

## **Good Corporate Governance Code**

(the 3<sup>rd</sup> Revision version)

### **TPCS Public Company Limited**

#### **Business Ethics**

##### **1. Responsibility Towards Stakeholders**

It is the Board's policy to promote cooperation between the Company and its stakeholders to strengthen the Company's performance. To this end, the Board shall promote engagement and be vigilant of stakeholders' interests pursuant to their legal rights. The Company's stakeholders are, namely, its shareholders, customers, trade partners, competitors, debtors, employees, local communities and society, the environment, and the government.

##### **1) Shareholders**

The Board of Directors shall perform its duties responsibly, prudently, earnestly, and honestly to generate continuous, sustainable, and good returns on investment for shareholders. In this regard, the Board shall adopt the following policies and practical guidelines:

1. The Board shall respect shareholders' ownership rights and shall treat shareholders equitably.
2. Operations shall be undertaken in accordance with the principles of good corporate governance, which will foster the trust and confidence of shareholders and lead to sustainable growth.
3. The Board shall see to the advancement of the Company's businesses to ensure proper returns on investment for shareholders.
4. Significant information that affects or may affect shareholders' interests shall be disclosed, whether in periodic accounting reports or ad-hoc reports, pursuant to the relevant laws and notifications. No action shall be taken to restrict shareholders' access to the Company's information.
5. A report on the Board's accountability for financial statements shall be included in each year's annual report.
6. Minority shareholders shall be given an opportunity to propose matters for inclusion in the meeting agenda and/or to nominate directorial candidates to be elected at an annual general meeting of shareholders.
7. Shareholders shall be granted an opportunity to submit questions relevant to the meeting in advance.

8. Shareholder meeting notices in both Thai and English shall be published on the Company's website at least 30 days prior to the meeting date to enable shareholders to arrange to be in attendance and to study the information.

9. Shareholders' convenience shall be ensured. The meeting's date, time, venue, and procedure shall not limit shareholders' attendance. Shareholders unable to attend in person shall be able to assign a proxy to attend and vote on their behalf.

10. Conflicts of interest shall be dealt with prudently and rationally. Information about any conflict of interest shall be fully disclosed.

11. The Company's interests and assets shall be safeguarded as a reasonable person would safeguard his or her property. Wrongful interests, whether obtained by direct or indirect means, shall be eliminated.

## **2) Customers**

Understanding that customer satisfaction and confidence are critical factors that contribute to the Company's sustainable success, the Board of Directors shall adopt the following policies and guidelines:

1. The Company shall manufacture and distribute products and services that are environmentally friendly and safe for consumers.

2. The Company's businesses shall be operated with commitment to developing goods and services, introducing innovations, and adding value to goods and services in order to continuously meet customer demand, along with the disclosure of critical information needed for decision-making without concealment or distortion of facts.

3. The Company's businesses shall be operated in an honest, earnest, and just manner. No action shall be taken to violate customers' rights. Moreover, consumer data shall be treated with confidentiality and shall not be wrongfully exploited for personal gain or the benefit of a related person.

4. The Company shall never demand, receive, or consent to the direct or indirect receipt of any property or other dishonest benefit from a customer.

5. The Company shall adhere to trade agreements. Whenever adherence is not possible, customers shall promptly be notified in order to jointly find a remedial measure and to prevent losses.

6. The Company shall provide communication channels by which customers are able to file complaints to the Company. Complaints shall be processed with care and dealt with fairly.

### 3) Partners

The Board of Directors shall treat trading partners equitably and take into account mutual interests. In this regard, the Board shall adopt the following policies and practical guidelines:

1. The Company shall put a system in place to select environmentally friendly trading partners in the supply chain whose operations comply with relevant laws, as well as safety and occupational hygiene standards. Business partners shall be treated on the basis of fair competition, equality, and mutual respect.

2. Trading partners' secrets or information shall be treated with confidentiality and shall not be wrongfully exploited for personal gain or the benefit of a related person.

3. The Company shall build good relations and understanding with trade partners, which will serve as the basis for knowledge exchange. The development and creation of value added to goods and services shall be jointly undertaken to promote mutual growth.

4. The Company shall adhere to trade agreements and provide accurate information. In the event that a violation is inevitable, the Company shall expeditiously engage in negotiations with trading partners in order to reach a mutual solution and prevent losses.

5. The Company shall not demand, receive, or consent to the receipt of any property or other benefit outside trade agreements.

### 4) Competitors

The Board of Directors shall ensure that the Company operates its businesses in accordance with the legal provisions. In this regard, the Board shall adopt the following policies and practical guidelines:

1. The Company shall conduct its businesses within the rules of fair competition with due regard to business ethics and trade competition laws of various countries in which the Company operates.

2. The Company shall not damage the reputation of its business competitors.

### 5) Creditors

The Board of Directors shall make certain that the Company operates in a principled and disciplined manner in order to build trust among creditors. In this regard, the Board shall adopt the following policies and practical guidelines:

1. All creditors shall be treated equitably.

2. Contracts and terms shall be strictly adhered to.

3. Operations shall be administered to ensure creditors' confidence in the Company's financial standing and credit rating.

4. Financial standing shall be accurately and timely disclosed.

5. In the event of an inability to comply with a particular term, the creditor shall be forthwith notified in order to reach a mutual solution and prevent losses.

## **6) Employees**

Regarding employees as a valuable resource and a key factor in the Company's success, the Board of Directors shall adopt the following policies and guidelines:

1. Employees' human dignity and fundamental rights shall be respected at work. Employee data or confidential information shall not be disclosed or transmitted to third parties or unrelated persons.

2. Employees shall be treated in accordance with the provisions of law, regulations, and articles governing the Company's operations

3. Employment equality shall be promoted. There shall be no discrimination on the basis of gender, skin color, race, religion, age, disability, or any other status that is not directly related to work.

4. Training and knowledge exchange shall be sponsored and promoted to encourage learning and skill development throughout employment; The Company shall seek to strengthen employees' career security and offer opportunities for advancement pursuant to each person's potential.

5. Employees' participation in the determination of the Company's direction and development shall be promoted.

6. Fair compensation shall be offered, subject to employees' knowledge, skills, duties, responsibilities, and performance.

7. Appropriate welfare and benefits shall be given to employees, e. g. medical expenses, provident fund contribution, and a savings cooperative.

8. Channels shall be provided for employees to communicate suggestions and complaints pertaining to work. All suggestions shall be considered, and remedies shall be determined in the best interest of all parties and with regard to good professional relations.

9. Facilities necessary for operations shall be provided. Working conditions shall be maintained with due regard to health, safety, and occupational hygiene as a means to promote and raise employees' quality of life.

10. Employees of all levels shall be encouraged to participate in corporate social responsibility activities.

## 7) Community and Society

The Board of Directors shall operate the Company's businesses with due regard to the duties and responsibilities owed to the nation, community, and society, as well as local traditions, in order to maintain social order. In this regard, the Board shall adopt the following policies and practical guidelines:

1. A business that could lead to social degradation shall not be undertaken, and the rights of any person in the community and society shall not be violated.
2. The consciousness of responsibilities towards the community and society as a whole shall always be instilled for the benefit of the Company and all of its employees.
3. Measures shall be provided for the prevention and remedy of any negative impact on the community and society caused by the Company's operations.
4. The preservation of local culture and traditions shall be promoted.
5. The Company shall cooperate with various agencies for community development.
6. Activities that benefit the public shall be sponsored.
7. Income shall be locally distributed through the employment of community members and the use of community products.
8. Good relations shall be fostered between the Company and the community and society on the basis of propriety, transparency, and fairness.

## 8) State Sector

To make sure that the Company operates in conformity with the rules and regulations enacted by the State, the Board of Directors shall adopt the following policies and guidelines.

1. The laws governing operations shall be studied and understood. Meanwhile, no activities that would violate the letters of the law shall be undergone.
2. Legal compliance shall be assured when conducting a transaction with any state official or agency.
3. Good relations between the Company and the state sector shall be fostered so long as they are within proper boundaries.
4. The Board shall comply with the relevant laws and business traditions in a particular country or locality.

## 2. Conflict of Interest

To deal with conflicts of interest, the Board shall adopt the following guidelines:

1. Conflicts of interest or connected transactions shall be administered prudently, fairly, and rationally. There shall be a transparent system for approving transactions that takes into account the

Company's best interests. Directors with a vested interest in a particular matter shall not have the right to vote on it and shall be required to make a full disclosure in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2. The Company's interests shall be upheld, subject to legality. No action that would constitute a conflict of interest with the Company shall be taken. In addition, no special benefits or privileges shall be given to any person.

3. Directors and executive officers shall be required to disclose their and related persons' interests in accordance with the prescribed rules.

4. Directors, executive officers, and employees with insider information shall be prohibited from trading Company's securities during the 1-month period prior to public disclosure of the Company's financial statements and 24 hours, after the Company's financial statements disclosure.

5. Directors and executive officers shall have the duty to report their holdings of the Company's securities to the Company. This includes the holdings of the Company's securities by their spouses, underage children, and any juristic person in which they and the said person collectively hold more than thirty percent (>30%) of the total voting rights and have the largest percentage of shares held in that juristic person. If there is a change in their holdings of the Company's securities, it must be reported to the Securities and Exchange Commission. Directors and executive officers shall also be required to inform the Company Secretary to disclose the matter to the Board of Director at the subsequent board meeting;

6. Company information or secrets acquired or acknowledged shall not be disclosed or transmitted to third parties or unrelated persons.

7. Any information disclosure shall be made by authorized employees. Classes of confidentiality may be prescribed in accordance with the significance of the information. Disclosure shall be made within the assigned scope of duties and responsibilities.

8. Directors and senior executive officers shall be required to inform the Chairman about their trading of the Company's securities at least one (1) day before the trading date.

### **3. Giving or Receiving a Gift, Entertainment, and Hospitality**

While the Board of Directors aspires to operate within the framework of fair competition, it understands that giving or receiving a gift, entertainment, and hospitality is sometimes a necessary customary practice that fosters good relations. In this regard, the Board shall adopt the following guidelines:

1. A gift, entertainment, and hospitality that may influence a decision shall always be prohibited. If it is customary to give or to receive a gift, entertainment, and hospitality whose value is in excess of normal practices, a report shall be filed to the respective supervisor.

2. In the case of an assignment or authorization by a supervisor to assist with an external agency, a sum of money, an object, or a gift may be received in accordance with the applicable rules or standards prescribed by that external agency, e.g. gifts, lucky draw prizes, etc.

3. In the case where an agent, contractual party, partner, or any other person wishes to offer a gift, entertainment, or hospitality in the name of the Company, prior authorization from the Company shall always be required.

4. Expenses pertaining to these matters shall be maintained within a reasonable budget.

#### **4. Anti-Fraud and Anti-Corruption Efforts**

It is the Board of Directors' policy to comply with anti-corruption laws. In this regard, the Board shall adopt the following guidelines:

1. Create consciousness, values, attitudes for employees in performing their duties according to the law, rules with integrity.

2. An efficient and effective internal control system shall be put in place. There shall be suitable supervision and a system of checks and balances to prevent employees from being involved in fraud and corruption.

3. Directors, executive officers, and employees shall be prohibited from performing any act that amounts to a demand or acceptance of any property or any other benefit, whether for themselves or for others, as an inducement to wrongfully perform or refrain from performing a duty or to act in a way that could result in a loss to the Company's legitimate benefits.

4. Directors, executive officers, and employees shall be prohibited from giving or offering to give any property or any other benefits to third parties to induce such persons to unlawfully or wrongfully perform or refrain from an act.

5. There shall be a transparent and accurate financial reporting system.

6. There shall be a channel for employees and related persons to provide notices of causes for suspicion with confidence of protection. Personnel shall be appointed to examine all notices of suspicion given.

#### **5. Non-Infringement of Intellectual Property**

Pursuant to the Non-Infringement of Intellectual Property Policy, the Board shall adopt the following guidelines.

1. Business undertakings shall be consistent with laws, regulations, and contractual obligations governing intellectual property rights.

2. Intellectual property works of the Company shall be safeguarded. Such intellectual property shall not be used or allowed to be used by outsiders without authorization.

3. The intellectual property rights of others shall be respected. The works of others shall not be infringed upon or applied to personal use except when a license has been obtained or a fee paid to the owner of the work.

4. Intellectual property of creative works produced by employees shall belong to the Company. Upon termination of employment, such intellectual property works must be returned to the Company regardless of the form in which it is stored.

## **6. Non-Violation of Human Rights**

With a great deal of respect for human rights, the Board of Directors shall adopt the following policies and guidelines:

1. There shall be no activities or support for activities that violate human rights.

2. Employees shall be provided with knowledge and understanding of human rights, which shall be applied to their respective functions.

3. There shall be no limitations to independence or differences in ideology, gender, race, religion, politics, or other matters. Nonetheless, expressing an opinion that could cause conflicts or divisions shall be best avoided.

4. Channels shall be provided for employees or persons who believe that their personal rights have been violated or that they have been treated unfairly to file a complaint with to Company. Such complaints shall be heeded and processed fairly.

## **7. Environment**

The Board of Directors shall undertake businesses with due regard to the Company's responsibilities towards the environment. In this regard, the Board shall adopt the following policies and practical guidelines:

1. Businesses shall be undertaken in accordance with laws, regulations, and policies on the environment with due regard to the impact on natural resources and the environment. Regular revision and assessment of the Company's environmental performance shall be performed.

2. Organizational culture and consciousness of all employees shall be promoted to encourage cooperation and responsibility for the efficient and sustainable management of the environment and utilization of resources.

3. Knowledge promotion and environmental training shall be extended to employees.

4. An environmental management system shall be promoted, including economical use of resources, treatment and rehabilitation of resources exploited, replenishment of resources, and sustainable environmental watch and impact prevention.

5. There shall be a system in place for selecting trade partners in the supply chain who operate in an environmentally friendly manner.

6. Environmentally friendly technology shall be developed and applied whenever possible.

### **8. Occupational Safety and Health**

Attaching importance to occupational safety and health, the Board of Directors shall adopt the following guidelines:

1. Business undertakings shall comply with safe and healthy work environment laws, regulations, and policies with due regard to the safety of life and property, as well as to the impact on the health of employees, trading partners, and stakeholders. Regular monitoring and safety assessment shall be conducted.

2. Occupational safety shall be promoted. Work regulations, procedures, and standards shall be prescribed according to the level of risk. The safety of the working condition, work environment, and work procedures shall be improved. Protective tools and equipment shall be provided to employees.

3. Preparations shall be made for emergency events. An emergency plan shall be devised. Regular drills and improvements shall be carried out to prevent and minimize any loss of life or property of the Company, employees, trading partners, and related persons.

4. A safe workplace culture shall be fostered for the entire organization to ensure sustainable and safe operations.

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