



CHRISTIANI & NIELSEN

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## CHRISTIANI&NIELSEN (THAI) PUBLIC COMPANY LIMITED Corporate Governance Policy Manual

### Introduction

**Corporate Governance** is the set of structures and processes of relationships between a company's board of directors, management, shareholders and other stakeholders to enhance competitiveness towards business prosperity, creating long-term shareholder value and taking into consideration the interests of other stakeholders.

The Board of Directors of Christiani & Nielsen (Thai) Public Company Limited (the “**Company**”) recognizes the importance of good governance. The Company adheres to principles of fair treatment, transparency and accountability. These are crucial factors in enhancing organization and human developments, propelling sustainable business growth, responding to satisfaction and expectations of all stakeholders, creating credibility of organizations among all stakeholders, general public and society.

To implement good corporate governance throughout the Company as a mean to attain the objectives and for the ultimate benefits of the Company, the Board of Directors meeting resolved to adopt the resolution to announce the Company's “Corporate Governance Policy Manual”, which was set in conformity with the “Principles of Good Corporate Governance 2014” by the Stock Exchange of Thailand. The policy is to be studied and used as operational guidelines by its Directors, Sub-committee members, Management and employees to perform their duties accurately, thereby cementing the Company's position as an excellent and sustainable organization.

The Company has fully complied with the “Principles of Good Corporate Governance for Listed Companies 2014” set forth by the Stock Exchange of Thailand consisting of seven categories as follows:

1. Rights of Shareholders.
2. Equitable Treatment of Shareholders.
3. Role of Stakeholders.
4. Disclosure and Transparency.
5. Responsibilities of the Board.
6. Controlling Systems and Risk Management Policy.
7. Business Ethics.

The Company has communicated its Corporate Governance policy to its Directors, Sub-committee members, Management and employees to adopt and comply with as relevant and appropriate.

### 1. Rights of Shareholders

#### General Treatment to Shareholders

The Board of Directors is expected to be careful and circumspect in discharging its responsibilities while being mindful of all shareholders' rights, ensuring equitable treatment and maintaining a smooth working relationship to safeguard the best interests of all the shareholders.

The Company's shareholders shall all have the same basic rights as follows:

1.1) Right to buy/sell or right to transfer shares.

1.2) Right to share in profit/dividend of the Company.

1.3) Right to obtain relevant and adequate information on the Company in a timely manner and obtain updated information through the Company's website.



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1.4) Right to participate and vote in the shareholders' meetings to elect or remove members of the Board, fix all the Directors' remuneration, appoint or remove the external auditor, fix the remuneration of auditor and make decisions on any transactions that affect the Company such as dividend payments, amendments to the Company's Articles of Association or the Company's Memorandum of Association, capital increases or decreases, and the approval of extraordinary transactions, etc.

1.5) Right to authorize a proxy to cast the votes on their behalf at the shareholders' meeting

### **Dividend Payment Policy**

The Company's policy is to pay dividend when the Company has a profit and sufficient cash flow, unless there are any other critical circumstances; the dividend payment shall not impact the Company's operation significantly.

The Company shall pay dividend within 1 month from the date of the shareholders' resolution or from the date of the Board of Directors' resolution in case of interim dividend payment. The Company shall inform the shareholders about the dividend payment and publish related details in a newspaper.

The Company's Board of Directors has a policy of proposing that the Annual General Meeting of Shareholders approve the dividend payment to shareholders based on the Company's operating result in that year, at the rate of not less than 40 percent of net profit after tax deductible in the Company's profit & loss statements (in compliance with Public Limited Company Act and interpreted by Federation of Accounting Professions), provided that there was no other necessary event and such dividend payment does not have substantial impact to Company's normal business.

There is no Dividend Payment Policy set out for Company's affiliates, jointly controlled businesses and connected companies.

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

The Board of Directors recognizes the importance of rights and equitable treatment of shareholders, comprised of local investors, foreign investors, individual investors and institutions. Therefore, policies facilitating and promoting the participation of shareholders at meetings are set, as follows:

- **Setting date, time and place:** The Annual General Meeting of Shareholders ("AGM") will be held within four months after the end of each accounting year. The Company will determine the date, time and meeting place with regard to the convenience of the shareholders. The Company will also provide sufficient personnel and technology at the AGM.

- **Before the meeting day:** The Company grants the right to shareholders to propose the agenda of the AGM, nominate persons to be appointed as Directors as well as submit questions in advance (if any). The Company will set clear guidelines to shareholders in advance.

- **Notice for calling the AGM:** The Company will provide the shareholders with accurate and adequate information in a timely manner.

- o Deliver the notice for calling the AGM to shareholders at least 21 days in advance of the AGM date. The notice will contain date, time, place and complete details of each agenda item in accordance with the laws and regulations of the relevant regulatory authority, the Articles of Association of the Company and in accordance with guidelines for the assessment of the quality of the AGM (AGM Checklist).

- o Publish the notice for calling the AGM and the AGM information in both Thai and English versions onto the website of the Company at least 30 days prior to the AGM and inform the shareholders regarding the publication through the SET information disclosure systems.

- o Publish the notice for calling the meeting through a daily newspaper for not less than 3 consecutive days and not less than 3 days prior to the meeting date.



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- **The proxy:** Shareholders who cannot attend the AGM, in person can delegate to another person or the Independent Directors of the Company the right to attend and vote on their behalf as proxy holder. The Company will provide information on the Independent Directors such as experience, address, education, positions held in the business competition or related to the Company's business, the relationship of such Independent Directors with the Company or a subsidiary of the Company, the interest in the agenda to be considered etc. The proxy forms distributed to shareholders clearly contains all details of information required by the Business Development Department of the Ministry of Commerce, whereby shareholders may cast their specific votes by using such proxy forms.

- **Registration and vote counting:** The AGM registration is open for shareholders commencing prior to the meeting onwards. The Company provides meeting registration services and vote counting using a bar code system. In addition, the Board of Directors encourages persons who are independent to count or verify the votes and discloses the findings thereof in the minutes of the shareholders' meetings.

- **On the meeting day:** Prior to the formal commencement of the AGM, the Company will explain the vote-casting and vote-count procedure. During the meeting, the Chairman of the meeting always allows sufficient time for shareholders to ask questions and make recommendations. All important suggestions and inquiries from shareholders are recorded in the meeting of minutes.

- **Minutes of the meeting:** The Company prepares and submits the minutes of the AGM to the regulators within 14 days of the meeting date and discloses them on the Company's website.

- **Coordination:** a Company Secretary is assigned to contact and coordinate with investors.

### **Policy on Confidentiality of Information**

The Company has set up an important policy concerning the use of information of the Company in compliance with good Corporate Governance and relevant regulations. The Company has advised the Directors, Executives and staff to focus on confidential information especially internal information not yet disclosed to public or any data or information that may affect the business of the Company or its share price. The guidelines are as follows:

#### **Policy on Insider Information**

To comply with the Corporate Governance principles, the Directors and employees knowing or having access to inside information of the Company, with significant effects on the stock price, shall act in accordance with the following procedure:

- a. Directors, Executives and staff must not use information they receive from their Directorships or employment for personal benefit or for conducting business or other activities in competition with the Company.

- b. The Use of Inside Information for Securities Trading

- o Imposing non-trading periods on Directors, Executives and employees involved in financial statement preparations, prohibiting them from trading the Company's securities during a 30-day period preceding the announcement of quarterly, and annual financial statements, and also 24 hours after the announcement of quarterly, and annual financial statements.

- o Requiring Directors and Executives (as defined in the Notification of the Capital Market Supervisory Board) including their spouse and minor children to disclose information on their shareholdings and to report their trading transactions related to the Company's shares to the Company and the Securities and Exchange Commission within 3 days, pursuant to which the company secretary is responsible for collecting data on any changes in such shareholding for reporting as part of the regular agenda of the Board meeting.

- o Prohibit the Directors, Executives, employees and workers of the Company from using the existing inside information or information which may affect a change of the Company's security value not disclosed to public, through direct or indirect means, that may cause direct or indirect damages,



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leading to personal or others' benefits, or disclosing such facts for others to do so with or without any individual returns.

o Director and Executive shall report stockbrokerage/security holding of the Company for at least 1 days in advance before trading to the Board of Directors and report the summary to the Board of Directors' Meeting for acknowledgement.

### 3. Role of Stakeholders

#### A. Communication with the Board of Directors and whistle-blowing policy

To ensure fair treatment of all stakeholders, either internal stakeholders such as Directors, employees, and Executives of the Company, or external stakeholders such as shareholders, customers, trade partners, competitors, the society all stakeholders can communicate with the Company's Board of Directors for complaints, suggestions, or recommendations, giving useful information or evidence of illegal actions or violations of the Code of Conduct, as well as behavior implying corruption. The procedure to protect the whistleblower has also been put in place. To foster trust, information regarding whistleblower messages will be kept confidential and will be known only among responsible parties. The Company has set up channels for communicating with the Board of Directors as follows:

##### Contact

The stakeholders can communicate with the Board of Directors by sending an email with their contact details and relationship with the Company to [Ponpisch@cn-thai.co.th](mailto:Ponpisch@cn-thai.co.th) or sending a letter to the Audit and Corporate Governance Committee at the address below.

Khun Ponpisith Charoenthai  
Secretary of Audit and Corporate Governance Committee  
Christiani & Nielsen (Thai) Public Company Limited  
727 LaSalle Road  
Bangna, Bangna,  
Bangkok 10260

The Audit and Corporate Governance Committee will verify the information received before reporting to the Board of Directors. When a whistleblower does not reveal oneself, the Company will consider such issue only if it has information or suggestions that can be useful to the Company.

#### B. Treatment to various groups of stakeholders

The Board of Directors is expected to be aware, careful and circumspect of the stakeholders' rights as provided by law and encourage cooperation between the Company and stakeholders to create wealth, jobs, financial stability and sustainability of the business. Stakeholders should have access to necessary information regarding the Company.

The Company sets the guidelines for treatment of stakeholders based on fair and equitable treatment explained in Business Ethics and Code of Conduct Manual of the Company.

### 4. Disclosure and Transparency

4.1 The Company has a duty to disclose information whether such information is related to financial matters or not. The disclosure should be accurate, complete, adequate, reliable and timely so that the



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Company's shareholders and stakeholders (if required) are equally well versed with the information as stipulated by laws, state agencies and concerned organizations.

4.2 Company information must be compiled with care, clarity, and should be concise, linguistically simple and transparent. Important information must be disclosed regularly, both, on the positive and negative side, but due care must be exercised not to confuse and mislead users. More attention must be paid to the content than the form, and all efforts must be made to completely spell out the conditions or assumptions made.

4.3 The Company must maintain information dispensing channels that are easy for users to access information in a timely manner. The result should be worth the cost.

4.4 The Company requires Directors and Executives (as defined in the Notification of the Capital Market Supervisory Board) including their spouses and minor children to disclose information on their shareholdings and to report their trading transactions related to the Company's shares to the Company and the Securities and Exchange Commission within 3 days, pursuant to which the company secretary is responsible for collecting data on any changes in such shareholding for reporting as part of the regular agenda of the Board meetings.

4.5 The Board has an Investor Relations unit to assist in communicating with the shareholders, investors, as well as securities analysts. The Board provides adequate resources to help develop Executives' knowledge and abilities in presenting information and enhancing their communication skills.

4.6 The Board has directed that management disclose information completely, accurately, reliably and in a timely manner. Information disclosure assessment is conducted each year in accordance with the Company's plan to ensure healthy investor relations.

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

The Company's Board of Directors consists of professionals with a diversity of skills and expertise, consisting of 5 Boards/Committees as follows:

#### **5.1 The Board of Directors**

The Board of Directors must be composed of at least five Directors out of which at least one-third must be Independent Directors, which shall not be less than 3 Directors.

#### **Qualifications of Directors**

a. Qualified according to the Public Limited Companies Act, Securities and Exchange Act including other relevant laws and regulations and in accordance with the Good Corporate Governance Policy of the Company.

b. Knowledgeable, possesses good background experience, capable, independent to perform Director's duties with care and loyalty, and able to attend Directors' meetings regularly.

c. Having knowledge in one or more of the following fields: Construction, International Trading, Business Strategy, International Accounting, International Finance, Law and Corporate Governance.

d. Not holding board positions in more than 5 listed companies and certainly not holding any position in even 1 (listed or unlisted) competing construction business.

e. Should complete the Thai IOD Director's Certification Program within 6 months of appointment.

f. Age not more than 70 years, unless specifically extended at the discretion of the Board of Directors keeping in mind the availability of qualified candidates, the experience, qualifications and health of the concerned person.





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

1. The Board of Directors is expected to perform its duties in conformity with applicable laws and carry on the business of the Company in accordance with such laws, the Company's objectives and the Articles of Association of the Company, as well as the resolutions of the shareholders' meetings. It is authorized to carry on any activities as prescribed in the Memorandum of Association or those related thereto under the Public Limited Companies Act B.E. 2535. The Board of Directors is responsible to the Company's shareholders. Each Director represents all shareholders and takes part in supervisory and regulatory functions in the Company's operations, in an independent and impartial manner, for the benefit of all shareholders and other stakeholders.

2. The Board of Directors, in their business conduct, is expected to generally act with care and exercise its duties prudently to preserve the interests of the Company.

3. The Board of Directors or the shareholders, at their meetings, is entitled to give authority to the Executive Directors to operate the Company's business and designate the authorized Directors to bind the Company.

4. The Board of Directors is authorized to sell or mortgage any of the Company's immovable properties, to let any of the Company's immovable properties for a period of more than three years, to make a gift, to compromise, to file complaints to the Court and to submit disputes to Arbitration.

5. Approve the Mission Statement, Vision, Values and Code of Conduct.

6. Review the Company's Vision and Mission at least every 5 years and review Corporate Governance Policy and Code of Conduct annually.

7. Review and discuss the management's proposed strategies and options and approve major decisions in respect of the Company's business direction and policies. The Board of Directors also reviews and approves the business and performance goals proposed by the management.

8. Monitor the Company's performance and progress toward achieving set objectives as well as compliance with laws, regulations and related policies.

9. Ensure the existence of an effective internal control system and appropriate risk management framework.

10. Ensure an effective audit system executed by both internal and external auditors.

11. Approve quarterly and annual financial reports to ensure that the reports are prepared under generally accepted applicable accounting standards.

12. Ensure that the Company has a proper system in place to communicate effectively with all stakeholders and the public.

13. Define policy and guidelines for risk management and monitor the management to ensure the efficiency of risk management system.

14. Define policy and guidelines for good corporate governance and ensure that the duties and responsibilities of Directors and the management comply with Corporate Governance principles.

15. Define policy and guidelines to implement Corporate Social Responsibility.

16. Attend the meetings of shareholders to report results of operations answer questions and listen to suggestions and comments from shareholders.



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## 5.2 The Executive Board of Directors

The Executive Board of Directors consists of 5 Directors and is appointed by the Board of Directors.

### Qualifications of Executive Directors

- a. Qualified according to the Public Limited Companies Act, Securities and Exchange Act including other relevant laws and regulations and in accordance with the Good Corporate Governance Policy of the Company.
- b. Knowledgeable, possess good background experience, capable, independent to perform Director's duties with care and loyalty, and able to attend Directors' meetings regularly.
- c. Having knowledge in respective field of appointment as part of Senior Management.
- d. Not holding board positions in more than 3 listed companies (including the Company) and certainly not in any competing construction business and also not in a full time executive position.
- e. Should complete the Thai IOD Director's Certification Program Course.
- f. Age not more than 70 years unless specifically extended at the discretion of the Board of Directors keeping in mind the availability of qualified candidates, the experience, qualifications and health of the concerned person.

### Roles, Duties and Responsibilities of Executive Directors

1. To manage the Company's business under the resolutions/regulations of the Board of Directors. With the resolution of the Board of Directors Meeting No. 414, the authority of Executive Board extends to the following:
  - To purchase and sell Plant, Equipment and other Assets, to provide security to lenders, including mortgage on the Assets and to maintain the Assets of the Company and its subsidiaries in accordance with the programme set out by the Board of Directors.
  - To borrow money from Banks, Financial Institutions and other organizations and to execute agreements pursuant thereto and to fix interest rates. To give guarantees, provide security on behalf of the Company and its subsidiaries.
  - To make advances, deposits and loans as may be required in the interest of the Company and its subsidiaries.
  - To open and operate the bank accounts of the Company, appoint authorized signatories to operate the bank accounts, buy and sell currencies as may be required for the operations of the Company and its subsidiaries.
2. To execute any agreements/contracts including bidding for various jobs and tenders, enter into contracts with customers for the provision of construction services, including the supply of materials and other services and goods as may be required with terms and conditions under the scope of authority vested by the Board of Directors. Such agreements/contracts must be affixed with signatures of any two Executive Directors together with the Company's seal.
3. To generally act on behalf and in the interests of the Company and its subsidiaries as may be required to carry on the business.
4. The Executive Board of Directors shall report on the business operations conducted by the Executive Board to the Board of Directors for acknowledgement and discussions. However, policy-related issues, or issues likely to have significant and major impact on the Company's business, or issues requiring action by the Board of Directors in compliance with laws or the Company's Articles of Association, must be approved by the Board of Directors. This also includes issues for which the Executive Board of Directors considers it appropriate to seek the approval of the Board of Directors on a case-by-case basis, or per the criteria designated by the Board of Directors.





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5. Prepare and review strategic objectives, financial plans and key policies of the Company, to be submitted to the Board of Directors for approval.
6. Review management authority in various aspects stipulated in the approval authority hierarchy, to be submitted for approval to the Board of Directors.
7. Appoint, monitor and evaluate the performance of employees from the level of General Manager down to middle managers.
8. Monitor and report on the Company's operating results to the Board of Directors as well as on other work in progress to achieve the Company's objectives.
9. Communicate with external stakeholders, as per designated authority, and as deemed appropriate.
10. Prepare and review policy and guidelines for risk management and monitor the management to ensure the efficiency of risk management system.
11. Prepare and review policy and guidelines for good Corporate Governance and guidelines to implement Corporate Social Responsibility.

### **5.3 The Audit and Corporate Governance Committee**

The Audit and Corporate Governance Committee was appointed by Board of Directors with the objective of having a mechanism to assist the Board independently in accordance with the regulations and the recommendations in respect of good Corporate Governance, to give their opinion on the Company's financial report's correctness, credibility and transparency, to encourage the good Corporate Governance including coordination with the Board of Directors for risk management and internal control systems in the Company. This is expected to create efficiencies in operations and also provide for an independent check on the functioning of the Management of the Company including checks on conflict of interest issues and connected party transactions, if any.

The Board appointed Independent Directors as the Audit Committee on 16th November 2000 according to the resolutions of the Board of Directors' meeting No. 340. Thereafter on 20th February 2013 the Board of Directors meeting No. 404 has resolved to amend the name of the Audit Committee from Audit Committee to Audit and Corporate Governance Committee since the existing roles and responsibilities of Audit Committee of the Company include Corporate Governance also and in order that the Audit and Corporate Governance Committee emphasize consistently on the compliance of relevant regulations and continue the development of Corporate Governance of the Company. The Committee is presently comprised of 3 Independent Directors, each of them to hold their position on the Committee for a period of 3 years from the date of their respective appointment.

#### **Composition of Audit and Corporate Governance Committee**

- 1) There must be at least 3 persons in the Committee.
- 2) The Company's Chairman is neither the Chairman nor a member of the Committee.
- 3) A secretary may be appointed by the Audit and Corporate Governance Committee to assist the Audit and Corporate Governance Committee.

#### **Qualifications of Audit and Corporate Governance Committee Members**

- a. Must be appointed by the Board of Directors or by the shareholders in a shareholders' meeting.
- b. All the members must be Independent Directors.
- c. Not a board member of parent company or subsidiary company which is also a listed company
- d. Not holding shares exceeding 0.80 percent of the total number of shares issued by the Company or its parent company, subsidiaries, affiliated companies or major shareholders who have the power to control the Company as well as shares held by related persons.



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e. Be free of any past (for a period of last 2 years) or present, direct or indirect, financial or other interest in the management and business of the Company, its subsidiaries and associated companies and also that of the Company's substantial shareholders.

f. Not related to or a close relative of any Executive Director, Executive officer or major shareholder of the Company.

g. Not a Board member assigned to make decisions on business operations in the Company, its parent company, subsidiaries or associated companies, or in juristic persons with possible conflicts of interest.

h. Be able to freely perform and give opinions, or report the result of the duties assigned by the Board of Directors without being controlled by the management or major shareholders or any other related persons.

i. Having duties and responsibilities in accordance with the rules and regulations of the SET.

j. At least 1 committee member must have knowledge, understanding or experience in accounting or financial fields enough to review the creditability of financial statements

#### **Roles, Duties and Responsibilities of the Audit and Corporate Governance Committee**

1. To review the Company's financial reporting process to ensure accuracy with adequate and complete disclosure.

2. To ensure that the Company has an appropriate and efficient internal control system subject to internal audit and to also ensure that there is an efficient internal audit system in place and to ensure the independence of internal audit department, including approval of the selection, promotion, and rotation or termination process of the internal audit head.

3. Review risk management system of the Company and recommend improvements on a regular basis.

4. Review guidelines for the Company's good corporate governance and make recommendations to the Board of Directors.

5. To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the SET and other laws relating to the business of the Company.

6. To select or remove and nominate for the shareholders' approval, the external auditor of the Company, including recommendation of remuneration of the external auditor after considering the independence of the external auditor and to freely discuss significant matters, the Audit and Corporate Governance Committee shall meet privately with the external auditor at least once a year, without the management team being present.

7. To review connected party transactions that may lead to conflicts of interest, to comply with all related rules and to ensure that such transactions are reasonable and for the full benefit of the Company and to ensure accurate and complete disclosure of the same.

8. To prepare a report on the monitoring activities of the Audit and Corporate Governance Committee, in accordance with the required details of SET's regulations and disclose it in the annual report, such report to be signed by the Chairman of the Audit and Corporate Governance Committee.

9. Monitor and receive complaints or information from stakeholders submitted to the Board of Directors.

10. To perform any other acts as delegated by the Board of Directors and accepted by the Audit and Corporate Governance Committee.

#### **5.4 The Remuneration Committee**

The Remuneration Committee has been appointed by the Board of Directors as a mechanism to assist the Board in independently proposing the criteria of and setting guidelines for the remuneration of



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Directors and Senior Management and to propose such remuneration to the Board of Directors who will then act (accept fully, partially or reject totally) in accordance with the regulations and good governance practices based on the proposals made by the Remuneration Committee. The Board of Directors is not empowered to fix the remuneration of the Directors, but is required to place their recommendations on the same to the shareholders for their approval. The Board appointed the Remuneration Committee on 20 February 2013.

#### **Composition of Remuneration Committee**

- 1) There shall be at least 3 Directors as members on the Remuneration Committee.
- 2) The majority of the Committee shall always be comprised of Independent Directors.
- 3) The Chairman of the Committee shall always be an Independent Director.
- 4) The members of Remuneration Committee who do not fall in (2) and (3) above shall be Non-Executive Directors.
- 5) The Company's Chairman shall neither be the Chairman nor a member of the Committee.

#### **Qualifications of Remuneration Committee Members**

- a. They must not be involved in the day-to-day management of the Company or an affiliated company or an associated company.
- b. They must be free of any present, direct or indirect, financial or other interest in the management and business of the Company, its subsidiaries or associated companies.
- c. They must not be a relative of any Executive Director or an executive officer of the Company, its subsidiaries or associates.
- d. They must not be acting as a nominee or representative of any Executive Director or an executive officer of the Company.
- e. They must be able to carry out their duties, exercise their judgments, and report the committee's performances, which are assigned by the Board of Directors without being influenced by Executive Directors or executive officers of the Company, its subsidiaries or associates.

#### **Roles, Duties and Responsibilities of the Remuneration Committee**

The Remuneration Committee is responsible for duties assigned by the Board of Directors as follows:

1. Set out compensation guidelines for Directors, Sub-committee members and Senior Management and propose the same to the Board of Directors.
2. Propose the Directors' remuneration for the Board or Directors, Sub-committee members and Senior Management to make their recommendations and express their opinions, for approval in shareholders' meeting.
3. Update the Board of Directors about compensation norms being followed by companies in Thailand and abroad.
4. Other specific jobs assigned by the Board of Directors.

#### **5.5 The Nomination Committee**

The Nomination Committee has been appointed by the Board of Directors in order to set up a mechanism to assist the Board to independently propose the criteria and set guidelines for nomination of new Directors and recruitment and selection of top executives, and thereafter propose to the Board of Directors who could then consider the proposal and decide to accept or reject the same or amend it for further approval by shareholders if required (for the appointment of Directors).

The Board of Directors approved to appoint the Nomination Committee on 20 February 2013, currently consisting of 3 Directors.



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### **Composition of Nomination Committee**

- 1) There shall be at least 3 Directors as members on the Nomination Committee
- 2) The majority of the members of the Committee must be Independent Directors.
- 3) The Chairman of Committee must be an Independent Director.
- 4) The Company's Chairman shall be neither the Chairman nor a member of the Committee.

### **Qualifications of Nomination Committee Members**

The Qualifications are exactly the same as that of the Independent Directors.

### **Roles, Duties and Responsibilities of the Nomination Committee**

The Nomination Committee is responsible for duties assigned by the Board of Directors as follows:

1. Set out selection and nomination guidelines of appropriate persons and propose the same to the Board of Directors.
2. Review the Board structure and propose a succession plan for Directors and Senior Management.
3. Propose to the Board, names of potential candidates for appointment as Directors.
4. If requested by the Board of Directors, assist in the process of review of performance of Directors.
5. Prepare specific reports on latest trends and practices in the appointment of the Directors and Senior Management for consideration by the Board of Directors.
6. Other jobs assigned by the Board of Directors.

### **Nomination Criteria**

- 1) Consideration of the educational qualifications, experience, enterprise and devotion of potential candidates expected to add value to the Board.
- 2) Consideration of the qualities of leadership, vision, ethics, honesty and dedication to devote time fully to uphold the highest principles of good Corporate Governance.
- 3) The candidate should not be a person prohibited under the Public Companies Act, the Securities and Exchange Act, announcement of the Securities and Exchange Commission or any other laws relating to the qualification and scope of work of the Board of Directors; or a person blacklisted by any organization (including the SEC) or convicted of any crime.
- 4) The candidates for Independent Directorship must be qualified in accordance with the Independent Director's qualifications.
- 5) Having no conflict of interests with the Company, including:
  - o Engaging, having been a partner in an ordinary partnership, an unlimited liabilities partnership, in a limited partnership or having been an Executive or Director in a company or other listed company in a business similar to or competing with the Company and/or its subsidiaries.
  - o Having been a partner in a contract, a concession contract or having been a company's stakeholder in such manner or having been a partner in an ordinary partnership, an unlimited liabilities partnership in a limited partnership or having been an Executive, Director in a company or other listed company operating in such manner.
  - o Any other cases under the Public Companies Act and/or as specific by laws.
- 6) Consider other qualifications as may be advisable, such as the lack of necessary skills required on the Board of Directors of the Company.



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## 5.6 The Risk Management Committee

The Board of Directors has appointed a Risk Management Committee to prescribe risk management policies that cover the entire organization and to ensure that risk management procedures or systems are in place to appropriately mitigate the impact of the risks on the businesses of the Company. Composition, authority, duties and responsibilities of the Risk Management Committee are prescribed to ensure their efficient performance as assigned by the Board of Directors. The Board of Directors approved to appoint the Risk Management Committee on 20 February 2013.

### Composition of Risk Management Committee

- 1) There must be at least 3 Directors in the Committee.
- 2) The Company's Chairman must be neither the Chairman nor a member of the Committee.
- 3) A secretary may be appointed by the Risk Management Committee to assist the Risk Management Committee.

### Qualifications of Risk Management Committee Members

- a. Must be appointed by the Board of Directors.
- b. At least one (1) member must be an Independent Director.

### Roles, Duties and Responsibilities of the Risk Management Committee

The Risk Management Committee is responsible for duties assigned by the Board of Directors as follows:

- 1) Identify the various risks that the Company is exposed to in the business environment.
- 2) Prescribe policies and suggest measures for the appropriate and efficient management of the risks associated with and identified by the Company.
- 3) Prescribe risk management policies and procedures to cover the entire organization.
- 4) Follow up on and evaluate the performance in accordance with the organization-wide risk management framework, including recommendation of a framework for internal controls.
- 5) Report the Company's major risks, status, progress of measures taken to mitigate these risks and performance to the Board of Directors every quarter.
- 6) Communicate, collaborate and share information with Audit and Corporate Governance Committee on risk management and internal control.
- 7) Perform any other acts as delegated by the Board of Directors.

## 5.7 Independent Directors

An Independent Director is a Director who is independent from management of the Company and/or its subsidiaries, who does not have any related business or activities, and has no business with the Company which may compromise the interests of the Company and/or the shareholders.

### Roles of Independent Director

- 1) At least one-third of the Board of Directors must be comprised of Independent Directors and there must be at least 3 Independent Directors on the Board.
- 2) The Audit and Corporate Governance Committee of the Company is entirely comprised of Independent Directors.



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### **Qualifications of Independent Directors**

a. Holding shares not exceeding 0.80 per cent of the total number of shares with voting rights of the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director.

b. Neither being nor used to be an Executive Director, employee, staff, advisor who receives salary or other kinds of compensation from the Company, its parent company, subsidiary company, associate company, major shareholder or controlling persons or other juristic person that may cause conflicts of interests (present and during less than 2 years prior to the date of appointment).

c. They must not be a blood relative, legal relative, related person or close relative of any Executive Director, executive officer, major shareholder or controlling person in/of the Company.

d. Neither having nor used to have a business relationship pursuant to the regulations of the Securities and Exchange Commission and also must be free of any present, direct or indirect, financial or other interest in the management and business of the Company, its subsidiaries, associated companies, or its major shareholders.

e. Neither being nor used to be an auditor or a provider of any professional services including those as legal advisor or financial advisor for the Company, its parent company, subsidiary company, associate company, major shareholder or controlling person and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relations has ended not less than 2 years prior to the date of appointment.

f. They must not be acting as a nominee or representative of any Director, major shareholder or shareholders, who are relatives of any major shareholders of the Company.

g. Not undertaking any business of same nature and in competition to the business of the Company or its subsidiaries or being a significant partner, or being an Executive Director, employee, staff, advisor who receives salary or controlling person or holding shares exceeding one per cent of the total number of shares with voting rights of any other company which undertakes business in the same nature and in competition to the business of the Company or its subsidiaries.

h. They must be able to carry out their duties, exercise their judgments, and report the committee's performances, which are assigned by the Board of Directors without being influenced by Executive Directors or major shareholders of the Company, including related persons or relatives.

i. Not having any other characteristics which cause the inability to express independent opinions.

j. Being able to provide equitable protection to the benefit of all shareholders, and being able to prevent any conflict of interests that might occur between the Company and executives, major shareholders, or any other company having similar major shareholders. May be required by the Board of Directors to take part in making a group decision regarding business operations of the Company, its subsidiaries, affiliate or juristic persons which may have conflicts of interest.

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

1. Independent Directors should be given adequate access to financial and other business information for them to perform their duties effectively.

2. They are expected to regularly attend every board meeting, including the relevant committee meetings, and raise good questions to ensure the interests of the Company's shareholders, the protection of rights of other stakeholders, and ensure that the Company complies with best practices.

3. Independent Directors are expected to possess abilities and display willingness to learn about the Company's business and are also expected to express their views independently, as well as dedicate time and attention to the Company, as needed.





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4. Independent Directors are expected to regularly hold meetings among themselves, and try in every way possible to look for opportunities in which they can discuss business management issues with the management.

5. Independent Directors are expected to submit a confirmation letter to the Company verifying their independence in accordance with the Company's definition thereof on the date they accept the appointment and every subsequent year, if required.

## **5.8 Other principles and practices involved**

### **A. Term of Directors**

Board of Directors: At every AGM, one-third of the Directors shall be retired. The Directors who have held office longest shall be retired. If the number of Directors cannot be divided into three parts, the number of Directors closest to one-third shall retire. The retiring Directors may be re-elected. In addition, the tenure of a Director normally should not be longer than three consecutive terms.

Sub-Committee Members: Each member of the Sub-committees shall hold office during the same term as that of his/her Board membership. The tenure of a Sub-committee member normally should not be longer than three consecutive terms.

Independent Directors: The Independent Directors of the Company shall hold office for a term not exceeding 9 years from the first date appointed as Independent Director. In case of the appointment of an Independent Director with a term exceeding that specified, the Board of Directors shall consider reasonable to the need.

### **B. Meeting of the Board of Directors and Sub-committee of the Board**

#### Meeting of the Board of Directors:

Meetings of the Board of Directors shall be held no less than 6 times a year, with dates scheduled in advance for the entire year. Special meetings are convened as necessary. The Chairman of the Board and the Managing Director will jointly select and set agenda items of each meeting. A Director can ask for information or suggest matters to be included on the agenda through the Company Secretary who will scrutinize and further propose to the Chairman of the Board and Managing Director. Main agenda items for each meeting are clearly set in advance; i.e., annual budget, consideration and approving of the operating performance and the company financial statements, quarterly and annually. The Managing Director shall report the Company's operating results to the Board every month.

In each meeting of the Board, the agenda items and relevant documents must be prepared and circulated to the members of the Board at least 5 days in advance of the meeting date in order for the Board members to have sufficient time to consider the issues, unless there is an overriding necessity or urgent matter.

If the Board of Directors is to vote at a particular meeting, at least two-third of the Company's Directors shall form a quorum.

The Company Secretary records the minutes, and after each meeting, the draft minutes are proposed to all Directors for their consideration. Such drafts are generally distributed to Board members before the minutes are adopted at the next meeting, and are kept for scrutiny by Board members and other concerned parties. In addition, the Company also arranges a Non-Executive Directors' meeting at least once a year.

#### Meeting of Sub-Committees of the Board:

Meetings of the Sub-committees of the Board shall be held no less than 2 times a year.



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### **C. Segregation of Positions between the Chairman of the Board and the Managing Director**

For the Company's Corporate Governance purposes, and transparency of internal control, the positions, powers, and duties of the Company's Chairman of the Board and Managing Director are clearly divided, making them consistent with the principle of segregation of roles in policy formulation and oversight of those in operational management, as per the following details:

**Chairman of the Board:** The Chairman of the Board is selected and appointed by the Board from the members of the Board. The Chairman of the Board has the power and duty to manage and control the business of the Company, as assigned by the Board, i.e., to develop and review key strategies and practices relating to business of the Company and other committees appointed by the Board, including overseeing the Executive Board's compliance with its charter. In addition, the Chairman of the Board is an authorized signatory, authorized to sign on behalf of the Company as specified by the Board of Directors.

**Managing Director:** The Board appoints one of the Board members as the Managing Director, whereby the Managing Director is a member of the Executive Board of Directors. The Managing Director is also an authorized signatory, authorized to sign on behalf of the Company as specified by the Board of Directors. The powers and duties of the Managing Director are those prescribed by applicable law and as assigned by the Board, as the Board may deem appropriate. These powers and duties include:

1. To implement the Company's operations according to policies, strategies and goals as set forth by the Board.
2. To monitor and prepare reports on business conditions and the Company's positions, and recommend alternatives and strategies consistent with the policies of the Company and market conditions for the time being.
3. To consider and screen the Company's business operations with approval authority according to the Company's regulations, and as assigned by the Board and/or the relevant Sub-committees appointed by the Board.
4. To manage and supervise the Company's operations, such as finance, risk management, internal control, operational processes and human resources.
5. To represent the Company with the authority to assign another person to deal with government agencies and regulatory bodies.
6. To oversee communications with the public, shareholders, customers, and employees to ensure that they are positive and enhance the Company's reputation and image.
7. To apply good governance principles across the organization.

### **D. Procedures for New Directors**

The Company holds orientation meetings for new members of the Board. In these meetings, briefings on the Company's visions, strategies and key business targets and operational plans are given by the Chairman of the Board, the Managing Director, and/or Senior Executives. Material documents are also provided to new Directors, including the Directors' Manual, the Memorandum and Articles of Association of the Company, and the Company's latest Annual Report. The main areas of focus are roles and responsibilities of Directors, policy statements on corporate governance, approval authorities, prohibitions under applicable laws, and roles and responsibilities of the Sub-committees of the Board.

### **E. Remuneration Criteria of Board Members, Sub-Committee Members and Executives**

- 1) The remuneration of Board members, Sub-committee members and Executives must be agreed by Board of Directors and recommended to the shareholders for their approval.
- 2) The remuneration of Board members and Sub-committee members shall be paid as meeting allowance, monthly remuneration and bonus.



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3) The remuneration of Executives shall be paid as monthly salary, bonus including welfare and fringe benefits in line with the Company's regulations; for instance, benefits in relation to medical treatment, life and accident insurance, as well as travel and accommodation costs, provident fund etc.

4) The remuneration criteria shall include consideration of financial status and performance of the Company, which should be comparable with other listed companies in general, and should also be comparable with other listed companies in the same sector, as well as appropriate and consistent with the willingness to perform and individual performance. The criteria shall be transparent, fair and in accordance with applicable laws and regulations.

#### **F. Assessment of Board Members, Sub-committee Members and Executives**

Assessment of the Board is divided into 2 parts:

- a. Assessment of the Board and Sub-committees as a whole.
- b. Assessment of each Board member and each Sub-committee member

Board assessment is conducted each year on a regular basis. The Board of Directors jointly defines criteria and the assessment process in the evaluation, as well as the norms of performance comparison. The Company Secretary distributes the assessment forms to each member of the Board, then collects the completed forms and submits them to the chairman of the Remuneration Committee, for performance evaluation. Thereafter, the evaluation results will be used for discussion in the meeting of the Board where the recommendations given by Board members will be adopted for improvement of the Board's performance, for the optimal benefit of the Company in terms of Corporate Governance. In addition, the Company has a policy of hiring an outside consultant who is independent, having no conflict of interest, to set guidelines and provide recommendations regarding assessment at least once every 3 years.

#### Assessment of the Executives

Assessment of the Managing Director and Executives is rendered on an annual basis subject to the responsibility of the Remuneration Committee. As for assessment of the Managing Director, the Remuneration Committee has the duty to review the targets and performance criteria, to monitor and assess the performance, and to submit assessment results to the Board for consideration. In regard to the performance assessment of Executives, the Company's management will set up the key performance indicators following the goals and strategies for each year, monitor and assess the performance, and submit assessment results to the appropriate persons including the Remuneration Committee for their consideration (in respect of Senior Management). The Committee will then submit the results to the Board for its consideration and approval regarding suitable remunerations and other benefits.

#### **G. Succession Planning**

The Company forms succession plans with the objectives of making human resources ready in advance, both in terms of quality and quantity, ensuring continuity of appropriate management, and selecting suitable employees for the Company's key jobs, which consist of the top Executives in the Company's divisions, the key positions in the Company's management structure or business operations, or the positions for which specific expertise is required and replacements are difficult to find, such as the Managing Director, Assistant to Managing Director, the Head of Operation and the Head of Business Development etc.



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The persons who are responsible to nominate successors and to grant approval on the successors to key job positions are classified according to level of position. The person or group of persons responsible for nominations is the Nomination Committee, or others as specifically appointed by the Board, such as the Chairman of the Nomination Committee, members of the Board, or the top management at the group-head or division-head level, while the person or group of persons responsible for granting approval can be either the Board, the Nomination Committee, the Chairman of the Executive Board, or the top management at the group-head level, depending on the level of each key position needing a successor.

**Operating Guidelines**(In case the Managing Director or the Executive Directors are unable to perform their duty).

The Board of Directors specifies the authorized signatories to sign on behalf of the Company in case the Managing Director or the Executive Directors are unable to perform their duty.

## 6. Controlling Systems and Risk Management Policy

### Risk Management

Risk management is an important part of the Company's management system. The Company has developed a risk management system for its employees at every level and covers enterprise risk management. The Company has employed Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd. to train its employees and advise on the preparation of the Company's risk management procedures and concepts, which are based on the principles of COSO (Enterprise Risk Management – Integrated Framework, COSO, September 2004) and AS/NZ 4360:2004 (Risk Management – Australian/New Zealand Standard, AS/NZ 4360:2004), ensuring that the Company's risk management system meets international standards.

### Roles, Duties and Responsibilities in Risk Management

The Company's risk management policies were implemented at every level and in all activities as follows:

1. Board of Directors has the duty and responsibility to give advice and support to Risk Management Committee.
2. Risk Management Committee has the duty and responsibility to review and approve the framework of the risk management system, organization and risk management process. The Committee may also appoint and delegates its' duties to Risk Managers and Risk Champions.
3. Management has the duty and responsibility to implement the risk management system into strategic and business planning, operation procedures and construction activities, including giving support to employees at all levels in implementing risk management system.
4. The Risk Manager has the duty and responsibility to prepare and improve risk policies and risk framework, including communicating the same to all employees. The Risk Manager shall advise all units in the Company regarding the risk management process, risk reporting and also monitor progress of the risk management and report to the Risk Management Committee at least every quarter or when there is significant change to the Company.
5. The Audit and Corporate Governance Committee has the duty and responsibility to review risk assessment results and risk management reports from the Risk Management Committee and Risk Manager. The Audit and Corporate Governance Committee is to give advice to the Risk Management



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Committee and Risk Manager, particularly in a combination role of risk management and internal control of the Company.

6. The Internal Auditor has the duty and responsibility to give advice to the Risk Manager and Risk Champions on internal control risks, participate in risk policies review, and evaluate the efficiency and effectiveness of the Company's control systems. The Internal Auditor shall study risk assessment results and take them into account in audit planning (Risk-based Audit).

### **Risk Management Processes**

The Company has established risk management processes which are to be implemented systematically throughout the Company. The overall risk management processes are as follows;

1. Identify the Company's risk management framework which is to be approved by the Risk Management Committee and the Board of Directors. The Company's risk management system is developed and implemented according to the risk management framework.

2. The Company's objectives and strategies are to be developed by the Management and reviewed by the Board of Directors so that all levels of the Company can prepare their working plans accordingly.

3. Identify and assess risks which have an impact on the Company's objectives achievement within the risk management framework by assessing level of risk impact and risk likelihood.

4. Identify and assess the current controls and procedures which are used to manage the risks within the risk management framework by assessing control effectiveness and control coverage.

5. Identify the risk control procedure by considering risk and control levels in relation to risk appetite and acceptable control level, together with cost and benefit in order to prepare a risk treatment plan for the Company or department level. The risk management shall be monitored and reported regularly within the Company's risk framework.

Currently, the Company has classified the various risk factors into 4 categories as follows:

1. Strategic Risk
2. Operation Risk
3. Financial Risk
4. Compliance Risk

## **7. Business Ethics**

It is the collective responsibility of the entire Board of Directors to provide and comply with a Code of Conduct which ensures that all the Company's activities are conducted legally according to applicable laws and in keeping with good moral principles and the Directors and employees must be made aware of the Code of Conduct. The Code of Conduct should be continuously monitored with a view to maintaining the changing expectations of the Company and its shareholders and is disclosed in detail in the 2nd part of the Business Ethics and Code of Conduct Manual of the Company as per the attachment hereto. Every employee has received such manual to perform in compliance with the Company's rules and regulations.



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**Annex**  
**CHRISTIANI & NIELSEN (THAI) PUBLIC COMPANY LIMITED**  
**Business Ethics and Code of Conduct**

The Company is committed to conducting business on the basis of morality and to create added value to its shareholders and also to put unwavering efforts to ensure that all stakeholders are fairly treated. The Company has clearly announced that it is the duty and responsibility of all Directors, Executives and staff to faithfully follow the Business Ethics and comply with the policies and practices stated in this Code of Conduct. The Company's ultimate goal is to achieve its business objectives for the benefit of all stakeholders including the shareholders and the society.

**Definitions**

Business Ethics are the qualities of virtue, truth, justice and righteousness that business conduct should follow. Code of Conduct is a code of behavior to be followed to maintain and promote dignity and reputation.

**Business Ethics**

**1. Honesty**

Company Executives should be truthful to people involved. They should not intentionally mislead or deceive others by distorting information, exaggerating or giving partial truth. Nor should they discriminate against people by doing or abstaining from doing something required to be done.

**2. Integrity**

Company Executives should exhibit their personal integrity and courage to uphold their convictions by doing things they perceive as right despite pressures to do the opposite. They should be respectable, impartial, and committed to their principles. They should fight for their beliefs and never compromise their principles for any objective that would turn them into deceivers or immoral persons.

**3. Trust worthiness**

Executives should disclose and provide related information, as well as correct any misunderstanding on facts. They should try in every proper way to fulfill their promises. They should not abuse technical or legal interpretation as an excuse not to cooperate or comply with contractual obligations.

**4. Loyalty**

Company Executives should exhibit their loyalty to the Company by dedicating themselves to their respective duties and to its people by providing support and assistance whenever required. They should not use or disclose confidential information for personal advantage. On the contrary, they should maintain the ability to make decisions independently as professionals, avoiding inappropriate conduct and conflict of interest, as well as being faithful to the Company and their colleagues. If the Executives intend to leave and work somewhere else, they should notify appropriately in advance and treat the Company information as important and confidential. They should not exploit their former positions for their own benefit.

**5. Fairness**

All Executives should be fair and just towards all people. They should not use their power arbitrarily, neither should they resort to cheating or inappropriate tactics to obtain or maintain benefits or





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advantages from mislead or distressed people. Fair-minded Executives should disclose the agreements set for consideration and treat everyone equally, be open to disagreeable opinions, willing to admit the mistakes they make, and be ready to shift positions and beliefs to appropriate and correct ones, if the situation demands.

#### **6. Concern for others**

Company Executives should be considerate, sympathetic, kind, and well intentioned to others. As the golden rule says, “Treat others the way you want to be treated”, Executives should provide the help that people need. They should also pursue proper means to achieving business objectives in a way that the business objectives are aligned with the objectives and interests of people.

#### **7. Respect for International Human Rights Principles**

Company Executives should mutually respect each other’s honors, freedom, privacy, legal and human rights, as well as the interests of stakeholders. In making their decisions, Executives should be gentle and treat everyone as equal without discrimination by gender, class, or race. The Company requires that all of its Directors, the Management and staff strictly respect International human rights principles as part of the operations and the Company does not tolerate any violations thereof.

#### **8. Commitment to Excellence**

Executives should excel in their performance, i.e., they should be equipped with knowledge, be prepared, and should work hard to enhance knowledge and skills to cope with every issue under one’s responsibilities.

#### **9. Leadership**

All Executives should be aware of their own responsibilities and leadership requirements and should seek and comply with code of conduct models that would benefit themselves and the organization when put to work. They should also attempt to create an environment in which principles and ethical decision-making are given utmost importance.

#### **10. Reputation and Morale**

Senior Executives should not create any action that would hurt the inter-relation between the Company and its employees. On the other hand, all employees must singly and collectively do everything necessary to correct and prevent any wrongdoing committed by others.

#### **11. Accountability**

Executives should be aware of and accountable in following ethics when making any decision and omission for the Company, themselves, their colleagues, and the community.

#### **12. Policy on Compliance with the Law and Relevant Rules and Regulations**

The Company is committed to complying with all relevant laws, rules and regulations everywhere it operates and has established the policies as follows:

- a. Directors, Executives and staff must comply with local laws, rules, regulations as well as customs and traditions of the country in which the Company operates.
- b. Directors, Executives and staff must comply with the announcements and stipulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
- c. Directors, Executives and staff must comply with the Company’s rules and regulations.



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d. Directors, Executives and staff must not assist, support or conspire to avoid any legal or regulatory compliance.

e. Directors, Executives and staff must cooperate with supervisory agencies as well as report information on violation of or non-compliance with existing laws or regulations to concerned persons.

### **13. Policy on Conflict of Interests**

The Company has set up an important policy concerning the conflict of interests and related transactions for Directors, Executives and staff as laid down under the following guidelines:

a. Avoid any transaction related to oneself, which may lead to a conflict of interest with the Company.

b. If it is necessary to carry out such transaction for the Company's benefit, conduct it as if it is a transaction done with a third party. However, any such transaction must be fully disclosed and approved by the relevant authority within the Company in advance. Furthermore, Directors and Executives or staff having an interest in a transaction must not be involved in its approval process.

c. If a transaction is considered as a related party transaction under the SET notification, a Director, executive and staff must strictly comply with the rules and procedures regarding information disclosure by listed companies for such transactions.

d. If a Director, Executive, staff or a member of their family is involved with or becomes a shareholder in a business in competition with the Company or any other business that may cause a conflict of interest with the Company, he/she must inform the Board in writing through the company secretary at least before the consideration of such agenda at the Board of Directors' meeting and record in the minutes of the meeting.

e. If a Director, Executive or staff becomes a Director, partner, advisor or participant in any other capacity in another company or business organization, such position must not conflict with the Company's business or that person's direct responsibilities in the Company.

### **14. Policy on Confidentiality of Information**

The Company has set up an important policy concerning the use of information of the Company in compliance with good Corporate Governance and relevant regulations. The Company has advised the Directors, Executives and staff to focus on confidential information especially internal information not yet disclosed to public or any data or information that may affect the business of the Company or its share price. The guidelines are as follows:

#### Policy on Insider Information

To comply with the Corporate Governance principles, the Directors and employees knowing or having access to inside information of the Company, with significant effects on the stock price, shall act in accordance with the following procedure:

a. Directors, Executives and staff must not use information they receive from their Directorships or employment for personal benefit or for conducting business or other activities in competition with the Company.

#### b. The Use of Inside Information for Securities Trading

o Imposing non-trading periods on Directors, Executives and employees involved in financial statement preparations, prohibiting them from trading the Company's securities during a 30-day period preceding the announcement of quarterly, and annual financial statements, and also 24 hours after the announcement of quarterly, and annual financial statements.

o Requiring Directors and Executives (as defined in the Notification of the Capital Market Supervisory Board) including their spouse and minor children to disclose information on their shareholdings and to report their trading transactions related to the Company's shares to the Company and



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the Securities and Exchange Commission within 3 days, pursuant to which the company secretary is responsible for collecting data on any changes in such shareholding for reporting as part of the regular agenda of the Board meeting.

o Prohibit the Directors, Executives, employees and workers of the Company from using the existing inside information or information which may affect a change of the Company's security value not disclosed to public, use the inside information which by virtue of position could influence the share trading or price or offering of the Company's securities", neither direct or indirect means that may cause direct or indirect damages, leading to personal or others benefits, or disclosing such facts for others to do so with or without any individual returns.

o Director and Executive shall report stockbrokerage/security holding of the Company for at least 1 days in advance before trading to the Board of Directors and report the summary to the Board of Directors' Meeting for acknowledgement.

Confidential Order

Inside information which is regarded as confidential shall be safeguarded and not disclosed to outside parties. Information may be classified according to its significance, such as disclosed information, concealed information, confidential information and top secret information. The usage non-disclosed information of the Company which may lead to the loss or effect of the competitive competency of the Company, including electronic data, financial statements, operating performance, business information, future plans and/or others during and after working with the Company, must be within the scope of employment and responsibility only.

Information Disclosure to Public

• Inside information to be disclosed to outside parties shall be approved by the Managing Director or any other authorized person, such as the Investor Relations sector.

• Information on operating results of the Company, in a 7-day period before the Company's disclosure of information on such operating results to the Stock Exchange of Thailand, shall not be disclosed to outside parties. There shall further not be any meeting session for information sharing, group meeting, or answers of questions concerning the operating results for shareholders, investors, securities analysts and the press during this period.

**15. Policy on safeguarding Company Property**

The Company expects Executives and staff to take responsibility for protecting and utilizing the Company's resources and assets in a most efficient manner and not to use the Company's resources and assets for the benefit of oneself or others with the following guidelines:

a. Executives and staff should use the Company's resources and assets in a cost-efficient manner for maximum benefit of the Company.

b. Executives and staff should help protect the Company's properties and assets from improper depreciation or loss.

c. Provide and follow proper preventive systems and procedures and effectively insure the same against any fire, natural calamities, burglary and other risk or damage.

**16. Policy on Giving and Receiving Gifts and Gratuities**

The Company has guidelines concerning the giving and receiving gifts and gratuities as follows:

a. Executives and staff are prohibited from demanding or receiving any benefit from trading parties or other external parties with whom the Company is doing business.



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b. Executives and staff are strictly prohibited from offering any benefit to any trading parties or other external parties in any attempt to persuade them to commit a fraudulent action.

c. Executive and staff should refrain from giving/receiving gifts or gratuities from any trading parties or other external parties with whom the Company is doing business. Gifts given or received during festive occasions are excluded from this requirement provided that they have an appropriate value (Not to exceed THB 2,000 per person in aggregate. In case of exceeding THB 2,000, those who give or receive such gift or gratuities shall report to his/her supervisor) and are not related to any business commitment.

### **17. Ethics for Intellectual Properties Rights**

The Company requires that all of its Directors, the Management and staff respect the intellectual property rights of others with care and caution.

### **18. Policy on preventing corruption and offering a bribe**

In the year 2014, the Board of Directors has considered the guidelines of standards of anti-corruption that proposed by “the Thailand’s Collective Action Coalition against Corruption in Private Sector (CAC)”.

The Company will examine and improve its standards of anti-corruption measures, as proposed in the Thailand’s Private Sector Collective Action Coalition against Corruption Project (CAC) and review its Handbook for Employees with the aim of adopting clearer and more inclusive guidelines.

The Company has guidelines for preventing corruption and offering bribes, as follows:

- a. Corruption risk assessment.
- b. Set guidelines for monitoring and control:
  - o The Company has guidelines on the giving and receiving of benefits that could improperly influence decision making that stipulate that they should be conducted correctly, honestly, and in ways that are certain not to cause condemnation or loss of reputation. Gifts received by Directors are generally retained within the Company or distributed to office staff.
  - o Procurement is to be conducted according to the Company’s guidelines and should be fair to all involved. The procurement decisions are to be made on the basis of reasonable prices, quality, and service, and should stand scrutiny if an investigation occurs.
  - o Any violation of the above guidelines shall be punishable by law or affect the evaluation of performance.
- c. Set guidelines for monitoring the implementation of anti-corruption policies.
- d. Providing staff with training about the Company’s anti-corruption policies and practices.



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## Code of Conduct

### 1. Code of Conduct for Executives

- a. Perform duties with honesty, transparency, and fairness to ensure that the decisions and actions are made to the extent possible, in the best interests of all the stakeholders as a whole;
- b. Perform duties as professionals with knowledge, skill, determination, and prudence, watchful of trouble in advance; and seeking remedies for anticipated problems; and maintaining the Code of Conduct, including applying knowledge and skills to managing the Company to the best of their abilities;
- c. Do not seek to benefit one or related persons by abusing undisclosed or confidential information inside the Company or disclosing the same to outsiders, or doing anything that can be construed as a conflict of interest;
- d. Provide regular supervision and inspection, both inside the Company and its environment to ensure compliance to set policies and processes;
- e. Provide for a system of accurate, complete, timely, and consistent information reporting, as well as reporting on future trends of the Company, based on probability and supported by adequate data;
- f. Comply with concerned laws and regulations, be observant, aware up to-date on industrial standards and set guidelines, maintaining adequate and appropriate documents for control and maintenance operations according to guidelines applicable to every level of Management to ensure efficient business operations. Ensure that there is business activity separation and appropriate approval to accordance with concerned laws and regulations;
- g. Develop the business of the Company to achieve objectives and standards generally accepted;
- h. Promote Company knowledge and understanding.

### 2. Code of Conduct for Board of Directors

- a. Specify the direction, goals, policy and business strategy.
- b. Perform duties honestly, carefully and for the benefit of the Company.
- c. Comply with relevant laws, rules, regulations as well as ethics and good Corporate Governance practices and conduct business in accordance with the articles of the Company.
- d. Follow-up on corporate operations to achieve all objectives.
- e. Consider and appoint Sub-committees and determine duties and responsibilities of the Sub-committees clearly and appropriately.
- f. Consider important business transactions with due care and diligence.
- g. Set the Board meetings and consider appropriate agenda items.
- h. Assess the Board's performance regularly.
- i. Set up a succession plan for Senior Management of the Company.

### 3. Code of Conduct for Sub-Committee

- a. Perform duties assigned by the Board of Directors with due care and diligence.
- b. Perform duties honestly, carefully and for the benefit of the Company without any conflict of interest.
- c. Comply with relevant laws, rules, regulations as well as ethics and good Corporate Governance practices and conduct business in accordance with the articles of the Company.
- d. Report performance to the Board regularly.

### 4. Code of Conduct for Individual Directors

- a. Diligently perform all duties assigned by the Board of Directors.
- b. Perform duties honestly, carefully and for the full benefit of the Company.



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- c. Comply with relevant laws, rules, regulations as well as ethics and good Corporate Governance practices and conduct business in accordance with the articles of the Company.
- d. Ensure Management achieves the Company's objectives.
- e. Ensure confidentiality of all inside information, prevent leaks outside the Company and act at all times without deriving any personal benefit from such inside information not yet disclosed to the public.
- f. Avoid any action or decision that may lead to conflict of interest.

#### **5. Code of Conduct for Company Secretary**

- a. Diligently perform all duties assigned by the Board of Directors.
- b. Perform duties honestly, carefully and for the benefit of the Company.
- c. Supervise various activities of the Board and the Company in compliance with the relevant laws, rules and regulations as well as ethics and good Corporate Governance practices and according to Articles of Association of the Company.
- d. Hold shareholders' meetings, Board and Sub-committee meetings and prepare minutes of meetings promptly and fully.
- e. Act as a good communication centre between Directors and Shareholders.
- f. Ensure confidentiality of all inside information including minutes of meetings of the Board and Sub-committees, prevent leaks outside the Company and act at all times without deriving any personal benefit from such inside information not yet disclosed to the Public.

#### **6. Code of Conduct for Staff**

- a. Perform all duties honestly, carefully and for the benefit of the Company.
- b. Comply with relevant laws, rules, and regulations and follow good ethics while doing business and otherwise.
- c. Ensure confidentiality of all inside information and not leak any inside information outside the Company and act at all times without deriving any personal benefit from such inside information not yet disclosed to the Public.
- d. Maintain harmony among all co-workers and staff in the Company.

#### **7. Policy and Practices toward Stakeholders**

The Company is committed to conducting business towards business prosperity professionally based on morality and ethics. The Company recognizes the rights of all stakeholders and therefore encourages cooperation between the Company and all the stakeholders including employees, customers, trading partners, creditors, government agencies, community and society at large. Directors, Executives and staff must comply with the Code of Conduct which has been established to ensure fair and balanced dealings with all stakeholders. The following practices may be adopted as guidelines in terms of dealing with stakeholders:

##### **Code of Conduct for Shareholders**

The Company is responsible to the shareholders and groups of financial investors and creditors in terms of information disclosure, accounting methods, internal information usage, and conflict of interests. Executives must be honest and any decision must be based on honesty and fairness to both major and minor shareholders as a whole, and for the collective benefit of all.





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### **Code of Conduct for Customers**

The Company success is based on its customer satisfaction, therefore, it has to maintain good relations with its customers by adhering to honesty, morality and mutual creditability. The Company realizes and responds to the different expectations of its customers with the following general guidelines:

- a. Respond to the needs of customers with best quality of works and services.
- b. Provide guaranteed quality works, within agreed construction periods.
- c. Never hand over works with material defects to its customers.
- d. Minimize cost of construction while maintaining quality of works and services to meet standard
- e. Seek by all means to increase benefit to its customers.
- f. Inform its customers in advance in case the Company is unable to comply with any agreement, in order to find a way to remedy the same and protect both parties' best interests.

### **Code of Conduct for Trading Partners**

The Company should ensure that the best practices are set for procurement from suppliers, and that the Company complies with trade terms and terms of borrowing from financial creditors, objectives of using borrowed funds, repayment, collateral, and other terms and conditions.

### **Code of Conduct for Creditors**

Commit to strictly comply with conditions agreed with the creditors such as terms of guarantee, quality control, financial ratios maintenance, the purpose of spending, never concealing information or facts that may cause damage to creditors, full and punctual repayment, collateral quality and other matters that it has agreed with the creditors for their common interests.

### **Code of Conduct for Competitors**

The Company must act within the rules of fair trade, not destroying trade competitors' reputations with false allegations against them or accessing competitors' confidential information using dishonest or inappropriate means.

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

- a. The Company realizes that its employees are one of the key success factors in its business operation. The Company must provide equal opportunities in employment, job security, and career advancement, as well as follow equitable principles related to employees and employment.
- b. The compensation, welfare and fringe benefits such as monthly salary, bonus, provident fund etc. shall be determined in accordance with obligation, individual performance and the Company performance both long and short term.
- c. Also ensure that employees are adequately knowledgeable and skillful in performing Company business, and understand the Code of Conduct and good practices and take action for knowledge enhancement and ability improvement leading to their development in keeping with the trends in the industry.

### **Code of Conduct for Community and Society**

- a. The Company has to be responsible to the community and society and should be involved in supporting community activities and be attentive to the consequences of the Company's conduct that affects people around, beyond the requirements of law, and should make full efforts to gradually absorb social accountability.



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b. The Company is expected to conduct business that will benefit the economy and society while safeguarding the customs and traditions of communities wherein it operates. It is also the Company's policy to become a responsible corporate citizen, to comply with all relevant laws, rules and regulations and to contribute to the upliftment of quality of life by itself and/or through close collaboration with the relevant authorities and the communities.

### **8. Policy on Safety, Occupational Health and Environment**

The Company is committed to conducting business with the highest standards of safety, occupational health and environmental conditions in accordance with the following general guidelines:

a. The Company shall comply with all legislations and regulations relating to safety, occupational health and environmental requirements in all locations in which the Company operates.

b. The Company shall follow practices that constantly ensure that its working environment is safe for the protection of life and property of the Company and its employees. The Company also complies with the standard for the safety of health and environment for all staff.

c. The Company shall encourage health and safety awareness at all levels and promotes procedures and practices that ensure environmental protection taking into account current legislation and industry codes and practices.

d. The Company shall fully disclose all information regarding its operations and standards in relation to safety, occupational health and the environment.