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**9 Corporate Governance****9.1 Corporate Governance Policies**

The Company realizes the importance of corporate governance where management and operations are effective and transparent for securitizing, prompting all related parties to trust the Company. Hence, the Company's business can grow in a sustainable way under the good corporate governance principles where business is operated with ethics, in accordance with relevant laws. As such, the Company determined the good corporate governance policies in order to enhance its operation, ensuring that the business is clearly operated under the clear standard. Employees at all levels follow operation procedure under the set corporate governance policies, creating a real culture of good corporate governance. The Company applies the good corporate governance principle for the year 2012, set by the Stock Exchange of Thailand, which are classified into five categories as in the following details:

**1. Rights of Shareholders**

The Company emphasizes the importance of the rights of the shareholders, no limiting to only the rights stated by laws. The Company shall refrain from any actions that violate the rights of shareholders while supporting shareholders to exercise their rights. Basic rights of shareholders include selling and transferring shares, sharing profits with the Company, receiving adequate information about the Company, attending shareholders meetings to vote for appointing or removal of directors, appointing auditors, considering matters that may have an impact on the Company, e.g., dividend payment, revisions of the Company's rules and regulations and memorandum of association, capital increase or decrease, approval of special transactions, and etc.

In addition to the aforementioned basic rights, the Company has also set guidelines for other issues to support and facility the right exercise of shareholders, as the following details:

- (1) Disclose policies about supporting or encouraging all groups of shareholders to attending shareholder meetings.
- (2) Disclose information about date, time, venue, agendas of the meetings with reasons for each agendas in the invitation letters to ordinary and extraordinary meetings or the attached meeting agenda; not do anything to limit the opportunity for shareholders to learn about the Company's information.
- (3) Facilitate shareholders' exercising their rights to attend meetings and vote; not do anything to limit the opportunity for shareholders to attend the meetings (i.e., the attendance to the meetings



- should not be complicated or requires too high expenses; the meeting venue should be easily accessed).
- (4) The chairman in the meeting should allocate appropriate time and encourage the shareholders to express their opinions or ask questions about the Company. Shareholders should also be allowed to ask questions prior to the meeting date. Criteria for sending advance questions shall be clearly indicated and informed shareholders together with the invitation letter to the meeting. The criteria for asking questions in advance is also announced on the Company's website.
  - (5) Encourage all directors to attend shareholders meetings and answer questions asked by shareholders.
  - (6) Arrange the voting for each matter in case one agenda contains several matters, e.g., the agenda about appointment of directors.
  - (7) Arrange technology devices to be used in the shareholder meetings, e.g., registration, voting, counting votes, showing results, in order to speed up the meeting resolutions with accurate results.
  - (8) Have independent individuals count votes in the ordinary and extraordinary meetings and disclose the vote results to the meeting as well as including the meeting results in the minutes of meetings.
  - (9) Ensure that the minutes of shareholders meetings include the explanation in regarding the procedure for registrations and the presentation of voting results prior to the meeting; allow shareholders to ask questions or raise issues; record questions, answers, voting results of each agenda ( i.e., agree, disagree, and abstain), the list of present directors and absent directors.
  - (10) Publicize the meeting results in each agenda of ordinary and extraordinary shareholder meetings on the Company's website after each meeting.

## **2. Equal Treat to Stakeholders**

The Company equally and fairly treats all stakeholders, including management shareholder, non-management shareholders, and foreign shareholders; the details of which are follows:

- (1) The meeting invitation letters, accompanies with meeting agendas and explanation and reasons, are sent to shareholders not less than 14 days prior to the meeting, or other timeframe as specified by relevant laws and regulations. An English version of the invitation letters are sent to foreign shareholders as appropriate.
- (2) Shareholders are well informed of any criteria in the meeting including the voting procedure and the voting rights in accordance with types of shares.
- (3) Determine the criteria for minority shareholders to propose additional agenda prior to the meeting date in order to present the fairness and transparency in order to determine whether or not the agenda proposed by minority shareholders shall be included in the meeting agenda. In addition, management shareholders shall not add any agenda not informed in advance, if not necessary, especially for any important agenda that shareholders need time to study before making decision.



- (4) Determine the ways for minority shareholders to propose names of persons as the Company's directors. They can propose the names to the Nomination and Remuneration Committee prior to the shareholder meeting date. Information about qualifications of such proposed persons and their permissions shall also be included.
- (5) Encourage shareholders to use the proxy letter in the form that enables the shareholders can determine the voting method; and propose at least one independent director as a proxy choice for shareholders
- (6) Encourage shareholders to cast the ballots in major agendas, e.g., connected transactions, disposal or acquisition of assets, and etc., for transiency and ability to be scrutinized.
- (7) Provide the opportunity for shareholders to exercise their rights to vote for appointing of directors.
- (8) Order all directors and management members to report their holding of assets, as required by law, and regularly submit the report to the Board of Director; the report shall also be disclosed in the Company's annual report.
- (9) Complete written guidelines for keeping and protecting the Company's internal information and disclose such guidelines so that all employees can follow; prohibit anyone involving in the Company's internal information from trading the Company's securities in one month before the disclosure of the quarterly financial statement and annual financial statement and 48 hours after such information is disclosed.
- (10) Order directors who involve in conflicts of interests in any agenda not to participate in considering that particular agenda.

### **3. Roles of stakeholders**

The Company realizes the importance in taking care of all stakeholders, including internal ones, e.g., the shareholders, the management, the employees, or the external ones, e.g., customers, creditors, business partners, society, commodities, and etc. The Company is well aware that support and opinions from all groups of stakeholders are beneficial to the Company's business operation and development. Hence, the Company always follows the relevant laws and regulations to uphold the rights of such stakeholders. Meanwhile, the Company refrained from doing anything to violate the rights of stakeholders. Moreover, in operating business, Company takes into account of the rights of all stakeholders, based on the following guidelines:

Shareholders : The Company treats all shareholders with equality and tries to maintain the benefits for them. The Company always refrains from violating the rights of shareholders. Also, the Company is committed to ensuring the shareholders' greatest satisfaction, taking into consideration its long-term growth and continuing to bring additional values and appropriate returns to shareholders. The Company is also determined to operate business in accordance with good corporate governance policies.



- Customers:** The Company is committed to maximizing satisfactory and boosting customers' confidence, taking good care of and be responsible for customers. The Company also ensures that all customers receive good and fair services with high quality under the set standard. The Company also seriously follows the terms and agreements made with customers in order to enhance the service quality and maintain good and sustainable relationship with customers. Moreover, the Company does not use the customers or related parties' information for personal benefits.
- Employees:** The Company treats all employees with equality and fairness in all aspects including, remuneration, welfare, potential enhancement. Also, the Company is always ready to listen to opinions and suggestions from employees at all levels, believing that all employees are valuable resources and key success factors for the organization. The Company is committed to creation of favorable organizational culture and working environment, promoting team work, enhancing employees' capability and career advance. The Company also ensures that all employees have stable careers and live with high living standard; meanwhile, the Company also creates safe working environment. Finally, the Company also encourage all employees to comply with relevant laws and regulations.
- Trade partners:** The Company takes into account the equality and fairness with trade partners and
- and creditors:** creditors, running business with honestly and maintaining benefits for trade partners and creditors. The Company seriously follows laws, rules and conditions agreed by both parties. Operating the business under the code of conducts, the Company does not unfaithfully gain or share profits with trade partners while seriously follows all agreed conditions. The Company also treats creditors with fairness and makes repayment within the set timeframe. The Company also takes care of collaterals and ensures that all conditions in the contracts and accurate and cover all aspects under the good corporate governance principle. In case the Company happens to be unable to follow the agreed conditions, it informs trade partners and creditors in advance so that all parties can help to solve the problem.
- Competitors :** The Company treats competitors under the international rules about trade competition, taking into account fair and equal competition rules. The Company does not try to obstruct other new players; nor does it destroy other competitors' reputation. The Company does not attract competitions with any false statement; nor does it involve in any unfair competition.
- Community, Society and Environment** The Company has policies to run business with responsibility to society, communities and environment, in terms of safety, good living quality, and natural resource preservation. The Company also promotes effective use of energy, taking



: into account the good living quality of communities and society. Finally, in operating business or making any business decisions, the Company also takes into account of possible impacts on the environment.

#### **4: Information Disclosure and Transparency**

The Company's Board of Directors emphasizes the importance of disclosure of both financial information and non-financial information that is accurate, adequate, prompt and transparent in accordance with regulations from the Office of Securities Exchange Commission and SET. The Company is also well aware that other information also has an impact on the Company's share price and thus affecting the decision making of investors and stakeholders. General practice in regard to information disclosure and transparency is discussed below:

- (1) Disclose general information through various channels specified by the Stock Exchange of Thailand, e.g., financial statement, 56-1 form, and annual report. In particular, the financial information in the financial statement must be prepared, up to general accounting standard in Thailand, audited or reviewed by an independent auditor and the Company's Board of Directors before disclose to public.
- (2) Disclose information both in Thai and English through other channels, e.g., the Company's website, and regularly update such information.
- (3) Disclose the summary of approved corporate governance policies as well as the results through various channels including the annual report and the Company's website.
- (4) Disclose the Board of Directors responsibility on the financial reports together with the auditor's report in the annual report.
- (5) Disclose the roles and responsibility of the committees and sub-committees, the number of meetings and the number of attendance in meetings of each director in the past year, comments about their performance, and the trainings for professional development for Boards of Directors in the financial report.

The Company has an Investor Relation which is responsible for communicate with investors analysts shareholders and regulators, and disclosing the financial and non-financial information in accordance with the information disclosure guidelines, in order to ensure that the Company has disclosed the information appropriately. In 2019, Management and Investor Relation had disclosed the Company's information via various activities as followings:



Activity	No. of Time	No. of Company	No. of Attendance
Analyst Meeting	5	197	202
Company visit/One on one Meeting	55	55	86
Conference Call	26	33	36
Investor Conference	7	33	82
Opportunity Day	3		

## **5. Responsibility of Board of Directors**

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

- (1) The Company's Board of Directors consists of 12 directors who serve a service term of three years. Four of them are from the management while eight are not members of the management. Out of the total directors, five of them are qualified as independent directors, according to the Securities Exchange Commission's requirement that a SET-listed company have independent directors at the number equivalent to or more than one-third of the total directors. The directors are experts from various sector including corporate sector, financial sector, and accountings sectors, all of which help to support the Company's operation.
- (2) The Company requires that in the ordinary shareholder meetings one-third of directors shall vacate. If the number of directors cannot be divided into three portions, the number of directors closest to one-third shall vacate. In the first and the second year after the company is registered, the decision for which directors should vacate shall be ended in a draw. In the following years, the directors who are to vacate shall be the persons who have been in the position for the longest duration. Note, however, that the directors who have completed their terms can be re-appointed.
- (3) Directors can be directors at other companies, but the number of SET-listed companies where they hold the director position should not exceed five companies, including the non-listed subsidiaries of those listed companies.
- (4) The roles and responsibility of the Company's directors and management are clearly divided: the directors are responsible for determining policies and control the performance of the management in the policy level; meanwhile, the management members oversee overall operation and ensure that the Company's operation is well in line with the set policies.



- (5) The chairman of Board of Directors is appointed by the Board of Directors. The chairman is not the same person as the chairman of the Executive Committee or the managing director. These separate positions have clearly separated roles and responsibility in order that their power can be balanced. No one has absolute management power. Meanwhile, the managing director is responsible for the Company's daily routine operation under the policies as assigned by the Board of Directors. The scopes of power, duties and responsibility of the directors and the managing director have clearly been identified.
- (6) The Board of Directors appoints a secretary to the Company to take responsibility in the company as stated by the Securities and Stock Market Act (the name and the responsibility of the Company's secretary is disclosed in Item 9.1.6 of this report).

## 2. Sub-committees

The Company's Board of Directors also sets up another four sub-committees to oversee the Company's business operation. The sub-committees are the Audit Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee.

- (1) The Audit Committee consists of three members, all of whom are independent directors. The Audit Committee has a duty to monitor the performance of the risk management, the internal financial and accounting control, the financial reports and other duties as specified by the Stock Exchange of Thailand.
- (2) The Company's Executive Management is comprised of four members, all of whom are those in the management team. The Executive Committee is responsible for assisting the management in managing daily routine work under the policies assigned by the Board of Directors.
- (3) The Risk Management Committee has six members, all of them are members of the Audit Committee, the independent directors and the members of Executive Committee. The Risk Management Committee takes care of drafting policies and plotting guidelines for the Company's overall risk management aspects. The Committee shall propose the drafted policies and guidelines for the Board of Directors to consider approval. The Committee also has a duty to determine strategies and guideline for the Company's risk management in accordance with the Company's overall risk management policies; the risk management strategies should be able to be evaluated, monitored and control the Company's risks at appropriate levels.
- (4) The Nomination and Remuneration Committee consists of three members, two of whom are independent directors. The Committee is responsible for considering policies and guidelines to determine payment and forms of remuneration for directors and the chief executive management, both in cash and non-cash forms. The remuneration should suit the Company's



performance and can be comparable to the remunerations for offered by other companies in the same industry. The Nomination and Remuneration Committee shall propose the suggested figures of remuneration for directors and chief executive management to the shareholder meetings for approval.

- (5) The Credit Committee consists of five members, four of them are those in management team and one of whom is an experience director in lending analysis. The Credit Committee is responsible for consider, evaluate, analyze, and approve lending proposal which exceeding the authorized of the Executive Committee.

### 3. Roles and responsibility of directors

- (1) The Board of Directors has duties to determine policies and overview of the organization and ascertain that the Company's operation goes well in line with the plans. The Board of Directors also reviews and provides comment in regard to the important matters linked to the Company's operation, e.g., vision and mission, strategies, goals, risks, work plans, and budget. In addition, the Board of Directors also ensures that the management efficiently and effectively operates business according to the set policies and working plans.
- (2) The Board of Directors had the good corporate governance principles written. The Board of Directors meeting No. 6/2013 held on 14 June 2013 approved such principles. The Board of Directors also ensures that the good corporate governance policies are regularly reviewed and followed.
- (3) The Board of Directors also encourages all management members and employees to understand the ethical standard that the Company refers to doing business. The Company's code of conduct is completed in a written form approved by the Board of Directors meeting on 14 June 2014. The approved code of conduct has been announced so that all employees can follow accordingly.
- (4) The Company's Board of Directors set policies about conflicts of interests, based on the concepts that any business transactions must be made only to maximize the benefits for the Company and that any transactions that may cause conflicts of interests shall be avoided. A person involving in any transactions with conflicts of interests is not allowed to take part in the consideration or approval of such transactions. Moreover, the Company's Board of Directors also ensures that the information about transactions with possible conflicts of interests are sufficiently and accurately disclosed.
- (5) The Board of Directors places emphasis on the internal audit and control, both in the management and operation levels. The Company hires P&L Internal Audit Co., Ltd., an outsourcing internal auditor, to perform the duty as the Company's internal auditor who reports





directly to the Audit Committee; this is to ensure that the Company's internal control affairs are appropriate and adequate. The Company regularly assesses its internal control, ensuring that the internal control is adequate, at least once a year and disclose the assess results in the Company's financial report.

- (6) The Board of Directors appoints members of Risk Management Committee to determine the overall risk management policies. The Company requires that the management analyze various risks that may arise and report them to the Risk Management Committee so that the risks can be controlled to an acceptable level. If there are any risks that hinder the Company's operation or prevent the Company from reaching its goals, the Company shall find measures to manage such risks. The Risk Management Committee has a policy to review or evaluate the risk management affairs at least once a year and the review and evaluation results are disclosed in the Company's annual report.

#### **4. The Board of Directors' Meetings**

- (1) The Company schedules of the Board of Directors' Meeting and make meeting agendas in advance before informing the directors. The Board of Directors shall convene not less than six meetings per annum.
- (2) The chairman of the Board of Directors and the managing director work together to determine the meeting agendas and consider issues to be included in the agendas, allowing each director to propose any matters to be included in the agendas.
- (3) In each meeting, the agenda document is sent to the directors at least five working days prior to the scheduled meeting to ensure that the directors have adequate time to consider the information, except for some urgent cases.
- (4) The chairman of the Board of Directors encourages directors to attend not less than 75 percent of the total meetings for the whole year.
- (5) The chairman conducts the meetings in an appropriate manner that is favorable to discussions and consideration of various issues, with directors allowed to freely express their opinions. For some agendas, the top management members may participate to provide additional useful information and to directly learn about the policies so that they can effectively apply such policies to operation.
- (6) The directors have the right to obtain necessary additional information from the managing director or the Company's secretary or other assigned management members. In some necessary cases, the directors may seek independent opinions from external professional service providers in the expenses of the Company.



- (7) The Board of Directors has a policy to allow separate meetings among non-management directors, as necessary, so that they can discuss the problems related to the management that interest them, without the presence of the management-based directors. The results of such non-management directors' meetings shall also be reported to the Board of Directors.
- (8) The resolution of an issue in the Board of Directors' meetings is based on the majority votes. One director holds one vote. A director involving in conflicts of interests in an issue does not attend the meeting and has no voting right in that particular issue. If the votes are equal, the chairman shall have another vote, which is deemed final.
- (9) In each meeting, the secretary to the Board of Director shall attend and complete the meeting minute. The complied minute shall be verified and signed by the chairman and shall be the first agenda for the next meeting proposed for the approval. The secretary is responsible for keeping information and documents about the meetings for future references.

In 2018 and 2019, the Board of Directors convened a total of 13 meetings and 12 meetings, respectively; the details of which are as follows:

Name	Position	2017	2018
1. Mr. Sukhont Kanchanahuttakij	Chairman of Board of Directors	13/13	12/12
2. Mr. Chatchai Kaewbootta	Director	13/13	12/12
3. Ms. Doungchai Kaewbootta	Director	10/13	12/12
4. Pol. Gen. Pharnu Kerdlarpphon	Member of Audit Committee / Independent director	11/13	11/12
5. Mr. Weerachai Ngamdeevilaisak	Member of Audit Committee / Independent director	11/13	9/12
6. Mr. Somyot Ngerndamrong	Director	11/13	12/12
7. Mr. Vinai Vittavasgarnvej	Vice Chairman of Board of Directors/ Independent director	13/13	10/12
8. Mr. Prayong Saennual	Director	13/13	12/12
9. Mr. Sumate Maneewattana	Director/ Independent director	9/13	11/12
10. Mr. Weidt Nuchjalearn <sup>/1</sup>	Director	12/13	7/9
11. Mr. Pinit Puapan	Director	11/13	9/12
12. Mr. Veera Veerakool	Director/Independent director	11/13	9/12
13. Mr. Tzung-Han Tsai <sup>/2</sup>	Director	-	-/2

Note <sup>/1</sup> Mr. Weidt Nuchjalearn resigned from Director since 17 October 2019



<sup>/2</sup> Mr. Tzung-Han Tsai was appointed as director by the Board of Directors' meeting No. 10/2019 on 13 November 2019

The meetings of Executive Committee must be arranged at least six meetings per annum and the meetings can be called on anytime once urgent agendas need approval. The minutes of meetings are made in written and the minutes are systematically kept and able to be scrutinized.

The Board of Directors' Meeting No. 5.2013 on 15 May 2013 appointed the Audit Committee, affective from 15 May 2013. The Extraordinary Meeting of Shareholders No. 1/2013 on 31 May 2013 resolved that the Audit Committee should convene at least four meetings per annum and that the minutes of meetings should be made in written and systematically kept for future examination and self-evaluation of the Audit Committee.

The directors support the evaluation of overall directors' performance at least once a year so that all directors can work together to review performance and problems for future improvement.

In 2018 and 2019, the sub-committees convened meetings, the details of which are as follows:

Name	Title	2018	2019
Audit Committee			
1. Mr. Vinai Vitavasgarvej	Chairman of Audit Committee	5/5	4/4
2. Pol. Gen. Pharnu Kerdlarpphon	Member of Audit Committee	4/5	4/4
3. Mr. Weerachai Ngamdeevilaisak	Member of Audit Committee	5/5	4/4
Nomination and Remuneration Committee			
1. Pol. Lt. Gen. Pharnu Kerdlarpphon	Chairman of Nomination and Remuneration Committee	2/2	3/3
2. Mr. Weerachai Ngamdeevilaisak	Member of Nomination and Remuneration Committee	2/2	3/3
3. Mr. Chatchai Kaewbootta	Member of Nomination and Remuneration Committee	2/2	3/3
Risk Management Committee			
1. Mr. Weerachai Ngamdeevilaisak	Chairman of Risk management Committee	3/3	3/3
2. Mr. Sukont Kanjanahuttakit	Member of Risk Management Committee	3/3	3/3
3. Pol. Gen. Pharnu Kerdlarpphon	Member of Risk Management Committee	3/3	3/3
4. Mr. Chatchai Kaewbootta	Member of Risk Management Committee	3/3	3/3



Name	Title	2018	2019
5. Mr. Somyot Ngerndamrong	Member of Risk Management Committee	3/3	3/3
6. Mr. Prayong Saennual	Member of Risk Management Committee	3/3	3/3
Credit Committee			
1. Mr. Chatchai Kaewbootta	Member of Credit Committee	8/8	5/5
2. Mr. Weidt Nuchjalearn	Member of Credit Committee	8/8	3/3
3. Ms. Doungchai Kaewbootta	Member of Credit Committee	8/8	5/5
4. Mr. Somyot Ngerndamrong	Member of Credit Committee	8/8	5/5
5. Mr. Prayong Saennual	Member of Credit Committee	8/8	5/5

## 5. Remuneration

- (1) The remuneration for directors is based on their roles and scopes of responsibility as well as the Company's earnings performance; the remuneration is comparable to what offered by peers in the industry.
- (2) The remuneration for the managing director and top management officers is based on the principles and policies determined by the Board of Directors and approved by the shareholders' meetings, maximizing benefits for the Company. The remuneration is offered in forms of salaries, bonuses and other benefits.
- (3) The Nomination and Remuneration Committee evaluates the performance and remuneration for directors, management-based directors and the managing director on an annual basis; the proposed amount of remuneration is subject to the approval of the Board of Directors' meeting and the shareholders' meeting.
- (4) The amounts of remuneration paid to directors are disclosed in the Company's annual report.

## 6. Development of directors and management

- (1) The Company's Board of Directors has a policy to support and encourage directors, management, and the Company's secretary to attend trainings or seminars to enhance knowledge and apply the knowledge to their work on a continuous basis.
- (2) In case of new directors, the management provides useful documents and information for the new directors to learn about the Company's business characteristics and business guidance.
- (3) Board of Directors provides programs aimed at developing the management; the managing director shall make a report on what have been done during the year on an annual basis.



In 2018, the Company provided director and management to attend the training courses concerning with the new regulations of Bank of Thailand, The Security Exchange Commission, The Stock Exchange of Thailand and Federation of Accounting

## 9.2 Control of Internal Information Usage

The Company has a policy to prevent the Company's internal information usage, especially the information about the Company's financial status before disclosure to the public. The number of people being aware of the internal information is limited. The management is given the information about their duties and responsibility regarding the requirement that they report their shareholding as well as the shareholding of their spouses and minority children, including the requirement in the amended law (Securities Act). Any management members who are aware of the Company's internal information shall not violate Article 241 of the Securities Act. The Company's Board of Directors announced the follow rules for internal use of the Company's informational:

- 1) Directors, management, employees, and general workers of the Company shall strictly keep the internal information confidential
- 2) Directors, management, employees and general workers shall not disclose the Company's secrets/internal information or use such information for their own benefits or other people's benefits, either directly or indirectly, whether or not they receive compensation in return of such action.
- 3) Directors, management, employees and general workers shall not sell, buy or transfer shares by using the Company's secrets and/or internal information and/or perform any transactions by using the Company's secrets and/or internal information. They shall refrain from any actions that may damage the Company, either directly or indirectly. This rule also is applicable to spouses and minority children of directors, management, employees and general workers. Those violate the rule shall be regarded as serious violation.
  - 1) The Company determined guideline for preventing of insider trading: directors, management, employees holding the positions of vice president upwards, and individuals involving in the Company's internal information are prohibited from trading the Company's shares within one month prior to the disclosure of the quarterly financial statement and annual financial statement and 24 hours after the disclosure of such information.
  - 2) Directors, management, and the persons in the management level in the accounting and finance department holding the positions of managers upwards or equivalent are required to report about their holding of shares in the Company. This rule is also application to their spouses and minority children. The report should be made to the Company's secretary within 30 days starting from the date they start work in the position.



- 3) Directors, management, and the persons in the management level in the accounting and finance department holding the positions of managers upwards or equivalent are required to report every stock trading transaction to the Office of Securities and Exchange Commission within three working days, according to the Securities and Exchange Act. In addition, any changes in security holding shall be informed to the Company's secretary.

Movement of directors and managements' share holdings in 2019, details as follows:

Name	Beginning Balance at 1 Jan. 2019	Purchase/ Exercise Warrant	Dividend received	Sell	Ending Balance at 31 Dec. 2019
1. Mr. Sukont Kanjanahuttakit	-	-	-	-	-
2. Mr. Vinai Vittavasgarvej	-	-	-	-	-
3. Pol.Lt.Gen. Pharnu Kerdlarphphon	-	-	-	-	-
4. Mr. Weerachai Ngamdeevilaisak	-	-	-	-	-
5. . Mr. Sumate Maneewattana	-	-	-	-	-
6. Mr. Pinit Puapan	-	-	-	-	-
7. Ms. Thida Kaewbootta	364,831,624	-	36,483,160	-	401,314,784
8. Ms. Doungchai Kaewbootta	88,141,959	-	8,814,195	-	96,956,154
9. Mr. Chatchai Kaewbootta	43,006,909	-	4,300,690	-	47,307,599
10. Mr. Somyot Ngerndamrong	-	-	-	-	-
11. Mr. Veera Veerakool	174,770	72,000	24,677	-	174,770
12. Mr. Tzung-Han Tsai	-	-	-	-	-
13. Mr. Prayong Saennual	791,666	-	70,006	(361,672)	500,000
14. Mrs. Wanaporn Pornkitipong	918,181	14,844	91,818		1,024,843
15.Mrs.Chomchaba Sathapornpong	-	-	-		-

### 9.3 Code of Conduct

The Company's code of conduct is set for all management of the all companies under SAWAD Group and all employees at all levels whether or not they sign the acknowledgement.



According to the business operation principles, a reputation for being honest is extremely valuable to the Company. The issue also has an impact on the business success and earnings growth of the Company. Similarly, a good reputation of executive officers from the department head upwards is also important. The standard of code of conduct has a direct impact on the trustworthiness of the Company as a whole.

**1) To comply with laws and regulations**

The Company's objective is to run business in compliance with laws and regulations and with respects for the rights of the Company's counter parties and customers.

**2) The Company's policies and codes of conduct**

**2.1 To follow rules, regulations, announcements and orders**

This code of conduct is announced in addition to existing rules, regulations, announcements and other orders of the Company. Should there be any statements in existing rules, regulations, announcements or orders that contradict any statements in this code of conduct, the statements in this code of conduct shall be deemed as the final guideline.

All management members or executive officers shall follow the rules, regulations, announcements and orders of the Company and those in superior positions.

- (1) They shall ensure that all employees acknowledge the Company's policies and rules, regulations, orders, agreements, announcements or circular notices.
- (2) They shall perform duties with honesty and fairness and shall inform of any events that may damage the reputation and assets of the Company.
- (3) They shall treat colleagues with polite manners and respects.
- (4) They shall perform duties with determination and diligence, maintaining the Company's traditions and good governance and acting as a good model for all employees, in order to drive the Company's growth in righteous ways.
- (5) They shall retain the benefits and secrecy of the Company, customers or any related parties. Information about the Company's financial data and individuals must be accurately and appropriately disclosed in cautious and effective manners. Throughout the duration for which the employees work for the Company and after they resign from the Company, they shall keep the aforementioned information strictly confidential. Any employees who disclose the information to outsiders or use the information in other matters apart from work-related matters



shall agree to take responsibility for compensations of any damages to the Company, based on the actual degree of damage.

- (6) They shall do their best to protect the Company's assets, prevent damages and loss, either caused by individuals or natural disasters. In addition, they shall not use the Company's equipment or assets for their personal purposes.
- (7) They shall perform their management duties with righteousness and also try to promote ethics, morals and righteousness among employees at all levels. They shall also solve problems in regard to conflicts of interests in the Company.
- (8) They shall treat their subordinates closely and fairly, without bias.
- (9) They shall be willing to work as a team, being opened to team members' ideas and opinions.
- (10) They shall follow the Company's rules and regulations as well as ensuring that their subordinates follow the rules about computer usage, computer information, computer traffic data; this is to ensure that the use of computer in the Company complies with computer laws, copyright laws or other related laws and also to prevent any damages to the Company's reputations and images.

## 2.2 Prohibition

All employees at the management level shall not act in a way that may damage good images of themselves and the Company:

- (1) They shall not act or perform any actions on personal purposes during office hours
- (2) They shall not run the same business to compete with the Company, either for their own benefits or the benefits of others; they shall not hold stake in a company with controlling power, which may have negative impacts on the Company, either directly or indirectly.
- (3) They shall not behave in a way that that damage good images of their positions and the honor of the Company.
- (4) They shall not disclose false information or conceal important information of the Company.
- (5) They shall not work with carelessness or do something inappropriate to their position.
- (6) They shall not conceal or distort information, which may directly or indirectly damage the Company, for their own benefits or benefits of other people.
- (7) They shall not attempt to obstruct performance of authorized individuals in the Company nor order other employees to perform morally bad things.





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- (8) They shall not violate civil and criminal laws that ruin themselves or others, either directly or indirectly.
  - (9) They shall not disclose wages, salaries or salary increases of themselves or others, either intentionally or unintentionally.
  - (10) They shall not ask for or receive any assets or any other benefits from customers, partners, competitors or any individuals that do business with the Company; they shall not offer inappropriate treats, except for some traditional and seasonal gifts, normal business luncheons, or any expenses that help to promote the Company's business for traditional business exchanges. However, if the value exceeds Baht 3,000, they shall report to their managers or those in superior positions, i.e., vice president upwards.
  - (11) They shall not involve in bribery, either directly or indirectly through the third party and/or inappropriately use influence with state agencies, customers or partners.
  - (12) They shall not make additions, reductions, or revisions in any records or information in order to intentionally alter or distort the Company's performance and account booking regardless of their purposes.
  - (13) They shall not make payment or any business transactions with intention to make other people understand that part of the payment or the business transactions are done for other purposes apart from the purpose indicated in the documents.
  - (14) They shall not hold massive debts or be indicated by law that they are in huge debt.
  - (15) They shall not fail to keep the Company's intellectual information or any information obtained from the employees' performance.
  - (16) They shall not copy performance or intellectual property of other people.
  - (17) They shall not do immorally bad things to seek benefits for themselves or other people.
  - (18) They shall not assign any departments not relating to the purchasing functions to seek supports from traders or partners (in case that it is necessary to seek such support from the Company's benefits, such departments shall consult with the purchasing department so that the purchasing department will proceed with further actions, except for the matters relating to marketing activities for which the marketing and business development department will be in charge).



- (19) They shall not do anything in favor of any individuals to seek benefits from the Company or access or do something with the Company's computer system, computer information and computer traffic information without permissions; they shall not intend to support or allow users to violate computer laws, copyright laws or any other related laws.

3) **Disciplinary Actions**

- (1) Minor violation: Any management member who fails to follow the code of conduct but the degree of violation is rather minor, he shall receive a warning in written, indicating nature of the violation and reasons. The management is entitled to defend himself against the allegation with the person holding a superior position. If the problem remains unsolved, the matter will be submitted to the scrutinizing committee appointed by the chief executive office. The ruling from the scrutinizing committee shall be deemed final. If the management still involves in the second violation or fails to correct the mistakes from the first violation, he shall face disciplinary actions, including employment termination.
- (2) Severe violation: Acts of severe violations include bribery, corruption, disclosure of the Company's confidential information or intellectual property to the third party, actions against the Company's honor and deliberate concealment of information, discussion or important document to the person in the superior position: The Company is entitled to terminate the employment without any compensation or a warning in written.

4) **Anti-Corruption Policy**

In order to provide clear standards and procedures for the Company's measures to effectively prevent corruption, the roles and responsibilities of the relevant parties are determined as follows:

1.1 **The Board of Directors** has the following duties:

- 1.1.1 Determine and approve anti-corruption policies.
- 1.1.2 Approve and review guidelines for anti-corruption measures.
- 1.1.3 Supervise to have a system that supports anti-corruption measures that is effective.

1.2 **The Audit Committee** has the following duties:

- 1.2.1 Review to ensure that the Company has adequate internal controls in place.
- 1.2.2 Review to ensure compliance with the anti-corruption policy.

1.3 **The Chairman of the Executive Committee and the President** have the following duties:

- 1.3.1 Promote, support, and supervise to ensure that all employees and related parties comply with the anti-corruption policy, anti-corruption measures, and various related regulations by communicating to all employees and related parties.



1.3.2 Review the appropriateness of the systems and policies to comply with business changes, regulations, and legal requirements.

1.4 The **executive director level and above** have the following duties:

1.4.1 Control and direct the implementation of anti-corruption measures to be practical. Able to identify risks, inspect and manage to have adequate measures to solve problems appropriately, quickly and timely.

1.4.2 Support the development of processes and personnel in order to achieve the anti-corruption policy of the organization.

1.5 **Employees** have the following duties:

1.5.1 Understanding and complying with anti-corruption policy, and any other related measures, and attending training as determined by the company.

1.5.2 Report signs of corruption immediately when discovered, or suspecting whether there will be corruption. Cooperate in investigation of facts related to suspicions of corruption.

1.5.3 Employees must not be involved in corruption either directly or indirectly, and must follow the policy or procedures of the company strictly, especially the employees involved in the work involving crucial processes that are at risk of corruption such as procurement, credit, staffing, and financial reporting.

1.6 **Internal Audit Department** has the following duties:

1.6.1 Examine and review the operation to ensure compliance with the policy, and regulation to ensure that there is an appropriate and adequate internal control system for potential corruption risks, and report to the Audit Committee.

1.6.2 Develop tools for assessing corruption risks and arrange for the organization to assess corruption risks.

1.6.3 Summarize risk assessment results and present to the Risk Management Committee.

1.6.4 Summarize measures and corruption risk control guidelines that the department has considered, and review corruption risks at least every 3 years.

1.7 **Human Resource Department** has the following duties:

1.7.1 Manage human resources in accordance with the anti-corruption policy of the company.

1.7.2 Implement hiring process, orientation, training, and penalties that take into account anti-corruption measures.



1.7.3 Promote a culture that fosters anti-corruption practices, including avoiding actions that may be subject to corruption.

1.7.4 Communicate and disseminate policies and measures against corruption and related activities in order to create consciousness in operating with integrity without corruption.

**1.8 Accounting and Finance Department** has the following duties:

1.8.1 Record and maintain data and documentation pertaining to receipt, payment, and tax transactions.

1.8.2 Carry out financial operations, and accounting procedures in accordance with generally accepted accounting standards.

1.8.3 Oversee reimbursement transactions in accordance with standard policy and procedures for expense reimbursements, as well as Company's anti-corruption measures.

## **2. Control framework**

### **2.1 Internal control system**

The Company has established operational policies and procedures that encompass proper segregation of duties according to the reporting structure and, as well as clearly defined levels of authority for approval. The operational processes include a system of internal controls and oversight in accordance with anti-corruption measures. The processes are independently reviewed by the internal auditors. All employees are expected to operate in accordance with the Company policies and procedures.

### **2.2 Guidelines for conducting business in accordance with the anti-corruption policy**

The company has set up procedures and guidelines to prevent the risk of corruption based on the common forms of corruption as follows:

#### **2.2.1 Giving and receiving bribes**

2.2.1.1 Directors, executives and employees are prohibited at all levels from giving or receiving bribes in any form to gain business benefits, including assigning others to give or receive bribes on their behalf.

2.2.1.2 Directors, executives and employees are prohibited at all levels from acting as an intermediary to offer or accept bribes to or from those related with the business of the company.

#### **2.2.2 Giving or accepting prizes, gifts, entertainment, or other benefits**

Giving or receiving gifts, entertainment, or other benefits to or from customers, suppliers, business representatives shall be conducted in accordance with Company policy regarding



the provision of or accepting gifts, entertainment, or other benefits. Nonetheless, anti-corruption principles shall be adhered to and the transactions shall be transparent.

#### 2.2.3 Political assistance

The company shall not engage in political activities to help or support political parties, political groups, or politicians whether directly or indirectly, including not using any assets of the company to do so.

#### 2.2.4 Charitable and public donations, and provision of financial support to others

2.2.4.1 Donation of money or property for charity or public interests, and provision of financial support to others must be transparent, legal and moral, including not taking any action that will have a negative effect on the society as a whole.

2.2.4.2 Donation of money or property for charity, and provision of financial support shall not be used as a front to conceal bribery.

2.2.4.3 Disbursement for charity expenses and financial support shall comply with the Company policies and procedures regarding administrative expenditures, as well as the authorization matrix for approving expenses. The disbursement must specify clear objectives, and shall include verifiable evidence to support the transaction.

#### 2.3 Rotation of staff duties

The Company shall promote a rotation of duties of employees responsible for roles that are vulnerable to corruption, such as procurement agencies, branch migration, etc.

### 5) Guidelines for reporting clues / corruption complaints

5.1 Employees must not disregard or ignore acts that contradicts the company's policies or actions that may be related to corruption involving the Company. Employees must notify their direct supervisor or the supervisor responsible for the department.

If there are any questions or inquiries, the employee may consult their supervisor.

5.2 Those who have witnessed or suspected that there are acts of corruption, or have been affected due to their action against corruption, may file a complaint through any of the company's channels as follows:

- Directly notifying the Company's Chief Executive Officer or Managing Director;
- Directly notifying the Chairman of the Audit Committee through the Secretary of the Audit Committee;



- Notifying their direct supervisors.

For of matters concerning senior management or director level, the employee may directly inform the Chairman of the Audit Committee.

5.3 Employees shall cooperate in verifying and providing facts upon witnessing acts of corruption.

5.4 The company is committed to treat employees who report on or reject acts of corruption with fairness and to provide protection in accordance with the policy on corruption reporting.