



Corporate Governance

The Company values ethical business conduct by putting corporate social responsibility into clear practice. We issued a Code of Business Conduct, which is disclosed on the Company's website which is constantly reviewed to make a Code of Business Conduct more suitable for changed circumstances. The Company's Directors acknowledge best practice for directors of a listed company as their principle guideline. The Directors, the management and all levels of staff carry out their duties with honesty, integrity, and good ethics. All realize that the Company is a long-established, leading, reputable company with a track record of over 20 years. Corporate governance practices of the Company can be divided into 5 sections as follows:

Section 1. Stakeholder Rights

The Company realizes and respects the importance of the rights of all shareholders. The Company has policies to protect shareholders fundamental rights and ensure equitable treatment under the law as follows:

1. Shareholders' Meeting

The Company schedules an annual general meeting of the shareholders ("AGM") within 4 months of the annual closing date of its accounting books. In case there are emergency issues that might affect the interest of the shareholders and/or related to the terms and regulations or any legal issues, to be proposed for approval in the meeting. The extraordinary shareholders' meeting will be held as the case may be. The Audit Committee of the Company and the Legal Advisor were acted as the agents for the ballot throughout the meeting.

2. Delivering Meeting Notices

After the Company's Board of Directors approved and resolved the Annual General Shareholders Meeting, the Company will disclose the Invitation to the Annual General Shareholders Meeting with all relevant documents on the Company's website for shareholders' consideration in advance of the meeting.

The meeting notices contained details of the agenda and accompanying documents (both supplementary and supporting) for the decisions of the Board of Directors, the Securities Registrar mails the opinion of the Board, minutes of the previous meeting,



the annual report, all meeting documents, and proxy forms designed by the Ministry of Commerce, to shareholders at least 7 days or 14 days (as the case may be) ahead of the meeting date. An invitation to the AGM is also announced in newspapers for 3 consecutive days in advance of the meeting.

3. Facilitating Shareholders

The Company treats all shareholders in a fair manner. The Company always allows registration of shareholders at least one hour before each meeting. A barcode system summarizing details of each shareholder is printed on the registration form, or the proxy form, to facilitate registration and save time. A suitable reception is also extended to all shareholders.

4. Conduct of Shareholders' Meetings

Before the meeting, the Chairman explains clearly the rules on voting and vote counting for individual agenda items. Once information has been disclosed for each item, the chairman allocates sufficient time for each item and facilitates the meeting appropriately. During the meeting, the chairman allows thorough expression of views and queries by shareholders before voting and summarizes the meeting's resolution on each agenda item. Minutes of the meeting must be completely and accurately recorded, with a summary of voting results on each item.

5. After the Shareholders' Meetings

The Company duly submits the resolution of the Shareholders' meeting to the SET one day after the meeting ends. The Company duly submits the minutes of the Shareholders' meeting to the SET, the Securities Registrar of Public Company, Department of Business Development, the Ministry of Commerce, within 14 days and also discloses the minutes of the Shareholders' meeting on the Company's website.

Section 2. Equitable Treatment of Shareholders

The Company values and treats all shareholders equally and fairly through the following actions:

- 1. Conducting the meeting in sequence of agenda items as specified in the invitation** and not adding agenda items without notifying shareholders in advance, to ensure they have enough time to investigate before making their decisions.



2. Appointing Proxies to maintain the rights of those shareholders who cannot attend in person: they are able to appoint proxies, or to delegate their votes to any independent director in attendance.

In addition, the Company also discloses the format of the proxies (as per the format set by the Ministry of Commerce) together with all details and procedures on the Company's website in advance of the meeting.

3. Encouraging shareholders to use ballots for every agenda item, voting tickets are provided for each agenda item separately.

4. All groups of shareholders can access the Company information completely, accurately, transparently, and in a timely manner. The Company has established an Investor Relations Office to take responsibility for providing information in both Thai and English to all shareholders, equally and completely, to ensure that shareholders can make appropriate investment decisions. Corporate information is disclosed on the Company's website, as well as on the websites of the SET to facilitate access by shareholders and other interested investors.

5. Ensuring strict supervision of the use of inside information by explicitly defining in writing the misuse of inside information as part of the Code of Conduct. In addition, in order to prevent any conflicts of interest, or misuse of inside information by the Board and Management, the Company has put in place internal information controls to supervise the use of inside information as follows:

1. Directors and Management will be regularly informed of related laws and regulations pertaining to misuse of inside information, through various communication channels.
2. The Company discloses in the TPIPL annual report the shareholdings of Directors, Management (and the holdings of management equivalents in Finance and Accounting Division) in compliance with the regulations of the Office of Securities and Exchange Commission.



3. The Directors and Management of the Company are fully responsible for submitting a report of their shareholdings in the Company, and those of their spouses and minors, in accordance with provisions contained in the Securities and Exchange Act.
4. Any misuse of internal information shall be subject to disciplinary action, including dismissal, as announced in the Company's rules and regulations.
6. **Devising practical guidelines for potential conflict of interest** in its Good Corporate Governance and Code of Conduct for the Directors. Management and employees must strictly comply with these.

Section 3. Stakeholder Roles

The Company is well aware of the roles of all stakeholders. The Company sets precise responsibilities to be prudent, fair, and respect the rights of all stakeholders, in operating its business. Hence, the Company has established a Code of Business Conduct emphasizing the balanced consideration of all stakeholders, which has been disclosed via the Company's website. TPI Polene has embraced the Code of Conduct as a policy for Directors, Management and all employees to put the Code into practice and to abide by strict moral guidelines.

All management levels have to strictly follow the Code of Conduct as best practice principles, and it is a strict policy to ensure that all employees under each relevant organization line will acknowledge, understand, and follow the Code of Conduct.

The Company has a strict policy to treat all stakeholders fairly as follows:

1. **Shareholders:** The Company concentrates on establishing the greatest benefit to shareholders. The accounting and financial systems are in place to ensure that any mistakes and irregularities will be identified in due course and that financial reports are accurate, adequate and reliable. The Company's continuously strong financial potential is demonstrated in its ability to make appropriate dividend payments to shareholders.
2. **Customers:** The Company places a great emphasis on customer satisfaction through the quality of its products and services, provided at reasonable prices.



- 3. Management and Employees :** The Company realizes the importance of human resources. Hence, the Company fosters development of all levels of management and staff with internal and external training to enhance their capabilities. The Company applies compensation systems which reward and benefit management and staff appropriately and in line with remunerations in other companies in the same industry. In addition, the Company also focuses on the safety of its human resources by adopting Health and Safety Management standards.
- 4. Trade partners:** The Company ethically sets its business operation strategies, thus enhancing relationships with all trade partners through transparent and fair practices. The Company has a policy of benefit sharing and equitable treatment for trade partners and strictly adheres to contractual agreements made. The Company is independent, without strong involvement with any trade partners.
- 5. Community and Society:** The Company, as a Thai Company, continues to be determined to discharge its responsibilities towards the nation, society and communities. Accordingly, the Company is continuously committed to promoting and supporting beneficial activities towards society, religion, education and youth.
- 6. Environmental Responsibility:** The Company acts as a good citizen, conscious and aware of being one part of this society. It continues to be determined to discharge its responsibilities towards relevant rules and regulations and support the community surrounding its facilities by eliminating problems and protecting the environment, thus providing better living standards for the communities near its plants.

Besides, the Company has anti-corruption operational guidelines in its Code of Conduct and Business Ethics regarding giving and/or accepts Gifts as follows:-

1. The Directors, the Management and the employees may offer or accept Gifts, assets, or all kind of benefits in any circumstances from other persons for the benefits of the business of the Company, nonetheless not involving in the manners of circumstances that are involved in any corruption with other persons in business dealing with the Company or potential partners of the Company. Such offering or accepting must be must be proceeded transparently and can be disclosed.



2. The Directors, the Management and the employees must avoid accepting Gifts (including both monetary or nonmonetary offering) from suppliers or other persons in business dealing with the Company, except in the special events or traditional occasion.
3. The Company does not have the policy to offer Gifts, assets, or all kind of benefits in order to acquire the business to customers, business partners or other persons covering the business except for entertaining customers in the special events or traditional occasion, trade discount and sales promotion of the Company.
4. The Directors, the Management and the employees have the responsibilities to report the accepting of accepting Gifts, assets, or all kind of benefits from suppliers, contractors, customers or other persons covering the business that directly affect themselves to perform their duties and/or that might have conflicts of interest.
5. The Directors, the Management and the employees have the responsibilities to report accepting Gifts, assets, or all kind of benefits from other persons in business dealing with the Company and the Company will constantly keep the suppliers, contractors, customers or other persons in business dealing with the Company informed regarding the policy of accepting Gifts or all kind of gifts or benefits.
6. Any acceptance thereof as above from other persons must comply must be proceeded transparently and in alignment with related laws and regulations.
7. The Company does not prohibit offering gifts under TPIPL logo to customers in case that such gifts comply with the anti-corruption policy and measures and reasonably offered to other persons in compliance with business operation of the Company

Section 4. Information Disclosure and Transparency

The Company is aware of its duty to conduct business in conformity with relevant rules and regulations set the SEC and the SET as follows:

1. **Disclosure of Company information including financial reports** is executed accurately, completely and in a timely fashion as reflected in the Annual Report form (Form 56-1), the Company's Annual Report (Form 56-2) and other reports, which are carried out in compliance with the guidelines set by the SEC and the SET.



2. **A plant visit** is provided for interested institutional investors, shareholders and analysts to access information and have meetings with the Management of the Company. In addition, the Investor Relations Unit has been established to be responsible for communicating information to institutional investors, shareholders, analysts, and relevant authorities in an equitably and fair manner.
3. **Disclosure of Company information is made through approved communication channels** via the SET and the Company's website in Thai and in English.
4. **The Company pays close attention to the quality of the financial information it provides:** particularly in its accuracy and adequacy. In addition, all financial information conforms to generally-accepted accounting principles and is audited by independent auditors. Hence, the Company will provide a report of the Board of Director's responsibility for financial statements in Annual Report.
5. **Functions and responsibilities of the Board and Sub-Committees are disclosed:** In addition, the number of meetings and meeting attendance of each member are disclosed in the Annual Report and 56-1 Form.
6. **Disclosure of remuneration to Directors and Management Remuneration:** Remuneration levels are based on the operating results of the Company during the previous fiscal year; reflect duties and responsibilities fairly and reasonably; and are comparable to general practices in the industry.

Section 5. Responsibility of the Board

The Board plays a key role in supervising corporate governance to create maximum benefits for the Company. Each director represents all shareholders, and takes part in promoting good corporate governance within the Company, and in maintaining the rights of, and creating benefits for, all shareholders and other stakeholders. Details as follows:

1. Structure of the Board

(1) Composition

The Company's Board of Directors comprises at least 5 directors, of whom 3 were independent directors. This exceeds one-third of the Board. The Board of Directors



of at least half of total number of directors must have permanent residence in Thailand and those directors may or may not hold shares in the Company.

(2) Qualifications of the Company's Directors

The Company's Board of Directors comprises qualified members who have skills, experience, honesty, ethics, and independence. They have capabilities in diverse fields, pertinent to the Company's businesses and, accordingly, can safeguard the interests of all shareholders.

In addition, all Directors are aware of their duties, responsibilities and nature of the Company's businesses. They perform their duties with honesty and prudence, and regularly update themselves on new knowledge. Directors attend each Board meeting with full responsibilities.

(3) Definition of the Independent Director Qualification

The Board of Directors has defined the qualification of Independent Directors in line with the requirements of the Thai Capital Markets Supervisory Board and SET.

(4) Segregation of the Power of the Chairman of the Board and the President

The Company's Board is well organized to ensure there is clear distinction between supervision, policy-making, and day-to-day business administrative roles. The positions of the Chairman of the Board and the President are separated. This ensures separation between governing and managing duties.

(5) Chairman of the Board

In addition, the Chairman's leadership plays a key role in ensuring the Board's efficiency and the Shareholder's meeting promoting to be in compliance with good corporate governance as the listed Company.

(6) Corporate Secretary

A knowledgeable and experienced Corporate Secretary to the Board serves as an advisor to the Board regarding pertinent laws, relevant rules and regulations, and monitors compliance of the Board's actions on a regular basis. In addition, the Secretary is also responsible for assisting in Board activities and coordinating with other relevant functions to comply with the Board's resolutions and good corporate governance principles.

2. Sub-Committee:

The Board of Directors has appointed Directors who have knowledge and skills suitable to be members of Sub-Committees to assist in important matters. The Sub-Committees consist of Management Committee and Audit Committee.

The Management Committee is composed the members who are knowledgeable, capable, ethical and experienced in the business. They manage functions and undertake acts in relation to the day-to-day management of the Company.

The Audit Committee consists of 3 Independent Directors. Members' qualifications meet the requirements stipulated in relevant the Thai Capital Markets Supervisory Board and SET announcements. The Committee is assigned to perform checks on management and secure the balance of power in various business activities to ensure reliability and integrity, and serving the best interests of all stakeholders at all times.

3. Roles, Duties and Responsibilities of the Board

- (1) **Good Corporate Governance and the Code of Business Conduct.** The Board of Directors values good corporate governance and maintains high standards of integrity and ethics. All Directors have responsibilities in carrying out their duties and are held accountable to the Company and its stakeholders. They perform their duties with integrity, in compliance with the governing laws and regulations of the Company, and based on professional standards. The Company conducts business in a transparent, honest and fair manner for the interests of all groups of stakeholders.

The Company also issued a Code of Business Conduct for its Board, Management, staff and all employees. These principles are strictly followed, together with the Company's rules and regulations, as detailed in Section 3: Stakeholder Roles.

- (2) **Conflict of Interest:** The Board has a clear policy to execute transactions, which have potential conflicts of interest in a manner that is in the best interests of the Company and its shareholders. Transactions between the Company and anyone, with which a possible conflict of interest might occur, require approval under the rules and regulations imposed by the Thai Capital Markets Supervisory Board, the SEC and the SET concerning information disclosure and undertaking of the listed Company regarding

connected transactions. In addition, such transactions are subject to an approval process in which only unconnected persons may participate.

Details of connected transactions that may involve conflicts of interest (according to criteria of the Thai Capital Markets Supervisory Board, the SET and the SEC) must be disclosed in the Company's Annual Report; in the Annual Report form (Form 56-1) or declared in other reports (as the case may be). This also includes disclosure of information on connected transactions according to the general accepted accounting standard criteria. Details of connected transactions are disclosed in the section "Inter-Company Transactions".

In addition, pursuant to the Articles of Association, Directors shall notify the Company without delay of their interests in any contract executed with the Company or affiliated companies, and of their holding, and its increase or decrease, of shares or debentures of the Company.

- (3) Internal Control and Internal Audit:** The Board employs an appropriate, and effective, internal control system to ensure Management prevents and mitigates business risks, and produces accurate and reliable financial statements.

To protect the assets of the Company and shareholders' investments from potential loss, an internal audit unit has been set up as a separate division, responsible for auditing and monitoring the Company's operations for efficiency and effectiveness under a sufficient and appropriate internal audit system. The internal audit unit is independent and able to report its resultant audit openly. This allows management to be notified of problems and irregularities in a timely manner and to be able to establish measures to safeguard the Company's assets and shareholders' investments against fraud in the Company or its subsidiaries. This can also be applied to improve and develop the efficiency and effectiveness of the Company's operations.

In addition, an Audit Committee has been appointed to review and evaluate internal control systems, to examine disclosure and assessment of all relevant information for investors, and to ensure that the Company performs in compliance with regulations and governing laws.

Five aspects of the sufficiency of the internal control systems of the Company and its subsidiaries were evaluated. These were: the organization and environmental control system; the risk management system; Management control system; the information and communication system; and the monitoring system.

In addition, the Company and its subsidiaries have policies and measures in place to regulate business transactions with major shareholders, Directors and Management or connected persons so as to avoid conflicts of interest, in order to pursue the best interests of all parties concerned.

4. Meetings of the Board:

The Company arranges regular meetings of the Board at least once a month, and may hold special meetings as deemed appropriate, to continuously supervise management operations. The time allowed for each meeting is sufficient for the Board to consider all related matters. The Chairman and the President jointly establish and approve meeting agendas to ensure that all material issues are fully considered by the Board. Each Director may independently propose agenda items and freely expresses opinions. At meetings, Directors are encouraged to use discretion to consider all raised issues.

The Company convenes each meeting in compliance with the provisions of the Public Company Act. The minutes of each meeting are properly documented, are certified by the Board, and are systematically filed under tight security.

5. Remuneration of Directors and Management

The Company rewards its Directors fairly and reasonably, taking into account directors' responsibilities and the Company's operating results. Directors' remuneration has been approved at the shareholders meeting.

The Company fairly remunerates its Management, taking into account their responsibilities, performance, the operating results of the Company, and comparability within the same field of business.



6. Training of Directors and the Executive

The Company continuously builds the corporate governance knowledge of its Directors and Management so they may carry out their business operations in compliance with good corporate governance principles. The Company supports all Directors to participate in training courses organized by the Thai Institute of Directors Association (“IOD”), so as to add to their knowledge concerning their roles in the Company, and apply such learning to their job performance.