

## **CORPORATE GOVERNANCE**

The Board of Directors realized the importance of operating its business under good corporate governance. The corporate governance policy has been prepared and implemented since 2007. It has been disclosed on the Company's website, externally on [www.deltathailand.com](http://www.deltathailand.com) for public access as well as internally on intranet for employee's access. The policy covers 5 major categories as follows;

- Rights of Shareholders
- Equitable Treatment to Shareholders
- Role of Stakeholders
- Disclosure and Transparency
- Responsibilities of the Board

(Further details of the Company's Corporate Governance Policies can be read from the Company's website: [www.deltathailand.com](http://www.deltathailand.com))

Regarding to the Board of Director Meeting no. 4/2013 dated 6 November 2013, the Board of Director resolved to assign the Executive Committee to be responsible for the Company's Corporate Governance

The implementation on the good corporate governance activities during the year 2013 can be summarized as follows.

### **○ *Rights of Shareholders***

The Company realizes and emphasizes the shareholders' rights by encouraging the shareholders to exercise their basic legal rights and obtain adequate business information including the updated important information via the Company's website. In addition, all shareholders as well as institutional shareholders have been continuously encouraged to participate and vote in the shareholders meeting for material matters that may affect their rights and interests.

#### **● *Shareholders' Meetings***

The Company generally holds an annual general meeting of shareholders (AGM) once a year within four months after each fiscal year end. In 2013, the AGM was held on March 29, 2013 at the Company's office located at Bangpoo Industrial Estate, Samutprakarn province and meeting was conducted in accordance with the good governance principles, the Company has been rated "Excellent" for the high standard of annual general meeting (AGM Assessment) conducted in the year 2013 from the Thai Investors Association. There was no extraordinary general shareholders' meeting held during the year.

#### **● *Prior to the Meeting***

Record date was used to justify the shareholders who entitled to attend the meeting. The Company entrusted Thailand Securities Depository Co., Ltd. (TSD) who acted as registrar to send out invitation for the meeting in both Thai and English together with other supporting information and documents to all shareholders 14 days prior to the AGM date. At the same time, it announced the call for the AGM meeting on a Thai daily newspaper for three consecutive days and at least three days before the meeting date. All those documents were also made available to the shareholders on the Company's website for 30 days in advance. All information made available for easy access by shareholders was to provide adequate time for them to review the agenda. The meeting invitation had expressly indicated the matters to be tabled at the meeting, whether for acknowledgement, approval or

consideration. In addition, it enclosed the Board's opinions and supported document to ensure that shareholders had sufficient information to consider all issues. To be well prepared for the meeting day, the Company provided a list of necessary evidences must be presented to identify themselves and a proxy form (as outlined by the Ministry of Commerce) to facilitate the shareholders who cannot attend the meeting and wish to give proxy to others.

● *On the Meeting Date*

The Company provided shuttle services at The Stock Exchange of Thailand building for shareholders who wished to attend the Meeting. On meeting date, attendance registration commenced not less than 1 hour before the meeting started. Shareholders who came late were allowed to vote for the remaining agenda. Barcode system had been employed to facilitate the attendance registration and vote count. Duty stamps were available to shareholders without charges.

There were 7 directors out of 9 attended the meeting since 1 director had admitted to hospital and another one had engaged with his overseas business. The Chairman of the Board, Chairman of all sub-committees, the President and other key management members such as Chief Financial Officer (CFO) and the external auditor were presented in order to listen to the shareholders' opinions or suggestions and also answered any questions they might have similar to what were done in prior year. The company had implemented its registration and vote count systems which could demonstrate the result of the vote count immediately. Before the meeting started, the Company notified number of shareholders who attended the meeting in person and proxy, and clarified voting procedure and vote count method. With regard to the voting criteria, each share is eligible for one vote and an ordinary resolution requires the majority votes (except the voting on a special resolution, the meeting must comply with the Company's Articles of Association and/or relevant laws). Votes are not allowed to shareholders who have interests related to any particular agenda. For the election of directors, individual votes are required. At the time of voting, in order to expedite the process, only the ballots voted for objections and abstentions were collected and deducted from total votes which attended the meeting and eligible to vote. There was no any objection or request for re-inspection from shareholders on such arrangement. The meeting proceeded according to the agenda and had no additional item without prior notification to shareholders. The preliminary voting results were reported openly at the meeting. A representative from, Allen and Overy (Thailand) Co., Ltd, was appointed to help inspect the vote count. During the meeting, shareholders were allowed to voice their opinions and raise questions in appropriate time. In fact, shareholders may submit their questions by e-mail to [info@deltathailand.com](mailto:info@deltathailand.com), mail or fax to the Company before the meeting date. This year, the Company had disseminated the invitation to shareholders to send their questions or opinions on the Company's website since October 1, 2013. Generally, the company secretary will review and gather the questions before submitting to the Board of Director for their consideration. However, in the meeting, the Board will principally attend the questions that related to the Company's operations or considered to create material impact on the operating results. There was no question proposed in 2013 Annual General Meeting.

### ● *After the Meeting Date*

Minutes of meeting recorded in writing every resolution, showing the number of approval, objection and abstention votes for each agenda. Questions, response, and opinions arose during the meeting were documented in order to examine afterwards. Report of the meeting had been disclosed on the website of the SET as well as and the Company's within 14 days after the meeting date (Please find further details in the 2013 Minutes of Annual General Meeting posted on the Company's website)

### ● *Equitable Treatment to Shareholders*

If the shareholder is unable to attend the meeting, the shareholder may give a proxy to a person or to the Company's nominated independent directors to attend the meeting and vote on his/her behalf by completing and sending to the Company a proxy form enclosed with the invitation for the meeting or by downloading the proxy form from the Company's website.

In addition, the Company opened for the shareholders to propose additional agenda and to nominate candidate to be director of the Company in advance. Procedures and details were disclosed on the Company's website during 1 October - 31 December 2012. Generally, the company secretary will review and gather the additional agenda and director nomination before submitting to the Board of Director for their consideration, but none had exercised the rights. For 2014 annual general meeting of shareholders, the Company also provided this opportunity to shareholders during the period of 1 October - 31 December 2013.

### Prevention on Conflict of Interest

In general practice, decision making of the directors and executives must come out in a way to enrich the Company's ultimate benefit. In case of having conflict of interest, the directors or the executives shall submit the issue to the Board or the shareholders' meeting for their consideration on necessity to execute such transaction and potential impact on the Company if the matter is approved. At the time of voting on the issue, the person who has conflict of interest is not allowed to vote. According to the recent Securities and Exchange Act, the directors and executives of the Company have filed their and their related persons' report on their interest with the Company with an extra copy to the Chairman and Audit Committee Chairperson of the Company through the company's secretary. And such reports are required to update annually and submit to the Company. In addition, the Company also deals with related party transaction as regulated by the Capital Market Supervisory Board and also disclosed inter-transaction with its affiliates in the Company's financial statements and in the annual information disclosure form (Form 56-1) In 2013, there was no connected transaction during the year.

### ● *Role of Stakeholders*

The Company has contributed extensively to the rights of all stakeholder groups such as shareholders, customers, employees, business partners, creditors and society in accordance with laws or agreements with the Company. The Company opened various passages to accept suggestions or complaints from all stakeholders.

The Company also has other guidelines to treat each specific stakeholder groups as follows;

**Shareholders:**

The Company aims to bring a long-term sustainable growth to its business, thereby enhancing the Company's value and ultimately providing favorable returns to its shareholders and paid dividend consistently at a satisfactory rate.

**Customers:**

The Company is committed to maximize customer satisfaction by offering quality products and reliable service.

**Employees:**

The Company has a policy to encourage the human resources development by enhancing the skill and quality of personnel as well as establishing appropriate welfares for the Company's personnel.

**Business Partners:**

The Company at all times maintains good relationship with its business partners, not only perform to fulfill the agreement but also cooperate to work closely to improve the quality of raw materials and products to meet demand of both parties and prevention of material shortage

**Creditors:**

The Company strictly abides by its obligations and repays to all creditors as promised. Currently, the Company has gained trust and support from both local and international commercial banks.

**Society and environment:**

The Company prescribed social responsibility policy for management and employees to use as guidance towards business operations and to commit to develop and improve in order to create foundation of social responsibility continuously and sustainability. The policy was communicated to employees, business partners, contractors and all involved parties so they would realize importance of shared social responsibility.

For the activities with stakeholders, please see CSR report

○ ***Disclosure and Transparency***

The Company has the policy to disclose data and information accurately, adequately and timely so as to allow stakeholders to know about operating performance, financial position, key developments and information such as financial statements, annual report and disclosure Form 56-1, in both Thai and English language. Such information is available on websites of relevant authorities such as the Stock Exchange of Thailand (SET) and the Securities Exchange Commission (SEC) as well as on the Company's website [www.deltathailand.com](http://www.deltathailand.com). Interest persons may telephone or email to request for more information at [info@deltathailand.com](mailto:info@deltathailand.com). The Company also has investor relations unit to provide information to shareholders, investors, securities analysts, and others and they can be reached at [investor@deltathailand.com](mailto:investor@deltathailand.com).

In 2013, with support from SET, the Company organized press conference quarterly to clarify its operating results to securities analysts, reporters and general investors and for

those people to meet with its executives in a bid to nurture confidence of all stakeholders. The Company had arranged the factory visit for the shareholders and institutional investors to Wellgrow and Bangpoo factory in Chacheongsao and Samutprakarn. In addition, meetings were also arranged by Investor Relations unit from time to time in order to provide information to both local and oversea securities analysts and investors.

Since most local and foreign investment companies invests in our stocks for long term holding, the company's investor relations does offer periodical updates for investors in the region by joining conferences and events a few times each year. For investors in other regions, conference calls are normally set up upon request. In 2013, the company's proven track record of steady growth in sales and dramatic improvement in profits margin seemed to attract many more foreign investors, especially from European and US firms. With good operation growth and handsome dividend, the Company will put its best effort to ensure good returns for our investors.



*Factory Visit arranged for shareholders and institutional investors,  
at Wellgrow and Bangpoo plant on 25 November 2013*

### **○ Responsibilities of the Board**

#### Structure of the Board

The Board of Directors comprises nine directors, six of whom are executive directors and the other three are independent directors which accounts for one-third of the board. Qualifications of independent director have been set to meet the criteria ruled by the SEC. Currently, Chairman of the Board and the President are held by two individuals with clearly separated responsibilities. Roles and responsibility of the Board and management are also distinctively defined so as to ensure management transparency. (Please find details of the Board members and scope of duties in the section of Managerial Structure).

#### Director's Term of office

At the annual general meeting of shareholders, one-third of the directors or close to one-third must vacate from the office. A director who vacates from office by rotation is eligible for re-election. The meeting of shareholders may pass a resolution to remove any director prior to retirement by rotation by a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting and having the right to vote and having shares in

aggregation not less than a half of the number of shares held by shareholders attending the meeting and having the voting rights.

At the 2013 Annual General Meeting of Shareholders, the retired directors, Mr. Chu, Chih-Yuan, Ms.Niramol Tantipuntum and Emeritus Professor Supapun Ruttanaporn were re-appointed.

### **Sub-Committee**

The Board of Directors appointed sub-committees to help study, scrutinize, and to give opinion on various matters. At present, there are four sub-committees including executive committee, audit committee, compensation committee and risk management committee with details as described below.

### **Executive Committee**

The executive committee of the Company consists of 8 members as follows;

Name	Position
1. Mr. Hsieh, Heng-Hsien	Executive Committee Chairman
2. Mr. Ming-Cheng Wang	Executive Committee Member
3. Mr. Anusorn Muttaraid	Executive Committee Member
4. Mr. Hsieh, Shen-Yen*	Executive Committee Member
5. Mr. Yu, Po-Wen	Executive Committee Member
6. Mr. Vichai Saksuriya	Executive Committee Member
7. Mr. Sim, Kuik-Keong	Executive Committee Member
8. Mr. Chang Tsai-Hsing*	Executive Committee Member

*\* Being appointed by the Board of Director on 13 August 2013*

### Scope of Responsibilities of Executive Committee

1. To operate and manage the business of the Company in compliance with Company's objectives, Memorandum of Association, policies, regulations, notifications, orders as well as the resolution of the board of directors and/or shareholders' meeting.
2. To establish policies, business plan, directions, strategies, budget and the main organization structure and authority of each department within the Company including the organization chart in order to propose to the board of directors for its consideration and approval as well as to monitor and follow up the result of the operation of the Company to be in accordance with the policies.
3. To be eligible to do the following transactions with banks and to report these transactions to the board of directors in the following board meeting after execution of those transactions.
  - (a) Open or close bank accounts,
  - (b) Enter into any contract which is in the Company's normal course of business and/or any other transactions with banks or other financial institution for a total combined amount of not exceeding USD 50 million or equivalent in any other currencies per bank, in case there is a need to use any assets of the Company as collateral to support the banking facilities, approval of the board of director must be obtained,

- (c) Issue corporate guarantee to support banking facilities granted to Subsidiaries for a total amount of not exceeding USD 50 million or equivalent in any other currencies per company.
  - (d) Renew banking facilities without any limit.
4. To be eligible to approve the investment in subsidiary companies for the amount of not exceeding USD 5 million or equivalent in any other currencies per company per project and in the aggregate amount, after combining all investments, of not more than USD 20 million or equivalent in any other currencies within a calendar year. Such investment transactions are required to report to the board of directors in the following board meeting
  5. To be eligible to appoint, promote, transfer or discharge directors and/or executives of the subsidiary companies.
  6. To authorize any one or more persons to perform any action under the supervision of the Executive Committee, or granting the power-of-attorney to such person (s) to perform any action within the specified time as the executive committee may think fit; provided, however, that the executive committee has the sole discretion to revoke or modify such designated person or power-of-attorney as the executive committee may think fit.  
For this purpose, no authorization will be enable a member of the executive committee under the power-of-attorney and/or his sub power-of-attorney to approve the transaction which may cause a conflict of interest between such attorney or any related person (as defined in the SEC Notification) as the one party and the Company or its subsidiary as the other party, unless it is granted in accordance with the Company's normal course of business as clearly identified.
  7. To perform any other duties assigned by the board of directors.

### ***Audit Committee***

The audit committee of the Company consists of 3 members and all the members are independent directors. Term of office shall follow the annual director election and qualifications and responsibilities of the Committee as prescribed by the SET. List of the members of the audit committee is shown below.

Name	Position
1. Emeritus Professor Supapun Ruttanaporn*	Audit Committee Chairperson
2. Mr. Supat Limpaporn	Audit Committee member
3. Prof. Lee, Ji-Ren**	Audit Committee member

*Remark: \* Being a director who is knowledgeable and experienced in reviewing Company's financial statements appointed since 2004*

*\*\* Being a Strategy and Management professor of National Taiwan University*

#### **Qualifications of Audit Committee:**

1. All members must be independent director.
2. Not being a director who is authorized by the board of directors to make decisions relating to the operations of the company, its parent company, its subsidiary, its associated company, its parallel subsidiary company or potential conflicting person.
3. Not being a director of a parent company, subsidiary or parallel subsidiary company which is a listed company.

4. Having duties and responsibilities according to the SET's rules.
5. Having sufficient knowledge and experience to perform his/her duties as a member of the audit committee provided that at least one member of the audit committee must have sufficient knowledge and experience to review the reliability of the financial statements.
6. Being appointed by the Board or shareholders meeting.

Scope of Responsibilities of Audit Committee:

1. To review the company's financial reporting to ensure that it is accurate and the disclosure is adequate;
2. To review that the company employs appropriate and efficient internal control system and internal audit. To determine the independence of the internal audit unit as well as to approve the appointment, transfer and dismissal of the chief of the internal audit unit or any other unit in charge of the internal audit;
3. To review that the company complies to the law on securities and exchange, the regulations of the SET and other laws related to the company business;
4. To consider the capability and the independence of an external auditor and propose to be appointed as the Company's auditor including the audit fee, as well as to attend a non-management meeting with the auditor at least once a year;
5. To review the Connected Transactions or the transactions that may lead to conflicts of interests, that they are complied with the SEC laws and regulations, and to ensure that they are reasonable and yield the highest benefit to the company;
6. To report the governance activities of the Audit Committee in the company annual report, which must be signed by the chairman of the Audit Committee. The report has to consist of at least the following information:
  - (a) An opinion on the accuracy, completeness and reliability of the company financial reports,
  - (b) An opinion on the adequacy of the company internal control system,
  - (c) An opinion on the compliance with related laws i.e. the Securities and Exchange Act, the SET regulations, or the laws relating to the business of the company,
  - (d) An opinion on the suitability of the external auditor,
  - (e) An opinion on the connected transactions or the transactions that may lead to conflicts of interest,
  - (f) The number of Audit Committee meetings, and the attendance of such meetings by each committee member,
  - (g) An overall opinion or comment of the Audit Committee in performing its duties as specified in the audit committee charter.
  - (h) Other transactions the Audit Committee opines that should be known to the shareholders and general investors, under the scope of duties and responsibilities assigned by the company board of directors.
7. To do any other matters assigned by the board of directors of which the Audit Committee agrees.

### **Compensation Committee**

The Compensation Committee consists of 3 members, 2 independent directors and 1 executive director in charge of human resources function. Term of office shall follow the annual director election. List of the members of the compensation committee is shown below.

Name	Position
1. Mr. Supat Limpaporn	Compensation Committee Chairman (Independent Director)
2. Prof. Lee, Ji-Ren*	Compensation Committee Member (Independent Director)
3. Mr. Anusorn Muttaraid	Compensation Committee Member (Human Resources & Administration Director)

#### Scope of Responsibilities of Compensation Committee:

1. Appraise the performances of the president and the Executives level 8 and up annually.
2. Determine the remuneration of the directors of the company and members of sub-committee, which would include monthly remuneration, meeting allowance, annual bonus and other benefits in terms of both financial and/or non financial, with fair and reasonable principles and package structure and submit it to the board of directors and shareholders for approval.
3. Determine the remuneration policy of the Company's president and the Executives level 8 and up which would include salary, annual bonus and/or other benefits in terms of both financial and/or non financial, with fair and reasonable principles and package structure and submit it to the board of directors for approval.
4. Review the remuneration policy of directors, committee President and the Executives level 8 and up based on their performances, the company's performances and best practice in the market and/or among the listed companies in Thailand's stock exchange.
5. Perform any other duties assigned by the board. To perform the assigned job, the compensation committee may seek advice or opinion from the relevant independent professionals as necessary and appropriate. Compensation committee may also need to attend training or seminar with the purpose to enhance knowledge and capability in performing their job at the expense of the Company.

### **Risk Management Committee**

Risk management committee consists of 10 members as follows;

Name	Position
1. Mr. Hsieh, Heng-Hsien	Risk Management Committee Chairman
2. Mr. Ming-Cheng Wang	Risk Management Committee Vice Chairman
3. Mr. Anusorn Muttaraid	Risk Management Committee
4. Mr. Lin, Nan-Hong	Risk Management Committee
5. Mr. Yu, Po-Wen	Risk Management Committee
6. Mr. Vichai Saksuriya	Risk Management Committee
7. Mr. Sim, Kuik-Keong	Risk Management Committee
8. Mr. Chiang, Chia-Chih	Risk Management Committee
9. Mr. See Kai Mun	Risk Management Committee
10. Mr. Chong Kai Kok	Risk Management Committee

### Scope of Responsibilities of the Risk Management Committee:

1. Establish risk management procedures.
2. Implement risk management, to delegate the risk management to their respective managers.
3. Develop and review strategic risk management plans
4. Quarterly and/or annually and/or any time that is necessary report to the Board or to the Audit Committee as assigned by the Board.
5. Monitor and continuously improve risk management.
6. The committee may seek advice from relevant professional consultant in some cases

### Selection of Directors and Independent Directors

The board is responsible for the search, selection and nomination of the qualified candidate to be director or member of any committee of the Company as currently the nominating committee has yet been appointed for such assignment. However, to promote the good governance the Company has invited the small shareholders to nominate the candidates to be directors of the Company. The candidate is required to have some basic qualifications as shown in the Company's website. The board will consider and approve selecting the candidate by the majority votes of the board meeting. After selected, the board shall nominate such candidate to the shareholders' meeting for approval.

### Qualifications of Director

1. A director shall have qualifications and shall not have prohibited characteristics as specified in the law on public limited companies, as well as shall not have characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by public shareholders as specified in the notification of SEC.
2. Professional ethics and excellent career profile.
3. Knowledge or experience in business administration, especially in electronics, telecommunications, finance and accounting or any other areas, as the board deems appropriate.
4. Able to participating in all board's meetings and shareholders' meetings (except in case of emergency).
5. Other qualifications that the board may later consider appropriate or are required by law.

### Qualifications of Independent Director

Qualifications of independent director (ID) have been defined based on the requirement of Office of Securities and Exchange Commission as follows:

1. Not holding shares exceeding 1% of the total shares with voting rights of the company, its parent company, its subsidiary, its associated company, or potential conflicting person provided that any shares held by his or her Related Person must be taken into account.
2. Not being nor having been an executive director, employee, officer, monthly paid advisor or controlling person of the company, or its parent company, its subsidiary, its associated company, its parallel subsidiary company or potential conflicting person with

the company except that he/she has no such characteristic for at least two years before becoming an independent director.

3. Not being a person related by blood or by registration under laws as father, mother, spouse, sibling and child, including spouse of child of executive, major shareholder, controlling person, or such other person who will be nominated to take up the position of executive or controlling person of the company or its subsidiary.
4. Not having nor having had any business relationship with the company, its parent company, its subsidiary, its associated company or potential conflicting person as might interfere with his/her use of independent discretion, including not being nor having been a major shareholder, a director who is not an independent director, or an executive of a person who has a business relationship with the company, its parent company, its subsidiary, its associated company or potential conflicting person except that he/she has no such characteristic for at least two years before becoming independent director.

Details of business relations are summarized as follows:

#### 4.1 Professional advisor

4.1.1 Not being an auditor for any cases

4.1.2 Not being the advisors (such as legal advisor, financial advisor, appraiser or others) with value of transactions of greater than 2 million Baht per year

#### 4.2 Other business relationship

4.2.1 Scope of business covers normal business transaction, rental or lease of immovable property transaction, asset or service transaction, and financial assistance transaction.

4.2.2 Not having business relationship with the value of transactions of 20 million Baht or more or 3% or more of its net tangible assets, whichever is lower (including transactions undertaken with the same person in 6 months).

4.2.3 For existing independent director, any case deemed to be necessary and appropriate and not be a regular case, the board of directors with the unanimous resolution may except the transaction which exceeding the above value. In such case, the business transaction is required to be disclosed in the registration statement, Form 56-1, and annual report. If the independent director will be re-appointed for another term, such relationship or transaction must also be disclosed in the notice of meetings.

5. Being a director whom is not appointed as a representative to safeguard interests of the company's directors, majority shareholders or shareholders who are related to the company's major shareholders.
6. Not having any other characteristics which make it incapable of expressing an independent opinion with regard to the company's operations.
7. An independent director who satisfies qualification specified in 1 to 6 above may be empowered by the board to make decision in normal business operation provided that the decision process is in form of collective decision.

### Appointment of Directors

Based on the Article of Association of the Company, an appointment of director is made through a majority vote of shareholders meeting. One share shall count for one vote and

each shareholder shall exercise all the votes he has to appoint the nominated person or nominated persons to be director on a person-by-person basis or en bloc basis, provided that he cannot divide his vote to any person to any or in the basis extent vote for nominated persons but the votes are indivisible. The person obtaining the most votes in descending order shall be elected as directors equal to the number of directors required. In the event that persons receiving votes in respective orders receive equal votes and the number of position exceed the positions required, the chairman of the meeting shall have a casting votes.

#### The Orientation for New Director

The Company sets up an orientation for new director which include a briefing on the Company business on top of its operations and plant visits conducted by Management. Subsequently, summary of the Board of Director's roles and responsibilities, Listed company Director's handbook and Company's information in detail will be presented by Corporate Secretary.

#### Directorship of the Board of Directors and Executives in other Companies

To ensure the director's efficient performance and in compliance with Corporate Governance Principles, the board of directors requires that each director may retain the office of director in, apart from the Company, other five listed companies as a maximum. Moreover, before participating as board director of any other company (except subsidiary company), the directors, president and/or the other top executives must first seek approval from the board of directors. Thus, the directorship as mentioned above will not be complied to the directorship of the Company's subsidiaries due to the Company's policy that encourage its directors and/or executives to take account of authorized directors to supervise the subsidiaries' performance.

#### The Board's Meeting

The Company schedules the board meeting at least four times a year or on a quarterly basis. An extraordinary meeting may be arranged when there is an issue to consider. The regular meeting date will be set in advance for the entire year. At least seven days prior to the meeting date, the Company will send out invitation letter with agenda to all directors, In case of emergency, invitation letter may be less than seven days. Each director is free to propose agenda. Company secretary has duties to arrange the meeting, take care and give suggestion to ensure that the meeting is in compliance with all relevant laws and regulations, minutes of meeting will be put in writing, and those endorsed by the Board are kept as evidence at the Company's office.

Meeting Attendance of directors in 2013 as follows;

Unit : Times

Name	Board of Directors	Audit Committee	Compensation Committee	AGM
<b>No. of total meetings held</b>	4	8	3	1
Mr. Ng Kong Meng	4/4	n/a	n/a	1/1
Mr. Ming-Cheng Wang	4/4	n/a	n/a	1/1
Mr. Hsieh, Heng-Hsien	4/4	n/a	n/a	1/1

Mr. Chu, Chih-Yuan	4/4	n/a	n/a	1/1
Mr. Anusorn Muttaraid	4/4	n/a	3/3	1/1
Mr. Hsieh, Shen-Yen*	1/1	n/a	n/a	-
Emeritus Prof. Supapun Ruttanaporn	4/4	8/8	n/a	1/1
Mr. Supat Limpaporn	4/4	8/8	3/3	1/1
Prof. Lee, Ji-Ren **	3/4	5/8	1/3	0/1

\* Being appointed the director in place of Ms. Niramol Tantipuntum who passed away on 13 August 2013

\*\* Prof. Lee, Ji-Ren had teleconference in audit committee meeting 2 meetings and compensation committee meeting 1 meeting.

#### The meeting without attendance of management

The independent directors may hold a meeting without attendance of management as it sees appropriate. Normally, meeting of the Audit Committee is held without executive participation. The Company's auditor generally attends the Audit Committee meeting on a quarterly basis when reviewing financial statements. In some circumstances, the Audit Committee may request particular executive to clarify issue as it sees fit.

#### Performance Assessment of the President

The Board assigns the compensation committee to determine and propose Key Performance Indicators (KPI) of the President. The KPI must be approved by the board and be reviewed annually. Appraisal results will be submitted to the Board on a quarterly basis.

#### Training for the Board and Management

The Company has a policy to encourage directors, executives and the Company secretary to continuously train on good corporate governance, both organized internally or externally by relevant institutions such as the SET, the SEC and the Thai Institute of Directors Association (IOD).

In 2013, Ms. Wilailak Funghanakun, the Company's Secretary joined of 3 programs of Thai Listed Companies Association as follow;

- Fundamental jurisprudence and related regulations for listed companies
- Fundamental Practice for Corporate Secretary (FPCS)
- Risk Management Workshop

#### Succession plan/ Talent Pool Management

The company conducts Talent Pool Management for selecting proper personnel to be successors to key positions. Since the Talent pool Management is more flexible for choosing appropriate personnel to suit the perhaps- rapid-changed business strategy. The Board of Director had assigned the Talent Pool Management Committee to qualify and develop proper talent personnel to act in response to the Company's strategy on top of its 5-year plan. Therefore, this on-going Talent Pool Management is to make the organization ready for any further vacancy of company's key position such as Chairman of the Board, Chief Finance Officer, Chief Operation Officer, Human Resource Director and so on.

To accelerate this Talent Pool Management, the company had invited an expert from its sister plant in China to share his experience in Talent Pool Management adopted to Delta Group in China to DET's executives as a demonstrative guideline for Talent Pool achievement in Delta Thailand.



*Executive Vice President of Delta Group's China region sharing his experience in Talent Pool Management program in China region before opening Q&A session for DET executives*

### Supervision of Subsidiary and Associated companies

The Board of Directors has assigned the Executive Committee to supervise the operations of the subsidiary and associated companies. The Executive Committee has a certain authority to make investment in subsidiaries and associate and may assign some directors or top executives of the Company and/or appoint some local people to participate in the board of directors or management of its subsidiaries or associates in order to support the management and determine business policies and direction. After appointed, the Executive Committee will report such appointment to the Board of Directors for their acknowledgement. However, if the investment amount exceeds the granted authority, the Executive Committee is required to seek for Board's approval.

The supervision and monitoring have been further done through the implementation of ERP solutions which effectively gathers and provides important information including finance, accounting and other information, to support the management, controlling and monitoring the operations of those subsidiaries and associates. Furthermore, Treasury and Investment Section of the Company also actively participate in monitoring and supporting the sourcing of fund, capital increase and reduction by seeking approval from the Executive committee or Board of Directors. And as almost all of the companies in the group are wholly owned subsidiaries, there would be no connected transactions occurred. In case there might be some transactions with the other related companies in Delta group, those subsidiaries have been instructed that prior approval from the Company's Executive Committee or Board of Directors is required and it is also required to comply with the relevant SET or SEC's requirements.

### Prevention on Usage of Inside Information

Under the Company's policy, the inside information is restricted to the executives from the middle to the top levels within the relevant departments or plants. Use of inside information for personal benefits or lead to any damage is deemed serious wrongful conduct. Formally,

the prohibition of usage of inside information for securities trading is formally written in the Company's Code of Conduct Guideline to urge employee's awareness. In practice, the Company ruled out that its directors and executives must declare securities holding under their names, spouses and minor children to the Office of the Securities and Exchange Commission (SEC) as required by the law.