



Corporate Governance and Code of Conduct.

Thairung Union Car Public Company Limited.

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## **Message from the Chairman**

The Board of Directors strives to manage the business in accordance with principles of good corporate governance and the code of practice for directors of listed companies, the rules and guidelines of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), attaching importance to its responsibilities towards society, community, the environment and all stakeholder groups in accordance with principles of corporate social responsibility, conducting its business in a fair manner so as to ensure the Company's sustainable success. In 2014 the Company announced its intention of joining Thailand's Private Sector Collective Action Coalition against Corruption, with a view to confirming confidence in the transparent, fair and fair conduct of its business and its determination to combat all forms of corruption.

The Board of Directors has drawn up this Guide to Good Corporate Governance and Code of Conduct to assist Directors, executives and employees in carrying on their activities in accordance with principles of good corporate governance, transparently, fairly, efficiently and verifiably so as to build trust among shareholders, investors and all other stakeholder groups, thus enhancing the growth and stability of the business, adding to shareholder value in the long term and boosting the Company's competitiveness.



Dr. Pranee Phaoenchoke  
Chairman of the Board  
February 2016

### **Company's corporate governance policy**

The Company is committed to conducting its affairs efficiently, in accordance with principles of good corporate governance, managing its business responsibly, transparently, fairly and verifiably so as to build trust among shareholders, investors and all other stakeholder groups, thus enhancing the growth and stability of the business.

The Board of Directors has therefore established a policy and guidelines on good corporate governance and a Code of Conduct to assist Directors, executives and employees in their work. The Audit and Corporate Governance Committee oversees compliance with these policies and guidelines and evaluates the performance of the Board of Directors, executives and employees in adhering to them, as well as keeping the guidelines under constant review to ensure that they are appropriate to the Company's business and in accordance with principles of good corporate governance, making proposals to the Board of Directors for such additions or amendments as it may consider necessary or desirable.

## **Part 1 General**

Thai Rung Union Car Plc, incorporated under Thai law, has been listed on the Stock Exchange of Thailand since 1994. The Company's main businesses, which it conducts in Thailand, are contract auto body assembly and modification and the manufacture and sale of auto parts, assembly equipment and press dies. The Company conducts its business under the motto "Think right, do right, talk right", which represents its business philosophy, and has defined strategies, a vision, mission and corporate culture to serve as guidance for Directors, executives and employees in pursuing the Company's objectives.

- Business philosophy: "Think right, do right, talk right"

### **Think right**

- 1) Think innovatively, think positively, think creatively.
- 2) Think "Problems are for solving; obstacles are for overcoming; improvement is always possible."
- 3) Switch from "Impossible because...." to "What must we do, and how, to make it possible?"
- 4) Think help: "How can I best help myself, help my colleagues, and help the organisation?"
- 5) We live the consequences of our actions. If we do well, we get good results back.

### **Do Right**

- 1) Constantly add value to your work and to yourself, by seeking new knowledge, developing your capabilities and applying them to your work.
- 2) Work as part of a team, for the good of the whole organisation. Don't get stuck in a limited frame.
- 3) Pitch in with all you knowledge and capabilities and let others see clearly your true worth.

### **Talk right**

- 1) Talk and communicate so as to build understanding and harmony among your direct colleagues and everyone in the organisation.
- 2) Talk and communicate creatively and directly, not competitively, sarcastically or without thinking.

- **Vision**

To be at the pinnacle of the Thai auto industry, developing, designing and producing a comprehensive range of products; with our own brand, to build optimum customer satisfaction through world-class quality and service.

- **Mission**

1. To be a leader in the design, development and production of innovative automotive products: multi-purpose and special vehicles, parts, dies, jigs and accessories.
2. To maximise customer satisfaction by providing world-class quality, price, delivery and service.
3. To focus on continuous improvement in product and service quality through the efficient use of flexible, speedy production and management processes and up-to-date engineering technology.
4. To build own brand image and loyalty.
5. To establish and expand marketing and sales networks at home and abroad.
6. To pay close attention to the development and welfare of our human resources, so as to enable them to compete at world level and to be happy and proud to work for the organisation.
7. Continuously to enhance the stability of the organisation by making profits and providing fair remuneration for shareholders, business partners and employees.
8. To ensure that products, production and work processes all take due account of our responsibilities towards environment, community and society through principles of good corporate governance.

- **Corporate Culture**

**“THAI RUNG D”** (The English letter ‘D’ sounds like the Thai word for ‘good’)

<b>T</b> eamwork	working together to meet the organisation’s goals
<b>H</b> onesty	integrity, sincerity, fair behaviour
<b>A</b> ttitude	“Can do”, positive thinking, patience and perseverance
<b>I</b> nitiative	Innovative, creative thinking
<b>R</b> esponsibility	towards the organisation and our colleagues
<b>U</b> ltimate	focused on excellence
<b>N</b> ationality	pride in forming part of a leading <b>Thai</b> organisation
<b>G</b> oals	aiming constantly for company goals
<b>D</b> iscipline	working in an orderly manner, following the rules

## **Part 2**

### **Corporate Governance**

#### **Definition**

Principles of corporate governance are guidelines for doing business and administering organisations, which are becoming more and more widely known and accepted. In accordance with these principles, the Board of Directors has a very important role to play in running the organisation, by focusing on responsibilities towards all parties with which it has dealings, both inside and outside the organisation, and by emphasising the importance of fair dealings, transparency, efficiency, adequate disclosure of information that can be examined, the protection of shareholders' rights and attention to their remuneration, and responsibilities towards society and the nation. The Company is very well aware of the importance of these guidelines and adheres to them strictly, so as to inspire confidence in shareholders and everyone with whom it has dealings and to form a solid base for the growth of the business.

Accordingly, in its determination to ensure that the principles of good corporate governance are constantly applied to the running of the Company and that the standard of corporate governance is continuously improved, the Board has established the following written guidelines on good corporate governance in five sections and distributed them among its Directors, executives and employees for them to comply with strictly.

#### **Company practices in accordance with good corporate governance**

##### **1. Shareholders' Rights**

The policy laid down by the Board of Directors is to support, promote, facilitate and equitably safeguard all shareholders' basic rights, including the right to receive adequate and timely information from the Company in appropriate form to help them with their decisions, the right to attend shareholders' meetings and to vote on proposed resolutions on important policy changes, the appointment and removal of Directors, the appointment of auditors and the establishment of their remuneration, appropriation of the Company's profits, equitable treatment in case of share buybacks, authorisation of significant transactions affecting the direction of the Company's business operations, amendments to the Company's Memorandum or Articles of Association, capital increases and decreases and the authorisation of special transactions, the right to propose agenda items in advance, to propose individuals for appointment as Directors and freely to express their opinions in shareholders' meetings, each shareholder having the same number of votes as the number of shares held, there being no shares conferring special rights and no shareholders with rights over and above the basic rights referred to above. The Company has a policy of accommodating shareholders and attending to their convenience, as per the following examples.

1.1 Not less than 14 days in advance of each shareholder's meeting, the Company issues a call notice in both Thai and English stating the time, date, place and agenda of the meeting and providing relevant information together with the Directors' opinion on each agenda item so as to give shareholders sufficient opportunity to study the information in advance of the meeting. The call notice is also posted on the Company's website at least 30 days in advance, so any additions to the agenda can be made well in advance, avoiding last-minute changes.

1.2 The Company gives shareholders the opportunity of querying information relating to agenda items or of submitting questions to the Company not less than 14 days in advance of the meeting by e-mail (omd\_ir@thairung.co.th) or fax (02-812-0844), to promote shareholders' opportunities to express their opinions to the Company.

1.3 The Company endeavours to make it as convenient as possible for shareholders to exercise their rights at shareholders' meetings, arranging meetings on business days at the Company's head office in Bangkok which is conveniently located and well connected. It has adopted the barcode system to speed up the processes of registering attendants and counting votes and prepares revenue stamps for shareholders' use in granting proxies for their greater convenience.

1.4 The Company hands out voting cards for each agenda item and uses a barcode system to count the votes. For proposed appointments of Directors there is a card for each individual candidate, allowing shareholders to vote on each individual separately. All the cards are collected and retained as verifiable evidence and the vote counting is overseen by an external legal consultant acting as scrutineer.

1.5 Throughout the meeting shareholders are welcome to express their opinions and to ask questions, all of which are answered. Complete and accurate minutes are taken of each meeting, which is also recorded on video and published on the Company's website so that shareholders unable to attend the meeting can view it subsequently.

1.6 The Company's Board of Directors attaches great importance to shareholders' meetings, and all Directors endeavour to attend all such meetings, particularly the Chairman of the Board of Directors and the Chairmen of the various committees, so as to facilitate questions and answers on matters relating to each.

1.7 After each meeting the Company reports the resolutions passed, together with clear details of the voting on each agenda item, to the SET and on its website on the following business day and sends a full report of the meeting to the SET within 14 business days, also publishing this report on its website for shareholders to examine.

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

The policy of the Company's Board of Directors is to treat all shareholders equally and fairly so as to safeguard their basic rights.

### **2.1 Details of treatment of shareholders**

2.1.1 The Company accommodates shareholders who are unable to attend in person by allowing them to appoint another person as proxy or to appoint one of the Company's independent directors to act as proxy by sending the proxy form to the Company in advance of the meeting.

2.1.2 The Company has established criteria and procedures for extending the opportunity to minority shareholders to put forward names of suitable individuals to be considered for nomination as Directors of the Company and to propose agenda items for ordinary general meetings of shareholders in advance, in the period from October to December each year, in accordance with the criteria laid down by the Company and published through the SET Community Portal (SCP) and the Company's website.

## **2.2 Control of internal information**

2.2.1 The Company is acutely aware of the importance of safeguarding the confidentiality of internal information and therefore has strict policies guarding against the use by Directors and employees of internal information for their personal benefit. Important internal information is disclosed only to individuals directly concerned, such as auditors or legal counsel. The Company releases information to shareholders only as and when appropriate. The Board of Directors has resolved that Directors and executives of the Company and the Manager of the Accounting & Finance Department, together with their spouses, parents, children and siblings, must refrain from buying or selling securities from at least five working days before the Company discloses its financial statements to the stock exchange.

2.2.2 The Company has established that Directors and executives who are obliged by law to report their shareholdings must send copies of these reports to the Company Secretary within three business days each time there is a change in their shareholding, and has further determined that changes in shareholdings of Directors and executives be reported every quarter to the Board of Directors.

## **2.3 Prevention of Conflicts of Interest**

2.3.1 The Company's Board of Directors requires the top four Directors and senior executives counting from the Chairman to submit a Form for Reporting Interests of Directors and Executives, reporting to the company any interests of their own or of related persons that relate to their administration or management of the business of the Company or its subsidiaries, pursuant to Section 89/14 of the Securities and Exchange Act of 2008 and Announcement Thor Jor 2/2009. The report must be submitted whenever there is a change in circumstances, and in any case annually as at 1 July, the information to be sent each time to the Company Secretary with copies of the report to the Chairman of the Board and to the Chairman of the Audit and Corporate Governance Committee to provide assurance that Directors and senior executives are performing their duties with due care and integrity (fiduciary duties), taking decisions without being interested parties, whether directly or indirectly, and discharging their duties in the best interests of the Company and its shareholders.

2.3.2 As regards any future Related Party Transactions the Company will act in accordance with all relevant laws, and with all relevant orders, proclamations and regulations of the Stock Exchange of Thailand, including regulations regarding the disclosure of information on Related Party Transactions and on the acquisition or disposal of significant assets by the Company as follows:

In the event that, the size of the transaction having been calculated in accordance with Stock Exchange of Thailand criteria, it transpires that the transaction requires approval by the Board of Directors, the transaction must be submitted to the Board of Directors for consideration. In the event that the Audit Committee disagrees, the proposal can nevertheless be placed before the Board and an appropriate record made in the minutes.

In the event that, the size of the transaction having been calculated in accordance with Stock Exchange of Thailand criteria, it transpires that the transaction requires approval by a meeting of shareholders, then the transaction must first be submitted to the Audit and Corporate Governance Committee for consideration and, if approved, onward submission to the Board of Directors, which in turn will, if approved, propose it to a meeting of shareholders.

2.3.3 In meetings of the Board of Directors or of shareholders, any Director, senior executive or shareholder who is an interested party in any agenda item must disclose to the meeting information on his or her own interest and that of related persons, and will not be entitled to vote on that particular agenda item, so that the meeting can consider transactions that might involve conflicts of interest and reach decisions in the overall best interests of the Company.

### **3. Role of Stakeholders**

The Board of Directors attaches importance to dealing with all its stakeholders, such as shareholders, employees, customers, suppliers, creditors, competitors, joint venture partners, the community, society and the environment, with sincerity, honesty and impartiality. The Board of Directors has produced and issued to all Directors, executives and employees a written Code of Conduct to which they must adhere in performing their duties in accordance with the Company's mission, as follows.

#### **3.1 Policy and guidelines for dealings with stakeholders**

- Shareholders: the Company attaches great importance to its shareholders, and carries on its business with sincerity, integrity and fairness, treating all shareholders equitably, for the greater benefit of all concerned.
- Employees: the Company firmly believes that its employees constitute the organisation's most valuable resource, and is therefore determined to recruit and look after good people with know-how, capability and integrity, and also focuses on developing individuals' potential to help employees advance, while providing them with appropriate and fair remuneration and various welfare benefits aimed at promoting a cooperative work atmosphere in which initiative and creativity can thrive to the benefit of the organisation. Apart from this it also attaches importance to treating its employees and contractors fairly and to their health and safety and appropriate working environment.
- Customers: The Company is devoted to and responsible to its customers, supplying them with quality standard goods and respecting their confidentiality, earning and building on their trust, which is an important factor in the success of the Company's business, treating them courteously and with humility and constantly seeking ways to meet their expectations, boosting efficiency and thus customer satisfaction.
- Trading partners/creditors: the Company deals equitably and fairly with its suppliers and creditors on the basis of mutually beneficial arrangements in the Company's best interests. It has systems in place for selecting suppliers and contractors providing assurance that its dealings with suppliers will be in accordance with agreements or commercial conditions and that its financial

borrowings, repayments and guarantee transactions are all in accordance with terms and conditions agreed with creditors.

- Commercial competitors: the Company operates within a framework of fair competition, does not seek to obtain confidential information of competitors by unfair or inappropriate means or to harm competitors' reputations by making baseless accusations.
- Joint venture partners: the Company respects the rights of its joint venture partners, deals with them fairly in all respects and cooperates fully with a view to ensuring that the joint venture achieves its objectives.
- Community, society and environment: the Company's policy is to conduct its business in accordance with principles of corporate social responsibility (CSR), aiming to build good relations based on mutual acceptance and trust, taking account of its possible effects on all stakeholder groups, attaching importance to activities in support of society and conscientiously taking care of the community in which it operates, while at the same time cultivating an attitude and corporate culture such that its employees play an active part in implementing its corporate social responsibility policy.

3.2 The Company strives to combat corruption and to raise employees' awareness and ensure that they all perform their duties transparently and with integrity. In 2014 the Company announced its intention of joining Thailand's Private Sector Collective Action Coalition against Corruption, with a view to confirming confidence in the transparent and fair conduct of its business and its determination to combat all forms of corruption.

3.3 The Company has made arrangements for channels of communication to enable it to receive opinions and suggestions from all stakeholder groups, with a view to improving and developing its products, services and organisation, making it stable and able to compete successfully in the long term. Stakeholders can report any cases of corruption, unlawful actions or acts in breach of the Company's codes or policies or other matters direct to the Audit and Corporate Governance Committee.

3.4 The Company has a policy and mechanisms to protect the anonymity of informants and complainants, who indeed do not even have to reveal their names to the Company if they do not wish to do so, and the Company keeps the information confidential. Informants can thus feel confident that there will be no repercussions from their actions. The Company charges the Audit and Corporate Governance Committee with investigating the information or complaint and reporting direct to the Board for appropriate action to be decided on.

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

The Company's policy is to conduct its business in a transparent and verifiable manner and to disclose complete, accurate and timely financial and non-financial information on the business, its results and future prospects in both English and Thai to all interested parties through easily accessible and reliable channels

4.1 The Company has set up a 'Share Register and Investor Relations Department' within the Office of the Managing Director. The duties of this department are to disclose correct, complete, transparent information, whether financial or of a general nature, and it is also

responsible for communicating with outside parties such as shareholders, institutional and other investors, analysts and relevant government departments in a fair and equitable manner.

4.2 The Company discloses information in accordance with the criteria established using the Stock Exchange of Thailand's SET Community Portal (SCP) system, by way of Form 56-1 for the disclosure of annual information, as well as submitting its Annual Report and disclosing important information in both Thai and English on the SET Community Portal (SCP) and on the Company's website.

4.3 The Board of Directors discloses the roles and duties of the Board and of the various Board Committees and the number of times the Board and each committee met during the year and individual attendance records, including shareholder's meetings, in Form 56-1 for annual information and in the Company's Annual Report. The top four executives of the Company starting with the Chairman are obliged to report their interests and holdings and those of related persons to the Company and to inform it every time there is any change in their situation in accordance with the criteria established by the Company.

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

The Company's Board of Directors is well aware of the important role it plays in controlling and monitoring business for the greatest possible good of the Company, its answerability to shareholders for the consequences of its actions in carrying out its duties and the importance of its operating independently of management.

### **5.1 Structure and Organisation of the Board of Directors**

5.1.1 The Board is composed of a number of Directors appropriate to the size of its business, but in any case not fewer than five, of whom at least one third, and in any case not fewer than three, must be independent Directors. Directors are appointed and removed by the General Meeting of Shareholders. The term of office is three years, and there is no limit on the number of terms of office a Director may serve.

5.1.2 Directors' Characteristics: Directors must be knowledgeable, capable and ready to perform their duties, and must have the following characteristics:

- 1) must not be subject to any of the prohibitions deriving from the Public Limited Companies Act or regulations of the Securities and Exchange Commission
- 2) must have knowledge, expertise and working experience appropriate to the Company
- 3) must be able to devote sufficient time to the Company, especially for important decisions
- 4) must be of undoubted integrity and possess such other qualities as the Company may deem appropriate

5.1.3 Characteristics of independent Directors: independent Directors must conform to the Company's definition of independent Director which is as established by the SEC.

5.1.4 Diversity of Directors: the Board of Directors has established a policy of diversity for the Directors of the Company. Directors must come from a variety of professional backgrounds with different qualifications needed for the effective governance of the Company.

5.1.5 The Chairman cannot be the same person as the Managing Director. The Board of Directors has clearly defined the Managing Director's powers and duties so that no single person has unlimited power. This arrangement makes for better checks and balances and control.

5.1.6 The Board of Directors has appointed a Company Secretary to perform the duties of setting up and maintaining a register of Directors, arranging letters calling Board meetings, minutes of Board meetings, letters of invitation to and minutes of shareholders' meetings and to keep records of Directors' and executives' interests and perform such other duties as may be established by securities legislation.

## **5.2 Role, Duties and Responsibilities of the Board of Directors**

5.2.1 The Board of Directors' powers, duties and responsibilities involve deliberating on, approving and acting on various matters as follows:

- 1) ensuring compliance with the law, the Company's corporate object and Articles of Association and resolutions of shareholders' meetings with integrity, sincerity and caution in the Company's best interests
- 2) arranging shareholders' meetings at least once a year to report to shareholders on the Company's results and to seek their approval for matters falling outside the powers of the Board
- 3) holding meetings of the Board of Directors at least once every quarter
- 4) overseeing the preparation and disclosure to shareholders of comprehensive accurate, transparent and timely financial and other information
- 5) ensuring that the Company has efficient internal control and internal audit systems in place
- 6) deliberating and deciding on important matters such as policies, business plans, delegated powers, major investment projects, related party transactions and the acquisition and disposal of assets as established by the SET for listed companies as well as all other matters established by law
- 7) ensuring that all business is conducted fairly
- 8) The Board of Directors may empower one or more of its number or a third party to perform any of its duties on its behalf, in which case the holder of the power of attorney shall have such powers and duties as the Board of Directors may stipulate
- 9) The Board of Directors is empowered to establish and change the arrangements for Directors legally to bind the Company by their signature.

- 10) approving the payment of interim dividends
- 11) establishing policies and guidelines and monitoring and overseeing management's efficient and effective adherence to them so as to maximise shareholder value and ensure sustainable growth
- 12) advising the Managing Director on the administration of the Company and decisions affecting it
- 13) preventing conflicts of interest between interested parties

The scope of the above powers and duties does not extend to:

1. matters which by law require a resolution of the shareholders' meeting, such as increasing or decreasing the capital or amending the Company's Memorandum or Articles of Association
2. carrying out related party transactions, acquiring or disposing of listed Company assets as per the rules established by the Stock Exchange of Thailand where this requires approval by a shareholders' meeting
3. carrying out transactions in which a Director is an interested party or where there is a conflict of interest requiring approval by the shareholders' meeting

5.2.2 The Board of Directors plays a part in establishing the Company's vision, mission and business strategies and reviewing them at least once every year, and also in ensuring independently that management proceeds in accordance with work plans efficiently and effectively for the overall benefit of the Company and its shareholders. In addition the Board establishes internal control systems and an effective internal audit, and constantly monitors them through meetings of the Audit and Corporate Governance Committee and Board meetings.

5.2.3 The Board of Directors has established written corporate governance policies and a Code of Ethics, and it reviews these policies and monitors compliance with them constantly.

5.2.4 The Board of Directors has established guidelines for the careful consideration of transactions involving possible conflicts of interest for the Company and its shareholders, whereby anyone having an interest in any agenda item must disclose such interest to the meeting, and foregoes the right to take part in deciding on that item.

5.2.5 The Company's Board of Directors attaches considerable importance to risk control and management systems, and has accordingly established a Risk Management Committee to establish duties and policies and a framework for managing the Company's overall risk situation, covering the various risks that might affect the Company's results and reputation, as well as establishing an internal audit department to ensure that basic working practices and important financial transactions are conducted in accordance with established guidelines and in an efficient manner. In order to make sure that the internal audit department can perform properly and independently, the Board has instructed it to report direct to the Audit and Corporate Governance Committee.

### **5.3 Board Committees**

5.3.1 The Board of Directors has established four Committees: the Audit and Corporate Governance Committee, the Executive Committee, the Risk Management Committee and the Nomination and Remuneration Committee, to assist in studying details and screening depending on the requirements of the situation and to share the Board's burden of duties and help it to give clearer consideration to the various matters coming before it in accordance with principles of good corporate governance. For a list of names of Directors, their powers and duties and other information on each Committee, please refer to the details on the structure of the Board of Directors and the heading List of Names of Directors in Form 56-1 and the Company's Annual Report.

5.3.2 The Chairman of The Board cannot be the chairman or a member of a Board Committee, and a majority of the members of each Committee must be Independent Directors. The chairmen of the Audit and Corporate Governance Committee and the Nomination and Remuneration Committee must also be Independent Directors in the interests of transparency and to ensure that they can perform their duties independently.

### **5.4 Board Meetings**

5.4.1 The Company's Board of Directors establishes a schedule of Board meetings in advance for each year. Meetings take place at least once a quarter, with additional special meetings being held as and when necessary, so that in any case there are at least six meetings in total during the year. The Company informs all Directors in advance of the schedule of meetings referred to above so as to enable them to plan their time and make themselves available for the meetings. Letters of invitation are sent at least seven days in advance clearly setting out the agenda and the Office of the Managing Director sends the Board papers for Directors to study not less than five days before each meeting. Each Director is free to suggest topics for the agenda, and to request additional information from the Managing Director or the Company Secretary.

5.4.2 At meetings of the Company's Board of Directors, the Chairman of the Board ensures that sufficient time is made available for Directors to discuss important problems thoroughly together, and the Managing Director always invites senior executives to attend Board meetings in order to provide additional detailed information to the extent that it is directly relevant to problems. One of the items on the agenda at all regular quarterly meetings of the Board is the following up of outstanding issues. Directors can express their opinions openly and freely. A written record is made of each meeting and, once the minutes have been approved by the Board, they are kept available for Directors and other concerned parties to examine.

## **5.5 Board self-assessment**

The Board of Directors has established that it will carry out a self-assessment every year in accordance with the following procedure.

5.5.1 The assessment is of the Board's overall performance, using the form provided by the Listed Companies Supervision Development Centre of the Stock Exchange of Thailand, which is divided into six sections as follows:

1. Structure and characteristics of the board
2. Roles and responsibilities of the board
3. Board meetings
4. The board's performance of duties
5. Relationship with management
6. Self-development of directors and development of executives

5.5.2 The Company has designated the Office of the Managing Director to coordinate and summarise the assessment statistically, comparing it with that of the previous year, and the Company Secretary to report the findings to the Board of Directors, after which the Board confers and seeks ways to improve its performance and efficiency.

## **5.6 Directors' Remuneration**

The Company has established a Nomination and Remuneration Committee, which is chaired by an Independent Director and is charged with setting policies, methodology and criteria for establishing the remuneration of Directors, the Chairman and the Managing Director fairly, transparently, in consonance with the Company's results and each individual's performance, in line with industry norms, and sufficient to reward Directors having the desired characteristics. Directors' remuneration is subject to approval by a meeting of shareholders of the Company and to disclosure in the Company's Annual Report and in Form 56-1 as required by the SEC.

## **5.7 Development of Directors and executives**

5.7.1 The policy of the Company's Board of Directors is to facilitate and support training and study for Directors by way of regular attendance of various courses run by the Institute of Directors (IOD).

5.7.2 The Company arranges induction programmes for new Directors. The Managing Director introduces the nature of the Company's business and its basic orientation and the role, duties and responsibilities of the Directors, the reporting of Directors' shareholdings to the Company and the SET and the annual declaration of Directors' interest to the Company, Director' remuneration, meetings of the various Board Committees for the year and the setting of the AGM, and encourages Directors to go on training courses, at the Company's expense, to improve their knowledge and understanding in performing their duties in line with principles of good corporate governance.

## **5.8 Nomination of Directors**

The Nomination and Remuneration Committee is responsible for proposing suitably qualified candidates from a variety of professional backgrounds for the position of Director. Such candidates must have leadership qualities, breadth and depth of vision and a proven track record of integrity and transparency, and be able to devote sufficient time to the Company. Account is also taken of any knowledge or skill that might be lacking on the Board so as to ensure that it can formulate its strategies and policies and operate effectively in accordance with them.

## **Part 3 Code of Conduct**

### **Definitions**

Code of Conduct means guidelines for conducting business fairly in accordance with the Group's philosophy "think right, do right, talk right", establishing rules and standards for the behaviour of all Directors, executives and employees of the Company in carrying on its business in a uniformly fair, honest and equitable manner, giving due importance to the rights and interests of all stakeholder groups and thus adding value to the Company and ensuring its sustainability.

### **1. Anti-corruption policy**

The Board of Directors is committed to conducting its business with integrity, fairness, and responsibility to society and stakeholders and to complying strictly with corporate governance policies and the Company's Code of Conduct, and in order to ensure that Directors and employees of the Thai Rung Group conduct themselves as good citizens of society and the nation, the Board of Directors establishes the following anti-corruption policies:

- 1) Directors, executives and employees of the Thai Rung Group shall not condone or accept corruption in any form, whether directly or indirectly for themselves from any person doing business with the Group.
- 2) This policy covers Directors, executives, employees, suppliers, customers and all stakeholder groups. The Company reviews compliance with its anti-corruption policy at least once a year and also reviews the policy itself to ensure that it keeps step with any changes in the business or in relevant regulations and legislation.

### **Best practices**

- 1) In complying with the anti-corruption policy, the guidelines established in the Guide to Good Corporate Governance and the Code of Conduct shall apply, as well as working rules and the policy for dealing with stakeholder groups, and such other guidelines and rules as the Company may establish.
- 2) This anti-corruption policy covers all business dealings of the Thai Rung Group. Directors, executives and employees of the Thai Rung Group must act in accordance with the anti-corruption policy and the Code of Conduct and take no part in corruption whether directly or indirectly.
- 3) In the interests of clarity in dealing with the risk of corruption, in performing their duties, Directors, executives and employees of the Thai Rung Group at all levels must take particular care regarding the following matters:
  - 3.1 Gifts, entertainment and expenses: giving or receiving presents or entertainment must be in accordance with the guidelines established by the Company and must not be inappropriate;
  - 3.2 Charitable donations, subsidies and political contributions: giving or receiving donations, subsidies or political contributions must be transparent and in accordance with the law, and the donor or recipient must be confident that the funds will not be used for bribery.

3.3 Business relations and procurement: it is forbidden to give or accept bribes in conducting any business with suppliers, contractors, government departments or any agency conducting business with the Company. All dealings must be transparent and in accordance with the law.

4) Employees of the Thai Rung Group must not neglect or ignore any act of corruption connected with the Group that may come to their notice. They must inform management or other responsible person and cooperate with any investigation as required. If they have any doubts or questions they must consult with management or with such person as may have been designated to be responsible for monitoring compliance with business ethics through the established channels.

5) The Company has a whistleblower policy to ensure that employees reporting corruption or unlawful acts connected with the Group are treated fairly and granted protection.

6) Any person committing an act of corruption shall be subject to disciplinary and legal sanctions.

7) The Company attaches importance to disclosure and imparting knowledge and understanding to third parties dealing with the Group and its stakeholders as regards their obligation to act in accordance with the anti-corruption policy.

8) The risk of corruption is assessed annually throughout the organisation.

9) The Company is determined to build and develop the “THAIRUNG D” corporate culture among employees of the Thai Rung Group so that they will be good citizens of society and the nation.

## **2. Whistleblower Policy: fair treatment and protection of employees or stakeholders who report cases of corruption or unlawful actions**

The Company has established channels for receiving opinions and suggestions and reports of cases of corruption or unlawful conduct from employees and stakeholders and measures to protect informants and treat them fairly and even anonymously, keeping related information confidential and with concern for the safety of informants and people cooperating with investigations of reported incidents.

### **2.1 Parties entitled to lodge complaints or denunciations**

1. employees/stakeholders who become aware of any breach of the law, the Company’s Rules, its Articles of Association or its Code of Conduct;

2. any employee who has been defamed, threatened, subjected to disciplinary punishment such as a reduction of salary level, suspension from work or dismissal or has been discriminated against in any way connected with working conditions as a result of reporting or intending to report information or helping an informant investigate or gather information, including bringing a lawsuit, appearing as a witness, making a statement or cooperating with a court or government department.

## 2.2 Method and channels for complaints and denunciations

Complainants and informants can report directly, orally or in writing, to the Company's Audit and Corporate Governance Committee or the Company Secretary as follows:

1) Audit and Corporate Governance Committee

E-mail Address: [auditcommittee@thairung.co.th](mailto:auditcommittee@thairung.co.th)

Post: Chairman of the Audit and Corporate Governance Committee,  
Thai Rung Union Car Plc,  
304 Ma Charoen Road,  
Khwaeng Nongkhangphloo, Khet Nong Khaem,  
Bangkok 10160

2) Company Secretary (Assistant Managing Director, Khun Sakchai Komgris)

E-mail Address: [sakchai@thairung.co.th](mailto:sakchai@thairung.co.th)

Tel. 02-420-0076 ext. 104, 251, 333

Post: Company Secretary,  
Thai Rung Union Car Plc  
304 Ma Charoen Road,  
Khwaeng Nongkhangphloo, Khet Nong Khaem,  
Bangkok 10160

3) The Company's website: [www.thairung.co.th](http://www.thairung.co.th) "Contact the Company"

Complainants or informants choosing not to disclose their name must provide sufficient details or evidence to show that there has been a breach of the law or the Company's Rules, Articles of Association or Code of Conduct. The complaint or report will be kept entirely confidential, and complainants or informants may use more than one channel. Informants are not obliged to reveal their identity, but if they do so it will enable the Company to report more fully.

## 2.3 Complaints procedure

The Company provides opportunities for employees to express their complaints and opinions freely through various channels in the interests of the organisation's sustainable development.

1) Gathering evidence

The person receiving the complaint or the designated unit or the *ad hoc* investigating committee set up by the Company will gather the evidence concerning the alleged breach of ethics.

2) Examining and summarising the information

The person receiving the complaint or the designated unit or the *ad hoc* investigating committee set up by the Company is responsible for examining and assessing the information so that consideration can be given to the steps to be taken and the appropriate remedies in each particular case.

3) Procedural measures

The person receiving the complaint submits the case to the Audit and Corporate Governance Committee for it to examine the facts and establish measures to halt

and/or mitigate the offence or unfair conduct and alleviate its consequences for the affected parties, taking all negative effects into account.

#### 4) Reporting outcomes

The person receiving the complaint is responsible for reporting back to complainants/informants who have revealed their identity. Where the subject of the complaint or report is of particular importance, the Audit and Corporate Governance Committee will also report on it to the Board of Directors.

### 2.4 Measures for the protection of informants

The Company has established measures for the protection of informants in accordance with the following principles:

- 1) Informants or persons cooperating with the examination of evidence may choose not to reveal their identity if they consider that doing so would endanger their safety or otherwise cause them harm, but revealing their identity will enable the organisation to report to them on progress and possibly to alleviate the damage faster and more conveniently
- 2) The person receiving the complaint keeps the information confidential in order to protect the informant who has provided it and any other persons concerned. The persons responsible at each stage of the process must keep the information strictly confidential and not disclose it to any other party. Failure to comply with this shall be considered a serious disciplinary offence.
- 3) The Company has established measures to protect informants and/or persons providing information and/or cooperating in the examination of information from unfair treatment such as change of post, type of work or place of work, suspension, threats, interference with work or dismissal resulting from the complaint or denunciation.
- 4) In the event that an informant or person cooperating with the examination of evidence feels that his/her safety is endangered or is concerned about possible harm, (s)he may ask the Company to take appropriate steps to protect him/her. The Company may also take steps to protect an informant or collaborator without being asked to do so if it considers that the matter is likely to cause concern or harm or to endanger the informant's safety.
- 5) Persons who are thus concerned, harmed or endangered will be helped and the harm alleviated by means of appropriate and fair procedures.

### **3. Compliance with international human rights law and principles**

The Company's personnel must comply strictly with international human rights law and principles, take steps to spread knowledge and understanding of human rights among employees so that they incorporate them into their practices and avoid supporting any activity that violates human rights.

### **4. Support for political parties, political activity**

In conducting its business the Company is politically neutral, not participating in or siding with any particular political party or influential politician, and not using the Company's money or

resources to support any political party or politician, directly or indirectly. The Company acknowledges and respects its employees' freedom to exercise their political rights, in particular their right to vote in elections.

## **5. Policy on Conflicts of Interest**

The Company's policy is not to allow Directors, executives, employees or related persons as per the SEC rules to take advantage of such status in order to seek personal gain or advantage for themselves and/or related persons, and has accordingly established the following rules of conduct:

- 1) Directors, executives and employees must avoid doing anything that harms the interests of the Company, whether this arises from contacts with commercial relations of the Company such as suppliers, customers or competitors or from using opportunities or information held as a result of their being Directors, executives or employees to seek personal gain or advantage or to conduct business that competes with the Company or to do work other than for the Company which interferes with the performance of their duties.
- 2) In the event that a Director, executive or employee is or becomes a Director, partner or consultant in another organisation, the holding of such position must not conflict with the interests of the Company or the performance of the individual's duties in the Company.
- 3) In the event that it becomes necessary to carry out a transaction involving or possibly involving a conflict of interest, the Board of Directors gives careful consideration to the transaction, specifically as to whether it is fair, justified, independent, in the best interests of the Company and carried out on an arm's length basis on normal market conditions.
- 4) Any interested party in a transaction being considered in a Board meeting must leave the meeting temporarily while the relevant agenda item is being discussed so as to allow the Directors who are not interested parties to deliberate independently and make sure that the transaction is fair, transparent and reasonable and that there is full and accurate disclosure of information in accordance with the rules laid down by the SET and the SEC on the disclosure of information concerning related party transactions and the acquisition or disposal of significant assets of the Company or any of its subsidiaries.
- 5) An individual with an interest in the Company's business, whether direct or indirect, is obliged to declare such interest as follows:

5.1) The four most senior Directors and executives starting with the Chairman must complete the form for reporting Directors' and executives' interests to report to the Company on their interests and/or those of related persons in the management of the Company's business or that of any of its subsidiaries. They must report any transactions immediately and report any change in the situation within 30 days, in addition to which, in order to ensure that the Company regularly examines this information, they must also report as at 1 July of each year, the information to be sent each time to the Company Secretary with copies of the report to the Chairman of the Board and to the Chairman of the Audit and Corporate Governance Committee.

5.2) All executives at every management level and all employees who are interested parties are obliged to report all transactions immediately to the Company Secretary.

6) In order to facilitate monitoring and oversight of interests of Directors and executives of the Company or related persons with an interest in the management of the Company or any of its subsidiaries as per the Securities and Exchange Act, the Board of Directors has established that information on related party transactions be reported every quarter in accordance with the principles established.

## **6. Confidentiality and Inside Information Policy**

Confidential information is information that is not public and which if it were disclosed to the public or if it fell into the hands of a competitor would be likely to have a serious effect on the Company, including information of any kind that suppliers and customers have entrusted to the Company. Such information is to be carefully and rigorously looked after.

- 1) It is forbidden to make use of opportunities or information held as a result of being a Director, executive or employee for one's personal gain or advantage or that of another person or to carry on any business that competes with that of the Company and/or related business.
- 2) It is forbidden to use inside information for personal gain or advantage in trading in the Company's shares or to pass such information to third parties for use in trading in the Company's shares.
- 3) The top four Directors and executives starting with the Chairman are obliged to report to the Company every time there is a change in their holdings of securities in accordance with the rules established by the SEC within three days, for onward reporting to the Board of Directors every quarter.
- 4) Directors and executives in possession of important inside information that might influence the share price must refrain from trading in the Company's shares starting not less than five business days in advance of the Company's announcing its results or disclosing inside information to the public.
- 5) It is forbidden to use Company information as a reference for outside persons for one's own personal gain or advantage and/or that of related persons.
- 6) It is forbidden to disclose confidential business information of the Company to any outside party, especially competitors, even after ceasing to be a Director, executive or employee of the Company.
- 7) Customer and commercial information must be safeguarded and kept strictly confidential and not disclosed to unrelated outside individuals unless obliged by law or authorised by the Board of Directors.

## **7. Policy on Company Assets**

The Company seeks to promote efficient use of the Company's assets by executives and employees to enhance competitiveness and good services to customers, and has established the following guidelines:

- 1) Employees have the duty and responsibility of taking care of the Company's assets so that they do not become unduly impaired and are not damaged or lost, and of using them efficiently in the Company's best interests, not for their own benefit or that of others.
- 2) Company assets means all its tangible and intangible assets, including but not limited to goods and chattels, land and buildings, technology, technical know-how, title deeds, patents, copyrights and all information not in the public domain, such as business plans, budgets and information on human resources.
- 3) All employees must strictly avoid disclosing or making use of confidential information of the Company.

#### 7.1 Documentation

- 1) Documentation must be executed with honesty and prudence and in compliance with specified standards.
- 2) It is forbidden to falsify documents or reports of the Company

#### 7.2 Use of computers and communications technology

- 1) Computer equipment and information and communication technology systems are Company assets, and executives and employees should not use them for personal purposes.
- 2) Executives and employees must not disclose business information belonging to the Company, including information purchased by the Company, regardless of whether or not it is stored in the Company's information system, or copy information to their personal devices without permission.
- 3) It is forbidden for executives and employees to modify, reproduce, erase or destroy Company information without permission.
- 4) Executives and employees must not bring unlicensed software to the Company to use and shall not copy licensed software for any reason whatsoever without the software publisher's authorisation.
- 5) Executives and employees are forbidden to modify hardware of the Company or to install any equipment other than the standard equipment that comes with it except as authorised case by case.
- 6) Executives and employees shall not use the Company's e-mail to send or forward messages which are harassing, discrediting, rude, obscene, intimidating, agitating or annoying to others.
- 7) Executives and employees should use the internet to search for the information and knowledge useful to their work, and must avoid illegal or immoral websites.
- 8) Executives and employees should use the Company's IT system and other communication equipment such as telephones, fax machines, mobile phones etc. conscientiously and responsibly, with the Company's best interests in mind.
- 9) Executives and employees are prohibited from accessing systems or information for which they do not hold authorisation.

10) Executives and employees are forbidden to seek to circumvent or defeat computer information and system access protection measures put in place by others and for which they do not hold permission with the intent or effect of causing harm to others

11) The Company or the unit designated by the Company reserves the right to carry out checks on whether the Company's ICT assets are being used appropriately.

## **8. Stakeholder Policy**

### **8.1 Shareholder Policy**

The Company is well aware of and attaches importance to the fair and equitable treatment of all its shareholders and respect for their basic rights, conducting its business fairly, with integrity and to the best of its ability and treating all its shareholders fairly in all its dealings so as to fulfil its duty of generating added value for shareholders over the long term. Accordingly, Directors, executives and employees must act in accordance with the following guidelines:

1. Perform duties responsibly, cautiously and fairly, taking rational decisions based on information they deem sufficient and accurate, without any direct or indirect personal interest at stake, in good faith and in the Company's best interests, to appropriate ends and avoiding conflicts of interest with the Company.
2. Comply with laws, the Company's corporate object and Articles of Association, resolutions of the Board of Directors and shareholders' meetings, best practices in accordance with principles of good corporate governance and the Code of Conduct and deal equitably with shareholders whether major or minority in their best interests.
3. Manage and look after Company assets so that they do not become unduly impaired, damaged or lost, and put effective internal control and risk management systems in place.
4. As part of the equitable treatment of shareholders, give them the opportunity of taking part in oversight of the Company's business and expressing their opinions on operations.
5. Report consistently, comprehensively, truthfully and promptly on the Company's situation.
6. Keep shareholders informed of the organisation's future prospects, both positive and negative, with adequate supporting reasons.
7. Provide all shareholders with accurate and truthful news and information sufficient for their decision making, equitably and at appropriate times.
8. Make sure that Directors, executives or employees do not pursue their own or related persons' interests by providing any information of the Company that has not been disclosed to the public or disclosing confidential information of the Company to outside persons and/or doing anything that might lead to a conflict of interest with the Company.

9. Provide channels for reporting unfair conduct or making complaints, including website, mailbox, telecommunications, etc. with procedures for responding to complaints, protecting informants and systematically and fairly reporting back to complainants and informants.

10. Provide a variety of channels for disclosing information, including a Company website to allow shareholders to access information conveniently, and prepare the information in readily understandable language in both Thai and English.

## **8.2 Employee Policy**

The Company is convinced that its employees are the organisation's most valuable asset, and therefore pays great attention to attracting and retaining good, knowledgeable, capable people with integrity, as well as to developing personal knowledge and potential for employees' advancement and to their appropriate and fair remuneration and welfare benefits. It promotes a working environment that encourages, innovation, creativity and collaboration and also pays attention to the equitable treatment of employees and contract staff, their health and safety and appropriate environmental conditions in the workplace.

8.2.1 The Company is well aware that its employees are an important factor in developing quality products, and accordingly attaches importance to treating them fairly and consistently as regards hiring, remuneration, appointments, transfers and personal development so as to ensure that they become capable employees and good citizens. The Company has accordingly established the following principles for dealing with employees:

1. The Company shall comply strictly with labour laws and rules relating to employees.
2. The Company shall treat employees politely, respecting their individuality and human dignity in accordance with international principles of human rights.
3. The Company shall arrange employment conditions which are fair to employees with fair remuneration appropriate to their abilities.
4. The Company shall take care of the working environment and put working systems in place to ensure employees' physical safety and that of their assets as well as health and hygiene.
5. The Company shall give importance to developing employee's know-how, skills and abilities to boost their potential by constantly providing them with a range of learning opportunities.
6. Employee promotions, transfers, rewards and sanctions must be carried out fairly and based on employees' knowledge, capability and appropriateness.
7. The Company shall organise a provident fund for employees.
8. The Company shall keep employees regularly informed of its operations and situation.

9. The Company shall listen to employees' opinions and suggestions based on their professional knowledge.

10. The Company shall avoid acts which are unfair and which may affect the stability of employees' duties or intimidate them or subject them to psychological pressure.

11. The Company shall promote employees' awareness as good citizens and contributors to society.

12. The Company shall provide channels for employees to lodge complaints if they are treated unfairly or to report possible unlawful acts. The Company shall have systematic and fair rectification procedures and measures to protect informants.

13. The Company and its representatives shall impartially support employees' exercise of their political rights.

14. The Company shall encourage employees' involvement in suggesting working practices and/or agreements to the benefit of all parties and to build good, harmonious, collaborative relations in the context of a sound corporate culture.

15. The Company encourages employees to participate as appropriate, and at their managers' discretion, in both in-house and external activities which are of benefit to the organisation and to society, to promote involvement with and attachment to the organisation.

8.2.2 The Company has measures in place to protect employees who report cases of corruption, breaches of the Securities and Exchange Act or other unlawful acts. The Company shall not treat employees unfairly or unfairly, whether by changing their post, changing the type of work or the place of work, or suspension, threats, interference with their work or dismissal by reason of their having reported an offence against the law or the Company's Code of Conduct.

### **8.3 Customer Relations Policy**

The Company pays great attention to and behaves responsibly towards its customers, by producing standard quality goods and respecting customers' confidentiality, gaining customers' trust, which is a factor in the Company's success. It treats its customers with sincerity, courtesy and humility and is determined to find ways to enhance customer satisfaction by boosting efficiency. To this end the following policy guidelines have been established:

8.3.1 Design, produce and deliver quality-assured goods to standards and in accordance with agreements with customers at a fair price.

8.3.2 Provide accurate, adequate and timely information, news and advice to customers on products and services.

8.3.3 Comply strictly with terms and conditions agreed with customers, and if it is not possible to do so, inform the customer and confer with a view to resolving the problem together.

8.3.4 Deal with customers politely and in a trustworthy manner.

8.3.5 Put a system in place for safely storing information on customers, with measures for safeguarding customers' confidentiality. Do not forward information without first obtaining customers' confirmation and do not use information on customers for personal benefit or that of related persons.

8.3.6 Products shall be warranted for a reasonable period and comply with the Consumer Protection Act.

8.3.7 A system or process must be put in place for customers to lodge complaints about the quality, quantity or safety of products or services and to ensure rapid response and action through to resolution, with timely reporting back to customers.

8.3.8 Support customers' actions in the field of social responsibility.

8.3.9 Endeavour to develop environmentally friendly products, packaging and means of transporting goods.

8.3.10 Establish channels for keeping customers constantly informed about products and product development.

#### **8.4 Suppliers/Creditors Policy**

The Company deals equitably and fairly with its suppliers and creditors on the basis of fair mutual advantage and in the best interests of the Company. The approach to selection of suppliers/contractors is in accordance with the Company's rules, providing assurance that dealings with suppliers will be in accordance with contracts or agreed conditions of sale. The Company is careful not to violate creditors' rights by ensuring that any borrowing, repayments, or issuance of guarantees is in accordance with the terms and conditions agreed with creditors. The following guidelines have been established:

8.4.1 The Company is open to doing business with all suppliers, and its supplier selection process is fair and equitable.

8.4.2 The Company uses properly licensed products and services with copyright or patents and trademarks and does not support products or actions that violate intellectual property rights.

8.4.3 In negotiating business deals with suppliers or creditors, executives and employees must not solicit, accept, offer or give any benefits that are not strictly ethical.

8.4.4 If the Company has information that benefits have been unethically solicited, accepted, offered or given, it must disclose details to the supplier and/or creditor and jointly seek a fair solution to the problem and urgently take protective measures. In selection, fair chances must be given, considering supplier qualities as the main criterion.

8.4.5 Comply strictly with terms and conditions agreed with suppliers and/or creditors.

8.4.6 If it proves impossible to comply, the supplier or creditor must be informed in advance and joint efforts made to find a solution to the problem.

8.4.7 Extend opportunities to suppliers that conduct their business in accordance with the law and with HSE and CSR standards

8.4.8 Promote suppliers' CSR efforts and give them the opportunity of joining in the Company's activities in support of society.

### **8.5 Competitor Policy**

The Company operates in accordance with rules of fair competition, complying with best practices in its dealings with competitors, not seeking to gain access to competitors' confidential information by unethical or inappropriate means and not seeking to defame competitors by making untrue accusations. The following guidelines apply:

8.5.1 Act in accordance with best competitive practices, support free trade and do not resort to dumping.

8.5.2 Do not use unethical or inappropriate means to obtain confidential competitor information, such as bribery or hiring competitor's employees in order to obtain confidential competitor information.

8.5.3 Do not defame competitors by making false accusations.

8.5.4 Do not support or engage in price collusion.

8.5.5 Comply strictly with intellectual property right law.

### **8.6 Partnership Policy**

The Company respects the rights of joint venture partners, deals fairly with them and cooperates fully with them to ensure the success of the joint venture in accordance with its objectives. The following guidelines apply:

8.6.1 Coordinate collaboration with JV partners to promote and support the JV's progress and solidity.

8.6.2 Encourage the exchange of opinions and suggestions with JV partners including joint consideration of the JV's business plan aimed at ensuring its sustainable development and growth.

8.6.3 Monitor and ensure the JV's strict compliance with legal requirements.

8.6.4 Together with the JV partners, give due consideration to the fair and transparent sharing of profits from the JV.

8.6.5 Do not seek to take unfair advantage of JV partners.

### **8.7 Environment and Community Policy**

The Company's policy is to conduct its business in accordance with principles of corporate social responsibility (CSR), aiming to build good relations based on mutual acceptance and trust, taking account of its possible effects on all stakeholder groups, attaching importance to activities in support of society and conscientiously taking care of the community in which it operates, while at the same time cultivating an attitude and

corporate culture such that its employees play an active part in implementing its corporate social responsibility policy. The following guidelines apply:

- 8.7.1 Conduct business ethically and transparently so as to build the confidence of all parties concerned, aiming to develop and expand the Company, while at the same time developing the quality of life of its employees and of the community and wider society in which it operates, and taking care of benefits to stakeholders in accordance with the vision and mission established by the Company.
- 8.7.2 Promote and impart knowledge of corporate social responsibility to employees at all levels of the Company, with a view to involving them so that responsibility towards society is taken by the entire organisation.
- 8.7.3 Act responsibly and determinedly in caring for the environment, including local customs and traditions where the organisation is established.
- 8.7.4 Carry out regular creative activities both independently and jointly with government and community aimed at bringing about a society, community and environment that provides a better quality of life for the communities in which the Company operates.
- 8.7.5 Ensure communication and disclosure of the Company's CSR information such that stakeholders understand the conduct of the Company's business and review CSR policy at appropriate intervals.
- 8.7.6 Prevent accidents and control waste disposal, keeping it below acceptable standards.
- 8.7.7 Respond rapidly and efficiently to any incident affecting the environment and the community resulting from the Company's activities, cooperating fully with government officials and departments concerned.
- 8.7.8 The Company strives to conduct its business equitably and ethically, conscientiously conforming to the law and respecting social rules and conventions while remaining politically neutral.

## **9. Health, Safety and Environment (HSE)**

The Company is committed to conducting its business on the basis of good HSE, limiting, reducing and avoiding pollution in the production process that can affect the environment and the community, and the Company is always ready to listen to any complaints or suggestions from the community so that it can take steps to become more environmentally friendly and make the community more pleasant to live in. The following guidelines apply:

- 9.2 Safety at work is the prime duty and responsibility of all employees.
- 9.3 The Company supports safety improvements to working conditions and environment.
- 9.4 The Company supports and promotes various safety activities aimed at raising employees' awareness, such as motivational training, public relations, safety competitions, etc.
- 9.5 The Company operates in accordance with health and safety legislation and ensures that its employees also comply at all times.
- 9.6 Managers at all levels must conduct themselves in exemplary fashion, as leaders, and train employees to give priority to safety at all times.

9.7 All employees must keep in mind their own safety, that of their colleagues and of the Company's assets at all times.

9.8 All employees must ensure that their workspaces are kept clean and tidy at all times.

9.9 All employees must cooperate with the Company's health and safety projects, and are entitled to make suggestions for improving working conditions and safe working practices.

9.10 The Company will carry out regular assessments of compliance with the above policies

## **10. Accepting or giving gifts, assets or other benefits**

Accepting and giving small gifts in token of appreciation or concern is a normal, traditional acceptable practice. However, giving and accepting inappropriate gifts, assets or any other benefits may affect business decisions and jeopardise the Company's best interests. Therefore the Company strictly forbids bribery, and the following guidelines have been established:

10.1 Directors, executives and employees are forbidden to accept or solicit gifts, money, things or any other benefits such as entertainment, services, financial support or rewards from business relations of the Company as an incentive to commit any unlawful act.

10.2 It is forbidden to accept gifts or any other benefits from other persons having duties or business relating to the Company, except on the occasion of popular traditional festivals where it is customary for people to exchange small gifts, which must be reported to management. Acceptance of such gifts must not induce the recipient to act unlawfully.

## **11. Policy on Internal Control and Audit and Financial Reporting**

The Company attaches considerable importance to having effective internal control and audit systems with appropriate risk management, consistently assessed, overseen and closely monitored by the Audit and Corporate Governance Committee. The following guidelines apply:

11.1 The Company shall put in place efficient internal control and audit systems, with appropriate mechanisms for evaluating any risks that might affect the attainment of the Company's objectives and effectively controlling, monitoring and assessing the performance of all duties so as to provide assurance that the Company is conducting its business in accordance with the various applicable standards and laws, subject to examination by the Internal Auditor and review by the Audit and Corporate Governance Committee.

11.2 The Company shall establish a unit with direct responsibility for assessing and managing risk, evaluating internal control, checking that the system is being adhered to, improving control measures and adapting them to changing situations and risk factors. Senior and middle management are obliged to cooperate with these tasks.

11.3 The Audit and Corporate Governance Committee must review the adequacy of the internal control and audit systems and report on the results of its audit to the Board of Directors and the shareholders.

11.4 The Company has established an independent unit which is directly responsible to the Audit and Corporate Governance Committee for efficiently performing the duties of

internal audit. It is adequately staffed with knowledgeable and capable persons who adhere strictly to the code of ethics of internal auditors.

11.5 The Company's management is responsible for preparing complete, accurate and timely annual and quarterly financial statements in accordance with generally accepted accounting standards.

## **12. Policy on Employees**

The Company seeks to develop its employees' potential as good citizens under the "THAIRUNG D" corporate culture and to promote and develop social responsibility. It stresses the central role of employees in contributing to the growth of society and of all the Company's stakeholders by being both capable workers and good members of society. The following guidelines apply:

### **12.1 Employees' conduct**

12.1.1 Work conscientiously, sincerely, ethically, transparently; report truthfully and do not seek to make use of your position to obtain any inappropriate or wrongful advantage or benefit.

12.1.2 Do not give gifts to your superiors or accept them from your subordinates.

12.1.3 Respect the rights of other employees and managers.

12.1.4 Managers must conduct themselves so as to earn the respect of employees, and employees must not be disrespectful towards their superiors.

12.1.5 Behave in a disciplined manner and strictly in accordance with the law and all the Company's rules, regulations and best practices, regardless of whether or not these are in writing.

12.1.6 Help to build and maintain a harmonious and caring atmosphere among your working group and avoid doing anything that might affect the Company's reputation or image or lead to subsequent problems for the Company.

### **12.2 Dealings with customers, related parties and society**

12.2.1 Produce quality products and deliver to customers on schedule.

12.2.2 Comply with safety regulations including those on environmental safety.

12.2.3 Acknowledge defects and supply customers with replacement goods.

12.2.4 Do not disclose customers' information without their prior consent.

12.2.5 Take part in activities organised by the Company.

12.2.6 Take part in preserving local customs and traditions.

12.2.7 Make use of channels for receiving comments and suggestions from customers in order to improve the Company's operations.

### **12.3 Dealings among employees**

12.3.1 Do not seek to influence your colleagues' decisions as regards their political rights.

12.3.2 Show consideration towards your colleagues; help others with their work as appropriate.

12.3.3 Use opportunities to express opinions politely and appropriately.

#### **12.4 Dealings with the organisation**

12.4.1 Work responsibly and to the best of your ability.

12.4.2 Use the organisation's assets and benefits judiciously

12.4.3 If you become aware of any unethical act or instance of corruption or any other incident likely to damage the interests of the organisation, you must report it immediately through the channels established by the Company for lodging complaints and reporting offences (whistleblower's channel).

12.4.4 Determinedly develop your knowledge and keep up to date with news and communications so as to be well informed for discussions and to further your advancement.

12.4.5 Always wear the personal protective equipment established by the Company.

### **13. Monitoring of Compliance and Review**

The Company has established that it is the duty and responsibility of all Directors, executives and employees to take due note of and act strictly in accordance with the policies laid down in this Guide to Good Corporate Governance and Code of Conduct, and that they cannot claim not to be aware of the guidelines established. Executives at all levels in the Company must take very seriously their responsibility for ensuring that all employees in their charge are aware of and understand the Guide to Good Corporate Governance and the Code of Conduct and comply with it conscientiously.

It is the Company's wish that nothing be done in breach of the law or in conflict with ethical principles. Any Director, executive or employee who breaches the established code of ethics will be subject to strict disciplinary action, and if there are grounds for believing that a law or government regulation has been broken, the Company will forward the matter to the appropriate authorities without delay.

The Board of Directors and the Audit and Corporate Governance Committee have established that the Guide to Good Corporate Governance and the Code of Conduct be reviewed every year in order to raise the level and continuously develop the quality of the Company's corporate governance so as to enhance stability and sustainability for the Company's shareholders and all other stakeholder groups.

### **14. Discipline**

The Board of Directors regards the Guide to Good Corporate Governance and the Code of Conduct as an element of discipline with which all Directors, executives and employees must strictly comply, and offences or non-compliance are to be considered disciplinary offences in accordance with the personnel rules. All Directors, executives and employees are obliged to comply and to promote compliance by employees in the organisation to adhere to the Code of Conduct in conducting the business. The following acts shall be deemed disciplinary offences.

- 1) Failure to comply with the Guidelines on Good Corporate Governance or the Code of Conduct
- 2) Suggesting, supporting or encouraging non-compliance by employees of the organisation with the Guidelines on Good Corporate Governance or the Code of Conduct
- 3) Knowingly neglecting or ignoring an offence against or non-compliance with the Guidelines on Good Corporate Governance or the Code of Conduct
- 4) Obstructing or failing to cooperate with investigations of possible offences or non-compliance
- 5) Any unfair behaviour towards a person reporting an offence against or non-compliance with the Guidelines on Good Corporate Governance or the Code of Conduct

## Part 4 Appendix

### 1. Definitions

<b>Ethics</b>	means	sound business practices adhered to in accordance with the business philosophy of the Thai Rung Group
<b>Thai Rung Group</b>	means	Thai Rung Union Car Plc and its subsidiaries
<b>The Company</b>	means	Thai Rung Union Car Plc (TRU)
<b>Subsidiaries</b>	means	1) Thai Rung Tools and Dies Co. Ltd. (TRT) 2) Thai Auto Presspart Co. Ltd. (TAP) 3) Thai V.P. Auto Service Co. Ltd. (TVS) 4) Thai Ultimate Car Co. Ltd. (TUC)
<b>Joint ventures</b>	means	1) Delta Thairung Co. Ltd. (DTC) 2) Trex Thairung Co. Ltd. (TTR) 3) Kyowa Thairung Co. Ltd. (KTR) 4) Thai Auto Conversion Co. Ltd. (TAC)
<b>Board and Board Committees</b>	means	the Company's Board of Directors and its various Committees
<b>Employees</b>	means	executives, permanent employees, temporary employees and contract workers
<b>Related person</b>	means	a person who is related in any of the following ways: 1) a person having the power to control the Company's business, including, in the case of a legal person, the directors of such legal person. 2) a spouse, a minor child or adopted minor child of a director, executive or person under (1) 3) a legal person whose business the person under (1) or (2) has the power to control 4) any other person with the characteristics established by the SEC
<b>Stakeholders</b>	means	shareholders, investors, employees, customers, suppliers and creditors, joint venture partners, business partners, the government, society community and the environment
<b>Disclosure</b>	means	disclosure of details information relating to the business activities of the Company as per the Public Limited Companies

		Act of 1992, the Securities and Exchange Act of 2008 and the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission
<b>Corruption</b>	means	any form of bribery such as an offer or promise to provide, give, accept or solicit money or other assets or any other inappropriate benefit to or from government officials, private sector partners, suppliers, customers or other stakeholders, whether directly or indirectly
<b>Conflict of interest</b>	means	any activity that may cause personal interests or those of persons related by blood ties or otherwise to influence decisions or to be opposed to or obstruct the greater good
<b>Gifts or other benefits</b>	means	granting special rights in the form of money, other assets or any advantages as an inducement, reward or to foster good relations
<b>Bribery</b>	means	offering or accepting gifts, rewards or any other benefits for oneself or other persons with as an inducement to do something dishonest, unlawful or against business ethics
<b>Popular tradition</b>	means	a festival, holiday or unique long-standing activity of importance to society

## 2. Characteristics and definition of Independent Director as laid down by the SEC

1. Does not hold more than 1% of the total number of voting shares in the parent Company, or of any of its subsidiaries or joint venture companies or in any entity likely to give rise to a conflict of interest, shares held by related persons to be included in the calculation in accordance with directive 258 of the Securities Act.
2. Does not take part in administering the work, is not a contractor or an employee or consultant in receipt of a regular salary and is not in a position to exert control over the Company, its subsidiaries, joint ventures or fellow-subsidiaries or on any entity likely to give rise to a conflict of interest (at present, and in the two years prior to his appointment.)
3. Does not have business dealings with the Company:
  - 3.1 Is not an auditor of the Company.
  - 3.2 Does not provide other professional services to the Company such as legal or financial consultancy or appraisal worth more than Bt.2m per year.
  - 3.3 Does not have habitual related party transactions by way of rent or lease, whether as lessor or lessee, of real estate, or concerning assets/services or the receipt or provision of financial assistance with a value exceeding Bt.20m or 3% of NTA, whichever is the lower, including transactions carried out in the one year prior to the carrying out of any given transaction.

Must not have business relations as defined in 3.1 to 3.3 above at present, nor in the two years prior to his appointment except where there is necessary and proper reason and in any case not continuously or constantly. An Independent Director or Audit and Corporate Governance Committee Member may have relations that go beyond those

stipulated while performing his office, but only after obtaining the unanimous prior approval of the Company's Board of Directors and subject to the relationship being disclosed per Form 56-1, in the Annual Report and in the letter of invitation to the Shareholders' Meeting in the event that the Shareholders' Meeting is to be asked to renew the term of office of the Independent Director or Audit and Corporate Governance Committee Member concerned.

4. Is not related by blood or marriage to (i.e. is not the father, mother, spouse, sibling or child of or the spouse of a child of a director, major shareholder or other person in a position of authority or candidate as director or person in a position of authority of the Company or any of its subsidiaries.
5. Has not been appointed to represent a Director or major shareholder or other shareholder that is a related party to a major shareholder.
6. Does not have any other characteristic limiting his independence.
7. An Independent Director having the characteristics set out in points 1 to 6 above may be given powers by the Board of Directors to decide on matters involving the Company, its subsidiaries, its joint ventures or fellow-subidiaries or entities likely to have a conflict of interest on a collective decision basis

### **3. Sources and references**

1. The Securities and Exchange Act of 2008
2. The Public Limited Companies Act of 1992
3. Principles of good corporate governance for listed companies 2012, CG Centre, SET
4. SET Code of Best Practices for Directors of Listed Companies
5. SEC Directors' Handbook
6. SET Corporate Social Responsibility Guidelines