



Code of Business Ethics and Best Practices
of
CH. Karnchang Public Company Limited



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(A.) Definitions and Meanings

“**Code of Ethics**” means a code of conduct defined, whether in writing or not, by professionals in each field in order to maintain and promote the prestige, reputation and status of members of each profession.

Therefore, the Code of Business Ethics of CH. Karnchang Public Company Limited (the “Company”) is the code of framework and standard for conduct and behavior which all personnel of the Company, including the Board of Directors, the Management and staff at all levels in every work unit, are supposed to uphold in engaging in the business and performing their works to ensure that the works are performed in the same direction by adhering to the principles of ethics, morality, integrity, and to strive for the orderliness, equality, equitable treatment which would lay the foundations and maintain the image of the Company so that it will become the organization with the sustainable growth.

“**Staff**” means a permanent staff under an employment contract, a probationary staff, and a staff under a special employment contract.

“**Related person**” means a person who has any of the following relationships:

- (1) A person who have power to control over the Company’s business, and in case of a legal entity, including directors of such legal entity;
- (2) The spouse, a minor child or an adopted minor child of the director, the executive or the person under (1);
- (3) The legal entity over which the person under (1) or (2) has power to control;
- (4) Any other persons as prescribed and announced by the Capital Market Supervisory Board.

“**Stakeholder**” means a shareholder, staff, customer, counterparty/creditor, government, private sector, society, community, and environment.

“**Information disclosure**” means an act of disclosing details, information relating to the Company’s business activities in accordance with the Public Limited Companies Act B.E. 2535 (1992), the Securities and



Exchange Act, rules, regulations, requirements of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

“**Conflict of interest**” means any activities which may be for personal gains or for gains of any related persons, whether by blood or otherwise, which influence a decision or may prevent or obstruct the Company’s optimal benefit.

“**Corruption**” means an abuse of the gained power or a misuse of the acquired asset to obtain benefits for the Company, for oneself, or for related persons, or which causes damage to benefits of third parties. Corruption takes varied forms including a bribe, valuable item, any other items or benefits, a conflict of interest between a private entity and a state agency and between persons or businesses in a private entity.

“**Bribery**” means an act of offering, promising or granting, as well as soliciting or receiving benefit related to a valuable item, directly or indirectly, with an intend to acquire a business or protect any other benefits which are undue under the code of business ethics.

“**Any other items or benefits**” means money, assets or any other benefits given to each other as a gesture of hospitality, rewards or incentives, provision of special privileges, as well as defraying expenses for travelling or touring, accommodation, meal, or any other things of similar nature, and whether it would be given in a form of card, ticket or any other evidence.

“**Tradition**” means a festival, important day or activity which has been practiced traditionally, which is unique and critical to the society.

(B.) Details of the Code of Business Ethics

1. Compliance with Laws and Universal Human Rights Principles

Thailand and all other countries worldwide are governed by virtue of laws or legal states. In addition, although each country which the Company has invested in or has connected with has a different legal system, customs, traditions, they have commonly adhered to the Universal Human Rights Principles. Therefore, the Company and all personnel are required to obey the local and international laws, as well as paying regard for and complying with the Universal Human Rights Principles.



Best Practices

1.1 The Company's personnel shall thoroughly understand and stringently comply with the laws relating their own direct duties and responsibilities. Should there be any doubt, they shall consult the law department. Furthermore, they are prohibited from taking any act when in doubt.

1.2 In the event that any of the Company's personnel is required to perform works overseas, such person should study laws, customs, traditions and cultures of his/her destination country before departure to ensure that goods or materials, belongings as carried along with him/her, including travel documents, objectives for travelling and designated works to be performed in such destination country, are not contrary to any laws, customs, traditions and cultures of such destination country.

1.3 The Company should systematically compile laws, rules and regulations of the government agencies into categories for the Company's personnel to appropriately study the relevant laws; and should provide orientation and training on knowledge of laws applicable for the business operations for the Board of Directors, the Management and staff of the Company.

1.4 The Company shall stringently comply with the Universal Human Rights Principles and provide its staff with more knowledge and understanding of the Universal Human Rights Principles so that they can apply it to their works. Furthermore, the Company shall not support any activity in violation of the Universal Human Rights Principles.

2. Political Support

The Company is a politically neutral organization, without a bias towards any political party, group or politician, both at local and international level. The Company supports any activities which conform to the governing regimes of the country and other countries in which the Company has invested, and also encourages the Company's personnel to exercise their political rights under law for enabling the Company to operate the business without any influence from any political party and the private sector.



Best Practices

2.1 The Company shall be politically neutral. The Company is not allowed to utilize the Company's resources to support the political activities of any political party, group or politician, whether directly or indirectly, nor may allow politically-related anybody to exploit any resources and places of the Company for the political purpose.

2.2 The Company encourages its staff to express, participate in, support and exercise their political rights outside the working hours, by using their personal resources. The Company's personnel are prohibited from using the power, resources, capital and name of the Company for fundraising or doing political activities.

2.3 The Company shall not support any lobby made on inappropriate principles and reasons, such as, a lobby using personal relationship or offering illegal returns.

3. Interest and Conflict of Interest

The Company's personnel shall perform works by mainly taking into account benefits of the Company, without regard for their personal interest and influence from their close relationships, and shall be always aware whether he/she has any interest or conflict of interest in performing such works. When any interest or conflict of interest is found, such personnel shall refrain from performing such works and a replacement must be sought to avoid any accusation as to a conflict of interest, abuse of their own power for seeking their personal gain which causes damage to the Company. Therefore, all personnel are required to strictly comply with the precautionary measures against interests and the disclosure policy specified by the Company.

Best Practices

3.1 The Company's personnel are prohibited from exercising their own influence or power to execute any transaction between the Company and themselves, all partnerships or legal entities in which such personnel are holding shares or related persons, other than the welfares entitled to the Company's personnel. Nevertheless, exceptions may be made if a conflict of interest has been already disclosed and permission is granted particularly or approval is granted in principle to do so.

3.2 The Company's personnel or related persons may execute transactions, which are pursuant to the general trade agreements without any



influence exercised by any the Company's personnel and pursuant to the trade agreements in a manner which persons of ordinary prudence might enter into with general parties on an arm's length basis, with the Company or any of its subsidiaries.

3.3 Any orders given by personnel for self-interests are prohibited.

3.4 Any attendees who have an interest in any agenda item requiring consideration shall temporarily leave the meeting to allow other attendees to consider, analyze, or discuss such agenda item without the influence of such attendees who are stakeholders.

3.5 The Board of Directors and the Management shall thoroughly and independently consider conflicts of interest relating to connected transactions between the Company and any of its subsidiaries or associated companies, based on honesty, reasonable principles, ethics, by taking into account the optimal benefits of the Company.

3.6 In the event that the Company's personnel has a doubt whether he/she or his/her related persons has a conflict of interest with the Company, such personnel shall immediately report to the supervisor for submission of such matter to the Office of President and the Company Secretary. The Company's personnel shall review and assess themselves about conflicts of interest in the annual self-evaluation form.

3.7 The Board of Directors, the Management and the auditors of the Company shall report on any conflict of interest related to administration of the Company, its subsidiaries or associated companies as well as reporting on holding of securities by themselves and their related persons in accordance with rules required by the law governing securities and exchange.

3.8 Acceptance of an engagement from any of its subsidiaries or associated companies is allowed with approval of the supervisor, the Management or the Board of Directors, as the case may be. However, the Company's personnel is not allowed to accept an external engagement in competition with the Company's business operations or giving rise to a conflict of interest with the Company, whether temporary or permanent. An exception may be made with the specific approval of the Board of Directors or the authorized person(s).

3.9 Recruitment of new personnel who are the related persons of the Company's personnel shall be transparent and also fair towards persons who



have the same qualifications. The Company's personnel shall neither intervene nor exercise their influence to facilitate the employment of their related persons.

4. Confidentiality, Storage and Usage of Inside Information

The confidential information is non-public information. Should such information be disclosed to the public or any competitor, the Company will be adversely affected. As for information of all types provided by the counterparties and customers to the Company for usage, the Company shall have the duty to keep it confidential, provided that it may be disclosed only to the authorized persons in case of necessity. Therefore, it is the duty of the persons taking care of or possessing such information to strictly safeguard such information.

Best Practices

4.1 The Company shall establish confidentiality levels and procedures. The Company's personnel shall understand each confidentiality level and shall also keep the confidential information he/she in charge to ensure that such information is not revealed to any third party, including the Company's unauthorized personnel.

4.2 The Company's personnel should have to keep and refrain from disclosing any confidential information of the Company even after their retirement, resignation or employment termination with the Company.

4.3 The Company shall keep and protect customer and trade privacy to remain confidential; shall not disclose any customer's private information to any personnel of the Company and any unauthorized third party, unless it is required by law to be disclosed, or disclosed for the purpose of legal proceedings, or disclosed with the approval of the Board of Directors.

4.4 The inside information is the Company's confidential information for business operations and management, which is not yet publicly disclosed. If such information is disclosed, it will have an impact on the Company and companies in its Group, especially on the share value on the Stock Exchange of Thailand. For that reason, the Company's personnel shall keep the inside information confidential and shall not disclose the inside information known to themselves from carrying out their own duties to any third party or exploit the same for seeking self-interest or for diminishing the Company's benefits.



4.5 The Company's personnel will receive warning notices and campaigns for refraining from using the inside information via contact channels of the Company, particularly when any important matters arise, for example, issuance of shares for capital increase, issuance of debentures.

4.6 In case of engagement of personnel who previously worked with any trade competitors or the government, the Company shall do research and study on any confidentiality agreements entered into by such personnel with the trade competitor or the government. The Company shall not take any action to force such personnel to commit any violation of the agreements with the trade competitor or the government, which may subsequently lead to legal actions.

4.7 The information disclosure shall be made by the Company's authorized personnel to do so. Any unauthorized person who is asked to disclose any information shall advise the asking person to make an enquiry from the authorized persons to ensure that the information disclosure is made properly and consistently.

4.8 The Company's personnel should retain information, both in paper and electronic formats, for at least 10 years for future retrieval, and should be kept in accordance with the law. When their retention period has expired, such documents must be destroyed.

5. Treatment towards Customers and Consumers

The Company gives priority to the greatest satisfaction of customers and consumers who support and use the Company's services. Then, the Company has carried out the operations with commitment to honesty, moral and quality, as well as accountability to customers and consumers.

Best Practices

5.1 The Company is committed to developing the services to be the comprehensive, rapid and quality services in order to continuously meet the needs of customers and consumers. The Company's personnel must fully devote themselves to timely satisfying the requirements of customers and consumers, at reasonable prices, with quality, without imposing any restriction on rights, with fair terms and conditions for the service users.

5.2 The Company shall neither deceive nor mislead customers and general consumers about quality of its goods and services. The Company



shall conduct surveys of the customer and consumer satisfactions with the goods or services.

5.3 The Company strives to develop the safety in provision of the services by giving the top priority to the safety of customers and consumers. For that reason, the Company provides for warning signs or inspects the safety in its construction sites and business premises, as well as campaigning and providing staff training concerning safety on a strictly and continuous basis. If there is any accident arising from construction or provision of services to customers or consumers, the Company is required to fully and fairly remedy such damage.

6. Treatment towards Trade Competitors

The trade competitors are third parties with whom the Company must compete according to the capitalism approach. Such competition must be fair, without information deception or distortion, or using any other improper means under good competition guidelines. On some occasions, the Company may also need to cooperate with its trade competitors and such cooperation must be transparent without concealing illegal agreements.

Best Practices

6.1 The Company has the clear policy and practices which are fair and accountable for the competitors with morality, transparency, fair competition and within the scope of laws.

6.2 The Company has the free-trade policy and believes that having its competitors is good because it will result in development of both service standards and innovations for satisfying customers.

6.3 The Company shall act within the scope of good competition.

6.4 The Company shall not make any untruthful and negative accusation against its trade competitors to tarnish their reputation.

6.5 The Company shall not have access to the confidential information technology of its competitors by dishonest means or any other improper means.

6.6 The Company should support cooperation with the trade competitors when it benefits consumers. The cooperation between the Company and its competitors must not be for monopoly, revenue allocation



and marketing share, degradation of quality of goods and services, as well as pricing of goods and services which will cause disadvantages to consumers as a whole. Moreover, the Company's personnel shall carefully contact with any of the Company's competitors and personnel of the Company's competitors in all circumstances, provided that they shall not disclose or negligently have the Company's confidential information disclosed to any of the Company's competitors.

6.7 Any merger or amalgamation between the Company and any of its trade competitors shall be made transparently. After such merger or amalgamation, the Company shall not exercise its market power in any way which has a negative impact on consumers as a whole.

7. Procurement/Supply of Products or Services and Treatment towards Counterparties

The Company considers procurement/supply an essential process to determine costs and quality of products or services to be used by the Company for its business operations; therefore, it needs to have transparent and auditable procedures and operations for the optimal benefits. Moreover, the Company gives priority to its counterparties who are regarded as important persons who help, promote and support the business operations between each other, starting from the nomination process until details in the business operations. The Company shall equally treat towards its counterparties based on fair competition and mutual respect.

Best Practices

7.1 The Company's personnel who intend to procure/supply products or services shall mainly take into account needs, value, prices and quality, provided that such procurement/supply shall be made transparently. The counterparties shall receive accurate information equitably without bias and discrimination. Fair competition shall be also required. The procurement/supply methods shall be precise and suit the circumstances. The counterparties should be allowed to trial, test products or services as possible as much as possible.

7.2 In contacting with counterparties, the contact persons shall retain documents relating to negotiations, drafting of contracts, making of contracts and contractual compliance as evidence, for a specified period of time.



7.3 The Company supports equitable treatment towards all counterparties. The Company's personnel who have the duty to procure/supply products or services should not rush into procurement/supply; the counterparties should be given adequate time for their preparations. The terms or agreements in any contracts should not be to excessively exploit and should be executed in the presence of a legal advisor(s).

7.4 Any negotiations shall be transparent, subject to inspection by the Management. The Company's personnel shall refrain from soliciting any benefit from procurement/supply of products or services; shall remain neutral by refraining from making any close connection with any counterparties to the extent that such counterparties have influence over their decision-making; and shall strictly comply with the practices governing interest and conflict of interest.

7.5 The Company should strictly comply with the contractual provisions. When either the Company or any counterparty fails to comply with any contract or there are any other causes which render the contractual compliance impossible, the operations and contacts with the counterparty shall be immediately discontinued, if possible and without detriment to the Company, and the supervisor shall be then reported promptly for finding any solutions.

7.6 The procurement/supply shall be in accordance with the criteria or process specified in the procurement/supply regulations and in line with the operational power, based on fair treatment towards related parties. Any decisions shall be made by taking into account justification of prices, quality and services, together with various standards which the goods or service seller should meet, for instance, environmental standards, industrial standards, etc.

7.7 Any procurers/suppliers shall not use his/her position and duty in procurement/supply to engage in business, whether directly or indirectly, which may give rise to his/her personal benefit.

7.8 No any information acknowledged from the procurement/supply is used for seeking personal benefit or others' benefit.

7.9 No directors, executives, staff, together with third parties who are connected with the Company shall give any bribe, namely, not giving, offering or agreeing to give any other assets or benefits or inducing any person to join any acts, directly and indirectly, in exchange for benefit in a bid or bid rigging, to any state agency in order to gain some advantages and benefits in



procurement process or fulfillment of a contract, before, during the bid and after execution of a procurement contract, or to protect any other benefits which are undue under the code of business ethics. Such corruption takes different forms, including political assistance, charitable donations in favor of the Company's business, financial support with an aim of gaining an advantage for the Company's business, and other expenses which may be a channel which allows related persons to commit fraud or corruption, for instance, gift fee, customer welcoming fee, thereby leading to misuse of the power in a such manner as giving a bribe to a state officer, giving a gift or providing a service, giving cash or an item in lieu of cash, and bid rigging.

8. Responsibility for Communities and Society

The Company is a part of the society which cannot be inseparable from each other, the Company is then obligated to develop and give back to communities and society as a whole to ensure the Company's sustainable growth according to the social development. The Company considers it one of its duties and key policies to give priority to community and social contribution activities by emphasizing social, community and environmental development, religious maintenance and preservation, natural resource conservation, including educational support for youth and support of corporate social activities for needy communities to make them become the strengthened and self-reliant communities.

Best Practices

8.1 The Company is committed to making understanding and communicating with the society relating to the Company's status and facts of the business operations based on the corporate social and environmental responsibility, without concealing any information which can be publicly disclosed, as well as fully cooperating to timely provide information to investors, shareholders and general people.

8.2 The Company strives to actively and continuously participate in the social responsibility regarding quality, safety, occupational health and environment, as well as maximizing benefits of natural resources, by giving priority to the environment and safety of related stakeholders, and also supports social activities in environmental conservation and development of quality of life of residents in communities in accordance with the principles of the sustainable development.



8.3 The Company pays regard to alternative use of natural resources in order to minimize impacts on society, environment, quality of life of the people, and also supports reduction in consumption of energy and natural resources.

8.4 The Company continuously raises awareness among the Company's personnel at all levels regarding corporate social and environmental responsibility; gives importance to organizing corporate social and environmental activities and execution of transactions with the counterparties which give priority to the social and environmental responsibility in the same manner as the Company does.

8.5 The Company shall regularly grant a portion of its profits to sponsor the social and environmental activities which must be suitable and actually beneficial to communities, society and environment. In case of budgetary donation or support in various aspects, a donation recipient's information and purpose shall be inspected to ensure that each donation is actually used for charitable purposes in efficient and effective manner and shall also require documentary evidence.

9. Treatment towards Staff

All of the Company's personnel are the greatest important part in supporting the Company's business operations, the Company shall then give priority to all of its personnel, regardless of level or work unit, without discrimination. The Company encourages its personnel to have unity, trust in each other, non-discrimination, treat each other with politeness and respect for human dignity. The Company shall arrange for pleasant and safe working environment, with appropriate pay, good welfares for its staff, and provides for new innovations and technologies to support their works, in return for all personnel's concerted efforts to perform works for the optimal benefits of the Company and for their best efforts to perform their duties with due care, prudence, diligence, patience and enthusiasm.

Best Practices

9.1 The Company shall equitably treat all of its personnel, without discrimination, regardless of origin, ethnicity, gender, age, race, religion, disability, financial status, family, education, educational background or any other status which is not directly related to performance of works.



9.2 The Company shall give all of its personnel a chance to perform their best abilities with reasonable remuneration, and shall motivate them to perform their works by determining appropriate salaries, bonuses and operating costs under the Company's regulations. The Company shall also provide its personnel opportunities to further study at the level of university education as well as short-term and long-term training.

9.3 All of the Company's personnel shall perform their own duties to the best of their abilities, with honesty, integrity, fairness, and morality. They shall not assign their own duties to any other person to complete their works, whether directly or indirectly, except when necessary or for convenience and rapidity when such work does not require the specific ability.

9.4 The Company's personnel shall perform their works within the chain of command, receive orders from and directly report to their immediate supervisors. The chain of command shall not be crossed if not necessary. They shall refrain from making comments about their supervisors and colleagues which may have an adverse effect on such person or the Company. In this regard, the Company's personnel should reasonably and consciously allow for and open their minds to opinions of their supervisors and colleagues, without bias.

9.5 The Company's personnel may fully use resources, labour, places and facilities of the Company to perform their duties. Their use of the same for any other purpose or beyond welfares duly entitled to them is not allowed.

9.6 The Company's personnel shall be well-mannered, polite, appropriately dressed and properly behave in line with their own roles and duties, without tarnishing the image of the Company.

9.7 The Company's personnel may use their name and position for fund-raising for charitable activities as organized by the Company. However, they are prohibited from using the Company's name or position in the Company for fund-raising to seek personal gains, regardless of purpose.

9.8 The Company's personnel should provide cooperation in all the Company's activities organized to promote unity and assistance among them.

9.9 The Company's personnel are prohibited from taking any action which causes any trouble, annoyance, discouragement of other persons which may give rise to any conflict or disturbance of working in a manner of sexual



harassment, whether to the Company's personnel or any third parties who have a business contact, including sexual assault, flirtation, abuse, verbal and physical obscenity as well as availability of pornography.

9.10 The Company encourages its staff to exercise their rights under the applicable labour laws. The Company shall not take any action which prevent any labour union's activities (if any), except where such activities are seriously contrary to laws or the Code of Business Ethics or cause severe damage to the Company.

10. Internal Control and Internal Audit

The public limited companies necessarily require the internal control and internal audit which are efficient, accurate and reliable. Therefore, the Company formulates a supervisory policy to ensure good internal control system; risk management to stay at appropriate levels. The internal control system shall be also monitored and evaluated on a regularly basis. The Company strives to be one of companies which has the great internal audit, audited by the Audit Committee, with the efficient internal audit department, as well as having the Management and staff which realize the importance of the internal control and internal audit.

Best Practices

10.1 The Company provides for the good internal control system by encouraging the Company's personnel to have positive attitudes towards the internal control and ensures appropriate risk management to become aware of risks which may affect the Company's objectives, goals or success of works, as well as ensuring the good information technology and communication system which is adequate and reliable for both internal and external parties, including good monitoring and evaluation system to make certain that the internal control system is appropriate, practical, successful, subject to improvement and remedy to suit the circumstances.

10.2 The Company shall establish a work unit to be directly responsible for risk assessment and risk management, including evaluation of the internal control and review of compliance with the system, and then use the results from such arrangements to improve control measures to suit the changing circumstances, environment and risk factors, provided that the Management at both high and middle levels shall provide cooperation in such matter.



10.3 The Audit Committee shall review to ensure adequate internal control, risk management and internal audit systems and shall then report on the auditing results to the Board of Directors and shareholders for acknowledgement.

10.4 The Company shall establish an independent work unit which directly reports to the Audit Committee. Such independent work unit(s) shall have the duty to efficiently conduct internal audit and shall be composed of adequate personnel who have knowledge, abilities and adhere to the code of ethics for internal auditors.

10.5 The Company shall educate all of its personnel to have knowledge, understanding and cooperation in the internal control and internal audit systems, ensure report on receipt and disbursement of money and request for equipment shall be made exactly, accurately, regularly, rapidly, as well as reviewing and strictly complying with the provided systems.

10.6 All of the Company's personnel shall have the duty to support working and provide accurate and true information to the internal audit unit and the internal auditors. The Company's personnel shall have the duty to review accuracy of financial information and immediately report any suspicious mistakes or corruption.

11. Safety, Health and Environment

The Company pays regard for the safety and health of its personnel and communities by focusing on promoting and raising awareness of quality, safety, occupational health and environment in daily lives of the Company's personnel to benefit all persons, including the entire communities and society. The Company also supports appropriate use of resources and reduction of extravagant consumption of resources.

Best Practices

11.1 The Company considers the safety an important agenda. The Company then sets out requirements and standards for quality, safety, occupational health and environment which are not inferior to those required by law in accordance with internal standards. The Company's personnel shall study and strictly comply with the applicable laws, policies, requirements and standards in terms of quality, safety, occupational health and environment.



11.2 The Company shall make every effort to control and prevent any losses of various types resulting from an accident, fire, occupational injury or illness, loss or damage of assets, violation of the security system, improper working and mistakes, as well as maintaining the safe work surroundings for the Company's personnel. Moreover, practices and drills for the security plans shall be made regularly. In this regard, it is the duty of the Management and staff to report any arising accidents and incidents in accordance with the specified procedures.

11.3 The Company shall communicate with and disseminate information to the Company's personnel, contractors' staff, together with related stakeholders, to ensure that they have acknowledged and understood the Company's policies, rules, regulations, procedures, practices and precautions in terms of quality, safety, occupational health and environment; and that they are also able to apply the same properly, not to the detriment of health, assets and environment.

11.4 The Company has a commitment to and participates in the social and environmental responsibility in terms of quality, safety, occupational health, in an active and continuous manner, as well as maximizing benefits of natural resources, by realizing the significance of environment and safety of the related stakeholders. The Company also supports social activities in terms of environmental care and development of quality of life of residents in communities under the principles of sustainable development.

11.5 Should any unsafe operations or non-compliance with the requirements and standards in terms of quality, safety, occupational health and environment, or any operations having an adverse impact on environment, be found, the Company's personnel shall temporarily discontinue such operations as possible as they can and notify related colleagues, supervisors and work units in charge, for further remedial actions or solution planning. Continuing operations in such circumstances shall be strictly prohibited.

12. Non-Infringement of Intellectual Property or Copyright and Use of Information Technology System

The Company draws up a policy and practice relating to non-infringement of intellectual property or copyright and use of information technology system in order to prevent any problems which may be to the detriment of the Company or its reputation. The Management and staff shall be prohibited from using any illegal software and from copying any copyrighted software for any reason whatsoever without permission of the



producer of the software. In addition, all staff shall have the duty to help protect the Company's intellectual property works and shall refrain from using or giving the Company's intellectual property to any third party without permission.

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12.1 The Company encourages its personnel to conduct research. The returns from such researched works shall be the copyright of the researcher. However, the rights to any researched works as assigned by the Company or based on use of information or knowledge from the Company shall become vested in the Company.

12.2 The Company's personnel shall have the duty to fully protect and secure the Company's trade secrets, secret formulas and secret business methods from any leak.

12.3 The Company encourages its personnel to use the Internet to support their works. The Company's personnel shall not take any action which may interfere with the computer system and the Internet of others in the office; shall not use the computer system to disseminate inappropriate information which is against the morality, customs and traditions or in violation of laws, such as, causing damage to reputation and property, having pornography, disrupting or annoying mail forwarding, or advertising any other goods and services than those of the Company, and sending spam mails, etc.

12.4 The Company's personnel shall perform works by using the copyrighted computer software. If they must perform a duty by using the computer which belongs to any outside parties, they shall inspect its copyright and consult their supervisor before each usage. Installation and usage of any illegal computer software in the Company's office are strictly prohibited.

12.5 The Company's personnel shall keep their own passwords confidential without disclosing them to others in order to prevent any unauthorized access to their own passwords. They shall not use the Internet to visit any unfamiliar websites which may be harmful to the Company's computer system.

12.6 In the event that the Company's personnel request permission for temporary staff or any contractor's staff to have access to the Company's information technology system, such personnel shall oversee the usage of the



system by the temporary staff or the contractor's staff and shall be responsible for any damage to the Company arising from such usage of the information technology system.

12.7 The Information Technology Office of the Company shall inspect, search for, monitor, investigate and oversee usage of the information technology system by all personnel to ensure the security and prevent any damage to the Company's information technology system.

13. Receiving, Giving Gifts, Assets or any other Benefits

The Company realizes the importance of anti-fraud and anti-corruption as well as supporting and promoting awareness-raising among its personnel at all levels of anti-fraud and anti-corruption of all types. The Company determines an anti-corruption and bribery policy to prohibit any bribe payment for the Company's business interest or giving any gifts, assets or any other benefits to any persons having a duty or business related to the organization for the Company's business interest, and also sets out guidelines to prevent any problems due to corruption and unfairness in the business operation, which personnel at all levels, including employees, representatives, affiliated companies or any persons acting for or on behalf of the Company, regardless of their authority or power to do so, shall adhere to the same as standards for their work performance. Moreover, the Company deems any breach of duty to be gross disciplinary misconduct and the personnel in breach of duty shall be liable for punishment under the Company's work rules and required by laws.

Best Practices

13.1 Personnel of the Company and its affiliated companies are prohibited from giving, requesting to give, agreeing to give any assets or any other benefits to any third parties, such as, government officials, agents, representatives, counterparties, etc., with the intention of inducing such third parties to take, omit to take, or delay any acts in violation of laws or in breach of their positions or functions or in exchange for undue privileges.

13.2 Personnel of the Company and its affiliated companies are prohibited from demanding or receiving any assets or any other benefits for personal gain or for gains of others in a manner that persuades them to abuse their duties or neglect to perform their duties.



13.3 Any business dealings in association with various agencies, such as, government agencies, state enterprises or private sector, etc., both at local and international levels, must be transparent, fair and proper under laws of Thailand and foreign countries where the Company has such business dealings with.

13.4 When it is necessary for personnel of the Company and its affiliated companies to be a receiver or giver of any assets or any other benefits and when in doubt whether the receiving or giving of any such gifts, assets or any other benefits to any other persons is in violation of good practices, morality, traditions and local laws, such personnel shall immediately make an inquiry from the legal or compliance department. If such gift, asset or any other benefits so received or given is considered inappropriate, it shall be returned to the giver or such giving shall be stopped. If it cannot be returned or such return is considered inappropriate, it shall be delivered to the President and the Company Secretary to be kept in their custody and be further used for benefiting the society.

13.5 When it is necessary to give and receive any gifts, assets or any other benefits, such giving and receiving should be made ethically and legitimately; should be in the general practice, provided that value of such gifts, assets or any other benefits shall be as required by law. In this regard, such gifts, assets or any other benefits so given and received shall not be strictly illegal.

13.6 Personnel of the Company and its affiliated companies, including their family members shall be prohibited, in any case, from soliciting or receiving any gifts, assets or any other benefits from any contractors, sub-contractors, customers, counterparties or any persons involved with the Company's business, which may cause any decision in performing their duties to be made impartially or uncomfortably or give rise to a conflict of interest.

13.7 Personnel of the Company and its affiliated companies shall have the duty to report on giving and receiving of any gifts, assets or any other benefits to the work units in charge. The Company shall communicate with its suppliers of construction materials, contractors, sub-contractors, business alliances, joint ventures, related persons, persons making business deals with the Company Group, to ensure that they have acknowledged and agreed to strictly comply with the Company's policy on anti-corruption, anti-bribery in accordance with the Company's rules and applicable laws, with honesty and integrity, which shall be effective in all mutual business operations, including



compliance with international laws governing anti-corruption and all applicable laws.

13.8 The Company's personnel shall not give any bribe or any benefits of similar nature to any other personnel of the Company or any third party, particularly giving of gifts, assets or any other benefits to state officials, both in Thailand and other countries, and international organization officials. If necessary to do so, it must ensure that such giving is not contrary to local laws and customs.

(C.) Complaints or Whistleblowing

Based on the corporate governance principles with regard to commitments to stakeholders, the Board of Directors has approved the policy on whistleblowing and complaints relating to dishonest performance of duty for use as a tool to help the Company to perceive complaints about violation of laws, the work rules and regulations, and the code of business ethics of the Company which cause damage to assets and reputation of the Company, from both internal staff and stakeholders of all groups. The Company has supported information disclosure relating to corruption and bribery. Moreover, staff or persons who are involved with the business can rest assured that they are protected from reprisals as a result of such information reporting made in good faith. The policy and guidelines for practices relating to complaints/whistleblowing shall be then formulated, as follows:

Whistleblowing/Complaints

1. Directors, executives, staff or stakeholders of all groups can make whistleblowing/complaint about perceived violation of the code of business ethics of the Company with the Chairman of the Audit Committee or agencies in charge or the personnel department or the supervisors or the President.

2. Making whistleblowing/complaint requires name-surname and telephone number of the whistleblower/complainant, factual details, witness, evidence, together with documentary evidence (if any). In this regard, the Company will keep information of the whistleblower/complainant confidential if the whistleblower/complainant intends to keep his/her identity anonymous. In such whistleblowing/complaint, facts or evidence which is clearly obvious and sufficient to prove the corruption shall be given in detail.



3. Making whistleblowing/complaints shall be made via the available whistleblowing/complaint channels, as follows:

3.1 Letter to the Executive Vice President, Human Resource and General Administration

CH. Karnchang Public Company Limited No. 587, Sutthisarnvinitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok 10400.

3.2 Email to the Executive Vice President: Human Resource and General Administration at ck.whistleblowing@gmail.com.

3.3 Via complaint box within the Company.

Procedures for Consideration under the Policy on Whistleblowing/Complaints

When a whistleblowing/complaint on suspicious dishonest performance of duty from any directors, executives, staff or stakeholders of all groups, is received, it shall be referred to the following procedures for consideration:

1. The person who receives the whistleblowing/complaint shall collect facts relating to corruption, violation, or non-compliance with the ethics;
2. The person who receives the whistleblowing/complaint shall report on facts to the independent directors to perform duty in investigation of facts for consideration of the whistleblowing/complaint until completion within 30 days, by dividing relevant matters into issues in terms of management, development of knowledge, inspection of facts, etc.
3. As for implementing measures, the person who receives the whistleblowing/complaint shall propose the independent directors to conduct investigation of facts and formulate the implementing measures to tackle such violation of or non-compliance with law.



4. Disciplinary punishment shall be imposed against any persons who violate or fail to comply with the policy on anti-corruption and the work rules and regulations as the Company deems appropriate, and damage sustained by the affected person shall be also mitigated.
5. As for reporting on result, the person who receives the whistleblowing/complaint shall have duty to notify the whistleblower/complainant of the result if the whistleblower/complainant has disclosed his/her identity. In the case of significant matter, report on result shall be made to the Chairman of the Board of Directors and/or the Board of Directors for acknowledgement.

Whistleblower/Complainant Protection Measures

1. Whistleblowers/complainants or persons who provide cooperation in inspection of facts may alternatively not disclose his/her identity if he/she deems that the identity disclosure will make him/her unsafe or sustain damage. On the other hand, in the event that he/she discloses his/her identity, the organization will be then able to make progress report and make clarification on facts to him/her or mitigate damage more conveniently and rapidly.
2. The Company shall not disclose name-surname, address, photo of the whistleblowers/complainants or persons who provide cooperation in inspection of facts, or any other information which can identify them, except as required by law.
3. The person who receives the whistleblowing/complaint shall keep all related information confidential/have regard to security. The measures to protect staff who makes whistleblowing/complaints and/or persons who provide information and/or provide cooperation in inspection of facts have been formulated. In this case, such staff shall be protected from unfair treatment, for instance, demotion, change of job descriptions, change of workplace, work suspension, threat,



work interference, employment termination, resulting from such whistleblowing/complaint.

4. In the event that whistleblowers/complainants and persons providing cooperation in inspection of facts consider that they may be unsafe or may be in trouble or sustain damage, they may request the Company to formulate appropriate measures to protect them or the Company may formulate such protective measures without their request to do so if the Company deems that such matter has a tendency to cause trouble, damage or harm.
5. Proper and fair process shall be taken to mitigate damage for the persons who become in trouble or sustain damage.

Punitive Measures

Any persons who commit violation or misconduct of the guidelines under the Code of Business Ethics shall be subject to disciplinary action in accordance with the work rules and regulations specified by the Company and also shall be liable for compensation for damage to the Company or persons who have been affected by such act. In addition, legal punishment may be imposed if such act is illegal.