

## Draft

**THAI INSTITUTE OF DIRECTORS ASSOCIATION (IOD)**  
**MINUTES of the ANNUAL GENERAL MEETING (AGM) 2017**  
**Held on Monday, May 29, 2017**  
**at the Ballroom, Grand Hyatt Erawan Hotel, Bangkok**

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### **A list of directors attending AGM**

- |                                  |  |
|----------------------------------|--|
| 1. Mr. Krik-Krai Jirapaet        | Chairman of the Board  |
| 2. Mr. Chatchai Virameteekul     | Vice Chairman, and Chairman of Nomination and Corporate Governance (CG) Committee                |
| 3. Mr. Weerasak Kowsurat         | Vice President and Member of Nomination & CG Committee   |
| 4. Mr. Surapon Nitikraipot       | Vice Chairman  |
| 5. Mr. Bandid Nijathaworn        | President and CEO<br>Member of Investment Committee<br>Director and Secretary, Board of Director |
| 6. Mrs. Kessara Manchusree       | Director   |
| 7. Mr. Chaiwat Utaiwan           | Director and Member of Compensation Committee  |
| 8. Mr. Prasan Chuapanich         | Director and Chairman of Audit Committee   |
| 9. Mr. Banchong Chittchang       | Director and Member of Compensation Committee  |
| 10. Mrs. Patareeya Benchapolchai | Director, Chairman of Investment Committee, Member of Audit Committee                            |

### **A list of directors absent from AGM**

- |                                |   |
|--------------------------------|---|
| 1. Mrs. Nualphan Lamsam        | Director and Member of Investment Committee   |
| 2. Mr. Predee Daochai          | Director and Member of Audit Committee  |
| 3. Mr. Paiboon Kittisrikangwan | Director  |
| 4. Mr. Pailin Chuchottaworn    | Director<br>Chairman of Compensation Committee<br>Member of Nomination & CG Committee |
| 5. Mr. Rapee Sucharitakul      | Director  |

The annual general meeting began at 1605 hrs.

The emcee informed everyone at the meeting that 96 members attended the AGM meeting by themselves and the other 19 members sent their proxies. A total of 115 participants present the quorum of the meeting in accordance to the IOD rule no. 35 stating that "there must be at least one-fourth of the members or a minimum of 50 members to present the quorum at AGM".

## **Agenda 1      Matters of Acknowledgement by Chairman of the Board**

### **1.1      Resolution at an AGM**

The chairman informed the meeting about the regulation regarding making a resolution at the Annual General Meeting as follows:

Following the IOD rule no. 7 which states that "a general member in the corporate member category must appoint a proxy who are board members of the company to represent its right in activities undertaken by IOD. The proxy must be designated and reported to the director in writing. The board of directors will consider a number of proxies as appropriate. Hence the proxy of the corporate member whom his/her name has been reported to the IOD and entitled to vote at the AGM will have one vote. Others who are not the proxies are not entitled to attend or vote at the AGM.

Following the IOD rule no. 35 clause 3 which states that "the above authorization must be consented to a corporate member or a representative of the IOD corporate member only."

Following the IOD rule no. 15 (5) which states that "only a general member has a right to vote at an AGM and will be appointed to be a member" Hence, the associate member has no right to vote at the AGM.

And following the IOD rule no. 36 which states that "any resolution at the AGM will be based on "one general member per one vote" The general members listed in the corporate category is an exception as they can use their rights following a number of proxies endorsed by the board of directors following the IOD rule no. 7. If the regulations are not determined in other meanings, majority votes shall be counted. If the voting is equal, either by public voting or secret voting, or any other method, the chairman will have final ruling.

For the meeting acknowledgement.

**Meeting resolution:** Matters of acknowledgement were acknowledged.

## 1.2 A method of voting at AGM

The chairman informed everyone at the meeting that Option Finder would be used as a tool for casting vote during the AGM. Voting result would be displayed on screen and considered as a preliminary result. Members were asked to vote by using cards taken as the official record. The chairman then informed the meeting to approve the voting method. A total of 86 votes approved the meeting and 10 votes were abstained.

The chairman proposed a set up of a committee to count and check precision of the vote at the meeting. Members were asked to volunteer for counting votes. Three members volunteering to count the votes were: Mr. Taywan Utaiwat, Ms. Sadabpin Kridanarakorn, and Mr. Supoj Narupai. A total of 85 votes gave the approval while the other 11 were abstained.

**Meeting resolution** The meeting acknowledged and had a resolution to approve the voting method. Of the total 96 participants, 86 approved the voting method while 10 votes were abstained. The meeting also approved a total of three volunteers Mr. Taywan Utaiwat, Ms. Sadabpin Kridanarakorn, and Mr. Supoj Narupai for counting votes. A total of 85 votes gave the approval while the other 11 were abstained.

## Agenda 2 Approving minutes of the 2016 AGM

The chairman informed the meeting that IOD directors assigned the administration department to prepare the minutes of the 2016 AGM and sent copies to the members for consideration/ additional revision within 14 days after the AGM. No additional details were made by the members. IOD board of directors reviewed correctness of the minutes of the 2016 AGM and proposed the meeting to approve the minutes. Copies of documents were also sent to the members together with the invitation letter. The chairman proposed the meeting to approve the 2016 AGM minutes.

**Meeting resolution:** The meeting approved the 2016 AGM minutes with the voting result as follow:

Members attending AGM	For	100
Authorized Proxy attending AGM	For	19
	<b>Total</b>	<b>119</b>

Members attending AGM	Against	0
Authorized Proxy attending AGM	Against	0
	<b>Total</b>	<b>0</b>

Members attending AGM	Abstain	1
Authorized Proxy attending AGM	Abstain	0

Total 1

Voided ballot 1

Total 121

### **Agenda 3 Announcement of the previous activities in 2016**

The chairman informed the meeting that interesting changes in corporate governance happened in 2016, leading to promotion and substantial implementation of CG in a larger society.

An evident sample was that individual and institutional investors determined to see committees of listed companies solve the issue of asset misconduct among directors and executives of listed companies. They should face fin or punishment by the Securities and Exchange Committee (SEC).

For the IOD, the board of directors believed that misconduct involving assets of listed companies was serious issue and the directors could not afford to neglect. IOD had a resolution that additional actions to support a good practice should be implemented in order to prevent any misconduct. For example (a) no assessment or CGR survey would be conducted for a period of two years in case either a company or any company director faced charge or was fined by SEC within a year prior to a completion of the assessment. (b) supporting disclosure of wrongdoing records of any director or executive following the SEC act during a period of three years prior to sitting in the position in order to consider validation or extension of IOD membership.

The chairman then assigned the CEO to report on IOD performance. The CEO reported on activities carried out in 2016 following the three-year plan (2014-2016) with an aim to raise the institute's profile and thorough role in developing the directors and promoting CG to meet the international standard apart from being an institution that every member can be proud of. IOD also aimed to move forward the following seven workplans:

- (1) Developing quality of the directors' courses
- (2) Quality research study
- (3) Establishing a public role in presenting directors' views on issues that may affect duties of the directors
- (4) Expanding membership numbers and IOD members' roles in activities arranged by the institute.
- (5) Promoting chartered directors
- (6) Pushing the project Collective Action Coalition against Corruption
- (7) Expanding the role and developing awareness of the institution in the directors and corporate governance platforms in other countries.

IOD's growth, development and achievement in each workplan are shown in the table.

IOD Performance Report Year 2014-2016

(In Thai Baht)	2014 (2557)	2015 (2558)	2016 (2559)
Total Assets	130,623,509	161,522,933	191,677,774
Total Liabilities	42,033,581	44,554,887	47,054,775
Capital Fund	88,589,928	116,968,046	144,622,999
<b>Operating Results</b>			
Total Revenue	118,707,197	148,304,721	156,240,818
Net Surplus	18,309,965	28,378,118	27,475,672

In 2016, IOD programs and activities undertaken were as follow:

1. **Director Development Program** "Relevance-Outreach-Efficiency" was the theme of year 2016.
  - A total of 23 training programs, totaling 111 batches were held (compared to 20 training programs and 85 batches in 2013).
  - A total of 3,154 participants passed the training programs.
  - Over 6,000 participants passed the Director Certification Program (DCP).
  - The overall assessment of training courses based on contents, lecturers and services were at 87.6%
  - A total of 48 participants passed the Diploma Examination test (compared to 15 in 2013).
  - A demand on In-House Program increased. A total of 12 in-house training courses were held in 2014 (compared to 7 in 2013).

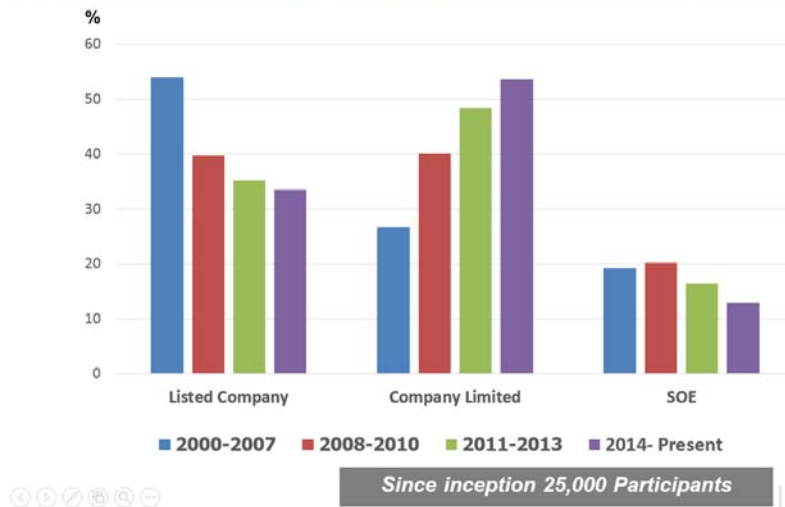
A number of training courses and batches, participants and evaluation score in 2016 can be summarized as follow:

## Training Summary

	2013	2014	2015	2016
<b>Number of participants</b>	1,972	1,868	2,494	3,154
<b>Number of Programs</b>	24	20	20	23
<b>Number of Classes</b>	76	72	88	111
<b>Evaluation Score</b>	<b>8.63</b>	<b>8.65</b>	<b>8.78</b>	<b>8.76</b>

A proportion of training participants from listed companies, company limited and state-owned enterprises (SOE) in each year can be summarized as follow:

**Continuous trend of growing proportion of participants from Company Limited**



In 2016, the Director Development Department implemented the following activities as follow:

1. The course on Boardroom Success through Financing and Investment Batch 0 was organized in November.
2. A new training program IT Governance was introduced in 2016. A total of three batches were organized.
3. The course on “Board that makes a Difference” (English program) was newly introduced.
4. Contents of the Family Business Governance course were updated.

- Improving and updating the current training programs led to the better evaluation score as follow:

Program	2014	2015	2016
Board Matters & Trends (BMT)	8.96	9.05	9.25
Boards that make a Difference (BMD)	8.99	9.14	9.10
Role of the Compensation Committee (RCC)	9.02	8.94	9.05
Role of Nomination and Governance Committee (RNG)	8.97	9.16	8.95
Director Certification Program (DCP)	8.77	8.66	8.89

- Promoting

engagement and efficiency by improving contents of each training program with support from the following steering committees:

1. Governance Steering Committee
2. Risk & Strategy Steering Committee
3. Finance Steering Committee
4. Family Business Governance Steering Committee
5. DCP Steering Committee

- Moving towards digitalization and improving effectiveness by:
  1. Formatting DCP documents as soft file
  2. Improving management process of training programs
  3. Developing inventory management
- Introducing Independent Observers program, a new training program aimed at supporting anti-corruption activities
- Expanding membership and training programs to upcountry and CLMV countries by:
  1. Organizing training program on Family Business Governance in Ubonratchatani and in Chiang Mai provinces. It was the first time that IOD organized training upcountry.
  2. Cooperating with UK-Myanmar Financial Services Taskforce to develop CG in Myanmar by:
    - Organizing a talk on importance of corporate governance held by SEC Myanmar
    - Organizing Myanmar Director Accreditation Program in March and August 2016
  3. Visiting Lao PDR
- Increasing demand on in-house training for six companies, totaling seven batches

**2. Research and policy programs** Year 2016 was considered a year of promoting CG from policy to implementation. The research and policy department had important roles as follow:

2.1 Development of CG through assessment of CG implementation

- A survey on the level of CG among Thai listed companies or Corporate Governance Report (CGR). In 2016, listed companies received higher evaluation score in every category and determined to implement work to meet the investors' expectation.
- ASEAN CG Scorecard: No assessment was made in 2016 as it was a year for adjusting the criteria.

2.2 Developing CG by sharing the directors' views on the following activities:

- **Directors Survey:** In 2016, IOD conducted a survey on the directors' views towards organizational ethics, implementation and economic trend.
- **Policy Advocacy:** IOD members shared their views and opinions on changes in CG-related rules and regulations which might affect the directors' roles and responsibilities. IOD gathered, summarized and submitted the overall views to the government sector or related agencies on behalf of the institute.

In 2016, policy advocacy on the following five issues were made:

1. Improving a criteria of newly-launched share distribution to the public, supporters and those having good relationship with listed companies (specifically the part that relates to the directors' roles and responsibilities)
2. The amendment of the Securities and Exchange Act B.E.2535, on the stock exchange part.
3. Improving governance of mutual fund and proposing the unitholders to approve a mechanism that would help protect their investment rights.
4. Improving information disclosure both in the annual report on the topic regarding other positions taken by directors and executives of listed companies.
5. Corporate Governance Code

2.3 Development of CG by enhancing a support on information and knowledge to the directors

- **A survey report on the directors' compensation:** IOD is aware of the importance of information. A survey on compensation of directors has been conducted since 2001. The survey is conducted every two years in order to consider policy, guideline and format that will help determine a suitable compensation for the directors before proposing the shareholders for approval during a meeting, leading to transparency of the process.
- **Best Practice**



In 2016, IOD conducted the best practice concerning the directors' roles and responsibilities so that it would be a guideline for the directors to improve their roles and responsibilities at work.

Best practices and guidelines introduced in 2016 included:

1. Nomination Committee Best Practice Guideline
2. Compensation Committee Best Practice Guideline

- **Research Alliance**

In 2016, IOD joined force with a group of research alliance from eight leading universities to hold an event aimed at sharing academic study on CG. The event received well response from directors, executives, academic, researchers, lecturers, students and the general public. Results from the CGR project were also taken for studies presented during the event.

### **3. Member Relations Activities**

- In 2016, a number of IOD members were 3476, increased by 9%. Of the total, 64% renewed their membership. Details about each member category are shown in the table:

<b>Member Status</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>% of total</b>
Honorary Members	16	16	23	23	1%
Fellow Members	112	116	124	137	4%
Graduate Members	1,765	1,838	1,843	1,972	57%
General Members	634	671	804	949	27%
Associate Members	358	407	396	395	11%
<b>IOD Total Members</b>	<b>2,885</b>	<b>3,048</b>	<b>3,187</b>	<b>3,476</b>	<b>9%</b>

## 62% listed companies are members of IOD

	SET + MAI	SET	MAI
Corporate Member	199	175	24
Individual Member	210	154	56
% of total number of companies in the market	62%	63%	58%

## 2016 Membership Renewal rate at 64%

Year	Membership Expiry	Renewals	% of renewals
2011	1,407	669	48%
2012	1,190	697	59%
2013	1,223	701	57%
2014	1,407	908	62%
2015	1,481	911	62%
2016	1,474	972	64%

- Focusing on out-of-class learning, relationship building and participation of the members in activities. The aim is to support IOD activities. In addition, new communication channels among the members were introduced.
- A total of 25 activities were organized for the IOD members in 2016. Among a variety of activities are:
  - General activities and specific group activities i.e. a lecture session for chartered directors on the IOD membership directory and honorary members and activities for family business
  - Activities for knowledge enhancement both in Thailand and overseas. An international trip to UK and visits to Ubonratchatani and Chiang Mai were organized in 2016.
  - Activities aimed at building relationship among IOD members i.e. DCP Get Together Party
  - IOD Connect via IOD Facebook, LINE Application
  - Chartered directors in the IOD directory and the Directors Pool
- In 2016, there were 46 chartered directors and 137 honorary directors in the IOD directory. IOD submitted the State Enterprise Policy Office the directors pool for further consideration.

## **4.Thailand Private Sector Collective Action Coalition Against Corruption**

### 4.1 Expansion of CAC membership

- A total of 838 companies joined force in CAC. Of the total, 401 are listed companies.
- A total of 232 companies were CAC certified. Of the total 149 are listed companies

### 4.2 Knowledge sharing

- Ethical Leadership and Anti-corruption Practical Guideline classes are mainstay of CAC education
- National Collective Action Conference
- Tone at the Top Speaking Series
- Quarterly executive briefings with an aim to advocate, enhance understanding, and update on CAC activities
- Experience sharing session with 106 coalition members prior to submitting self-evaluation forms
- International and regional seminar and forum engagement

### **5. International recognition**

IOD is renowned for its role in promoting CG in Thailand through the directors' roles at national and international levels. IOD representatives were invited to participate and speak at international forums on corporate governance as follow:

- Organization for Economic Cooperation and Development (OECD)
- Asian Corporate Governance Association (Hong Kong and Tokyo)
- MNI Connect & Advisory Group Chair (Singapore)
- Sharing CG experiences and practices among ASEAN countries (Malaysia, -Asia Asset Management, The 12<sup>th</sup> Annual Brunei Roundtable: CG Panel (Brunei Darussalam(,
- UNPRI: What is next for Asian boards? (Singapore),
- Global Network of Director Institutes (South Africa),
- Asia Asset Management: Corporate Governance in Asia (Bangkok)

After reporting IOD performance, the chairman opened the floor for the members to ask questions and share their views on IOD activities as follow:

Prof. Hiran Radeesri, fellow member and honorary chairman, informed the meeting that SEPO was on the process of improving its director database. External honorary directors i.e. Prof. Hiran Radeesri and Dr. Panus Simasathien proposed the institute to register chartered directors whom their names were listed in the directors pool with SEPO. He was not certain if SEPO already contacted the IOD on that matter.

CEO said a list of directors in the directors pool was already submitted to SEPO.

Prof. Hiran Radeesri, fellow member and honorary chairman, asked why the ASEAN Leader activity that IOD used to organize in cooperation with CNBC was no longer held.

CEO explained that CNBC co-organized the event mainly due to connection. After organizing the activity for a while, CNBC could establish its own connection. The activity then was no longer organized. However, IOD was open for hosting new event with new partners. The National Directors Conference 2017 co-organized with Nikkei was a sample.

Mr. Narong Jiwangkul, fellow member and chartered member listed in the IOD directors pool commended the IT Governance training program that it was in time for a changing trend. He also asked if there would be a new batch organized. CEO said the IT Governance training was organized after the international trip to UK. IOD learned about the trend and the importance of cyber securities. However, such topic might be organized again in the form of workshop.

Assoc. Prof. Anucha Chintakanond, honorary member and chartered directors, said participating into the Facilitator Day organized by the institute and listening to a representative from Australian Institute of Company Directors (AICD) presenting the importance to CG. He asked about the IOD's thought on that issue.

CEO said the Best Practice on CG in the educational sector might be prepared.

Dr. Metha Suwannasarn, fellow member, commended the IT Governance course and proposed an idea of integrating IT governance into every training program.

CEO said we should give importance to IT and would bring this idea for consideration and improving IOD training programs in the long run.

**Meeting resolution:** The meeting acknowledged the IOD performance report 2016.

**Agenda 4: Consideration to the approval of Year 2016 financial statement**

The chairman informed the meeting that IOD directors had a resolution to appoint the audit committee comprising:

- |                                 |                             |
|---------------------------------|-----------------------------|
| 1. Mr. Prasan Chuapanich        | Chairman of Audit Committee |
| 2. Mrs. Patareeya Benchapolchai | Member                      |
| 3. Mr. Preedee Daochai          | Member                      |

Mr. Prasan Chuapanich, as chairman of the committee, reported to the meeting that the committee performed duties following the frame of role and responsibilities given by the IOD directors. A copy of audit report was sent to each member together with the invitation letter to attend the AGM. A summary of the key five topics in the audit report are:

1. A review of financial statement
2. A review of internal control system and internal audit
3. Selecting IOD auditor to be proposed in the next agenda.
4. A review of legal compliance
5. Risk assessment

For financial statement review, the audit committee conducted a review of key information about financial statement. Mr. Pongtawee Ratanakoses, licensed auditor no.7795 of PwC ABS Ltd. and IOD auditor, participated in the meeting to answer questions relating to preparation of the financial statement to ensure its correctness and thoroughness following the certified accounting principle and the sufficient information

disclosure. The auditor shared his view and suggestion independently prior to presenting the financial statement together with a report on the auditor's view at the IOD directors' meeting 2/2017. The 2016 financial statement which passed the audit and was certified by the auditor was also considered during the directors meeting. The report unconditionally showed the financial status and IOD performance report during year 2016. The IOD directors had a resolution to propose the members for consideration. Prior to the AGM, a copy was sent to each member together with the invitation letter.

In addition, the audit committee also reviewed adequacy of the audit system and the selection of auditor from an independent company for closely monitoring and following up on audit result. A review result found IOD had sufficient and appropriate internal audit system. The institute also regulated the management department to implement work in compliance with the system.

For the appointment of IOD auditor, the audit committee chose the auditor based on credibility, independence, skills and experiences. The IOD auditor must have no conflicts of interest with the institute, the directors or the executives.

In terms of legal compliance, the audit committee reviewed and instructed the institute to strictly implement activities in compliance with the law. In 2016, no law violation was found.

In terms of IOD risk assessment, the audit committee instructed the management to prepare a risk management plan and determined any risk factor which might affect the IOD's work.

Senior vice president was assigned to report a summarized financial statement to the AGM for consideration.

In 2016, IOD had a total of 156.24 million-baht income. The amount increased by 5.4% compared to the previous year. A total expenditure was 128.77 million baht, increased by 7% compared to the previous year. The income over the expenditure was 27.48 million baht, decreased by 3% compared to the previous year.

	Notes	2016 Baht	2015 Baht
<b>Income</b>			
Revenue from training and seminar		115,617,147	102,831,272
Membership fee		7,080,000	6,975,691
Donations and sponsorship income		26,262,563	29,715,611
Other income	11	<u>7,281,106</u>	<u>8,782,147</u>
<b>Total income</b>		<u>156,240,816</u>	<u>148,304,721</u>
<b>Expenditure</b>			
Training and seminar expenses		81,306,116	78,123,609
Membership expenses		13,317,863	11,732,752
Administrative expenses		31,054,930	27,134,701
Income tax	13	<u>3,086,237</u>	<u>2,935,541</u>
<b>Total expenditure</b>		<u>128,765,146</u>	<u>119,926,603</u>
<b>Excess of income over expenditure for the year</b>		<u>27,475,672</u>	<u>28,378,118</u>

IOD had a total of 144.64 million-baht income from its main activities. The amount was increased by 8.5% compared to the previous year. The income from activities carried out by CAC was 11.6 million baht.

Income from IOD Main Activities	2016	2015	+/- (%) 2016 vs 2015	% of Income Year 2016	% of Income Year 2015
Revenue from training and seminar	111,019,598	96,534,963	15.0%	76.8%	72.4%
Membership fee	7,080,000	6,975,691	1.5%	4.9%	5.2%
Donation and sponsorship income	19,254,898	21,034,456	-8.5%	13.3%	15.8%
Other income i.e.					
Survey report income	1,424,103	1,952,615	-27.1%	1.0%	1.5%
Magazine Advertising income	2,608,000	2,326,000	12.1%	1.8%	1.7%

Interest income	2,805,803	3,802,703	-26.2%	1.9%	2.9%
Others (Book, ticketing fee, etc.)	443,201	700,829	-36.8%	0.3%	0.5%
<b>Total Income (except anti-corruption)</b>	<b>144,635,604</b>	<b>133,336,258</b>	<b>8.5%</b>	<b>100%</b>	<b>100%</b>

<b>Income from CAC Activities</b>	<b>2016</b>	<b>2015</b>	<b>+/- (%) 2016 vs 2015</b>	<b>% of Income Year 2016</b>	<b>% of Income Year 2015</b>
Revenue from training and seminar	4,597,549	6,296,308	-27%	39.6%	42.1%
Sponsorship income	7,007,665	8,672,155	-19.2%	60.4%	57.9%
<b>Total Income (except anti-corruption)</b>	<b>11,605,214</b>	<b>14,968,463</b>	<b>-22.5%</b>	<b>100%</b>	<b>100%</b>

<b>Total IOD Income</b>	144,635,604	133,336,258	8.5%	93%	90%
<b>Total CAC Income</b>	<b>11,605,214</b>	<b>14,968,463</b>	<b>-22.5%</b>	<b>7%</b>	<b>10%</b>
<b>Total Income (IOD+CAC)</b>	<b>156,240,818</b>	<b>148,304,721</b>	<b>5.4%</b>		

Expenditure from the main activities was 119.12 million baht and expenditure from CAC project was 9.64 million baht.

<b>Expenditure</b>	<b>2016</b>	<b>% of Expenditure Year 2016</b>	<b>2015</b>	<b>% of Expenditure Year 2016</b>	<b>+/- (%) 2016/2015</b>
<b>Expenditure from training and seminar</b>	<b>71,803,961</b>	<b>60%</b>	<b>66,566,638</b>	<b>62%</b>	<b>8%</b>

<b>Total expenditure on membership</b>	<b>13,317,863</b>	<b>11%</b>	<b>11,732,752</b>	<b>11%</b>	<b>14%</b>
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<b>Administrative Expenses</b>					
Office expenses	4,065,539	3%	3,930,556	4%	3%
Salary, welfare and bonus	20,012,849	17%	17,435,737	16%	15%
Staff retirement benefit	1,931,105	2%	1,642,326	2%	18%
Audit fee	208,000	0%	206,321	0%	1%
Internal audit fee	170,000	0%	100,000	0%	1%
Professional fee	2,200,000	2%	1,180,000	1%	86%
Depreciation	2,467,439	2%	2,639,761	2%	-7%
<b>Total administrative expenses</b>	<b>31,054,932</b>	<b>26%</b>	<b>27,134,701</b>	<b>25%</b>	<b>14%</b>
<b>Income tax</b>	<b>2,945,966</b>	<b>2%</b>	<b>2,775,907</b>	<b>3%</b>	<b>6%</b>
<b>Total IOD expenses</b>	<b>119,122,722</b>	<b>100%</b>	<b>108,209,999</b>	<b>100%</b>	<b>10%</b>
<b>Total income over expenses at IOD</b>	<b>25,512,882</b>		<b>25,126,259</b>		

<b>Expenditure</b>	<b>2016</b>	<b>% of Expenditure Year 2016</b>	<b>2015</b>	<b>% of Expenditure Year 2015</b>	<b>+/- (%) 2016/2015</b>
CAC Project					
Activity expenses	4,283,734	44%	6,805,585	58%	-37%
Salary, welfare, and bonus	1,618,419	17%	1,511,386	13%	7%
Advisor payment	3,600,000	37%	3,240,000	28%	11%
Income tax	140,271	1%	159,634	1%	-12%
<b>Total CAC expenditure</b>	<b>9,642,424</b>	<b>100%</b>	<b>11,716,605</b>	<b>100%</b>	<b>-18%</b>
<b>CAC Income over expenditure</b>	<b>1,962,790</b>		<b>3,251,858</b>		<b>-40%</b>
<b>Total income over expenditure</b>	<b>27,475,672</b>		<b>28,378,117</b>		<b>-3%</b>



In terms of assets as of 2016 year-end, IOD had a total asset of 191.68 million baht. The amount was increased by 19% compared to the previous year. Of the total asset, 140.85 million baht was current asset increased by 14% compared to year 2015 and 50.83 million baht was non-current assets increased by 33% compared to year 2015.

	<u>Notes</u>	<u>2016 Baht</u>	<u>2015 Baht</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	51,671,948	101,831,555
Short-term investments	4	80,587,208	10,000,000
Trade and other receivables	5	8,087,962	10,647,697
Other current assets		<u>504,262</u>	<u>747,051</u>
<b>Total current assets</b>		<u>140,851,380</u>	<u>123,226,303</u>
<b>Non-current assets</b>			
Long-term investments	6	46,179,186	32,000,000
Equipment, net	7	4,490,400	5,889,253
Intangible asset, net	8	<u>156,808</u>	<u>407,377</u>
<b>Total non-current assets</b>		<u>50,826,394</u>	<u>38,296,630</u>
<b>Total assets</b>		<u>191,677,774</u>	<u>161,522,933</u>

In terms of liabilities as of 2016 year-end, IOD had a total liabilities of 47.1 million baht, increased by 6% compared to Year 2015. For funding balance as of 2016 year-end, IOD had a total funding balance of 144.66 million baht, increased by 19% compared to year 2015. Of the total, 112.8 are an increase in accumulated earnings.

In 2016, there were a total of 45 IOD staff. Directors received no compensation. Monthly salary and bonus for five executives were 22,605,763 baht. CEO receive a maximum of 500,000-baht monthly salary.

CEO opened the floor for the members to ask questions as follow:

Prof. Hiran Radeesri, fellow member and honorary chairman, shared his view that IOD showed well operation results leading to having high income than accumulated expenditure. The institute should prepare the amount as accumulated reserve for sustainability and security of the institute.

CEO responded that the institute did not have a policy on accumulated reserve establishment. The thing is IOD did not pay dividends or stock redemption. However, the funding was prepared for current funding and capital investment for profits. The investment committee will take care of the issue

Mr. Kunakorn Mekchaidee, fellow member, proposed for an additional report on capital investment returns compared to the previous year. CEO accepted to take the matter for consideration in the next information disclosure.

	<u>Notes</u>	<u>2016 Baht</u>	<u>2015 Baht</u>
<b>Liabilities and fund balance</b>			
<b>Current liabilities</b>			
Trade and other payables	9	26,199,932	27,270,536
Current portion of membership fee received in advance		4,183,434	3,841,337
Accrued income tax		2,592,527	2,414,767
Other current liabilities		3,515,943	2,453,345
<b>Total current liabilities</b>		<u>36,491,836</u>	<u>35,979,985</u>
<b>Non-current liabilities</b>			
Membership fee received in advance		2,793,342	2,736,410
Employee benefit obligations	10	7,769,597	5,838,492
<b>Total non-current liabilities</b>		<u>10,562,939</u>	<u>8,574,902</u>
<b>Total liabilities</b>		<u>47,054,775</u>	<u>44,554,887</u>
<b>Fund balance</b>			
Fund received from			
- The Stock Exchange of Thailand		16,000,000	16,000,000
- Bank of Thailand		3,000,000	3,000,000
- The Office of the Securities and Exchange Commission		2,000,000	2,000,000
- Capital Market Development Fund Foundation		2,000,000	2,000,000
- The World Bank		8,618,454	8,618,454
Gain on measurement of available for sale investments		179,281	-
Accumulated excess of income over expenditure		112,825,264	85,349,592
<b>Total fund balance</b>		<u>144,622,999</u>	<u>116,968,046</u>
<b>Total liabilities and fund balance</b>		<u>191,677,774</u>	<u>161,522,933</u>

Note: Financial statement on page 11-21 is a part of this financial statement.

Mr. Teerawat Pipattirakul, honorary member, pointed that majority training income came from the Director Certification Program. Any decrease in the income from this training program would affect the IOD's overall income. He asked if there wa any potential that would lead to a decrease in DCP income.

CEO explained that DCP course received well response from the members. Such trend continued. IOD also had income from other sources for example training, expansion of membership, and sponsorship on activities.

**Meeting resolution:** The meeting had a resolution to approve the IOD financial statement as of 31 December 2016 with the following voting result:

Members attending AGM	For	101
Authorized Proxy attending AGM	For	19
	<b>Total</b>	<b>120</b>
Members attending AGM	Against	0
Authorized Proxy attending AGM	Against	0
	<b>Total</b>	<b>0</b>
Members attending AGM	Abstain	1
Authorized Proxy attending AGM	Abstain	0
	<b>Total</b>	<b>1</b>
Voided ballot		1
	<b>Total</b>	<b>121</b>

**Agenda 5 Appointment of IOD auditor and audit compensation for 2017**

The audit committee chairman proposed the AGM that the IOD auditor was chosen based on credibility and independent. The auditor must have no conflicts of interest with the institute, directors, executives, or companies. The auditor must be well-accepted at the international level as the institute received sponsorship from the Center for International Private Enterprise.

The audit committee chairman chose PwC ABS Ltd., proposing the audit fee of 240,000 baht. The research department was assigned to seek information relating to the rate of audit fee for company having less than 300 million-baht capital investment and three non-profit organizations for consideration prior to making a decision.

**Compared price: audit fee for non-profit organization year 2016**

- The Institute of Internal Auditors of Thailand			
Auditor from AMT Solution Co., Ltd.	Audit fee	50,000	Baht

- Thai Listed Companies Association  
Auditor from KPMG Phoomchai Audit Ltd.      Audit fee      80,000      Baht
  
- Federation of Accounting Professions under the Royal Patronage of His Majesty the King  
Auditor from Dharmniti Audit Ltd.      Audit fee      220,000 Baht  
(as of 2015)

The audit committee considered that PwC supported IOD activities for example sending speakers, lecturers to provide knowledge during training programs and sponsored other activities. In addition, the company also had a good standard of audit performance and always provided useful suggestion for developing the institute's internal audit.

Hence the audit committee therefore proposed the Board of Directors to appoint Mr. Pongtawee Ratanakoses, a certified auditor no. 7795, Mr. Prasit Yuengsrikul, a certified auditor no. 4174, and Mr. Wichien Kuengmontri, a certified auditor no. 3977, on behalf of PwC Abs Ltd. to be the institute auditors. Any of the three would be giving views on the institute's financial statement. In case the appointed auditors could not perform their duties, PwC ABS Ltd, as the chosen audit company, would be responsible for seeking other auditors to work instead by receiving a payment of 240,000 baht.

CEO gave an opportunity for Q&A session. None of the members asked the question.

**Meeting resolution:** The AGM had a resolution to appoint Mr. Pongtawee Ratanakoses, a certified auditor no. 7795, Mr. Prasit Yuengsrikul, a certified auditor no. 4174 and Mr. Wichien Kuengmontri, a certified auditor no. 3977, on behalf of PwC ABS Ltd. to be the institute auditors. Any of the three would be giving views on the institute's financial statement. In case the appointed auditors could not perform their duties, PwC ABS Ltd., as the chosen audit company, would be responsible for seeking other auditors to work instead by receiving a payment of 240,000 baht. The voting result was as follow:

Members attending AGM	For	98
Authorized Proxy attending AGM	For	19
	<b>Total</b>	<b>117</b>

Members attending AGM	Against	2
Authorized Proxy attending AGM	Against	0
	<b>Total</b>	<b>2</b>

Members attending AGM	Abstain	1
Authorized Proxy attending AGM	Abstain	0
	<b>Total</b>	<b>1</b>

Voided ballot

1

Total 121

**Agenda 6: Selection of directors to replace those completed the term**

The chairman informed the meeting that the board of directors appointed the nomination & CG committee comprising Mr.Chatchai Virameteekul as chairman, Mr. Weerasak Kowsurat as member, and Mr.Pailin Chuchottaworn as member, to continue with the meeting.

Prior to this agenda, the nomination & CG committee introduced Ms. Potjaneer Thanavarant who was present at the AGM. Ms. Potjaneer therefore left the meeting and abstained her vote on this agenda.

The chairman proposed that following the IOD rules and regulations no. 21 stating that a committee should be set up to supervise and regulate IOD business following the institute's goal. A committee should comprise at least seven members, but not more than 17 members.

(a) Qualifications of IOD Board of Directors

- (1) Must be a general member of the institute as of the day his/her name is nominated and throughout the period of directorship
- (2) Possess all required qualifications and have no prohibited qualifications following the public company's by-laws and SET rules and regulations

At present, there are 15 directors at the institute. Of the total, 11 directors are appointed during the AGM. Following the institute rules and regulation no. 21 (Khor), one-third of the directors appointed during the AGM must resign from the position every year.

The three directors whose terms were completed during the AGM 2017 are:

1. Mr. Krik-Krai Jirapaet Chairman of the Board
2. Professor Dr. Surapon Nitikraipot Vice Chairman
3. Mr. Chatchai Virameteekul Vice Chairman and Chairman of Nomination & CG Committee

All three directors completed their two three-year terms during the 2017 AGM. Following the IOD rules and regulations no. 21 (Khor) clause 2, "a director who resigns from the position can be re-elect to work in the position, but cannot be over two consecutive terms. Each term lasts three years. However, he/she can be re-nominated back in the position two years after the latest completion of the director's position."

The nomination committee began the procedure and gave opportunities to the members to nominate those suitable for the director position during February 24 – March 15, 2017. The announcement was made public on the IOD website and via email sent to IOD members. The nomination committee considered all names and shortlisted suitable candidates for the position by considering qualifications, backgrounds and the following factors:

- Diversification of sex, age, knowledge and experience of the directors will help support IOD work following the strategy. He/she must be able to work on duties aimed at sustainably strengthening the institute.
- Having a good relationship with other organizations relating to IOD works.
- Being a good role model of success
- Holding on to morality and ethics.
- Playing a role in supporting corporate governance (CG)
- Well accepted by the general public.

The committee therefore nominated the following candidates for the board of directors' consideration:

1. Mr. Kitipong Urapeepatanapong
2. Mr. Charnporn Jotikasathira
3. Ms. Potjane Thanavarant

The board of directors considered that the nominated candidates had appropriate qualifications and approved the three candidates to be IOD directors.

The three candidates were willing to let the institute nominate their names for the members to vote through the "Due Diligence" procedure. Voting would be done in a form prepared for disclosing information about each candidate and the letter of consent for certifying that the candidate did not have any prohibited qualification. A copy of voting documents was attached together with the invitation letter sent earlier to each member prior to the 2017 AGM.

The members were asked to consider details and information about each candidate before voting. The voting would be conducted individually and alphabetically. Each member was asked to mark a sign in a voting card so that it could be used as an official voting evidence.

The nomination committee chairman let the members vote individually and alphabetically as follow:

1. Mr. Kitipong Urapeepatanapong
2. Mr. Charnporn Jotikasathira
3. Ms. Potjane Thanavarant

Chairman of the Board thanked the members for a continuous support on his work.

He also thanked his three deputies, the committee members and other previous members that used to work together. He also thanked the IOD management team and staff for their continuous support on the work.

Mr. Chatchai Virameteekul, vice chairman and chairman of the nomination committee, also thanked the management team, all IOD staff and the members. He said he felt proud of working with the chairman and every director.

Mr. Surapol, vice chairman, also thanked the members for helping take care of the IOD. He wished the members to continue supporting the IOD activities.

Mr. Bandid Nijathaworn, president and CEO, as representative of the management team and membership, said the institute had a good development under the leadership of the board of directors and the three directors dedicating their time and effort to develop the institute's work. As a result, the institute was well accepted by the public and stakeholders. He asked the AGM to give a big round of applause to thank the chairman of the board and the vice chairs.

**Meeting resolution:** The meeting had a resolution to appoint three candidates with the following details:

1. A resolution to appoint Mr. Kitipong Urapeepatanapong as the director with the following voting result:

Members attending AGM	For	100
Authorized Proxy attending AGM	For	18
	<b>Total</b>	<b>118</b>

Members attending AGM	Against	0
Authorized Proxy attending AGM	Against	0
	<b>Total</b>	<b>0</b>

Members attending AGM	Abstain	1
Authorized Proxy attending AGM	Abstain	1
	<b>Total</b>	<b>2</b>

Voided ballot		1
	<b>Total</b>	<b>121</b>

2. A resolution to appoint Mr. Charumporn Jotikasathien as the. director with the following voting result

Members attending AGM	For	95
Authorized Proxy attending AGM	For	17
	<b>Total</b>	<b>112</b>

Members attending AGM	Against	2
Authorized Proxy attending AGM	Against	0
	<b>Total</b>	<b>2</b>

Members attending AGM	Abstain	4
Authorized Proxy attending AGM	Abstain	2
	<u>Total</u>	<u>6</u>

Voided ballot		1
	<u>Total</u>	<u>121</u>

3. A resolution to appoint Ms. Potjanee Thanavaranit as the director with the following voting result

Members attending AGM	For	96
Authorized Proxy attending AGM	For	18
	<u>Total</u>	<u>114</u>

Members attending AGM	Against	0
Authorized Proxy attending AGM	Against	0
	<u>Total</u>	<u>0</u>

Members attending AGM	Abstain	5
Authorized Proxy attending AGM	Abstain	1
	<u>Total</u>	<u>6</u>

Voided ballot		1
	<u>Total</u>	<u>121</u>

**Agenda 8: Others**

-None-

The AGM was closed at 1815 hrs.

Sign \_\_\_\_\_ Chairman of the Board  
(Mr. Krik-Krai Jirapaet)