

## **Attachment 5 – Corporate Governance and Code of Conduct Guideline & Policy**

### **A. Corporate Governance Policy**

#### **Purposes of Good Corporate Governance Policy**

The purposes of preparing and implementing good corporate governance policy are:

1. To ensure that good corporate governance system is instituted in the Company and all of its subsidiaries;  
and
2. To fulfill disclosure requirements as prescribed by the SEC and the SET.

#### **Components of Good Corporate Governance System according to the SET**

The Company endeavors to manage its business by adhering to principles of good corporate governance, as it recognizes the benefit and importance of good corporate governance, which contributes to the management of work and business operations in a transparent manner and takes into consideration the best interests of the interested parties in all respects, as well as maintaining verifiability. In order to increase its competitiveness and the shareholders' equity in the long term, the Company has, therefore, established a corporate governance policy in writing, the details of which are set out below.

### **1. Rights of Shareholders**

#### **1.1 Corporate governance policy with respect to the rights of the shareholders**

The Company has established its corporate governance policy with respect to overseeing the rights of the shareholders in writing, whereby it places particular emphasis on ensuring that all shareholders have equal access to the Company's operating results, and that they take part in making various important decisions, as well as ascertaining that the shareholders' rights are protected, promoted and supported, and that the shareholders are not deprived of their rights. The Company's Corporate Governance Policy is as follows:

- The Company has the duty to protect and respect the basic rights of the shareholders, which include the right to purchase, sell or transfer shares, the right to be allocated profits derived from business operations, the right to adequately receive news and information with respect to the business, the right to attend the shareholders' meeting in order to appoint or to remove directors from office, to appoint the Auditor, to allocate dividends, to determine or to make amendments to the Articles of Association or Memorandum of Association, to reduce or increase the capital, and to approve special transactions, etc.
- The Company has a duty to promote and encourage the shareholders to exercise their rights with respect to various matters in the annual general meeting of shareholders, such as the right to propose agenda items to be included in the shareholders' meetings in advance, the right to nominate persons for election as directors in advance, the right to send questions to the meeting prior to the shareholders' meeting, and the right to express their opinions and to raise questions in the shareholders' meeting, etc.
- The Company has a duty to refrain from undertaking any acts deemed to be a violation or limitation or deprivation of the rights of the shareholders to review the information which the Company is required to disclose in compliance with the various requirements and the right to attend the shareholders' meeting; for example, additional documents containing material information shall not be presented unannounced and meeting agenda items shall not be added or material information shall not be changed without prior notice being given to the shareholders.
- The Company has a duty to facilitate the shareholders in exercising their rights, such as by providing updated material information via the Company website.

## 1.2. Disclosure of Information regarding the Shareholders' Meeting

- The Company's policy is to inform the shareholders of information regarding the date, time, location and agenda items for the shareholders' meetings, as well as all information relevant to the matters which will be voted on at the shareholders' meeting in advance, whereby the timeframe shall, as a minimum, be in compliance with that prescribed by the law with respect to each shareholders' meeting. The Company shall give the shareholders the opportunity to review the information prior to the date of the shareholders' meeting by accessing the said information through the Company website. This is to allow the shareholders sufficient time to study the information relevant to the meeting prior to receiving documentary information from the Company.
- After the Shareholders' Meetings, the Company will compile the matters discussed, comprising the details of the agenda items, meeting resolutions, and the voting procedure, as well as the questions and opinions of the shareholders, and incorporate them in the "Minutes to the Shareholders' Meeting". These meeting minutes shall then be published on the Company website within 14 days from the date of the meeting, which is in accordance with the rules prescribed by the Securities and Exchange Commission and the Stock Exchange of Thailand.

## 1.3. Conducting meetings

- The Company's policy is to facilitate, to the fullest extent possible, the shareholders in exercising their rights to attend and to vote at the shareholders' meeting and will not undertake any acts that would restrict the shareholders' opportunity to attend such meeting.
- The Company will notify the shareholders of the rules, regulations and procedures for attending the shareholders' meeting in the invitation to the shareholders' meeting, as well as at the shareholders' meeting. The person chairing the meeting shall notify the shareholders attending the meeting of the rules and regulations for conducting the meeting as well as the voting procedures thereat, and such notification shall be recorded in all minutes of the shareholders' meeting. In addition, the Company may give the shareholders the opportunity to submit questions relevant to the matters to be discussed at the shareholders' meeting prior to the date of the meeting as the Board of Directors deems appropriate.
- The Company shall give the shareholders the opportunity to raise questions relevant to the meeting's agenda items or to the Company and to express their opinion, whereby the Chairman of the Board of Directors will ask the meeting regarding the questions or opinions with respect to each agenda item. All questions and comments of the shareholders with respect to the meeting agenda items or to the Company, as well as the clarifications given by the Board of Directors and/or the executives, shall be recorded in all minutes of the shareholders' meeting.
- The Company gives importance to and respects the rights of the shareholders to convene the annual general shareholders' meeting and encourages all shareholders to attend such meeting.

## 2. Equitable Treatment of Shareholders

The Company recognizes that all shareholders must be treated equally and has established the following important policies:

### 2.1 Proposing additional matters to be discussed at the shareholders' meeting

The Company's policy is to facilitate the minor shareholders in proposing additional meeting agenda items prior to the date of the shareholders' meeting. In this regard, all additional agenda items proposed for discussion at

the meeting by the shareholders and consideration thereof shall be in accordance with the regulations prescribed by the Company.

The major shareholders who hold executive positions shall not add additional meeting agenda items without giving advance notice thereof unless in the case of necessity, particularly important agenda items which require the shareholders to take time to study the information before making a decision.

## **2.2 Nomination of candidates for directorship**

The Company's policy is to facilitate its minor shareholders in nominating candidates for the position of directors. In this regard, all nominations by the shareholders and consideration thereof shall be in compliance with the regulations prescribed by the Company.

## **2.3 Encouraging shareholders to use the proxy form in the case that they are unable to attend the meeting in person**

The Company encourages the shareholders to use the Proxy Form, which allows the shareholders to indicate their vote. At least 1 independent director shall be nominated as their proxy, and the Company will attach the aforementioned Proxy Form to the invitation to the meeting.

## **2.4 Encouraging shareholders to use voting ballots**

The Company encourages the use of voting ballots for important meeting agenda items, such as the entering into connected transactions, acquisition, or disposal of material assets, etc. in order to maintain transparency and verifiability in the event of disagreements at a later date.

## **2.5 Giving shareholders the opportunity to exercise the right to appoint individual directors**

The Company encourages the shareholders to exercise their right to appoint directors on an individual basis.

## **2.6 Preventive measures against the use of inside information to seek unlawful benefits**

The Company has established measures in its Code of Conduct to prevent its directors, executives and employees from unlawfully using inside information for their own benefit or that of others, for securities trading, conflicts of interest, and confidentiality. Such measures are stipulated in the Code of Conduct. Furthermore, the Corporate Secretary has also been assigned as the person responsible for conveying the regulations with respect to the disclosure of information and monitoring and ensuring that the Board of Directors and the executives report their securities holding in compliance with the law, including disclosing information regarding the interests of, and related transactions between, the directors and executives and requiring that all directors and executives who have the duty to report their interests, as provided by the law, notify the Company thereof.

## **3. Roles of Interested Parties**

### **3.1 Corporate governance policy regarding interested parties**

The Company recognizes and gives importance to the rights of all groups of interested parties and not only those which it is required to take into consideration in compliance with the law. The Company has identified groups deemed as interested parties and established policies and measures for acting in the interests of the interested parties. The interested parties of the Company can be categorized into 6 groups as follows:

- **Employees and their families**

The Company will compensate the employees based on the consideration of their work in a fair manner and in a way that is quantifiable under the regulations of the Company.

The Company aims to continuously promote and develop the knowledge and abilities of its personnel, such as by means of organizing training sessions and seminars for its executives and employees.

The Company treats all of its employees fairly and equally, for example, with respect to employee evaluations confidentiality regarding employment history and the exercise of the various rights of the employees.

The Company has a duty to ensure that the employment environment is safe, healthy, and effectively facilitates work.

- **Customers and creditors**

Customer Relations Policy

The Company has a duty to maintain good relations and to cooperate with customers in the long term, based on the principles of honesty, reliability, and mutual trust.

The Company has a duty to satisfy its customers to the extent possible by means of taking responsibility for, acting in the interests of and considering the issues and needs of the customers as its priority, whereby all executives and employees shall comply with the measures pursuant to this policy.

The Company will perform work based on the principles of ethics and will not solicit, receive or pay dishonest benefits to the customers and creditors.

The Company is committed to presenting and delivering products and services of high standard which meet the needs of the customers.

The Company strives to adhere to the various conditions as agreed upon with the customers to the best of its abilities.

The Company has a duty to establish good relations with its creditors and to treat them based on the principles of honesty, reliability and mutual trust.

The Company has a duty to be responsible for, pay attention, and give importance to the various conditions as agreed upon with its creditors to the best of its abilities.

- **Shareholders or investors**

See Section 1. Rights of the Shareholders

- **Communities local to each Company place of business**

The Company and its employees are committed to behaving and conducting themselves as good citizens and in ways that benefit society and the community.

The Company has a duty to treat the communities local to each Company place of business amicably and to give assistance to and promote the livelihood of the communities, as well as to be responsible for remedying any situation arising as a consequence of the Company's business operations, in a fair and equitable manner.

The Company has a duty to oversee and support activities which are beneficial to society and to willingly cooperate with governmental and non-governmental organizations and to make sacrifices for the better good.

- **Governmental organizations**

The Company has a duty to act in compliance with all applicable and prescribed laws and rules.

The Company will promote the various activities of governmental organizations as is deemed appropriate.

- **Suppliers and Contractors**

The Company has a duty to maintain good relations with all suppliers and contractors.

The Company has a duty to give all suppliers and contractors an equal opportunity to present their products/services, whereby the executives and employees related to the suppliers and contractors shall comply with the following measures. All executives and employees shall:

- Treat the suppliers and contractors honestly and equitably.
- All considerations and decisions shall be based on the comparison of quality and various conditions, while at the same time taking into account the interests of the Company, both in the short and long term.

In this regard, the Company has established policies and measures for acting in the interests of the interested parties as follows:

### **3.2. Measures for compensating interested parties in the event of damage arising from wrongful acts**

#### Preventive measures against the use of inside information by the Directors, executives and employees

The Company has established measures relating to the use of inside information which its directors, executives, and employees must comply with as follows:

- The Corporate Secretary has the duty to inform the directors and executives to report their securities holding, and that of their spouses, as well as their children who are minors in the Company, and to report any changes thereto pursuant to Section 59 and the terms of punishment pursuant to Section 275 of the Securities and Exchange Act B.E. 2535.
- The Company will advise its directors, executives and employees who are in possession of inside information against the disclosure of material information prior to the sale and purchase of Company shares, including the Company's financial statements as failure to do so would be deemed a violation of the Securities and Exchange Act.

#### Preventive measures against conflicts of interest of executives and employees

The Company has established measures to prevent its directors and executives from unlawfully using inside information for their own benefit or that of others for its executives and employees as follows:

- Executives and employees shall not undertake acts with a view to either seeking benefits or misappropriating assets which are the property of the Company or of the customers of the Company, as their own or for others, which are deemed to be in conflict with the interests of the Company.
- Executives and employees should avoid situations or personal activities and gaining financial benefits which may be in conflict with the work duties by which they are bound, and which have an impact on the protection of the Company's interests.
- The Company will avoid delegating duties and responsibilities to the executives and employees in the event that such acts may lead to situations that may be in conflict with the interests of the Company or that of the Company's customers.
- In the event that the executives and employees participate in external activities or hold external positions, such as that of directors, advisors, representatives, or employees in other organizations, the said activities or positions shall not be in conflict with the interests of the Company, whether directly or indirectly, and shall not cause the Company to suffer any damage and shall not have any impact on the performance of their work duties.
- All executives and employees are prohibited from participating or holding positions in other organizations operating the same type of business as that operated by the Company or those deemed to be the Company's competitors, or those whose business may be in conflict with the interests of the Company.

#### Preventive measures against damage arising from violations against employees and their families

The Company has established locations for receiving complaints and/or suggestions from employees as channels for employees who have been affected by the work operations to file complaints.

#### Preventive measures against damage arising from violations against customers and creditors

The Company deals with customers in compliance with its customer relations policy. In order to prevent against any damage arising from violations against the debtors and creditors, the Executive will consider the qualifications of all debtors and creditors prior to entering into transactions with a view to avoiding future problems, and in doing so, base their consideration on the principles of honesty and reliability.

#### Preventive measures against damage arising from violations against shareholders

The Company undertakes steps to protect and oversee the basic rights of the shareholders, including the right to receive information, the right to attend shareholders' meetings, as well as to encourage the shareholders to exercise their rights beyond the provisions of law.

#### Preventive measures against damage arising from violations against local to communities of each Company place of business

The Company has established measures to prevent damage arising from violations against the communities local to each of the Company place of business by building good relationships with the surrounding communities as well as giving them assistance and support with a view to promoting their livelihoods.

#### Preventive measures against damage arising from violations against government organizations

The Company has established measures to prevent damage arising from non-compliance with the various applicable laws and regulations, whereby the Company's legal department will be responsible for monitoring the work performance of the departments of the Company on a regular basis in order to ensure their compliance with the law.

#### Preventive measures against damage arising from violations against suppliers and contractors

The Company has established measures for preventing damage arising from violations against the suppliers and contractors, whereby the Company has a policy to build good relations with all of its suppliers and contractors and, furthermore, treats all suppliers and contractors equitably.

#### **4. Disclosure of Information and Transparency**

The Company has a policy to disclose information regarding the Company, including financial information and other information, in an accurate, complete, timely, and transparent manner, via easily accessible channels, and in a fair and reliable manner.

##### **4.1. Internal control and entering into transactions with potential conflicts of interest**

The Company's policy is to prevent and eliminate any potential conflicts of interest by prescribing that all transactions with potential conflicts of interest be in compliance with the regulations and steps determined by the Company and all applicable laws.

The Company will undertake acts to ensure that its directors, executives, and/or major shareholders, as the case may be, do not operate businesses that are similar to or in competition with that of the Company, or that decrease the Company's competitiveness, or enter into related transactions whereby the other benefits resulting thereof may be in conflict with the best interests of the Company or its subsidiaries. The directors, executives and/or major shareholders of the Company, as the case may be, shall inform the Company if the directors, executives, and/or major shareholders hold shares in companies whose business operations are similar to those of the Company or its subsidiaries in order for the Company and the Audit Committee to consider whether or not such shareholding is in conflict with the best interests of the Company or its subsidiaries.

##### **4.2. Disclosure of Information**

The Company discloses information in compliance with the relevant laws or regulations via the Stock Exchange of Thailand and the Company website under the Section entitled "Information for Investors".

##### **4.3. Report on the responsibilities of the Board of Directors with respect to the Financial Report**

The Company requires that there be a report on the responsibilities of the Board of Directors with respect to the financial report, which shall be presented alongside the auditor's report in the annual report. The contents thereof shall verify compliance with accounting principles and the financial report shall consist of accurate, complete and actual information in accordance with accounting standards. The aforementioned reports shall bear the signatures of the Chairman of the Board of Directors and the Managing Director.

##### **4.4. Disclosure of the Roles and Duties of the Board of Directors and Subcommittees**

The Company will disclose the roles and duties of the Board of Directors and sub-committees, the number of meetings held and the number of times each Board member attends meetings in the previous year, as well as the comments in relation to the performance of their duties in the Annual Report.

#### **5. Responsibilities of Board of Directors**

The Company recognizes the importance of selecting directors who demonstrate leadership, are visionaries, and who have experience, knowledge and ability and demonstrate independence in making decisions in the best interests of the Company and the shareholders overall. The Company also recognizes the importance of clearly separating the roles and duties of the Board of Directors and the Management and overseeing the work system to ensure that its various activities are in compliance with the laws and ethical standards.

The Company has established its corporate governance policy while taking into consideration various factors including the responsibilities of the directors, whereby the important policies relevant to this matter are as follows:

#### **5.1. Structure of the Board of Directors**

- The Company values transparency and verifiability in its work operations, and, therefore, the Chairman of the Board of Directors is not the person holding the position of the Chief Executive Officer or the President. The Board of Directors of the Company has, furthermore, approved the definition of the independent director in line with the criteria and definitions prescribed by the Securities and Exchange Commission.
- The Company has prescribed formal procedures for selecting directors, and in doing so, it adheres to principles of transparency and is free of influences by the Management or shareholders with authority. That is to say, the Nomination and Remuneration Committee shall be responsible for recruiting persons to hold directorship positions and shall consider and select appropriate candidates based on their educational background, ability, work experience etc., whereby such persons shall also be qualified and shall not possess the prohibited characteristics as prescribed by the law. Candidates shall be selected in line with the duties and responsibilities of the position of a director of the Company and/or a director who is a member of various subcommittees. Upon having selected the appropriate candidates for directorship, the names of the said candidates shall be proposed to the Board of Directors for further consideration and appointment as directors.
- The Company requires that the names of the members of the Board of Directors and sub-committees be disclosed, whereby details relating to each director's name, position, age, educational background, shareholding proportion and relationship with the executives are disclosed via various channels, including the Annual Report and the Company website.
- The directors of the Company shall hold their positions for a term of three years. Any retiring director may be re-appointed by the meeting of shareholders.
- The Board of Directors of the Company shall consist of a minimum of three independent directors, being an aggregate of not less than one-third of the total number of directors. The independent directors of the Company shall be qualified and shall not have the prohibited characteristics determined by the Board of Directors, and such requirements shall not be less stringent than those prescribed by the Capital Market Supervisory Board and the Stock Exchange of Thailand.
- The Company will appoint a Corporate Secretary to perform the various duties prescribed by the law as well as those delegated by the Board of Directors of the Company.

#### **5.2 Leadership and Vision**

- The Board of Directors shall demonstrate leadership and shall be visionary and independent in making decisions in the best interests of the Company and the shareholders overall. The Company has, therefore, clearly separated the roles and duties of the Board of Directors and those of the Management, whereby the Management shall be responsible for obtaining various information required for consideration while the Board of Directors shall have the duty to make decisions on such matters accordingly.
- The Company hopes that its business will be stable and successful in the long term, and has therefore coordinated with the Management to consider, review and establish a vision and mission that corresponds to the changing environment, as well as the targets in the business plan and financial

statements, while taking into consideration the maximum increase in economic value and long-term stability of the Company and its shareholders. The Board of Directors shall also have the duty to oversee and monitor the administration of the Management to ensure that they are in line with the business plan in an efficient and effective manner.

- The Board of Directors of the Company encourages corporate governance practices within the organization. The Board of Directors are, therefore, leaders in establishing guidelines for good corporate governance, the Code of Conduct, measures and steps for approving related transactions with related companies or persons with potential conflicts of interest, and in clearly separating the scope of authority of the shareholders from that of the Board of Directors and the scope of authority of the Board of Directors from that of the Executives, and the various sub-committees, so as to create a balance of power and ensure mutual verifiability in an independent manner.

### **5.3 Conflicts of Interest**

- The Company will consider related transactions which may cause potential conflicts of interest between the shareholders, directors and the Management with due care, honesty, reason and independence within the framework of good ethics. The Company will also fully disclose all information while considering the overall best interests of the Company as a priority and will strictly comply with the rules and procedures provided in the notifications, orders or regulations of the Stock Exchange of Thailand. The Audit Committee will give its opinion as is necessary and appropriate given that particular related transaction.
- The Company has established measures and steps for approving related transactions with related companies or persons who have potential conflicts of interest, whereby persons with direct and indirect conflicts of interest shall be prohibited from considering the approval of the said transactions, and the Audit Committee shall participate in considering and giving its opinion as is necessary and appropriate for the best interest of the Company. Information pertaining to the related transactions shall be disclosed in the notes to the financial statement in line with generally accepted accounting standards in the Annual Report.

### **5.4 Business Ethics**

- The Company will monitor and oversee its business operations and the performance of work duties by the directors, Management, and employees, and adhere to the principles of virtue and ethics in addition to the rules and regulations of the Company and applicable laws.
- The Company's policy requires that its directors, executives and employees avoid or refrain from selling and purchasing securities of the Company within a period of one month prior to the disclosure of material information to the general public which may have an impact on the price of the securities of the Company, such as financial information.

### **5.5 Joining or separating positions to create a balance of power with respect to work management**

- The Company has clearly defined and separated the scope of authority and responsibilities of the Board of Directors, the Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, as well as the Chief Executive Officer. The Company also requires that Chairman of the Board of Directors is not the person holding the position of the Chief Executive Officer or the President and that he/she has is not related to the Management in order to prevent an executive from having unlimited power and to be able to audit and establish a balance for work management.

### **5.6 Sub-committees**

- The Board of Directors of the Company has arranged for the appointment of sub-committees to assist the Board of Directors in studying relevant details and monitoring and overseeing the performance of work, as well as to screen the matters to which they have been assigned. The scope of authority and responsibilities of the said Subcommittees have been clearly defined.

#### **5.7. Roles, Duties and Responsibilities of the Board of Directors**

- The Board of Directors has a duty to consider and approve material issues with respect to the operation of the business, as well as to oversee that the Management operates the business in line with the prescribed policies and plans, including the budget, in an efficient and effective manner.
- The Board of Directors has exercised due prudence in considering conflicts of interest, as well as connected transactions with potential conflicts of interest with those of the Company whereby the interests of the shareholders are deemed as the priority.
- The Board of Directors and the Audit Committee have a duty to jointly consider the annual and quarterly financial statements and financial information in the Annual Report and to jointly evaluate the adequacy of the internal control system of the Company for disclosure to the investors.
- The Board of Directors and the Risk Management Committee have a duty to jointly consider and determine the Risk Management Policy to be applied throughout the organization, whereby the Management has been assigned to oversee compliance with the said policy and to report relevant issues to the Board of Directors and/or Risk Management Committee on a regular basis. The Board of Directors will ensure that the system is reviewed or that the effectiveness of the risk management is evaluated at least once per year and in the event that there are changes to the risk level, and will also give importance to early warning signs and unusual transactions

#### **5.8 Board of Directors' Meeting**

- The Board of Directors will convene a Board of Directors' Meeting at least four times per year and such meetings shall be conducted in accordance with the Company's Articles of Association, the Public Limited Companies Act B.E. 2535, and the rules and regulations prescribed by the Stock Exchange of Thailand. The Chairman of the Board of Directors, in acting as the Chairman of the Meeting, will encourage the exercise of discretion in a prudent manner and will allow sufficient time for the Executives to propose matters for consideration, as well as for the directors to carefully discuss the material issues. The Chairman will also arrange for the minutes of each meeting to be recorded in order to ensure verifiability by the directors and relevant persons. The directors have a duty to attend all Board of Directors' Meetings unless in the case of special circumstances.
- The Company requires that the Management prepare and submit a report on the operating results to the Board of Directors for acknowledgment on a regular basis in order for the Board of Directors to be able to continuously and promptly supervise, control and oversee the performance of work by the Management.
- The Board of Directors may invite the Executives or employees of the Company to attend the Board of Directors' Meeting to give additional information on the matters discussed.
- The secretary of the Board of Directors shall, prior to the date of the Board of Directors' Meeting in the following year, prepare a schedule for the meetings for the coming year in order for the Board of Directors to be informed thereof in advance and so that they can plan ahead and allocate time for attending the said meetings accordingly.
- In determining the number of Board of Directors' Meetings, consideration shall be given to their appropriateness based on the duties and responsibilities of the Board of Directors. The Corporate Secretary will prepare an agenda for the annual general meeting specifying the matters to be considered at each meeting so that the Board of Directors is informed of the various details to be considered in advance.

- In convening each Board of Directors' Meeting, the Corporate Secretary will send the meeting documents to the directors for consideration in advance as well as supporting documents and information.
- All Board of Directors' Meetings shall be strictly in compliance with the Company's Articles of Association and the Public Limited Companies Act B.E. 2535. All directors shall be equal opportunity to discuss the material issues and the Secretary of the Board of Directors shall attend the meetings and record the minutes thereof including the various questions and suggestions of the directors to ensure that the matters discussed can be monitored and verified by the directors and relevant persons.
- The Chairman of the Board of Directors shall be responsible for allocating adequate time for presenting the information provided by the Management and for all of the directors to discuss the material issues with due prudence. The Chairman of the Board of Directors shall encourage the directors attending the meeting to exercise their discretion in a prudent manner and ask the meeting whether or not there are any further questions or disparate opinions with respect to each agenda item being considered.

#### **5.9. Remuneration of directors and executives**

- The Board of Directors of the Company shall consider and determine the remuneration of the directors and shall propose the same to the meeting of shareholders for approval. In this regard, in determining the directors' remuneration, the Board of Directors shall compare the standards pertaining to the payment of remuneration in companies in the same industry and shall give consideration thereof based on fair standards. Consideration shall be given to the experience, obligations and duties, scope of the role, as well as accountability and responsibility, including the benefits which the Company would receive from each director. The directors who have been delegated additional duties and responsibilities should receive higher remuneration as appropriate
- The remuneration of the Managing Director and Executives shall be in accordance with the principles and policies determined by the Board of Directors, whereby consideration shall be given to the best interests of the Company. The determination of salaries, bonuses and incentives in the long term shall be in line with the performance of the Company as well as that of each individual executive.

#### **5.10. Corporate Social Responsibility Policy**

- Fair Business Operations  
The Company places emphasis on conducting its business within the framework of fair and honest competition in compliance with the relevant laws and regulations and has established the following practice guidelines. The Company shall:  
  
Encourage its employees to recognize the importance of compliance with competition laws and the principles of fair competition;  
  
Support various public policies which promote fair competition; and  
  
Undertake acts in a manner which is compliant with competition laws and requirements, as well as cooperate with government officials
- Anti-corruption  
The Company endeavors to conduct its business in a transparent manner, while adhering to principles of good corporate governance and taking into consideration the interests of the interested parties in all respects. It has established anti-corruption guidelines and also supports activities which promote and encourage the executives and employees to comply with the applicable laws and regulations, whereby the practice guidelines are as follows:

The Company must instill right practices, values and perspectives within its employees to comply with the rules and regulations in an honest manner;

The Company shall undertake steps to ensure that its internal control system is efficient, and that the reviewing thereof and the balance of power is appropriate.

All directors, executives and employees of the Company are prohibited from undertaking any act which is deemed to be soliciting or accepting assets or any other benefits implied as motivation for performing their duties or refraining from the performance thereof in a dishonest manner;

All directors, executives and employees of the Company are prohibited from undertaking any act which is deemed to be the offering of assets or any other benefits implied as motivation for performing their duties or refraining from the performance thereof in a dishonest manner.

## **B. Code of Conduct Guideline & Policy**

### **1. Control and Prevention of Conflict-of-Interest Policy**

It is the Company's policy to conduct business with honesty, open-mindedness, transparency and fairness. The Company's directors, executives, and major shareholders must not engage in any business in competition with the Company or undertake any connected transaction with related persons which could pose any conflict with the best interest of the Company. The Board must ensure strict conformance to the regulations and procedures for the disclosure of connected transactions specified by law and the regulators.

If a connected transaction is unavoidable, however, such transaction must follow the general commercial terms as specified and approved by the Board, based on transparency and fairness in the same way as ordinary transactions undertaken with third parties, taking into account the best interests of the Company. Any party involved in a transaction with conflict of interest must not take part in the consideration and approval of such transaction. If connected transactions that do not comply with the approved general commercial terms could pose any conflict with the best interest of the Company, the Audit Committee will examine such transactions and include its opinion to the Board or shareholders for approval as the case may be.

To ensure the transparency of direct and indirect transactions undertaken by directors, executives or related persons during the year, such directors or executives must notify the Company without delay by indicating facts about the nature of such contracts, names of counterparties and their personal interests in such contracts.

### **2. Relevant Law and Regulations**

The SEC regulation\* requires that the issuer company's directors, executives and major shareholders must not have interest which may be in conflict with the best interest of the company, unless the issuer company can demonstrate that it has adopted a mechanism which ensures that the management of the company will be for the best interest of the company and its shareholders as a whole.

In that connection, in the case that the major shareholders and the issuer company conduct similar or the same business, the SEC will require the major shareholders to enter into a contract with the issuer company to undertake that they will not compete with the business of the issuer company.

There are precedent cases that the major shareholders entered into contracts with the issuer company to undertake that they will not compete with the business of the issuer company.

### 3. Code of Ethics

- **Code of Business Ethics**

The Company must conduct itself responsibly, transparently, honestly, and with competitive competence while treating each of the following groups fairly:

1. Shareholders and Investors

The Company must ensure good operating results to provide good returns to the shareholders and investors.

2. Customers

The Company must provide reasonably priced, high-quality products and services that meet the needs of customers.

3. Business Partners and Creditors

The Company must conduct its operations on a basis of fair and mutual support.

4. Competitors

The Company must conduct its operations on a basis of fair competition.

5. Employees

The Company must offer employees with good standards of living, competitive remuneration and benefits, opportunities for career advancement and safe and healthy working environment.

6. The Government

The Company must work to promote national prosperity and progress, in obedience to applicable rules and regulations and in conformity to general business practices.

7. The Community and Society

The Company must take its share of responsibility for the community and society and consider the impact of its operations on natural resources and the environment.

The Company will aim for the appropriate balance among the needs of these various groups and give them all equal consideration.

- **Code of Ethics for Company Directors**

1. The Company's directors must fulfill their duties in the spirit of the Company's principles of good business conduct and adhere to the codes of ethics established by the Company.
2. The Company's directors must fulfill their duties in compliance with the law, the objectives and the Company's Articles of Association, and the resolutions of shareholders' meetings, and with all due honesty, integrity, and care for the interests of the Company.

3. The Company's directors must dedicate sufficient time and all their knowledge, competence, and managerial skills to the fulfillment of their duties and responsibilities, for the prosperity and stability of the Company and good returns.
4. The Company's directors must fulfill their duties as a responsibility to shareholders and with all due concern for the interests of stakeholders, and must treat all groups as fairly and prudently as possible.
5. The Company's directors must not use their position for wrongful gain, must not disclose the Company's secrets to outsiders, must not seek gain for themselves or those related to them by means of information not yet publicly disclosed, and must not do anything that would result in a conflict of interest.

- **Code of Ethics for Executives**

1. The Company's executives shall operate the Company with all due honesty, integrity and care for the interests of the Company, acting together to enhance the Company's working effectiveness and efficiency based on business ethics to achieve the Company's objectives and goals.
2. The Company's executives shall work together to enhance potential and working effectiveness of all employees, provide appropriate welfare to them, be sincere and respect employees' rights and opinion.
3. The Company's executives must conform to business ethics and code of conduct by setting an example for all employees, create working environment which supports adhering to business ethics and code of conduct and aim to prevent any violation or non-conformance to business ethics and code of conduct.

- **Code of Ethics for Employees**

1. **Respect for the Organization**  
Employees must join in strengthening and upholding the honor of the Company in their attitudes and behavior. Good employees must demonstrate pride in the Company, defend and maintain its respectability, and help to enhance its public image.
2. **Loyalty and Honesty**  
Employees must act with integrity. They must not either seek remuneration or gain from outside or use their position in the Company for their own interests or those of their families, relatives, or other persons.
3. **Diligence**  
Employees must perform the work for which they are responsible with all due care and diligence. They must devote themselves to the work of the Company with all their capacity and strive for the success of their work and the greater good of the Company.
4. **Discipline**  
Employees must comply with the Company's policies, regulations, orders, rules and good corporate culture and must learn the said policies, regulations, orders and rules with the clarity to practise them correctly.
5. **Preserving Secrecy**  
Employees must keep corporate information confidential and not disclose or use any of it for their own benefit or that of others, without permission from those in authority. Exempt from this prohibition is information that needs to be disclosed in the normal conduct of business or has already been disclosed to the public.

6. Using and Protecting Corporate Assets

Employees must use and protect the Company's assets for the greatest possible benefit of the Company, not for personal benefits or those of others. All assets must be maintained in good condition for the sake of their effective and long-term use.

7. Conflicts of Interest

Employees must not engage in any activity that will be in conflict with the interests of the Company or result in loss or diminishment of benefit for the Company, or seek to share in the Company's benefit, such as:

- Conducting any business or activity that competes directly or indirectly with the Company's activities.
- Conducting any business or activity that sells goods or services to the Company, accepts contracted work from the Company, or may be considered as representing any person or organization that sells goods or services to the Company or accepts contracted work from the Company.
- Having any financial interest or owning shares or interests in any business competing with the Company or having any type of transaction with the Company, such as clients, sales agents, contractors, or suppliers of goods or services, providing the said interest or share is one which may be affected by any commission or omission of the employee in the employee's normal course of duties in the Company.

8. Accepting Gifts

Employees must not accept abnormally expensive gifts and/or offerings at events or gatherings of any type from those who do business with the Company or anyone who might benefit from their normal course of duties. If such a gift is accepted, only to discover later that its value is considered abnormal, the recipient must inform his/her supervisor of the fact and await whatever consequences are considered appropriate.

9. Personal Behavior

Employees must conduct themselves in a manner befitting a representative of the Company in terms of behavior, manner, type of dress, character and attitude. Employees must not behave in ways that devalue themselves or the Company. They must strive to develop their knowledge and abilities in ways that enhance the value of their work and promote the greater prosperity of the Company.

10. Conduct of Superiors and Subordinates

Employees with superior position must act as leaders and set good examples for those under them in terms of behaviour, developing morale, listening to the opinions of their subordinates, and protecting them with all due fairness and reasonableness. Employees who are subordinate must listen and obey their superiors in whatever conforms to the discipline and regulations of the Company. They must not act in a stubborn, aggressive, or hostile manner to their superiors, but rather respect them and observe the proprieties of time and place.

11. Utilizing Social and Political Rights

Employees are free to engage in social activities, but must avoid activities that are illegal, immoral, inappropriate, or unproductive or harmful to society. They must protect their own dignity and ensure that the Company's position in the community and society is not impaired by their actions. Employees are free to utilize their political rights, such as voting in elections and participating in political parties, but must not do anything to promote the understanding that the Company is involved in or favors any political party.

#### **4. Guidelines to Prevent Corruption Practices and Irregular Activities**

The Company has set out business operation practices as a guideline for directors, executives and employees to prevent corruption practices and irregular activities as follows.

##### **4.1. Treatment of the Company's Assets and Interests**

It is the duty and responsibility of executives and employees to use the Company's assets economically and maximize its usefulness and take good care not to inflict damage or loss upon the assets.

##### **4.2. Documentation**

Preparation of information and documents of the Company shall be carried out carefully, honestly, and any of the Company's documents, letters or any reports shall not be counterfeited. Filing of documents must be done correctly, completely and systematically for ease of use. Term of storage must be set out and the carefulness of storage shall depend on document's level of confidentiality.

##### **4.3. Offering and Receiving Benefits as Incentive**

Executives and employees shall be prohibited from requesting or receiving benefits from business partners and persons who do business with the Company.

Executives and employees shall be prohibited from offering benefits to outsiders to motivate them to commit wrongful acts.

##### **4.4. Gifts and Entertainment**

Executives and employees should avoid from any entertainment, offering or receiving of gifts and/or presents, from persons who do business with the Company, except during specific occasions and at appropriate values where such offerings or acceptances do not create any business commitments.

##### **4.5. Monitoring and Punishment**

All employees shall monitor the operations of their respective departments. If they find any fraudulent incidents in their departments, this shall be immediately report to their superiors, other channels as appropriate or the internal audit department.

Any employees who engage in fraudulent activities under whatsoever cases will be seriously punished.

#### **5. Control and Prevention of the Use of Inside Information**

To ensure equitable treatment of all shareholders and assuring them that relevant directors and executives are prohibited from undertaking dishonest stock transactions for their own benefit or the benefit of others, the Board ensures a policy is in place to control the use of inside information and transactions on the Company's shares.

- Control of use of inside information: Directors, executives and all employees must not buy or sell or offer to buy or sell of the Company's shares or persuade other persons to do so using any information of the Company that may have a significant impact on the share price but yet to be disclosed to the public whereby such information has been acknowledged in their capacities of director, executive or

employee. Such information shall not be used either for their own benefit or benefit of others. In addition, directors, executives and employees shall strictly conform to and follow policies concerning safeguarding and use of inside information.

- Trading and holding the Company's shares: The Company's directors, executives and employees may invest in the Company's shares. However, in order to prevent conflict of interest, these personnel and their related persons (spouses and under-aged children) who acknowledge the Company's inside information must not buy, sell, transfer or accept any transfer of the shares or persuade other persons to buy or sell or propose to buy or sell of the Company's shares during the one-month period before the public disclosure of the Company's financial statements or any other data that may have a significant impact on the Company's share price. They cannot trade the Company's shares until the lapse of the 24-hour period from the public disclosure of such data. In case directors, executives or employees including their spouses and under-aged children buy, sell, transfer or accept transfer of the Company's shares, they have to prepare and disclose their respective reports of shareholding and changes in their shareholding to relevant authorities in accordance with applicable rules and regulations.
- Usage of Inside Information: The Company prohibits its directors, executives and employees and members of their respective families to divulge any of the Company's information that may have a significant impact on its share price but yet to be publicly disclosed to any other persons either for their own benefit or benefit of others.
- Disclosure on the holding of the Company' shares: The Company Secretary must file a quarterly report on the shareholding of directors, executives and related persons and submit it to the Board.
- Punishment: If any of the Company's directors, executives or employees violates or fails to conform to its policies concerning use of inside information, they will be considered guilty of having violated the Company's rules and may be punishable by laws.