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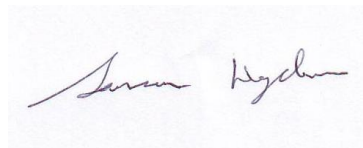
# Code of Conduct

**January 1, 2020**

## Principle of business

The Board of Directors has the policy to promote virtues, ethics and transparency, emphasizing ethical business practices in all aspects to comply with the Corporate Governance policy and control policy to lead the company to corporate governance.

The Board of Directors determines this Code of Conduct handbook to be good practices to the Company's directors, executives and staff to operate business fairly to involved persons both insiders and outsiders including to act to stakeholders i.e. staff, shareholders, clients, suppliers / creditors, business competitors and public fairly at business to ensure operating with integrity as well as grow steadily and sustainable to the organization and shareholders.

A handwritten signature in dark ink, appearing to read 'Sansern Wongcha-um', is centered on a light blue background.

(Mr. Sansern Wongcha-um)

Chairman of the Board

Somboon Advance Technology Public Company Limited

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## 1. Definition

Ethics	means	Good business practice
Somboon Group	means	Somboon Advance Technology Plc. and its subsidiaries
SAT	means	Somboon Advance Technology Plc.
Subsidiaries	means	Somboon Malleable Iron Industrial Co, Ltd. Bangkok Springs Industrial Co., Ltd. and International Casting Products Co., Ltd. Mubea Somboon Automotive Co., Ltd. Nippon Kikai Engineering Co., Ltd.
Associated companies	means	Tsuchiyoichi Somboon Coated Sand Co., Ltd., Yamada Somboon Co., Ltd., Nichinbo Somboon Automotive Co., Ltd. Somboon Somic Manufacturing Co., Ltd.
Directors and sub-committees	means	The Board of Directors and sub-committee
Employees	means	The Company's executives, permanent staff, temporary staff and special contract staff
Related person	means	A person who is associated in any manner, the following:  (1) A person having the authority to control the Company's business and in the case of corporation shall include the directors of such juristic person. (2) A spouse, a minor child or adopted minor child of the director, the executive or the person under (1) (3) A juristic person which the person under (1) or (2) has the authority to control its operation (4) Any other persons as specified in the Notification of Capital Market Supervisory Board.

<b>Stakeholders</b>	means	The shareholders, employees, customers, suppliers / creditors, government, private sector, societies, communities and environments.
<b>Disclosure</b>	means	The disclosure of information relating to business activities of the company under the Public Limited Company Act B.E. 2535, the Securities and Exchange Act, B.E. 2551, the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
<b>Corruption</b>	means	All forms of bribery, such as offering a promise to a commitment To claim or receive money/property or any other benefit which is not appropriate for the government authorities, private agencies, customers and stakeholders. Whether directly or indirectly.
<b>Conflict of interest</b>	means	Any activity that may have personal preferences, or of the connected person, whether by blood, or any other that have influence on decision making, or may be hindered, or impede the greatest benefits.
<b>Offers of Things or any benefits</b>	means	Any activity that may have personal preferences, or of the connected person, whether by blood, or any other that have influence on decision making, or may be hindered, or impede the greatest benefits.
<b>Bribery</b>	means	An offer / acceptance of gifts, rewards or any benefits for themselves or from people who want to convince them to do something illegal or dishonest business ethics.
<b>Tradition</b>	means	a festival, Memorial Day or a succeeded activity having unique and being important to society.

## 2. Business Ethics

### 2.1 Business Conduct

The Company Board applies the sufficiency economy and sustainable business operation principles to be the Company's business operation approach to conceive honesty, be responsible and protect the stakeholders' and society's interests. Opportunities are provided to stakeholders to take part in and make suggestions to the operations care and control as the mechanism and process for effective control leading to a true governance in the Company. The ethics shall be as follows:

1. To comply with the applicable laws, rules and regulation strictly.
2. To comply with the Company's "Corporate Governance policy" and "Code of Conduct".
3. To be committed to operate business with transparency, honesty and fairness.
4. To adhere to conduct as good people and establish good minds to employees.
5. To concern of the benefits and effects from operations with social equality and fairness to the Company's stakeholders.
6. To operate business with responsibility and protection of the stakeholder's and public's interests.
7. To organize a strong operation system to prevent corruptions with an internal audit system.
8. To require the Company's directors, executives and staff for all to participate in the anti – corruption effort, conflicts of interest reporting, efficient contacts and working life quality promotions.
9. To provide a channel for complaints and hearing for stakeholders and have the complainers / informants protection measure.

**Vision:** Strive for sustainable growth of automotive industry through advanced technology and partnership.

**Mission:**

- Create values for shareholders.
- Collaborate with strategic partners to develop technology and expand markets.
- Provide solutions for customers through advance technology in products design and development.
- Enhance Excellence in Operation and Corporate System with Information Technology.
- Enhance the capability and the quality of life of the workforce
- Embrace Corporate Governance and Fairness throughout supply chain.
- Be Socially and environmentally responsible.
- Enhance our people to be Smart through Somboon Learning Academy (SLA)

**Business Philosophy:** SBG Triple Bottom Line create a balance

**Smart People** The Company realizes importance of smart and good people development. We applied the King's working principles and philosophy of sufficiency economy to make the employees become smart people prompt to create value for ourselves, organization and society. We believe that the company will sustainably grow by the important driving factor which is employees to accomplish the vision and mission targeted. Therefore, the company focuses on developing the employees at every level to be ones who have good moral and improve

their skill and knowledge, including professionalism that corresponds to organizational culture to create value for ourselves, organization and society as per the master plan of smart people.

**Business Trust** The Company focuses on creating value of their business based on self-sufficiency and social responsibility, including good governance principle. We aim at having a transparent and verifiable operation whilst managing the risk to maintain benefit for stakeholders and creating a balance between business, society and environment. The life quality development, career growth and efficient value chain development are important factors to increase the competitiveness. Through innovations and business alliance, we expect to achieve the goals as mentioned in master plan of business trust.

**Growth Society** The Company realizes importance of community and society, the company encourages employees to create of CSR projects and social activities as follows:

- Creating educational opportunity (cooperative education, special bilateral, technician development)
- Creating professions for community (local product purchase)
- The making of good deeds for society by Somboon Group
- Local tradition conservation
- Networking with other organizations



## 2.2 Anti – corruption Policy

The board of directors is committed on doing business with honesty, integrity, and commitment to corporate social responsibility and all types of stakeholders, as well as to comply with the policies, corporate governance and business ethics, and the company's work practices.

To ensure that directors, executives and staff of Somboon Group are treated as a good citizen of the society and the nation. The Board of Directors has determined the anti-corruption policy with all the company's activities, as follows.

1. Not allowed directors, executives and staff of Somboon Group accept any types of fraud in both directly and indirectly such as all gifts, entertainment, soliciting, donations and other benefits from individuals who do business with Somboon Group.
2. This anti-corruption policy include employees, suppliers, customers, and stakeholders in both domestic and international, and provided a review of the implementation of the anti-corruption on a regularly at least once a year, and the terms of operation in accordance with the changes in the business regulatory and legal requirements;

## Best Practices

1. The board of directors, executives and staff of Somboon Group must comply with anti-corruption policy, business ethic and code of conduct without involve in corruption, whether direct or indirectly.
2. All staff must not be neglect or ignore. When they found out that there is any action against corruption that involve in the company and subsidiary they must notify to the supervisor or the person who responsible and cooperate in the validation of the facts. If they have any questions or inquiries, they must consult the supervisor or the person designated to be responsible for the tracking of the compliance with the business ethics.
3. The company will provide fairness and protection of employees who refuse or notify any corruption that involve with the company and its subsidiaries by using the measures in order to protect the complaint or those who cooperate in reporting the corruption in according to the complaints policy.
4. The person who commit fraud is an unethical action of the company, which must be considered disciplinary action in accordance with the regulations provided by the company and statutory penalty.
5. The Company and its subsidiaries must be aware of the importance of the dissemination, education, and make understanding to other people in order to perform their duties relating to the company, its subsidiaries, and the stakeholders.
6. The Company committed to developing and creating “smart people” in order to have a conscious mind and behave well as a good citizen of the society and the nation.

## Requirements for Operation

1. Any implementation of anti-corruption policy shall apply the instructions as defined in the Corporate Governance handbook and Code of Conduct handbook and other instructions for all stakeholders, rules, work instruction and other instructions that the company will define later on.
2. This anti-corruption policy covers all activities that is related to the operation of the company and subsidiaries.
3. An Internal Audit Department is responsible for the risk assessment of anti-corruption throughout the organization annually.
- 4 The board of directors, executives and staff of Somboon Group must perform their tasks strictly as following:
  - 4.1 Gift, Reception, and Expense: to give/ offer, gifts, hospitality, reception must be follow according to code of conduct and work instruction.
  - 4.2 Donation or subsidy: give/accept a gift, hospitality, collect money must be under the law by ensuring that donations or contributions is not used to be bribery.
  - 4.3 Business Relationship and procurement: do not allow to provide or take a bribe from partners, government agencies, or administrative agency who do the business with the company must be transparency under the law.

### 3. Ethics of the Board of Directors

The Company intends for the board of directors, sub-committees and subsidiaries' directors to perform their duties to operate with ethics, conduct or maintain their performance carefully, prudently and with honesty, to optimize the continuous and sustainable business operation of the company and stakeholders, as follows:

#### 3.1 Compliance with laws and the Company's regulation

3.1.1 Compliance with rules, regulations and laws involved with the Company's business shall be as follows :

- (1) Directors, executives and staff shall comply with the laws, rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- (2) Directors, executives and staff shall not avoid compliance with the applicable orders, rules and laws.
- (3) Directors, executives and staff shall co-operate with the company' corporate governance unit and report about violation against order, rule and laws to the unit.

3.1.2 Duty performance shall be conducted with impartially i.e. in meetings when to discuss an issue the director who has conflict of interest shall leave the meeting room and shall refrain from participation in the issue decision.

3.1.3 To avoid a conflict of interest for a business reveal and efficiency by.

- (1) To prohibit use a secret of organization that illegal and to forbid other secret Information of organization when you expire of business of the organization then.

- (2) Do not acquire the personal interests from being directors.
- (3) Do not develop a binding which may contradict with duty afterward.
- (4) Do not create obligation that may conflict with their duties in the future
- (5) Do not receive anything or other benefit in conflict of the organization

3.1.4 Keep the confidentiality of corporate information, to prevent, that may cause damage to the organization or stakeholders, except in accordance with the law.

3.1.5 Acquisitions or disposition of Assets of the directors, their spouses and minor child, should be practice in accordance with the Notification of the Board of Governors of the SET title Practices regarding the Acquisition or Disposition of Assets of the Directors and Staff B.E. 2547.

## **3.2 Conflict of interest and confidential information keeping**

### **3.2.1 Conflict of interest**

The Company has the policy that the directors, executives and staff shall not use the opportunities from their status in the Company to acquire personal interests eventually imposes the practices as follows.

- (1) They shall avoid a transacting having involvement with themselves which may cause the conflict of interest to the company.
- (2) In case such transacting is needed for the Company's interest it shall be carried out as if a transacting with an outsider having trade agreement reasonably same as transacting contracts in general over a trading negotiation authority with no influence from being

directors, executives or related persons and not participating in a consideration for approval including having to comply the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission on the transaction information disclosure and connected transactions .

- (3) Directors, executives or staff if becomes a director, partner or advisor in other organization; status shall not conflict of the Company's interest and his / her direct role in the Company.
- (4) A transaction which has or may have conflict of interest between shareholder, director, executive or other person shall comply with the standard practice and be ensured it is fair, transparent, reasonable and fully and correctly disclose; and the company will arrange report form for disclosing suspected transactions that there will be conflict of interest of the company into the Corporate Governance handbook.
- (5) Person who has conflicts with the Company's business, directly or indirectly howsoever, shall report the interest as follows:
  - Directors and executives – Shall report the interest immediately after it arises. To ensure that the company conducts regular checks; the Company's secretary shall check interest every year end and report to the Chairman and chairman of the audit and corporate governance committee chairman at least once a year.
  - Management from section managers to the general manager and the related staff (to correspond with the good corporate governance policy) all managements and related staff shall report interest immediately after they arise and / or regularly

report every year end. The Company secretary as the chairman of governance committee shall check and report to President regularly or at least once a year.

- (6) A director, executive and staff who know the inside information shall report the security holdings under the regulations of the Securities and Exchange Commission to the Board regularly.
- (7) A director, executive have to notify the company at least one day prior before purchase and trade SAT's share via corporate secretary and report to the board of director every quarter.
- (8) The Company has announced the directors, executives and staff who know the inside information which may have effect to changes of the security exchange prices shall refrain from the Company security exchange one month prior the Company announces the financial statement or the inside information disclosure to public.
- (9) To monitor interest of the directors, executives and involved persons who have interest with the Company and subsidiaries under the Securities Act, the Board of Directors has determined the rule that the related transaction shall be reported quarterly and under the other criteria imposed.
- (10) In case of a related person involves or hold shares in an enterprise competing with the Company which probably incurring conflict of interest with the Company should act as follows;
  - The director, executive and related persons shall inform to the Board of Directors in writing.
  - The staff shall report to President in writing.

### **3.2.2 The use of inside information**

- (1) Directors, executives and staff shall not use the opportunity or information obtained from their status to acquire personal interest for themselves, for other party or for operating a business competing with the Company and / or the Company's other business involved.
- (2) The Company's inside information shall not be used for personal interest in the Company's security exchange or furnished to other people for buying or selling company shares.
- (3) The Company's properties shall not be used for personal interests.
- (4) The Company's information shall not be used as the outsider's reference for personal interests.
- (5) The Company's business confidential information shall not be disclosed to outsiders particularly competitors even after the directors, executives or staff have expired from position.

### **3.3 Responsibility to the Company's properties.**

The Company promotes the executives and staff to use the Company's resources and properties effectively to enhance competitiveness and good services to clients, by determining the following practices:

1. The Company's assets and resources shall be used saving and most beneficially.
2. Employees shall collaboratively take care the Company's assets are not to be depreciated / lost illegally.

#### **3.3.1 Documentation**

1. Documentations shall be executed with honesty, prudence and compliance with the specified standard.
2. The Company's letters, reports and documents shall not be falsified.



### 3.3.2 Computers & Information Technology System use

- a. Computers, IT systems and information shall be deemed as the Company's properties. Executives and staff should not use computers and it systems for personal purposes.
- b. Executives and staff shall not disclose the Company's business information including the information been purchased by company both existing and not existing in the Company's information system or copy the information to their personal devices without permission.
- c. Executives and staff shall not modify, reproduce, erase or destroy the Company's information without permission.
- d. Executives and staff shall not bring unlicensed software to the Company to use and shall not copy licensed software for any reason whatsoever without the software producer's consent.
- e. Executives and staff shall not modify the Company's hardware or put on an equipment other than the standard parts / equipment readily provided unless consented case by case.
- f. Executives and staff shall not use the Company's email to forward message which are harassing, discrediting, rude, obscene, intimidating, agitating or annoying to others.
- g. Executives and staff should use the internet to search for the information and knowledge useful to works and should avoid illegal or immoral websites.
- h. Executives and staff should use the Company's IT system and other communication equipment such as telephones, fax machines, mobile phones etc. with conscious mind and responsibility substantially realizing the Company's interest.

- i. Executives and staff shall not illegally access to the systems or information not permitted or authorized to them.
- j. Executives and staff shall not spy the measure protecting data access and computer that other people prepare or that is not intended for executives and staff illegally and that is intended to use to cause damage to other people.
- k. The Company or assigned section reserves the right to check the use of properties and units under / assigned by the Company as to be appropriate

## **4. Ethics to stakeholders**

### **4.1 Best practice on the social responsibility**

The company realizes the importance of the business operation with economic, social and environmental balances for its stable and sustainable growth to be an efficient organization and a good entity of society as suggested by the Corporate Social Responsibility guidelines. In consequence the Company is committed to enterprise with regularity and fairness, anti – corruption effort, full compliance with applicable codes and rules and concern to the operation's interests and effects to stakeholders i.e. shareholders, staff, clients, suppliers and / or creditors, competitors and communities including shall take care for safety, health and environment for the effects shall not be incurred to all the stakeholders.

### **4.2 Shareholders policy.**

The Company realizes the shareholders are the Company's owners and the Company's duty is to generate added value to shareholders in long term, therefore, the company determines that the directors, executives and staff shall perform according to the following guidelines:

- 4.2.1 Perform duty with responsibility, carefulness and honesty under reasonable decisions on the ground that the information is sufficient and correct, they have no direct and indirect interest and perform with honesty for maximum interest to the Company, they perform over the right and suitable purposes and they shall not act over conflicts of interest to the Company.
- 4.2.2 Comply with laws, the Company's objective and articles of association, directors' resolutions, shareholders meetings' resolutions, good practices in accordance with the corporate

governance policy and code of conduct and act to shareholders equally both major and minor shareholders for their maximum interests.

- 4.2.3 Manage and take care of the Company's assets not to be depreciated / lost illegally and provide an effective internal control and risk management systems.
- 4.2.4 Provide opportunities to the shareholders to participate in the Company's business care and render opinions on operations under the equal acts to them.
- 4.2.5 Report the Company's status regularly, completely, truly and in time to situations.
- 4.2.6 Furnish the Company's data, news and information truly, sufficiently, equally and in – time to shareholders for their decision making.
- 4.2.7 Take care for the directors, executives and staff not to acquire their and related persons' interest by furnishing the Company's confidential information or disclosing the Company's secret to outsider and / or performing any acts which may lead to conflicts of interest to the Company.
- 4.2.8 Provide the channels for irregularity informing and complaints such as website, mailbox telecommunications etc. with informing and complaint responses and complainant protection including systematic and fair feed back reports to informants and complainers.

4.2.9 Provide several channels to disclose the information as well as make a company's website to allow the shareholders to access the information conveniently and prepare the information in the easy – to – understand language both in Thai and English.

#### **4.3 Employees policy.**

4.3.1 The Company has measures to protect employees providing information to the authorities in case there is legal offence or offence against the Securities and Exchange Act. Employees will be protected. The company will not act unfairly, either changing positions, job description, workplace, suspension of job, threat, annoying of their work, dismissing employees (Section 89 / 2 ) as employees notify clues on illegal acts or unethical acts.

4.3.2 The Company realizes employees are the essential factor for product quality consequently shall fairly give importance to the acts to them which include providing opportunity, wages, appointments, transfers and potential developments together with merits development of virtues for them to be the society's capable and good people. The Company's acts to employees shall be as follows:

(1) The Company shall comply with the labor laws and rules relating to employ as following

- Do not employ child labor younger than the legally required minimum age. Should child labor above the legally required minimum age be employed, their legally mandated rights shall be fully protected and proper development and promotion of quality of life and work be provided.
- Female employees shall not engage in work which may harm their health and safety. Pregnant workers shall be protected and provided their legally-mandated benefits.
- Employment of foreign worker must be fully compliant with the regulatory requirement.
- Do not use or exploit forced labor through the use of corporal punishment, threat, confinement at the workplace, coercion, harassment, human trafficking or any other means of violence.

(2) The Company shall act to employees with politeness, respect to individuality and human honors in accordance with the international human rights.

(3) The Company shall arrange the employment conditions which are fair to employees with the wages suitable to abilities.

(4) The Company shall take care of the working environment and manage the working system for the employees' life and property safety and health.

- (5) The Company shall give importance to the skill training and potential enhancement manpower development by providing to employees the learning opportunities widely and constantly.
- (6) The company shall have promotion, transfers, awarding and punishments to employees sincere by and based on the employees' knowledge, capability and appropriateness.
- (7) The Company shall organize a provident fund for employees.
- (8) The Company shall regularly furnish information on its operation and status to employees.
- (9) The Company shall listen to the employees' opinions and suggestions based on their work skills and experiences.
- (10) The Company shall avoid acts which are unfair, and which may have effect on stability of the employees' positions or threaten / incur pressure to mind to employees.
- (11) The Company shall develop employees' good conscious mind to be givers and good citizens of society.
- (12) The Company shall provide channels for employees to file complaints in case they are treated unfairly or inform offences against the law. The company shall have

systematic and fair rectification process and measures to protect the complainants.

(13) The Company and its delegate shall support employees to use their political rights with neutrality.

(14) Promote the participation of employees in recommending and proposing operational guidelines and/or other agreements for the benefits of all parties, as well as strengthening employee relationships under positive corporate culture and enhancing teamwork within the organization.

(15) Promote employees to participate in both internal and external activities that are beneficial to the organization and society, as deemed appropriate by and at the discretion of the supervisor, in order to enhance employee engagement and attachment to the organization.

#### 4.3.3 Respect for Human Rights

The Board of Directors has concentrated on the main policy to operate business to be sustainability in respect of the human rights and the dignity of human of all employee which is the foundation of the operation with quality and value.

The Company realizes that employees are an important factor to produce the quality products Therefore, the Company has emphasized on fair treatment in the opportunities, remuneration,



appointments and transfers as well as development in capacity and morals to employees. So, they will be competent and good citizen. For example, the Company provides the fair employment, appropriate wage comparing with the capacities, safety environment, property and good sanitation and to improve their capacities and always be informed of the Company's news and updates.

#### **Operating guideline**

- (1) The Company has the measurement protection to employee who give information to the government in case there is an illegal action or to violate the Security and Exchange Act to protect for unfair treat whether to change the work position, work characteristics, work place, work suspension, threat, disturb the work operation, employment termination (section 89/2) caused by notifying such clue on illegal action or ethical offense.
- (2) To specify the policy for the Companies in Somboon Group not to conduct business with other companies that does not concern the human right especially the violation of basic rights on race, women, children, and disabled people.
- (3) To specify to arrange the risk assessment which violate the law on human rights at least twice a year.
- (4) To specify to evaluate from Internal Audit Department as main process in the evaluation every year and report to the Board of Directors.

- (5) To give an opportunity for all employee and stakeholders to give comments through Email to the independent directors or the Company Secretary.
- (6) There is communication channel for employees or stakeholders to acknowledge the progress of their notification.
- (7) To create the provident fund for employee.

The Company has strictly complied with the laws, rules and regulations. The Company provides fair and equal opportunities for employees to file complaints or freely express their opinions that may lead to be sustainable development and management.

#### **4.4 Customer policy.**

The Company has the policy to give importance to the customers' satisfactions fulfillment which is the factor to lead to business achievement and intends to acquire the clients' requirement more effective fulfillment. To achieve, the policies and practices below shall be followed:

- 4.4.1 The products supplied to clients shall be of the qualities agreed with customers and at reasonable, non – profiteering prices.
- 4.4.2 Correct, sufficient and in – time information, news and advices shall be furnished to clients for them to be knowledgeable of the Company's products and services.
- 4.4.3 The terms and conditions with clients shall be complied with strictly. In case it is not possible to do so, the company shall report to client to collaborate jointly to solve the problem.
- 4.4.4 The acts to clients shall be polite and reliable.

- 4.4.5 A client's information storage system shall be available with a clients' confidential protection measure. A client's information shall not be furnished if not allowed by him as well as a customers' information shall not be used for an employee's or his / her related person's interest inappropriately.
- 4.4.6 Products shall be warranted for a reasonable period and compliantly with the consumers protection act.
- 4.4.7 A system / process for clients to complain on product's and service's qualities, quantities and safeties shall be provided together with the response fastness and actions to the end for immediate responses to clients.
- 4.4.8 The Company shall support the clients' acts for the social responsibility.
- 4.4.9 Emphasize on environmental consciousness regarding to the production, the use of packaging, and the transport of products.
- 4.4.10 Create communication channels for providing information to customers regarding to the products and the development of products on a continual basis.

#### **4.5 Suppliers and / or creditors policy.**

The Company has the policy to act to suppliers and creditors equitably and fairly over the regard to the Company's interest maximization and based on fair returns to both sides avoiding the conflict of interest situation including complying with agreements, furnishing true information and valid reports and based on business relationship as follows:

- 4.5.1 The Company shall act to all clients equitably and fairly.

4.5.2 The Company shall use the licensed products and services and shall not support the products / services which violate intellectual property right.

4.5.3 Acceptance of things or other benefits

- (1) Executives and staff shall not accept or request for donations such as for reception feast, providing service, financial support, rewarding etc. from a party doing business with the Company.
- (2) Executives and staff shall not accept things or other benefits from a person having duty / business relating the Company except for a reasonable opportunity / tradition acceptable to public. The things or benefit's value shall not exceed 2,000 Baht and shall be reported to supervisor immediately together with it shall not have influence to a decision being unfair for work.
- (3) The acceptance of things or benefits which do not corresponding with the Item 3.2) but necessitated for maintaining relationship between entities / persons, the receiver shall report his / her supervisor and submit that things to the administration, government affairs and corporate social responsibility section to use in the business organization within 5 official days.

4.5.4 Executives and staff shall not offer things or benefits in any forms to outsiders to convince for inappropriate acts / causing conflicts.

4.5.5 In case there arise information that there is an irregular interest request, acceptance or furnishing happened the detail shall be disclosed to the suppliers and the parties shall collaborate to solve the problem fairly and immediately together with acquire a preventive measure.

- 4.5.6 The conditions agreed with the suppliers and / or creditors shall be complied with strictly.
- 4.5.7 In case a condition cannot be complied with, a prior notice shall be made to collaborate for problem solving.
- 4.5.8 Opportunities shall be provided to the suppliers who operating business legally, complying with environmental / safety / health standards and having social responsibility.
- 4.5.9 The Company shall support the suppliers' operations on the social responsibility and provide opportunities for them to participate in the Company's activities for society.
- 4.5.10 In selecting, examining and/or evaluating suppliers, the Company will take into consideration the social and environmental aspects, such as human rights, employee and labor welfare, business ethics, and compliance with environmental laws.

#### **4.6 Business competitors policy.**

The Company has the policy to act to business competitors under the business competition practice code framework and shall not cheatingly infringe / spy the business competitor's secrets as follows:

1. The Company shall conduct and practice within a good competition, free trade promotion and the company shall not use the method of market plunging.
2. The Company shall not acquire the business competitors' secret information with a cheating / inappropriate means.
3. The Company shall not discredit the business competitors with allegations.

4. The Company shall not supported to any participate in action to conduct or to mutually consent in order to offer an unfair prices to the customers.
5. The Company shall not violate and shall strictly comply with the Intellectual Property Act.
6. The Company shall not support unfair competition in all circumstances.

#### **4.7 Human rights policy**

The Company prioritize the importance of human rights by operation its business in respect to the human right principle as well as in accordance with the provision set out in the Thai Laws, and regulations with detail as following;

##### **Labor Rights**

The company still adheres to the national principles and labor laws continuously, which covers the criteria specified in the Corporate Governance Policy, Recruitment Policy, Evaluation, Operational Policy, Human Resource Development Policy and Compensation Management Policy.

##### **Trade and Business Partners**

The Company supports the business partner to pay the respects for Human Right by selecting and conduct business with business partners based on equality and fairness. Moreover, the Company supports the business partner to identify risk in violation of human rights, identify group of people or person who have been impacted, plan and define corrective and preventive actions for human rights violations, resolve and prevent human rights violation problem and

monitor the situation. Systematically, SBG shall periodically review the risk mapping of potential issues, and appropriate mitigation plan shall be set for human rights violation case.

### **Community Rights and the Environment**

The Company is committed to its responsibility towards the community, society, and the environment. The Company has an environmental policy which serves as a guideline to minimize the impact of the Company's business operations on the community, society, and environment. Besides, the company also provides a channel for the community to make complaints and provide recommendations. the company will. take an action immediately and appropriately.

#### **4.8 Tax management policy.**

The Company is committed to tax management based on the principles of accuracy, transparency, and accountability, and aiming to build the best benefit to all stakeholders, to conform to the Company's business philosophy “Somboon Triple Bottom Line “and following the good corporate governance policy as following.

1. The Company ensures that the business operations are fully complied with all applicable tax laws and relevant regulations. Including using tax incentives for the maximum benefits to shareholders and government agencies.
2. The Company make remits tax payment within the period specified by law, including tax management, such as tax refunds (if any), in order to create working capital and liquidity to the company

3. The Company will analyze the impact of changes in the law on the company or when the company has a new business for the maximum benefits to the company.
4. The Company manage the tax management by studying all relevant laws and regulations. The company has expert tax consultant or a tax expert to provide a useful advices about tax planning in order to proceed correctly as required by law.
5. The Company has appointed staff to coordinate with government taxation agencies and authorities regarding taxes and providing information as requested.
6. The Company shall disclose tax information in the financial statements published in the company's annual report accuracy, transparency, and accountability. Also, the company regular assessment of tax-related risks and potential impact which is carried out at least once a year.
7. The company create the tax training course for all employees to ensure that they have sufficient knowledge and understanding about tax operations.

#### **4.9 Safety, health and environment**

The Company is committed to operate the business basis on safety, health and good environment under the practices of SBG business philosophy as follow:

1. The Company shall comply with the safety, health and environmental laws and rules.
2. The Company shall comply with ISO 14001.
3. The Company shall utilize resources efficiently and worthily with energy saving and resources recycling promotion measures.



4. The Company shall provide an operation system focusing on
5. Appropriate measures for safety and health in workplace such as providing the system to counter probable pollutions arising during operation, arranging workplaces to be clean and hygienic etc. for the employees and visitors to be safe from accidents and diseases.
6. Executives and staff shall be truly attentive to the activities for the
7. quality of safety, health and environment and perform works with realization to safety and concern to environment as always.
8. The Company shall disclose the information on the operations in connection with safety, health and environment continually.

#### **4.10 Community and Social Responsibility**

The company is committed to behave as good citizens of Thai society and be ready to cooperate with other organizations, both public and private, civil society including shall encourage the stakeholders to collaborate the community development and social sustainability.

1. The Company shall promote business activities regard to beneficial and sustainable of social and community.
2. The Company shall regularly attend meetings, exchange opinions and cooperate with local agencies for the communities' living developments.
3. The Company will promote the participation of communities and social enterprises in attending meetings, exchanging opinions, and collaborating with various organizations to consistently improve the community wellbeing.

4. The Company ensures adequate planning and preventive/corrective measures in the event that its business operations pose negative impacts on the environment and communities.
5. The Company shall launch the activities for society with the employees' participation including shall support employees' opportunities to do good to develop the mind of volunteering and to be for employees' collaboration to being the society's good citizen.
6. The Company places importance promoting knowledge and education among Thai youths to the extent of the Company's capacity.
7. The Company shall cooperate with the local government to develop the entities for schools', religious places' infrastructures' and youths' and disadvantaged people's hygiene including the community environment developments.
8. The Company places importance on promoting knowledge and education among Thai youths to the extent of the Company's capacity. The Company shall support the activities to strengthen the local community enterprises and provide the opportunity to be the Company's suppliers.
9. The Company shall launch the program to generate the communities' incomes and promote the communities' economies by supporting employment and community products.
10. The Company shall contact with communities constantly, publicize and report the social responsibility activities achievement to all groups of stakeholders.

## **5. Employees' Ethics**

The company focuses on the development of employees toward the good citizenship of society under the concept "smart people". To promote and develop Individual Social Responsibility: ISR. Focus on employees as a central to support "smart people" in both intelligent and good person, and expand to society and all stakeholders as follows:

### **5.1 Best practice on themselves**

1. Employees shall carry out works with honesty, regularity and report the facts.
2. Employees shall respect and comply with laws and the Company's rules and regulations.
3. Employees shall carry out work with care, honesty and regularity and shall not employ their positions to acquire interest inappropriately.

### **5.2 Best Practice on clients, related persons and society**

1. Employees shall produce quality products and deliver to clients on schedule.
2. Employees shall comply with safety rules.
3. Employees shall accept the faults and indemnify with substitution products.
4. Employees shall not disclose client's information without client's prior consent.
5. Employees shall participate in the Company's activities.
6. Employees shall participate in the local cultures and traditions succeeding.
7. Employees shall be open-minded and listen to the suggestion from the customers for the benefit of improvement the organization.

### **5.3 Best Practice on colleagues**

1. Employees shall not solicit or convince colleagues' decisions on political right.
2. Employees shall be benevolent to colleagues and shall cooperate with colleagues appropriately.
3. Employees shall use their rights to express opinions politely and properly.

### **5.4 Best practice on the company**

1. Employees shall carry out work with responsibility and full capability.
2. Employees shall use the Company's assets and facilities with care.
3. If the employees found that there are fraud, misconduct, corruption or any incident that may cause damage to the organization, they have to report through the channel of complaint and suggestion immediately (Section 7. Complaints and Suggestions)
4. Intend to learn in order to self-development

### **5.5 Political right**

The Company operates the business with political neutrality, not participating and siding to certain political party, influential political leader and not using the Company's capital, resource to support political parties, politicians directly or indirectly howsoever.

## **6. Supervision in Acting and Reviewing**

The Company has defined all the directors, executives and staff to shall have the duty and responsibility to acknowledge, make understanding and comply with the policies stipulated in this code of conduct handbook strictly, non-compliance is voluntary, do not refuse on acknowledgement based on established guidelines.

Executives at all levels in the organization must be responsible and it is important to operate under the supervision of their employees to understand and follow the code of conduct handbook seriously.

The company does not wish to make any action that is illegal, contrary to the principles of good directors and employees who breach ethical requirements, disciplinary action will be strictly and if it is done, to believe that the laws, rules and regulations of government, the company will submit the matter to government officials to proceed immediately.

The code of conduct handbook shall be reviewed annually by the Board of Directors and the Audit and Corporate Governance committee.

## **7. Complaints and Suggestions**

The Company will report to Audit and Corporate Government Committee and Board of Directors at least once a year. If there are any complaints or suggestions, the Board of Directors and Audit and Corporate Government Committee determine the Code of Conduct handbook annually.

The Board of Directors had provided the opportunities for employees and stakeholders, having a channel for complaints and reporting illegal acts. The company secretary is serves as the complaints of corporate governance and business ethics of the company are as follows:

## 7.1 Complaints and suggestions channels

7.1.1 Independent directors – Complaints and suggestions can be sent to the following E-mail.

- |                              |  |
|------------------------------|--|
| 1) Mr. Sansern Wongcha-um    | <a href="mailto:sansern.w@somboon.co.th">sansern.w@somboon.co.th</a>                     |
| 2) Dr. Panja Senadisai       | <a href="mailto:panja.sena@somboon.co.th">panja.sena@somboon.co.th</a>                   |
| 3) Mr. Ajarin Sarasas        | <a href="mailto:ajarin.s@somboon.co.th">ajarin.s@somboon.co.th</a>                       |
| 4) Mr. Paitoon Taveebhol     | <a href="mailto:ptaveebhol@somboon.co.th">ptaveebhol@somboon.co.th</a>                   |
| 5) Dr. Suthad Setboonsarng   | <a href="mailto:suthad.setboonsarng@somboon.co.th">suthad.setboonsarng@somboon.co.th</a> |
| 6) Mr. Prayong Hirunyawonich | <a href="mailto:prayongh@somboon.co.th">prayongh@somboon.co.th</a>                       |

7.1.2 The Company secretary, E-mail [pasucha.s@somboon.co.th](mailto:pasucha.s@somboon.co.th) or by postal mail to the Company secretary – Somboon Advance Technology Plc. Bldg. 11, Floor 2, No. 129 Moo 2, Bangna – Trad Road, Km. 15, Bangchalong Sub-district, Bangplee District, Samut Prakan 10540.

## 7.2 Upon receipt of the complaint process

The channels are for employees to file complaints and suggestions freely to lead to the Company developments and sustenance as follows:

7.2.1 The complaints receiver compiles the information on the offence /ethics incompliance.

- 7.2.2 The complaint receiver then reports the information to the independent directors who are responsible for the investigation. The submitted information will be considered for individual areas such as management, knowledge development, fact inspection etc.
- 7.2.3 Action: Complaints shall be forwarded to the independent directors for investigation and lodging actions to suppress the offences / incompliance.
- 7.2.4 Result report: The investigation result shall be informed to the complainant if he / she discloses himself / herself. If a serious case the result shall be reported to the chairman and / or the Board of Directors.

### **7.3 Measure to protect the complaint**

- 7.3.1 A complainant can select to undisclosed himself / herself if the complaint may introduce unsafely. However if discloses the process progress report and clarification can be made to him / her.
- 7.3.2 Complaints shall be kept confidential / safety – concerned. The Company has set the measure to protect the complainers and / or informants and / or the persons who cooperate to investigations against unfair acts such as position, job and workplace change, intimidation, working annoyance, dismissal etc. due to complaints.

## 8. Discipline

The Company regards code of conduct shall be a discipline that the directors, executives and staff shall comply with. Offences or incompliance shall be deemed disciplinary offences in accordance with the personnel management criteria.

All directors, executives and staff shall comply with and support other persons to comply with code of conduct. The following acts shall be deemed the disciplinary offences.

1. Not performing complying with the code of conduct handbook.
2. Suggestions, supports or encouragements to other persons to not comply with the code of conduct.
3. Neglecting, ignorance when seeing any conduct that violates or that is not corresponding to ethics, in case such person knows about such conduct.
4. Being uncooperative or obstructive to the investigations.
5. An unfair act to complainant.



## 9. Sources/ References

1. The Principles of Good Corporate Governance for Listed Companies 2006: The development of corporate governance, The Stock Exchange of Thailand
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6. Corporate Social Responsibility Guidelines. The Stock Exchange of Thailand
7. The criteria for evaluating the status of corporate governance: the Thai Institute of Directors Association
8. The Roles, Duties and Responsibilities of the Director of Listed Companies: DCP Program: Thai Institute of Directors
9. OECD Principles of Corporate Governance: Organization for Economic Cooperation and Development.
10. GRI and ISO 26000: How to use the GRI Guidelines in conjunction with ISO 26000
11. UN Global Compact.

