- Enhance productivity and reduce cost.



Captained by highly experienced managements

- Led by a group of seasoned managements with almost 3-decade experience in natural rubber industry

BOARD OF DIRECTORS



01

Dr. Viyavood Sincharoenkul (Age 60 years)

Chairman/ Managing Director

Date of Appointment : 27 December 1993

Academic Background

- Ph.D. in Chemistry, Queen Elizabeth's College, University of London
- Bachelor's Degree in Chemistry (First Class), Queen Elizabeth's College, University of London

Training Program

- None

Present position

- Chairman, STA
- Managing Director, STA

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- Director, Thai Tech
- Director, Siam Sempermed
- Director, Semperflex Asia
- Director, Pattana Agro Futures
- Director, T.R.I. Global Co., Ltd.
- Director, STH

Positions in Non-Listed Companies in foreign countries

- Director, Sri Trang International
- Director, PT Sri Trang Lingga
- Director, Shi Dong Investments
- Director, Shi Dong Shanghai
- Director, Sempermed Singapore
- Director, PT Star Rubber
- Director, Sri Trang Indochina
- Director, Sri Trang Ayeyar
- Director, Semperflex Shanghai
- Director, Shanghai Semperit
- Director, Shanghai Sempermed

Work Experience

| | |
|----------------|--|
| 2010 – Present | Chairman, STA |
| 1993 – Present | Managing Director, STA |
| 1987 – 1993 | Managing Director, Sri Trang Agro-Industry Co., Ltd. |
| 1985 – 1987 | General Manager, Paktai Rubber Co., Ltd. |



02

Mr. Prasit Panidkul* (Age 68 years)**Vice Chairman/ Executive Director**

Date of Appointment : 27 December 1993

Academic Background

- Executive Micro MBA, Thammasat University

Training Program

- DAP 75/2008 by Thai Institute of Directors Association

Present position

- Vice-chairman, STA

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- None

Positions in Non-Listed Companies in foreign countries

- Director, PT Sri Trang Lingga

Work Experience

| | |
|-------------|--|
| 1993 – 2015 | Vice-chairman, STA |
| 1987 – 1993 | Vice-chairman, Sri Trang Agro-Industry Co., Ltd. |
| 1986 – 1991 | Member of Trang Provincial Council, Trang Province |
| 1975 – 1997 | Managing Partner, Trang Sahakarn Khonsong Ltd. |

Note*: The resignation of Mr. Prasit Panidkul as a director of the Company was effective from 26 October 2015 onwards.



03

Mr. Chaiyos Sincharoenkul (Age 65 years)**Director/ Executive Director****Date of Appointment : 27 December 1993****Academic Background**

- Executive Micro MBA, Thammasat University

Training Program

- DAP 66/2007 by Thai Institute of Directors Association

Present position

- Director, STA

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Sadao P.S. Rubber
- Director, Anvar Parawood
- Director, Premier System Engineering
- Director, Startex Rubber
- Director, Starlight Express Transport
- Director, STH
- Director, International Rubber Consortium Ltd.
- President of the Thai Rubber Association
- Member of Sub-standing Committee for Considering and Studying Agricultural Productivity, under the Standing Committee on Agriculture and Co-operatives, National Legislative Assembly
- Member of Ad Hoc Subcommittee for Considering Rubber Organization under the Bill on Rubber of Thailand, under the Ad Hoc Committee for Considering the Bill on Rubber of Thailand, National Legislative Assembly

Positions in Non-Listed Companies in foreign countries

- Director, PT Sri Trang Lingga
- Director, Shanghai Sempermed
- Director, Semperflex Shanghai
- Director, Sempermed Singapore
- Director, Shi Dong Shanghai

Work Experience

| | |
|----------------|---|
| 1993 – Present | Director, STA |
| 2008 – 2014 | Director, The Federations of Thai Industries |
| 2008 – 2012 | Chairman, The Federations of Thai Industries, Songkhla Province |
| 2008 – 2010 | Co-Chairman, IMT-GT Joint Business Council, Thailand |
| 2008 – 2010 | Chairman, Working Group on Agriculture, Agro-Based Industry and Environment |
| 1987 – 1993 | Director, Sri Trang Agro-Industry Co., Ltd. |



04

Mr. Kitichai Sincharoenkul (Age 56 years)

**Director/ Executive Director/
Nomination Committee Member**

Date of Appointment : 10 April 1995

Academic Background

- Master of Business Administration, Indiana State University, United States
- Bachelor in Economics, Thammasat University

Training Program

- DAP 67/2007 by Thai Institute of Directors Association
- SGX Listed Companies Development Programme: Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know

Present position

- Executive Director, STA Bangkok branch
- Director, STA
- Group Manager of Legal & Administration , STA

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- Director, Siam Sempermed
- Director, Semperflex Asia
- Director, STH
- Director, Pattana Agro Futures

Positions in Non-Listed Companies in foreign countries

- Director, Sri Trang Indochina
- Director, Sri Trang International
- Director, Shi Dong Investments
- Director, Sempermed Singapore
- Director, Semperflex Shanghai
- Director, Shanghai Sempermed
- Director, Sri Trang Ayeyar

Work Experience

| | |
|----------------|---|
| 2010 – Present | Group Manager of Legal & Administration |
| 2010 – Present | Nomination Committee Member, STA |
| 1995 – Present | Director, STA |
| 1988 – 2006 | Branch Manager, STA |
| 1984 – 1987 | Credit Department of Citibank |



05

Mr. Veerasith Sinchareonkul (Age 31 years)

Director/ Executive Director/ Chairman of Risk Management Committee

Date of Appointment : 28 April 2010

Academic Background

- Master of Business Administration (Finance and Marketing), Sasin Graduate Institute of Business Administration, Chulalongkorn University, Thailand
- Bachelor of Computer Science and Cybernetics, University of Reading, United Kingdom

Training Program

- DAP 85/2010 by Thai Institute of Directors Association
- TLCA Executive Development Program (EDP) class 10
- FSD26/2014 by Thai Institute of Directors Association

Present position

- Director, STA

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- Director, Semperflex Asia
- Director, Rubberland Products
- Director, Premier System Engineering
- Director, Starlight Express Transport
- Director, Sri Trang Rubber & Plantation

Positions in Non-Listed Companies in foreign countries

- Director, Shanghai Sempermed
- Director, Sri Trang USA
- Director, Sempermed USA

Work Experience

| | |
|----------------|--|
| 2013 – Present | Chairman of Risk Management Committee, STA |
| 2010 – Present | Director, STA |
| 2008 – 2011 | Corporate Credit Analyst, KASIKORNBANK PLC |



06

Mr. Paul Sumade Lee (Age 61 years)**Director/ Executive Director****Date of Appointment : 28 June 2010****Academic Background**

- Master of Business Administration, International Institute for Management Development, Lausanne, Switzerland
- Bachelor of Commerce University of New South Wales, (Sydney) Australia

Training Program

- SGX Listed Companies Development Programme: Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know

Present position

- Director, STA
- Chief Marketing Officer, STA

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- Director, Thai Tech

Positions in Non-Listed Companies in foreign countries

- Chairman, Sri Trang International
- Director, PT Star Rubber
- Director, Shi Dong Investments
- Director, Shi Dong Shanghai
- Director, PT Sri Trang Lingga
- Director, Sri Trang Indochina
- Director, Sri Trang Ayeyar

Work Experience

| | |
|----------------|---|
| 2010 – Present | Director/ Chief Marketing Officer, STA |
| 1988 – 2003 | Global Market Director, ELDERS Finance/ DRESDNER Bank |
| 1983 – 1987 | Programmer, Macquarie Bank |
| 1982 | Programmer, Custom Credit Corporation |
| 1979 – 1981 | Programmer, Computer Installation Development |



07

Mr. Patrawut Panitkul (Age 47 years)**Director/ Executive Director/ Risk Management
Committee Member**

Date of Appointment : 7 May 2014

Academic Background

- Bachelor Degree of Business Administration Accounting, Prince of Songkhla University

Training Program

- DCP195/2014 by Thai Institute of Directors Association
- SFE24/2015 Successful Formulation & Execution of Strategy by Thai Institute of Directors Association

Present position

- Director, STA
- Chief Financial Officer (CFO), STA

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Sadao P.S. Rubber
- Director, Anvar Parawood
- Director, Startex Rubber
- Director, Starlight Express Transport

Positions in Non-Listed Companies in foreign countries

- None

Work Experience

| | |
|----------------|---|
| 2014 – Present | Director, STA |
| 2013 – Present | Risk Management Committee, STA |
| 2010 – Present | Chief Financial Officer, STA |
| 2001 – 2009 | Accounting Manager of STA |
| 1992 – 2000 | Accounting Manager of Siam Sempermed Corp., Ltd |



08

Mr. Li Shiqiang (Age 43 years)**Director****Date of Appointment : 7 May 2014****Academic Background**

- Master degree in Business Management, Shanghai University, China
- Bachelor degree in Business English, Qingdao University, China

Training Program

- None

Present position

- Director, STA

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- None

Positions in Non-Listed Companies in foreign countries

- Director and General Manager, Shi Dong Shanghai
- Director, Sri Trang International

Work Experience

| | |
|----------------|--|
| 2014 – Present | Director, STA |
| 2012 – Present | Vice Chairman of China rubber Association |
| 2010 – Present | General Manager, Shi Dong Shanghai |
| 2004 – 2010 | Consulting Representative of Sri Trang Group in China |
| 2002 – 2003 | Import and Export Manager of Qingdao Sentaída Rubber Co., Ltd. |
| 2000 – 2002 | Natural Rubber Manager of Sinochem International Corp., Qingdao office |
| 1997 – 2000 | Assistance General Manager of Qingdao Tizong Rubber Tyre Co., Ltd. |



09

Mr. Chalernpop Khanjan* (Age 45 years)

**Director/ Executive Director/ Risk Management
Committee Member**

Date of Appointment : 29 October 2015

Academic Background

- Executive Micro MBA, Thammasat University
- Diploma in General Management from Industrial and Community Education College

Training Program

- None

Present position

- Director, STA
- Chief Operating Officer, STA

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- Director, Rubberland Products
- Director, Nam Hua Rubber
- Director, Sadao P.S. Rubber
- Director, Anvar Parawood
- Director, Starlight Express Transport

Positions in Non-Listed Companies in foreign countries

- None

Work Experience

| | |
|----------------|---|
| 2015 – Present | Director, STA |
| 2013 – Present | Risk Management Committee Member, STA |
| 2010 – Present | Chief Operating Officer, STA |
| 2006 – Present | Production Manager, Rubberland Products |
| 1998 – 2005 | Factory Manager, Rubberland Products |
| 1994 – 1997 | Assistant to TTR Factory Manager, STA |

Note*: The appointment of Mr. Chalernpop Khanjan as a director of the Company to replace Mr. Prasit Panidkul was in accordance with the resolution of the Board of Directors' meeting no.6/2558 on 28 October 2015 and was effective from 29 October 2015 onwards.



10

Mr. Prakob Visitkitjakarn (Age 75 years)

**Independent Director/ Chairman of Audit Committee/
Chairman of Remuneration Committee**

Date of Appointment : 27 December 1993

Academic Background

- Master of Business Administration, Indiana University, USA
- Bachelor of Science in Business (Honors), Indiana University, USA

Training Program

- Audit Committee Program (ACP) 27/2009 by Thai Institute of Directors Association
- Monitoring the Quality of Financial Reporting (MFR) 8/2009 by Thai Institute of Directors Association
- Monitoring Fraud Risk Management (MFM) 1/2009 by Thai Institute of Directors Association
- Chartered Director Class (CDC) 3/2008 by Thai Institute of Directors Association
- Director Certification Program (DCP) 33/2003 by Thai Institute of Directors Association
- Role of the Chairman Program (RCP) 5/2001 by Thai Institute of Directors Association
- SGX Listed Companies Development Programme: Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know

Present position

- Independent Director and Chairman of Audit Committee, STA

Positions in Other Listed Companies

- Independent Director and Chairman of Audit Committee, ARIP PLC.
- Independent Director and Chairman of Audit Committee, Lease It PLC.

Positions in Non-Listed Companies in Thailand

- None

Positions in Non-Listed Companies in foreign countries

- None

Work Experience

| | |
|----------------|---|
| 2010 – Present | Chairman of Remuneration Committee, STA |
| 2008 – Present | Chairman of Audit Committee, STA |
| 2009 – Present | Independent Director and Chairman of Audit Committee, ARIP PLC. |
| 2015 – Present | Independent Director and Chairman of Audit Committee, Lease It PLC. |
| 2008 – 2015 | Independent Director and Audit Committee Member, Lease It PLC. |
| 1999 – 2011 | Independent Director and Chairman of the Audit Committee, Siam City Cement PLC. |
| 1999 – 2008 | Audit Committee, STA |
| 1999 – 2002 | Executive Vice President, Bank of Ayudhya Public Company Limited |



11

Mr. Kriang Yanyongdilok (Age 77 years)

**Independent Director/ Audit Committee Member/
Chairman of the Nomination Committee/
Remuneration Committee Member**

Date of Appointment : 25 January 2000

Academic Background

- Bachelor of Science in Business Administration (Major in Accounting), Thammasat University

Training Program

- DAP 11/2004 by Thai Institute of Directors Association

Present position

- Independent Director and Audit Committee, STA
- Certified Public Accountant (Thailand) No. 4250

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- Director, J M P Group (1993) Co., Ltd.
- Director, March Auto 2010 Co., Ltd.

Positions in Non-Listed Companies in foreign countries

- None

Work Experience

| | |
|----------------|--|
| 2010 – Present | Chairman of Nomination Committee, STA |
| 2010 – Present | Director, March Auto 2010 Co., Ltd. |
| 2000 – Present | Audit Committee Member, STA |
| 1993 – Present | Director, J M P Group (1993) Co., Ltd. |
| 2004 – 2005 | Audit Committee, Oishi Group PLC. |
| 1985 – 1998 | Provincial Revenue, Area Revenue Office, Regional Revenue Office 3, Revenue Office |
| 1968 | Ombudsman, third class, Revenue Office, Phuket |
| 1965 | Class-three government official, Office of the Auditor-General of Thailand |



12

Mr. Samacha Potavorn (Age 72 years)

**Independent Director/ Audit Committee Member/
Nomination Committee Member/ Remuneration
Committee Member**

Date of Appointment : 1 February 2008

Academic Background

- Master Degree in Governmental Administration, Thammasat University
- Thai barrister-at-law

Training Program

- DAP 75/2008 by Thai Institute of Directors Association
- SGX Listed Companies Development Programme: Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know

Present position

- Independent Director and Audit Committee, STA

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- University Council, Rajamangala University of Technology Srivijaya

Positions in Non-Listed Companies in foreign countries

- None

Work Experience

| | |
|----------------|---|
| 2011 – Present | University Council, Rajamangala University of Technology Srivijaya |
| 2010 – Present | Remuneration Committee Member, STA |
| 2010 – Present | Nomination Committee Member, STA |
| 2008 – Present | Independent Director and Audit Committee Member, STA |
| 2006 – 2008 | Assistant Secretary to Minister of Interior |
| 2006 – 2008 | Governor, Phang-nga province |
| 2003 – 2004 | Legal counsel, Ministry of Interior |
| 2000 – 2002 | Assistant Secretary, Vice-Director of Southern Border Provinces Administration Center, Ministry of Interior |
| 1997 – 2000 | Vice-Governor, Pattalung Province, Trang Province |
| 1996 – 1997 | Assistant Governor |
| 1984 – 1996 | Sheriff |
| 1969 – 1983 | Assistant District Officer |



13

Mr. Neo Ah Chap (Age 71 years)

Independent Director

Date of Appointment : 28 June 2010

Academic Background

- Diploma in Accountancy, Perth Technical College
- Certified Public Accountant (Australia)
- Certified Public Accountant (Singapore)

Training Program

- SGX Listed Companies Development Programme:
Understanding the Regulatory Environment in Singapore:
What Every Director Ought to Know

Present position

- Independent Director, STA

Positions in Other Listed Companies

- None

Positions in Non-Listed Companies in Thailand

- None

Positions in Non-Listed Companies in foreign countries

- None

Work Experience

| | |
|-------------|--|
| 1998 – 2014 | Sole-proprietor of NAC Consultancy Services |
| 1998 – 2009 | Executive Director of Tan Chong International Ltd. |
| 1971 – 2009 | Marketing Director of Tan Chong & Sons Motor Company (Singapore) Private Limited |

EXECUTIVE MANAGEMENT



Mrs. Prapai Srisuttiiphong (Age 62 years)

Group Manager of Procurement

Academic background

- Vocational Certificate in Accountancy from the Polytechnic Bangkok College

Training Program

- None

Director Position in Other Companies

- None

Work Experience

| | |
|----------------|--|
| 2005 – present | Procurement Manager, STA |
| 1997 – 2004 | Head of Accounting, Raw Materials Verification Division, STA |
| 1993 – 1996 | Accountant, STA |



Mr. Asom Aksornnam (Age 48 years)

Group of Production Manager

Academic background

- Bachelor of Science (General Science), Prince of Songkhla University

Training Program

- None

Director Position in Other Companies

- None

Work Experience

| | |
|-------------|---|
| Present | Group of Production Manager, Siam Sempermed |
| 2009 – 2015 | Factory Manager, Siam Sempermed |
| 2004 – 2008 | Factory Manager, Shanghai Sempermed |
| 1998 – 2003 | Factory Manager, Siam Sempermed |
| 1995 – 1997 | Production Manager, Siam Sempermed |
| 1989 – 1994 | Line Chemist, Siam Sempermed |



Mr. Chaidet Pruksanusak (Age 47 years)

Group Manager of Quality Assurance

Academic background

- Diploma in Finance and Banking, Bangkok Commercial College

Training Program

- None

Director Position in Other Companies

- Director, Prueksa Rubber Co., Ltd.

Work Experience

| | |
|----------------|---|
| 2009 – Present | Group Manager of Quality Assurance, STA |
| 2000 – Present | Director, Prueksa Rubber Co., Ltd. |
| 2007 – 2008 | Coordinated Officer, STA |
| 1999 – 2006 | Factory Manager, STA |



Miss Lim Li Ping* (Age 43 years)

Controller

Academic background

- Certified Public Accountant (Australia)
- Diploma in Accountancy, Ngee Ann Polytechnic, Singapore
- Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology

Training Program

- SGX Listed Companies Development Programme: Understanding the Regulatory Environment in Singapore: What Every Director Ought to Know

Director Position in Other Companies

- None

Work Experience

| | |
|-------------|---|
| 2009 – 2015 | Controller, STA |
| 2002 – 2015 | Accounting Manager and General Manager, Sri Trang International |
| 2001 | Assistant Accounting Manager, Clarent Singapore Pte Ltd. |
| 1993 – 2000 | Senior Accountant, Glenayre Electronics (S) Pte Ltd. |

Note*: The resignation of Miss Lim Li Ping was effective on 8 August 2015.



Mr. Rattapong Laparojkit (Age 42 years)

Group Manager of Technical

Academic background

- Bachelor of Civil Engineering Technology, University of Southern Colorado at Pueblo, United States

Training Program

- None

Director Position in Other Companies

- Director, Premier System Engineering

Work Experience

| | |
|----------------|--|
| Present | Group Manager of Technical, STA |
| 2015 – Present | Director, Premier System Engineering |
| 2009 – Present | Engineering Manager, Premier System Engineering |
| 2003 – 2009 | System Engineering Manager, Premier System Engineering |
| 2001 – 2003 | Factory Manager, Premier System Engineering |
| 2000 – 2001 | Assistant to Factory Manager, Premier System Engineering |



Mr. Phanlert Wangsuphadilok (Age 44 years)

Group Manager of Technical

Academic background

- Master of Engineering, King Mongkut's University of Technology Thonburi
- Bachelor of Engineering, Kasem Bundit University

Training Program

- None

Director Position in Other Companies

- Director, Premier System Engineering

Work Experience

| | |
|----------------|--|
| Present | Group Manager of Technical, STA |
| 2015 – Present | Director, Premier System Engineering |
| 2009 – Present | System Engineering Manager, Premier System Engineering |
| 2006 – 2009 | Factory Manager, Semperflex Asia |
| 1998 – 2006 | Production Manager, Semperflex Asia |



Mr. Udom Pruksanusak* (Age 54 years)

CEO – Plantation

Academic background

- Master of Agriculture, Kasetsart University
- Bachelor of Plant Science, Prince of Songkhla University

Training Program

- None

Director Position in Other Companies

- Director, Startex Rubber
- Director, Sri Trang Plantation
- Director, Prueksa Rubber Co., Ltd.
- Director, Prueksa Isarn Co., Ltd.

Work Experience

| | |
|----------------|---|
| 2013 – Present | CEO – Plantation, STA |
| 2015 – Present | Director, Sri Trang Rubber & Plantation |
| 2015 – Present | Director, Startex Rubber |
| 2008 – Present | Director, Prueksa Isarn Co., Ltd. |
| 2003 – Present | Director, Prueksa Rubber Co., Ltd. |
| 2010 – 2015 | Group Manager of Human Resources, STA |
| 2000 – 2012 | Human Resources Manager, Siam Sempermed |
| 1998 – 1999 | Factory Manager, Semperflex Asia |
| 1988 – 1997 | Production Manager, Siam Sempermed |

Note*: The position of Mr. Udom Pruksanusak has been changed from Group Manager of Human Resource to CEO – plantation on 23 July 2015.



Miss Nuchanart Chaiyarat (Age 48 years)

Group Manager of Human Resources

Academic background

- Bachelor of Marketing Science, Prince of Songkhla University

Training Program

- None

Director Position in Other Companies

- Director, STH

Work Experience

| | |
|----------------|---------------------------------------|
| 2008 – Present | Group Manager of Human Resources, STA |
| 2015 – Present | Director, STH |
| 2000 – 2007 | Purchasing Manager, Siam Sempermed |



Miss Thanawan Sa-ngiamsak*, CFA (Age 37 years)

VP Business Development & Investor Relations

Academic background

- Master of Science in Finance, the University of Strathclyde, UK, with Distinction
- Bachelor of Science in Accounting, Thammasat University, 1st Class Honor

Training Program

- None

Director Position in Other Companies

- None

Work Experience

| | |
|----------------|--|
| 2011 – Present | VP Business Development & Investor Relations, STA |
| 2005 – 2011 | Vice President - Investment Banking, Kasikorn Securities PCL. |
| 2004 | Assist Manager - Investment Banking, Kasikorn Bank PCL. |
| 2001 – 2002 | Excise Tax & Duty Planner, The Shell Company of Thailand Limited |
| 2000 – 2001 | Auditor, Ernst & Young Office Limited |

Note*: Ms. Thanawan Sa-ngiamsak was appointed as VP Business Development & Investor Relations on 14 August 2015.

MANAGEMENT STRUCTURE

COMMITTEES OF STA

As of 31 December 2015, the corporate structure of STA consists of six committees which are the Board of Directors of STA, the Audit Committee, the Executive Committee, the Nominating Committee, the Remuneration Committee, and the Risk Management Committee.

THE BOARD OF DIRECTORS OF STA

As of 31 December 2015, the Board of Directors of STA consists of 12 directors as follows :

| Name | Position | Remarks |
|--|--|------------------------|
| 1. Mr. Viyavood Sincharoenkul | Chairman/ Managing Director/ Executive Committee | Executive Director |
| 2. Mr. Prasit Panidkul ⁽¹⁾ | Vice-chairman/ Executive Committee | Executive Director |
| 3. Mr. Chaiyos Sincharoenkul | Director/ Executive Committee | Executive Director |
| 4. Mr. Kitichai Sincharoenkul | Director/ Executive Committee/ Nominating Committee Member | Executive Director |
| 5. Mr. Paul Sumade Lee | Director/ Executive Committee | Executive Director |
| 6. Mr. Veerasith Sinchareonkul | Director/ Executive Committee/ Chairman of the Risk Management Committee | Executive Director |
| 7. Mr. Patrawut Panitkul | Director/ Executive Committee/ Risk Management Committee Member | Executive Director |
| 8. Mr. Li Shiqiang | Director | Non-Executive Director |
| 9. Mr. Chalernpop Khanjan ⁽²⁾ | Director/ Executive Committee/ Risk Management Committee Member | Executive Director |
| 10.Mr. Prakob Visitkitjakarn | Lead Independent Director/ Chairman of the Audit Committee/ Chairman of the Remuneration Committee | Non-Executive Director |
| 11.Mr. Kriang Yanyongdilok | Independent Director/ Audit Committee Member/ Chairman of the Nominating Committee/ Remuneration Committee Member | Non-Executive Director |
| 12.Mr. Samacha Potavorn | Independent Director/ Audit Committee Member/ Nominating Committee Member/ Remuneration Committee Member | Non-Executive Director |
| 13.Mr. Neo Ah Chap | Independent Director | Non-Executive Director |

Note :

⁽¹⁾ The resignation of Mr. Prasit Panidkul as a director of the Company was effective from 26 October 2015 onwards.

⁽²⁾ The appointment of Mr. Chalernpop Khanjan as a director of the Company to replace Mr. Prasit Panidkul was in accordance with the resolution of the Board of Directors' meeting no.6/2558 on 28 October 2015 and was effective from 29 October 2015 onwards.

Mrs. Pacharin Anuwongwattanachai is a secretary to the Board of Directors of the Company.

AUTHORIZED DIRECTORS OF STA

Any two of seven of the following directors of the Company, Mr. Viyavood Sincharoenkul, Mr. Chaiyos Sincharoenkul, Mr. Kitichai Sincharoenkul, Mr. Veerasith Sinchareonkul, Mr. Paul Sumade Lee, Mr. Patrawut Panitkul, and Mr. Chalernpop Khanjan shall jointly sign with STA's seal affixed.

HONORARY ADVISER OF THE COMPANY

The Board of Directors Meeting No. 2/2016 held on 9 March 2016 resolved to approve the continuance of the engagement of Mr. Somwang Sincharoenkul as the Honorary Adviser of STA for another 2 years. Such advisory services are as follows :

1. Advise on the formulation of the Company's goals and vision.
2. Advise on the Company's investment and business plans and the business operation policy of the Company, both domestically and internationally.
3. Advise on strategies in relation to the use of raw materials, procurement, price and quantity in each period pursuant to the local conditions.
4. Advise on dealings with communities, local authorities and government agencies in the southern part of Thailand.

Mr. Somwang Sincharoenkul does not have any participation in the Company's operation. His remuneration starting from 6 May 2016 to 6 May 2018 is Baht 428,000 per month or Baht 5,136,000 per year. This transaction is considered as a connected transaction which continues to be carried out in the future.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF STA

STA has determined the scope of duties and responsibilities of the Board of Directors of STA as follows :

1. The Board of Directors have power and duties and responsibilities in the management of the Company in accordance with the law, the Company's objectives, the Articles of Association, the resolutions of Board and the resolutions of the general meeting of shareholders. The Board of Directors shall make prudent business decisions. They shall perform their duty responsibly with care and honesty for the best interests of the Company.
2. Response to propose, review and approve the policy of the Company.

3. Appoint, remove and assign duties to advisors to the Board of Directors, sub-committees, and the Managing Director.
4. Authorise the Executive Directors, management officers, or any person to act on behalf of the Board of Directors.
5. Approve investments of the Company, investment in equity and/or debt securities.
6. Approve the entering into guarantee for credit facility to any entity who has business connection with the Company as the shareholder.
7. Approve the establishment, merger, or dissolution of any subsidiary company.
8. Seek advice from specialists or consultants (if any), or retain the services of outside specialists or consultants at the Company's expenses.
9. Propose the capital increase or capital decrease, or the change in par value, or amendment to the memorandum of association, the articles of association, and/or the objectives of the Company to the shareholders for consideration.
10. Appoint and remove the Company Secretary.
11. Consider and approve the connected transactions, except if such transactions require approval of the shareholder meeting. Such approval will be in accordance with notifications, rules and/or regulations related to the SET.
12. Provide the efficiency internal audit system especially for the transactions with the any interested director which is within the scope of SET's regulation.

In any case, the assignment of the duties and responsibilities of the Board of Directors of STA shall not constitute an authorization or sub-authorization which may cause the Board of Directors of STA or its assignee to be able to approve any transaction in which such person or other related party (as defined in the Notification of the SEC or the notification of the Capital Market Supervisory Board) may have a conflict of interest or may benefit in any manner, or any other conflict of interest with STA or its subsidiaries, except when the approvals of such transactions are consistent with the policy and criteria approved by the shareholders meeting or the Board of Directors meeting of STA.

COMPOSITION AND APPOINTMENT OF THE BOARD OF DIRECTORS OF STA

The following is a summary of the composition, appointment, removal or retirement from the Board of Directors of STA set forth in the Articles of Association of STA :

1. The number of members of the Board of Directors of STA shall be determined by a shareholders meeting but shall be not less than five persons and not less than one-half of the total number of Directors must reside in the Kingdom of Thailand.
2. Directors shall be elected at a shareholders meeting in accordance with the following criteria and procedures:
 - (1) Each shareholder shall have one vote for one share.
 - (2) A shareholder must use all of his/her votes in (1) to elect one or several persons as Director or Directors, however, he or she may not split his/her votes unequally between any person in any number.
 - (3) The persons who receive the most votes shall be elected as Directors, in the number of Directors required or to be elected on the relevant occasion. In the event that votes of two or more nominees are equal in number, causing the number of Directors required or to be elected on such relevant occasion to be exceeded, the chairman of the meeting shall have a casting vote.
3. At every annual general meeting, one-third of the Directors, or, if the number of Directors is not a multiple of three, then the number nearest to one-third, shall retire from office.
 - The Directors who are to retire from office in the first and the second years after registration of the Company shall be drawn by lots. In subsequent years, the Directors who have been holding office for the longest time shall retire.
4. Any Director wishing to resign from office shall submit his or her resignation letter to STA. The resignation shall be effective from the date on which STA receives the resignation letter.
5. The shareholders meeting may pass a resolution to remove any Director from office prior to rotation, by a vote of not less than three-fourths of the number of the shareholders attending the meeting and having the right to vote, and whose shares represent a total of not

less than one half of the number of shares held by the shareholders attending the meeting and having the right to vote.

The Board currently comprises twelve Directors, four of whom are Independent Directors. The Company has seven Executive Directors and five Non-executive Directors.

The composition of the Board takes into consideration the nature and scope of the Group's operations to allow constructive discussion, a diversity and balance of judgment for effective decision making. The Directors have invaluable experience in accounting, finance, business management, strategic planning, marketing, law and the rubber industry.

SELECTION OF INDEPENDENT DIRECTOR QUALIFICATIONS OF INDEPENDENT DIRECTOR

1. Holding shares not exceeding one percent of the total number of shares with voting rights of STA, its parent company, subsidiary company, associate company, major shareholder or controlling person of STA, including shares held by related persons of such independent director.
2. Not having any relationship with (a) STA; (b) STA's holding company, subsidiary or fellow subsidiary; (c) any person who has an interest or interests in one or more voting shares in STA and the total votes attached to that share, or those shares, is not less than ten percent of the total votes attached to all the voting shares in STA ("**10% Shareholder**"); and/or (d) STA's officers, that could interfere or be reasonably perceived to interfere with the exercise of the Director's independent business judgment with a view to the best interests of STA.
3. Neither being nor having an immediate family member who is or was, in the current or immediate past financial year, a 10% shareholder of, or a partner in (with 10% or more stake), or an executive officer of, or a director of, any organisation to which STA or any of its subsidiaries made, or from which STA or any of its subsidiaries received, significant payments or material services (which may include auditing, banking, consulting and legal services), in the current or immediate past financial year.
4. Not being nor having been directly associated with a ten percent shareholder of STA in the current or immediate past financial year.
5. Neither being nor having been an executive director, employee, staff, advisor who receives salary, or a

controlling person of STA, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person of STA, unless the foregoing status ended not less than three financial years prior to the appointment as an independent director. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of STA.

6. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, of a director, executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of STA or its subsidiary company.
7. Not have an immediate family member including spouse, child, adopted child, stepchild, brother, sister and parent, who is, or has been in any of the past three financial years, employed by the Company or any of its related companies and whose remuneration is determined by the remuneration committee.
8. Not being a director or having an immediate family member including spouse, child, adopted child, stepchild, brother, sister, and parent, accepting any compensation from STA or any of its related corporations for the provision of services, other than compensation for board service, for the current or immediate past financial year.
9. Neither having nor having had a business relationship with STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor having been a significant shareholder or controlling person of any person having a business relationship with STA, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship ended not less than two years prior to the appointment as an independent director .
10. Neither being nor having been an auditor of STA, its parent company, subsidiary company, associate company, major shareholder or controlling person of STA, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of

STA, its parent company, subsidiary company, associate company, major shareholder or controlling person of STA, unless the foregoing relationship ended not less than two years prior to the appointment as an independent director .

11. Neither being nor having been a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from STA, its parent company, subsidiary company, associate company, major shareholder or controlling person of STA, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship ended not less than two years prior to the appointment as an independent director.
12. Not being a director appointed as representative of directors of STA, major shareholder or shareholder who is related to a major shareholder, or a director who is or has been directly associated with a 10% Shareholder, in the current or immediate past financial year. A director will be considered “directly associated” with a 10% Shareholder when the director is accustomed or under obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the 10% Shareholder in relation to the corporate affairs of STA.
13. Not undertaking any business in the same nature and in competition to the business of STA or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holds shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of STA or its subsidiary company.
14. Not having any other characteristics which would cause the inability to express independent opinions with regard to STA’s business operations.

The qualifications of the Independent Director of STA are more stringent than the definitions as specified in the notification of the Capital Market Supervisory Board.

The Board of Directors is of the opinion that both Mr. Prakob Visitkitjakarn and Mr. Kriang Yanyongdilok, who have served as Independent Directors for STA beyond nine years, should continue to serve as Independent Directors of STA as they have the qualifications required by the Capital Market

Supervisory Board and do not have any characteristics which would cause them to be unable to express their independent opinions with regard to STA's business operations. During their respective terms of appointment, both Mr. Prakob Visitkitjakarn and Mr. Kriang Yanyongdilok have performed their duty as Audit Committee and Remuneration Directors for the benefit and the good governance of the Company.

The Audit Committee meeting shall be held on quarterly basis. Without management team, private meeting of the Audit Committee with auditor and internal audit shall be held at least once a year in order to review the adequacy of external and internal audit, especially the scope, quality, and independence of external and internal auditors.

EXECUTIVE COMMITTEE

As of 31 December 2015, the Executive Committee consisted of 7 Directors as shown below.

| Name | Position |
|--|--------------------------------|
| 1. Mr. Viyavood Sincharoenkul | Chairman of Executive Director |
| 2. Mr. Prasit Panidkul ⁽¹⁾ | Executive Director |
| 3. Mr. Chaiyos Sincharoenkul | Executive Director |
| 4. Mr. Kitichai Sincharoenkul | Executive Director |
| 5. Mr. Paul Sumade Lee | Executive Director |
| 6. Mr. Veerasith Sinchareonkul | Executive Director |
| 7. Mr. Patrawut Panitkul | Executive Director |
| 8. Mr. Chalernpop Khanjan ⁽²⁾ | Executive Director |

Note :

⁽¹⁾ The resignation of Mr. Prasit Panidkul as a director of the Company was effective from 26 October 2015 onwards.

⁽²⁾ The appointment of Mr. Chalernpop Khanjan as a director of the Company to replace Mr. Prasit Panidkul was in accordance with the resolution of the Board of Directors' meeting no.6/2558 on 28 October 2015 and was effective from 29 October 2015 onwards.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

- To order, plan, and operate the business of STA to be in accordance with the policies set out by the Board of Directors of STA.
- To appoint STA's management to efficiently and transparently manage STA's businesses.
- Any two of the Executive Committee members jointly signing and affixing the company seal are eligible to grant proxies to any person to perform on behalf of STA in respect of any business that will benefit STA.

- To determine the appropriate employees' benefits and welfare in compliance with corporate culture and applicable laws.
- To approve the credit limits of the normal business transactions or other transactions that bind STA.

In any case, the assignment of duties and responsibilities of the Executive Committee shall not constitute an authorization or sub-authorization which may cause the Executive Committee or its assignee to be able to approve any transaction in which such person or other related party (as defined in the Notification of the SEC or the Capital Market Supervisory Board) may have a conflict of interest or may benefit in any manner or any other conflict of interest with STA or its subsidiaries. Such approval must be proposed at a meeting of the Board of Directors and/or the meeting of shareholders, as the case may be, for approval, as stipulated in the Articles of Association of STA or subsidiaries, or any applicable laws.

AUDIT COMMITTEE

The Audit Committee consists of 3 independent directors and all have the qualifications required by the Capital Market Supervisory Board and the SET. As of 31 December 2015, the Audit Committee consists of the following directors:

| Name | Position |
|------------------------------|---------------------------------|
| 1. Mr. Prakob Visitkitjakarn | Chairman of the Audit Committee |
| 2. Mr. Kriang Yanyongdilok | Audit Committee Member |
| 3. Mr. Samacha Potavorn | Audit Committee Member |

Mr. Prakob Visitkitjakarn and Mr. Kriang Yanyongdilok are the Audit Committee members who have sufficient knowledge and experience to review the reliability of financial statements of STA.

Mr. Wittawas Grungtanmuang is a secretary to the Audit Committee.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

- To assist the Board of Directors in the discharge of its responsibilities on financial and accounting matters (including reviewing STA's financial reporting process and our Company's consolidated financial statements to ensure accuracy and adequacy).
- To review our Company's internal control system and internal audit system to ensure that they are suitable

and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.

3. To review our Company's compliance with the law on securities and exchange, the regulations of the SET, and the laws relating to business of STA.
4. To consider the election, the nomination, and the removal of persons with independence, reliability, acceptable qualification and are auditors approved by SEC to act as an auditor of STA and to determine the remuneration of such person as well as to attend a non-management meeting with an auditor at least once a year.
5. To review the connected transactions, interested person transactions or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of the SET, and are reasonable and in the best interests of STA.
6. To prepare, and to disclose in our Company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information :
 1. an opinion on the accuracy, completeness and credibility of the company's financial report;
 2. an opinion on the adequacy of the company's internal control system;
 3. an opinion on the compliance with the law on securities and exchange, the regulations of the SET, or the laws relating to the STA's business;
 4. an opinion on the suitability of the auditor of STA;
 5. an opinion on the transactions that may lead to conflicts of interests;
 6. the number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
 7. an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
 8. other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, within the

scope of duties and responsibilities assigned by the company's board of directors.

7. To commission and review the findings of significant internal investigations and/or consult with the auditor in relation to such findings and report the findings to the Board of Directors of STA in the event that there is any suspected fraud or irregularity or infringement of any law or regulations of Thailand, the rules of the SET, or other relevant regulations which has or is likely to have a material impact on the results of operations and/or financial position of STA.
8. To review the audit plans, scope of work and results of our audits compiled by our internal and external auditors.
9. To review the co-operation given by our officers to the external auditors.
10. To review our risk management structure (including all hedging policies) and any oversight of our risk management processes and activities to mitigate and manage risk at acceptable levels determined by our Directors.
11. To perform any other act as delegated by the Board of Directors and approved by the Audit Committee.

NOMINATING COMMITTEE

As of 31 December 2015, the Nominating Committee of STA consists of 3 Directors as follows:

| Name | Position |
|-------------------------------|--------------------------------------|
| 1. Mr. Kriang Yanyongdilok | Chairman of the Nominating Committee |
| 2. Mr. Samacha Potavorn | Nominating Committee Member |
| 3. Mr. Kitichai Sincharoenkul | Nominating Committee Member |

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE NOMINATING COMMITTEE

1. Reviewing and assessing candidates for directorships (including executive directorships) before making recommendations to the Board of Directors of STA for the appointment of Directors.
2. Reviewing and recommending nominations for appointment, re-appointment or re-election or renewal of appointment of the Directors having regard to the Director's contribution and performance.

3. Determining annually whether or not a Director is independent.
4. Deciding whether or not a Director is able to and has been adequately carrying out his duties as a director.

Certain factors considered by the Nominating Committee in order to carry out their responsibilities above include:

- independence of mind;
- capability of the individual and how it meets the needs of the Company and simultaneously complements the skill set of the other Board members;
- experience and track record as directors in other companies; and
- ability to commit time and effort toward discharging his responsibilities as a Director.

NOMINATION OF DIRECTORS

The Nominating Committee will nominate candidates who have appropriate qualifications to be a Director of STA. At the end of the office term of any Director or when it is necessary to appoint more Directors, the Nominating Committee will jointly discuss and consider determining the person(s) with appropriate experience, knowledge and ability to benefit STA to be a Director of STA. The nomination of the aforementioned person(s) will be proposed to the meeting of the Board of Directors of STA and the meeting of shareholders, respectively, for further approval.

The resolution of the meeting of shareholders for the appointment of directors will be the majority of votes of the shareholders attending the meeting and having the right to vote.

REMUNERATION COMMITTEE

As of 31 December 2015, the Remuneration Committee consists of 3 Directors as follows :

| Name | Position |
|------------------------------|--|
| 1. Mr. Prakob Visitkitjakarn | Chairman of the Remuneration Committee |
| 2. Mr. Kriang Yanyongdilok | Remuneration Committee Member |
| 3. Mr. Samacha Potavorn | Remuneration Committee Member |

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

Our Remuneration Committee is responsible, among other things, for recommending to the Board of Directors a framework and criteria of remuneration for the Directors and executive officers, and for recommending specific remuneration packages for each Director and the Managing Director and to perform any other acts as delegated by the Board of Directors.

RISK MANAGEMENT COMMITTEE

As of 31 December 2015, the Remuneration Committee consists of 5 Directors as follows :

| Name | Position |
|--------------------------------|---|
| 1. Mr. Veerasith Sinchareonkul | Chairman of the Risk Management Committee |
| 2. Mr. Chaidet Pruksanusak | Risk Management Committee Member |
| 3. Mr. Chalernpop Khanjan | Risk Management Committee Member |
| 4. Mr. Patrawut Panitkul | Risk Management Committee Member |
| 5. Mr. Nattee Touchamongkon | Risk Management Committee Member |

Mr. Kitipong Phetkul is a Secretary of Risk Management Committee.

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE RISK MANAGEMENT COMMITTEE

1. Review policy and specify the risk management framework.
2. Recommend solutions for the risk management of all departments.
3. Monitor and evaluate risks and approve roles and responsibilities regarding the risk management for each relevant units.

DETAILS OF ATTENDANCE FOR THE MEETINGS OF THE BOARD OF DIRECTORS AND BOARD COMMITTEES

Details of the meeting attendance for the meetings of the Board of Directors, Executive Committee and Audit Committee in 2015 are as follows :

| Name | No. of Attendances Board of Directors of STA | | No. of Attendances Executive Committee | | No. of Attendances Audit Committee | |
|---|---|--------------|---|--------------|---------------------------------------|--------------|
| | 2015 | (%) | 2015 | (%) | 2015 | (%) |
| 1. Mr. Viyavood Sincharoenkul | 7/7 | 100 | 6/6 | 100 | - | - |
| 2. Mr. Prasit Panidkul ⁽¹⁾ | 0/5 | 0 | 0/5 | 0 | - | - |
| 3. Mr. Chaiyos Sincharoenkul | 7/7 | 100 | 6/6 | 100 | - | - |
| 4. Mr. Kitichai Sincharoenkul | 6/7 | 85.71 | 6/6 | 100 | - | - |
| 5. Mr. Paul Sumade Lee | 7/7 | 100 | 6/6 | 100 | - | - |
| 6. Mr. Veerasith Sinchareonkul | 7/7 | 100 | 6/6 | 100 | - | - |
| 7. Mr. Patrawut Panitkul | 7/7 | 100 | 6/6 | 100 | - | - |
| 8. Mr. Li Shiqiang | 7/7 | 100 | - | - | - | - |
| 9. Mr. Chalernpop Khanjan ⁽²⁾ | 1/1 | 100 | 1/1 | 100 | - | - |
| 10.Mr. Prakob Visitkitjakarn | 7/7 | 100 | - | - | 6/6 | 100 |
| 11.Mr. Kriang Yanyongdilok | 7/7 | 100 | - | - | 6/6 | 100 |
| 12.Mr. Samacha Potavorn | 6/7 | 85.71 | - | - | 6/6 | 100 |
| 13.Mr. Neo Ah Chap | 7/7 | 100 | - | - | - | - |
| Percentage of meeting attendance of each committee | | 90.11 | | 87.50 | | 100.0 |

Note :

⁽¹⁾ In 2015, Mr. Prasit Panidkul was not able to attend the meeting due to health constraint. The resignation of Mr. Prasit Panidkul as a director of the Company was effective from 26 October 2015 onwards.

⁽²⁾ The appointment of Mr. Chalernpop Khanjan as a director of the Company to replace Mr. Prasit Panidkul was in accordance with the resolution of the Board of Directors' meeting no.6/2558 on 28 October 2015 and was effective from 29 October 2015 onwards.

Details of the meeting attendance for the meeting of Nominating Committee, Remuneration Committee and Risk Management Committee in 2015 are as follows :

| Name | No. of Attendances Nominating Committee | | No. of Attendances Remuneration Committee | | No. of Attendances Risk Management Committee | |
|---|--|------------|--|------------|--|--------------|
| | 2015 | (%) | 2015 | (%) | 2015 | (%) |
| 1. Mr. Viyavood Sincharoenkul | - | - | - | - | - | - |
| 2. Mr. Prasit Panidkul | - | - | - | - | - | - |
| 3. Mr. Chaiyos Sincharoenkul | - | - | - | - | - | - |
| 4. Mr. Kitichai Sincharoenkul | 2/2 | 100 | - | - | - | - |
| 5. Mr. Paul Sumade Lee | - | - | - | - | - | - |
| 6. Mr. Veerasith Sinchareonkul | - | - | - | - | 1/2 | 50.00 |
| 7. Mr. Patrawut Panitkul | - | - | - | - | 1/2 | 50.00 |
| 8. Mr. Li Shiqiang | - | - | - | - | - | - |
| 9. Mr. Chalernpop Khanjan | - | - | - | - | 1/2 | 50.00 |
| 10.Mr. Prakob Visitkitjakarn | - | - | 2/2 | 100 | - | - |
| 11.Mr. Kriang Yanyongdilok | 2/2 | 100 | 2/2 | 100 | - | - |
| 12.Mr. Samacha Potavorn | 2/2 | 100 | 2/2 | 100 | - | - |
| 13.Mr. Neo Ah Chap | - | - | - | - | - | - |
| Percentage of meeting attendance of each committee | | 100 | | 100 | | 50.00 |

EXECUTIVES (PURSUANT TO THE DEFINITION OF “EXECUTIVE”⁽¹⁾ IN THE SEC’S NOTIFICATION NO. GORJOR. 17/2551 RE: DETERMINATION OF DEFINITIONS UNDER NOTIFICATIONS RELATING TO ISSUANCE AND OFFERING OF SECURITIES)

As of 31 December 2015, the list of Executives of STA is as follows :

| Name | Position |
|--|--|
| 1. Mr. Viyavood Sincharoenkul | Chairman and Managing Director |
| 2. Mr. Prasit Panidkul ⁽²⁾ | Vice Chairman |
| 3. Mr. Chaiyos Sincharoenkul | Director |
| 4. Mr. Kitichai Sincharoenkul | Director and Group Manager of Legal and Administration |
| 5. Mr. Paul Sumade Lee | Director and Chief Marketing Officer |
| 6. Mr. Veerasith Sinchareonkul | Director |
| 7. Mr. Patrawut Panitkul | Director and Chief Financial Officer |
| 8. Mr. Li Shiqiang | Director |
| 9. Mr. Chalernpop Khanjan ⁽³⁾ | Director and Chief Operating Officer |
| 10.Mr. Prakob Visitkitjakarn | Independent Director and Chairman of the Audit Committee |
| 11.Mr. Kriang Yanyongdilok | Independent Director and Member of the Audit Committee |
| 12.Mr. Samacha Potavorn | Independent Director and Member of the Audit Committee |
| 13.Mr. Neo Ah Chap | Independent Director |
| 14.Mrs. Prapai Srisuttiphong | Group Manager of Procurement |
| 15.Mr. Arsom Aksornnam | Chief Operating Officer |
| 16.Mr. Chaidet Pruksanusak | Group Manager of Quality Assurance |
| 17.Mr. Rattapong Laparojkit | Group Manager of Technical |
| 18.Mr. Phanlert Wangsuphadilok | Group Manager of Technical |
| 19.Mr. Udom Pruksanusak ⁽⁴⁾ | CEO - Plantation |
| 20.Ms. Nuchanart Chaiyarat | Group Manager of Human Resource |
| 21.Ms. Lim Li Ping ⁽⁵⁾ | Group Manager of Controller |
| 22.Ms. Thanawan Sa-ngiamsak ⁽⁶⁾ | VP Business Development & Investor Relations |

Note :

⁽¹⁾ “Executive” means a director, manager or the next four executives succeeding the manager, a person holding an equivalent position to the fourth executive, including a person holding the position of manager or equivalent in the accounting or finance departments

⁽²⁾ The resignation of Mr. Prasit Panidkul as a director of the Company was effective from 26 October 2015 onwards.

⁽³⁾ The appointment of Mr. Chalernpop Khanjan as a director of the Company to replace Mr. Prasit Panidkul was effective from 29 October 2015 onwards.

⁽⁴⁾ The position of Mr. Udom Pruksanusak has been changed from Group Manager of Human Resource to CEO – plantation on 23 July 2015.

⁽⁵⁾ The resignation of Ms. Lim Li Ping was effective on 8 August 2015.

⁽⁶⁾ Ms. Thanawan Sa-ngiamsak was appointed as VP Business Development & Investor Relations on 14 August 2015.

SCOPE OF AUTHORITIES AND RESPONSIBILITIES OF THE MANAGING DIRECTOR

1. Approve any juristic act binding the company for the normal business operation of STA in an amount not exceeding Baht 200,000,000.
2. Issue and amend the rules, orders, and work rules of STA, for example, the acceptance, appointment, removal and disciplining of staff and employees, and the determination of salary and other monies, including compensation and other welfare.
3. Determine the salary rate and other remuneration, including expenses rate and facilities of the manager or equivalent for proposing to the Executive Committee for further approval.

4. Administer STA pursuant to the resolutions and policies of the Board of Directors of STA.
5. Propose significant matters to the Board of Directors of STA or the meeting of shareholders for further approval or other appropriate action.
6. Study the feasibility of new projects and consider and approve the projects as delegated by the Board of Directors of STA and the Executive Committee.
7. Perform other matters as delegated by the Board of Directors of STA and/or the Executive Committee from time to time.

However, the abovementioned approvals shall not be given in a way that may cause the Managing Director or his authorized representative to be able to approve any transaction in which he himself or any related person has or may have a conflict of interest with STA or its subsidiaries as defined in the Notification of the SEC or the Capital Market Supervisory Board.

COMPANY SECRETARY

The Board of Directors of STA resolved to approve the appointment of Mrs. Pacharin Anuwongwattanachai, who had an appropriate qualification, graduated in accounting, passed the the company secretary training program and other related training programs, as well as possessed skill, knowledge, understanding in business, laws and other related regulations, as the Company Secretary (the "Company Secretary") by having the duties and responsibilities as provided in the Securities and Exchange Act, including providing advice on and ensuring compliance with relevant laws and regulations which the Board is required to know and follow. The Company Secretary attends and documents all Board meetings and ensures Board procedures are followed. The appointment and removal of the Company Secretary is subject to the approval of the Board in the Securities and Exchange Act.

REMUNERATION OF DIRECTORS AND EXECUTIVE OFFICERS

FINANCIAL REMUNERATION

1. Directors' Fees

For the fiscal year ended 31 December 2015, STA paid the directors' fees to the Directors in the amount of Baht 6,494,400 for services rendered by them in forms of monetary remuneration. The details are as follows :

| Name | Amount of Directors' Fees (Baht)* Fiscal year ended 31 December 2015 |
|--------------------------------|--|
| 1. Mr. Viyavood Sincharoenkul | 633,600 |
| 2. Mr. Prasit Panidkul | 396,000 |
| 3. Mr. Chaiyos Sincharoenkul | 475,200 |
| 4. Mr. Kitichai Sincharoenkul | 475,200 |
| 5. Mr. Paul Sumade Lee | 475,200 |
| 6. Mr. Veerasith Sinchareonkul | 475,200 |
| 7. Mr. Mr. Patrawut Panitkul* | 475,200 |
| 8. Mr. Li Shiqiang* | 475,200 |
| 9. Mr. Chalernpop Khanjan | 79,200 |
| 10. Mr. Prakob Visitkitjakarn | 792,000 |
| 11. Mr. Kriang Yanyongdilok | 633,600 |
| 12. Mr. Samacha Potavorn | 633,600 |
| 13. Mr. Neo Ah Chap | 475,200 |

Note* : This remuneration is only for the directorship and Audit Committee of the Company excluding directorship of other sub-committees.

2. Remuneration of the Directors and Executive Officers

For the fiscal year ended 31 December 2015, STA paid remuneration to the Executive Directors and Executive Officers, totaling 21 persons, in the amount of Baht 231,462,265. Such remuneration was in the form of salary, bonus and other compensation comprising benefit-in-kinds and compensation that has already been paid includes any deferred compensation accrued for the financial year in question and payable at a later date including bonus or profit-sharing plan or any other profit-linked agreement or arrangement.

Sri Trang International Pte. Ltd. have entered into employment agreements with each of our Directors, Dr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee. Each of these employment agreements does not have a fixed term of employment.

Pursuant to their respective employment agreements, each of Dr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee will be entitled to the following :

- a monthly salary and a variable bonus, as determined by the Profit Incentive Scheme (as defined below); and
- coverage of all reasonable business expenses incurred or paid for during the term of employment, in connection with the discharge of their duties to Group.

PROFIT INCENTIVE SCHEME

Each of our Directors, Dr. Viyavood Sincharoenkul and Mr. Paul Sumade Lee are entitled to participate in a profit incentive scheme (the “Profit Incentive Scheme”) in respect of each financial year of our subsidiary, Sri Trang International.

Under the Profit Incentive Scheme, in respect of each financial year, if the board of directors of Sri Trang International determines that there is a surplus (“Surplus”) after deducting (i) 10% of Sri Trang International’s issued and paid-up capital, or such other amount as may be determined by the board of directors of Sri Trang International, at their sole discretion, from time to time, (ii) 5% of any retained profits as at the beginning of the relevant financial year and (iii) accumulated losses as at the beginning of the relevant financial year, from Sri Trang International’s profit after tax (as reflected in its audited accounts), 20% of such Surplus will be payable under the Profit Incentive Scheme (“Profit Incentive”).

OTHER REMUNERATIONS

In 2015, the Company has paid the contribution of provident fund for the Board of Directors and Executive Officers as follows :

| | Total list | Amount (Baht) |
|--------------------------------|------------|---------------|
| Contribution of provident fund | 13 | 2,670,470 |

EMPLOYEES’ RETIREMENT BENEFITS

The Company provides employees’ retirement benefits to employees in accordance with Thai labor laws. Such benefit amount depends on the salary base and number of years working for the company until the termination date.

RE-ELECTION OF DIRECTORS

A retiring Director shall be eligible for re-election. The Directors to retire in every year shall be those, subject to retirement by rotation, who have been longest in office since their last re-election or appointment. The details of re-election of the Directors are set out as follows :

| Name of Director | Position | Date of first appointment to the Board | Date of last re-election as Director |
|--|--|--|--------------------------------------|
| 1. Dr. Viyavood Sincharoenkul | Chairman and Managing Director | 27 December 1993 | 29 April 2015 |
| 2. Mr. Prasit Panidkul ⁽¹⁾ | Vice-chairman | 27 December 1993 | 25 April 2013 |
| 3. Mr. Chaiyos Sincharoenkul | Director | 27 December 1993 | 29 April 2014 |
| 4. Mr. Kitichai Sincharoenkul | Director and Manager of Legal and Administration | 10 April 1995 | 29 April 2014 |
| 5. Mr. Paul Sumade Lee | Director and Manager of Sales and Marketing | 28 June 2010 | 29 April 2015 |
| 6. Mr. Veerasith Sinchareonkul | Director | 28 April 2010 | 29 April 2015 |
| 7. Mr. Patrawut Panitkul | Director | 29 April 2014 | 29 April 2014 |
| 8. Mr. Li Shiqiang | Director | 29 April 2014 | 29 April 2014 |
| 9. Mr. Chalermpop Khanjan ⁽²⁾ | Director and Chief Operating Officer | 29 October 2015 | - |
| 10.Mr. Prakob Visitkitjakarn | Independent Director and Chairman of the Audit Committee | 27 December 1993 | 29 April 2015 |
| 11.Mr. Kriang Yanyongdilok | Independent Director and Member of the Audit Committee | 25 January 2000 | 29 April 2014 |
| 12.Mr. Samacha Potavorn | Independent Director and Member of the Audit Committee | 1 February 2008 | 29 April 2014 |
| 13.Mr. Neo Ah Chap | Independent Director | 28 June 2010 | 25 April 2013 |

Note :

⁽¹⁾ The resignation of Mr. Prasit Panidkul as a director of the Company was effective from 26 October 2015 onwards.

⁽²⁾ The appointment of Mr. Chalermpop Khanjan as a director of the Company to replace Mr. Prasit Panidkul was in accordance with the resolution of the Board of Directors’ meeting no.6/2558 on 28 October 2015 and was effective from 29 October 2015 onwards.



The Board of Directors of STA has conducted the business operation appropriately and effectively in accordance with its objectives by utilising expertise, diligence, and due care to protect the interests of the Company and to comply with the laws, objectives, and the Articles of Association of STA.

CORPORATE GOVERNANCE

The Board of Directors of STA has conducted the business operation appropriately and effectively in accordance with its objectives by utilising expertise, diligence, and due care to protect the interests of the Company and to comply with the laws, objectives, and the Articles of Association of STA. The Board of Directors of STA has also followed the Principles of Good Corporate Governance for Directors of Listed Companies and the Principles of Good Corporate Governance for Listed Companies of 2012. The roles and responsibilities of the Board of Directors of STA are all managed with due care, in particular in the process of decision making. Careful consideration is given using reasonable judgment based on honesty, transparency, ethics, and the concern of stakeholders as well as all aspects of the best interests of shareholders.

PRINCIPLES OF GOOD CORPORATE GOVERNANCE UNDER THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE FOR LISTED COMPANIES OF 2012

STA has established and reviewed principles for good corporate governance in accordance with the Principle of Good Corporate Governance for Listed Companies of 2012 as prescribed by the SET. The details of 5 principles of good corporate governance areas that are appropriate for current business environment are as follows:

RIGHTS OF SHAREHOLDERS

STA always realises that the main factors for building shareholders' trust and confidence for investing in the businesses of STA are the application of policies and operations that protect the fundamental rights of the shareholders as well as the equality of all shareholders as prescribed by the laws, and encouraging the shareholders to exercise their fundamental rights. For example:

1. Right to Receive Profit Sharing in the Form of Dividend:

STA has a policy on dividend payment which is based on careful consideration of the financial position, results of operation and cash flow of STA, the ability of our subsidiaries, associates and joint venture entity to make dividend payment, STA's expected working capital requirements to support the future growth of STA, the economic situation, and other external factors that STA expects will have an impact on its operations. In order to manage the business operation efficiently, the dividend payment policy is at approximately 30 percent of the net profit.

2. Right to Attend the Shareholders' meeting:

STA pays great attention to the sufficiency of information so that the shareholders are able to make a well-informed decision at the shareholders' meeting, including casting their votes and expressing their opinions

on significant changes and the election of the Board of Directors of STA, based on information which is accurate, complete, transparent, and equally shared.

Where the STA's shares are held through CDP, CDP will be the only holder on record of such shares. Accordingly, as a matter of Thai law, CDP will be the only person or entity recognised as a shareholder and legally entitled to vote on any matter to be submitted to the vote of the Company's shareholders at a general meeting of shareholders.

CDP has appointed a Thai custodian to safekeep all the shares held by CDP. Such Thai custodian will act as CDP's proxy during a general meeting of shareholders and CDP will instruct such Thai custodian to split its votes in accordance with the instructions that CDP receives from investors holding shares through CDP. However, shareholders who desire to attend shareholders' meetings and exercise their voting rights under their names with regard to the shares beneficially owned by them will be required to transfer their shares out of the CDP system and have the share transfer registered in the share register book. In addition, a shareholder who transfers the Company's shares out of the CDP system will not be able to trade such shares on the SGX-ST unless he first transfers such shares back into the CDP system.

In order to provide the equivalent of the annual general meeting to shareholders in Singapore holding shares through the CDP, last year STA has held an investor forum in Singapore soon after the annual general meeting was held in Thailand, to enable as even a level of access to information as possible at the time of such forum. Shareholders in Singapore holding shares through the CDP will be given the opportunity to air their views and ask Directors any questions they may have. The representation of the Board at the forum will include at the minimum, the Managing Director, two other Executive Directors and two Independent Directors, one of whom will be the Lead Independent Director.

3. Right to Vote on Agenda Items in the Shareholders' meeting:

The completed invitation to shareholders' meeting and attachments will be forwarded to shareholders in advance. The invitation to shareholders' meeting includes details on agenda items, attachments to agenda items, opinions of the Board of Directors of STA, proxy forms as prescribed by the Ministry of

Commerce, a name list of all independent directors to whom the shareholders are able to give their proxy, and a map of the meeting venue. The invitation to the shareholders' meeting also includes the information regarding the required documents that shareholders have to present to the meeting in order to protect their right to attend the meeting, the Articles of Association of STA pertaining to the shareholders' meeting, and voting instructions. Furthermore, so that the investors can obtain information thoroughly, the shareholders can access all information with respect to the agenda of the shareholders' meeting at www.sritranggroup.com and the website of the SGX-ST at www.sgx.com ("SGXNET") in advance approximately 30 days prior to the meeting date. Moreover, STA has assigned Thailand Securities Depository Co., Ltd. (TSD) and CDP as its securities registrar to dispatch the meeting invitation and other related documents to shareholders at least 21 days prior to the meeting. The policy of STA is that no additional agenda item is included in the meeting without prior notice to the shareholders.

For the election of directors agenda, STA gives an opportunity to shareholders to vote on individual directors. In addition, STA provides examiners for the vote counting on the meeting date and discloses the information in the minutes of the shareholders' meeting.

4. Equal Right to Express Opinions and Make Inquiries in the Shareholders' meeting:

With respect to agenda items and proposed agenda items, the Chairman of the shareholders' meeting should allocate sufficient time and encourage the shareholders to express their opinions and make inquiries in the meeting. The Chairman of each sub-committees comprising Mr. Prakob Visitkitjakarn, STA's Lead Independent Director as well as the Chairman of the Audit Committee and Remuneration Committee, Mr. Kriang Yanyongdilok, the Chairman of the Nominating Committee and Independent Director, Mr. Veerasith Sinchareonkul, the Chairman of the Risk Management Committee will be present at the annual general meeting to address questions that shareholders' may have. External auditors will also be present to address queries in relation to the audit of the Company and the auditors' report. STA will note the questions and clarifications in the minutes of the shareholders' meeting for acknowledgement of shareholders who did not attend the meeting.

FAIR TREATMENT OF SHAREHOLDERS

STA has the policies of fair and equitable treatment to all groups of shareholders including institutional investors, foreign investors, and retail shareholders.

1. The shareholders' meeting shall be held in accordance with the agenda mentioned in the invitation to shareholders' meeting. STA sends a complete invitation to shareholders' meeting, including attachments, both in Thai and English language with all sufficient information relevant to the meeting to the shareholders. Moreover, STA posts all information which is relevant to the meeting at its website (www.sritranggroup.com) and on SGXNET so that the shareholders will have sufficient time to carefully study this information. In addition, the invitation to shareholders' meeting shall be advertised no less than three days prior to the shareholders' meeting in a daily newspaper for at least three consecutive days in order to allow shareholders to have sufficient time to prepare for attending the shareholders' meeting. Before the commencement of each meeting, the Chairman will give instructions on the voting and the counting methods as clearly prescribed. During the meeting, the Chairman allows the shareholders, equally, to make inquiries and express their opinions as well as to make recommendations. The Chairman also answers questions and provides complete information as requested by the shareholders. After the meeting, STA will send the minutes of the shareholders' meeting to the SET and the SGX-ST within the prescribed period.
2. STA gives an opportunity to shareholders to cast their vote on one share one vote approach and encourages the shareholders to use ballots for voting on each agenda item. The ballots shall be kept in the meeting room for vote counting prior to the announcement of the resolutions. For the purpose of transparency, STA makes an announcement of the detailed results showing the number of votes cast for and against each resolution and the respective percentages and keeps all ballots having signatures of the shareholders or their proxy for future reference.
3. Minutes of the shareholders' meeting must be accurately and completely recorded and submitted to the SET within 14 days after the shareholders' meeting. The resolutions of the shareholders' meeting will be posted on the website of STA at www.sritranggroup.com and on SGXNET.

4. The policy regarding the monitoring of the use of insider information has been established for strict compliance by personnel at all levels.
5. A full and clear disclosure of shareholding structure in the subsidiaries and associates is made to assure shareholders that the operational structure of STA is transparent and accountable.
6. STA places importance on the accurate, full, timely, and transparent disclosure of information on various issues to shareholders. As such, significant information is disclosed on a regular basis.

ROLE OF STAKEHOLDERS

STA fully realises that the growth and development of STA has resulted from the full support given by all interested parties. STA places importance on the rights of all stakeholders, both internal stakeholders such as personnel, staff members, and the Executives of STA and the subsidiaries and external stakeholders such as commercial partners ranging from the suppliers of raw materials to various groups of customers of finished products, financial institutions, government agencies that provide close co-operation, and finally, the shareholders of STA. In this regard, STA realises its responsibilities towards the above-mentioned stakeholders. The Board of Directors of STA has reviewed stakeholder engagement policy and established the policies concerning the non-infringement of intellectual property such as copyright, patent, and trademark as well as the whistleblower policy which has specified the channels of notice or complaint, operating procedure, and guidelines for the protection of claimer(s) in the Company's website. The Board of Directors has also established the anti-corruption policy to build a good conscience and right core value in order to prevent any type of corruptions in the organisation.

The followings are details of policies in connection with stakeholders:

Shareholders:

STA is committed to be the representative of its shareholders in conducting its business operation in a transparent manner, and having a reliable accounting and finance system that brings the highest satisfaction to shareholders by continuous considering the long-term, sustainable growth of STA and an adequate return.

Employees:

STA treats its employees equally and fairly by providing a good and safe working environment and adequate remuneration. Moreover, STA supports its employees in terms of providing the opportunity to develop knowledge, skills and experiences for career improvement. STA has established a Health and Working Environment Committee. A training program is specially designed for relevant personnel responsible for overseeing, providing advice, and giving accurate information on safety, occupational health, and the working environment, and the prevention of accidents resulting from work as well as providing other interesting health information to the employees. Considering the employee's welfare with respect to the safe and maximum working efficiency, STA promotes and provides training to employees to worthily utilise natural resources and introduces various activities that promote the quality of life of employees, such as establishing a library and creating entertainment programs as well as various activities which are designed to promote employees' good physical and mental health. Moreover, a handbook for employees has been published and is publicised through STA Intranet.

The Company has established the employee provident fund of which permanent employees are entitled to apply for with options to pay the contribution at the fixed rate or at the rate equal to the contribution paid by the Company. The contribution rate paid by the Company depends on years of services of each employee. The employee will receive such provident fund benefit on the termination of their employment except for cases where the terminations are not eligible to the compensations.

Safety information of employees in 2015

Details of work accident statistics in 2015 are as follows:

| | Accident Statistics (Times) | Percentage* |
|---|-----------------------------|-------------|
| No lost time accidents | 54 | 0.45 |
| Less than 3 days of lost time accidents | 62 | 0.52 |
| More than 3 days of lost time accidents | 72 | 0.60 |
| Dismemberment for body parts | 4 | 0.03 |
| Disabled | 0 | 0 |
| Death | 1 | 0.01 |

Note* : Computed based on the number of the Company's weighted average number of employees for the year 2015 at 12,007.

The Board of Directors of STA has established the anti-corruption policy and communicated with employees to provide better knowledge and understanding for the prevention of corruption. This is to build a good business conscious, right core value, and good corporate culture.

The Board of Directors of STA has established the Whistleblower Policy and set channel for appellant from all groups of stakeholder regarding falsify or inappropriate actions which may cause the damage to the Company including protective measures for claimer who is in good faith.

STA has established a channel of communication for shareholders or any stakeholders to directly report to the Directors. The Audit Committee assigned to receive these complaint reports will investigate and report to the Board of Directors. Furthermore, shareholders or any stakeholders may directly seek information from the Company Secretary of STA and the Investor Relations Office as following details:

- The Audit Committee,
E-Mail Address: auditcommittee@sritranggroup.com
- The Company Secretary,
E-Mail Address: corporatesecretary@sritranggroup.com
- The Investor Relations Office,
E-Mail Address: ir@sritranggroup.com
- Telephone no. +662-207-4500

Customers:

STA is committed to creating customer satisfaction by producing quality products and delivering the products on a timely basis and maintaining a good sustainable relationship. A guideline for customer relations practice is included in the Code of Business Conduct under Conduct of Relations to the Customers.

Business Partners:

STA has the policy to screen business partners and purchases goods and services from such business partners pursuant to commercial conditions. The Company always complies with the agreements entered into with its business partners and strictly follows the laws and regulations and possesses good business ethics in regard to business competition.

Competitors:

STA promotes and supports the policy of fair and free competition. STA will not take any actions that infringe or violate any laws related to commercial competition or that could cause harm reputation of its competitors.

Creditors:

STA complies with the conditions of loan agreements and provides accurate, transparent, and accountability information to creditors. Moreover, STA strictly adheres to the compliance with the prescribed conditions of the contract from creditors.

Government Agencies and Related Organizations:

STA strictly complies with various laws and regulations e.g. laws pertaining to the environment, safety, labour, tax management and accounting, as well as the government notifications relating to the business operations of STA.

Society and Environment:

STA is aware of and concerned about the safety, environment, and the quality of life of the people, and the importance of natural resources conservation, the promotion of energy sufficiency, the alternative use of natural resources to minimise the impact on society, the environment and people's quality of life to the greatest possible extent. As such, STA supports activities in the neighboring communities around the factories by providing the most efficient management of safety and environment.

In addition, STA has prepared corporate social responsibility report while the Board of Directors has supervised and monitored the management system to ensure full compliance with laws and regulations of regulatory agencies and the fair and strict equitable treatment of all stakeholders.

INFORMATION DISCLOSURE AND TRANSPARENCY

1. The Board of Directors of STA is responsible for the accurate, complete, clear, timely, and transparent disclosure of both significant financial and non-financial information of STA both Thai and English in balance and easy to understand form through the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2), and easy-to-access channels, which reflects fairness and reliability at the same time of maintaining the commercial interest of STA so that the stakeholders are all equally able to receive information in compliance with the Securities and Exchange Commission, the Stock Exchange of Thailand, and the requirements of various regulators.
2. STA has set up a public relations department in order to communicate with investors and related third parties. The

Investor Relations Office is the center for communication between shareholders, stakeholders, investors, analysts, and other related parties.

3. To report the corporate governance policy through the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2), and the Company's website.
4. To disclose vision, mission, and goal of the Company. Such disclosed information will be reviewed by the Board of Directors of the Company on yearly basis.
5. To clearly disclose the shareholding structure of the Company including shareholding of the Directors and the Executives of the Company both direct and indirect by presenting the beginning and ending shares as well as movement transaction during the year.
6. To establish the policy that the Directors must report all trading in securities and quarterly present to the Board of Directors.
7. To establish the policy for the Directors and the Executives to report their interest on the first appointment to the position and at the end of every year or every time when there is a change.
8. To present report of the Board of Director's responsibility for the financial reports together with auditor's report in annual report.
9. To disclose minutes of the annual general meeting on website of the Company.
10. To disclose profile of the Directors and their attendance on the Board of Directors and Sub-Committee meeting of the preceding year.
11. To disclose the date of first appointment to the Board of each director.
12. To disclose details of training and development program that the Directors joined during the preceding year.
13. To disclose the audit fees and non-audit fees in annual report.
14. To disclose Memorandum of Association and Article of Association in the website of the Company.
15. To provide various communication channels such as website, annual report, analyst meeting so that

shareholders or investors can easily access company information thoroughly and equally.

STA discloses significant information in Thai and English through website that is updated regularly. The Investor Relations Office at Bangkok Branch can be contacted at: Tel: +66-2207-4500, Fax +66-2108-2244, or at www.sritranggroup.com

RESPONSIBILITY OF THE BOARD OF DIRECTORS

1. The Structure of the Board of Directors

The Board of Directors of STA, consisting of the Directors who have knowledge, competence and experience in business, has the duty to determine policies, visions, strategies, goals, missions, business plans and budgets of STA, as well as to monitor the management team to effectively and efficiently manage the business of STA in accordance with the policies under the legal framework, objectives, the Articles of Association of STA and the resolutions of the shareholders meeting and the Board of Directors Meeting. Such duties must be performed with responsibility, due care and loyalty under the principles of good corporate governance in order to increase the best economic value for the business and the highest stability for the shareholders.

The Board of Directors of STA consists of 12 directors, including four independent directors who are fully qualified under the notifications of the Capital Market Supervisory Board and the SET.

Moreover, in compliance with the principles of good corporate governance and in order to ensure the Directors' effectiveness of work, the Board of Directors has established the policy that the Directors should not hold directorship positions for more than five listed companies. In the case that any director holds the office of director in more than five listed companies, the Board of Directors will further review the efficiency of such director's performance.

According to the Articles of Association of STA, at every annual general meeting, one-third of the Directors, or, if the number of Directors is not a multiple of three, then the number nearest to one-third, shall retire from office. The Directors who are to retire from office in the first and the second years after registration of the company shall be drawn by lots. In the subsequent years, the Directors who have been holding office for the longest time shall retire.

The Board of Directors has passed a resolution to appoint Mrs. Pacharin Anuwongwatanachai as a Company Secretary to provide advice on compliance with relevant laws and regulations which the Board of Directors is required to know. The Company Secretary shall also supervise the activities of the Board of Directors and ensure that the resolutions of the Board of Directors meeting have been complied with.

2. Sub-committees

The Board of Directors has a duty to carefully and effectively consider and give approval on significant operational matters; therefore, sub-committees are formed to assist the Board of Directors in various aspects. An Audit Committee is appointed consisting of at least three independent directors and at least one of them must have knowledge of accounting and finance and must have a qualification on independence as prescribed by the notifications of the Capital Market Supervisory Board and by the STA definition of an independent director. The Audit Committee was established for the purpose of monitoring the internal control system, financial report system, corporate governance, risk management, as well as the selection and the appointment of the auditor. Moreover, STA has formed other sub-committees such as the Remuneration Committee, the Nominating Committee, and the Risk Management Committee in order to manage the businesses of STA. The majority of members of the sub-committees are independent committee members in order to ensure a transparent and independent business operation.

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

The Board of Directors of STA oversees the business operation and the mission of STA to be in accordance with the approval given by shareholders, applicable laws, objectives, the Articles of Association of STA, and resolutions of the Board of Directors meeting and the shareholders meeting. The Board of Directors of STA must exercise good business judgment in making business decisions and perform its duty with responsibility, due care, and loyalty in the best interests of the Company.

Conflict of Interests

The Board of Directors of STA has established a policy for preventing conflicts of interests on the basis that any decision-making on business transactions must be made only for the best interest of STA, and that any act which may cause a conflict of interest should be avoided. It is

required that a person involved in or having a conflict of interest in any agenda item to be discussed in a meeting shall report the relationship or conflict of interest in such agenda item to STA, as well as abstain from voting and shall have no authority to grant approval for such transaction.

4. The Board of Directors Meeting

According to the Articles of Association of STA, the Board of Directors shall hold a meeting at least once every three months and any additional meetings as necessary. The meeting schedule shall be prepared in advance throughout the year and notified to all directors for their acknowledgement on yearly basis. A meeting notice will be delivered to the Directors at least seven days prior to the date of the meeting, except in the case where it is necessary or urgent to preserve the rights and benefits of STA. At each meeting, the agenda items of the meeting must be clearly specified and supported by complete and sufficient documents, and must be delivered to the Directors in advance so that the Directors will have sufficient time to study such information prior to the meeting. At the meeting, each director is allowed to openly discuss and express his/her opinion. In addition, at the meeting of the Board of Directors, the senior executives will be invited to participate in order to provide additional details of information on such matters in which they are directly involved. The Board of Directors can directly and independently contact the senior executives and the Company Secretary.

STA is committed to providing the Board of Directors with adequate, complete, and continuous information in a timely manner prior to a Board of Directors meeting.

5. Remuneration

The remuneration for the Directors must be made on a practical industry level based on working experience, role, responsibilities, and must be in line with the average market practice of the same industry.

6. Training for the Directors and the Executives

STA usually provides an orientation to the newly appointed director so that such Director can discharge his/her duties effectively. The Company Secretary will liaise with the Directors in any matters such as affidavit, Articles of Association, manual of director in Annual Registration Statement (Form 56-1), working system information within the Company, and other laws and regulations related to business operation of the Company.

The Board of Directors has a policy to enhance and accommodate the provision of training on good corporate governance. Regular and continuous training programs are provided to directors so that they can improve their knowledge.

STA has the policy to support the Directors and the senior management at least one person a year to join any training programs that equip them with knowledge to support their duties. In 2015, Mr. Patrawut Panitkul has joined SFE24/2015 Successful Formulation & Execution of Strategy held by the Thai Institute of Directors Association.

Moreover, in 2015, STA has arranged the seminar “Sri Trang Core Value and Corporate Governance” for Directors, the Executives, and employees within the organization in order to recommend the principles of good corporate governance, especially the integrity and transparency. This is to enhance understanding of strategies to prevent and detect fraud in practical level with the aim to efficiently reduce losses and mitigate risks as well as to promote the long term sustainability of the business operation. Participants for this program included Directors consisted of Mr. Chaiyos Sincharoenkul, Mr. Veerasith Sincharoenkul, Mr. Patrawut Panitkul, Mr. Chalernpop Khanjan, Mr. Prakob Visitkitjakarn, Mr. Kriang Yanyongdilok, and Mr. Samacha Potavorn, Company Secretary is Mrs. Pacharin Anuwongwattanachai, and the Executives consisted of Mrs. Prapai Srisuttiphong, Mr. Arsom Aksornnam, Mr. Chaidet Pruksanusak, Mr. Rattapong Laparojkit, Mr. Udom Pruksanusak, and Ms. Nuchanart Chaiyarat.

7. Assessment of the Directors’ Performance

STA has conducted the Directors’ Self-Assessment where the assessment form is in accordance with the good corporate governance so that the assessment results can be further used to develop the performance of the Directors. Three types of assessment form are;

- The Board Assessment Form (Assessment of the Board as a whole)
- Individual Board Member Assessment Form (Self-Assessment)
- Sub-committee Assessment Form (Self-Assessment of the Sub-committee comprised the Audit Committee, the Nominating Committee, the Remuneration Committee, and the Risk Management Committee)

The guideline for the assessment grading for each area is as follows:

- More than 90% = Excellent
- More than 80% = Very good
- More than 70% = Good
- More than 60% = Fair
- Less than 60% = Poor

The assessment process can be summarised as follows;

The Company Secretary is to prepare and review these 3 assessment forms in accordance with the related rules to ensure the accuracy and completeness before presenting to the Board for a recommendation. The assessment form will be then passed to the Directors to evaluate. The Company Secretary will summarize the assessment results.

The details of assessment can be summarized as follows:

1. The Board Assessment Form (Assessment of the Board as a whole) consists of 6 areas; structure and qualification of the Board of Directors, roles, duties and responsibilities of the Board of Directors, the Board's meetings, the Board's performance of duties, relationship with management, and self-development of the Directors as well as the development of the Executives.
2. Individual Board Member Assessment Form (Self-Assessment) consists of 4 areas; responsibility on their decisions and actions as well as the effective performance of their duties, fair and equitable treatment to the stakeholders, transparency and traceability of work with the disclosure of information, and level of Principles of Business Ethics as well as Code of Business Conduct on their business operation.
3. Sub-committee Assessment Form (Self - Assessment of the Sub-committee as a whole) consists of 3 areas; structure and qualification of the Directors, performance during the sub-committee meeting, as well as roles, duties, and responsibilities of the sub-committee.

The assessment results can be summarised as follows:

1. The Board Assessment Form (Assessment of the Board as a whole)

Overall assessment results for Board Self-Assessment (Assessment of the Board as a whole) in 6 areas represent an excellent performance with an average score of 95.45% which improved from 2014.

2. Individual Board Member Assessment Form (Self-Assessment)

Overall assessment results for Individual Board Member Assessment (Self-Assessment) in 4 areas represent an excellent performance with an average score of 91.48% which improved from 2014.

3. Sub Committee Assessment Form

- 3.1 The Audit Committee

Overall assessment results for the Audit Committee in 3 areas represent an excellent performance with an average score of 100.0%.

- 3.2 The Nominating Committee

Overall assessment results for the Nominating Committee in 3 areas represent an excellent performance with an average score of 95.59%.

- 3.3 The Remuneration Committee

Overall assessment results for the Remuneration Committee in 3 areas represent an excellent performance with an average score of 95.00%.

- 3.4 The Risk Management Committee

Overall assessment results for the Risk Management Committee in 3 areas represent very good performance with an average score of 80.59%.

DEALINGS IN SECURITIES

STA has a policy and procedure to monitor its executives in relation to their use of insider information of STA and its subsidiaries for personal interest as follows:

1. Educate the Directors and the Executives of each department regarding their duties to prepare and disclose the report of securities holding and the report of changes in securities holding of STA to the Office of the SEC and the SET as the case may be, including the applicable penalty in the case of breach according to the SEC Act and the regulations of the SET.
2. Arrange for the Directors and the Executives of the Company and their spouses and minor-children to prepare and disclose the report of securities holding and the report of changes in securities holding of STA

to the Office of the SEC pursuant to Section 59 of the SEC Act and deliver copies of such documents to STA on the same day.

3. The Directors and the Executives of the Company, who know material insider information affecting changes in securities price, must be cautious in the trading of securities of STA within one month prior to the time when the financial statement or such inside information is disclosed to the public. Moreover, within 24 hours after such insider information has been disclosed to the public, no person involved with such insider information shall disclose any insider information to any person before such insider information has been notified to the SET and/ or SGX-ST. Regarding penalty measures in the case of a violation of the above-mentioned regulations, the Company deems such violation as warranting a disciplinary penalty according the working rules of the Company.
4. The Directors, the Executives, staff members and employees of the Company shall not, whether directly or indirectly, purchase or sell, offer to purchase or sell or invite any other person to purchase, sell or offer to

purchase or sell shares or other securities (if any) of STA by using insider information which has or may have an impact on the change of the price of STA securities and has not been disclosed to the public, in a manner that may directly or indirectly cause damage to STA and whether or not such act is done for their own or another person's benefit, or to disclose such information so that they will receive consideration from the person who engages in the aforementioned acts.

Directors and employees are also expected to observe applicable insider trading laws at all times even when dealing in securities within permitted trading periods. In addition, the Directors and employees are expected not to deal in STA's securities for short-term considerations.

The aforementioned policy has been acknowledged by the Directors, the Executives, and employees through our internal communication channel (Intranet website).



STA recognises the importance of its internal control system, risk management, and the monitoring of the business operation, which is a continuous process; and the role and shared responsibilities of all our staff members ranking from the Executive Committee to each employee.

INTERNAL CONTROL AND RISK MANAGEMENT

STA recognises the importance of its internal control system, risk management, and the monitoring of the business operation, which is a continuous process; and the role and shared responsibilities of all our staff members ranking from the Executive Committee to each employee. The Company has set up a sufficient and appropriate internal control system to provide a reasonable assurance that all functions within the Group are operated concordantly and are able to meet the goals laid down by Executive Committee. The Company has established an Internal Audit Department which is an independent unit and reports directly to the Audit Committee. The appointment, removal, and rotation of Head of Internal Audit Department need an approval from the Audit Committee. The Internal Audit Department performs an internal control assessment pursuant to the annual plan by considering related risk factors as approved by the Audit Committee as well as supporting the creation of a risk management system and providing various recommendations to ensure that all operations of the Company meet the objectives as planned. The Internal Audit Department has followed the Standard for the Professional Practice of Internal Auditing as a guideline for its work, which focuses on independent, just, and internationally standardised operations with high quality auditing work. Therefore, the Company encourages internal audit personnel

to take internal audit related certificates i.e. CIA (Certified Internal Auditor), CISA (Certified Information Systems Auditor) and CPIAT (Certified Professional Internal Audit of Thailand). Three of our internal audit personnel have already earned CPIAT. Furthermore, an adequate training program specially designed for each individual internal audit personnel is provided continuously. In addition, according to an independent auditor who certified the Company's financial statements for the year 2015, there was no weakness in the internal control system which will materially affect the financial statements of the Company.

The following is a summary of the internal control and risk management system of the Company :

AUDIT COMMITTEE

The Audit Committee responsibility is to consider the sufficiency of the Company's internal control system by continuously reviewing the performance of the Internal Audit Department and the independent auditor. The Audit Committee emphasises the sufficiency and adequacy of the internal control system and ensures that all operations have complied with the laws, rules, regulations and other relevant policies. The Audit Committee may advise the development of internal control and internal audit system

to the Board of Directors. If the Audit Committee has any recommendations or finds any significant error or misconducts, the Audit Committee will discuss with responsible management team and directly report such matters to the Board of Directors for appropriate actions or further improvement.

INTERNAL AUDIT DEPARTMENT

STA has appropriately and sufficiently recruited internal audit staffs with the knowledge and experience related to internal audit. Mr. Wittawas Krungtaenmuang serves as a Chief Audit Executive. The internal audit staffs can access all information of the Company without any limitations in order to independently monitor the operation of various units within the Group in accordance with the annual plan as assigned by the Executive Committee or the Audit Committee by using the principles of risk management to make an assessment on the businesses or the working processes, and also give advices and make recommendations regarding the improvement of internal control to the management of each unit as well as provide operation guidelines to improve effectiveness and efficiency of the Group's business operation.

MANAGEMENT ACTIVITY CONTROL SYSTEM

The Board of Directors sets the operating goals of the Company by determining the clear core value, vision, mission, as well as business growth and appointing working team to review Key Performance Indicators (KPIs) of each business unit. This is to ensure that the target in terms of financial outcome, operating result, customer satisfaction, etc. of each business unit will be consistently aligned with the Company's goals throughout the organisation. Such control is continuously closely monitored.

RISK MANAGEMENT

The Board of Directors value the risk management system as a business importance and implement systems for its effectiveness. Risk management committee is responsible to review the policies and oversee the effectiveness of the Company's risk management system. Changing environments may cause business at risk and negative impacts, therefore continuous risk assessment and monitoring are required. Each department shall assess its risk and prepare the solution plan. In addition, there is a regular management meeting to evaluate the current situation and select appropriate strategies to cope with any possible risks.

CONTROL

The Company clearly determines measures and implementation plans by issuing orders, rules, approval authority, and working procedures for the management and all employees.

INFORMATION AND COMMUNICATION

The Company has various communication networks, via both the Internet and its Intranet. The Internet is a communications channel between the Company and stakeholders such as shareholders, investors, and other external parties. For internal communication within the Group, the Intranet is the key method for correspondence. This ensures efficiency and accuracy of information, and that information is delivered in time to all related parties. In 2015, the Company implemented Systems, Applications, and Products in Data Processing (SAP) for the Enterprise Resource Planning (ERP) to link various working systems which will enhance the accuracy, speed, and effectiveness of information integration and communication within the Group.

MONITORING AND EVALUATION SYSTEMS

The management continuously monitors economic situations to strategically plan business operation under current and future circumstances that may impact organisation's goal. Key Performance Indicator (KPI) report will be conducted in order to closely and timely monitor and evaluate operating performance of organisation.

RISK REPORTING

Daily reports setting out the aggregate amount and cost of raw materials purchased are generated by the managers of each of the Company's rubber processing facilities. In addition, the Company's sales and marketing department also generates a daily sales and inventory report. The senior management team utilises these reports to determine the net position of the Company's sales and cost of goods sold, and hence, the exposure to the various risks.

REVIEWS

The managers of the Company's rubber processing facilities meet with the procurement and sales and marketing teams on a monthly basis to prepare the budget (including the targeted monthly production capacities for each of the Company's rubber processing facilities as well as the sales

targets for the month). These targets are set after taking into account several factors such as the estimated effective production capacity at each of the rubber processing facilities, the supply of raw materials that the Company is able to acquire, the demand of natural rubber products, the price of natural rubber in the commodities markets and other general economic conditions. Such budgets are then reviewed by the senior management team before they are implemented. Through these monthly budget meetings and the setting of targets, the Company has established procedures which it believes to achieve maximum return on investments within the appropriate risk parameters that are set and revised by the senior management team according to any changing circumstances. For the performance of each business unit, Internal Audit Department has randomly checked the accuracy of important topics in KPI report, especially on main function departments such as procurement department, production department, exporting department, etc.

Following the meeting of the STA Board of Directors no. 1/2016, on 26 February 2016, which was attended by four members of the Audit Committee, the STA Board of Directors, having received information from the management and relevant staff members, assessed the internal control system and concluded that by assessing the internal control system of the Company in five elements, which are organization and the environment, risk management, control of the operation of the management, information and communication, and monitoring system. The STA Board

of Directors was of the opinion that the Company has a sufficient and appropriate internal control system with adequate personnel to effectively monitor the system and the operation of subsidiaries. Neither the opinion of the independent directors nor the Audit Committee differs from the opinion of the STA Board of Directors with regard to internal control. However, the Audit Committee has emphasized the strict implementation of Good Corporate Practice of the Company in order to comply with the regulations of the Capital Markets Supervisory Board, the SET, and the SEC to ensure that the operation of the Company is conducted in the most transparent and effective manner possible.

In addition, the meeting of the Audit Committee of STA no. 1/2016, on 25 February 2016, made an assessment of the internal control system of the Company and was of the opinion that the internal control of the Company was adequate and appropriate.

Regarding the monitoring and supervision of the subsidiaries of STA, the Directors of STA will serve as directors of the subsidiaries and associates and may from time to time nominate the Company's representatives to serve as directors of the subsidiaries. The Internal Audit Department of the Company is assigned to audit the sufficiency of the internal control of the subsidiaries and reports its findings to the Audit Committee in order for the Company to be able to effectively control and monitor the internal control operation of the subsidiaries.