

(Bor.Jor/.Ror.26-00)

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## **Policy Statement**

### **The SET Code of Best Practice for Directors of Listed Companies**

The Stock Exchange of Thailand's (SET) Code of Best Practice for the Directors of Listed Companies' are not a legal requirement but should be considered guidelines for all board members concerning their behavior while holding such appointments. The SET believes that management under these guidelines should help ensure a high standard of best practice on behalf of the company and its shareholders. The Code should also strengthen the confidence of the shareholders, investors and other related parties in the management of the company.

#### **1. The functions and responsibilities of listed company directors.**

1.1 Conduct their duties honestly, comply with all laws, the objects and the articles of association of the company, and the resolutions of any shareholder meetings in good faith, and with care to preserve the interests of the company.

1.2 Implement and direct the company's policies, as well as monitor and supervise its operations to maximize economic value and shareholders' wealth.

1.3 Conduct themselves honestly and with integrity.

1.4 Ensure management's accountability to shareholders: preserve their rights and interests, clearly and fully disclose information.

1.5 Ensure the company has management with the competency, knowledge and experience to run the business.

1.6 Ensure the company is determined to carry on the business continuously

#### **2. Code of Best Practice for listed company directors**

2.1 Listed company directors must:

2.1.1 Maintain consistent attendance at all board meetings. All directors should attend all board meetings making decisions on any significant activities by a listed company concerning the acquisition and disposition of assets, investment project expansion, policy implementation, and/or risk management etc.

2.1.2 Send a written notice announcing a board meeting that includes the date and the agenda to every director within the period specified in the company's articles of association except in some emergency cases to preserve the company's benefits.

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2.1.3 Send documents relating to matters to be ratified or approved at the meeting to every director together with a written notice except in some emergency circumstances.

2.1.4 Clearly understand the mission, objectives, capability and efficiency of the listed company and be prepared to devote their time and resources to attending and performing their duties at every board meeting.

2.1.5 Continuously follow and monitor the business performance and operations of the company, according to its laws and regulations.

2.1.6 Examine all documents relating to all matters that concern the board of directors. If something is suspected, management must be asked to explain as quickly and clearly as possible.

2.1.7 Appoint a company secretary to take care of all the director's activities and to conduct the company's business in full compliance with all the relevant laws and related regulations.

2.1.8 Ensure the company secretary completes the minutes for each board of directors and shareholder meetings within the period specified in the relevant laws. Carefully review all such minutes.

2.1.9 Fully disclose their remuneration as approved by a shareholder meetings in the company's annual report.

2.1.10 Accept only position as director or non-executive director on the board of listed companies that he/she has a time to attend appropriately.

2.1.11 Ensure the managing director of their listed company holds this position in only one company in order to have a time running business the way as company's objectives to maximize shareholders' wealth.

2.1.12 Avoid any other positions or jobs that may lead to conflicts of interest.

2.1.13 Establish an Audit Committee, Nominating Committee, and Remuneration Committee in the listed company.

2.1.14 Implement a Code of Corporate Conduct and Code of Ethics to be guidelines for company.

2.2 Independent Directors should observe the following guidelines:

2.2.1 Be independent of any major shareholder and not involved in the day-to-day operations of the listed company.

2.2.2 Ensure an announcement of the precise timing of their appointment is disclosed in the listed company's annual report. Their re-appointment will not be automatic.

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2.2.3 Demonstrate independent judgment to prevent any conflicts of interest. If they oppose any proposal they should state their reasons for disagreeing in the minutes of the board meeting.

2.2.4 Request the opinion of an independent expert on any issues concerning company expenditure, if necessarily.

2.2.5 Ensure a full explanation is given to the SET if they are dismissed or resign their positions.

2.3 The board of directors of a listed company are required to observe the following guidelines for all financial statements:

2.3.1 Clearly report all details providing reasonable explanations and calculations to support the results of the company's business operations, policies, future trends and opportunities as well as risks and dangers.

2.3.2 Understand the company's main businesses and not intervene in the objectives and work of any external auditors.

2.3.3 If any external auditor resigns or is dismissed, fully explain the reasons why to the SET

2.3.4 Present a full statement on the responsibilities of the company's directors in the annual report together with the audited financial statements. This information should:

- Give a true and fair view of the state of affairs of the company that comply with the legal requirement for directors.

- Include full details in the financial statement in a way as to prevent any fraud or mismanagement of the company's assets.

- Be presented in such a way as to conform with recognized accounting standards and be based on calculations that are fair and circumspect.

- Conform with the standards of the Institute of Certified Accountants and Auditors of Thailand. In cases where an accounting issue falls outside Thai regulations then international accounting standards or those of the Financial Accounting Standards Board (FASB) should be applied in descending order and specified the source of accounting standards in the notes.

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**Listing Department  
(Corporate Disclosure Standards)  
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