

# **SVI Public Company Limited**

## **Corporate Governance Handbook**

**Revised Edition**

**Approval by the Board of Directors**

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## Good Corporate Governance

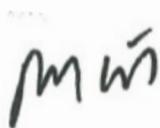
The Company's Board of Directors fully recognizes the importance of good Corporate Governance and is determined that good governance is widely spread over the entire organization. This is to benefit the organization which to be efficient in both an excellent management and operating business with ethical responsibility, fair, transparent and accountable. Besides, this is to build the most benefits, trust and grow sustainably for shareholders and all key stakeholders.

The Company has implemented its Corporate Governance practice in compliance with the principles prescribed by the Stock Exchange of Thailand (SET). Besides adopting the SET guidelines on Corporate Governance principles, the Company has consistently implemented the six Company Core Values of:

- Mutual Support : Support each other; focus on the organization's goals
- Respect : Respect, listen to others and understand differences
- Accountability : Responsible for actions related to personal and organizational goals
- Commitment : Self-determination and work to full capabilities
- Trust : Trust in each other
- Transparency : Manage work with transparency that can be audited

In this regard, the company has grown and amended the standard of company's corporate governance by continuously. Besides, the company has established the new revision of the good corporate governance and business ethics guideline in 2019 by adhering to the good corporate governance principles for the companies listed in 2017 of the Stock Exchange of Thailand and the ASEAN CG scorecard in order to uphold the good practice of the company's board of directors, executives and employees in their responsibilities and performance.

The good corporate governance guideline is required a regular reassess at least once a year in order to be modern, fast respond to the changes and consistent with the company's business strategy and direction. It's also as well as the principles of corporate governance in accordance with both domestic and international standards Including the relevant regulations. The company do the communication throughout the whole organization which be covered the company's board of directors, executives and employees. This is an important factor in adding more value and highest return to the organization, shareholders and stakeholders in all sectors.



Pongsak Lothongkham  
CEO  
SVI Public Company Limited



Sopon Punyaratabundhu  
Chairman of Corporate  
Governance Committee

## Corporate Governance

The Board of Directors' objective is to enable SVI to conduct its business efficiently, has a good corporate governance and excellent management with the aim of benefiting shareholders' interests, taking into account the interest of other stakeholders, maintaining business ethics and transparency. Therefore, the Company has established a good corporate governance policy as a guideline to which directors, management and employees shall adhere which will lead the company's business being more sustainable.

The Company has fully complied with the principles of good corporate as prescribed by the Stock Exchange of Thailand in five such as Shareholders' Rights, Equitable Treatment to Shareholders, Stakeholder's interest, Disclosure of Information and Transparency, including Responsibility of the Board of Directors.

### **Part I: General Statement**

#### **Vision**

We are leading to a globally recognized organization in the service of the electronics assembly and box build products that strives for growth, profitability, integrity and social Responsibilities.

#### **Core Values**

- Mutual Support : Support each other, focus on the organization's goals
- Respect : Respect, listen to others and understand differences
- Accountability : Responsible for actions related to personal and organizational goals
- Commitment : Self-determination and work to full capabilities
- Trust : Trust in each other
- Transparency : Manage work with transparency that can be audited

The Company has communicated the Core Values to employees at all levels in the organization through various internal channels to ensure that everyone acknowledges, understands and practices them at all times which leads to efficiency in work, good management and success.

#### **Instructions for use of SVI Corporate Governance Handbook**

The Board of Directors has communicated to directors, management and staffs to education and ensures compliance with corporate governance. There's an annual review of the corporate governance manual and policies. To continuously improve the quality of corporate governance of the Company for stability and sustainability to the organization, its shareholders and all stakeholders.

## **Section 2 SVI's Corporate Governance**

### **Definition and Meaning**

Good corporate governance means establishing a management structure and mechanism within the organization to create relations between the company's board of directors, the management, staff and shareholders to serve the best interests of the shareholders, taking into account the interests of all stakeholders to sustainable growth of the company. The company follows its core values including Mutual Support, Respect, Accountability, Commitment, Trust and Transparency (MR ACTT).

### **The Importance of Good Corporate Governance**

The Company's Board of Directors fully recognizes the importance of good Corporate Governance and is determined that good governance is thoroughly followed throughout the entire organization, from the Directors and Management to the Company's employees. It is a key factor in adding value and the highest return to the Company shareholders. The Board of Directors appointed a Corporate Governance Committee, holding duties and responsibilities for the establishment of good governance practice and follow-up measures to enforce the implementation of the policy and to update the policy to conform to both local and overseas good governance practices. Moving forward to international standards. The company follows the Corporate Governance principles which cover five categories detailed as follows.

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

SVI gives great importance to protection of shareholders' rights and promotion of exercising such rights. The basic legal rights consist of the right to buy, sell or transfer securities held, the right to receive dividend, the right to take part in decision-making of the SVI's important issues, such as approval of key activities affecting business direction, the right to vote for the appointment of auditor and fixing of auditor fee, the right to declaration of equal dividends, increase or reduction of capital, approve of directors' remuneration and allowance, amendment of the Memorandum of Association and the Articles of Association. As well as facilitate the shareholders to attend the meeting, exercise their rights and fully vote by provide transportation for support shareholders and institutional investors, provide adequate staff and technology and provide a stamp for shareholders. The Company has the guideline for Shareholders Meeting as follows;

- 1) The Company provides a notice of the shareholders meeting, the meeting venue, date, time, agenda and relevant information, clear details with attachments including the opinion of the Board of Directors related to that agenda. In case, if there is an additional or changed agenda, the company will send an appropriate advance notice to Shareholders accordingly.

- 2) The Company sent out notices of the shareholders meeting together with agenda at least 14 days before the meeting date. SVI shall provide multiple communication channels via the SVI's website in advance in both Thai and English.
- 3) All relevant information is posted on the SVI's website: [www.svi.co.th](http://www.svi.co.th), before the meeting date. In case of doubt, shareholders can submit query or propose a nominee for the company's director prior to the meeting. The rules of the meeting and the procedures of voting are posted on the SVI's website. ([www.svi-hq.com](http://www.svi-hq.com)).
- 4) SVI shareholders shall receive adequate information, accurate, transparent and on time for making decision before the meeting. All information is posted in SVI's website ([www.svi-hq.com](http://www.svi-hq.com)) at least 30 days before sending out notices of the meeting to shareholders.
- 5) The voting should be able to compute the results in a timely manner so they can be promptly presented to shareholders on the next business day via the SVI's website. ([www.svi-hq.com](http://www.svi-hq.com))
- 6) The minutes of the Shareholders Meeting including Shareholders' recommendations, inquiries and answers should be posted on the SVI's website by 14 days after the meeting date. This is to allow shareholders to access the information.
- 7) The company encourages using technology for Annual General Meeting (AGM) with registration, vote counting and score display, including using a ballot in every agendas and conclude in each transaction if there are many transactions in the agenda for quickness and accuracy in the meeting.
- 8) The company has invited the external auditor to attend AGM to answer the questions which involve with the Financial Statement.

## **2. Equitable Treatment of Shareholders**

The Company provides equitable and fair treatment to all shareholders whether they are minority shareholders or not, to build the investors' trustworthiness. The company has organized the Shareholders Meeting based on the following process:

- 1) The Company informs the Shareholders by publishing the venue and agenda of meeting through the Stock Exchange of Thailand's "Set Portal" system and send out notices of the shareholders meeting to the Shareholders. All relevant information is also posted on the SVI's website at least 30 days before the meeting date, both in Thai and English.
- 2) Shareholders shall be entitled to appoint a proxy to attend the Shareholders' Meeting. Each shareholder has the rights to receive a proxy form and instructions to complete the form. Any proxy who submits a completed proxy form to the company's

representatives at the Shareholders' Meeting shall be allowed to attend the meeting and vote on behalf of the shareholder.

3) The Company shall allocate sufficient time and encourage shareholders to participate in the Shareholders' meeting, given equal opportunities to express their opinions and raise questions in which Directors and Managements who involved in that matters will respond those questions.

4) The Company gives the shareholders the right to vote for the appointment of each Director accordingly.

5) The main questions, answers and opinions are recorded in the minutes of the meeting for future review by shareholders.

6) The Company will conduct the meeting according to the agenda order outlined in the meeting invitation and will no add any other meeting agenda without notifying shareholders in advance.

7) The Directors and Executives of the Company should disclose information on their and related parties' interests, so that the Board of Directors can consider any transactions of the Company that may have a conflict of interest, and can decide accordingly for the Company's overall benefit. However, the Directors and Executives who have an interest in the Company's transactions shall not be involved in making decisions on such transactions.

The Company has the procedure to secure inside information by having an appropriate silent period. The Directors and Managements who know inside information which is resulting in the increase or decrease of the company's stock price are prohibited from buying, selling, transferring or accepting transfer of securities before those information are disclosed to the general public or SET. In case, the director or management sell, buy or transfer in/out of the company's stock beyond silent period, they have to disclose and report that transaction to SET by one day after the transaction being made. If there is any rumor leak to the public without accurate information, the company will inform Shareholders and Investors through SET's electronic on line system immediately. This is to make fair treatment to all shareholders and investors. The company also reported the policy related to the protection on disclosure of inside information in annual report every year.

In addition, the Company has determined that all employees have to work for the company's best benefits. Any actions and decisions have to be free from the influence of the personal, family, relatives or other persons specifically know personally. All activities and transactions have to be complied with the company's standard rules. The Company has taken measures to prevent the use of insider information. The inside information must not be used in any channel

that lead to any beneficial for themselves, family or partisan interests, whereby the inside information must be secured, not disclosed or take advantage for oneself, family and third parties, such as providing operational activities or the Company's business plans and so on.

### **3. Responsibility to Stakeholders**

The Company recognizes the rights and roles of different groups of stakeholders by establishing its responsibilities towards stakeholders as part of a code of conduct and disseminating this through various channels. As an example the Company website and internal communications may be used for the operations of the company to be secure, make confidence and encourage the cooperation properly from shareholders, employees, customers, suppliers, vendors, competitors, community and environment and response the benefits equally to all. Moreover, considering the human rights and resisting fraud and corruption which the company values and aware this responsibility is the main of the sustainable growth, so that the concerned personnel acknowledge and strictly comply with the code. The Company established the Role of Stakeholders Policy and noted the importance of social activities. The policy is summarized as follows:

#### **3.1 Roles and responsibilities towards different groups of stakeholders**

##### **Shareholders**

Recognizing the importance of the rights and roles of shareholders, including minority shareholders, the Company is determined to achieve good operating performance, sustainable growth and competitiveness, with due consideration given to future risk factors, in order to maximize shareholder value over the long term. The Company discloses all information in a fair and transparent manner and makes every effort to protect the Company's assets and its reputation. In addition, the Company realizes the importance of shareholder involvement by organizing Company visits for interested shareholders, so that the shareholders have an opportunity to obtain business information directly from the plant Management.

##### **Customers**

Due to customer satisfaction is a key focus of the Company. Therefore, the Company has the quality policy and system to build customer satisfaction. We will achieve this by delivering high quality products and excellent service to customers at a competitive price. Using, well trained people and up-to-date innovation and technology. The contract between the Company and the customer will be written in understandable language. The agreement shall have enough conditions to cover the business relationship and no condition will violate copyrights or violate an agreement. The Company has to strictly follow the agreement and not to disclose customer information without permission. In the event of any potential deviation from the agreement, the Company will notify the customer immediately in order to find a proper solution together.

The Company is supportive of activities to develop good relationships between the Company and the customer in order to build a long-term partnership.

### **Creditors and Business partners**

The Company realizes the importance of the equal rights of business partners and creditors and it will strictly comply with contracts and agreements it has entered into. The Company will do its utmost for mutual support in order to achieve benefits for both. In addition, useful information will be provided as well as potential business risks. In the Company's Code of Conduct and Ethics, the Company CEO states the guidelines that employees shall follow in dealing with business partners with the acknowledgement and understanding of employees.

The criteria for selecting a business partner are as follows:

- 1) Financial position
- 2) Capability in business operation
- 3) Potential organizational growth
- 4) Innovation and technology development
- 5) Insurance condition
- 6) Capital management
- 7) In case of default payment
- 8) Conflict of interest/ Related transaction
- 9) Anti-Corruption policy
- 10) Quality policy

### **Competitors**

The Company has a strategy to operate within the framework of fair competition. The Company will not search for and acquire the business intelligence of its rivals by means of bribery and will not defame rivals by means of accusation or giving incorrect information.

### **Employees**

The Company actively focuses on human resource management. Employees are the most valuable asset of the Company, and the key factor driving the Company to achieve our business goals and objectives. We do our best to make our employees proud of being a part of the Company, where there is a supportive working environment with fair and friendly treatment. The Company treats all employees with respect and dignity, and in accordance with the law and the Company's working rules and regulations. The Company assigns jobs to employees

fairly, focusing on two- way communication between the employee and the Company. The Company establishes clear compensation and employee benefits policy which is consistency with the company's performance and provides such benefits, provident fund, saving cooperative for staff and transportation etc.

Emphasizing on people development program to develop the potential of all employee and disclose the average number of hours of training per year in an annual report. The Company organizes various recreational activities for employees as a part of a program for a better quality of working life and encouraging a good relationship between employees and the Company.

### **Community**

To ensure long-term business achievements which depends on the organizational administration ability and business ethic consistency according to good governance policy. Social responsibility is one of the SVI areas of concern. The Company has a serious intention to work cordially with relevant people regarding the effect on participants, such as shareholders, employees, customers, vendors, society, government agencies and nationwide, together with the development and promotion of social responsibility, participation in activities beneficial to society and neighboring communities, including caring for the environment. The Company has promoted the use of resources in efficiency and worthiness and directed employees to be definitely attentive and perform duties with consciousness by taking into account the safety and environment

### **Occupational Health, Safety and the Environment**

The Company is intensely committed to continual improvement in the area of Occupational Health & Safety and Environmental control, in order to support the Company employee, operation of effective safety to prevent injury & ill health and fulfill our corporate obligation and to contribute to a better life for the community, country and the world as a whole. We will therefore adhere to the following;

- 1) Comply with all relevant local & national Occupational Health & Safety and Environmental laws, regulations and applicable legal requirements. (ISO 14000, ISO-14001, ISO 18001)
- 2) Utilize the natural resources, substitute materials by the most efficiency, and provide appropriate resources to fulfill these objectives.
- 3) Set and achieve Occupational Health & Safety and Environmental objectives and targets. We shall also create greater awareness for all employees on Occupational Health & Safety and Environmental responsibility and the protection of our current and future environment. As well as disclose an accident report and rates of illness from work in an annual report.

The Company also create greater awareness for all employees on Occupational Health & Safety and Environmental responsibility and the protection of our current and future environment.

### **3.2 Human Rights**

The Company upholds and complies with human rights principles as well as principles in other areas. All employees are treated equally, non-discrimination, whether it is a matter of race, nationality, religion, sex, age, education. Overall, the Company listens to Employees' opinions, trusts them and treats them fairly as individuals and as the most important asset in its business. The Company supports ethical and talented Employees and respects Employees' privacy. Therefore, we have a clear policy as a general guideline in supporting the rights of people.

- 1) The Company respects all the rights of the employees in any form, not only as stated by law or constitution but also general principles, and will not create any obstruction or prevent the employees achieving their rights.
- 2) The Company will not support its employees to violate the human rights or other general rights of other people.
- 3) The Company will keep the personal information of employees confidential and will not disclose it to others without the permission of the employees.
- 4) All SVI employees will treat others equally and fairly, and will not violate or threaten the rights of other people.

### **3.3 Policy on Intellectual Property**

The Company acknowledges the importance of intellectual property created from an individual's knowledge and ability. The Company, therefore, always makes sure that the information used in the Company will not violate the intellectual property of others.

- 1) The Company does not permit nor encourage its employees to use illegal software for any Company business.
- 2) Employees who use Company computers must strictly follow the rules and conditions of the manufacturer and only with the permission of the Company.
- 3) Employees are not allowed to use any intellectual initiatives created for Company business for personal purposes unless they receive permission from the Company. Employees have to return any intellectual property to the Company as soon as their employment is terminated.
- 4) Employees will ensure that external information used for Company business purposes is legal and does not violate the intellectual property of others.

### **4. Disclosure and Transparency**

The Company provides valuable information such as financial information, and performance related information as prescribed in the requirements of the Securities and Exchange Commission of Thailand and those of the Stock Exchange of Thailand (SET) as follows.

- 1) Financial information and related information is disclosed accurately, completely, transparently, comprehensively and timely. Apart from disclosing annually (form 56-1) and

in the Annual Report (56-2), most of the information is also posted on the SVI's website in Thai and English thus enabling shareholders, customers and interested persons to access the information with ease, equality and reliability.

- 2) Information disclosed including corporate governance policy and results of its practice in Annual Report and on the Company's website.
- 3) The Board of Directors places an emphasis on, and is responsible for, the financial reporting of the Company and its subsidiaries, including financial information in the Annual Report. The Company's financial statement is prepared according to generally accepted accounting principles, adopting appropriate accounting policy and using a conservative approach, accuracy and completeness, and reflects true operating performance. Furthermore, important information is adequately disclosed in the notes to the financial statement, which is audited by an external, independent auditor who is qualified by the SEC to increase the reliability of financial reporting. In addition, the Board of Directors appoints an Audit Committee to be responsible for overseeing and reviewing the accuracy and reliability of financial reporting, including the adequacy of the internal control system.
- 4) The Company shall also provide a management report and supporting the analysis in addition (Management Discussion and Analysis or MD&A) to the quarterly financial statements the posted on the SET's and SVI's website.
- 5) The Company declares the audit fee and other auditor's fee in the annual report (form 56-1) and the report (56-2).
- 6) The Company discloses in the annual report for The Board of Directors' and Sub Committee' roles and responsibility, meetings attendance, including their training and seminar for further development.
- 7) The Company discloses the remuneration of Directors and senior executives in the Annual Report.
- 8) The Company has the directors and managers policy to disclose Securities Trading Report/Securities Holdings to report Board of Directors.
- 9) The essential information that disclose in company's website and publications as follows:
  - Vision, objective and the Memorandum of Association
  - Shareholding structure and Organizational chart
  - List of Board of Directors, Sub-Committee and Executive Director
  - Nature of business, marketing and competition
  - Corporate Governance policy and ethics of operation including charter of sub-committee

- Annual report and 56-1
- AGM invitation and related documents including AGM minutes
- Internal control system and risk management system

10) The Company has formed an Investor Relations Unit as a focal point in conducting proactive investor relation activities according to the best practices of leading international organizations. A number of channels are available to communicate effectively. Those shareholders and investors can visit our operations and access required information via the Company's Investor Relations website at (<http://investor.svi-hq.com>), or through direct phone line and email ([ir@svi.co.th](mailto:ir@svi.co.th)) which enabling investors to receive quick responses as to clarify and answer their questions.

The Company realizes the value of its Investor Relations, focusing the transparency, fairly, equally and consistently provided to minority investors, institutional investors, general investors, analysts, the media, local and overseas fund managers and other related parties. The company participates and organizes an Opportunity Day and Analyst Meeting as to provide information related to the Company's quarterly and yearly operating results for investors, analysts, media, local and offshore fund managers, and others

## **Anti-Corruption Policy**

### **1. Anti-Corruption Policy**

The Company regards corruption as an illegal conduct that harms the Company's credibility in operating the business, which is why policies against all types of corruption, either directly or indirectly are deemed as significant. The scope of the policies covers all areas of the business and relevant transactions in order to avoid any possible damages to the Company and society. An emphasis has been placed on corporate governance under the concepts of moral and ethical principles, transparency, especially processes that are directly involved with or at risk of internal dishonesty, including all types of corruption. Therefore, the Company has created the following anti-corruption practices and policies:

1. The Company's directors, executives and employees are prohibited from making requests for or receiving benefits or properties, leading to certain inappropriate acts or ignorance of one's own duties, possibly causing the Company damage to its interests.
2. The Company's directors, executives and employees are prohibited from making an offer of any benefits or properties to outsiders with the aim of persuading them to carry out any acts deemed illegal or inappropriate.
3. In case of any dishonest acts, the Company regards them as severe misconduct and

the person(s) involved will be subject to disciplinary punishment according to the Company's regulations and the rules of law.

## 2. Duties and Responsibilities

1. The Company's Board of Directors are responsible for identifying anti-corruption policies and effectively monitoring the systems and processes in support of such policies, ensuring that the Management is fully aware of the significance of anti-corruption initiatives and that they are embedded in the Company's culture.

2. The Audit Committee is responsible for performing an investigation of financial and accounting reports, internal control and audit systems, as well as risk management systems, to ensure that they comply with the latest local and international standards.

3. The Chief Executive Officer is responsible for identifying the systems and providing support to any activities in the anti-corruption policies, ensuring that messages have been thoroughly communicated to all relevant staff members and departments. The CEO is also responsible for reviewing the appropriateness of different systems and practices to make sure they facilitate business changes, rules and legal regulations.

4. The Audit Manager is responsible for verifying and investigating operating practices to ensure they are ethically on track, and in accordance with the policies, practices, authority, rules of law and the department's regimen, to ensure that proper control systems are in place and adequate to cope with potential corruption risks and subsequently report to the audit committee.

5. Directors, Executives and all levels of Employees are responsible for strictly abiding by the anti-corruption policies. Should one fail to comply, one would be subjected to disciplinary actions.

## 3. Anti-Corruption Practices

1. Directors, executives and all levels of employees are requested to strictly adhere to anticorruption policies and the Company's code of conduct, without getting involved in any sort of corruption, either directly or indirectly.

2. Directors, executives, and all levels of employees should not be negligent when witnessing any acts deemed potential for corruption, and must immediately report to their supervisors or any responsible individuals. He or she must give full cooperation in the investigation process and should there be any doubts or queries, one is advised to consult with their supervisor or responsible persons, through available channels.

3. The Company guarantees justice and protection for employees who report any corrupt acts related to the Company, whereby petitioner protection practices will be

reinforced to safeguard those who give cooperation in reporting corruption as specified in the operating manual.

4. Directors, executives, and employees involved in corruptions are considered guilty of violating the Company's code of conduct, which will result in them being subject to the Company's stated disciplinary actions.

5. The Company is aware of the importance of disseminating anti-corruption knowledge and ensuring an understanding with suppliers and other stakeholders whose roles or responsibilities are involved with the Company's business and might possibly cause adverse effects upon the Company, with regards to ways of practicing the anti-corruption policies.

6. Directors, executives, and employees must not make any requests, or accept any sort of corruption for one's own benefits, and those of the families, friends and acquaintances.

### **Whistle-Blowing Measures and Whistle-Blower Protection Mechanisms**

The Company believes that Good Corporate Governance is vital for the achievement of sustainable long-term growth. Therefore, the Company provides a channel for employees, stakeholders and concerned personnel to send their comments or useful suggestions, or to report or submit information concerning wrongdoing, violation of the law, regulation, or any conflict of Good Corporate Governance principles via email to [audit.svi@svi.co.th](mailto:audit.svi@svi.co.th). Furthermore, to ensure that people making such a report receive proper protection, the Company has a policy to receive complaints directly through the Audit Committee. All details are kept confidential, and there is a mechanism in place when investigating the party accused to ensure that there is fair treatment before disciplinary or legal action is taken.

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

The Board of Directors is responsible for setting policies, corporate vision, strategies, goals, mission, business plans and budgets as well as ensuring the Company's Management operates in accordance with the policies, laws, objectives, regulations and shareholder resolutions. Directors discharge their responsibilities accountably, honestly and discretely according to the principles of best practice. In addition, the Board is responsible for monitoring and auditing the Management's administration in regards to transparency and compliance within the Code of Conduct, and overseeing communication and disclosure of appropriate information. The Board of Directors is led by a capable Chairman who is able to control and manage the Company's executives to ensure the effective performance of their duties, adding greater economic value to the business and providing the highest security for shareholders.

## **Structure of the Board of Directors**

The Board of Directors shall be no less than 5 directors. At least one-third (1/3) of all directors must be Independent Directors, and the number of Independent Directors shall not be less than three. The remaining directors shall be allocated on a proportional basis according to the investment made by each group of shareholders. All directors are highly qualified and possess none of the characteristics prohibited under the Public Company Limited Act B.E. 2535. Directors must not be over 70 years of age and appointed from Chief Executive Officer, are entitled in no more than 5 public companies and have no any obstacles to directors' duties and no interest conflict. Independent director and member of specific committee shall serve no more than 9 consecutive years, must be knowledgeable, capable and have diversified experience in business management. Furthermore, all directors are devoted and work with full responsibility.

In addition, an appointment of director will follow the agenda as well as transparent and clear information. The name and profile of nomination of director is adequate for decision making in voting. All information is disclosed in the company's website.

In the case where it is necessary to appoint a director with the age of more than 70 years or where there is no appropriate independent director who has knowledge and capability to replace the existing one who has retained in office for more than nine consecutive years, the Nomination and Remuneration Committee may consider renewing the term of the existing independent director for another term.

The company appointed the Company's secretary to assisting the Directors to provide appropriate recommendations to Directors concerning legal matter, rules and regulations SEC, SET and ensuring the Company has appropriate, efficient and transparent operations.

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

- 1) Undertake the Company management in compliance with the law, the Company objectives, Articles of Association and the resolutions of the Shareholders' Meeting with integrity and in good faith and protect the Company interest.
- 2) To approve and review key business matters of the Company, such as the vision and mission of the Company, strategy, financial targets, risks, work plans and budget at least once a year.
- 3) To monitor and follow- up the management to ensure effective and efficient compliance with approved policies and strategy plans by supporting and applying innovation and technology to increase the company's value including IT Governance;
- 4) To be responsible for internal control and risk management, including the process on receiving and handling complaints;

- 5) To oversee to ensure long-term business continuity, including supervising employee development plan and succession plan;
- 6) To establish a written corporate governance policy for the Company and approve, review and assess the compliance with such policy at least annually;
- 7) To arrange to have a written code of business conduct in place so that all directors, executives and employees understand business ethical standards of the Company. The Board shall closely monitor compliance to the code, and review and revise the business ethics to be appropriate with the changing environment. The Board shall also establish clear guidelines for the practice, monitoring and assessment, which are an integral part of the Corporate Governance Policy, to be adhered to by all directors, executives and employees to ensure integrity, honesty and ethics in business;
- 8) A policy to prevent directors, executives and employees from using inside information for personal benefit has been put in place in order to prevent any conflicts of interests. It is required that the Board be informed of transactions that may pose a conflict of interest and the Board shall review the suitability of each transaction. The Company complies with the SET's regulations and discloses the related transactions in the annual report. In addition, the Board shall oversee the use of inside information, by requiring directors and executives to report their change in shareholding information to the SEC and establishing business ethics of the Company to prevent the directors and executives who receive inside information from disclosing it to any third party;
- 9) To arrange to have control systems for financial reports and compliance with rules, regulations and policies, and to set up an internal audit unit to independently perform the duty and to be responsible for auditing such control systems and reviewing material systems at least annually as well as disclosing the same in the annual report;
- 10) To carefully and efficiently establish a policy to manage all risks that has an effect on the Company. The risk can be derived from an internal or external factor, and may be changed by the economic situation as well as social and political matters. The risk management policy covers the preventive measure as well as management of the risk. The Risk Management Committee is responsible for overseeing and monitoring the operation as planned, and reporting the result to the Board regularly. The Board should review the risk management system or assess the effectiveness of risk management at least annually with the disclosure of risks in the annual report. In addition, the Company has established a strategy to respond to risk at each level: avoidance, reduction, transfer or acceptance of the risk. To ensure that the Company has considered and selected the most worthwhile and efficient approach to managing the risk, the risk factor that has the highest effect to the shareholders' value is chosen as the first priority;
- 11) To provide opinions on the adequacy of the internal control and risk management systems in the annual report;

12) To provide a channel for employees, outsiders wishing to report complaint or stakeholders to send their comments or useful suggestions, or to report or submit information concerning wrongdoing, violation of the law or Good Corporate Governance principles;

13) To consider the suitability of persons to be assigned as directors of its subsidiaries to control management under the Company's policies, including transactions to ensure compliance with the laws, securities and exchange regulations and the SET's Notifications.

14) To arrange regular meetings of the Board of Directors, at least sixth a year, to consider general business of the Company with the presence of as many directors as possible;

15) To consider and resolve important matters or transactions in addition to appointing independent directors who are not involved in the daily management of the Company. The independent directors are free to make decisions and are not influenced by any major shareholders in exercising their decision in order to boost the confidence of shareholders, minority shareholders and other related parties;

16) To report to the Company any conflicts of interest of their own and/or related persons in relation to the Company or subsidiaries' management according to the regulations, conditions and procedures prescribed in the Notifications of the Capital Market Supervisory Board;

17) To consider and approve the budget for annual spending and capital expenditures for machinery and other equipment, ad to ensure that the Company controls the spending under the approved budget. Additional approval is required if the Company has any expenses that are not included in the approved budget, more than Baht 10 Million. Any additional investment in subsidiaries or purchases of immovable property requires the Board's approval;

The Board of Directors may appoint any person to operate the Company's business under its supervision or delegate such person to have the authority as it deems appropriate within an appropriate period of time. The Board of Directors can amend, change or cancel such appointment or delegation of authority. The delegation of authority must not be carried out in a nature that will enable the delegates, or the persons authorized by the delegates, to approve the transactions in which they or any persons who may have a conflict of interest may have an interest or conflict of interest (as defined by the Notification of the Office of the SEC) with the Company or its subsidiaries.

The Company has a clear separation of roles and responsibilities between the Board of Directors and the Chief Executive Officer to balance the power and transparency, in which the Board's role is to monitor Management's performance in achieving targets and ensuring that there are systems in place to enhance the legal and ethical integrity of business operations. All directors understand the responsibility of the Board of Directors and the nature of the business operation of the Company. They perform their duties with honesty and in good faith, using due

care and diligence with regard to the highest benefits of the Company and the fair treatment of all stakeholders. They have expressed their opinion independently and are completely dedicated to their duties.

### **Roles, Duties and Responsibilities of the Chairperson**

The Chairperson of the Board of Directors shall have duties in addition to other directors as follows:

- 1) To call for a meeting with the attendance of Managing Director, and to determine agenda items for the Board's meetings and shareholders' meetings;
- 2) To preside over the Board's meetings and shareholders' meetings, and to consider and sign the resolutions of the meetings;
- 3) To cast the deciding vote in cases when have a vote in the Board's or shareholders' meeting receives equal "yes" or "no" votes.

### **Meetings of the Board of Directors**

The meetings of the Board of Directors are scheduled in advance and notified to each director so that they can arrange their schedules to attend. The Chairperson of the Board and the Chief Executive Officer should work together to consider and select matters to be included in the agenda to ensure that any major subject is incorporated into the agenda. Each director is provided with opportunity to freely propose matters that are beneficial to the Company to be included in the agenda, and the Chairperson and the Chief Executive Officer shall consider such proposals and determine to include major subject in the agenda for the next meeting. Directors will receive supporting documents for the meeting at least seven days prior to the meeting to provide sufficient time for them to study and consider the case to ensure proper decision making.

Board meetings are held regularly at least sixth a year, a quorum shall consist of not less than two-third (2/3) of the total number of members of the Board of Directors. All directors are encouraged to attend the meeting at least 75 percent of the total number of the meetings held in a year. The secretary of the Board of Directors will set tentative schedules and agenda items of the regular meetings for one year in advance. This is to provide sufficient time for the directors to attend all the meetings. For each meeting, Management prepares information and supporting documents for the Board's consideration. During any meeting, the Chairperson of the meeting also gives sufficient time for all directors to consider each item on the agenda thoroughly and provide comments thereon. The minutes of the meeting are taken in written form and a certified copy is kept for auditing by the concerned parties. The Company's Board

of Directors also supports to invite senior Management to attend the Board's meetings to provide additional information or details as they directly relate to the matters and can access and obtain additional and necessary information, advice and services from the Chairperson of the Executive Committee, the Company Secretary or other relevant Management or seek opinions from independent advisors. It is the Company's policy to allow non-executive directors to hold a meeting to discuss management issues in focus without attendance of the Management at least twice a year, and report to the Chief Executive Office for the result of such meeting.

The Audit Committee has a regular meeting at least once a quarter with the Internal Audit Manager to monitor and plan the internal audit items. The Audit Committee conducts a meeting at least once a quarter for consideration, selection and nomination of external auditors and their remuneration, including providing the opinions for the interim and annual financial statements duly reviewed or audited by the auditor, considering compliance with the accounting standards, and reviewing disclosure of information in the financial statements before submitting for the Board's consideration and disclosure of connected and related party transactions as well as suitability of internal supervision and audit plan.

### **Evaluation of the Board of Directors**

The Board has established self-assessment evaluation and cross performance evaluation for the overall performance of the Board of Directors, Sub-Committee and individual member and cross performance evaluation of the board of directors and committee members on an individual basis. It serves as a tool to reflect the operational efficiency of the Board and Sub-Committee in accordance with Good Corporate Governance principles and to facilitate a regular review of the performance of the Board and Sub-Committee. The process aims to set a standard of practice for the Board of Directors and Sub-Committee performance assessment, which is conducted on an annual basis and led by the Chairman of the Board.

1. Self- Assessment for the board of directors as a whole, A self-assessment is based on a preliminary format set by the SET, covering the following topics:

- 1) Structure and qualifications of the Board;
- 2) Roles, duties and responsibilities of the Board;
- 3) Board meetings;
- 4) Discharge of duties of the Board;
- 5) Relationship with the Company's Management;
- 6) Self-development of directors and executive development

2. Self- Assessment of committee as a whole, A self-assessment is based on a preliminary format set by the SET, covering the following topics:

- 1) Structure and qualifications of the sub-committee;
- 2) Sub-Committee meetings;
- 3) Roles, Duties and Responsibilities of member of Sub-Committee

3. Self- Assessment of the board of directors and of committee members on an individual basis, A self-assessment is based on a preliminary format set by the SET, covering the following topics:

- 1) Structure and qualifications of the Board and Sub Committee;
- 2) Board and Sub-Committee meetings;
- 3) Roles, Duties and Responsibilities of Directors and member of Sub-Committee

4. Cross performance evaluation of the board of directors and of committee members on an individual basis, A Cross performance evaluation form is based on a preliminary format set by the SET, covering the following topics:

- 1) Structure and qualifications of the Board and Sub Committee;
- 2) Board and Sub-Committee meetings;
- 3) Roles, Duties and Responsibilities of Directors and member of Sub-Committee

### **Evaluation of the Performance of Chief Executive Officer**

Evaluation of the performance of the Chief Executive Officer through the use of the assessment form covers the following topics:

Section 1. Progress of Planning

Section 2. Performance Evaluation

- a) Leadership
- b) Strategic Planning
- c) Strategy Execution
- d) Financial Planning/Performance
- e) Relationship with the Board of Directors
- f) External Relations

- g) Human Resources Management/Relations
- h) Succession planning
- i) Product/Services Knowledge
- j) Personality
- k) Development of Chief Executive Officer

### **Subcommittees**

To ensure effective and efficient operation the Board of Directors has established subcommittees to assist in the study and screening of the operations as necessary. Currently, the Company has four specific subcommittees, i. e. the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the Corporate Governance Committee. Scope of duties of each subcommittee is as follows:

#### **Audit Committee**

The Company selects members of the Audit Committee from directors. The Company's Audit Committee consists of three members. All members are independent Directors who are capable have knowledge, understanding and experience about the law, accounting and/or finance. At least one member of the Audit committee is required to possess financial capability. The Chairperson of the Audit Committee and its members shall remain in position for two-year term.

#### **Scope of Powers and Duties of the Audit Committee**

The Audit Committee is responsible to the Board of Directors based on the scope of duties and responsibilities assigned by the Board of Directors with the following details:

- 1) To review the Company's financial reporting process to ensure that it is accurate and adequate.
- 2) To review the Company's internal control system and internal audit system to ensure that they are appropriate and efficient, to determine an internal audit department's independence, as well as to approve the appointment, transfer and dismissal of the Manager of an Internal Audit Department.
- 3) To ensure that the Company has duly complied with the laws on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.

4) To consider, select, nominate, remuneration and dismissal of the external auditor who is independent and qualified to be accepted to act as auditor of the company. The auditor has been approved by the SEC, as well as to attend a non-management meeting with an auditor at least once a year.

5) To review the connected transaction, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.

6) To prepare an audit committee's report and disclose in an annual report, which must be signed by the Chairman of the Audit Committee and consist of at least the following information:

- a. An opinion on the accuracy, completeness and creditability of the Company's financial report,
- b. An opinion on the adequacy of the Company's internal control system,
- c. An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business
- d. An opinion on the suitability of an auditor,
- e. An opinion on the transactions that may lead to conflicts of interests,
- f. The number of the audit committee meeting, and the attendance of such meetings by each committee member,
- g. An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
- h. Other transactions which according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.

7). To audit cases informed by the Company's auditor when he/she discovers any suspicious circumstance that the director, manager or any person responsible for the Company's operational commits an offence, which is specified under the Securities and Exchange Act B.E. 2535 as amended by the Securities and Exchange Act (No.4) B.E. 2551 and report the result of preliminary inspection to the Securities and Exchange Commission and the auditor within thirty days.

8). To express opinions regarding the operation plan and operational results, budgeting and manpower of the Internal Audit Department.

9). To revise the Audit Committee Charter at least once a year.

10). To invite executive officers or supervisors to attend its meeting for clarification purpose or to submit relevant documents based on the scopes of its authority.

11). To obtain appropriate consultations from the independent specialist relating to its scope of duties and responsibilities with the Company's expenses.

12). To review and approve the Internal Audit Charter.

13). The Chairman of the Audit Committee shall attend the Annual General Meeting.

14). To perform any other tasks as assigned by the Board of Directors upon the Audit Committee's consent.

The Audit Committee is responsible to the Board of Directors and the Board of Directors continues to Directors continues to have responsibility directly to shareholders, stakeholders and other outsiders.

### **Nomination and Compensation Committee**

The Company's Nomination and Compensation Committee consists of 4 members. The Company selects from directors who are capable, knowledgeable, experienced, and have a good connection with many capable, knowledgeable and qualified candidates in various organizations. The Chairperson of The Company's Nomination and Compensation Committee and its members shall remain in position for two-year term. The Nomination and Compensation Committee shall conduct the meeting at least two times annually.

### **Scope of Powers and Duties of the Nomination and Compensation Committee**

1) To seek and approve the persons to be appointed as directors and Chief Executive Officer of the Company;

2) To consider the appropriate criteria of remuneration policy for the directors and the Chief Executive Officer;

3) To consider and approve the issuance and offering for sale of securities to the directors and employees (Employee Stock Option Program (ESOP)) and propose this program to the Board for further consideration.

### **Risk Management Committee**

The Company's Risk Management Committee consists of 5 members, The Company selects members from the company's executives who are capable and knowledgeable in this subject and propose to the company's board of directors for approval. There is a director nominated by the board of directors to be an adviser of the Committee. The Chairperson of The Company's Risk Management Committee and its members shall remain in position for two-year term.

### **Scope of Powers and Duties of the Risk Management Committee**

In order to fulfill its responsibilities to the Board, the Committee will:

- 1) Oversee and approve the risk management, internal compliance and control policies and procedures of the Company.
- 2) Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems.
- 3) Set reporting guidelines for management to report to the RMC on the effectiveness of the Company's management of its business risks and disclose to the Board the content of management reports.
- 4) Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimizing risks that may impact adversely on the business objectives of the Company
- 5) Oversight of internal systems to evaluate compliance with corporate policies and to assess whether such policies
- 6) Approve policies to inform all employees, visiting suppliers, customers and contractors of their rights and responsibilities consistent with the risk management framework generally and specific business
- 7) Approve and update as necessary a summary of the Company's policies on risk oversight and management of business risks, to be made publicly available.
- 8) Contribute to the corporate governance statement in the Company's annual report, as appropriate given RMC policies, reports and results in the reporting period.

### **Corporate Governance Committee**

The Company's Corporate Governance Committee consists the Chairman of Corporate Governance Committee who is the director. The company selects from the company's executives who are capable and knowledgeable in this subject and propose to the company's board of directors for approval. There is a director nominated by the board of directors to be an adviser of the Committee. The Chairperson of The Company's Corporate Governance Committee and its members shall remain in position for two-year term.

### **Scope of Powers and Duties of the Corporate Governance Committee**

- 1) To propose the practiced guidance on Good Corporate Governance to the Company's Board of Directors;

- 2) To oversee and supervise the Company's operations to ensure compliance with Good Corporate Governance principles, the Company's policies and related laws;
- 3) To define and review good working practice policies, regulations and guidelines on a regular basis;
- 4) To report to the Company's Board of Directors the result of Good Corporate Governance including comments, practice guidelines and suggestions for further improvement;

The Corporate Governance Committee shall conduct the meeting at least two times annually, depending on necessity and appropriateness. The result of the meeting shall be reported to the Company's Board of Directors. The term of a member of the Corporate Governance Committee is two years; however, the retiring members are eligible to re-election for another term by obtaining approval from the Company's Board of Directors.

#### **Authority and Responsibility of the Chief Executive Officer (CEO)**

- 1) To take actions on behalf of the Board of Directors in managing the business of the Company and ensure that such actions are taken under rules, regulations, policies and resolutions set by the Board and the shareholders meeting.
- 2) To be responsible for operating the Company, managing the business in line with the objectives, business plan, policies, budget rules and regulations approved by the Board.
- 3) To manage and control the company's day to day routine business.
- 4) To set objectives, policies and strategies of the Company as well as direct and monitor overall operations for maximizing benefits of the Company and to report the company's performance to the Board of Directors.
- 5) To regularly follow up and evaluate performance of the Company in order to avoid any risk both internally and externally. To report and update the information on financial results, operational management to the management team, the audit committee and the Board.
- 6) To be responsible for the organizational changes of the Company under the supervision of the Board as well as to make decisions on the appointment, transfer and deposition of employees. To set the salary rate, remuneration, bonus and other fringe benefits for employees.
- 7) To authorize, instruct, announce, and record, as to ensure that the company can comply with the policies and internal discipline.
- 8) To approve all actions under the rules and resolutions from the Board of Directors Meeting.
- 9) To delegate authority to other persons to operate any specific functions on their behalf. This delegation has been made under the limitation stated in the Power of Attorney and/or to comply with the rules, regulations and instruction of the Board.

- 10) To perform any other actions as assigned by the Board occasionally.

The CEO should not be a Director of listed companies for more than 5 companies.

The delegation of authority to CEO or CEO delegates his authority to other person does not have a mandate or authority that makes the Chief Executive Officer or delegate authority from the Chief Executive Officer can manage the company that cause to a conflict of interest with the company or any subsidiary (defined in SET's and SEC's announcement, unless it is clearly approved under the normal company's business.

### **Authority and Responsibility of the Corporate Secretary**

The Company's secretary's responsibilities are as follows:

- 1) Preparation and proper stowage of the following documents a. Directors' registration b. Invitation Letter to the Meeting and Minutes of Directors' Meeting and the Company's Annual Report c. Invitation Letter to shareholders and Minutes of the Shareholders Meeting
- 2) Maintaining the reports of the company's connected transactions disclosure, reported by Directors or management
- 3) Perform other duties as assigned by the Board of Directors
- 4) Organize the Shareholders Meetings and Board of Directors Meetings in accordance with the laws, Company's Articles of Association and other relevant requirements
- 5) Draft management policies
- 6) Record the Minutes of Shareholders Meeting and the Minutes of the Board of Directors Meeting and follow up on the compliance of the resolutions
- 7) Ensure that disclosure of data and information is under the responsibility of the authorized parties in the Company under the regulations and requirements of such authorities
- 8) Ensure the Company's and the Board of Directors' compliance with the laws and requirements of SEC/ SET
- 9) Promote and standardize good corporate governance in the company
- 10) Communicate with the shareholders to ensure that shareholders obtain their entitlements and the information of the Company

## 11) Manage the activities of the Board of Directors

### **Independent Directors**

#### **Definition and Qualifications of Independent Directors**

Definition of Independent Directors: An independent director means a person whose qualification and independence is in compliance with the requirements set forth by the Company's Board of Directors in the Company's Corporate Governance Policy and the regulations of the Capital Market Supervisory Board. To elaborate, an independent director shall not have any business or interest nor participate in any management related with the Company which may have an impact on his or her independent decision-making.

The Company selects independent directors by taking into account the qualifications under the Public Limited Company Act B.E. 2535 (A.D. 1992), the law on securities and exchange, the Notifications of the Securities and Exchange Commission, the Notifications of the Capital Market Supervisory Board and other related regulations and/or rules. Each independent director may not hold the position in more than five listed companies.

The Company has determined the structure of the board of directors must be independent directors, at least one third of the total membership. But shall not be less than three independent directors who qualify under the rules of the Securities and Exchange Commission. An independent director shall meet the following criteria:

1. Hold shares not exceeding one percent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, including shares held by related persons of such independent director;
2. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of the Company, its parent company, subsidiary company, affiliate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended more than two years prior to the filing of registration statement to the Office. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Company;
3. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of other directors' child, executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary company;

4. Neither having nor used to have a business relationship with the Company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, in the manner which may interfere with his/her independent judgment, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, unless the foregoing relationship has ended more than two years prior to the filing of registration statement to the Office;

The term 'business relationship' under the above mentioned shall include 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, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences;

5. Neither being nor used to be an auditor of the Company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, unless the foregoing relationship has ended more than two years prior to the filing of registration statement to the Office;

6. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding Baht two million per year from the Company, its parent company, subsidiary company, affiliate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended more than two years prior to the filing of registration statement to the Office;

7. Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder of the Company;

8. Not undertaking any business in the same nature and significantly in competition to the business of the Company or its subsidiary company or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and significantly in competition to the business of the Company or its subsidiary company;

9. Not have any other characteristics which cause the inability to express independent opinions with regard to the Company's business operations.

The independent director may be assigned by the Board of Directors to take part in the business decision of the Company, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, provided that such decision shall be in the form of collective decision.

In the case where the person appointed as independent director has or used to have a business relationship or provide professional services exceeding the value specified under 4 or 6, the Company's Board of Directors may grant an exemption from such prohibition if it views that the appointment of such person does not affect performing of duty and expressing of independent opinions, and the Company discloses the following information in the notice calling the shareholders' meeting under the agenda for the appointment of independent directors:

- a. The business relationship or professional service which makes such person's qualifications not in compliance with the prescribed rules;
- b. The reason and necessity for maintaining or appointing such person as independent director;
- c. The opinion of the Company's Board of Directors for proposing the appointment of such person as independent director.

According to Article 5 and 6 of the word "business relationship" means a person appointed by the audit firm. Or provide professional services. Or is a signatory on the audit report. Or report to a professional service provider.

Remark: SVI Company Limited has been identified the qualification and criteria of the Independent Director are equally the minimum requirement of SEC and The Stock Exchange of Thailand.

### **Nomination of Directors and Executives**

The Company has criteria on selection and appointment of directors in accordance with the qualifications stipulated in the Company's Articles of Association, in which the Company's director, possesses no characteristics which are in conflict with any regulations of the Stock Exchange of Thailand. The persons to be appointed as directors of the Company should have knowledge and capability to manage/operate the business, accounting or law and shall be honest and prepared to perform their duties. Nomination of directors of the Company shall be considered from lack skills and shall be approved by the resolutions of the Board and shareholders' meetings.

## **Appointment of the Board of Directors**

The Board of Directors shall consist of at least five persons and not less than one half of the total directors must reside in the Kingdom of Thailand. The Company's directors shall have full qualifications as required by the laws and each of them may hold a position in no more than five listed companies.

In accordance with the Company's Articles and Association, the directors shall be elected at the shareholders' meeting based on the following criteria and procedures:

- 1) Each shareholder shall have one vote per one share.
- 2) Each shareholder must exercise all of his or her votes under 1 to elect one person or multiple persons as director, but cannot allot their votes to any of these persons in any number.
- 3) Persons who receive highest votes, arranged in order from highest to lowest in a number equal to that of directors to be required or to be elected in an election shall be elected as directors. In the event of a tie at a lower place, which would result in the number of directors to be greater than that to be required or to be elected in an election, then the Chairperson of the meeting shall cast the deciding vote.

At each annual general meeting, one-third (1/3) of the directors must retire from office. If their number is not a multiple of three, then the number nearest to one-third (1/3) must retire from office.

The directors to retire during the first and second years following the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been longest in office shall retire. The retiring directors may be reappointed for any number of terms.

## **Nomination of the Audit Committee**

The Company's Audit Committee consists of three members. All members are independent, and are not a member of management team. They have knowledge, understanding and experience about the law, accounting and/or finance. At least one member of the Audit committee is required to possess financial capability.

The Audit Committee has a duty to assist the Board in fulfilling the Company's Good Corporate Governance, particularly in providing the vision of the business, commenting on financial reports and internal control systems, and monitoring the accuracy and sufficiency of the disclosure of financial reports in compliance with related standards and requirements. All these actions enhance the quality and reliability of the financial reports and add value to the organization. The Chairperson of the Audit Committee and its members shall remain in position for two-year term.

### **Nomination of the Nomination and Compensation Committee**

The Company selects members of the Nomination and Compensation Committee from directors who are capable, knowledgeable, experienced, and have a good connection with many capable, knowledgeable and qualified candidates in various organizations.

### **Nomination of the Risk Management Committee**

The Company selects members of the Risk Management Committee from the Company's director and executives who are capable and knowledgeable in this subject and proposes to the Company's Board of Directors for approval. The Company's director is an adviser of the Committee.

### **Nomination of the Corporate Governance Committee**

The Company selects members of the Corporate Governance Committee from the Company's director and executives who are capable and knowledgeable in this subject and proposes to the Company's Board of Directors for approval. The Company's director is an adviser of the Committee.

### **Nomination of the Executives**

As for the selection of the Company's executives, the Company's Board of Directors authorizes the Chief Executive Officer to select knowledgeable, capable, experienced and qualified persons to manage the Company's business.

### **Supervision of the Operation of Subsidiaries**

The Company's Board of Directors has established a mechanism for the Company's supervision that enables it to oversee the management and take responsibility for the operation of its subsidiaries in order to maintain the Company's investment benefit. Such mechanism includes the followings:

- 1) The Company has appointed or nominated persons as directors or executives of its subsidiaries at least in proportion to its shareholding in each respective subsidiary. Those directors and executives nominated or appointed by the Company shall have discretion in casting their votes in the board of directors' meetings of the subsidiaries in relation to the general management and normal business operation of the subsidiaries as the directors and executives deem appropriate for the utmost benefit of the Company and its subsidiaries;
- 2) The Company's Board of Directors shall oversee and supervise the subsidiaries as if they were the Company's internal units in relation to their procurement and disbursement approval, by adhering to the same practices as are used by the Company in all respects;
- 3) The Company's Board of Directors shall closely follow-up the performance of the subsidiaries to ensure compliance with the work plans and budget and the disclosure of their transactions with connected persons and acquisition or disposition of assets to

ensure compliance with related notifications, by adhering to the same practices as are used by the Company in all respects;

### **Compliance with Stock Exchange of Thailand's code of conduct for Listed Company's directors.**

The Board of directors is responsible for establishing policies, vision, mission, goals, business strategy, business plan and budget of the company. The management and supervision administered according to the defined policy effectively and efficiently under the framework of laws, regulations, objectives of the company, and resolutions of the shareholders' meeting with responsibility honesty. The director of listed company has to comply with Stock Exchange of Thailand's code of conduct. Addition to control and monitor the managements to be transparent, maintain communication and disclosure of the company information as appropriated. The Board of Directors, under the leadership of Chairman of the Board of director has to control and manage the company's management to deliver the operating result effectively, adding high economic value to the business, and maximizing security to its shareholders.

The Chairman of the Board of Directors and Chief Executive officer are not the same person. The Chairman of the Board of Directors is independent of major shareholders and management. No benefit or interest, whether directly or indirectly in the finance and administration of the Company. The Chairman of the Board of Directors was elected from Independent directors.

The Board is adherence to the Securities and Exchange Act, and respective rules, regulations of The Securities and Exchange Commission, compliance with Stock Exchange of Thailand's code of conduct for the directors of listed companies, The Capital Market Supervisory Board and other relevant laws.

### **Internal Control**

The Company has a policy of prohibiting its directors and management team from disclosing information that has not been released to the general public, or using inside information of any securities for the purpose of trading such securities for personal or others' benefit, either directly or indirectly. The directors, executives and employees involved in accounting information and financial statements not yet disclosed to the public are prohibited from trading the Company's shares for the appropriated time before the release of the financial results to the public.

The Company has communicated to the directors and management in regard to the responsibility and penalty for reporting the buying and selling of the Company's stock in a standard form stated in SEC's act 59, B.E. 2535. In case, if they submit the report to the SET by themselves, they need to report that transaction to the Company by one day after the transaction being made as well. The Company will clarify the facts to shareholders and investors via the SET news system once there is any rumor or information leak to the public. This is for fairness and equitable to shareholders and investors.

## **Supervision of the Use of Inside Information**

The Company has a measure to supervise the use of inside information. If any director or executive has been aware of any significant inside information which may affect the change in securities price, such director or executive shall refrain from trading the Company's securities for an appropriate period of time before such inside information is disclosed to the public and shall not disclose such information to any other person.

The Company has informed directors and executives of their duty to report their securities holdings in the Company and the change in their securities holding in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (A.D. 1992) including penalty provisions under such Act.

The Company requires directors and executives to report their trading of the Company's securities to the Company in a standard form. Such report must be submitted to the Company on the business day following the day of trading. In the case where the directors or executives submit the report to the SET directly, the Company requires them to report that transaction to the Company as well. The Company will immediately clarify the facts to the shareholders and investors via the SET news system once there is any rumour or information leak to the public. This is to avoid causing any unfairness to the shareholders and general investors.

## **Prevention of Conflicts of Interest**

In order to eliminate conflicts of interest, the Company has a policy to prevent Directors, Management or employees from using internal information for personal benefit. The Board is kept informed of transactions that may pose a conflict of interest and reviews the suitability of each instance with caution. The Company further complies with the guidelines of the SET and discloses the related transactions in the Company's Annual Report. The Board also oversees the use of internal information, by having Directors and Management report their shareholding information to the SEC, and is determined that business ethics protect the Directors and Management against the use of insider information for personal gain.

## **Remuneration of Directors and Executives**

The Company has a policy to compensate Directors, the Chief Executive Officer and Management at appropriate levels when compared to other companies in the same business. This is to motivate and retain capable personnel. Remuneration is related to the Company's performance. The Nomination and Compensation Committee sets the remuneration policy and payment procedure and proposes the remuneration package to the Board of Directors for consideration which proposes to the shareholders meeting for approval. The details of remuneration payments to Directors and executives are reported in Section 8, the Organizational Management section.

## **Professional Development for Directors and Management**

The Board of Directors and management have supported and facilitated attendance on various training programs and seminars as necessary to ensure the continuing education of those associated with the Corporate Governance system. This enables the Directors to operate and govern the Company operations more effectively. In addition, in the case of a new Director, the Company organizes an orientation program, acknowledge rules guidebook ethics and policy. Moreover, the Company provides training, information and documents beneficial to performing the new duties. The program for a new Director includes sessions to introduce the nature of the business, the business structure, operating policy, the Company's rules and regulations, and Corporate Governance guidelines and practice, as well as a plant tour. The company has a policy to support directors and executives by training and continuing develop knowledge especially the courses that be held by SET (The Stock Exchange of Thailand) and IOD (Thai Institute of Directors) in order to enable the Directors to operate and govern the Company operations more effectively.

## **Preparation of Succession Plan**

The Company has developed a succession plan for key positions within each group, i.e. Chairperson of the Executive Committee, Executive Director and Director of each department to ensure that the Company has the Management that is knowledgeable in the business operations and capable to carry out the tasks smoothly and efficiently. Furthermore, the Company identifies high potential employee and sets training needs in order to develop them to become young talented executives and foundation for business expansion in the future. This ensures that there will be no personnel shortage and maintains the confidence of the shareholders and stakeholders, including employees.

The Board of Directors has authorized the Nomination and Compensation Committee to consider and establish a succession plan for Chief Executive Officer and arranged the Company to review the succession plan for senior executives on an annual basis.

## **Shareholders, Analyst and Press Meetings**

SVI has arranged Shareholders Meetings and treated all Shareholders equitable by sending invitation letter at reasonable time as required by law. The letter informs Shareholders of the meeting schedule and location that is convenient to commute to the meeting. The Annual General Shareholders Meeting is normally held in April each year. The Company also invites both Analysts from inside and outside Thailand, Financial Journalists, media and press to discuss and interview SVI top management regarding to the company's strategy and business plan as appropriated.

## **Investor relations**

SVI's Investor Relations is responsible for communication of any significant qualitative and quantitative information for investors, such as general information, financial information

related to the characteristic of business, operating performance (already published), management discussions and other crucial information. SVI has an objective to transparently reflect the company's value to the capital market which will be beneficial to its shareholders, investment institutions, analysts, related public parties, media and others. SVI recognizes this activity as an important tool to reinforce good corporate governance of the company.

### **SVI Investor Relations Contact**

SVI Public Co. Ltd.

Address: 141- 142 Moo 5, Tiwanon Road, Bangkadi Industrial Park, T. Bangkadi, A. Muang Pathumtani, 12000

Phone: 02-105-0456 Fax: 02-105-0466

Email: [ir@svi.co.th](mailto:ir@svi.co.th) IR Website: [www.svi-hq.com/investor-relations](http://www.svi-hq.com/investor-relations)

## Section 3 SVI's Code of Business Ethics

### Definition and Meaning

**Ethics is** is a pattern of action that is required or as a guide to conduct the primary in morality or the concept of correct behavior

**Business is** is an activity related to the production and distribution of goods or services to meet the needs of consumers. The objective is to seek maximum profits.

**Business Ethics** is the standard of the business. Production and distribution services to get a reasonable return on investment to all parties fairly, whether as producers, consumers, owners, shareholders, directors, government and social work services, which have a business relationship

*Business Ethics refers to all the mechanisms involved in the business activities that provide legitimacy for optimal performance*

### 3.1 Ethics for Business Operations

The Company Board applies sustainable business operation principles to be the Company's business approach to conceive honesty, be responsible and protect the stakeholders' and society's interests. Opportunities are provided to stakeholders to take part in and make suggestions to the operations as the mechanism and process for effective control leading to true governance in the Company. The ethics shall be as follows.

1. To strictly comply with the applicable laws, rules and regulation.
2. To comply with the Company's "Corporate Governance policy" and "Code of Conduct".
3. To be committed to operate business with transparency, honesty and fairness.
4. To adhere to moral principles to conduct the daily affairs of the business.
5. To manage the benefits and effects from operations with social equality and fairness to the Company's stakeholders.
6. To operate business with responsibility and protection of the stakeholders and public's interests.
7. To organize a strong operation system to prevent corruptions with an internal audit system.
8. To require the Company's directors, executives and staff to participate in the anti – corruption effort, conflicts of interest reporting and working life quality promotions.
9. To provide a channel for complaints and hearing for stakeholders and have a complainers / informants protection process.

### 3.2 Ethics for Directors

The Company intends for the board of directors, subcommittees and subsidiaries' directors to perform their duties to operate with ethics, conduct or maintain their performance carefully, prudently and with honesty, to optimize the continuous and sustainable business operation of the company and stakeholders, as follows:

1. Compliance with laws and the Company's regulation Compliance with rules, regulations and laws involved with the Company's business shall be as follows:
  - Directors, shall comply with the laws, rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
  - Directors, shall not avoid compliance with the applicable orders, rules and laws.
  - Directors, shall co-operated with the company's corporate governance unit.
2. Duty performance shall be conducted with impartially i.e. in meetings when to discuss an issue the director who has conflict of interest shall leave the meeting room and shall refrain from participation in the issue decision.
3. To avoid a conflict of interest for a business reveal and efficiency by:
  - 1) To forbid give other information about business for an individual benefit.
  - 2) To prohibit use a secret of organization that illegal and to forbid other secret information of organization when you expire of business of the organization then.
  - 3) Do not acquire the personal interests from being directors.
  - 4) Do not develop a binding which may contradict with duty afterward.
  - 5) Do not create obligation that may conflict with their duties in the future.
  - 6) Do not receive anything or other benefit in conflict of the organization.
4. Keep the confidentiality of corporate information, to prevent, that may cause damage to the organization or stakeholders, except in accordance with the law.
5. Acquisitions or disposition of Assets of the directors, their spouses and minor child, should be practice in accordance with the Notification of the Board of Governors of the SET title Practices regarding the Acquisition or Disposition of Assets of the Directors and Staff B.E. 2547.

## **Conflict of interest and confidential information keeping**

### **1. Conflict of interest**

The Company has the policy that the directors, shall not use the opportunities from their status in the Company to acquire personal interests eventually imposes the practices as follows:

- 1) They shall avoid a transacting having involvement with themselves which may cause the conflict of interest to the Company.
- 2) A director, if becomes a director, partner or advisor in other organization; status shall not conflict the Company's interest and his / her direct role in the Company.
- 3) A transaction which has or may have conflict of interest between shareholder, director or other person shall comply with the standard practice and be ensured it is fair, transparent, reasonable and fully and correctly disclose; and the company will arrange report form for disclosing suspected transactions that there will be conflict with interest of the company into the Corporate Governance handbook.
- 4) Person who has conflicts with the Company's business, directly or indirectly howsoever, shall report the interest as follows:
- 5) A director, who know the inside information shall comply with rules. The responsible directors and executives shall report the security holdings under the regulations of the Securities and Exchange Commission to the Board regularly.
- 6) To monitor interest of the directors and involved persons who have interest with the Company and subsidiaries under the Securities Act, the Board of Directors has determined the rule that the related transaction shall be reported quarterly and under the other criteria imposed.
- 7) In case a related person involves or hold shares in an enterprise competing with the Company which probably incurring conflict of interest with the Company shall inform to the Board of directors in writing

### **2. The use of inside information**

- 1) Directors, executives and staff shall not use the opportunity or information obtained from their status to acquire personal interest for themselves, for other party or for operating a business competing with the Company and / or the Company's other business involved.
- 2) The Company's inside information shall not be used for personal interest in the Company's security exchange or furnished to other people for buying or selling company shares.

- 3) The Company's properties shall not be used for personal interests.
  
- 4) The Company's information shall not be used as the outsider's reference for personal interests.
  
- 5) The Company's business confidential information shall not be disclosed to outsiders particularly competitors even after the directors, executives or staff have expired from position.

### **3.2 Ethics for Executive and staff**

The Company intends for the board of directors, subcommittees and subsidiaries' directors to perform their duties to operate with ethics, conduct or maintain their performance carefully, prudently and with honesty, to optimize the continuous and sustainable business operation of the company and stakeholders, as follows:

1. Compliance with laws and the Company's regulation Compliance with rules, regulations and laws involved with the Company's business shall be as follows:
  - Executives and staff shall comply with the laws, rules and regulations of the Stock Exchanges of Thailand and the Securities and Exchange Commission.
  - Executives and staff shall not avoid compliance with the applicable orders, rules and laws.
  - Executive and staff shall co-operated with the company's corporate governance unit.
2. Duty performance shall be conducted with impartially i.e. in meetings when to discuss an issue the Executives and staff who have conflict of interest shall leave the meeting room and shall refrain from participation in the issue decision.
3. To avoid a conflict of interest for a business reveal and efficiency by:
  - 1) To forbid give other information about business for an individual benefit.
  - 2) To prohibit use a secret of organization that illegal and to forbid other secret information of organization when you expire of business of the organization then.
  - 3) Do not acquire the personal interests from being directors.
  - 4) Do not create obligation that may conflict with their duties in the future.
  - 5) Do not receive anything or other benefit in conflict of the organization.

4. Keep the confidentiality of corporate information, to prevent, that may cause damage to the organization or stakeholders, except in accordance with the law.

## **Conflict of interest and confidential information keeping**

### **1. Conflict of interest**

The Company has the policy that the executives and staff shall not use the opportunities from their status in the Company to acquire personal interests eventually imposes the practices as follows:

- 1) They shall avoid a transacting having involvement with themselves which may cause the conflict of interest to the Company.
- 2) Executives or staff if becomes a director, partner or advisor in other organization; status shall not conflict the Company's interest and his / her direct role in the Company.
- 3) A transaction which has or may have conflict of interest between shareholder, director, executive or other person shall comply with the standard practice and be ensured it is fair, transparent, reasonable and fully and correctly disclose; and the company will arrange report form for disclosing suspected transactions that there will be conflict with interest of the company into the Corporate Governance handbook.
- 4) Person who has conflicts with the Company's business, directly or indirectly howsoever, shall report the interest as follows:
  - Executive and staffs – Shall report the interest immediately after it arises. To ensure that the company conducts regular checks the Company's internal audit shall check interest every quarter and report to the Chairman and chairman of the audit committee and chairman of corporate governance committee every quarter.
  - Management from section managers to the general manager and the related staff (to correspond with the good corporate governance Policy) all managements and related staff shall report interest immediately after they arise and / or regularly report every quarter. The company's internal audit shall check and report to chairman of corporate governance committee every quarter.
- 5) Executive and staff who know the inside information shall comply with rules. The responsible directors and executives shall report the security holdings under the regulations of the Securities and Exchange Commission to the Board regularly.
- 6) To monitor interest of the directors, executives and involved persons who have interest with the Company and subsidiaries under the Securities Act, the Board of

Directors has determined the rule that the related transaction shall be reported quarterly and under the

7) In case a related person involves or hold shares in an enterprise competing with the Company which probably incurring conflict of interest with the Company should act as follows;

- The executive and related persons shall inform to the Board of directors in writing.
- The staff shall report to Chief Executive Officer in writing

## **2. The use of inside information**

1) Executives and staff shall not use the opportunity or information obtained from their status to acquire personal interest for themselves, for other party or for operating a business competing with the Company and / or the Company's other business involved.

2) The Company's inside information shall not be used for personal interest in the Company's security exchange or furnished to other people for buying or selling company shares.

3) The Company's properties shall not be used for personal interests.

4) The Company's information shall not be used as the outsider's reference for personal interests.

5) The Company's business confidential information shall not be disclosed to outsiders particularly competitors even after the executives or staff have expired from position.

## **Responsibility to the Company's properties**

The Company promotes the executives and staff to use the Company's resources and properties effectively to enhance competitiveness and good services to clients, by determining the following practices:

- 1) The Company's assets and resources shall be used saving and most beneficially.
- 2) Employees shall collaboratively take care the Company's assets are not to be depreciated / lost illegally

## **Documentation**

1) Documentations shall be executed with honesty, prudence and compliance with the specified standard.

- 2) The Company's letters, reports and documents shall not be falsified.

### **Computers & Information Technology System use**

- 1) Computers, IT systems and information shall be deemed as the Company's properties. Executives and staff should not use computers and it systems for personal purposes.
- 2) Executives and staff shall not disclose the Company's business information including the information been purchased by company both existing and not existing in the Company's information system or copy the information to their personal devices without permission.
- 3) Executives and staff shall not modify, reproduce, erase or destroy the Company' s information without permission.
- 4) Executives and staff shall not bring unlicensed software to the Company to use and shall not copy licensed software for any reason whatsoever without the software producer's consent.
- 5) Executives and staff shall not modify the Company's hardware or put on equipment other than the standard parts/equipment readily provided unless consented case by case.
- 6) Executives and staff shall not use the Company's email to forward message which are harassing, discrediting, rude, obscene, intimidating, agitating or annoying to others.
- 7) Executives and staff should use the internet to search for the information and knowledge useful to works and should avoid illegal or immoral websites.
- 8) Executives and staff should use the Company's IT system and other communication equipment such as telephones, fax machines, mobile phones etc. with conscious mind and responsibility substantially realizing the Company's interest.
- 9) Executives and staff shall not illegally access to the systems or information not permitted or authorized to them.
- 10) Executives and staff shall not spy the measure protecting data access and computer that other people prepare or that is not intended for executives and staff illegally and that is intended to use to cause damage to other people
- 11) The Company or assigned section reserves the right to check the use of properties and units under / assigned by the Company as to be appropriate

### 3.3 Ethics for Stake holding

#### Ethics for Shareholders

Recognizing the importance and rights of shareholders and the roles of shareholders, including minor shareholders, the Company is determined to achieve good operating performance, sustainable growth, and competitiveness. The company gives due consideration given to both current and future risk factors, in order to maximize shareholder's value over the long term. The Company discloses all information in a fair and transparent manner, and makes every effort to protect the company's assets and uphold its reputation.

Realizing the importance of shareholder's involvement, the shareholders are offered an opportunity to give opinions independently and ask questions into business matters during the shareholder's meeting, to propose a meeting agenda item, and also the opportunity to propose qualified candidates for election of director before the meeting date. Apart from the basic legitimate rights, the Company arranges a company visit for interested shareholders in order that the shareholders have an opportunity to obtain the operating information from the company management team. The Company also provides a communication channel through the company's website to receive suggestions or enquiries from shareholders, which are then conveyed to the company Board of Directors.

#### Ethics for Employees

The Company actively focuses on and pays attention to human resource management. Employees, as the most valuable asset of the Company are the key factor to help drive the Company to achieve our business goals and objectives. We do our best to make our employees proud of being a part of the Company where there is a supportive working environment with fair and friendly treatment.

- 1) The Company treats all employees with respect and dignity under the laws and the Company's working rules and regulations.
- 2) The Company assigns jobs to employees based on each individual employee's competencies no matters what gender, age, race and religion.
- 3) The Company focuses on two-way communication for any concern or discussion. This helps create mutual understanding between the Company and employees. It is also the opportunity for the Company to clarify and ensure better cooperation. Additionally, the Company always welcomes all constructive suggestions from employees via various communication channels such as a suggestion system and employee meetings for further improvement.
- 4) The Company establishes a clear compensation and employee benefits policy and practices. We provide the employee a remuneration package depending upon job values, duties, responsibilities, and performance level.
- 5) The Company focuses on people development activities. This includes the development of knowledge, skills and abilities to meet job requirements. We also set up a personal development plan for career advancement through various continuous training and development programs.
- 6) The Company organizes various recreational activities for employees as a part of its training programs for better quality of working life.

### **Ethics for Client**

Customer satisfaction is a key focus of the company. This is achieved by delivering customers high quality products and excellent customer service at a competitive price. The contracts between the company and customers are written with understandable language. The agreement shall have enough conditions to cover good business practices and ensures there are no conditions that violate copyrights or business principles. The company has to strictly follow the agreement. In case there is any deviation from an agreement that the company could not follow, the company will notify the customer immediately in order to find a proper solution. The company is supportive of all activities which enhance relationships between the company and its customer to build up long term partnerships.

### **Ethics for Trade Partners and/or Suppliers**

The company realizes the importance of the equal rights of Business partners and Creditors and will strictly comply with the agreed contract and agreement. In addition, useful information will be provided as well as the possible business risks. In the company business code of conduct and ethics, the company's CEO states the guidelines that employee shall follow in dealing with Business partners, with the acknowledgement of understanding from employees.

### **Ethics for Business Competitors**

The company strategy is to operate within the framework of fair competition. We will not search and acquire the business intelligence of our rivals by mean of bribery, and we will not also defame our rivals by mean of accusation or giving incorrect information. Community and Social Responsibilities For company to be able to grow steadily and sustainably, being an effective organization and a good organization for the society, the company is committed to operate with integrity and fairness, against the corruption and in compliance with all laws and regulations. Also the company take into account the benefits and impacts of the implementation of its operating to all stakeholders including shareholders, employees, customers, suppliers and / or creditor, competitors and the community as well as taking care of the safety and occupational health and environmental to cause poor impact to all of stakeholders

### **Quality, Safety, Health and the Environment (QSHE)**

We are committed to continual improvement in the area of Occupational Health & Safety and Environmental control. In order to support the company employee, and ensure effective safety to prevent injury & ill health, fulfill our corporate obligation and to contribute to a better life for the community, country and the world as a whole. We will therefore adhere to the following.

1. Comply with all relevant local & national Occupational Health & Safety and Environmental laws, regulations and applicable legal requirements.
2. Utilize the natural resources, most efficient materials, and provide appropriate resources to fulfill these objectives.
3. Set and achieve Occupational Health & Safety and Environmental objectives and targets.

We shall also create greater awareness for all employees on Occupational Health & Safety and Environmental responsibility and the protection of our current and future environment.

### **3.5 Ethics and Responsibilities to Employees**

#### **Themselves:**

#### **Conflicts of Interest**

Employee must avoid any personal activity, investment or association which could appear to interfere with good judgment concerning the company's interests and not exploit any position or relationship with the company for personal gain. Employee must avoid even the appearance of such a conflict. For example, there is a likely conflict of interest if.

- 1) It causes the company to engage in business transactions with relatives or friends.
- 2) Use company, customer or supplier information for personal gain by you, relatives or friends.
- 3) Have a financial interest in the company's suppliers, customers or competitors.
- 4) Receive a loan, or guarantee of obligations, from a company (other than as specifically allowed) or a third party as a result of your position at the company.
- 5) Compete, or prepare to compete, with the company while still employed by the company. Perform work (with or without compensation) for a competitor, governmental or regulatory entity, customer or supplier of the company.
- 6) Do any work for a third party that may adversely affect your performance or judgment on the job or diminish your ability to devote the necessary time and attention to your duties.

#### **Business Opportunities**

Employees responsible for advancing the company's business interests or where the opportunity to do so arises must avoid conflicts of interest. You must not take for yourself or divert to others any business opportunity or idea discovered in the course of employment in which the company might have an interest.

#### **Gifts, Bribes and Kickbacks**

Other than for modest gifts given or received in the normal course of business (including travel or entertainment) which could not be considered as business inducements, neither you nor your relatives may give gifts to, or receive gifts from, the company's customers and suppliers. Gifts should not be accepted from a supplier or potential supplier during, or in connection with, contract negotiations. Accepting cash or cash equivalents, including checks, money orders, vouchers, gift certificates, loans, stock or stock options, is not acceptable in any circumstances. Other gifts may be given or accepted only with prior approval of your senior management. In no event should you put the company or yourself in a position that would be embarrassing if the gift were made public.

**Any employee who pays or receives bribes or kickbacks will be immediately terminated and**

reported, as warranted, to the appropriate authorities. A kickback or bribe includes any item intended to improperly obtain favorable treatment.

### **Clients or related person and Society**

#### *Confidentiality and Proper Use of Company, Customer or Supplier Information*

Employee may not use or reveal to other companies, customers or a supplier any trade secrets, confidential or proprietary information, except as authorized by your senior management or as legally required. This includes business methods, pricing and marketing data, strategy, computer code, forms, experimental research, and information about company's current, former and prospective customers and employees.

#### *Sales: Defamation and Misrepresentation*

Aggressive selling must not include misstatements, innuendo or rumors about our competition, their products or financial condition. Do not make unsupportable promises concerning company products.

#### *Fair Dealing*

No employee will take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealings or practice.

#### *Securities Trading*

It is illegal to buy or sell securities using material information not available to the public. Persons who give such undisclosed "inside" information to others may be as liable as persons who trade securities while possessing such information. Securities laws may be violated if you, or any relatives or friends, trade in securities of the company, or any of its customers or suppliers, while possessing "inside" information related to that company. If you are uncertain, please raise the matter with your manager.

#### *Covering Up Mistakes; Falsifying Records*

Mistakes should never be covered up, but should be immediately and fully disclosed and corrected. Falsification of any company, customer or third party record is prohibited.

#### *Workplace Safety*

The Company is committed to providing a safe and healthy work environment and to being an environmentally responsible corporate citizen. It is our policy to comply with all applicable environmental, safety and health laws and regulations. It is the responsibility of each employee to comply with all company policies concerning violence, harassment, substance abuse and similar matters in the workplace.

All employees are dedicated to designing, constructing, maintaining and operating facilities that protect our people and physical resources. This includes providing and requiring the use of adequate protective equipment and measures and insisting that all work be done safety.

### Organization

#### *Financial Integrity*

Investors, creditors and others have legitimate interests in the company's financial and accounting information. The integrity of company's financial reporting and accounting records is based on the validity, accuracy and completeness of the basic information supporting the entries to company books and records. All financial books, records and accounts must accurately reflect transactions and events and conform to generally accepted accounting principles and to the company's system of internal controls. It is the responsibility of each employee to uphold these standards.

Employees are expected to cooperate fully with the company's internal audit function and its external auditors. Information must not be falsified or concealed under any circumstances.

Examples of unethical financial or accounting practices include:

- Making false entries that intentionally hide or disguise the true nature of any transaction.
- Improperly accelerating or deferring the recording of expenses or revenues to achieve financial results or goals.
- Maintaining any undisclosed or unrecorded funds or "off the book" assets.
- Establishing or maintaining improper, misleading, incomplete or fraudulent account documentation or financial reporting.
- Making any payment for purposes other than those described in documents supporting the payment.
- Signing any documents believed to be inaccurate or untruthful.

#### *Protection and Proper Use of Company Property*

Every employee must safeguard the company's property from loss or theft, and may not take such property for personal use. The company's property includes confidential information, trade secrets, software, computers, office equipment, and supplies. Employee must properly secure all company property within your control to prevent its unauthorized use.

The company's email, internet and intranet systems are to be used for business purposes only.

Company and third-party software may not be copied, distributed or disclosed without specific authorization. All third-party software must be properly licensed. The license agreements for such third-party software may place various restrictions on the disclosure, use and copying of software and such restrictions must be honored.

#### *Record Retention*

Company business records must be maintained for the periods specified and in accordance with the specific policies of your business units. Records may be destroyed only at the expiration of the pertinent period.

## Political support

### *Political Contributions*

No company assets may be used for political contributions except in compliance with all applicable laws. Employee may, however, engage in political activity with their own resources and on their own time.

## **3.6 Supervision in Acting and Reviewing**

The Company has defined all the directors, executives and staff to shall have the duty and responsibility to acknowledge, make understanding and comply with the policies stipulated in this code of conduct handbook strictly, non-compliance is voluntary, do not refuse on acknowledgement based on established guidelines.

Executives at all levels in the organization must be responsible and it is important to operate under the supervision of their employees to understand and follow the code of conduct handbook seriously.

The company does not wish to make any action that is illegal, contrary to the principles of good directors and employees who breach ethical requirements, disciplinary action will be strictly and if it is done, to believe that the laws, rules and regulations of government, the company will submit the matter to government officials to proceed immediately. The code of conduct handbook shall be reviewed annually by the Board of Directors and the Audit and Corporate Governance committee

## **3.7 Discipline**

Offences or noncompliance shall be deemed disciplinary offences. All directors, executives and staff shall comply with the code of conduct. The following acts shall be deemed disciplinary offences.

1. Not performing or complying with the code of conduct handbook.
2. Suggestions, support or encouragements to other persons to not comply with the code of conduct.
3. Ignoring any conduct that violates or does not correspond to ethics, in cases where the person knows about such conduct.
4. Being uncooperative or obstructive to the investigations.
5. An unfair act to complainant.