

Corporate Governance

The Code of Best Practice of the company is to arrange the policy related to corporate governance to provide a guideline practice to the shareholders, directors, employees of the company and the stakeholders of the company, both directly and indirectly, with details and procedures in the document attached.

Effective on 21 February 2015 and thereafter.

Signature

(Mrs. Saowakhun Karujit)

Chairman of the Executive Board

Notified on 21 February 2015

Corporate Governance

According to the policy of the company in compliance with the Code of Best Practice to encourage transparency and benefits of the business conducted by the company and to ensure confidence in shareholders, investors and all stakeholders, the Board of Directors has arranged the corporate governance principle as a guideline practice on corporate governance provided by the Stock Exchange of Thailand covering the principles in 5 sections as follows.

Section 1 The Rights of Shareholders

The company is aware of and has put its emphasis on basic rights of the shareholders as the owners of the company and as the investors in securities such as right to purchase, sell or transfer of securities held, right to receive sufficient information, right to share the profit of the company, right to attend the meeting of shareholders, right to express opinions, right to participate in the key decision of the company such as appropriation of dividends, appointment or removal of the director, appointment of the auditor, approval on the key transaction affecting the direction of the business conducted by the company.

In addition to the basic rights above, the company has also facilitated the shareholders to exercise their rights; therefore,

1. The annual general meeting of shareholders will be arranged within 4 months since the end of the accounting period of each year and to send the letter of appointment on the meeting and supporting information of the agenda to notify the shareholders 7 days in advance of the meeting date and to publish in the newspaper to notify the meeting date in advance for 3 consecutive days before the meeting date together with opinion of the board of directors on each agenda.
2. If the shareholder is unable to attend the meeting himself, the company has provided an opportunity to the shareholder to assign the independent director or any person to attend the meeting for him by using the power of attorney of any form provided by the company together with the letter of appointment on the meeting.
3. Before the meeting, the shareholder is eligible to send his opinion, suggestion or inquiry in advance through the e-mail address of the secretary of the board of directors of SahaThai Terminal Co., Ltd.
4. The shareholder is eligible to inquire, suggest or express the opinion on the agenda independently and equally in the meeting attended by the directors and the related management to answer and provide information in details in the meeting.
5. After the meeting, the minutes will be prepared to ensure correct and complete information for verification by the shareholders.

Section 2 The Equitable Treatment of Shareholders

It is the policy of the company to treat every shareholder equitably so in each meeting of shareholders, every shareholder is equally provided an opportunity. The voting right in the meeting is in accordance with the number of shares held, that is, one share one vote. If the shareholder is unable to attend the meeting himself, the shareholder is able to assign any person to attend the meeting by using the power of attorney of any form provided by the company together with the letter of appointment on the meeting date.

Besides, the preventive measure has been arranged to prevent illegitimate use of insider trading information of the related persons, including the director, the management and the employees in the unit related to insider information (including their spouse and the underage children of such persons). The related persons will not be allowed to buy and sell securities of the company at least 2 weeks before disclosure of the quarterly financial statements and the annual financial statements and should wait at least 24 hours after disclosure of such information to the public and are not allowed to disclose such information to any person.

The company has provided information to the directors and the management with duties assigned to report the shareholding on securities of the company and the penalty in accordance with the Securities and Exchange Act, B.E. 2535 and in accordance with the requirements of the Stock Exchange of Thailand. If the director or the management has sold or purchased the securities of the company, he is required to report his shareholding on securities of the company, his spouse and underage children in accordance with Section 59 of the Securities and Exchange Act, B.E. 2535 within 3 working days to the Office of the Securities and Exchange Commission for further public disclosure.

Section 3 The Role of Stakeholder

The company has put its emphasis on rights of stakeholders of every group, whether it is the inside stakeholders like the employees and the management of the company or the outside stakeholders such as the competitors, trading partners, customers and the company is well aware that supports and comments from every group of stakeholders are beneficial to the operation and development of the business of the company. Thus the company will comply with related laws and requirements to ensure that the rights of such stakeholders have been well treated. In addition, the company has encouraged cooperation between the company and each group of the stakeholders to ensure stability of the company in accordance with such practices.

Moreover the company will comply with the requirements of the laws and related rules and regulations to ensure that the rights of such stakeholders are well cared.

Section 4 Disclosure and Transparency

The company is well aware of accurate, complete and transparent disclosure of financial reports and general information in accordance with the criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, including other key information which has affected the company and the decision process of the investors and the stakeholders of the company. Information of the company has been disclosed to shareholder, investors and the public through various channel and communication media of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, including the website of the company:

www.sahathatterminal.com.

Regarding the investor relations work, the company has set up a specific unit to contact and communicate with the investors, shareholders and analysts and the related public sector. The board of directors is responsible for the financial statement and financial information which is part of the disclosure made in the annual report of the SahaThai Terminal Co., Ltd. Such financial statements are prepared in accordance with the financial reporting standards in Thailand and has elected the appropriate accounting policy and applied them in a consistent manner with sufficient disclosure in the financial statements. The board of directors will also make a review on quality of the financial reports and internal control system, including disclosure of key information in notes to financial statements.

Section 5 Responsibilities of the Board of Directors

1. Structure of the Board of Directors

The board of directors is consisting of competent persons who play a key roles in determination of the policies and the overall outlook of the organization, including roles to independently supervise, examine and evaluate the performance of the company in accordance with the plan prepared.

At present the board of directors has 9 directors consisting of three non-management and independent directors who are also the audit committee to ensure the check and balance in the voting on various agenda and 6 directors from the management who are elected through the criteria more stringent than that of the Office of the Securities and Exchange Commission.

According to the regulations of the company, one-third of the directors are required to leave their chair in the annual general meeting of shareholders. If the number of directors is unable to divided by three equally, the closest number of one-third of the directors is required to leave their post in the first year. In the second year after registration of the company, the directors will draw a slot to leave their chair. Later the directors who have been in the post longest are required to leave their chair. The leaving director may be elected to take the post again.

Moreover, the board of directors has appointed three sub-committee consisting of the audit committee, the risk management committee and the management committee, to undertake the specific work and propose the matter to the board of directors for acknowledgement or consideration. Each committee has rights and duties provided in the authority and duties of each committee.

Separation of duties and responsibilities between the board of directors and the management is clearly made as the board of directors is assigned to determine the policy and supervise the work of the management in the policy level while the management is assigned to manage the work of the company in accordance with the policy provided. Thus the chairman of the board and chairman of the management are the different person and both persons are required to be elected by the board of directors to have the most suitable person.

The secretary of the board of directors of SahaThai Terminal Co., Ltd. is assigned to provide suggestion on rules and criteria that the board of directors should know and perform to look after the activities of the board of directors, and to coordinate the work in accordance with the resolutions of the board of directors.

2. Roles, duties and responsibilities of the board of directors

The board of directors is consisting of competent and proficient persons with acceptable leadership and has participated in the process of determination of the vision, mission strategy, policy and direction to undertake the business and to supervise the operation of the company in accordance with laws, objectives, requirements and resolutions of the meeting of shareholders. To ensure closely monitoring and supervision of the operation of the company, the board of directors has set up several committee to monitor and supervise the work of the company.

2.1 Supervision policy

The supervision policy of the company is made in writing approved by the meeting of the board of directors. Such policy and the practice will be reviewed regularly. After the common stock of the company has been listed in the Stock Exchange of Thailand, the company is required to comply with rules and requirements provided by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand while the supervision report will be disclosed in the annual report and the Annual Disclosure Form (Form 56-1)

2.2 Business ethics

The company has arranged the business ethical practice of the board of directors, the management and employees as a guideline practice to perform their duties of the company with integrity, honesty and fairness, including treatment provided to the company, stakeholders of all groups, the public and the society and has arranged the system to monitor compliance with such practice regularly. Every employee has been notified and has learned of such practice and has complied with such practice strictly.

2.3 Conflict of interest

The policy related to the conflict of interest has been prepared through the principle that any business decision is required to be made for the ultimate interest of the company only and should avoid any act causing the conflict of interest by having the persons with the conflict of interest or related to the transaction making a report to the company on the relationship or the connection between themselves and such transaction and such persons shall not participate in the decision and shall have no authority to approve such transaction.

The audit committee will propose the related transactions and the transactions with conflict of interest to the board of directors which have been carefully considered and complied with the criteria provided by the Stock Exchange of Thailand and shall make the disclosure in the annual report and Annual Disclosure Form (Form 56-1).

2.4 Internal control system

The company has put its focus on the internal control system, both the management level and the operating level. To enhance operating efficiency, the task, duty and authority of the working officer and the management have been clearly indicated in writing with controls of use of assets for the interest of the company and separation of duties between the working officers and the supervision and evaluation officers through appointment of the audit committee to review the internal control system and internal audit to ensure suitability and effectiveness.

2.5 Risk management

The existing internal control system has been assessed to look for ways of improvement on the operation for more efficient performance.

2.6 Report of the board of directors

The audit committee will examine the financial reports with meeting with the accounting division and the auditor and will submit the financial report to the board of directors every quarter. The board of directors is responsible for the consolidated financial statements of the company, including the financial information (Report of responsibility of the board of directors on the financial report) as shown in the annual report. Such financial statements are prepared in accordance with generally accepted accounting standards and examined by the auditor of the company, disclosure of key information, including financial and non-financial information based on the facts completely and consistently.

2.7 Occupational and environmental safety policy

The business philosophy and ethics of the company with confidence in the quality of the personnel is to look after the employees for a better living quality, to have a safe working and proper sanitary condition and to take social and environmental responsibility with focus on occupational and environmental safety management system necessary for the business. The intention of the company is to arrange the occupational and environmental safety management system as follows.

1. To undertake and develop the occupational and environmental safety management system appropriately and to comply with the requirements of the laws and other requirements on occupational and environmental safety signed by Thai government agencies and accepted by the organization which the company has been a member in relation to the business conducted by the company.
2. To determine objectives and targets on occupational and environmental safety work, including practice, monitoring and review of the work to ensure continuous improvement and development.
3. To preserve resources and energy with efficient use and reduce waste, including removal, treatment, prevention and control of waste quantity with minimum environmental impacts.
4. To provide resources in terms of suitable personnel, time, budget and training to promote awareness in occupational and environmental safety and to undertake the work in accordance with standard and method provided and held as a duty and responsibility of every employee.

2.8 Environmental Policy

The company has put its emphasis on conservation of the environment as the most important issue on management of the organization with an aim to reduce the burden on the environment and to create sustainable society with the following measures.

1. The company will assess the environmental impact from the products and services to determine the objectives and targets on environment which will be reviewed regularly every year for continuous development to reduce the burden on the environment.
2. The company will encourage an attempt to introduce the products and services which are friendly to the environment with less use of hazardous substances and natural resources and energy.

3. The company will encourage energy saving activities and try to alleviate the global warming problem.
4. The company will employ various measures to reduce the wastes and encourage recycle with an aim to create the recycle society.
5. The company will try to create the green world through planting and improving the environment in conjunction with natural conservation of the environment and to reduce the impacts on the ecological system.
6. The company will employ the preventive measure to remove the pollution problems possibly incurred from waste water discharges and oil or toxic leak from the office and factory.
7. The company will comply with all laws, regulations and requirements related to environmental conservation.
8. We will inform every employee of the environmental policy and provide information related to environmental conservation to every employee.

3. Meeting of the board of directors

According to the regulations of the company, the company is required to arranged the meeting of the board of directors at least every 3 months and to arrange the extraordinary meeting as deemed necessary through submission of the invitation to the meeting 7 days in advance of the meeting date unless it is necessary to expedite maintenance of the interest of the company. Each meeting is required to clearly indicate the agenda of the meeting with supporting documents completely and sufficiently submitted to the board of directors so the board of directors has sufficient time to study the information before the meeting.

In the meeting, the chairman of the board and the chairman of the management officer will jointly determine the agenda and consider the agenda for the meeting of the board of directors while each director is provided with an opportunity to propose the issue to be put as an agenda and to discuss and express his opinion openly. The chairman of the meeting will process the comments and conclusion from the meeting. The resolution of the meeting of the board of directors is passed by the majority vote and one director has one vote. The director with the conflict of interest is not allowed to attend the meeting and/or to vote on such issue. If the votes are on par, the chairman in the meeting is eligible to cast a decisive vote. The minutes of the meeting will be prepared in writing after the meeting is finished. The minutes of the meeting approved by the board of directors shall be kept for further examination by the board of directors and the related persons.

4. Remuneration of the directors and the management

The company will select and clearly and transparently determine the remuneration and the policy on remuneration of the directors of the company within the suitable level for the duties and responsibilities of each director sufficient for maintaining the competent directors and approved by the annual general meeting of shareholders (AGM).

The company has determined to disclose the remuneration paid to the directors and the management in the form provided by the Office of the Securities and Exchange Commission.

5. Development of directors and the management

The board of directors has a policy to train and provide information to the directors related to the corporate governance system of the company consisting of the directors, audit committee, managing directors and the management of the company to ensure continuous development in the operation. If there is any change in director, the company will arrange the introduction

to guideline practice to undertake the business of the company and information beneficial to the duties to be performed by new director to promote continued efficient operation within the corporate governance framework.

Signature