

# Corporate Governance and Ethics Handbook



Approved by the Board of Directors, 13 May 2020



*LIFETIME HEALTH GUARDIAN FOR ALL*



**TREASURE LIVES**



We treasure everyone's quality of life and we strive to offer the best care without discrimination of any persons or groups.

**HONEST**



We work on the principles of honesty and transparency, offering only necessary and desired products and services. We also approach our work with humility and respect for patients' dignity.

**OPTIMISTIC**



We look towards the future with optimism, constantly searching for innovative ways to improve our services and business performance.

**NURTURING**



Because our people are our greatest asset, we will nurture and keep developing our employees to be the best healthcare professionals for our customers.

# Corporate Governance and Ethics Handbook

<b>Contents</b>	<b>Page</b>
Mission of Thonburi Healthcare Group PCL. ....	1
<b>Section 1 General Information</b>	
Vision Mission and Brand Values .....	3
Best Practices and Monitoring of Best Practices .....	3
<b>Section 2 Corporate Government</b>	
Corporate Governance Policy.....	4
Corporate Governance Principles .....	5
Chapter 1: Rights of Shareholders.....	6
Chapter 2: Equitable Treatment of Shareholders .....	7
Chapter 3: Role of Stakeholders.....	8
Chapter 4: Disclosure and Transparency.....	10
Chapter 5: Duties and Responsibilities of the Board of Directors .....	11
Composition of the Board of Directors .....	11
Qualifications of Directors .....	11
Qualifications of Independent Directors .....	12
Duties and Responsibilities of the Board of Directors.....	13
Meeting of the Board of Directors.....	15
Segregation of Roles and Responsibilities between the Board of Directors and Management... ..	16
Roles of the Chairman .....	16
Roles of the Chief Executive Officer .....	17
Sub-committees .....	17
Self-Assessment of the Board of Directors and Sub-committees .....	21
Evaluation of Chief Executive Officer.....	21
Remuneration of Directors .....	21
Remuneration of Chief Executive Officer.....	21
Nomination of Directors .....	22
Recruitment of Senior Executives as defined by the SEC’s office .....	23
Director Development.....	23
Directorship in Other Listed Companies held by the Executives (C-Level).....	24

### Section 3 Policy related to Corporate Government

1. Business Ethics .....	26
2. Policy for Practices toward Stakeholders .....	28
2.1 Practices toward Shareholders .....	28
2.2 Practices toward Customers .....	29
2.3 Practices toward Business Partners.....	29
2.4 Practices toward Competitors .....	29
2.5 Practices toward Creditors .....	30
2.6 Practices toward Employees .....	30
2.7 Practices toward Community, Society, Resources and Environment.....	31
2.8 Practices toward Government Agencies and Related Regulatory Bodies .....	32
3. Policy for Compliance with Laws and International Human Rights .....	32
4. Policy for Donation for Charity and Funding .....	33
5. Policy for Giving and Receiving of Gifts/Properties or Other Benefits.....	33
6. Policy for Usage of Information Technology and Communication.....	34
7. Policy for Occupational Safety and Health .....	35
8. Policy for Non-infringement of Intellectual Property or Copyright .....	36
9. Policy for Usage of the Company’s Inside Information .....	36
10. Policy for Anti-Corruption .....	38
11. Policy for Risk Management.....	39
12. Policy for Connected Transactions.....	39
13. Policy for investment in subsidiary and associated company and policy for management of such companies, including control and governance mechanisms.....	41
14. Policy for Financial Control of Subsidiary and Associated Company .....	47
15. Policy for Succession .....	47



*Dr. Boon Vanasin  
Chairman of the Board of Directors*



*Mr. Chalermkul Apibunyopas  
Chairman of the Corporate Governance  
and Business Ethics Committee*

### ***Mission of Thonburi Healthcare Group PCL.***

*Thonburi Healthcare Group Public Company Limited (the Company") put emphasis on becoming a good example" for the society by setting objectives of conducting business based on good corporate governance, being responsible to all stakeholders and focusing on development of sustainable business.*

*In order to achieve such objectives, the Company has established policy for corporate governance and Ethics as guiding principles for all directors, executives and employees to comply with in performing their duties. The Company has prepared a Corporate Governance and Ethics Handbook, which use practices of good corporate governance prescribed by the Stock Exchange of Thailand and the Corporate Governance Report of Thai Listed Companies (CGR) by the Thai Institute of Directors as references and announced that all directors, executives and employees shall comply with the principles set out under such handbook. The Company also promotes the use of the Corporate Governance and Ethics Handbook by its affiliated companies as guidelines in performing their duties in order to achieve transparent, honest and verifiable conduct of business operations, in line with international corporate governance principles upheld by leading organizations.*

*The Company requires that all directors, executives and employees shall cooperate by studying the Corporate Governance and Ethics Handbook and strictly complying with the principles set out thereunder for the organization to be driven towards achievement of its goals, creating stability and sustainable growth in the future.*

# SECTION 1

## General Information



## **Vision**

*“To enhance people’s quality of life by being their most preferred health partner”*

## **Mission**

- *To offer customer-centric, innovative and reasonable healthcare solutions to people of all ages, no matter what their health needs and*
- *To always strive for a higher standard of service, expertise and professionalism in our people for the benefit of all our stakeholders*

## **Brand Values**

<i>TREASURE LIVES</i>	<i>We treasure everyone’s quality of life and we strive to offer the best care without discrimination of any persons or groups</i>
<i>HONEST</i>	<i>We work on the principles of honesty and transparency, offering only necessary and desired products and services. We also approach our work with humility and respect for patients’ dignity</i>
<i>OPTIMISTIC</i>	<i>We look towards the future with optimism, constantly searching for innovative ways to improve our services and business performance</i>
<i>NECESSITY</i>	<i>Because our people are our greatest asset, we will nurture and keep developing our employees to be the best healthcare professionals for our customers</i>

## **Best Practices and Monitoring of Best Practices**

*The Board of Directors has set that the duties and responsibilities of all directors, executives, and employees include to acknowledge and comply with the policies and rules set out in this Corporate Governance and Code of Conduct Handbook. The Board of Directors shall promote understanding and knowledge about the desired governance and conduct with directors, executives and employees. In addition, the Board of Directors has set that executives at all levels shall recognize that this is an important matter and that they are responsible for promoting their subordinates to acquire knowledge and understanding of and strictly comply with the Corporate Governance and Code of Conduct Handbook.*

*The Board of Directors does not allow any unlawful act or unethical behavior. If any director, executive or employee breaches the prescribed ethics, the Company will take action based on the relevant rules and regulations.*

*If any illegal act and/or breach of corporate governance principles is duly noted or suspected, this should be reported through the channels set specified in the Company’s Whistleblowing Policy. The Company shall investigate such matter without disclosing reporter’s name in order to protect the reporter from possible reprisals arising from making such complaint or claim (please refer to more details under Whistleblowing Policy).*



## Corporate Governance Policy

The Company strives to create confidence in its business operation by investors and stakeholders. The Company keeps adding value and supports sustainable business growth of the Company by operating its business with fairness, honesty, transparency and in line with international principles of corporate governance. These values are fundamental to leading the organization. Therefore, the Company has established corporate governance policy as set out below as the framework for conducting its operations.

1. All members of the Board of Directors, executives and employees shall perform their duties with determination and devotion and by fulfilling their responsibilities with one's full effort for the utmost benefit of the Company.
2. The Board of Directors, together with executives, plays an important role in creating the vision, strategy, policies and key work plan of the Company, Together they determine the organizational structure, prepare a management plan and conduct the business accordingly, in order to promote fair relationships among the Board of Directors, executives and shareholders. The Board of Directors monitors and ensures that the management performs its duties according to the prescribed policy, strategy and work plan.
3. The Board of Directors and executives shall act as leader in terms of ethics and become an example for others in performing duties with honesty, fairness, transparency and accountability.
4. The Board of Directors, all executives and employees shall uphold fairness by treating all stakeholders equally. The Board of Directors also tries to prevent decisions or acts with inherent conflict of interest through supervision and monitoring
5. The Board of Directors ensures that the Company discloses material financial and non-financial information correctly, adequately, with transparency and in a timely and reliable manner through various channels accessible by all groups of stakeholders conveniently and equally.
6. The Board of Directors plays an important role in the preparation and dissemination of Corporate Governance and Ethics Handbook so that all directors, executives and employees acknowledge, understand and strictly comply with the policy. Measures to follow up on compliance with the policy are in place.

## Corporate Governance Principles

The Company operates its business by upholding the principles of good corporate governance as defined by the Stock Exchange of Thailand (the "SET"). The Company continuously emphasizes the rights of shareholders, its responsibilities to shareholders and stakeholders, role of stakeholders and disclosure and transparency. The Board of Directors are continuously aware of their roles and responsibilities and comply with the principles of good corporate governance in order to create more confidence in the Company by shareholders, investors and all relevant persons. In addition to compliance with the principles of good corporate governance specified by the SET for listed companies, the Company has established its corporate governance policy, which is divided into 5 categories:

- 1) Rights of shareholders
- 2) Equitable treatment of shareholders
- 3) Role of stakeholders
- 4) Disclosure and transparency
- 5) Responsibilities of the Board of Directors

## Chapter 1: Rights of Shareholders

The Board of Directors upholds the rights of shareholders and ensures that shareholders are able to exercise all their fundamental rights, including the right to: (1) purchase, sell or transfer shares; (2) share in the profits of the Company; (3) obtain relevant and adequate information on the Company via the Company's website or SET website or any other methods; (4) participate and vote in shareholders' meetings to appoint or remove members of the Board of Directors, determine directors' remuneration, appoint the external auditor, make decisions on dividend payment, capital increase, issuance of new shares and any transactions that affect the Company, including the right to ask question to the Board of Directors regarding the report of the Board of Directors and any other matter proposed to shareholders' meeting for consideration and approval.

In addition, the Board of Directors promotes and determines policy regarding rights of shareholders as set out below.

- (1) Corporate governance policy regarding the protection of shareholders' rights
  - (a) The Board of Directors has a duty to protect and respect basic rights of shareholders, including the right to purchase, sell or transfer shares; the right to share in the profits of the Company and the right to obtain adequate information on the Company. The shareholders also have the right to participate in shareholders' meeting to appoint or remove members of the Board of Directors; to appoint the external auditor; to approve dividend payment; to determine or amend the Articles of Association or the Memorandum of Association; to approve decrease or increase capital and to approve special transactions etc.
  - (b) The Board of Directors has a duty to promote to shareholders and support them in exercising their rights at annual general meeting of shareholders, which include the right to propose meeting agenda items prior to the meeting, the right to nominate candidates for director position in advance and the right to express opinion and ask questions at the meeting.
  - (c) The Board of Directors shall ensure that Company information is disclosed according to the relevant rules and regulations. It shall also endeavor to prevent limiting or infringement of shareholders' rights to access the Company information such as not providing material information in a timely manner, not adding new meeting agenda or changing material information without sufficient advance notice.
  - (d) The Board of Directors has a duty to facilitate the exercising of shareholders' rights, such as providing updated and important information via the Company's website etc.
- (2) Disclosure of information relating to shareholders' meeting
  - (a) The Company has a policy to provide information regarding date, time, venue and meeting agenda of shareholders' meeting, including all information relating to matters which require decision-making. Such information should be adequately provided in advance and in a timely manner for each shareholders' meeting. The Company has a policy to give full opportunity to shareholders to review the information prior to the date of the shareholders' meeting via the Company's website. The information published on the website shall be the same as in the documents sent to shareholders by the Company.
  - (b) The Company shall disclose resolutions of the shareholders' meeting to the public to inform voting results of each agenda via online system of SET on the date of the shareholders' meeting or at the latest by 9.00 a.m. of the next business day via SET Portal.
  - (c) Following each shareholders' meeting, the Company shall collect information on the meeting, which includes details on agenda items, meeting resolutions, voting results

and questions and opinions of shareholders and prepare “minutes of the shareholders’ meeting” accordingly. The minutes will be published on the Company’s website within 14 days from the meeting date. This is in accordance with the rules of the Office of the Securities and Exchange Commission (the “**Office of the SEC**”) and the SET.

- (d) The Board of Directors promotes the exercise of rights of shareholders and does not restrict rights of shareholders and does so by disclosing all relevant information on the Company’s website in advance. The Company shall not provide new document which contains material information during the shareholders’ meeting. The Company shall not add new agenda items or change important information without notifying shareholders in advance.
  - (e) The Company shall allow shareholders to regularly obtain up-to-date news and information via its website.
- (3) Shareholders’ meeting
- (a) The Company shall facilitate shareholders, including institutional shareholders, in participation and voting in the shareholders’ meeting. Any action that could hinder shareholders from exercising their rights to attend the meeting shall be prohibited.
  - (b) The Company shall inform rules and procedures for attending shareholders’ meeting in the invitation to the meeting. On the date of the shareholders’ meeting, the person conducting the meeting shall inform the meeting’s rules and voting procedures to shareholders in the meeting. Such rules and voting procedures shall be recorded in the minutes of the shareholders’ meeting at every meeting.
  - (c) The Company shall allow shareholders to ask questions relating to the meeting agenda or the Company, including allowing them to express their opinion. In considering each agenda item, the Chairman of the Board of Directors shall ask if shareholders have any questions or opinions. Questions, shareholders’ opinions and response or clarifications from the Board of Directors and/or executives relating to meeting agenda or the Company shall be recorded in the minutes of the shareholders’ meeting at every meeting.
  - (d) The Board of Directors sees the importance of annual general meeting of shareholders and respect rights of shareholders. The Board of Directors, therefore, encourages all directors and high-level executives to attend the shareholders’ meeting if they do not have other important business in order to respond to shareholders’ questions and listen to shareholders’ opinions.
  - (e) The Company shall arrange for an independent person as witness in vote counting or for verification of voting at the meeting.
  - (f) In conducting shareholders’ meeting, the Company shall allow for voting of each item if an agenda has more than one item for consideration, for instance, an agenda relating to appointment of directors requiring shareholders to vote on an individual basis. Method and equipment used for voting shall allow for clear sound quality and is convenient, fast and efficient. Voting results must be quickly demonstrated and shareholders shall be informed of the voting results in a timely manner.

## **Chapter 2: Equitable Treatment of Shareholders**

The Company treats all shareholders, including those with management positions, non-executive shareholders, foreign shareholders and minority shareholders, fairly and equally according to the following principles.

- (1) The meeting shall be conducted in order of the business listed in the notice of meeting. The Company shall not request the meeting to consider other unnecessary matters in addition to those specified in the notice of meeting, particularly those matters which require time for shareholders to study related information prior to making decision.
- (2) The Company provides the opportunity for minority shareholders to propose agenda items for the meeting and nominate qualified candidate(s) for appointment as the Company's directors by submitting profile and consent letter from such candidate(s) to the Chairman of the Board of Directors according to rules, regulations and procedures prescribed by the Company.
- (3) The Company encourages shareholders to use proxy forms which are in accordance with the Notification of the Department of Business Development. Re: Prescription of Proxy Letter Forms (No. 5) B.E. 2550 (2007). Under such proxy forms, shareholders can vote approve, disapprove or abstain. The Company has prepared Proxy Form A, Form B and Form C (for custodian only) for shareholders.
- (4) The Company facilitates shareholders who are unable to attend the meeting by themselves but wish to vote through the use of proxy by proposing independent directors to attend and vote on behalf of those shareholders. Shareholders may choose any independent director as their proxy.
- (5) The Company encourages and promotes the use of ballots for important agenda items such as acquisition and disposal of material assets which is a connected transaction.
- (6) The Company encourages shareholders to exercise their rights to appoint directors on an individual basis.
- (7) The Company shall not provide undisclosed information to any particular group of shareholders as preferential or different treatment to other shareholders. All shareholders are treated equally in respect of information relating to the Company.
- (8) The Company has measures to prevent conflict of interest according to policy on connected transactions and policy on insider information to prevent self-interest or exploitation of benefits and has published such policies to employees, executives and directors.
- (9) In case of a connected transaction, the Company shall disclose information relating to name of and relationship with, the connected person, policy on determination of price and transaction value and opinion of the Board of Directors on such transaction to shareholders.
- (10) The Company shall disclose how connected transaction has been conducted fairly at the market price and in accordance with the ordinary course of business (Fair and at arms' length).

### **Chapter 3: Role of Stakeholders**

The Company realizes the importance of roles of stakeholders and treats all stakeholders equally and appropriately, whether they are internal stakeholders, such as directors, employees and executives of the Company or external stakeholders such as shareholders, customers, trade partners, creditors, competitors, society and environment, public sector and relevant organizations. The rights of stakeholders that are established by law or through mutual agreements are to be respected. The Board of Directors has set practices for transparency and fairness for each group of stakeholders as set out below.

- (1) Setting policies relating to each group of stakeholders by considering their legal rights or rights under agreements with the Company. Any action which violates such rights of stakeholders shall be avoided. Measures for remedying violation of such rights of affected shareholders shall be in place.

- (2) Setting clear policies on treatments of each group of stakeholders. Organizing appropriate and adequate channels for communication with each group of stakeholders.
- (3) Developing mechanism for participation by stakeholders to promote and support the Company's business operations in order to create sustainability of the organization. Important and relevant information shall be sufficiently disclosed to stakeholders so that they may effectively participate in such exercise.
- (4) Setting Whistleblowing Policy for reporting of suspected illegal acts and issues relating to correctness of financial reports, deficiency of internal control systems or unethical acts by the Board of Directors. Measures for whistleblower protection shall be in place.
- (5) Setting policy on social responsibilities, particularly on those matters with direct impact on the Company's business operations, to give confidence to related persons that, in operating its business, the Company has considered environmental and social factors for sustainable development of the organization.

### **Whistleblowing Policy**

The Board of Directors of the Company give the opportunity to directors, executives, employees and internal and external stakeholders of the Company and its subsidiaries to report suspected illegal acts, complaints or recommendations relating to illegal or unethical acts, incorrectness of financial reports and corruption or deficiency in internal control system of the Company or its subsidiaries. The Company shall investigate and find facts relating to any such report, complaint or recommendation in order to determine appropriate measures or actions. Such information can be reported via the following channels:

<b>Via Phone</b>	02-159-0336-7 or Head of the Internal Audit Department 081-613-3539
<b>Via E-mail</b>	BOD@thg.co.th , AC@thg.co.th Internal Audit Department <a href="mailto:IA@thg.co.th">IA@thg.co.th</a>
<b>Via Website</b>	<a href="http://www.thg.co.th">www.thg.co.th</a>
<b>Via Mail</b>	Submit Whistleblower Report Form (as enclosed) <b>To Board of Directors, Chairman of the Audit Committee, Head of the Internal Audit Department</b> Thonburi Healthcare Group Public Company Limited 518 Kampangetch 2 Road, Chatuchak Sub-district, Chatuchak District Bangkok 10900

### **Whistleblower Procedures**

The internal audit department shall provide preliminary monitoring including searching for and collecting facts, verifying the information, and prepare a summary about the complaints to the Chief Executive Officer. The Chief Executive Officer shall set-up an Investigating Committee to verify the information and investigate formally. Members of the Investigating Committee who shall participate and observe in considering the complaints include the Director of Human Resource Department or a representative of the unit, the supervisor of the informant (provided there is no conflict of interest with the informant), a representative from the Risk Management Committee, and the Secretary of the Audit Committee or a representative from the Audit Committee.

Following the investigation, the Internal Audit Department shall prepare a report and propose measures for addressing the complaint to the Audit Committee. In case of a complaint relating to reputation, image or financial position of the Company or any matter contrary to policies

on the Company's business operations or relating to high-level executives, the Audit Committee shall propose that the Board of Directors consider such complaints.

### **Whistleblower Protection Policy and Confidentiality**

The Board of Directors has set a policy and procedures for protection of whistleblowers. Information from whistleblowers shall be kept confidential. The person obtaining information from performance of his/her duty relating to such matter shall keep information, complaint and documentary evidence of whistleblowers confidential. Information should not be disclosed to non-related persons, unless the information is required to be disclosed according to the laws.

## **Chapter 4: Disclosure and Transparency**

The Board of Directors ensures that the Company discloses important information relating to the Company including financial information prepared in accordance with generally accepted accounting standards, which has been examined by independent auditor and non-financial information in accordance with regulations of the Office of the SEC and the SET and other relevant information completely, in a timely manner and with transparency, through accessible channels, with equality and reliability.

The Board of Directors has assigned a unit or responsible person for communicating with outsiders, such as shareholders, institutional investors, general investors, analysts, public sector and other relevant organizations, equally and with transparency and fairness. The practices in such regard shall be as follows:

- (1) The Board of Directors has a duty to disclose important and necessary information, both financial information and non-financial information according to regulations of the Office of the SEC and the SET and other related information, such as policy on corporate governance and Ethics, risk management, environmental and social responsibilities and monitoring and evaluation on compliance with such policies, adequately, with reliability and in a timely manner, so that shareholders and stakeholders shall obtain information equally according to the laws and Articles of Association of the Company.
- (2) The Company discloses information according to the regulations via various channels such as via SET, Annual Information Disclosure Form (Form 56-1), Annual Report (Form 56-2) and the Company's website. The Company's website contains information relating to vision and mission, nature of business, list of directors and executives, financial reports, statement of financial positions and profit and loss statement. Such information is downloadable, complete, consistent, up-to-date and provided to shareholders on a regular basis to ensure that shareholders will have access to the information and are able to contact responsible units who provides information conveniently, swiftly and efficiently.
- (3) The Company has set-up an Investor Relations Department and Office of the Company Secretary, who are responsible for regularly and efficiently providing information on business operations and operating performance of the Company, beneficial to shareholders, creditors, institutional investors, general investors, analyst, related persons and the general public.
- (4) The Board of Directors prepares reports on status and trend of the Company in summary, on its responsibility in preparing financial reports (in addition to the auditor's report, audit fees and other fees of auditor), on management necessary for various forms of analysis, on meeting attendance of directors and/or directors in respect of trainings and professional development of the Board of Directors, and on policy regarding remuneration of directors and high-level executives under the annual report.
- (5) The Board of Directors gives importance to good internal control systems and has set-up the Internal Audit Department to audit the performance of each unit in order to prevent

mistakes and promote performance of work with transparency. The performance of work is audited periodically, and the internal auditor shall prepare reports for consideration by the Audit Committee.

## **Chapter 5: Duties and Responsibilities of the Board of Directors**

The Company has established corporate governance policy through consideration of important factors, including duties and responsibilities of directors. The key policies are as set out below.

### **Composition of the Board of Directors**

- (1) The Board of Directors shall consist of at least 5 members.
- (2) The Board of Directors shall include at least 3 Independent Directors which account for at least one third of total members. The Independent Directors must be independent from the control of major shareholders and have no involvement with or interest in the finances and management of the Company, and shall satisfy the qualifications of Independent Directors as determined by the Board of Directors, which are no less than those described in the notification of the Capital Market Advisory Board No. Thor Jor. 28/2551 Subject: Application and Permission for the IPO ("Notification Thor Jor. 28/2551").
- (3) The Board of Directors shall include at least 3 Audit Committee members who satisfy the qualifications as described in Notification Thor Jor. 28/2551 The duties and responsibilities of the Board are as set forth by the Stock Exchange of Thailand ("SET").
- (4) The Board of Directors may appoint one of its members as a chairman. In case it is considered appropriate by the Board, one or more director(s) may be appointed as a vice-chairman of the Board.

### **Qualifications of Directors**

- (1) A director must be a person with knowledge and experience which will benefit the business, having honesty, integrity and ethical business practice and devoting adequate time to apply his/her best knowledge and ability to perform duties for the Company.
- (2) A director must satisfy all qualifications required, having no prohibited characteristics as set forth in the Public Company Limited Act B.E. 2535 (including the amendment) ("Public Limited Company Act") the Securities and Exchange Act B.E. 2535 (including the amendment) ("Securities Act") and notifications, regulations and/or relevant rules. He/she should not lack of characters or qualifications to be trusted by the Company in management of the entity which a share is hold by the public as described by the Securities and Exchange Commission and the Stock Exchange of Thailand and/or the Capital Market Advisory Board. He/she who is listed in the database of directors and management board of a listed company as stated in the Capital Market Advisory Board's notification regarding the criteria of displaying list of directors and management board of the listed companies.
- (3) A director cannot engage in a business that is of the same nature and/or is in competition with the Company; or become a partner or a director in another juristic person having the same business which is in competition with the Company whether for his/her own benefit or the benefit of others unless such engagement is noticed in the meeting of shareholders prior to the appointment. A director may hold a directorship in another company, on the condition that such position will not impede his/her performance in the Company and it is in line with the guideline specified by the Company, the Securities and Exchange Commission and the Stock Exchange of Thailand.

- (4) A director can hold the position of director in not more than 5 other companies listed on the Stock Exchange of Thailand in order to ensure that the director is able to devote his/her time to perform duties efficiently.
- (5) Independent directors shall not be executives, shall be independent from management and controlling shareholders, have no business relationship with the company in such a way as to cause limitations in the expression of independent opinions and shall have qualifications as specified by the Capital Market Supervisory Board.  
However, independent directors may be assigned by the Board of Directors to decide on the business operations of the company, subsidiaries, associated companies, same-level subsidiaries, other juristic persons that may have conflicts, major shareholders or controlling parties of the company which can be decided in the form of a collective decision

## Qualifications of Independent Directors

Independent Directors shall not perform executives' duties and are independent from management and controlling shareholders. Independent Directors shall not have business relationship with the Company in a way that hinders independent decision and must have the following qualities according to the Notification of the Capital Market Supervisory Board:

- (1) Holding no more than 0.5% of total voting shares, the parent company, subsidiaries, associated companies, major shareholders or controlling parties of the Company. This includes the shareholding of persons related to the independent directors
- (2) Not currently be or never had been the company's executive director, employee, salaried consultant or controlling person of the Company, the parent company, subsidiaries, associated companies, same-tier subsidiaries, major shareholders or controlling parties. Exception: It has been at least two years after the person has held the position of audit committee. Such status does not include where the independent director used to be a government official or an advisor of government agency that was a major shareholder or a controlling person of the Company.
- (3) Not by blood be or be legally registered as father, mother, spouse, sibling, child, or spouse of a child, with other director, executive, major shareholder, controlling person or person who will be nominated as director, executive or controlling person of the Company or subsidiary.
- (4) Not currently have or never had any relations with the company, the parent company, subsidiaries, associated companies, major shareholders or controlling parties in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never had been a significant shareholder or controlling person for persons having business relations with the company, subsidiaries, associated companies, major shareholders or controlling parties. Exception: It has been at least two years after the person has held the position of audit committee; does not have direct or indirect benefits or interest in finance and management of the Company, affiliated companies, associated companies or persons with potential conflict of interest in a way which affect his/her independent decisions.

The term 'business relationship' under the first paragraph includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral and any other similar action, which result in the Company or the counterparty being subject to indebtedness payable to the other party of 3% or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness is calculated by the method for calculating the value of connected transactions under the relevant Notification of the Capital Market Supervisory Board, *mutatis mutandis*. However, the consideration of such indebtedness includes indebtedness incurred during one year before the date on which the business relationship with the person begins.

- (5) Not currently be or never had been the auditor of the Company, subsidiaries, associated companies, major shareholders or controlling parties or juristic persons with potential conflict of interest. Also, the person should not currently be or never had been a significant shareholder, controlling person, or partners of current auditor's auditing firm that employs auditors of the Company, the parent company, subsidiaries, associated companies, major shareholders or controlling parties. Exception: It has been at least two years after the person has held the position of audit committee.
- (6) Not currently provide or never had provided professional services, legal consulting, nor financial consulting services with a fee more than THB 2 million per year to the company, the parent company, subsidiaries, associated companies, major shareholders or controlling parties. Also, the person should not currently be or never had been a significant shareholder, controlling person, or partners of current service providers. Exception: It has been at least two years after the person has held the position of audit committee.
- (7) Not currently be an appointed director to represent the company's directors, major shareholders, or the shareholder related to major shareholder. An independent director shall be able to freely report or express his/her opinion on assigned matters without considering any interest which would prohibit the exercise of independent judgement in carrying out his/her responsibilities as director.
- (8) Not currently operate similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the company or its subsidiaries.
- (9) Not under any conditions that may impede the person from having independent views towards the company's operations.
- (10) The audit committee must be Independent Directors of the Company and their qualifications shall be as prescribed by the Office of the Securities and Exchange Commission (the "**Office of the SEC**").

The Independent Director may be assigned by the Board of Directors of Company to make decisions in respect of business operations of the Company, subsidiaries, associated companies, same-tier subsidiaries, juristic persons with potential conflict of interest, major shareholders or controlling parties. The decision-making can be in a collective manner (collective decision).

## **Duties and Responsibilities of the Board of Directors**

- (1) The Board of Directors has its duties and responsibilities in management and operation of the business to achieve the highest benefit for the shareholders (Fiduciary Duty) by adhering to four important guidelines:
  - (1.1) Perform duties with responsibility, carefulness and prudence (Duty of Care);
  - (1.2) Perform duties with loyalty (Duty of Loyalty);
  - (1.3) Comply with laws, objectives, regulations and resolutions of the meeting of shareholders; propose in the meeting of shareholders for consideration and approval for the agenda that requires prior approval to protect interest of the Company and shareholders. The Board shall oversee overall compliance to applicable laws relevant to the business of the Company including laws concerning bribery and anti-corruption support scheme (Duty of Obedience);
  - (1.4) Disclose information to shareholders in an accurate, complete, transparent, verifiable and timely manner (Duty of Disclosure).

- (2) Put in place an adequate and effective accounting system, financial reports and auditing; provide an internal control system, internal audit system and document filing system to ensure the accountability and adequacy of the systems subsequently.
- (3) Supervise the preparation of financial statement of the Company as of the ending date of the accounting year to show the actual, completed and correct financial status and operation result of the previous accounting year. The accounting system must meet the generally accepted accounting standards and be audited by the appointed certified public auditor prior to being submitted to the meeting of shareholders for consideration and approval.
- (4) Approve vision, mission, strategy, long-term targets, direction and policies, annual business plan, medium-term business plan, budget, and monitoring plan and supervise the management to assure the compliance with policies, plans, strategy and the budget assigned for the highest benefit to the Company and shareholders.
- (5) Formulate risk management policy to cover the entire organization and to oversee the systems or procedures for risk management by having supporting measures and controlling systems in order to minimize the impact of risks on business of the Company adequately.
- (6) Supervise ethical manners and conduct in business, for example, to provide good corporate governance in written form and, to comply and adapt such policy effectively; to announce the implementation of the good corporate governance; to monitor compliance with good corporate governance among all personnel to assure the Company's best fair treatment of all stakeholders.
- (7) Set organization structure, management structure and structure of the board of directors in regard of the number of directors, proportion of independent directors, various required qualifications. The Board of Directors has the power to appoint sub-committees, management committee, and senior management as defined by the Securities and Exchange Commission and also a compliance unit as deemed appropriated.
- (8) Appoint the Corporate Secretary, as well as to determine his/her scope of duties and responsibilities.
- (9) Select and approve a list of certified public auditors and to determine adequate remuneration of selected auditor as proposed by the Audit Committee, prior to proposing to the meeting of shareholders in the Annual General Meeting of Shareholders for approval.
- (10) Consider and approve the acquisition or disposal of assets, investment in new business and operations of the Company as necessary under the law, regulations and relevant rules unless such transaction is approved by the meeting of shareholders. However, the approval of the Board must be consistent with the notification of the Market Advisory Board and/or notification, regulations and/or relevant rules of the Stock Exchange of Thailand.
- (11) Consider and/or give opinions on related transactions and/or to proceed with significant transactions of the Company, and to confirm that they are in compliance with the law, notifications, rules and relevant regulations. To oversee, control and prevent the conflict of interest among stakeholders of the Company.
- (12) Approve the interim dividend payment to shareholders once it is considered that the Company's profit is at adequate level. The report of dividend payment shall be presented to the meeting of shareholders in the next meeting of shareholders.
- (13) Supervise the annual report of the Board and to prepare and disclose the financial statement of the Company, in order to review the financial status and operation result of the previous year, and to present the said reports to the meeting of shareholders for consideration and approval.
- (14) Be liable for the person acquiring-disposing assets of the Company against any damages occurred as a result of the information being disclosed to shareholders or the public, showing

false information in material content or conceal the fact which should be disclose in material facts as specified in the securities and Stock Exchange law, unless the director and management will proof that such information is beyond their scope of duties or they lack of such information.

- (15) Keep developing knowledge and ability in operations, attend training or participate in courses related to the duties of directors or seminar activities that enhance knowledge in the work continuously.

### **Tenure and election of directors**

- (1) The election of the Board shall be in accordance with relevant regulations and law. The nomination procedures must be transparent and precise, based on education background and experience, qualifications. Supplementary information and document should be provided for the best consideration of the Board and shareholders.
- (2) One-third of the directors of the Board will be retired at every annual general meeting of the shareholders. If the number of directors to be retired as such is not a multiple of three, the closest number to one-third will be applied. The directors who will be retired in the first and second year after the Company is listed in the Stock Exchange of Thailand is selected by raffles. In the following years, the directors who have been in office for the longest period will be retired.
- (3) Independent directors may hold a term in the office not exceeding 3 consecutive terms or combined for no more than 9 years without exception
- (4) The retired directors by rotation may be re-elected as a director.
- (5) In addition to retirement by rotation, a director is retired due to:
  - (5.1) Death
  - (5.2) Resignation
  - (5.3) Disqualified or possess the prohibited character as stipulated by the public limited company law and/or securities and stock exchange law.
  - (5.4) At least three third of the votes of the shareholders attending and having right to vote, whereby the total shares is not less than half of the shares hold by the shareholders attending and casting their vote.
  - (5.5) The court issues an order for resignation
- (6) A director who wish to resign shall submit a resignation letter to the Company. The resignation will be effective from the date when the letter arrives the Company. The resigning director may give notice of his/her resignation to the Registrar of the Public Company as well.
- (7) In case where the director position become vacant due to the reason other than the rotation, the Board may elect a qualified person as stipulated by the law of public limited company and securities and stock exchange, to be a director in the next meeting of the Board. If the term of the resigning director is less than 2 months, the replacing director shall hold the directorship only for remaining period of the resigning director.

### **Meeting of the Board of Directors**

- (1) The meeting of the Board shall be as stipulated by applicable law and regulations, whereby at least half of the members of the Board attending constitute a quorum. In case the chairman of the Board cannot be present in the meeting or is unable to perform his duty, the vice-chairman shall chair the meeting, or if the vice-chairman is unavailable, the Board shall elect one of the members as a chairperson of the meeting.

- (2) Decisions of the meeting shall be made by a majority of votes, whereby, one director has one vote. A director cannot vote in the agenda if he/she has interest in the said agenda. In case of an equality of votes, the Chairman of the meeting shall have an additional casting vote.
- (3) The meeting of the Board shall be hosted on regular basis, at least every 3 months, or as considered necessary. Two directors may request from the chairman to host the meeting, where, on such circumstance, the chairman should set the meeting date within 14 days from the date of receiving request.
- (4) The Chairman or a director being assigned by the Chairman is to set the date, time and place of the meeting of the Board, where the location may be another place than the head office of the Company or in an adjacent province. In case the place of meeting is not set by the Chairman or director being assigned by the Chairman, the meeting shall be held at the head office of the Company.
- (5) To call for a meeting, the Chairman of the Board or the person being assigned shall send an invitation letter through registered mail or deliver in person to the directors, at least 7 days prior to the meeting date. In case there are urgent matters to be discussed, the meeting invitation may be delivered by alternative means and the date of the meeting may be earlier than 7 days from notification, in order to maintain the rights and benefits of the Company.
- (6) In the meeting, the chairman of the Board will give the opportunity to directors to freely express their opinions and will allocate the meeting time appropriately and effectively.
- (7) In case of one or more vacancies of the position of director resulting in the number falling below the quorum, the remaining directors shall act on behalf of the Board of Directors only to arrange a shareholders' meeting to elect directors to replace all vacant positions. Such meeting must be held within 1 month from the day that the number of the Company's directors falls below the quorum.

### **Segregation of Roles and Responsibilities between the Board of Directors and Management.**

The Company has clearly defined the roles and responsibilities of the Board of Directors and the management. The Board of Directors is responsible for setting policies and supervising the operations of the management. Meanwhile, the management has the responsibility to manage the company accordance with said policies and therefore the Chairman of the Board of Directors and the Chief Executive Officer shall be a different person.

### **Roles of the Chairman**

- (1) To schedule meetings between the Board of Directors and the Chairman of the Executive Committee and to ensure that the directors receive accurate, complete and timely information before the Board meeting to make proper decisions.
- (2) To act as the leader of the Board of Directors and as the Chairman of the Board of Directors
  - (2.1) To conduct the meeting of the Board of Directors in accordance with the agenda items, the Company's Articles of Association and laws.
  - (2.2) To allocate adequate time and to encourage all directors to discuss and exchange their opinion freely and careful consideration, in full respect of all stakeholders.
  - (2.3) To clearly conclude the resolutions of the meeting and what is to be done.
  - (2.4) To facilitate meetings for non-executive directors, without any directors who are in the management team of the Company present, to allow the non-executive directors to independently discuss issues of interest

- (3) To act as the Chairman of the shareholders' meeting and conduct the meeting in accordance with the agenda items, the Company's Articles of Association and laws. The Chairman manages time of the meeting appropriately including providing the opportunity for shareholders to express their opinions equally and to ensure that shareholders' questions are answered appropriately and transparently.
- (4) To support and be a good role model in corporate governance and ethics.
- (5) To strengthen the good relationship between the Board of Directors and the company management and to support the duties of the managing director and management team in accordance with the Company's policies.
- (6) To ensure transparency and disclosure of information in case of a conflict of interest.
- (7) To supervise the Board of Directors to have the appropriate structure and composition.
- (8) To supervise the overall performance of duties of the Board of Directors, sub-committees and each director effectively and productively.

### **Roles of the Chief Executive Officer**

- (1) To determine and supervise the business strategy and management direction, together with the Executive Committee and to communicate such business strategy to the Board of Directors, shareholders and employees at all levels.
- (2) To approve and supervise policies and programs under the authority of the Executive Committee.
- (3) To supervise and enter into legally binding contracts and follow up on business practices to comply with laws.
- (4) To supervise the strategic plans for the management team and for development of key individuals, as well as to define and communicate corporate vision and culture.
- (5) To supervise the organization's risk management plan and all financial transactions including cost structure and debt structure of the Company.
- (6) To supervise marketing strategy and revenue structure as well as to define and communicate target sales and market share for competition.
- (7) To supervise innovation and technology adoption in order to improve the organization's capabilities.
- (8) To seek new business and investment opportunities related to the Company's core business and its subsidiaries to increase revenue for the Company.
- (9) To perform other tasks as assigned by the Board of Directors on a case by case basis.

### **Sub-committees**

The Board of Directors has appointed various committees to scrutinize and supervise the Company's operations in order to ensure that the Board of Directors will perform its duties effectively and to the best benefit of the company. To comply with the rules and regulations of the SEC and SET, each committee will have the same tenure as the Board of Directors. The Company has 4 sub-committees: The Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee and the Corporate Governance and Business Ethics Committee.

#### **Audit Committee**

The Audit Committee is composed of at least 3 directors and at least one member shall have knowledge in accounting/finance. The Audit Committee shall be qualified in terms of independence in accordance with the Notification of the Securities and Exchange Commission re: qualifications and scope of work of the Audit Committee.

## Duties and Responsibilities of the Audit Committee

- (1) Financial Report and Auditing
  - (1.1) To review the Company's and its subsidiaries' financial reports to ensure that they are accurate and reliable, including adequate disclosure. To coordinate with external auditors and executives who are responsible for quarterly and annual financial reporting.
  - (1.2) To consider, select, nominate and dismiss any persons who are independent to act as the auditor of the Company and to determine the compensation of such person. The audit committee attends a meeting with the auditor without the management present at least 1 time per annum to acknowledge the material financial information, audit results and to discuss any problem that may find from the performance of the auditor.
- (2) Internal Control
  - (2.1) To review the Company's internal control system for adequacy and efficacy.
  - (2.2) To review the Company's risk management system adequate risk management and measures.
  - (2.3) To review the accuracy of references and self-assessment forms in relation to anti-corruption measures of the Company in accordance with Thailand's Private Sector Collective Action Coalition Against Corruption.
  - (2.4) To review and monitor the processes for whistleblowing and complaints as implemented by management.
- (3) Internal Audit
  - (3.1) To review the Company's internal audit system for adequacy and efficacy, including supervising the Internal Audit Department in performing its duties in accordance with the internal audit standard.
  - (3.2) To consider the independence of the Internal Audit group.
  - (3.3) To approve the appointment, transfer, dismissal and evaluation of performance of the head of the Internal Audit Department and to consider his/her compensation. To approve and evaluate manpower and resources that are necessary to the performance of the Internal Audit Department.
  - (3.4) To consider and approve the Charter of the Internal Audit Department.
  - (3.5) To consider and evaluate the annual internal audit plan to ensure that such plan is in line with the classification and level of risks of the Company.
  - (3.6) To review the internal audit report as to be presented to the management team and to seek the opinion of the management team regarding issues arising from the internal audit. To subsequently follow up to ensure that the management team complies with suggestions adequately and within the appropriate timeline.
  - (3.7) To approve the engagement and to determine the compensation of the internal audit provider, in case of out-sourcing.
- (4) Compliance with Relevant Laws
  - (4.1) To review the Company's compliance with the laws concerning securities and exchange, the regulations of the Stock Exchange of Thailand and other laws relating to the Company's business.
  - (4.2) To consider any connected transaction or transactions that may pose a conflict of interest to ensure that such transaction is reasonable and for the best benefits of the

Company and in order to comply with the laws and regulations of the Stock Exchange of Thailand.

- (4.3) To verify any notification from the auditor regarding suspicious circumstances in which a director, the management team or any person responsible for the operation of the Company, may have committed an offence related to their duties and responsibilities pursuant to Section 281/2 paragraph 2, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313 of the Securities and Exchange Act and to inform the preliminary result of such investigation to the Office of the Securities and Exchange Commission and the auditor within 30 days from the date of the receipt of notification by the auditor.

(5) Other Duties

- (5.1) To review and revise the Charter of the Audit Committee by considering any issues as deemed necessary and appropriate and to propose any revisions to the Board of Directors for approval.
- (5.2) The Audit Committee can ask for advice from any external and independent advisors, if necessary, whereby all expenses shall be borne by the Company.
- (5.3) To meet executives and employees and to access relevant information without restriction.

### **Risk Management Committee**

The composition of the Risk Management Committee consists of at least 3 directors and/or executives.

#### **Duties and Responsibilities of the Risk Management Committee**

- (1) To define the risk management framework and the risk management structure of the Company and its subsidiaries.
- (2) To acknowledge and provide recommendations to policies, strategies and guidelines for risk management at the Company and its subsidiary level.
- (3) To establish a risk assessment framework for the Company and its subsidiaries and to. Ensure continuity in risk management reporting.
- (4) To consider and identify significant risks of the Company's business operations, such as investment risks, business operational risks, management risks, financial risks, data security risks, laws and regulations risks, as well as to suggest on how to protect and to manage the risk approach in the acceptable level by determining the policy and providing advice and guidance on risk management related to the business operation of the Company appropriately and effectively including to provide recommendation to the Board of Directors and management team on risk management.
- (5) To establish and review plan as well as overall risk management process. To follow up the risk management processes of both the Company and its subsidiaries.
- (6) To supervise and support risk management to succeed by focusing on the awareness of each risk factor and supporting appropriate decision making. The Risk Management Committee is responsible for monitoring and evaluating the implementation of the risk management framework of the Company and its subsidiaries and for adjusting its operation plan to minimize the risks to protect the business operation of the Company.
- (7) To acknowledge any major risks and to report the risk assessment results and operating results to the Board of Directors regularly with the aim to reduce risks. In the case of significant issues, which may have a significant impact on the Company's financial status

and operating results, the Committee shall report to the Board of Directors for consideration as soon as possible.

- (8) To consider whether the management has responded appropriately to acknowledged/identified risk.
- (9) To promote the implementation of policies and guidelines for risk management throughout the Company and its subsidiaries
- (10) To promote the development of human resources and create the awareness of identified risks and the means to control them for the Company and its subsidiaries continuously.
- (11) To perform any other duties assigned by the Board of Directors.

### **Nomination and Remuneration Committee**

The composition of the Nomination and Remuneration Committee consists of at least 3 directors and/or executives provided that at least 2 members shall be independent directors. The Chairman of the Nomination and Remuneration Committee shall be an independent director.

#### **Duties and Responsibilities of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has the following duties and responsibilities as assigned by the Board of Directors:

- (1) To set policy, criteria and procedures for nomination of Directors and Chief Executive Officer.
- (2) To determine the policy, criteria and methods of remuneration in both monetary and non-monetary form of the Board of Directors, sub-committees and Chief Executive Officer of the Company as appropriate for their responsibilities and in line with the Company's operating results and market conditions for subsequent approval by the Board of Directors and the shareholders meeting.
- (3) To recruit qualified persons for the positions of director and Chief Executive Officer in accordance with applicable laws and regulations and to subsequently present them to the Board of Directors and/or the shareholders' meeting for approval..
- (4) To determine the adequate and necessary remuneration in monetary and non-monetary form as an incentive for the Board of Directors, sub-committee and Chief Executive Officer.
- (5) To supervise the Board of Directors to have the right composition to fit as changing business environment. The Board of Directors must be composed of persons with knowledge, ability and experience in various fields.
- (6) To set guidelines for and evaluate the performance of directors and the Chief Executive Officer for establishing annual remuneration by considering responsibilities and risks faced, including increasing equity value for shareholders long-term as one of the key assessments.
- (7) To disclose policies and details of the recruitment process, policy on compensation and to disclose details of various types of compensation. This task includes the preparation of the compensation report and listing details of at least the operational goals and the remuneration of the Nomination and Remuneration Committee in the Company's annual report.
- (8) To perform other duties assigned by the Board of Directors.

### **Corporate Governance and Business Ethics Committee**

The Corporate Governance and Business Ethics Committee shall consist of not less than 3 directors.

### **Duties and responsibilities of the Corporate Governance and Business Ethics Committee**

- (1) To formulate policies and guidelines for good corporate governance and business ethics of the Company's group for the Board of Directors' approval, in order to comply with international practices, relevant regulatory agencies and/or relevant laws.
- (2) To set guidelines and monitor them in order to encourage the Company's group to comply with the policies and regulations for good corporate governance and business ethics.
- (3) To promote good corporate governance policies and business ethics and to encourage directors and executives to understand and comply with them at all times and to encourage executives to promote understanding of and compliance with the policies to employees of all levels of the Company.
- (4) To review the good corporate governance policies and business ethics, including this charter, on an ongoing basis and at least once a year to develop and upgrade the corporate governance standards of the Company's group.
- (5) To appoint subcommittees in order to support the good corporate governance policies and business ethics, as required. operations related to
- (6) To perform tasks as assigned by the Board of Directors relating to corporate governance and business ethics.

### **Self-Assessment of the Board of Directors and Sub-committees**

The Board of Directors shall evaluate their performance on a yearly basis as per framework for reviewing the Board of Directors and improve their performance. The evaluation has the following components:

1. Evaluation of Board of Directors overall
2. Individual evaluation of each member of the Board of Directors
3. Evaluation of the sub-committees

The Corporate Secretary is assigned to summarize the results of the evaluations and to report the results of the assessment to the Board of Directors.

### **Evaluation of Chief Executive Officer**

The Company conducts an annual performance evaluation of the Chief of Executive Officer at the end of each year. The Nomination and Remuneration Committee is responsible for the evaluation and will present the results to the Board of Directors for consideration and approval.

The results of this evaluation will be considered in determining the salary increase rate of the Chief Executive Officer as to be approved by the Board of Directors.

### **Remuneration of Directors**

The Board of Directors assigned the Nomination and Remuneration Committee to annually set criteria and policy for determining the remuneration of the Board of Directors and Sub-committees in both monetary and non-monetary form for subsequent approval by the Board of Directors and the shareholders meeting. The Committee will review the obligations, responsibilities and comparing these with similar business and consider the contributions that are expected from a director.

### **Remuneration of Chief Executive Officer**

The Nomination and Remuneration Committee reviews the Chief Executive Officer's performance annually. This is done to determine the remuneration of the Chief Executive

Officer, considering the norms and criteria agreed upon in advance with the Chief Executive Officer and in line with the Company's performance and market conditions. The performance results and proposed remuneration will be proposed to the Board of Directors for approval.

## **Nomination of Directors**

Persons to be appointed as directors and executives of the Company shall meet the requirements under Section 68 of the Public Limited Companies Act B.E. 2535. They shall be in compliance with the Company's Articles of Association including not having any prohibited characteristics as per Capital Market Supervisory Board No. Thor Jor. 28/2551 re: application for and approval of offering for sale of newly issued shares dated 15 December 2008. Details of policies and criteria for recruitment and appointment of new directors and executives are as follows:

### Policy and Criteria for Nomination of Directors

- (1) The selection of new directors.
  - (1.1) To consider the appropriateness of composition and board diversity in line with the business strategy of the Company and based on the skills that are still lacking in the Board of Directors, including specialized skills relevant to the business characteristics of the Company. Goal is to make the composition of the Board of Directors strong and enable the Company to achieve business objectives under the good corporate governance principles.
  - (1.2) To recruit qualified persons compliant with the laws and regulatory bodies and in line with the company's requirements.
  - (1.3) To recruit qualified persons who have knowledge and ability, who provide leadership and who dare to comment. They base their decision making on data and reason and do so with morality and ethics, as shown unblemished history.
- (2) In case of renewal of an existing director, the history and performance of such director in the Company shall be considered, including:
  - (2.1) Whether director studied the Company's information, agenda items and provided useful suggestions for the Company to date.
  - (2.2) Whether director is dedicated to the organization and participates in various activities/meetings.

### Nomination and Appointment Process

In the selection of directors, the Nomination and Remuneration Committee shall proceed as follows:

- (1) Prepare the Board Skill Matrix to determine the qualifications of directors to be recruited according to the policy and criteria for nomination of directors.
- (2) To consider and select among qualified persons who are suitable for the business operation of the Company in a transparent manner as follows:
  - (2.1) Consider the proposed list of qualified candidates in advance of the Annual General Meeting of shareholders. The Company then informs the shareholders through the notification channels of the SET and the Company's website.
  - (2.2) From the Professional Directors Database at the IOD Chartered Director's Office.
  - (2.3) Form internal executives and outsiders who meet the requirements.
- (3) The Nomination and Remuneration Committee shall interview qualified persons who meet the qualifications to ensure that such person is willing to be the Company's director, if appointed by the Board of Directors and confirmed by the shareholders' meeting (as the case may be).

- (4) The Nomination and Remuneration Committee proposes qualified candidates to the Board of Directors for consideration and approval before proposing to the shareholders' meeting for individual appointment. The following applies to the election and appointment process by the shareholders:
- (4.1) One shareholder has one vote for one share.
  - (4.2) Each shareholder shall use all the votes in item 1 to elect one or several persons as director. However, it is not possible to split the votes for anyone.
  - (4.3) The persons receiving the highest number of votes in descending order shall be elected as directors equal to the number of directors to be elected at that time.  
In case two or more candidates who have been elected in descending order have the same number of votes in excess of the number of directors required or being elected at that time, the Chairman of the meeting shall have the casting vote.
- (5) To appoint directors in accordance with the Company's Articles of Association.

In case of vacancy, the Nomination and Remuneration Committee will recruit the appropriate person to be nominated by the Board of Directors to fill the vacancy in the next Board of Directors meeting, in compliance with the time required by laws or regulatory bodies. Unless the term of office of the retiring director is less than 2 months, the person who is the replacement will remain in the position of the director for the remaining term of the replaced director.

### **Recruitment of Senior Executives as defined by the SEC's office**

1. The executives must be knowledgeable, capable and experienced persons who will be beneficial to the Company's business operations, conducting business honestly and ethically and with time to dedicate their knowledge and abilities to the Company fully.
2. The executives must meet all required qualifications and have no prohibited characteristics under the law governing public limited companies, the securities and exchange Act and other laws related to the business of the Company. In addition, executives should not act inappropriately or display characteristics that indicate they may not be trusted to manage the business for the shareholders, as prescribed by the SEC.
3. Executive must notify the Company without delay if he/she has special interest in any contract made by the Company, whether directly or indirectly and report when increase or decrease share in the Company or its subsidiaries.

#### The process of recruiting and appointing executives according to the definitions of the SEC's office

The Human Resources Department shall recruit and select qualified, skilled, experienced and knowledgeable people in the right business and then approach that person to ensure that they are willing to take on management positions if appointed by the authorized persons by:

- (1) In the case of appointment of the Chief Executive Officer, such persons shall be selected by the Nomination and Remuneration Committee before proposing to the Board of Directors for approval.
- (2) In the case of appointment of the Director of Operation Section and Chief Financial Officer, the appointment shall be proposed to the Executive Committee for approval.

### **Director Development**

The Company requires a new director orientation for any newly appointed director. Directors are expected to be familiar with the director's handbook as well as policies and guidelines for

corporate governance of the Company. The company will provide useful information for directors such as lectures on the Company's business, to build up knowledge and understanding of business and operations.

The Company wishes the directors to develop their knowledge and skills as related to their duties for company. Hence the company will provide training on good corporate governance principles and other training courses that are useful for said duties. The Company encourages the directors to attend training courses held by the Thai Institute of Directors and other institutions in relevant courses.

### **Directorship in Other Listed Companies held by the Executives (C-Level)**

The Board of Directors requires that holding a directorship in other listed companies by the Chief Executive Officer or any executives in C-Level positions within the Company shall be in accordance with the Public Limited Company Act B.E. 2535 (1992) and does not affect their duties and responsibilities for the Company. The following applies to such directorships:

- (1) It is allowed to take directorship in other companies of the company Group for overall benefit of the company and
- (2) Taking directorship in other companies must be proposed to the Board of Directors for approval before taking the position.



## 1. Business Ethics

The code of conduct has been established by the Company to serve as guidelines for directors and management and the details are as follows:

### Practices toward the company's business operation

- (1) The company shall operate its business legally.
- (2) The company shall operate business for the benefit of the economy, society and the environment
  - (2.1) The company shall operate business that is beneficial to the overall economy
  - (2.2) The company shall operate its business being respectful of culture and traditions and without causing damage to the general public
  - (2.3) The company shall act responsibly towards society and the community, including supporting activities that promote the betterment of society and environment
  - (2.4) The company shall conduct its business safely and with without harming health by ensuring that the work environment is hygienic and safe, with minimization of risk of accidents and potential health effects of operations. The company shall also provide adequate personal protective equipment and ready for use.
- (3) The company shall treat all concerned parties with fairness by not taking unfair advantage
  - (3.1) The company shall protect the benefits of all stakeholders with fairness
  - (3.2) The company shall assure that stakeholders' rights are protected by law
  - (3.3) The company shall treat its customers with fairness and be willing to help
  - (3.4) The company shall treat all employees with fairness and without discrimination or threat in any form. The company aims to create a pleasant work environment, conducive career development and provide welfare benefits.
- (4) Disclosure of information
  - (4.1) The company shall disclose significant information sufficiently, timely, accurately, completely, transparently and regularly, in compliance with the regulations set by the Securities and Exchange Commission (SEC) and the Guidelines on Disclosure of Information of Listed Companies.
  - (4.2) The company shall try its best not to cause confusion or misunderstanding among stakeholders through the disclosure of information.

### Code of Conduct of Executives

- (1) Executives shall manage the Company's business to be progressive, stable and generate the appropriate return.
- (2) Executives shall perform their duties and make decisions with competence and care through the application of knowledge, experience, expertise and management skills in every case.
- (3) Executives shall not disclose confidential information about the company, customers, employees or business operations with or without intent to outsiders, unless approved by the company or if it is part of the management's responsibility.

- (4) Executives shall behave and act within the moral norm, refrain from inappropriate behaviour and make decision sincerely, with care, honesty, integrity and with the best interests of the company, customers, shareholders and employees at heart
- (5) Executives shall manage with vision and promote efficiency effective, and ethics to achieve the Company goal.
- (6) Executives shall treat employees politely, supervise subordinates with fairness and not use power in the wrong way.
- (7) Executives shall demonstrate their commitment to moral norms and ethics by being a role model for employees, promote a good work environment that enhances ethical practice and be committed to preventing and protecting unethical practices in any form.
- (8) Executives shall advocate for advancement of employees, increase their efficiency and respect the rights and opinions of employees.

### **Code of Conduct of Employees**

#### (1) Self-Practices

- (1.1) Employees shall strictly respect the company's rules and regulations.
- (1.2) Employees shall perform their duties with honesty, sincerity and diligence and shall continually improve work efficiency for the benefit of employees and company.
- (1.3) Employees shall have a positive attitude towards the company, respect and follow the instructions of supervisors as provided in accordance with the company's policies, rules and regulations.
- (1.4) Employees shall perform their duties to their best capability and knowledge in an efficient manner and according to prevailing standards and scope of responsibility.
- (1.5) Employees shall behave within the moral and refrain from unethical behaviours.

#### (2) Practices toward Colleagues

- (2.1) Employees shall promote unity, caring and sharing and do not cause conflict that may cause damages to other persons and the company
- (2.2) Employees shall treat colleagues with amicability, sincerity and respect and do not unveil colleagues' professional and personal information to others or criticize them in a manner that may damage the person's or the company's reputation
- (2.3) Employees shall refrain from giving and receiving high value gifts that may lead to a return benefits or negative perceptions to employees, colleagues, subordinates or supervisors.

#### (3) Practices toward the Company

- (3.1) Employees shall have respect for and be loyal, sincere and committed to the company and protect the company's reputation.
- (3.2) Employees shall not abuse their authority for personal and other's direct or indirect benefits that may also cause damages to the company.

- (3.3) Employees shall immediately report to supervisors any matters that may have negative impact on business operations and company's reputation.
  - (3.4) Employees shall keep the company's information confidential and must not disclose information, news, or innovations -both in terms of intellectual property and products-, to outsiders, as this may cause damages to the company. Employees shall not use information obtained within their capacity as employees to their own benefits.
  - (3.5) Employees shall protect the company's benefits and property and maintain them in good condition to optimize their use without wasting or causing unnecessary damages or loss.
- (4) Avoidance of conduct that is against the interests of the Company
- (4.1) Employees shall not use their authority or abuse their position for their own or friends and relatives' interests and shall not operate any business in competition with the company
  - (4.2) Employees shall not directly or indirectly operate a business that is competing with or has a conflict of interest with the company
  - (4.3) Employees shall not benefit financially or have relationships with customers and suppliers in capacity as their owners, partners, shareholders, directors, creditors, debtors or advisors. In case employees do, they must report this to their immediate supervisor.
  - (4.4) Employees must not ask for or collect money or any returns from customers and business partners except for the expenses and fees normally collected by the company.

## 2. Policy for Practices toward Stakeholders

The Board of Directors strives to treat all stakeholders with fairness and do business with respect and listen to comments or concerns, to promote understanding from stakeholders. It shall promote creative collaboration on issues that stakeholders are interested in, including participating in social and environmental developments. The Company has inventoried the group of stakeholders and has guidelines for dealing with various groups of stakeholders as follows:

### 2.1 Practices toward Shareholders

#### Guideline

- 2.1.1 To treat both minor and major shareholders with fairness by considering basic rights of the shareholders as defined by law and the Articles of Association of the Company including the right to attend the shareholders' meeting, the right to vote and the right to express their views freely.
- 2.1.2 To take care of shareholders' rights to receive a fair return.
- 2.1.3 To report the status and performance of the Company and future trends of the Company to the shareholders equally and completely, based on facts. Directors, executives and any party related to the company may not exploit any of the Company's information that has not yet been disclosed to the public.
- 2.1.4 To provide shareholders' the right to express their views on the Company's business operation as the Company's owners. All comments will be compiled for the Board of Directors' consideration.

## 2.2 Practices toward Customers

### Guideline

- 2.2.1. To provide services/products that are beneficial to customers in terms of quality and price under appropriate security and with innovative technology as well as raising standards continuously.
- 2.2.2. To comply with terms and conditions which are transparent and treat all customers equally. In case of inability to comply with the terms and conditions, there will be negotiations with the customer in advance to find solutions and prevent damage.
- 2.2.3 To procure customer services systems and communication channels. To consult customers regarding problem resolution and to be receptive to complaints in order to provide customers with the highest satisfaction and to ensure that customers receive excellent quality services.
- 2.2.4. To disclose information about the services in full and on time and to not distort facts in order to maintain a good and good relationship in substance.
- 2.2.5. To keep customer information confidential and to not use such information for benefit of the company and/or related parties.

## 2.3 Practices toward Business Partners

### Guideline

- 2.3.1 To strictly comply with agreements made with partners and the conditions therein, transparently and equitably.
- 2.3.2. To select business partners based on quality, price, delivery time, service, after-sales service, warranty and other appropriate conditions and to not deal with persons or entities that have committed fraud, are corrupt, or behavior in a fraudulent way.
- 2.3.3 To specify rules for procurement and other proceedings with business partners. If the company may fail to comply with terms and conditions, it shall notify the business partners in advance to find solutions together.
- 2.3.4 To make payments to business partners accurately and timely.
- 2.3.5 To maintain the confidentiality of information of business partners at all times and to not use such confidential information for the benefit of the company and/or related parties unless consent of the partner has been obtained.
- 2.3.6 To promote and encourage business partners to operate their business in accordance with sustainable development principles and in socially and environmentally responsible ways.

## 2.4 Practices toward Competitors

### Guideline

- 2.4.1 To behave transparently within the framework of free competition and applicable laws and to not exploit competitors by unlawful acts.
- 2.4.2 To not seek confidential information from competitors in a dishonest or inappropriate manner.

- 2.4.3 To not harm the reputation of any competitor by making a false allegation without facts.
- 2.4.4 To not enter into any agreements with competitors or any person with the goal of reducing or restricting the competition.

## **2.5 Practices toward Creditors**

### **Guideline**

- 2.5.1 Prepare contracts with all types of creditors legally. Strictly comply with contract or conditions as agreed. Including commitments and contingent liabilities and responsible for various collateral.
- 2.5.2 To disclose accurate and clear information to creditors and to facilitate on site-visit, including arranging meetings with management.
- 2.5.3 To not conceal important information or facts and to not enter into fraudulent acts that may cause any damage to the creditors.
- 2.5.4 To make repayments on loans and interest to all creditors in full and within the agreed upon timeframe.
- 2.5.5 If the company cannot fulfil any terms or conditions of a contract entered into or the company may default, the company shall notify the creditor to find reasonable solutions.
- 2.5.6 To manage a capital structure that is appropriate for supporting the business operations of the Company and to maintain credibility with creditors.

## **2.6 Practices toward Employees**

### **Guideline**

- 2.6.1 Selection and employment of employees shall be based on equality of and equal opportunity for all applicants by considering knowledge, ability, experience and morality appropriate for the position and with an attitude that is consistent with corporate values in mind.
- 2.6.2 Performance evaluation and compensation shall be considered based on how adequately responsibilities are met and the individual ability of employees . The company shall provide employees with fair and appropriate benefits and shall review them on a regular basis.
- 2.6.3 To contribute to funds as required by law for employees, including the social security fund and to employee welfare funds, such as provident fund and to take care of employees in the long-term.
- 2.6.4 To treat employees fairly and manage them with transparency. Any appointment, relocation, reward and punishment shall be executed in a fair and equitable manner.
- 2.6.5 To support and respect the freedom of expression of employees. To receive and hear any comments and suggestions from all levels of employees equally.
- 2.6.6 To continuously promote development of skills and capabilities . To provide appropriate stability and a career path. To encourage employees to receive additional training courses in subjects relating to their duties and to provide employees with equal opportunities.
- 2.6.7 To comply with laws and regulations related to employees and to basic human rights principles in accordance with international standards.

- 2.6.8 To manage tasks and assignments in accordance with the occupational health and safety management plan in place. To raise awareness and promote a happy workplace. To provide a good working environment and management system in accordance with international standards.
- 2.6.9 To encourage employees to understand their roles in the company and the ethical standards by which the company strives to operate in order to support moral behaviour and a good morale.
- 2.6.10 To encourage employees to be involved in the direction of their activities and the company overall through problem solving at department and Company level.
- 2.6.11 To provide channels for disclosure of important information to employees in order to provide better understanding of the business and operating results of the various businesses of the Company.
- 2.6.12 To set up employee development policies as a framework and guideline for fair and verifiable human resources management and to contribute to employee happiness by
  - (1) Promoting systematic and continuous development through enhancing knowledge, abilities, capabilities and skills so that employees can be effective and achieve goals.

Promoting morality and ethical behaviour

- (2) To have in place a personnel development plan based on position.
- (3) To increase skills of management and increase skills of all levels of employees as appropriate to their positions.
- (4) To develop knowledge management to create a learning culture, with knowledge transfer and exchange of knowledge and experience continuously.
- (5) To promote and facilitate training and education for directors and executives of the company regarding good corporate governance in order to improve continuously.

## **2.7 Practices toward Community, Society, Resources and Environment**

### **Guideline**

- 2.7.1 To protect the environment the communities in which the company operates and to supervise the management of waste disposal and contaminants which are to be achieved with efficient technology and continuous monitoring to avoid environmental impact.
- 2.7.2 To support activities / projects in the field of medicine and public health. To provide people in the community and society with better health and quality of life.
- 2.7.3 To support activities/relief programs for victims.
- 2.7.4 To support charitable organizations and foundations to help the underprivileged to live a better life.
- 2.7.5 To promote and support cultural conservation and to be sensitive to prevailing cultural and religious norms of the communities in which the company operates.

- 2.7.6 To promote conservation of energy, natural resources and the environment, to sustain in quality of life.
- 2.7.7 To not support any activities that are detrimental to society or prevailing morals and/or to not promote any vices.
- 2.7.8 To listen to feedback and suggestions by executing an effective complaint system as the company's operations may affect the community. The Company will verify any complaints, improve as necessary and notify the community of any results in time.
- 2.7.9 To support social consciousness of the Company's personnel regarding social and environmental responsibilities.

## **2.8 Practices toward Government Agencies and Related Regulatory Bodies**

### **Guideline**

- 2.8.1 To strictly comply with any applicable laws and regulations.
- 2.8.2 To not engage in any actions that may encourage employees in government agencies or regulatory bodies to act illegally.
- 2.8.3 To provide feedback to and to support activities of government agencies and regulatory bodies.
- 2.8.4 To listen to comments, suggestions or complaints of government agencies or regulatory bodies.

## **3. Policy for Compliance with Laws and International Human Rights**

The Board of Directors believes in international human rights principles as the principles for working together. The Company shall not perform any acts and shall not support any breach of international human rights principles through monitoring the Company business for any breaches or abuses. The guidelines are as follows.

- 3.1 The employees of the Company shall understand the applicable laws relating to their duties and responsibilities and the Company's code of conduct.
- 3.2 The Company shall comply with international human rights principles, including abiding by any legal or labour restrictions in each country in which the Company conducts business. It will do so by providing a safe and hygienic working environment, according to international standards, free of drugs and by treating all employees equally and without discrimination on the basis of origin, sex, age, colour, skin, race, nationality, religion, belief, political opinion, disability, nationality, status, or any other status not relevant to the job responsibilities and activities. The company shall respect personal freedoms and protection of privacy.
- 3.3 The Company shall constantly monitor and supervise the business operations to not involve human rights abuses and shall accept and participate in socially beneficial practices.
- 3.4 The Company shall provide knowledge and understanding about human rights principles to employees in order for the principles to be implemented as part of the operations and the Company shall not support businesses and/or activities that will violate international human rights principles.

#### **4. Policy for Donation for Charity and Funding**

The Board of Directors has a clear policy for donation for charity and funding made on behalf of the Company based on transparency and according to the Company's regulations and prevailing laws to ensure that donations or funding will be used for the benefit of the public or the purpose of the donation. The donation or funding shall not be used for other, dishonest, purposes. The guidelines are as follows.

- 4.1 To make charitable donations to selected reliable and accountable organizations with the purpose of benefitting society. Such donations shall made on behalf of the Company transparently and in accordance with Company procedures and applicable laws.
- 4.2 Funding for any organization or activity shall have the purpose to promote the business and the Company image. The Company's named and/or logo shall be specified with transparency in accordance with the Company procedures and applicable laws.
- 4.3 To establish the process for releasing donations and funding, including the amount and authorization level for approval.

#### **5. Policy for Giving and Receiving of Gifts/Properties or Other Benefits**

The Company conducts its business ethically and transparently in accordance with good corporate governance principles, including fair treatment of all relevant parties and stakeholders and avoidance of any acts that may lead to unfair treatment or conflict of interest. The Company has a policy for giving and receiving of gifts or properties or other benefits as these may lead to uncomfortable situations or may impact decision making and performance of duties. To establish a standard for performance of duties with full capabilities and without expectation of benefits other than the benefits already provided by the Company, the details of guideline are as follows:

- 5.1 Employees and their family shall not ask or receive any gifts in the form of cash, property or other benefits from contractors, sub-contractors, customers, business partners or any person relating to the Company's business in any case, unless on the occasion or festival for the general tradition is that gifts are given or exchanged. Such gifts shall not be illegal, shall not be coercive not include the expectation of reciprocation or benefits or for the other person/entity to act illegally.
- 5.2 Gifts provided to the Company that have value in terms of memorializing important circumstances or events of the Company, such as a signing ceremony or any joint venture agreement,, or gifts received as a rewards or souvenirs from participants in corporate social responsibility activities may be received by employees on behalf of the Company but the value of the gift shall be appropriate for the occasion.
- 5.3 Any departments which contact business partners, customers, joint investors, or any persons relating to the Company's business, shall inform any relevant person/parties regarding the business ethics principles of the company.
- 5.4 Any expenses relating to dining with business partners and other expenses directly relating to the performance of business and contracts are acceptable, provided that the expenses are reasonable.
- 5.5 If employees or supervisors are willfully negligent of or do not comply with this guideline, such person shall be deemed to fail to comply with the rules and procedures of the Company and may be investigated or penalized according to the policy and procedures on human resource of the Company.

## 6. Policy for Usage of Information Technology and Communication

The Company shall provide information technology and communication means and channels for business operations and inform the Board of Directors accordingly. The Company's employees shall use these technologies and communication means and channels accurately, efficiently and in accordance with applicable laws, orders, policies and procedures on the use of information technology and communication systems as determined by the Company for the best interests of the Company. Users of information and communication systems shall be careful to avoid negative impact to the Company or any stakeholders by adhering to the following guidelines:

- 6.1 Employees shall perform their duties by using copy right software which is not violating and intellectual property laws and agreements. If any employee needs to perform duties outside the office, such employee shall verify the copyright of software every time. Installation or usage of illegal software in the office or on equipment owned by the Company is prohibited.
- 6.2 Employees shall keep their passwords confidential and shall not share them with any other persons to prevent other persons from accessing proprietary or confidential information. Employees shall not use or access internet links or websites with which they are not similar and might create danger to the Company's computer system integrity or functioning.
- 6.3 Employees shall not use Company computers to infringe on or interfere with others. The Company provides security of information technology in accordance with international standards. The employees of the Company shall be responsible for maintaining the security of such systems.
- 6.4 Employees shall not use Company computers for spying, modifications of files of others, or create false evidence or information theft.
- 6.5 The Company encourages employees to use the internet for the benefit of the company and effectively performing their duties. Employees shall not create disturbance of the computer system and the internet use by others in the office. This means not using the Company's computer system to publish information that is inappropriate in terms of morality or customs or violate prevailing laws such as content that might lead to damage to reputation and property or being pornographic in nature. Employees shall refrain from disturbing or annoying mail forwarding and from advertising business and services other than the Company's products and services and refrain from sending spam mail.
- 6.6 Employees shall not illegally copy copyrighted programs. Employees are responsible for ensuring that third parties access files and programs as necessary to work and strictly follow the information technology and communications laws. If the employee has violated and results of the investigation appear to be true, such employee will subject to disciplinary action and/or law, as the case may be.
- 6.7 If an employee requests access for temporary employees or employees of contractors to the Company's information technology systems, the Company employee requesting access shall monitor the use of such temporary employees or employees of contractors and shall be responsible for any damage that may occur to the company arising from the use of the information technology system by such temporary employees or employees of contractors.

## 6.8 Measures to Protect Computer and Information Technology Security

- (6.8.1) To restrict access to non-public information to the highest level of management as much as possible and to disclose such information to employees of the Company only on a need-to-know basis while also informing the employees that such information is confidential and that restrictions apply.
- (6.8.2) To provide security systems in the workplace to prevent access to information technology systems, data files and confidential documents.
- (6.8.3) The owner of information that is not publicly available shall require any person given access to such information on a need-to-know basis that the person given access is required to strictly comply with all applicable security procedures strictly.

## 7. Policy for Occupational Safety and Health

The Board of Directors shall comply with the laws and industry standards relating to environmental pollution prevention and shall protect the health and safety of employees in the workplace as well as outsiders who may be affected by business activities. The Company is committed to continuous improvement in safety, occupational health and safety management. The guidelines are as follows.

- 7.1 To promote safety as an important agenda by procuring the measures and standards for quality, safety, occupational health and the environment which shall not be less than the minimum legal requirements. The employees shall study and adhere to the relevant laws, policies, standards and manuals on safety, occupational health and the environment and shall be trained in quality, safety, occupational health and environment as defined by the Company.
- 7.2 The Company has policies and practices regarding safety, to control and prevent loss in various forms due to accident, fire, injury or illness from work, property lost or damaged, security breach, poor performance and mistakes that occur, as well as regarding a safe working environment for employees. It is the responsibility of the management and employees to report any accident by following the prescribed procedure.
- 7.3 The Company provides emergency control and prevention plans in all areas, including plans for emergency and crisis management of the organization, to be prepared for emergency management in emergencies such as fire..
- 7.4 The Company assigns to the public relations and media relations department the tasks of providing knowledge and disseminating information to employees, employees of the contractor and any stakeholders in order to understand policies, rules, procedures and other precautions for quality, safety, occupational health and the environment and to perform any duties and activities correctly without causing harm to health, property and environment
- 7.5 If any operation or procedure is unsafe or cannot meet the requirements of measures and standards of quality, safety, occupational health and environment, or it is found that the operation has an environmental impact, such finding shall be notified to colleagues, supervisor and the responsible department to fix it and the operation shall be halted strictly until safety measures are implemented..

## 8. Policy for Non-infringement of Intellectual Property or Copyright

Intellectual property is one of the most valuable assets of the Company. It is important to maintain a competitive advantage in business, brand identity (including the company's logo), copyrights, patents, trademarks, service marks, trade secrets, work procedures, innovation and content that enhances the understanding by outsiders of the Company. The Company shall be careful and shall respect the copyright of intellectual property owners and their legitimate rights. The guidelines are as follows.

- 8.1 The Company has a policy for non-infringement or misuse of intellectual property rights.
- 8.2 Employees who are responsible for maintaining trade secrets shall keep them safe and prevent them from leaking.
- 8.3 The employees of the Company shall respect the intellectual property rights of others and do not take credit for the work of others, not even partially and to their own benefit, without the permission from or compensation for the owner. If there are any questions, employees can contact the legal department or people who are responsible for the company's intellectual property to ask for opinions.
- 8.4 The Company encourages employees to research and innovate and the return of such research and innovations is the copyright of the employee. However, the Company shall have ownership over any innovation or research work related to a task assigned by the Company, including the right to patent application, the ownership of a patent and the return of such works.

## 9. Policy for Usage of the Company's Inside Information

The Company is governed by the principles of good corporate governance. It also emphasizes the use of internal information in accordance with good corporate governance principles and honesty in business operation in order to ensure that investors receiving reliable and equitable and timely information. The Company has a policy for usage of the Company's internal information as follows:

### 9.1 Duties and Responsibilities

- (9.1.1) The Board of Directors has assigned the Audit Committee to supervise this policy to ensure that directors, executives and all employees will comply with rules and guidelines regarding securities trading of the company.
- (9.1.2) The Company Secretary shall be responsible for providing any suggestions to directors, executives and employees to comply with this policy including providing knowledge, responding to any inquiries, or interpreting in case of doubt. The Company Secretary announces the blackout period in advance to ensure that the person specified by law has comply with this rule.
- (9.1.3) The executives shall be responsible for ensuring that all their subordinates are aware of and understand this policy.
- (9.1.4) The directors, executives and all employees shall strictly comply with this policy regarding trading of securities listed on the Stock Exchange of Thailand or securities trading in over-the-counter center and they shall communicate this policy to their spouses and underage children.

## 9.2 Guideline

### (9.2.1) Restrictions on securities trading by using inside information

Any person as specified by law shall comply with the restrictions regarding using inside information when trading securities, pursuant to the Securities and Exchange Act B.E. 2535 (1992), Section 241: “In the purchase or sale of securities which are listed in the Securities Exchange or traded in an over-the-counter center, no person, whether directly or indirectly, shall purchase or sell, offer to purchase or sell or invite any other person to purchase, sell or offer to purchase or sell securities which are listed in the Securities Exchange or traded in an over-the-counter center in such a way as to take advantage of other persons by using information material to changes in the prices of securities which has not yet been disclosed to the public and to which information he has access by virtue of his office or position and whether or not such act is done for his own or another person's benefit, or to disclose such information so that he will receive consideration from the person who engages in the aforesaid acts”

### (9.2.2) Blackout Period

To suggest the person prescribed by law to be cautious when trading the company's securities before disclosing information to the public.

## 9.3 Guidelines for confidential data retention and prevention of of internal data.

The employees of the Company shall know the data security system to prevent unwanted and/or unintentional disclosure of confidential information and to prevent misuse of internal data.

### (9.3.1) Confidentiality Guidelines

- A) To determine the level of confidentiality of information such as whether information can be disclosed or not. The use of internal information shall be within the framework of the duties and responsibilities assigned to employees.
- B) The retention and concealment of customer information and trade information. The Company shall keep trade information as confidential and will not disclose such information to employees of the Company or any third parties, unless it is required by laws or the disclosure is for the purpose of litigation or the Executive Committee resolves to disclose the information.

### (9.3.2) Data Protection

The disclosure of internal information to the public shall be approved by the Chief Executive Officer or the managing director. The Chief Executive Officer or the managing director should be the person who responds when the information is very significant or he/she may assign the person responsible for providing the information to the public.

If the information is not disclosed, the related persons by the Company will be prohibited from disclosing internal information to any third parties, to maintain the equality and fairness. It is made confidence of shareholders, investors and all parties involved. The information that may affect the price, trading of securities, the misuse such inside information for the purpose of trading the Company's securities. As mentioned above, speculative trading or gaining advantage for any group is considered an offense under the SEC Act and is considered a disciplinary offense.

### (9.3.3) Internal Data Protection

#### A) Securities Holdings Report

The Board of Directors and management, including those who hold positions in accounting or finance, are required to report their holdings and the holdings of their spouses and under aged children in accordance with the rules and regulations of the Securities and Exchange Act B.E. 2535 (as amended) (the “**SEC Act**”), the relevant Notifications of the Securities and Exchange Commission and the Notifications of the Capital Market Supervisory Board. They shall report shall such holdings to the Company Secretary prior to submission to the Office of the Securities and Exchange Commission or the SET.

#### B) Change of securities holding.

The Company requires directors, executives and persons holding positions in the accounting or finance field, persons who are responsible for the management, auditors, employees, spouses and underaged children of such persons to report any changes in securities holding to the Office of the Securities and Exchange Commission (the “**Office of the SEC**”) under Section 59 of the Securities and Exchange Act B.E. 2535 (as amended) and submit a copy of the report to the Company Secretary on the same day that the report was submitted to the SEC for every submission.

### 9.4 Penalties for Use of Inside Information

Any person who breaches these procedures will be subject to disciplinary action or may be punished by relevant laws.

## 10. Anti-Corruption Policy

Corruption means any act of offering, promising, soliciting, demanding, giving or accepting of property or any other benefits to government agencies or any other person doing business with the Company whether directly or indirectly to make such person commits to actions that are not appropriate or omit to perform his duties or promise benefits that are not appropriate to the business, other than those permitted by laws, regulations, local customs or Trade tradition.

The directors, executives and employees will not commit or accept any form of corruption. The Company determines the guideline for reviewing of performance according to the anti-corruption policy on a regular basis, to be consistent with the changes in business, regulations and relevant laws.

### **Guideline**

- 10.1 The directors, executives and employees shall comply with anti-corruption policy, which the company has communicated and disseminated through various channels such as employee training and the company's website and they shall not involve in in any direct or indirect corruption.
- 10.2 The directors, executives and employees shall be cautious about accepting or providing entertainment, or giving and receiving of gifts. Any gift given or received must strictly comply with the policy for giving and receiving of gifts or properties or other benefits and shall not affect the giver or recipients performance of duties.
- 10.3 Charitable donations and funding shall comply with the Company’s procedures and be transparent so that they can be verified to be in accordance with the policy for donation for charity and funding. It is important that the internal control is adequate

and appropriate to enable the Company to adhere to the principles of good corporate governance.

- 10.4 The directors, executives and employees shall not ignore when they become aware of corrupt practices involving or affecting the Company and they shall notify the supervisor or incharge or through channels according to the policy for whistleblowing and complaints of the Company and shall cooperate in investigating the facts.
- 10.5 The Company will take disciplinary action against directors, executives or employees engaging in corruption/corrupt practices and they may be penalized by law if such offense is against the laws.

## **11. Policy for Risk Management**

The company recognizes the importance of good organization management to drive growth and expand its business steadily. As part of this, the Company considers that risk management systems should be implemented with risk management procedures in line with the guidelines by the Committee of Sponsoring Organization of the Treadway Commission (COSO) which sets international standards to ensure that all relevant parties have an understanding of the principles of risk management and can apply them appropriately. The risk management policy is set out as follows:

- 11.1 The company sees risk management as a mission and responsibility of all personnel at all levels. They should be aware of the risks involved in the work of their departments and organizations by concern of risk management in all aspects.
- 11.2 To provide risk management processes in accordance with good international standards to manage any risk that may affect the operation of the organization with efficiency. as well as to manage risks of organization in the same approach by using of the risk management system as a part of decision making, strategic planning and having modern operation to create the most efficiency in operation and to create the reliability of all relevant parties.
- 11.3 The company with provide the risk management structure and will determine and classify the levels of risks and mitigation of risks that are acceptable to manage risks as appropriate.
- 11.4 The company will determine a set of guidelines to prevent and mitigate the risk of operating the organization to avoid any damage or loss that may occur. regular monitoring and evaluation of risk management.
- 11.5 To use modern information technology for corporate risk management processes and to encourage personnel at all levels to access information resources for risk management including the risk management system.
- 11.6 The organization's annual safety goals will be announced across the board and it will be an important mission for everyone to monitor and strictly follow the measures and procedures to prevent risk. These goals must also be monitored regularly.

## **12. Policy for Connected Transactions**

### **12.1 Conflict of Interest Prevention**

The Company attaches great importance to transparent transactions that are beneficial to the Company. Therefore, it is important to prevent transactions which may pose a conflict of interest. Connected transactions or related transactions are subject to the following principles:

- (1) Directors and management must inform the Company of any relationship or related party transactions that may cause a conflict of interest and file a report stating their own and their related persons' interests in the management of the Company or subsidiaries to the company secretary. The company secretary shall deliver a copy of such a report to the Chairman and Chairman of the Audit Committee within seven days upon the receipt of the report.
- (2) In order to avoid connected transactions with directors, executives or related persons that may pose a conflict of interest for the Company any possible such transaction will be subject to Audit Committee consideration before being proposed to the Executive Committee or the Board of Directors. This to ensure that any such transactions are in accordance with the rules on entering into connected transactions and in line with good corporate governance.

In addition, all directors and employees of the Company shall avoid any conflict of interest that may impact their duties by adhering to the following guidance:

- (1) Not engaging in competing or similar business as the Company.
- (2) Not being a partner or shareholder or executive with decision-making power in a competing businesses or similar business as the Company. In case such engagement is inevitable, it needs to be reported to the supervisor immediately.
- (3) Avoiding involvement in any activity that may pose a conflict of interest with or for the Company and avoiding financial obligations in any form with a business related to the Company or employees of the Company itself.
- (4) Avoid any work other than the work assigned by the Company that may have an adverse effect on Company tasks in any way.
- (5) All employees must disclose when a situation is believed to cause a potential conflict of interest. If employees suspect that there will be a conflict of interest or something that could make others think of a conflict of interest, they shall report to their supervisor.
- (6) For entry into a potential or confirmed Connected Transaction, the Company will carefully consider price and the terms of the Transaction, similar to any transactions with any third, no connected party and such considerations will be made without any relevant person who has a potential conflict of interest in entering the transaction present at the meeting and related voting at the meeting.

## **12.2 Rules and Procedures for Entering into a Connected Transaction or Related Transaction**

The Company understands its duty to comply with rules regarding connected transactions and, therefore, has set rules and procedures regarding connected transactions as follows:

In considering connected transactions, the Company shall apply the same criteria for determining price and trade conditions as applicable to general customers. The trade terms and conditions must be fair, reasonable and create utmost benefits to the Company.

If such criteria applicable to general customers do not exist, the Company shall compare the price of product or service to the market price under the same or similar conditions.

The Company may use the report of an independent appraiser appointed by the Company or entity within the group company for price comparison to ensure that such price of connected transactions is reasonable and will lead to utmost benefits of the Company and its subsidiary.

Directors, management or related persons may enter into a transaction with the Company or subsidiary only if such transaction has been approved by the Company's shareholders meeting. Exceptions apply where the transaction is with terms and conditions similar to any transaction with other counterparties under the same circumstances; the position as director, management or related person, as the case may be, do not have influence on the transaction; and trade terms and conditions of the transaction have been approved by the Board of Directors of the Company or are in line with principles as approved by the Board of Directors, or the transaction size does not require approval from the Company's shareholders meeting.

If the Company has other connected transactions, which are subject to requirements under the relevant rules of the SET, it shall strictly comply with such rules.

### **13. Policy for investment in subsidiary and associated company and policy for management of such companies, including control and governance mechanisms**

The Company, therefore, sets this policy for investment in subsidiary and associated company and policy for management of such companies to be in line with rules regarding governance of operations of subsidiary and associated company pursuant to the Notification of the Capital Market Supervisory Board No. Thor Jor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares and Guidelines for Good Corporate Governance of the SET, the details of which are as follows:

#### **Policy for investment in subsidiary and associated company**

The Company has a policy to invest in subsidiary or associated company which support the Company's business operations and in which investment would create synergy, generate additional revenue streams and increase profitability of the Company. The Company will consider proportion of investment, expected profitability, possible risks and financial status of the target companies prior to making any investment decision. Any investment decision must obtain a resolution of the Company's board of directors or shareholders, as the case may be, approving the transaction. The Company shall appoint a qualified representative as director of investee company in order to set key policies and for good corporate governance of subsidiaries and associated company.

#### **Policy for management of subsidiary and associated company**

1. The Company has set guidelines for exercising rights by its representatives in shareholders' meeting of subsidiary and associated company to be consistent with the proportion of shareholding in subsidiary and associated company. This is also for compliance with Guidelines for Good Corporate Governance and maintain maximum benefits to the Company, its subsidiaries and associated companies and other shareholders.

(1) **Certification of minutes of the general meeting of shareholders and extraordinary general meeting of shareholders**

**Approve** if draft minutes records all details of the meeting completely and accurately.

**Abstain** if the Company's representative did not attend the meeting.

(2) **Certification of annual financial statements**

**Approve** if auditor expresses his/her opinion unconditionally or with condition which is not material to the financial statements and does not an impact on overall benefits of the shareholders.

**Disapprove** if auditor expresses opinion or makes an observation that any part of the financial statements may be incorrect.

(3) **Appointment of directors and determination of directors' remuneration**

Appointment of directors

**Approve** if the person is nominated by resolutions of the Company's board of directors' meeting and has qualifications and does not possess any prohibited characteristics as specified under the laws or relevant regulations of the Securities and Exchange Commission. The person nominated shall have knowledge, capabilities and experience beneficial to the business operations, can devote sufficient time as director of the company and perform his/her roles and responsibilities as director with attention. The consideration whether any person is suitable to act as director of the company shall be on an individual basis.

**Disapprove** if it is a reappointment of existing director and such director lacks any qualification and/or possesses any prohibited characteristic as specified under the laws or relevant regulations of the Securities and Exchange Commission, or such person lacks knowledge, capabilities and experience beneficial to the business operations, or such person cannot devote sufficient time as director of the company and did not perform his/her roles and responsibilities as director with attention without reasonable causes. The appointment of new director in associated company or subsidiary shall not be contrary to the Company's rules regarding controlling business specified in Item 2.1 and any other relevant laws.

Determination of directors' remuneration

**Approve** if the proposed directors' remuneration is appropriate for roles, responsibilities and performance of the Board of Directors as reflected through operating results and operating performance and/or financial positions of such subsidiary or associated company.

**Abstain** if the proposed remuneration is a special payment of undisclosed amount or ESOP which would generate significant dilution effect to subsidiary or associated company, or is not in compliance with the rules of supervisory agencies and/or is not appropriate for roles, responsibilities and performance of the Board of Directors as reflected through operating results and operating performance and/or financial positions of such subsidiary or associated company.

**(4) Appointment of auditor and determination of audit fees**

**Approve** if after due consideration, the auditor and the audit firm is reliable and able to perform their roles in auditing and reviewing financial statements correctly and express their opinion independently. The audit fees proposed shall be at a level comparable to similar audit firms.

**Abstain** if there is any doubt regarding reliability or independence of the auditor or the audit fees are significantly different from the previous year's audit fees without reasonable cause.

**(5) Appropriation of profits**

**Approve** as proposed by the board of directors of subsidiary and associated company and consistent with the dividend policy and not contrary to the relevant laws.

**Disapprove** if payment of dividends is not in line with financial position, future plan and/or any other relevant factors of subsidiary and associated company.

**(6) Approval of other matters apart from Items (1) – (5)**

**Approve** agenda which is potentially beneficial to subsidiary or associated company or to shareholders based on fair and reasonable proposals, ethically sound and in accordance with any relevant laws. The approval process of such matter shall be in accordance with all applicable laws and the Company's Articles of Association.

**Disapprove** if an agenda item is not in line with the ordinary course of business and is being considered without clarifications and if it concerns a proposed transaction, the reasons and/or necessity for entering the transaction are not clear.

**(7) Approval of any matter which was not specified as one of the agenda items prior to the meeting**

Shareholder meeting may disapprove consideration of any other matter which was not specified as an agenda item prior to the meeting, particularly if the matter is of significant importance, as there should be considerable time available to study important information which is critical to decision-making. Such matter or agenda may be proposed for consideration during the next shareholders' meeting.

2. The Company determines management structure of subsidiaries and associated companies in order to oversee management and operations of its subsidiaries and associated companies as if they were units of the Company. To look after its investment, the Company shall have the following procedures for monitoring the management of its subsidiaries and associated companies:

**2.1 Nomination of its representative as director of subsidiary and associated company**

The Company shall nominate its representative, who has been approved by resolution of the Company's Board of Directors, as director of subsidiary and associated company at the minimum number corresponding to its proportion of shareholding in such subsidiary and associated company.

**2.2 Roles and responsibilities of director of subsidiary and associated company**

- 2.2.1 Director of subsidiary and associated company shall have the role and responsibilities as determined by the board of directors of subsidiary and associated company and/or the shareholders' meeting of subsidiary and associated company.

Director of subsidiary has discretion to consider and vote during the board of directors' meeting of subsidiary on matters relating to general management and normal business operations of the subsidiary in line with what directors and management of such subsidiary deem appropriate for the utmost benefits of the subsidiary and the Company.

However, consideration and voting on the below matters are considered important matters. The person appointed by resolution of the Board of Directors as director of subsidiary cannot exercise his/her discretion in voting for those matters during the board of directors' meeting of the Company's subsidiary. Such person shall obtain a prior consent from the Board of Directors' meeting or the shareholders' meeting of the Company (as the case may be).

- A. Entry into a transaction with related person of subsidiary.
  - B. Entry into a transaction which is an acquisition or disposal of assets of the subsidiary.
  - C. Entry into significant transactions pursuant to Items 2.2.4, 2.2.5 and 2.2.6
- 2.2.2 Director of subsidiary and associated company must perform his/her duties with responsibility, care and honesty and shall comply with all applicable laws, objectives and articles of association of subsidiary or associated company, resolutions of the board of directors' meetings and the shareholders' meetings and policies of which the board of directors of subsidiary has approved as per the resolutions of the Board of Directors.
- 2.2.3 Director of subsidiary has a duty to disclose to the Company complete and accurate information regarding financial status and operating performance, connected transactions and material acquisition or disposal of assets of subsidiary within the period prescribed by the Company.
- 2.2.4 Apart from entry into transactions in accordance with Connected Transaction Notifications or Acquisition and Disposal of Assets Notifications, entry into the following transactions is deemed material. Subsidiary has a duty to present information regarding such type of transaction to the Company for approval by the meeting of the Executive Committee of the Company prior to considering it in its meeting of the board of directors. In addition, director appointed by the Company must obtain approval from the Company's Board of Directors prior to voting for the following matters:
- (1) Transfer or waiver of benefits with the value exceeding the authorized limit of the Executive Committee of the Company in approving expenses, including waiver of material rights and claim to those causing damages to subsidiary;

- (2) Sale or transfer of business of subsidiary, whether wholly or material part thereof, to third party;
- (3) Purchase or acquire business of another company as subsidiary's own business in the proportion which is considered material;
- (4) Entry into, amend or terminate agreement relating to lease of business by subsidiary, whether wholly or material part thereof, including authorization of third party to manage business of subsidiary or merger of business with third party with an objective to share profit and loss;
- (5) Lease or hire-purchase of business or assets of subsidiary, whether wholly or material part thereof;
- (6) Borrowing, lending, providing credits, guarantees, or entry into any binding and legal agreement which will result in subsidiary carrying significantly increased financial burden; examples are the third party lacking liquidity or not being able to perform his/her debt obligations or providing financial support to any person or entity which is not within the ordinary course of business;
- (7) Payment of annual dividends and interim dividends (if applicable) of subsidiary;
- (8) Cessation of subsidiary's business where the calculation of transaction size of subsidiary's business which is being ceased, compared to size of the Company according to the Acquisition and Disposal of Assets Notifications, falls within the category which requires approval from the Board of Directors of the Company;
- (9) Amendment of articles of association of subsidiary.

2.2.5 The following are important matters for which subsidiary must obtain prior approval from the Company's shareholders meeting:

- (1) If subsidiary agrees to enter into a transaction with a related party or acquires or disposes its assets where the relevant rules of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand shall apply, *mutatis mutandis*. The transaction size compared to size of the Company calculated according to such rules must result in a transaction size which requires approval from the Company's shareholders meeting;
- (2) Capital increase by allotment of subsidiary's newly issued shares, including decrease of registered capital which is not proportionate to existing shareholding and would result in decrease of the Company's shareholding in subsidiary at any level, whether directly or indirectly, by 10% or more of the paid-up capital of subsidiary or would result in decrease of the Company's shareholding in subsidiary at any level, whether directly or indirectly, to less than 50% of the paid-up capital of such subsidiary;
- (3) Any other act which would result in decrease of the Company's shareholding in subsidiary at any level,

whether directly or indirectly, by 10% or more of the paid-up capital of subsidiary or would result in decrease of the Company's shareholding in subsidiary at any level, whether directly or indirectly, to less than 50% of the paid-up capital of such subsidiary;

- (4) Cessation of subsidiary's business where the calculation of transaction size of subsidiary's business which is being ceased compared to size of the Company according to the relevant rules of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange regarding acquisition or disposal of assets shall apply, *mutatis mutandis* and the transaction size calculated according to such rules must fall within the category which requires approval from the Company's shareholders meeting;

2.2.6 Apart from transactions under Items 2.2.4 and 2.2.5, if subsidiary will enter into any other transaction which is not in its ordinary course of business and/or any transaction which will materially affect itself, such transaction must obtain prior-approval from the Board of Directors of the Company or the Company's shareholders meeting. The subsidiary shall comply with requirements for the transaction size calculated in accordance with the rules prescribed by the Acquisition and Disposal of Assets Notifications.

3. Directors and management of subsidiary must disclose and deliver information regarding personal interests and potential conflicts of interests, in relation to any transaction or other business which might raise conflict of interest with the Company, subsidiary to the board of directors of subsidiary or person authorized by subsidiary within the period of time as prescribed by subsidiary. Such information shall be used as supporting information for decision making or any approval by considering overall benefits of subsidiary and the Company.

Directors and management of subsidiary shall not participate in the consideration of any matter in which they have personal interest or conflict of interest.

4. Directors and management of subsidiary, but also any person related to such directors and management, have the duty to inform the board of directors of subsidiary about any relationship or transaction with subsidiary which might raise conflict of interest and must avoid entering into any transaction which might raise conflict of interest with subsidiary. The board of directors of subsidiary has the duty to inform the Company about such matter for acknowledgement.

The following acts, which result in directors, management or any person related to subsidiary gaining financial benefits other than that ordinarily received, or which cause damages to subsidiary, are considered to be significantly conflict of interest with subsidiary:

- (a) Any transaction between subsidiary and director, management or any connected person which is not in compliance with rules regarding connected transactions;
- (b) Use of known information of the Company and/or subsidiary, except information which has been publicly disclosed; or
- (c) Use of assets or business opportunity of the Company and/or subsidiary in a way which violates the rules or general practice as prescribed by the Capital Market Supervisory Board.

5. Subsidiary must deliver to the Company information or documents relating to its operations upon appropriate request.
6. If the Company finds any material issue, it may request subsidiary to clarify and/or deliver documentation as supporting information for its consideration.
7. Directors, management, employees, staff or authorized persons of subsidiary, including their spouse and minor children, are not allowed to use internal information of the Company and subsidiary, whether such information is obtained through performance of duties or through any other method or, whether or not such information has significant impact on the Company and subsidiary, for their own benefits or others, whether directly or indirectly and whether or not for consideration.
8. Directors, management of, or any person related to, subsidiary may enter into a transaction with subsidiary only upon receiving approval from the Board of Directors of the Company or the Company's shareholders meeting as required based on transaction size calculated pursuant to the rules of the Connected Transaction Notifications. Exceptions apply where transaction is with terms and conditions similar to transaction with other counterparties under the same circumstances, the position as director, management or related person, as the case may be, do not have influence on the transaction and trade terms and conditions of the transaction have been approved by the Board of Directors of the Company or in line with principles as approved by the Board of Directors.

#### **14. Policy for Financial Control of Subsidiary and Associated Company**

- 14.1 Subsidiary and associated company have the duty to submit to the Company monthly operating results and quarterly financial statements reviewed by auditor, including supporting information used for the preparation of such financial statements of subsidiary and associated company. Subsidiary and associated company shall give consent to the Company for the use of such information for the purpose of preparing consolidated financial statements, or quarterly or annual operating results, as the case may be.
- 14.2 Subsidiary and associated company have the duty to report significant financial issues to the Company upon discovering the issues or upon request of the Company for review and report.

#### **15. Policy for Succession**

The Company has a plan to transparently select qualified personnel for all key positions as appropriate to ensure that the Company will have professional management. The human resources department will prepare a succession plan for the Chief Executive Officer and the management of the Company to propose to the Board of Directors for consideration.

##### **1. Chief Executive Officer**

When an executive, Chairman of Executive Committee position is vacant, the Company will ensure that a manager at a similar level or deputy will acting in such position until completion of recruitment and selection of qualified candidate according to the criteria determined by the Company. The candidate shall have vision, knowledge and experience and fit the Company's corporate culture. The human resources department shall propose such candidate to the Board of Directors for consideration and approval of appointment.

## 2. **Executive Level**

When a managerial position from the level of manager up is vacant, or if a position holder of a managerial level position is unable to perform his or her position, the Company will present the candidate for serving as the successor for consideration of the Executive Committee. The processes of succession planning of the Company at the executive level are as follows:

1. To analyze the business situation of the Company in aspects of strategic plans, investment plans and expansion plans.
2. To evaluate the readiness of manpower in accordance with the Company's strategy for both short term and long term.
3. To plan to build the capacity of manpower by developing the employees or recruiting new employees for replacement.
4. To create an employee recruitment plan and to develop employee training courses in the year prior to his/her retirement or leave, so before the end of his or her term.
5. To determine the ability, including knowledge, skills, personality and attitudes of the employees considered for the position and to develop an individual plan for replacement candidate.
6. To evaluate the performance and assess the potential of the employees to determine succession suitability.
7. To use testing tools and evaluation tools to analyze the potential of employees considered for succession..
8. To identify successor based on evaluation and analysis, performance of the employees and to notify such employees in advance for the hand-over.
9. To develop and evaluate the potential successor, including whether he or she can develop the required skills set and can perform duties as expected. If the successor does not meet expectations, transition to potential successor can not be done.

