



Corporate Governance Policy

Nawarat Patanakarn Public Company Limited

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Message from Chairman

Nawarat Patanakarn Public Company Limited (“Nawarat”) has grown up and has maintained good reputation since its inauguration in 1976. With the commitment to take part in the country’s development to prosper in the future, the Company’s Board of Directors gives importance to conduct business under framework and good corporate governance principles of the Stock Exchange of Thailand and of the international principles; and adheres to the principles of ethics, morality and social responsibilities. The Board of Directors’ Meeting no. 03/2015 on March 13, 2015 has a resolution to appoint the Corporate Governance Committee with the purpose to conduct governance of various aspects on the basis of firm and constant values that will lead to sustainably balanced growth.

Because of changes in social and business development, global environment as well as rules and regulations, both national and international, the Corporate Governance Committee has compiled knowledge and guidelines on organizational management to conduct the business. To enhance efficiency and effectiveness of the operation under framework of the corporate governance policy, the Board of Directors has appointed the Sub – Committees to oversee operations within the Company.

This Corporate Governance Policy Handbook has been established in accordance with appropriateness of the Company’s operation and has been divided into five parts according to the corporate governance principles. In addition, it defines the management structure in line with the policy so that the Company’s directors, executives and employees can perform their works in an awareness of social responsibility, shareholders and stakeholders.

(Mr. Mana Karnasuta)
Chairman
17 September 2015

Guidelines for Usage of the Corporate Governance Policy Handbook

Persons obliged to follow the Corporate Governance Policy Handbook

All directors, executives, and employees including those in subsidiaries are obliged to follow the Corporate Governance Policy Handbook. Directors shall serve as role models to implement the Corporate Governance Policy.

Instruction for the Corporate Governance Policy Handbook

1. Get to understand contents of this handbook; study content related to own duties and responsibilities and regularly review general content of this Corporate Governance Policy Handbook.
2. In case of doubts or inquiries, consult supervisors or persons authorized by the Company to be responsible for the compliance of the Corporate Governance Policy through the defined channels.
3. Supervisors at all levels are required to perform as leaders in complying with this handbook as well as to encourage working environment to all employees as well as related parties to understand that the compliance of the Corporate Governance Policy is rightful and must be adhered.

Objective

Nawarat Patanakarn Public Company Limited realizes the importance of the business conduct in compliance with the good corporate governance principles. We believe that good corporate governance system will contribute the Company to have potential in short and long term competition that will lead to sustainable business growth; to create confidence toward investors, financial institutes, business partners and stakeholders through clear, transparent and equitable communication; and to add value for all stakeholders.

The Board of Director has therefore formulated this Corporate Governance Policy Handbook in accordance with the good corporate governance principles of the Stock Exchange of Thailand and has used it as a practical guideline for all directors, executives and employees. To promote efficiency of the Company's business conduct and to help the Company to achieve its goals and objectives, excellent corporate governance and management are established for conduct of business on the basis of integrity, transparency, accountability and fairness.

Corporate Governance Policy

The Board of Directors of Nawarat Patanakarn Public Company Limited realizes the importance of the corporate governance and the social responsibility since it believes that good governance is a key part of successful business conduct and to create confidence of efficient and transparent management system toward shareholders, investors, stakeholders and related parties that will lead to sustainable and quality growth and can add value to the Company.

The Board of Directors understands its duties, roles and responsibilities to shareholders including stakeholders and related parties and is committed to operate business under the good corporate governance principles in conformity with best practice or regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission including other related regulations. In addition, the Board of Directors defines and reviews policies as well as evaluates performance in compliance with policies relevant to five categories of the corporate governance principles as follows:

1. Rights of shareholders
2. Equitable treatment of shareholders
3. Roles of Stakeholders
4. Disclosure and transparency
5. Responsibilities of the Board

All directors, executives, and employees including those in subsidiaries and associated companies must comply with the Corporate Governance Policy and other related policies.

Vision, Mission and Values

Vision

1. To be number one in our specialized area and to be top five in general contracting business in Thailand.
2. To have excellent management system according to the criteria of Thailand Quality Award (TQA)
3. To be an organization with high competency and professionalism
4. To be an organization with sustainability in business operation, be able to deliver goods and services in creating value to customers.
5. To have stable financial status and returns to shareholders at appropriate level.

Mission

1. Conduct business with ethics and commitment to safety, environmental conservation, support and promotion of social development.
2. Define direction and commitment to respond expectation of stakeholders to create collaboration in driving the Company to achieve its vision.
3. Recognize the importance to respond expectation of shareholders on stable and continuous return on investment, manage risk under suitable level and consistently adhere to corporate governance to create credibility towards shareholder.
4. Maintain long – term good relationship with customers through on-time delivery of quality products and services at fair prices.
5. Treat business competitors in compliance with the Code of Conduct. Be able to be business partner, business colleague in the context of suitable cooperation and relation.
6. Initiate corporation and relationship with business partners to build business growth opportunities together.
7. Treat employees with fair remuneration, enhancing their long – term career security, building good working culture, developing talent to be highly competence, promoting secure and safety work atmosphere as well as creating cooperation, unity, satisfaction, happiness and warmth.

Values

Adhere to ethics, be professional and develop in accordance with changes

- **Adhere to ethics** means possession of integrity, accurate opinions, ethics and commitment.
- **Be professional** means working with knowledge, capability, responsibility, quality, creativity, teamwork, responsiveness and accuracy. Always improve knowledge and pass it on to others.
- **Develop in accordance with changes** means change and improve organization according to external environment and changes.

Definitions and Importance of Good Corporate Governance

Definitions

Good Corporate Governance refers to the structure and mechanism of organizational management that create coherence between the directors, the executives, the employees, and the shareholders. The main objective is to operate the business under the concept of trustworthiness, equitation, transparency, and verifiability for the benefits of the shareholders, the interested parties, as well as the society.

Source

The Company's Good Corporate Governance Policy has been framed in compliance with the good corporate governance of the Stock Exchange of Thailand.

Importance of Good Corporate Governance

1. To enhance good, transparent and auditable management system that will help the Company to have potential in short and long term competition, ensure sustainable business prosperity and eliminate conflict of interest.
2. To create confidence toward investors, both inside and outside the country, financial institutes, business partners, and all stakeholders through clear, transparent and equitable communication; and add value to shareholders and all stakeholders in long run.
3. To be used as a performance and auditing indicator of operations of the Company in order to improve them to be more efficient.

SECTION 1: Rights of Shareholders

The Company recognizes the importance of the rights of shareholders and shall not perform any actions that may violate or diminish their rights. As owners of the Company, the Company provides shareholders basic rights equally. Shareholders, therefore, have rights to participate in the meeting of shareholders to express their opinions, make inquiries and cast their votes, to buy, sell or transfer shares, to repurchase share, to get dividend, to share in the profit of the Company, to obtain relevant and adequate information on the Company to vote in election or removal of directors, in appointing the external auditor and in making decisions on any transactions that affect the Company's business direction. The Company implements the best practices toward the rights of shareholders as follows:-

1. The Company arranges for an annual ordinary meeting of shareholders within 4 (four) months from the last day of the fiscal year of the Company and allows shareholders to propose and send agenda items and name of qualified people for election as directors to the Company at least 1 (one) month prior to the meeting via the channel of the Company's website. For the utmost benefit of shareholders to acknowledge their rights as well as criteria, procedures and information of the meeting, the Company publishes the meeting handouts both in Thai and English through the Company's website in advance so that shareholders can spend more time studying the meeting details. On the day of shareholders' meeting, all directors, consultants and top management shall attend the meeting to reply questions.
2. The Board of Directors shall facilitate the shareholders' meeting. The meeting venue is ample enough to welcome all participants, convenient for shareholder's commute, safe and alert to emergency case.
3. The Company shall send out the meeting invitation letter together with agenda details with sufficient and complete information, proxy forms (3 types) and the Company's annual report to all shareholders in advance at least 7 (seven) days to ensure that shareholders and institutional investors have time to study agenda details and give power of attorney in case they are not able to attend the meeting themselves. To facilitate the shareholders, the Company also prepares duty stamps to put on the proxy forms with free of charge.
4. The Company disseminates the meeting invitation letter, meeting handouts and proxy form both in Thai and English, which is the same documents and information sent to shareholders through the Company's website (www.nawarat.co.th) at least 7 (seven) days prior to the meeting. This is considered to be another channel for shareholders to acknowledge meeting details. The Company also publishes the meeting announcement in a newspaper for 3 (three) consecutive day ahead of the meeting.
5. The Company shall not perform any actions that hinder shareholders from exercising their rights to attend the meeting. All shareholders have right to attend the meeting,

- ask questions, share opinions on each agenda item and cast a vote. The Chairman of the meeting shall allocate time appropriately and encourages shareholders to share views and ask questions in the meeting.
6. Before the start of the meeting, the Chairman of the meeting shall inform shareholders how to cast a vote and count a vote on each agenda as stipulated in the Company's Articles of Association. The Company also produces ballots for shareholders to use for voting for each agenda item to ensure that shareholders are able to cast their votes on each agenda permissively and clearly and to be informed voting results promptly.
 7. The Board of Directors and the Corporate Secretary must participate in every shareholders' meeting to answer questions and listen to opinions of shareholders. Top management, auditor and legal advisor of the Company should attend the shareholder's meeting to answer questions in relevant matters.
 8. The Company disseminates the resolutions of the meeting by preparing the minute of the shareholders' meeting covering voting results on each agenda item and significant inquiries or opinions on the Company's website within 14 days from the meeting date.

SECTION 2: Equitable Treatment of Shareholders

The Company treats all shareholders equally, gives importance to the protection of their basic rights, and encourages them to exercise their rights as defined by law. Shareholders shall obtain information completely and equally. Any shareholder who is unable to attend the meeting in person because of any inconvenient case may exercise his/her right to vote by appointing proxy to attend and vote on his/her behalf. The best practices implemented by the Company related to equitable treatment of shareholders are as follows:-

1. The Company facilitates foreign shareholders by preparing documents, such as meeting invitation letter, proxy forms, minute of the shareholders' meeting and the Company's annual report in both Thai and English language. The Company website (www.nawarat.co.th) is published in both languages as well in order to serve all interested shareholders.
2. The Company pre-determines criteria for proposal of meeting agendas and nomination of director to allow minor shareholders to participate in supervising the Company and nominating qualified directors to perform their duties efficiently for the utmost benefits of the shareholders and all stakeholders. Such criteria shall be publicized on the Company's website (www.nawarat.co.th).
3. Shareholders can give a proxy to their representatives or the independent directors. The Company sends out proxy forms together with the meeting invitation letter to shareholders at least 7 (seven) days prior to the meeting and disseminates proxy form both in Thai and English with details and procedures through the Company's website (www.nawarat.co.th) 30 days ahead of the meeting date.

In addition, the Company has established the following policies and measures on the protection of use of internal information to ensure that such a policy is informed and strictly complied:-

1. Directors, executives and employees must not use internal information of the Company or of business partners obtained from discharge of duties to buy/sell or to offer to buy/sell or to persuade others to buy/sell or to offer to buy/sell securities of the Company or of business partners for personal benefits or others'; and must strictly observe relevant laws.
2. Directors, executives, and employees must keep confidentiality and the internal information for which they are responsible not to be disclosed to other persons or unrelated personnel of the Company.
3. The Company prevents the use of internal information by restriction of access of undisclosed information allowing only persons involved and deemed appropriate; and

- provide security of internal information. Information owner must instruct involved person to strictly conform.
4. Disclosure of information must be made by the Company's authorization only. Personnel having no duty to disclose information when being asked any information shall suggest person to contact the authorized person in order to get correct information.
 5. Apart from information disclosed to the public, the Company considers that any information are internally used only. Directors, executives and employees must use information under the framework of assigned duties and responsibilities.
 6. Directors, executives, and employees have duty to protect information and shall not seek benefit from internal information, even though the status as employees has terminated.
 7. Directors and top executives are required to disclose the reports to the Securities and Exchange Commission on their holding of securities as well as reporting on every change in such holding under Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 (three) business days after the date of purchase, sale, transfer or acceptance of transfer.
 8. Any person who conducts the disclosure of information without permission shall bear legal liabilities.

SECTION 3: Roles of Stakeholders

The Company gives the importance of the rights of every group of stakeholders, both internal and external the Company which includes shareholders, customers, employees, business partners, competitors, creditors, government sector, as well as responsibility of social and environment. The Company has defined the code of conduct of directors, executives and employees and has established the manual to be used as framework of ethical behavior for business conduct by recognizing the principal of fairness, human rights, law observance, intellectual property respect as well as anti – corruption (the Code of Conduct Manual can be downloaded on www.nawarat.co.th)

1. The Company’s policies on treatment of each stakeholder

The conduct of business of Nawarat Patanakarn Public Company Limited involves several stakeholders like shareholders, customers, business partners, competitors, creditors, public sectors, employees as well as communities, society and environment. Each group has different requirements; therefore, a policy is established for the responsible treatment of all stakeholders in accordance with their specific needs as follows:-

1.1 Treatment of shareholders

Shareholders are encouraged to exercise their basic rights. The Company is committed to create the utmost satisfaction to shareholders by considering of sustainable growth, added value and continued provision of appropriate returns as well as conducts business in accordance with the good corporate governance principles.

1.2 Treatment of customers

The Company is committed to ensure the satisfaction and confidence of customers and public with quality products and services at appropriate price levels. Consistently upgrade standards and maintain a positive and lasting relationship. For the qualitative purpose according to ISO 9001, the Company aims to create quality performance for customers’ satisfaction. The evaluation of customers’ satisfaction must not be less than 87%.

1.3 Treatment of business partners

The Company is committed to conduct its business with equality and integrity and in accordance with the Code of Conduct, maintain the interest with business partners by strictly complying with laws and all agreements mutually agreed. The Company has established the code of conduct for the Company’s suppliers as per detailed below:-

1. Human Rights and Labor

- Supplier should respect the human rights of their employees and treat them fairly as well as adhere to international principles and all applicable laws
- Supplier must not use forced or involuntary or illegal labor
- Supplier must not use child labor and should perform in accordance with applicable child labor laws
- Supplier must not discriminate in any condition of employment such as race, skin color, religion, age, disability, etc.

2. Safety, Occupational Health and Environment (in accordance with TIS 18001 : 2011, ISO 14001 : 2005)

- Supplier must commit and be responsible to use resources efficiently.
- Supplier must strictly conform to all applicable safety, occupational health and environmental laws.
- Supplier must make certain that they have safe and proper management of waste, air emission and wastewater discharges systems in the production procedures. Moreover, the systems must go through the regular assessment.
- Supplier must provide safety and healthy workplace, including appropriate personal protective equipments for their employees.

3. Ethics and Legal Requirements

- Supplier must conduct their business ethically and strictly in compliance with the laws.
- Supplier must not engage in any form of bribery.
- Supplier must operate business with fair competition.
- Supplier must keep accurate and complete business and financial records of all transactions related to the supplier's business and ready to provide upon request.
- Supplier must protect the company's confidential information.

1.4 Treatment of business competitors

The Company is committed to treat business competitors in line with the international principles within the framework of laws on principle of practice of trade competition and observance of the rule of fair competition.

1.5 Treatment of creditors

The Company is committed to observe the good practical guideline and the conditions in fairness to creditors and repay debts on time.

1.6 Treatment of government sectors

Government sector is one of the stakeholders. The Company has established guideline for treatment of the public sectors in the countries in which the Company invests to avoid negative consequence from any action.

1.7 Treatment of independent auditors

The Company recognizes the importance of the auditor who is considered by shareholders as an important mechanism for auditing of the executives' performance and for ensuring that the financial report is accurate and adequate. Directors, executives and employees must give full cooperation to the auditor by providing correct and complete information as well as facilitate the auditor when conducting the audit of the Company's financial report.

1.8 Treatment of employees

The Company strongly realizes that employees are important and valuable assets which contribute to the success, advance and sustainable growth to the Company. The Company therefore is committed to develop organization into one of a learning organization, foster working culture and ambience, enhance teamwork, pay fair remunerations, monitor working environment to be safe, give importance to development, transfer knowledge and capability of employees, listen to opinions and suggestions of employees at all levels equally and equitably, and cultivate the organizational culture.

The Company also contributes welfares to employees as per detailed below:-

1. Apart from salaries that the company pays to the employees within the same range of other companies with similar size and nature of business, the company has arranged for the provision of incentives based on work performance, annual bonus, provident fund, Nawarat Patanakarn saving and credit cooperative limited, medical expenses, upcountry allowance, foreign allowance, uniform, life insurance, accident insurance as well as the annual physical check-up for all employees.
2. The Company has cooperate with the Government Housing Bank and the Government Savings Bank to provide a residential loan (called (Sai Thong Loans) to employees of which the privileges are better than that of the personal loan so that employees are able to acquire their own residence.
3. Privileges on holidays and financial assistance in case that employee's father or mother passes away.
4. Daily transfer services for employees and cars for employees in some positions working at construction sites and head office.
5. Complimentary accommodation with electricity and water supply for employees working at construction site.

6. Seminars and trainings for employees, both internal and external, so that they can improve their knowledge and ability for work efficiency.
7. Orientation courses for new employees to let them know policy, organization culture and practical guideline for working.

The human resources management of the Company is committed to respect employees' human right, inform key information regarded rights and duties of employees on orientation day, treat employee fairly and give employees' opportunities to define guideline on welfare contribution to meet the employees' requirement by appointing the Welfare Committee consisting of 5 (five) employees who are elected as committee members and 2 (two) appointed committee members. The Welfare Committee has authorities and duties as follows:-

- discuss with the employer on welfare contribution to the employees
- give advice and provide opinion to the employer about welfare contribution to the employees;
- monitor and control welfare contributed to the employees by the employer;
- provide opinions and guidelines on welfare contribution to the Welfare Committee.

The company has the policy of impartiality and provides its employees equal opportunities with no regard of their religion, age (the company has considered to extend working service after the completion of retirement), race, complexion, gender, educational level (minimum Grade 4) and disabilities.

For the policy on foreign laborers, the Company contributes welfares in accordance with the labor law including other benefits as follows:

- social insurance (out of work injury / on-the-job injury) same as provided to Thai labor
- group accident insurance as provided to Thai labor
- complimentary accommodation as provided to Thai labor
- complimentary electricity and water supply not exceeding the amount limited by the Company, as provided to Thai labor
- minimum daily wages at Baht 300.- or more depending on work performance, as provided to Thai labor
- occupational health system & safety such as protective equipment as provided to Thai labor
- complaining system relating to work or other matters as provided to Thai labor
- rights to give opinions and suggestions on work as provided to Thai labor
- advancement at work as same as Thai labor

1.9 Treatment of communities, social and environment

The Company conducts its business on the basis of responsibility to communities, society and environment, in terms of safety, quality of life and preservation of natural resources, promotes efficient use of energy, recognizes life quality of communities and society, both surrounding construction sites and of country, allocates a proportion of profits to contribute for communities and society development, takes into account on environment impact from beginning stage of project construction, selection of technology, production procedures, waste elimination procedures as well as innovative research and development for efficient usage of energy.

Guideline for the Compensation of Stakeholders affected by Violation of Rights

Nawarat Patanakarn Public Company Limited has a guideline for the protection of rights of stakeholders who are affected by the violation of rights by the conduct of business of the Company. Compensation of an amount not lower than that required by the law will be considered.

2. Since the construction business is considered highly risky, the Company realizes the management of occupational health and safety as an important system for business operation and defines the following policies.

- 2.1 Carry out and develop continuously the occupational health and safety management system in accordance with TIS 18001 & OHSAS. 18001 suitably and comply with other legal requirements and standard requirements.
- 2.2 Control and improve working sites; prevent employees and related parties from health hazard, fire, chemical substances, electricity, machinery, emergency incidents, occupational diseases and other dangers within acceptable risk level.
- 2.3 Supports resources such as personnel, operation time, budget and training suitably and adequately.
- 2.4 Encourage all employees to join activities and express opinions on occupational health and safety
- 2.5 Review occupational health and safety management standard procedure at least once a year.
- 2.6 Risk factors for any occupational diseases must be zero.

The Company has established the Occupational Health, Safety & Environmental Manual in accordance with the Occupational Health & Safety Assessment Series – OHSAS 18001 and Environmental Management System – ISO 14001: 2004 for all employees to understand principles and procedures, realize and implement in order to create good and efficient management system and to be able to solve problems relating to occupational health, safety and environmental management system. In addition, it is a guideline to control safety, prevent various forms of accidents at work, reduce environmental problems caused by the Company which might affect

environment outside the Company that implement the occupational health, safety and environment management system and prevent impacts on nearby communities that the Company is performing its work.

The Company has also set up the Occupational Health and Safety Department to be directly in charged as well as has appointed the Safety, Occupational Health and Work Environment Commission consisting of 7 (seven) representatives from both the sides of the employer and the employees. The Safety, Occupational Health and Work Environment Commission have duties and responsibilities as follows:

- Consider policy and plan on safety for work and for outside of work in order to prevent and decrease accidents, injuries, illness, disturbances or unsafe conditions during the service of works and present to the employer
- Report and suggest the employer measures or guidelines to improve occupational safety standard to be in accordance with the related laws for the sake of the safety of employees, contractors, and third parties who come to work or use services in the Company.
- Promote and support activities relating to the working places' occupational safety.
- Consider regulations and handbook for the working places' occupational safety and occupational safety standard and present the employer.
- Review the operation of occupational safety and verify statistic of the occurrence of hazardous incidents in the working places at least once a month.
- Consider projects or training plans relating to occupational safety including ones relating to the roles and responsibilities for the safety of employees, division heads, executives, employer and personnel at all levels and report to the employer.
- Determine system for reporting of unsafe working conditions to be duties and responsibilities of all employees at all levels.
- Follow up the progress of all the matters submitted to the employer.
- Report the employer the Committee' s annual work performance indicating problems, difficulties and the comments on the fulfillment of duties when its one-year term completion.
- Evaluate the operation on occupational safety of the working places.
- Perform other works relating to occupational safety as assigned by the employer.

For objectives of quality in accordance with ISO: 9001, the Company has set the goal for its occupational safety operation by minimizing occupational accident rate not to more than 4 times/100 persons/year. The Company also organizes activities to promote the occupational safety in order to campaign against accidents to be zero in

each quarter. Any job sites with no accident in each quarter will receive reward from the Company.

3. The Company is committed to respect others' property and has defined the intense policy not to violate intellectual property or copyrights.

Computer software is protected under the Copyright Act A.D.1994 which protects all copyrights owners of computer software. Duplication, adjustment, installment, rent, and dissemination must be permitted by copyrights owner.

To use computer software in compliance with the Copyrights Act, the Company prohibits any actions violating software copyrights and any installations of pirate software in the office. Any employee who violates this regulation shall be considered commitment of criminal offence intentionally and having intention to damage the Company and shall be dismissed. Any employee who installs any pirate computer software in the office must delete such software. The Company shall verify software installed in all computers. Employees can consult the IT Department if they have any doubt on the copyright of computer software.

4. The Company has practical guidelines on Anti – Corruption.

The Company encourages and supports employees at all levels to recognize the importance and be aware of anti - corruption as well as has set up an internal control system to prevent fraud, extortion and offering and receiving of all forms of bribe.

Receiving and offering of gifts, assets or other benefits including hospitality to/from persons related to the Company's business is reasonably permissible when there are festive occasions or when they are considered a traditional norm within the suitable amount. The Company prohibits solicitation of gifts, assets or other benefits in any case not in accordance with tradition norm or exceeding suitability which may influence or bias business decision.

At the Meeting of the Company's Board of Directors No. 3/2015 on March 13, 2015, the Board has resolution to get the Company to express the intention to join the Thailand's Private Sector Collective Action Coalition Against Corruption initiated by Thai Institute of Directors (IOD). At present this is under the process of the Management.

5. Acknowledgement of Incidence, Grievance, Suggestions Channels for Informants and Protection of the Rights of Informants (Whistle Blowing Policy).

The Company has established a department to acknowledge incident, grievance or suggestion from stakeholders affected from the Company's operation. This can be

done verbally, via telephone, facsimile, electronic mail and postal mail. The Company will provide initial explanation of facts and measures to manage such matters to the party submitting grievance or involved party as soon as possible or within 1 day at latest.

In case of discovering of any acts of possible violation or against laws or regulations of the Company or personal, or any situation may cause damage to the Company, shareholders and all stakeholders can undertake whistle - blowing to the Company's Board of Directors by post mail addressing to:-

The Board of Directors Secretariat Office
Nawarat Patanakarn Public Company Limited
18th and 19th Floor, Bangna Towers A
2/3 Moo 14, Bangna-Trad Road KM. 6.5
Bangkaew, Banplee
Samutprakarn 10540

The Company will keep such information confidential in order that the informants may not suffer any trouble.

6. Since the Construction Business highly affects the environment, the Company recognizes the importance of the environmental responsibilities in business conduct and has defined the policies as detailed below:

- 6.1 Prevent and control the disposal of trash, waste water, and air pollution caused by the Company's business activities in order to minimize the impact on the environment as much as it can in practical.
- 6.2 Promote and comply with the related laws on the environment and strictly follow the regulations on the environmental management system.
- 6.3 Ensure that the preventive and controlling measures are implemented and reviewed for continual improvement.
- 6.4 Get committed to promote energy preservation and efficient use of resources.
- 6.5 Educate and cultivate awareness of employees, contractors and persons involved to be aware of impacts to the environment.
- 6.6 Get committed to constantly push activities to be done and fulfilled in accordance with the environmental policy framework by communicating to employees and relevant persons and disseminating to the public.

Currently, the Company is certified by the environmental management system for standardization (ISO 14001: 2004) for the Head Office and is in the process of application of certification for factory. ISO 14001:2004 is a an environmental management system developed in September 1996 to enable an organization to implement a system for maintaining, controlling,

and improving quality environment, as well as protecting hygiene of human beings by planning and setting the guideline with objective in order to protect and reduce pollution from its origin emphasizing impacts or possible impacts on the environment originated from the organization's activities, production process, and services starting from materials acquisition, design, research and development, delivery, application according to its purpose, reuse, efficient resources utilization, avoidance of dangerous chemicals which is considered a good and effective environmental management system.

In addition, the Company has established the Environment Department which has duties to supervise and manage this matter exclusively, to promote and publicize to all employees to understand, realize, and participate in the environmental management as follows:

- issue internal journal called “Green Way” on monthly basis;
- issue pamphlets entitled “The Environmental Management System ISO 14001: 2004;
- provide training programs regarding:-
 - interpretation of ISO 14001: 2004
 - assessment of environmental problems and related applicable laws
 - internal audit for the environmental management system
 - environmental awareness

SECTION 4: Information Disclosure and Transparency

The Company has the policy on the disclosure of information to all related parties in a timely manner with equality, transparency, accuracy and completion and without any distortion of facts in order that stakeholders are able to use it for decision making. Since information disclosure is key factor to create confidence toward investors on integrity of operation and mechanism for operational auditing, the Company recognizes its importance and tries to increase channels for provision of information as detailed below:-

1. The Board of Directors has duty to disclose both financial and non-financial information accurately, completely, adequately, reliably and in a timely manner in order that shareholders are able to receive information on an equitable basis, and ensure that information on the Company website are updated completely, consistently, promptly and in a timely manner so that shareholders can gain information for decision making and contact the department providing information conveniently.
2. The Company has established the Investor Relations Section under the New Business and Strategic Planning Department to act as the Company's representative in communicating and supervising general investors, securities analysts, and shareholders. Information will be disseminated via various channels such as the mass media, website, telephone, the Stock Exchange of Thailand and the Securities and Exchange Commission.
3. The Board of Directors shall prepare a balance sheet, profit and loss statement, audit report as well as the Board of Directors' annual and propose same to the meeting of shareholders at the annual ordinary meeting for consideration and approval
4. The Company discloses its important information on consistency basis via various channels and the media to enable its shareholders and stakeholders to be informed entirely. The channels for dissemination are as follows:
 - 4.1 The Stock Exchange of Thailand
 - Annual report
 - The Company's financial statement
 - Operational results report on quarterly basis
 - Resolutions of the Board and others
 - Opportunity day
 - 4.2 The Securities and Exchange Commission
 - 4.3 The Ministry of Commerce
 - 4.4 Newspaper
 - 4.5 The Company's press release

- 4.6 Investor Relation Section (contact: telephone 0-2730-2100 ext. 1122 or email: IR@nawarat.co.th)
- 4.7 The Company's website (www.nawarat.co.th)
- 4.8 Company visit / One-on one meeting)
- 4.9 Analyst meeting
- 4.10 Document delivery notifies shareholders by post mail.
5. The meeting participation of the Board and the Sub – Committees is reported in the Company's annual report. Number of the Board and the Sub – Committees' meeting participation in each year will be comparable.
6. The Company has stipulated measures and procedures for related transaction approval. Any director, executive or related person is able to conduct business with the Company or its subsidiaries only if such transaction is approved by the shareholders' meeting.
7. The Board of Directors must report change of the Company's securities holding pursuant to the rule of the Securities and Exchange Commission. The Company has set the policy for directors to disclose the reports on their purchase - sale of shares / holding of securities as follows:-
 - 7.1 Directors and top executives have duty to report to the Securities and Exchange Commission on their holding of securities in the Company including those of their spouses, children who are minors within 30 days after the closure date of securities sale offer, if it is the first time of reporting. This is to comply with Section 59 of the Securities and Exchange Act B.E. 2535 (1992)
 - 7.2 Directors and top executives have duty to report to the Securities and Exchange Commission on change of their securities holding including those of their spouses, children who are minors within 3 (three) business days after the date of purchase, sale, transfer or acceptance of transfer. This is to comply with Section 59 of the Securities and Exchange Act B.E. 2535 (1992)
8. The Company has formulated the policy on vested interest report by requirements that directors and executives report to the Company on their own or their related person's vested interest relating to the management of business of the Company or its subsidiaries pursuant to Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) amended by the Securities and Exchange Act (No. 4) B.E. 2551 (2008). Such report shall constitute information to support the Company's operations according to the requirement regarding related party transaction, which are transactions that may cause conflict of interest and lead to the siphoning of interest of the Company and its subsidiaries. Disclosure of the Board and the top executives' vested interest information is made in the annual report (56-2 form) and the 56-1 form.

SECTION 5: Responsibilities of the Board

1. Composition, duties, responsibilities and the Board of Directors' work performance

1.1 Leadership and vision

The Board of Directors has defined the Company's vision "To be number one in our specialized area and to be top five in general contracting business" and defined the mission to "develop effective work system and planning". The Board of Directors shall review and approve the vision and mission every year.

1.2 Compositions of the Board of Directors

The Company's Board of Directors consists of qualified persons with knowledge, ability and experiences useful to the Company. There are 7 (seven) directors in total. The election of directors is in accordance with the resolution of the shareholders' meeting under the rules and procedures prescribed by law, currently comprising:

- 3 executive directors
- 1 non-executive director
- 3 independent directors

In addition, the Company has defined the policies on the Board of Directors' composition as follows:

1. There must be diversity within the Board's structure comprising of genders, ages, educational levels, knowledge, abilities, professional skills, working experience and special expertise. The Company sees the importance of the definition of the Board's composition relating to the board diversity believing that it is the key factor to create the balance of thoughts, quality of work and efficiency of the Board's decision which is beneficial to the Company's business operation. This policy is used covering the subsidiaries and the associated companies with the objectives of:
 - 1) enhancing discussion at The Board of Directors' meetings;
 - 2) enhancing the Board's creativity that will benefit the Company;
 - 3) enhancing efficiency of the Board's performance
2. Directors must not be employee or partner of the auditor company that the Company uses services in the past two years.
3. More than half of the directors must have the experience in the field concerning with the Company's business.

1.3 Independence of Directors

The Board of Directors has duty to consider, provide opinions, make decisions, and cast a vote. If the Board's decisions fall under pressure from duties or family or any vested interest, such decision may be distorted for the side of oneself or close persons, or for own interests. Independence of director is therefore definitely recognized in order to protect the interests of shareholders. The independent director must be allowed to access financial and business information adequately to freely provide recommendations, and is required to maintain the interests of related persons, to attend the meeting regularly and to have a meeting among each other at least twice a year. The Company has defined the qualifications of the independent director in accordance with the ones prescribed by the Capital Market Supervisory, the Securities and Exchange Commission and the Stock Exchange of Thailand, and other qualifications as defined by the Company so that the independent director can oversee the interests of all shareholders equally, prevent conflict of interest and freely express opinions in the meeting. The defined qualifications of the independent director are as follows:-

- Not holding more than 5% of the total outstanding voting shares of the Company, subsidiary or associated company including shares held by related persons under section 258 of the Securities and Exchange Act.
- Neither being nor having been an executive, employee, wage earners or advisors or who receive a salary, or personal consultant of person who gets authorization to manage the Company, its subsidiary or associated company, unless the foregoing status ended not less than three years prior to the date of appointment.
- Not having nor have had a business relationship, e.g. customers, business partners, creditor and debtor, as well as not having direct or indirect financial and managerial interests with the Company, subsidiary or associated company in a manner which may interfere with his or her independent judgment.
- Not being a close relative by blood or by legal registration as father, mother, spouse which may interfere with his or her independence with executives, major shareholders of the Company, subsidiary or associated company as well as not being appointed as representative of the Company's executives or major shareholders.
- Neither being nor having been an auditor of the Company, subsidiary, associated company, major shareholder, director, executive or partner of an audit firm which employs auditors of the Company, subsidiary, associated company, unless the foregoing relationship ended not less than three years from the date of appointment.

1.4 The Board of Directors

The Board of Directors must perform duties with integrity, transparency, fairness, and care.

The Board's duties and responsibilities are separated into two parts as follows:

1. Define directions, policies, and the business strategies

- Control and supervise the business operation of the Company to strictly adhere to applicable laws, objectives, rules, articles of association and resolutions of the meeting of shareholders, maintain the interests of the Company and its shareholders according to the good corporate governance principles.
- Define vision, mission, direction, and strategies of the Company; review such vision, mission regularly and grant approval at least every five years to ensure that vision, mission are in line with the Company's business plan.
- Supervise the Company's business conduct in compliance with the rules and regulations of the related agencies; take responsibilities and maintain interests of the shareholders; disclose information adequately, correctly, completely, transparently and with standard to shareholders and all related parties.
- Approve key strategies, policies, financial goals and business plan and monitor compliance with the defined work plans.
- Consider and approve annual budgets for investment and operation as well as the utilization of the Company's resources.
- Ensure that the Company has a suitable compensation system or mechanism for senior executives to induce short term and long term motivation.
- Arrange for an annual ordinary meeting of shareholders within 4 (four) months from the last day of the fiscal year of the Company and if necessary, arrange an extraordinary meeting of shareholders.
- Hold the Board of Directors' monthly meeting in which at least half of the directors must participate. The resolution of the meeting will take into account the majority of votes. If the number of votes is equal, the chairman will cast the decisive vote
- Provide consultation, discuss problems in a thorough and extensive manner and make a decision the matters according to the Meeting agenda discreetly.
- Give authorization to Chief Executive Officer/President to operate the Company's business as well as to employees working in coherence with the business situation.

2. Monitor the operation of the management for checks and balances by the following ways:-

• **Disclosure of the Company's information**

- Set up efficient and effective accounting system, financial report, auditing, internal control and internal audit system.
- Ensure that the Company puts in place proper systems to communicate with each group of shareholders and stakeholders
- Ensure that information disclosure is correct, clear, transparent, reliable and in line with high standard.
- Prepare a balance sheet, cash flow statement and profit and loss statement as the last day of fiscal year of the Company and propose same to the meeting of shareholders at the annual ordinary meeting for consideration and approval of the said balance sheet, cash flow statement and profit and loss statement. The Board of Directors shall arrange for the auditor to complete the auditing prior to propose same to the meeting of shareholders.
- Arrange for a report on important financial and general information in a correct, complete and sufficient manner to shareholders and confirm the verification of information reported.
- Monitor, supervise and solve problems arising from transactions which may lead to conflicts of interests and related transactions.

• **Internal Control and Risk Management**

- Establish proper risk management and ensure that the management has effective systems or procedures for risks management.
- Ensure that the Company has proper internal control, internal audit, financial control system, operation, operation compliance, risk management and risk management control.

• **Determination of the Board of Directors' remunerations**

- The Board of Director has the duty to present the remunerations of the directors to the annual general meeting of shareholders for consideration and approval.

1.5 Appointment and Removal of the Board of Directors

The Nomination and Remuneration Committee shall propose the Board of Directors the nomination of director and the Board shall present it to the Shareholders' Meeting for appointment which shall be according to the criteria and methodology stipulated in the Articles of Association of the Company as detailed below:-

1. The Board of Director elected by the meeting of shareholders shall consist of not less than 5 (five) directors. At least 3 (three) must be independent directors and one member must be knowledgeable in financial and accounting. Not less than one - half of all members of director shall have residence in the kingdom. Directors must have qualifications as defined by laws and regulations.

2. The meeting of the shareholders elected qualified director who is nominated by the Nomination and Remuneration Committee and proposed to the shareholders by the Board of Directors according to the following rules:-

- (1) Each shareholder shall have one vote for each share held.
- (2) Each shareholder shall exercise all of his/her voting rights that he/she has under clause (1) to elect one or several persons as director (s), but he/she may not allot his/her votes to any person in any number.
- (3) The persons receiving the highest votes shall be elected as directors in respective order of the votes for the number of directors of the Company, or for the number of directors which should be elected at such election. In case of tie votes causing the number of person elected to be in excess of the number to be elected at such meeting, the chairman shall have a casting vote.

3. At every annual ordinary meeting of shareholders, one-third (1/3) of the directors of the Company shall retire from the office. If the number of directors cannot be divided into a multiple of three, the number of directors nearest to one-third (1/3) shall retire. The directors to be retired from office in the first and second year following the registration of the Company shall be made by drawing lots. For subsequent years, the director who has held office longest shall retire.

4. Any director who intends to resign from the office shall submit a resignation letter to the Company. The resignation letter shall become effective from the date on which the Company receives the resignation letter.

5. The meeting of shareholders may pass a resolution removing any director from office prior to the expiration of the director's term of the office, by a vote of not less than three quarters of the number of shareholders attending the meeting who have the right to vote and who have shares totaling at not less than a half of the number of shares held by shareholders attending the meeting and having the right to vote.

1.6 Authorities of the Board of Directors

The Board of Directors must perform duties in compliance with laws, objectives, the articles of association, the resolutions of shareholders' meeting, with integrity and prudence, in the best interests of shareholders in both short term and long term as well as shall adhere to the rules and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and the Capital Market Commission established in pursuant to The Securities and Exchange Act B.E. 2535 (1992) as amended by The Securities and Exchange Act (No.4) B.E. 2551 (2008).

1. The Board of Directors is empowered to appoint one director as Chairman of the Board and appoint one or several directors as vice chairman as deemed appropriate.

2. The Board of Directors is empowered to appoint one director as Chief Executive Officer/President and appoint any person to be Company Secretary as deemed appropriate.

3. The Board of Directors has right to participate in any trainings or activities in order to increase knowledge on relevant work by using the Company's resources.

1.7 Delegation of Authorities by the Board

Two directors with signatory power jointly affix their signatures for the Company to authorize other persons to perform the business on behalf of the Company within a certain period. In this regard, the delegation of authority and responsibility by the Board of Directors will not be the delegation or sub-delegation of authority in such a manner that enables the Board or its attorneys to approve any transactions for oneself or for any person with potential conflict (as defined in the Notification of SEC) for both the Company and subsidiaries. The approval authorities of the Board of Directors are as follows:

- Consider and approve the acquisition or disposition of assets unless such transactions must be approved by the meeting of shareholders. Such approval must be in accordance with notifications, regulations and/or rules relating to the Office of the Securities and Exchange Commission.
- Consider and approve the related party transactions unless such transactions must be approved by the meeting of shareholders. Such approval must be in accordance with the notifications, regulations and/or rules relating to the Office of the Securities and Exchange Commission.
- Have the power to consider and approve any loans or loan application from financial institutions or determine new amount of overdraft (O/D) as well as payment for investments or land acquisition in the amount with more than Baht 200 million per transaction.

1.8 Meeting and Quorum

The Company holds the Board of Directors' meeting once a month and may convene an extraordinary session if necessary. The Company requires the directors to attend the meeting every time except in case of necessity. The meeting will be pre-schedule with exact date, time and agenda details all year round. The meeting invitations specifying agenda details together with the supporting documents shall be sent to all directors at least seven days ahead of the meeting to allow them with enough time to study before the meeting, except in case of emergency to protect the company's interest. The Company prepares and completes the minute of the Board of Directors' meeting within 14 days from the meeting date and retains the minutes of the meeting certified by the Board of Directors in full along with other documents. All directors can check the minute of the meeting anytime by making request with the Company Secretary.

1. To form a quorum in the meeting, at least half of the directors must be present. The Chairman of the Board shall be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substituted chairman of the meeting.

2. The resolution of the meeting will take into account the majority of votes,
3. One director has one vote, except director with vested interest in any agenda item must abstain from voting on that item. If the number of votes is equal, the chairman will cast the decisive vote.
4. The chairman or the assigned person sends the meeting invitations specifying date, time, venue and agenda details to all directors at least seven days ahead of the meeting. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier.

1.9 The Sub - Committees

The Board of Directors has appointed director who possesses proper knowledge and expertise as the sub-committee to assist the Board in studying and screening important matters that need close supervision and to give suggestions to the Board. The Sub - Committees comprise:

- The Corporate Governance Committee
- The Business Code of Conduct Committee
- The Audit Committee (All committee members must adequately possess knowledge and ability in financial and accounting to review the financial statements)
- The Risk Management Committee
- The Nomination and Remuneration Committee
- The Corporate Social Responsibility Committee

Composition of the Sub - Committee

1. The Audit Committee

The Audit Committee consists of at least three independent directors of the Board and has responsibilities in accordance with the Charter of the Audit Committee.

2. The Corporate Governance Committee

The Corporate Governance Committee consists of at least six directors of the Board and at least half of the total members must be independent directors. The Corporate Governance Committee has the responsibilities in accordance with the Charter of the Corporate Governance Committee.

3. The Business Code of Conduct Committee

The Business Code of Conduct Committee consists of at least four directors of the Board and at least half of the total members must be independent director. The Business Code of Conduct Committee has the responsibilities in accordance with the Charter of the Business Code of Conduct Committee.

4. The Risk Management Committee

The Risk Management Committee consists of at least two directors of the Board. The Chairman of the committee must be independent director. The Risk Management Committee has the responsibilities in accordance with the Charter of the Risk Management Committee.

5. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of at least four directors of the Board and at least half of the total members must be independent directors. The Nomination and Remuneration Committee has the responsibilities in accordance with the Charter of Nomination and Remuneration Committee.

6. The Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee consists of at least two directors of the Board and at least half of the total members must be independent directors. The Corporate Social Responsibility Committee has the responsibilities in accordance with the Charter of the Corporate Social Responsibility Committee.

Terms of Office of the Sub - Committees

The Sub – Committees shall serve a term of office of 3 (three) years and may be re-appointed when the term is completed.

1.10 The Executive Committee

Duties and Responsibilities of the Executive Committee:-

1. Formulate guideline and strategies and oversee and the Company's business management and operation for maximum effectiveness and efficiency.
2. Review the Company's operational performance from time to time to find prompt solutions to achieve the planned business targets.
3. Evaluate and endorse annual budgets and large scale of investment projects of the Company before submitting to the Board of Director for consideration.
4. Set up organizational structure and carry out efficient management covering recruitment, trainings, employment, termination of employment and compensation of staff members, management and top executives.
5. Provide advice to the Board of Directors for making decisions on important issues and execute other duties as assigned by the Board of Directors.
6. Act as a representative under power of attorney to exercise business transactions on behalf of the Company with third parties.
7. Has the power to consider and approve the payment for investment in the amount not more than Baht 200 million per transaction.

Furthermore, 2 (two) members of the Executive Committee have the power to consider and approve any purchase not more than Baht 100 million per transaction. The exceeding amount of Baht 100 million but not more than Baht 200 million can be approved by the Executive Committee, and each member of the Executive Committee has the power to approve any purchase in the amount not more than Baht 500,000.

The above mentioned authorization of power to members of the Executive Committee must not be in such a manner as to be able to approve the transaction of interest of oneself or other persons who may have conflict or conflict of interest with the Company or its subsidiaries unless it is a normal business operation of the Company, and has been approved by the meeting of the Board of Directors, in which attended by independent directors and the scope of consideration has already been clearly outlined. Also, such authorization must be in compliance with the criteria of the Office of the Securities and Exchange Commission and the Regulations of the Stock Exchange of Thailand or as prescribed by other government agencies.

Duties and Responsibilities of the Chief Executive Officer of the Executive Committee

1. Manage and operate the Company's business in accordance with the policies and authorities defined by the Board of Directors.
2. Set up business targets, either long or short term, on the annual business plan including expenses budgets and long-term strategic plan and submit to the Board for approval; has duty to report progress of the approved plan and budgets to the Board every 3 (three) months.
3. Manage work operation through the hierarchy to achieve the objectives set on the Business plan by creating competitive competency and providing proper returns to shareholders.
4. Allocate resources and recruit potential workforce and then use them for the utmost benefit.
5. Assign, appoint, remove, transfer, change staff's position; reduce, cut salary or wages; conduct disciplinary punishment; and dismiss employees according to the regulations of the Company's Human Resources Management.
6. Promote and build up strong corporate culture to support the vision and the business growth.
7. Monitor closely the Company's business operation, evaluate operating results and report matter undertaken by the management to the Board of Director in timely manner.
8. Consider and screen the Company's policies, business directions, undertaken matters that may affect the Company's business and matters relating to applicable laws and regulations of the Stock Exchange of Thailand; and present to the Board for approval.

9. Prepare the documents detailing the operating authority for decentralization to employees to enable them to perform their duties efficiently and flexibly without losing control and submit to the Board for approval.
10. Prepare report of financial status and financial statements and submit them to the Board for consideration and approval quarterly.
11. Has the power to approve any purchase in the amount more than Baht 500,000 per transaction.

The above mentioned authorization of power to the Chief Executive Officer must not be in such a manner as to be able to approve the transaction of interest of oneself or other persons who may have conflict or conflict of interest with the Company or its subsidiaries unless it is a normal business operation of the Company, and has been approved by the meeting of the Board of Directors, in which attended by independent Directors and the scope of consideration has already been clearly outlined. Also, such authorization must be in compliance with the criteria of the Office of the Securities and Exchange Commission and the Regulations of the Stock Exchange of Thailand or as prescribed by other government agencies.

1.11 Nomination of the Board of Directors

The Board of Directors has appointed the Nomination and Remuneration Committee to perform the duty to select and screen the persons for being nominated and appointed as director taking into considering of the proper proportion, numbers and composition of the Board. The Nomination and Remuneration Committee has systematically defined criteria and procedures of the nomination by giving a chance to shareholders to nominate persons in advance to be elected as directors by the annual general meeting of the shareholders, proposing the Board of Directors to set up specific committee comprising of the Board or third party to nominate person, or in some cases using director pool of Thai Institute of Directors (IOD) for consideration of the persons to be nominated.

For the selecting criteria, the Board of Directors shall select and screen persons with suitable qualifications to be director. Directors must be knowledgeable qualified and expert from various fields and in line with the Board Skill Matrix. The Company has defined four necessary skills for director nomination detailing in the policy of diversity on Board's structure as follows:-

1. Engineering skill
2. Accounting, financial and banking
3. Marketing strategy and competition skill
4. Legal skill relating to business

In addition, the Company has defined the qualifications of directors as the manual for consideration of director's nomination as follows:-

1. possess leadership
2. possess broad vision

3. possess ethics and morality
4. possess transparent work experience without malfeasance
5. must not possess any prohibited characteristics pursuant to the law
6. possess the ability to express opinions independently

The Nomination and Remuneration Committee shall make decision based on informed judgment, maturity and stability, be good listener, express opinions differently and independently, have integrity and accountability, is committed to work with principles and standard like a professional and shall purpose the list of qualified persons to the Board of Directors for consideration before submitting to the Shareholders' meeting for consideration and approval.

1.12 Succession Plan

The Company complies with a policy on succession plan, deeming as a part of the manpower placement strategy and a subtask of human resource planning strategy. The Company has a proper and transparent plan to recruit personnel into important positions at all managerial levels to ensure that the Company has a professional management team. Accordingly, the Company has assigned the Nomination and Remuneration Committee to prepare position succession plan of the President and Managing Director of the Company in order to propose to the Board of Directors for consideration. The Nomination and Remuneration Committee has monitored the succession plan covering the following positions.

- **Chief Executive Officer / President and Managing Director Level**

In the event that the positions of the Chief Executive Officer/President and the Managing Director are vacant or the individual in such positions cannot perform their duties, the Company has an arrangement whereby executives in a closely comparable level or their deputy shall act on their behalf until the selection process for the qualified replacements is completed. The criteria for such selection shall be based upon suitable qualifications as prescribed by the Company, as well as other qualities such as business vision, knowledge, proficiency, and experience, that well suit the Company's corporate culture. The Nomination and Remuneration Committee shall be responsible for the selection process and submit their final choice to the Board of Directors for approval and further appointment.

1.13 Orientation for New Director

The Company recognizes the importance of duty performing of new directors and has therefore defined the practical guideline on preparation for duty performing of directors to enable new directors to know the Company's expectations of their roles, duties, responsibilities, the Company's policies, business and corporate governance practices. These include enabling them understand about the

Company's business and operation, as well as to visit its business units for being prepared to perform the duty of director promptly as follows:-

1. Coordinate in providing of the Company's data in legal area and others to the Board of Directors
2. Submit "Directors Guidebook" to new directors, the guidebook contains the Company's information and relevant crucial laws which will be useful for members of the Board of Directors. The Company Secretary is responsible for coordinating to deliver this guidebook to the Board of Directors. Contents of the guidebook are as follows:-
 - 1) Articles of Association of the Company
 - 2) Objectives of the Company
 - 3) Affidavit of the Company
 - 4) Public Company Limited Act
 - 5) Securities and Exchange Act
 - 6) Guidebook for Directors of Listed Company
 - 7) Charter of the Board of Directors and of the Sub – Committees
 - 8) Business Code of Conduct of Directors
 - 9) Manual for Corporate Governance Policy and other policies of the Company
3. Arrange meetings with the Chairman, Board of Directors, sub-committees and executives to make them informed of the Company's business operation for using as their principles in performing duty. The presentation is made as a whole picture and in details under the following topics:
 - 1) The Company's vision, mission and history
 - 2) The Company's strategy and goals
 - 3) Management structure
 - 4) Operating data and the Company's activities
 - 5) Roles, duties and responsibilities of directors
 - 6) Good corporate governance policy
 - 7) Summary profiles of other directors and executives
 - 8) Qualifications and remuneration of directors

1.14 Holding Position of Director in Other Companies by the Company's Director

The Company complies with a policy on restriction of number of director positions in other companies that the Company's director can take. If the director takes too many director positions in other companies, it may affect the performance of duties for the Company. The Company's Board of Directors has, therefore, established the policy on holding of position of director in other companies by the Company's director for utmost benefit of the Company in order for them to devote more time to perform their duties efficiently as follows:-

1. Director can hold positions in Nawarat Patanakarn Public Company Limited and its subsidiaries and associated company.

2. To be a director in other companies, of which the business is similar to or competitive with the business of the Company, a request must be submitted for opinion of the Audit Committee prior to submission for approval by the Board of Directors and the shareholders respectively before being appointed to such position.
3. The holding of position of director in any organizations other than specified in Clause 1 which when combined must not be more than 5 places and must inform and be approved by the Board of Directors' meeting before being appointed to such position.

1.15 Performance Evaluation of the Board and of the Sub-Committees

The Board of Directors shall conduct annual assessment of the Board and the sub-committees at least once a year. The evaluation form shall be in accordance with the Company's good corporate governance principles and the scope of the Board's responsibilities. The evaluation results will be used for reviewing performance, problems or difficulties in the past year for improvement and increase of the Board's efficiency. The assessment of the Board will be made in a whole and on an individual basis.

After the completion of each director and committee's assessment, the results shall be submitted to the Company Secretary to gather and analyze in order to set measures to further improve effectiveness of the Board's performance and shall be reported to the Board in the next meeting.

1.16 Remuneration of the Board of Directors and the Sub-Committee

The Company has defined the policy on remuneration of the Board of Directors and the Sub – Committees. The Nomination and Remuneration Committee shall consider and scrutinize remuneration of the Board of Directors and the Sub – Committees within the same nature of business and present to the Board of Directors. The Board of Directors shall approve the remuneration of the sub-committees and the shareholders shall approve the remuneration of the Board.

1.17 Development and Knowledge Accumulation for Directors and Executives

The Board of Directors seriously supports and promotes knowledge development for every director for their efficiency in duty performing. It's the Company's policy to encourage its directors, executives and those supporting the company secretarial works to attend seminars and training courses of Thai Institute of Directors (IOD), the Stock Exchange of Thailand, or other independent institutions, ranging from the development in part of the duties and responsibilities of directors, or new management concept, so that every director will continue to develop and improve their works, as well as to apply the knowledge properly for further benefit to the Company.

1.18 Company Secretary

1. Qualification and Experience of the Company Secretary

The Company's Secretary has a key role in supporting and overseeing the Board's activities to be efficient, effective and in consonance with law, rules, regulations, and corporate governance principles. The Board of Directors shall appoint a qualified person in this position based on his/her knowledge and understanding of the Company's business operation under applicable legislation and criteria such as the Memorandum of Association, the Articles of Association, the Securities and Exchange Act, the Public Company Limited Act, the code of conduct and the corporate governance policies.

In addition, the Company Secretary should have good interpersonal skills and ability to liaise with directors, executives and shareholders efficiently and effectively to enable the Board's related activities to proceed smoothly in line with the resolutions of the Board and the shareholders.

2. Duties and Responsibilities of the Company Secretary

To support and oversee the Board's activities to proceed efficiently and effectively, the Company has defined the Company Secretary's duties as detailed below:-

- Prepare and file documents concerning the list of directors, the Company's annual report, invitation letters for directors' meeting, minute of the Board of Directors' meeting, invitation letters for shareholders' meeting and minutes of shareholders' meeting.
- File report of vested interests of directors or executives.
- Send the copy of reports of vested interests of directors and executive or related person to the Chairman and the Chairman of the Audit Committee within 7 (seven) days after receiving of the report.
- Arrange the meeting of the Board and of the shareholders under related rules, regulations and law.
- Provide advice for the operation of the Company and of the Board under the Memorandum of Association, the Articles of Association, the Securities and Exchange Act, the Public Company Limited Act and other related laws.
- Act as a focal point for exchange of news and information among directors, executives and shareholders.
- Coordinate and follow up operation under the resolutions of directors and shareholders.
- Oversee disclosure of information and reports under relevant responsibilities to the monitoring agency as specified by the rules and regulations of the authority.
- Perform other duties as announced by the Capital Market Supervisory Board or as assigned by the Board.

2. Guidelines for Management and Internal Control

2.1 Good Corporate Governance and Business Ethics

The Board of Directors has imposed the good corporate governance and business ethics as the guidelines for all directors, executives and employees to operate the Company's business within standards, transparency, efficiency, ethics and accountability, and maintain the right of stakeholders to receive interests in fair proportion to create credibility and acceptance in general. Directors and executives must be good leaders. The Board of Directors has also established the department to take responsibilities in enhancing knowledge and understanding, monitoring and reviewing for the sake of completion.

2.2 Internal Control

The Company imposes verification and report on internal control system and assigns the Internal Audit Department, which is independent unit to check the Company's internal control system. The Company has established practice handbook, regulations, defines duties and responsibilities clearly, and communicated with the internal staff of the Company. The Company also stipulates policy and method for personnel management relating to the internal control; create control activities consisting of verification of financial and non – financial operation, protection of assets with high risk and control of information technology; and conduct assessment, both during operating process and each time, continuously and consistently. The internal control system of the Company is in line with the international standard of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) which consists of the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

The Board of Directors recognizes the importance of the internal control of every process, arranges for segregation of departments and positions and decentralization by defining authorities of executives and staff clearly and suitably in order to counterbalance the protection of shareholders' capital and the Company's assets. The internal control system of the Company covers financial statement report, operation, property maintenance and any conduct in compliance with relevant laws, rules and regulations. The Board of Directors assigns the Audit Committee to examine outcome of the internal control assessment to ensure efficiency, effectiveness, sufficiency and suitability for business conduct of the internal control system as well as to maintain assets and efficient usage of resources in order to prevent damage or fraud.

The Head of Internal Audit Department shall be appointed by the Audit Committee and has qualifications to efficiently perform duties in evaluating the internal control system, work performance and providing recommendation for

improvement to ensure that the Company operating process is efficient, effective, and cost saving according to the COSO internal control framework.

2.3 Internal Audit

The Board of Directors has established the Internal Audit Department within the Company with direct report to the Audit Committee. The Internal Audit Department performs duties independently, righteously and in compliance with the defined code of conduct and aspiration of the Internal Audit Department. The Internal Audit Department has set objectives, main engagement, scope of operations, authorities, duties, and responsibilities in writing in the Internal Audit Charter approved by the Chairman of the Audit Committee; and has evaluated sufficiency and effectiveness of internal control system and risks in the Company.

2.4 Risk Management

The Board of Directors has established policy on risk management by setting up the process of risk management covering the risk in terms of strategy, credit, liquidity, law, corruption, operations on policy, finance, external situations in order to manage risk in a systematic manner. This will reduce the risk factors that affect the success of the Company to be at an acceptable level an in consistent with the strategic plan of the Company. The risk management policy covers:

- causes of risks affecting the Company in financial and non-financial aspects, and provide a review of the risks every time there is a change of various factors affecting the capital fund of the Company;
- categories of risks and determine the risk appetite to be used as a basis for responding to the risks of the Company;
- assessment of risks by adding measures for risk assessment to achieve greater accuracy in terms of both quantitative and / or qualitative aspects;
- management of risks and monitoring each category of risk according to the priority by arranging for monitoring of risks on a quarterly basis

The Company communicates the policy on risk management to executives and employees through the channels of internal emails and the Company's website; informs new employees on the starting date of working as well as requires each department to conduct self – assessment on risk and corruption risk once a year so that each department is able to define methods of risk management efficiently.

2.5 Compliance

The Company recognizes the importance of compliance which is the key mechanism to improve correctness and prudence of every operational procedures and steps, enhance the Company to operates in accordance with strategic plan, and achieve the goals. The Board of Directors assigns the Internal Audit Department and the Quality System Department to supervise and monitor the implementation in compliance with the relevant laws and regulations under the supervision of the Company Secretary Office.

2.6 Conflict of Interest

The Company has defined the policy on conflicts of interest as follows:-

1. All directors, executives and employees must not seek any benefits from information available from their positions, duties or responsibilities and must not utilize any assets or information for personal gains or for competition with the Company's business.
2. All directors, executives and employees with vested interests in any transaction must not take any part in the consideration and approval of that transaction. The Company completely discloses related party transaction in its Annual Report (Form 56-2) and Annual Registration Statement (Form 56-1).
3. In case that employee is involved with any business or situation that may raise conflicts of interest, employee must report that matter to his/her supervisor without delay.
4. To make business decision, the maximum benefit of customers and shareholders must be taken into account, and not to let personal reason or family members to influence the decision that will be a deviation from the above principles.
5. Directors, executives and employees must avoid participating in any activities that may raise conflict of interest to the Company, or create monetary obligation with the Company's related parties or employees.
6. The Company forbids its directors, executives and employees from undertaking or participating in any business that is in competition with the Company's business, regardless of whether such directors, executives and employees will receive either direct or indirect interests. It is clearly indicated in the Company's Business Code of Conduct. However, to conduct related party transaction or transactions with conflict of interest, the Board of Directors has laid as a policy that they must be considered and approved by the Board before proceeding. In addition, the information on details of transactions, transaction value, reasons and the need must be disclosed in the annual registration statement and the annual report as per the rules of the Stock Exchange of Thailand and the office of the Securities and Exchange Commission. The meeting must also be attended by the Audit Committee to ensure that the related party transaction are conducted fairly, reasonably, and with proper pricing policy, taking into consideration the maximum benefit of the Company.
7. All employees must disclose the situation believed that may constitute conflict of interest. If employee suspects there are conflicts of interest or anything making other persons believe that it is conflict of interest, he/she must promptly inform his/her supervisor. Supervisor and employee can consider conflict of interest mutually by using "Conflict of Interest Disclosure Form". After getting advice from supervisor, such employee shall submit a copy of the form to the Internal Audit Department.

8. Whenever employees discover the business opportunity from the utilization of the Company's assets or information, the employees must present such opportunity to the Company before taking it. Supervisor will report the Management for consideration whether the Company would like to take such opportunity. If the Company disclaims such business opportunity, employees can take it under the defined terms and conditions in accordance with the Company's ethical guideline.

2.7 Related Transaction

The Company complies with a policy on related transaction and sets regulations, process for consideration and approval of transactions as well as disclosure of information in accordance with the regulations and Notifications of the Committee of the Stock Exchange of Thailand Regarding Disclosure of Information and Operations of Listed Companies Concerning Related party transaction B.E. 2546 (2003).

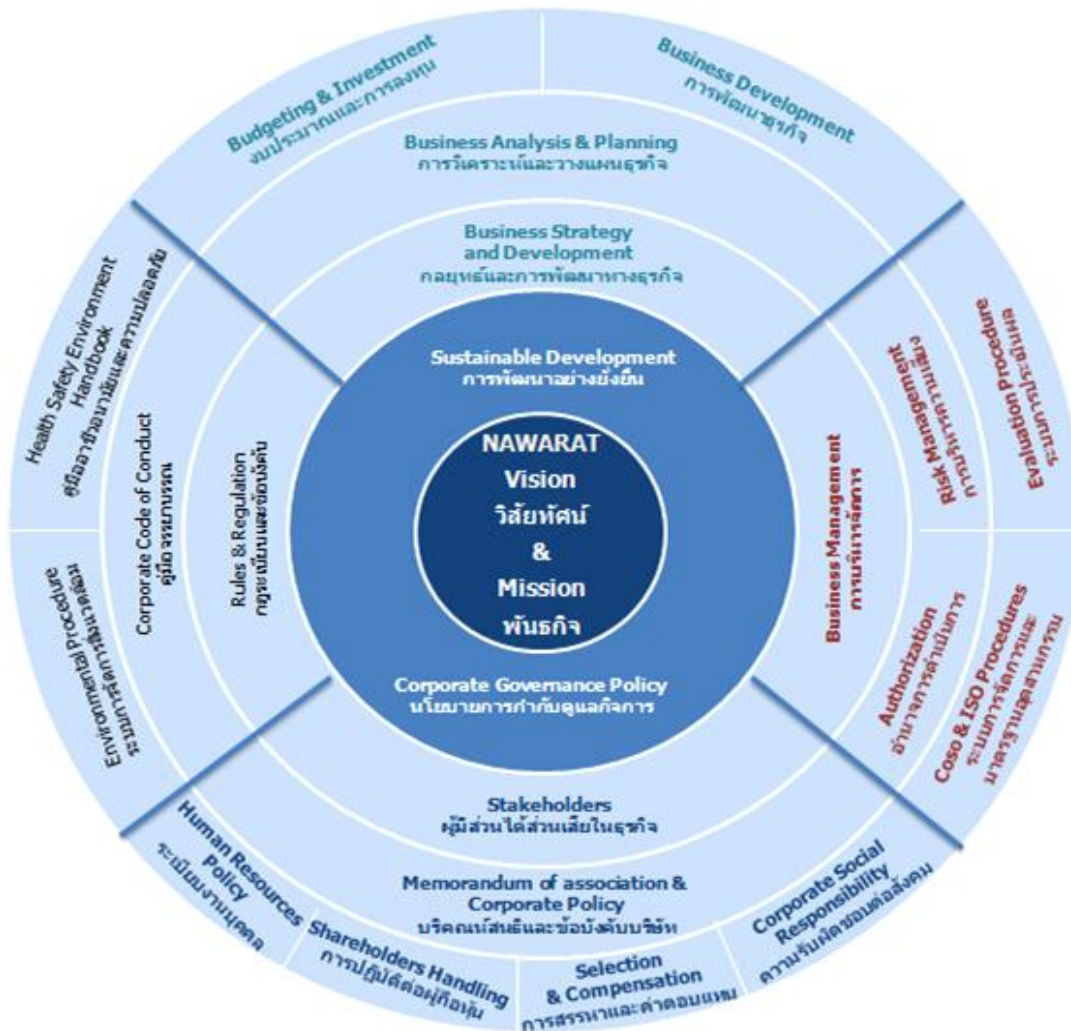
2.8 Performance Assessment of the President

For assessment of the President who is the top executive of the Company, the Company has required other directors, except director who holds the positions as President, to conduct assessment and submit the results to the Nomination and Remuneration Committee to consider the remuneration as money and propose to the Board of Directors for approval. The performance assessment of the President must be held once a year using the assessment criteria as follows:-

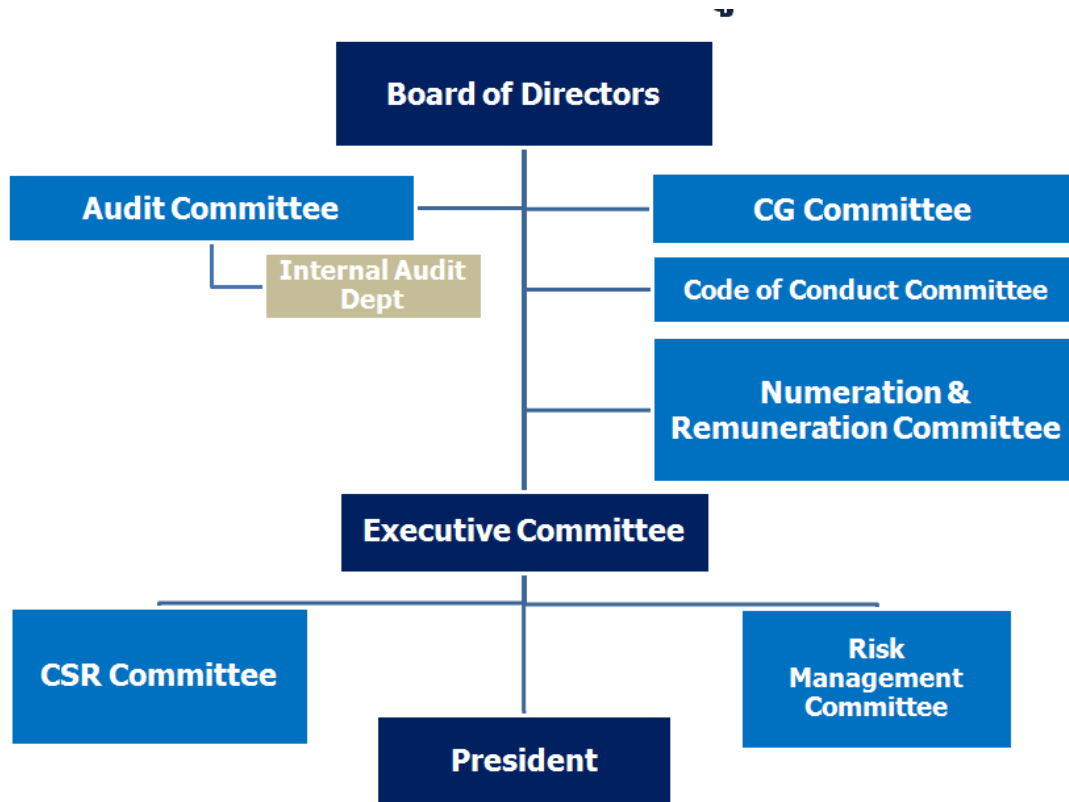
1. Management in accordance with the vision, mission, business goals and annual business plans
2. Development of human resource and establishment of the corporate culture for sustainable business growth
3. Development, promotion and strengthening the corporate culture
4. Compliance in accordance with the principles of good corporate governance
5. Operation and management according to policies relevant to shareholders, Board of Directors, applicable laws and regulations of the Stock Exchange of Thailand.
6. Internal management to reduce the risk of fraud and corruption

Appendix

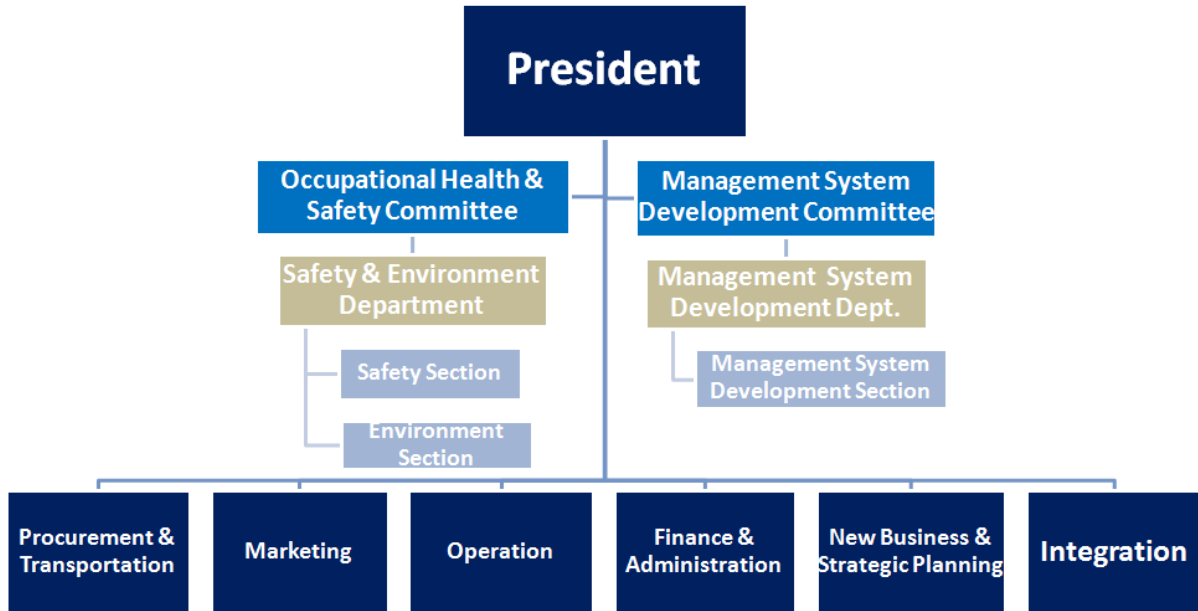
Corporate Governance Structure



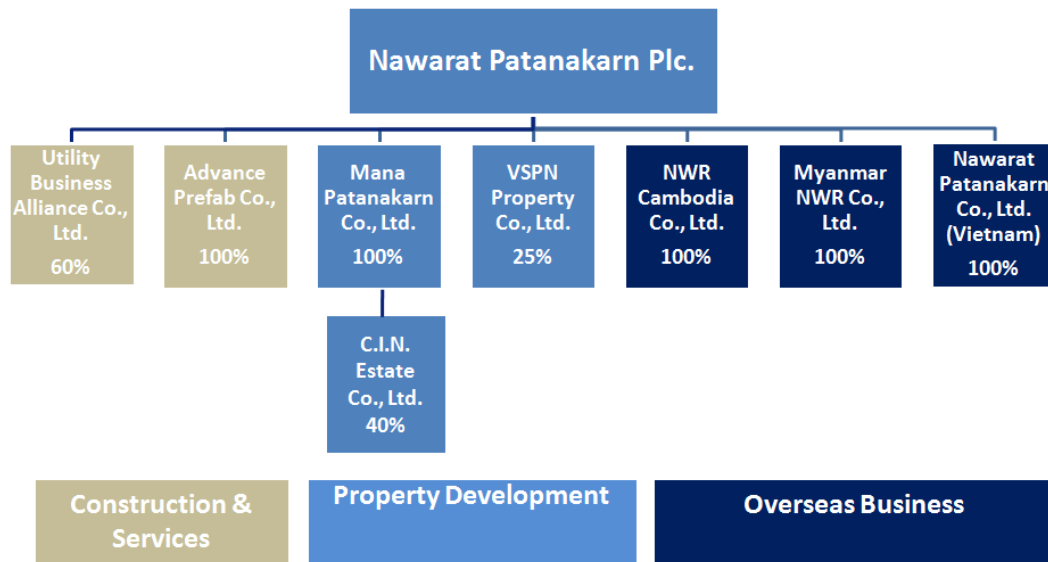
Board Structure for Corporate Governance



Management Structure



Business Structure



Note: % = shareholding