

The Head of the Internal Audit Unit is Miss Vasana Wattananukulchai, General Manager of Internal Audit Office. The Audit Committee is of the view that she has knowledge, abilities and work experience and is qualified to efficiently and adequately perform duties as the Head of the Internal Audit Unit. The appointment, removal and transfer of a person holding an office as Head of the Internal Audit Unit shall be subjected to the Audit Committee's approval. (The details are described in Attachment 3 on pages 216 to 217.)

The Head of the Compliance Unit is Mr. Phakpoom Thaweewittayarut, Deputy Managing Director - Administration and Company Secretary, having knowledge on laws and accounting, abilities and work experience in the position of Company Secretary for a long time, who shall be responsible for compliance matters. (The details are described in Attachment 3 on pages 217 to 218.)

12. Connected Transactions

12.1 Criteria and Procedures for Approval of Execution of Connected Transactions

Transactions with persons who may have a conflict of interests are subject to the conditions and criteria in the ordinary course of business. The execution of connected transactions and transactions with a conflict of interests are in accordance with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

In the consideration and approval of any connected transaction, the Company shall propose such matter to the Board of Directors' Meeting, in which the directors having any involvement which may give rise to a conflict of interests shall not be entitled to attend and vote on such matter. Furthermore, the Audit Committee, as assigned by the Board of Directors, shall consider the disclosure of the Company's information in respect of the connected transaction or the transaction which may have a conflict of interests, to ensure accuracy and completeness.

In respect of connected transactions with general commercial terms which the Company and its subsidiaries have or may have in the future, the Company already requested approval in principle from the Board of Directors' Meeting.

12.2 Policy or Trend of Future Connected Transactions

The Company shall comply with the requirements and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the rules on disclosure of information on connected transactions and acquisition and disposition of material assets of the Company and its subsidiaries, including the accounting standards as prescribed by the Federation of Accounting Professions. Should there be any transaction which may have a conflict of interests in the future, for example, engagement of a group of persons who may have a conflict of interests for construction, project management, maintenance, the Board of Directors, together with the Audit Committee, will consider the necessity and justification for execution of such transaction, as well as pricing and conditions on the execution of such transaction whether they are in the ordinary course of business, and in comparison with third party prices or market price, provided that the interested parties shall not take part in the consideration and approval for execution of the transaction. The Company has no policy for lending loans or providing guarantee to any person who may have a conflict of interests in accordance with the definition of the SEC.

In case that the Audit Committee has no expertise to consider any potential connected transaction, the Company will arrange for an independent expert or the Company's auditor to provide an opinion on such connected transaction in support of the decision-making by the Board of Directors and/or the Audit Committee or shareholders, as the case may be. In this regard, the Company discloses its connected transactions in the Company's notes to the financial statements as audited or reviewed by the Company's auditor.

12.3 Connected Transactions of the Company and the Subsidiaries with Persons who May Have a Conflict of Interests for 2016 and 2015

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2016	2015		
1. CH. Karnchang Public Company Limited	<ul style="list-style-type: none"> - This company is a major shareholder of the Company, with 29.73 percent of shares in the Company as at September 15, 2016. - Mr. Plew Trivisvavet, director, executive director, and executive of CH. Karnchang Public Company Limited, serves as director and Chairman of the Executive Board of the Company. - Mr. Prasert Marittanaporn, director and Senior Executive Vice President of CH. Karnchang Public Company Limited is the spouse of Mrs. Payao Marittanaporn, director, executive director, Managing Director of the Company and Acting Managing Director of NECL. - Mr. Phongsarit Tantisuvanitchkul, executive of CH. Karnchang Public Company Limited, serves as director and executive director of the Company. 	<p><u>The Company</u></p> <ul style="list-style-type: none"> - Advance Payment - Project Management Fee - Trade accounts payable 	-	398,250,000	<ul style="list-style-type: none"> - Advance Payment and Fee for Management of the Si Rat - Outer Ring Road Expressway Project: On September 14, 2012, the Company engaged CH. Karnchang Public Company Limited as Project Manager of the Si Rat - Outer Ring Road Expressway Project, in the total value of Baht 22,500 Million, with a construction period of not exceeding 48 months, commencing on December 15, 2012. 	<ul style="list-style-type: none"> - CH. Karnchang Public Company Limited has expertise, experience and know-how in the Segment Box Girder construction methodology in accordance with the terms of reference of the Si Rat - Outer Ring Road Expressway Project, together with experience in administering the lump sum turnkey contracts for the Company with good quality of work and low maintenance costs as well as construction completion according to schedule and within the fixed budget; and its strategic investment partnership with the Company which would assure its responsibility and commitment for the successful operation of the Project.
			4,100,011,478	8,370,000,000	<ul style="list-style-type: none"> - Inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 3: On September 1, 2014, the Company executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 3, in the total value of Baht 26,771,325, with a contract term of 10 months from the date of the contract signing. 	<ul style="list-style-type: none"> - The price of the work is reasonable and lower than the price assessed by the independent consulting company. In addition, the contractor has expertise and experience in construction of the Si Rat Expressway, and as such, it should be capable to carry out the work properly and is well-prepared to promptly start the work.
		<p><u>The Company</u></p> <ul style="list-style-type: none"> - Costs of inspection and repair of the structure of the expressway - Trade accounts payable 	-	14,644,976	<ul style="list-style-type: none"> - Inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 3: On September 1, 2014, the Company executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 3, in the total value of Baht 26,771,325, with a contract term of 10 months from the date of the contract signing. 	<ul style="list-style-type: none"> - The price of the work is reasonable and lower than the price assessed by the independent consulting company. In addition, the contractor has expertise and experience in construction of the Si Rat Expressway, and as such, it should be capable to carry out the work properly and is well-prepared to promptly start the work.

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2016	2015		
1. CH. Karnchang Public Company Limited (Continued)		<ul style="list-style-type: none"> - Costs of inspection and repair of the structure of the expressway - Trade accounts payable <p><u>The Company</u></p> <ul style="list-style-type: none"> - Gain on sale of investment - Interest income - Subscriptions receivable net of deferred interest income <p><u>The Company</u></p> <ul style="list-style-type: none"> - Other accounts receivable - Advance payment received under the Contract for Engineering Services (which was recorded in deferred project cost of rail in the Company's statement of financial position) 	<p>6,300,106</p> <p>2,416,794</p> <p>-</p> <p>-</p> <p>35,985,138</p> <p>756,834,379</p> <p>12,840,000</p> <p>104,000,000</p>	<p>-</p> <p>-</p> <p>1,235,536,377</p> <p>44,994,038</p> <p>1,320,849,241</p> <p>17,120,000</p> <p>86,000,000</p>	<ul style="list-style-type: none"> - Inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 5: On October 1, 2016, the Company executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 5, in the total value of Baht 32,341,810, with a contract term of 10 months from the date of the contract signing. - Sale of ordinary shares in Bangkok Metro Public Company Limited: On July 2, 2015, the Company sold its 2,050,134,895 shares in Bangkok Metro Public Company Limited to CH. Karnchang Public Company Limited, at the price of Baht 1.79 per share, whereby the Company received payment on the transaction date in the amount of Baht 2,000 Million, with the remaining payment to be gradually made until completion by August 2017. - Engineering Services and Commissioning for Operation Service in the MRT Purple Line Project, Contract 4: On May 2, 2014, the Company executed the Contract engaging CH. Karnchang Public Company Limited for Engineering Services and Commissioning for Operation Service in the MRT Purple Line Project, Contract 4: Concession for Supply of M&E Systems and O&M Services (Khlong Bang Phai Station - Tao Poon Station), for the total contract value of Baht 450 Million. 	<ul style="list-style-type: none"> - The selling price of shares is reasonable and comparative to market price. Such price was concluded after negotiation and agreement based on the weighted average price of Bangkok Metro Public Company Limited's shares for the past 60 days, less discount of approximately 5 percent due to big lot trading. The conditions on payment were set to allow the Company to be able to sell all such shares on a single occasion at the agreed price. - The contract was made with clear terms of payment. CH. Karnchang Public Company Limited is an experienced and specialized company in this type of work and was also responsible for the civil infrastructure work in relation to each train station. CH. Karnchang Public Company Limited has information of electric systems and civil work, which would enhance the efficiency in construction of such project.

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2016	2015		
1. CH. Karnchang Public Company Limited (Continued)		<u>The Company</u>				
		- Cost of maintenance of civil infrastructure and electrical and mechanical systems	87,555,556	2,444,444	- Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Chaloeam Ratchamongkhon Line Project (MRT Blue Line): On November 17, 2015, the Company executed the Project Management Agreement engaging CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Chaloeam Ratchamongkhon Line Project (MRT Blue Line) for a period of 9 years, for the total contract value of Baht 1,270 Million.	- The value of the Project Management Agreement with CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Blue Line is reasonable and lower than the price assessed by the independent consulting company under the same scope of work. In addition, CH. Karnchang Public Company Limited is a large-sized construction company in Thailand, having experience and expertise, and familiarity to equipment, including civil infrastructure of the metro, as it was responsible for the construction of tunnels and metro stations in the southern part of the MRT Blue Line Project. Therefore, it is well prepared for management of the maintenance and supply of equipment for the maintenance service.
		- Trade accounts payable	41,441,667	2,615,556		
		<u>The Company</u>				
		- Cost of maintenance of civil infrastructure and electrical and mechanical systems	55,000,000	-	- On November 17, 2015, the Company executed the Project Management Agreement engaging CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance, including maintenance of elevators and escalators inside the metro stations, elevated structures and depot, as well as supply of equipment, tools, spare parts and personnel for maintenance services, for the MRT Purple Line for a period of 8 years from November 17, 2015 to November 16, 2023, for the contract value of Baht 1,520 Million. Subsequently, on December 14, 2016, the Company executed additional Project Management Agreement engaging CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Purple Line, for the contract value of Baht 155 Million, for a period of 7 years from January 1, 2017 to December 31, 2023.	- The value of the Project Management Agreement with CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance, as well as supply of equipment and tools for train operation and maintenance services, for the MRT Purple Line is reasonable and lower than the price assessed by the independent consulting company under the same scope of work. In addition, CH. Karnchang Public Company Limited is a large-sized construction company in Thailand, having experience and expertise, and familiarity to equipment, including engineering structures of the MRT Purple Line.
		- Improvement of civil infrastructure in stations and depot, as well as supply of related spare parts and equipment (which was recorded in deferred project cost of rail in the Company's statement of financial position)	53,000,000	-		
		- Trade accounts payable	52,715,333	-		

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2016	2015		
1. CH. Karnchang Public Company Limited (Continued)		<p><u>Northern Bangkok Expressway Company Limited ("NECL")</u></p> <ul style="list-style-type: none"> - Costs of inspection and repair of the structure of the expressway - Trade accounts payable <p><u>Bangkok Metro Networks Limited ("BMN")</u></p> <ul style="list-style-type: none"> - Office space rental and service charge - Trade accounts payable 	24,972,181	608,350	<ul style="list-style-type: none"> - Inspection and repair of the structure of the Udon Rattaya Expressway, No. 3, Phase 4: On December 1, 2015, the subsidiary (NECL) executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Udon Rattaya Expressway, No. 3, Phase 4, in the total value of Baht 25,580,531, with a contract term of 10 months from the date of the contract signing. - BMN entered into the office space lease agreement in Viriyathavorn Building with CH. Karnchang Public Company Limited, with a term of three years until February 9, 2016, and extended the lease term for another five months until July 9, 2016. Subsequently, BMN relocated its office by entering into the office space lease agreement in Viriyathavorn 2 Building with CH. Karnchang Public Company Limited, with a term of three years, from July 10, 2016 to July 9, 2019. 	<ul style="list-style-type: none"> - The price of the work is reasonable and lower than the price assessed by the independent consulting company. In addition, the contractor has expertise and experience in construction of the Si Rat Expressway, and as such, it should be capable to carry out the work properly and is well-prepared to promptly start the work. - This rental rate is comparable to the rental rates charged by the lessor to third party lessees.
			503,539,074	466,697,678	<ul style="list-style-type: none"> - The remuneration to MRTA from the fare revenue and commercial development revenue. - Building and land taxes - Trade accounts and other payables (Remuneration payable from revenue and others) 	<ul style="list-style-type: none"> - The transaction is in accordance with the conditions of the Concession Agreement with which the Company is required to comply. - The transaction is the expense which was made and paid under the Agreement.
2. Mass Rapid Transit Authority of Thailand ("MRTA")		<ul style="list-style-type: none"> - The Mass Rapid Transit Authority of Thailand holds shares in the Company representing 8.22 percent as at September 15, 2016. - Mr. Yuttana Yingarund, director of MRTA, serves as director of the Company. - Mr. Theeraphan Tachasirinnugune, executive of MRTA, serves as director of the Company. 	7,188,358	6,675,592	<ul style="list-style-type: none"> - BMN entered into the office space lease agreement in Viriyathavorn Building with CH. Karnchang Public Company Limited, with a term of three years until February 9, 2016, and extended the lease term for another five months until July 9, 2016. Subsequently, BMN relocated its office by entering into the office space lease agreement in Viriyathavorn 2 Building with CH. Karnchang Public Company Limited, with a term of three years, from July 10, 2016 to July 9, 2019. 	<ul style="list-style-type: none"> - The transaction is in accordance with the conditions of the Concession Agreement with which the Company is required to comply. - The transaction is the expense which was made and paid under the Agreement.
			1,800,900	81,187	<ul style="list-style-type: none"> - Building and land taxes - Trade accounts and other payables (Remuneration payable from revenue and others) 	<ul style="list-style-type: none"> - In 2015, the building and land taxes amounted to Baht 3.14 Million, and the building and land taxes with retroactive effect for 2005 - 2013 amounted to Baht 11.34 Million.
			14,481,380	103,204,494		

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			2016	2015		
			2. MRTA (Continued)			
		<u>BMN</u> - Remuneration from commercial development revenue	236,963	484,160	- BMN took on lease of the area for advertising board installation in the vicinity of the Interchange Building at the MRT Sukhumvit Station, covering an area of 12 square meters, which ended in August 2016.	- The rental rate of such advertising media is reasonable.
		- Building and land taxes	6,675,561	22,568,816	- In 2015, building and land taxes amounted to Baht 5.54 Million, and the building and land taxes with retroactive effect for 2005 - 2014 amounted to Baht 17.03 Million.	- The transaction is in accordance with the conditions of the Agreement.
		- Trade accounts payable	-	-		