

For Agenda Item No. 7: Review and approve the auditors for the year 2017 and remuneration.

1. List of Auditors

According to Section 120 of the Public Company Limited Act, B.E. 2535 (1992) and Article 29 of the Articles of Association, the Annual General Meeting of the Shareholders is required to appoint auditors and determine the audit fee on a yearly basis. The previous auditors can be reappointed. In addition, according to the Securities and Exchange Commission's Announcement No. 39/2005 on principles, conditions and methods for reporting on disclosure of information involving the financial status and performance of a company issuing securities (Volume 20), a company is required to rotate its auditors if the auditors perform the duty for five (5) consecutive years. It is not necessary to change the auditing firm. The company is able to appoint other auditors of the similar auditing form in replacement of the previous auditors.

Criteria for Auditors: Independence, experience, standardized expertise and records of performance in the previous year.

Board of Directors and Audit Committee's Opinion: Both Board and Audit Committee agreed to propose the appointment of three (3) auditors from Dharmniti Auditing Company Limited. The following auditors had satisfactory records of performance, having audit expertise and experience of MFEC and its subsidiaries for nine (9) years from 2007 onward, and possessing qualifications that are not against the Stock Exchange of Thailand's requirements. The auditors are in the following list.

	<u>Auditor</u>	<u>CPA License No.</u>	<u>Years of Auditing for MFEC</u>
	1. Mr. Thanawut Piboonsawat	6699	1 year
Or	2. Ms. Sulalit Ardsawang	7517	- year
Or	3. Mr. Peeradech Pongsathiensak	4752	- year

Remark

1. Relationship and stake - Dharmniti Auditing Company Limited and the nominated auditors for MFEC and its subsidiaries do not have any relationship or any stake with MFEC or its subsidiaries, their executives, major shareholders or persons relevant to them that will affect independence of their duties and performance.
2. Auditor rotation - In 2016, Ms. Wannisa Ngambuathong, CPA license no. 6838, performed her auditing tasks for five (5) consecutive years. Therefore, Dharmniti Auditing Company Limited nominates new auditor in rotation following the announcement.
3. Auditor for MFEC's 13 subsidiaries.
 - 3.1 Advance Intelligence Modernity Company Limited
 - 3.2 Modernform Integration Services Company Limited
 - 3.3 MIS Outsourcing Company Limited
 - 3.4 Business Application Company Limited
 - 3.5 Motif Technology Public Company Limited
 - 3.6 Seven (7) subsidiaries under Soft Square Group of Companies**
 - 3.6.1 Soft Square 1999 Company Limited
 - 3.6.2 Khonkaen Softtech Company Limited
 - 3.6.3 Soft Plus Technology Company Limited
 - 3.6.4 Soft Professional Company Limited
 - 3.6.5 Sannok Software Company Limited
 - 3.6.6 K Soft Consulting Company Limited
 - 3.6.7 Hongson Software Company Limited
 - 3.7 Playtorium Solutions Company Limited

2. Remuneration for the auditors

Criteria: MFEC's growth outlook, more complication of financial reporting and the business risk level, comparative audit fees of other auditing firms for the same industry.

Board of Directors and Audit Committee's Opinion: Both Board and Audit Committee agreed to propose the AGM to review and approve a 9 per cent rise year-on-year in the remuneration for the auditors in 2017, given the growth outlook, the business risk level, and more complicated auditing and financial reporting. Total audit fee is 1,390,000 baht.

Comparative Audit Fee during 2015-2017

Item	Up		2017 (Proposed)	2016	2015
	Amount	%			
• Audit fee and fee for preparation of consolidated financial statements	100,000	8	1,330,000	1,230,000	1,230,000
• Service fee for auditing BOI-based income	20,000	50	60,000	40,000	-
Total	120,000	9	1,390,000	1,270,000	1,230,000

Remark: *The audit fee includes the service fee for auditing the BOI-based income.

1. The audit fee was raised to 1,230,000 baht for the 2015-2016 period.
 - 1.1 The audit fee was left unchanged for two (2) years.
 - 1.2 The audit fee, in 2015, increased by 11% or 127,000 baht from 2014. In 2015, there was no service for auditing BOI-based income as the BOI investment promotional privileges ended. The Company was then applying for the new investment promotional privileges.
2. The audit fee was raised to 1,390,000 baht for the 2017-2018 period.
 - 2.1 The audit fee will be left unchanged for two (2) years.
 - 2.2 The audit fee, in 2017, increased by 9% or 120,000 baht from 2016. (The auditing company proposed to increase 100,000 baht in the fees for auditing and preparation of financial statements combined and 20,000 baht in the service fee for auditing BOI-based income.)
 - 2.3 In 2016, the Company was granted the BOI investment promotional privileges.