



Corporate Governance Policy

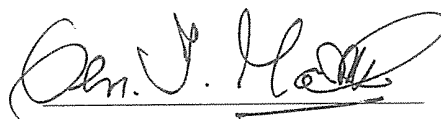
“Corporate Governance Policy”

The Board of Directors recognizing the importance and commitment in operating under ethical principles and practices of good corporate governance. This is also coupled with risk management and social responsibility, environment and the balance control to allow the transparent and verifiable in order to build trust and confidence from the shareholders.

The Board of Directors restated the policy of “Good Corporate Governance” in conformity with The Stock Exchange of Thailand and The Securities and Exchange Commission (SEC). For the good practices of directors, management and employees and to ensure continued and strict compliance in order to enhance the corporate governance of the company and to achieve the goal of stability and promoting sustainable growth of the company.

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(General Terdsak Marrome)

Chairman

T.Krungthai Industries Public Company Limited

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Section 1. Stockholder Rights

As investors and owners of the company, stockholders have basic right to sell, buy, or transfer their stocks. In addition, they have right to attend stockholder meeting and voice their opinions or concerns regarding company's policies and operations such as dividend policy, changes made in company memorandums, policies regarding capital, or approval of extraordinary items, cetera.

Besides basic rights mentioned above, company has measures for the rights of the stockholders as the following:

1. Company provides information regarding stockholder meeting such as date, location, agenda, as well as other related information in advance. In addition, company publishes this information on its website (www.tkrungthai.com) both in Thai and English before submitting printed documents. Therefore, stockholders have adequate time to study information.
2. Facilitate stockholders so that they can conveniently attain the meeting and freely vote. Meeting should be arranged in Bangkok at the location with ease of transportation.
3. Company will not do anything that restrains stockholders from getting and studying company information.
4. The company invites the shareholders to submit questions related to the shareholders' meeting agendas prior to the date of the meeting. Questions can be submitted via E-mail at : investor@tkrungthai.com or by fax no. 02-212-4864. Questionnaire guidelines are announced at the company website (www.tkrungthai.com)
5. Company encourages stockholders to use proxy document that they can direct their vote and propose at least one independent director.
6. Enough personnel and information technology should be presented at the location so that the meeting goes smoothly, effectively, and economically
7. Executive Committees including the company's auditor must attend the AGM to answer the questions raised by the shareholders on related matters.
8. Board of directors offers stockholders opportunities to vote for director positions with separate ballot for each position available. This practice is for higher level of transparency and ease of inspection.
9. Company encourages the use of ballot in important agendas such as related party transaction, increasing or decreasing of asset in order to increase transparency and ease of inspection.
10. The Chairman of the Board allocates appropriate time and provide opportunities, equal treatment

to all shareholders to give their comments, and ask questions during the shareholders' meeting and disclosed at the company's website both in Thai and English language.

11. The company disclosed the voting resolution through the exchange market and the company's website (www.tkrungthai.com) a day after the meeting.
12. Minutes of the company's shareholders meeting shall be published via Stock Exchange and the company's website (www.tkrungthai.com) within 14 days after the meeting. Shareholders' can make comments without waiting for the next meeting.

Section 2. Equal Treatment for Shareholders

Board of directors has a policy to treat every stockholders / shareholders' equally and fairly whether they are majority, minority, institution, or foreign holders. All must get sufficient and complete information timely and have preventive measures for the directors and executives from using internal information to seek benefits for themselves or others in a wrongful manner and to implement best practice

1. Invitation for the shareholders meeting and information on each agenda both in Thai and English to be studied before the meeting shall be published at the company website and through the news system of the Stock Exchange of Thailand.
2. Stockholders are given the opportunities to propose topic to be included in meeting agenda according to criteria set by company prior to the meeting date. This announcement including criteria is communicated through Stock Exchange of Thailand News as well as company website.
3. Stockholders are given the opportunities to propose a name for director candidate according to criteria set by company prior to the meeting date. This announcement including criteria is published in the Stock Exchange of Thailand News as well as company website.
4. Stockholders with management positions should not add a topic into meeting agenda or make changes in information used in the meeting without advance notice to the stockholders unless necessary. Especially, if the added topic is a critical one that requires adequate period of time to study thoroughly.
5. The company invites shareholders to vote on individual directors. To shareholders have the right to elect to have truly want.
6. Board of directors sets up standard for using company information and makes it policy that every member of the company must comply with. This is to prevent directors, executives, and employees from using inside information for personal benefit. Board directors monitor this issue on a regular basis.

7. Disclosure of stakeholders, directors, management and other stakeholders approved by the Board of Directors during the meeting no. 5/2009 dated July 15th has set the rules, procedures and forms for the directors and board to report the conflict of interest within 30 days from the tenure. A report must be made if any changes occurs within the 15th of the following month of every quarter. The secretary of the board will keep the original report and make copies for the board of directors with 7 days of the change
8. Directors and Top Management are required to report their holdings and shareholdings to the Board of Directors.
9. Directors and management must report to the Stock Exchange of Thailand under Section 59 of the Securities Exchange Act of 2533 the changes on their shareholdings due to purchase, sale or transfer of securities within in 3 working days from the date of transaction

Section 3. Stakeholder Roles

Board of Directors has a policy that promote cooperation between company and its stakeholders in order to create wealth, financial stability, and business sustainability while recognizing stakeholders' right instituted by laws or according to an agreement with the company. In addition, company also has a policy to compensate any loss that is caused by company's stakeholder right violations. As well as measures to identify clues to the commission on the issue of the law, the accuracy of financial transactions, internal control deficiencies, unethical fraud or corruption and the measures to protect the whistle blower.

Company has various groups of stakeholders including, employees, customers, business partners, creditors, competitors, environment, and communities.

The company shall implement best practice in their business policy taking into account environmental and social sustainability.

1. Fair and equal treatment of the company to shareholders shows clearly in code of conducts published on the company's website.
2. Company develops Code of Conduct and declares it to directors, executive, and employees so that everyone must strictly follow. In addition, punishment for any violation in the code is defined.
3. Company has policies regarding environment, social responsibilities, as well as a policy to consider any issues that might affect company operations to ensure that company do business with environment and social considerations.
4. The Company has prepared a report on social responsibility published on the company website (www.tkrungthai.com) and encourage the community social events.

5. Policies, Safety, Health and Environment in the Workplace. The company realizes the importance of elevating the quality of life in the workplace and emphasizing on safety, health and working environment for better living of all the employees
6. The Committee agrees on the practice for stakeholders to lodge complains (Whistle Blowing) in regards to crime such as accuracy of financial reporting, internal control deficiencies or any unethical practice fraud, corruption which is published on the company's website (www.tkrungthai.com)
7. The company has policy anti-corruption against published on the company website and established commission against corruption. control assessment risk corrupt.

Section 4. Information Disclosure and Transparency

Board of Directors has policy for company to be a good sample of a company doing business with transparency. The company will disclose information adequately for every related party and ensures accurate and complete disclosure of financial information.

1. Company organizes Investor Relation department (E-Mail: investor@tkrungthai.com) to communicate with investors and outsiders effectively, equally, and fairly.
2. Company publishes disclosure of company information (56-1) and annual report (56-2) according to Stock Exchange of Thailand requirement, and makes this information available on its website.
3. Board of directors provides summary of Corporate Governance Policy that has been approved as well as its implementation in the annual report.
4. Board of directors shall provide a statement of board directors' responsibilities for financial report along with auditor report.
5. Board of directors declares its member, their roles and responsibilities, as well as details of board meeting and record of director attendance.
6. Company discloses director and executive compensation policies including types of compensations they might have that reflect their contributions and responsibilities and openly in the annual report.

Section 5. Board of Directors Roles and Responsibilities

Board of directors has an important roles directing and monitoring company operations to ensure highest company benefit. Board of directors is responsible for company's obligation to the investors and is independent body outside management team.

5.1 Board of Directors Structure

1. The Board of Directors shall consist of at least 5 people but not more than 12 people.

2. The company's Board of Directors consists of individuals who have knowledge, abilities and experience which benefits the company, for example, knowledge of the industry, accounting and finance, business, management, skills of mold works, etc. The Board of Directors includes both sexes and a wide range of ages of members
3. There must be at least one-third independent board members but not less than 3 persons in the board
4. Director shall be in the position for 3-year term, and there is no limitation on how many terms a director can be in the position.
5. For independent directors, board of directors shall consider appropriate candidate based on qualification and criteria set by Securities and Exchange Commission and Stock Exchange of Thailand.

Definition of Independent Director

Board of directors has defined the definition of independent director which is the same as the definition made by Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET) as follow:

- 1) Have less than 0.5 percent of shares in the company, affiliated companies, joint ventures, or juristic body that might have conflict with the company.

* The company has established stricter criteria than the announcement made by The Capital Market Commission in which they can hold a share of not more than 1 percent.

- 2) Have no management responsibility, not hired as an employee or consultant with regular salary, or have controlling over a company, affiliated companies, joint ventures, or juristic body that might have conflict with the company (present and past 2 years prior to appointment).
- 3) Not related either by blood or by laws to majority shareholders, a person in position or about to be promoted to position with authority to control company or affiliated companies (father, mother, spouse, brother, sister, offspring, or married to offspring).
- 4) Have no business relationship with company, affiliated companies, joint ventures, or juristic body that might have conflict with the company that might affect his/her judgment and ability to remain independent.
- 5) Not a representative of directors, majority shareholders, or shareholders that has

close relationship with majority shareholders.

- 6) Have no qualifications or impediments that might obstruct or hinder independent opinion.
- 7) Independent director with qualification defined in item 1 to 6 might be assigned by the board of directors to make operating decision in company, affiliated companies, joint ventures, or juristic body that might have conflict with the company through collective decision procedure.

6. Board of directors consists of persons with different knowledge, expertise, experiences that are beneficial to company operation. These individuals must be willing to dedicate their time to working as company directors, and they must of individuals with integrity and high morality.
7. Board of directors mandates that chairman of the board position and managing director position must be held by different individuals in order to independently monitor and balance managing authority. Board of directors has clearly defined and separated roles and responsibilities of these positions as follow:

Chairman of the board has responsibilities:

1. To chair the board meeting.
2. To convoke the board meeting.
3. To exercise a casting vote in the case that board directors vote during the meeting and there has equality of votes.
4. To chair the stockholder meeting.

Managing Director has responsibilities:

1. To prepare strategic plan, business goals, action plans, and annual budget. To present them to the board of directors for approval.
2. To operate business according to policies, plans, and budget that has been approved by the board.
3. To present monthly, and quarterly reports to the board comparing actual performance with expected result in the plan, as well as offer suggesting and corrective measures.
4. To perform additional tasks assigned by the board.

8. Board of directors elects independent director as a chairman of the company.
9. The company has established a policy for directors of the company to perform and can

serve as director of not more than 5 companies and locations/companies of directorship must be disclosed in the 56-1 and the annual report.

10. Company policy limiting Director do not serve on not more 3 listed companies.

11. The company determined about director position's policy that if company director have director position in other company should not have conflict of interest with this company and should inform to Board of Director and received approval before take up in director position in other company.

12. Board of directors appoints company secretary who is responsible for providing advices regarding laws and regulations as well as company's rules, arranging and managing board activities, and preparing and filing related documents such as meeting minutes, annual reports, and stockholder meeting minute.

5.2 Sub-Committees

Board of directors has appointed 5 sub-committees to support good corporate governance. They are (1) Executive Committee, (2) Audit Committee, (3) Remuneration Committee and Nomination Committee, (4) Corporate Governance Committee (5) Risk Management Committee. Each committee has a 3-year term and can be reappointed after his/her term.

The remuneration and nomination committee, independent director will be the chair of the committee. In addition, chairman of the board will not be the chair or a member of this committee in order to ensure independency of this committee and meeting will be held twice a year

Criteria for nomination committee: Nomination Committee is responsible for nominating qualified candidates with knowledge, experience and leadership. They should have vision including ethics and positive attitude towards the organization and are able to devote sufficient time to the organization. The candidates shall be presented to the Board of Directors to consider and to the shareholders for approval.

In considering candidates for the directorship position, the Nominating Committee shall consider individual candidates from various sources

1. Shareholders who hold shares of not less than 5 % with voting rights are entitled to cast their votes.
2. Database of Directors of the Institute of Directors of Thailand.
3. Consulting outside firm.
4. The Board of Directors recommend.

Appointment of Directors shall be in accordance with the Articles of Association and the requirements of the relevant legislation. Selection process must be clear and transparent

5.3 Board of Directors Roles and Responsibilities

1. Division of roles of board of directors and other positions are divided clearly. All important matters has to be approved by the board of directors to be fair and clear to all concerned.
2. The board of directors review and approve of company visions and mission at least every five years.
3. The board of directors participates in a meeting with the management team annually in order to review, approve of the company's vision and mission as well as establish the company's strategic plans, goals, business plan and budget.
4. Audit committee must review and evaluate the effectiveness of the internal control system at least once a year and make a report to the Board of Directors
5. The committee has established policies on risk management (Risk Management Policy) that covers the entire organization. The practice of risk management as well as the evaluation report of the Board of Directors must be reviewed and checked at least twice a year.
6. Written corporate governance policies of the company must be regularly followed up and reviewed at least once a year.
7. Board of directors advocate implementation of business code of conduct and promote documentation of the code so that every director, executive, and employee understands and implements them in their works. The board also monitors company operation to ensure strictly compliance with the code.
8. Board of directors shall examine conflict of interest issue carefully without those with conflict of interest' involvement in making decision. In addition, the board shall oversee regulatory compliance of the company.
9. The company appointed independent internal auditors and report directly to the Audit committee on a regular basis as well as reviewing and evaluating performance at least once a year and report to the Board of Directors
10. The Board of Directors has set a policy for all directors and senior executives to report their stock trading to the Board of Directors at least one day in advance of operations.
11. The Board of Directors has set a policy violations (whistle Blowing) and channels to inform guidelines for action is clear for stakeholders informed directly

5.4 Board of Directors Meeting

1. Company appoints the board of directors meetings in advance and usually creates schedule for the whole year. Directors are, then, notified in advance so that they can allocate their time and be able to attain the meeting.

2. The frequency of board meeting depends on its roles and responsibilities as well as nature of company's business operations.
3. Chairman of the board should consider together with managing director which topics to be put into the meeting agenda. However, each director can propose the topic freely.
4. Relevant documents must be sent to board members in advance so that they have enough time to study the topic. The documents should be concise yet having complete information.
5. Chairman of the board allocates sufficient time for the meeting so that important issues can be addressed and discussed attentively. Details of the meeting are documented and available for inspection by directors or involved personnel.
6. Board of directors encourages managing director to invite top managements to attend board of directors meeting to discuss topics under their responsibilities. In addition, it will give the board opportunities to know top managements and is very useful when the board is considering succession plan.
7. Every board directors should have access to significant information through managing director, company secretary, or other assigned executives.
8. Company has policy that allows non-executive directors to arrange a meeting and discuss problems or issues as necessary without the presence of the management. Managing director should be informed about the outcome of such meetings.
9. During the directors meeting, all directors are free to openly discuss their ideas and the chairman shall collect these ideas and the resolution for each topic. For each resolution there must be 2 out of 3 from the total director which shall be recorded by the secretary.

5.5 Board of Directors Performance Evaluation

The Board of Directors sets an annual performance assessment of the company directors to review the performance and governance for adequate and effective determination and/or improvement. There are three types of assessment forms including board self-assessment and self assessment of sub-committee and individual assessment forms. The forms have been developed from the example assessment form from the Stock Exchange of Thailand to be appropriate and consistent with the characteristics of the Board.

5.6 Remuneration

Remuneration of the board of directors is determined by industry's standard, company's performance, and roles and responsibilities of the board. Remuneration of the board is subject to stockholder meeting approval.

5.7 Succession Plan and Knowledge Development

1. The Board of Directors requested The Nomination Committee to be responsible for development planning and look or find someone to replace a director to prepare for continuous operation of the company.
2. The Board of Directors request the management to be responsible in the preparation of documents and other useful information of the company for the incoming new director or management including taking them to visit the factory and inform them about the company's business.
3. The Board of Directors encourages training for those in the positions of supervising and managing company's operation such as directors, audit committee, executives, and company secretary to improve operation.
4. The Board of Directors establishes annual development plan for the management to increase their competencies continuously.