



Corporate Governance Policy

N.C. Housing PLC

**6th Revision
19 December 2012**

Revision History of the Corporate Governance Policy N.C. Housing PLC

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Corporate Governance Policy Of N.C. Housing PLC

Realizing the importance and necessity to maximize sustainably the Company's business and increase the long-term economic value and highest return on investment for its shareholders, the Board of Directors of N.C. Housing PLC has established the corporate governance policy. The Company focuses on integrity, professional management system, and transparency in its business operations and also has the Board of Directors and management with vision and accountability. Moreover, there are measures to control and balance the power for transparent and accountable administration and the risk control and management system for appropriate level of risks. The Company also takes account of equitable right of shareholders and is responsible for all of its stakeholders, as well as disclosure of information to investors at appropriate time. In addition, executives and employees are encouraged to adopt our code of conduct in doing their work the right way, every day.

The Company's Corporate Governance Policy is divided into five sections as follows:

1. Board of Directors
2. Rights and Equitable Treatment of Shareholders and the Role to Stakeholders
3. Disclosure of Information and Transparency
4. Internal Control and Risk Management
5. Code of Conduct

The policy shall be in effect from 22 December 2011 onwards.



(Mr. Sudham Chatwalwong)
Chairman of the Board of Directors
N.C. Housing PLC

Section 1

Board of Directors

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1. Leadership and Vision

The Company's Board of Directors is composed of directors who are knowledgeable, competent and experienced in business operations to determine the policies, visions, strategies, goals, missions, business plans, and budget of the Company, as well as to supervise the management section for effective and efficient conformity with the established policies under the scope of laws, objectives and Articles of Association of the Company, and resolutions of the shareholders' meeting with accountability, integrity, and care in accordance with the principles of good practices to maximize the economic value of our business and provide ultimate security for the shareholders.

The Board gives full priority to internal control system, internal audit, and suitable measures of risk management, and there is proper review system for business operations in compliance with applicable laws, and efficient supervision for effective internal control system and utmost benefits for the Company.

The Board shall clearly determine and segregate the roles, duties, and responsibilities of the Board of Directors, Audit Committee, Executive Committee, and Managing Director. The Board has the ultimate power to approve such roles, duties, and responsibilities.

2. Composition of the Board, Appointments and Independence

2.1 The Board shall consist of at least five directors and not less than half of them shall have residence in the Kingdom of Thailand. The Board will select the directors in accordance with the criteria prescribed in Section 68 of the Public Limited Company Act, B.E. 2535 (1992) and relevant notifications of the Securities and Exchange Commission. Moreover, business experiences, knowledge and competency shall be taken into consideration. Then, the name list of the potential members of the Board shall be presented to the shareholders' meeting for appointment.

2.2 At least one-third of the Board shall be independent directors.

2.3 At every annual general meeting of shareholders, one-third of the directors shall retire from office. If the number of the directors to retire from office is not a multiple of three, then the number of directors closest to one-third shall retire.

The directors to retire from office in the first and second years after registration of the Company shall be determined by ballots. In every subsequent year, the directors who have served in office the longest shall retire. A retired director shall be eligible for re-election.

2.4 The election of directors shall be made by a majority vote of the shareholders meeting in accordance with the following criteria and procedures:

2.4.1 A shareholder shall have one vote for each share held;

2.4.2 Each shareholder must use all of his/her votes specified under 2.4.1 to elect one or many candidate(s), but his/her votes may not be split to any persons at any extent; and

2.4.3 Persons receiving the highest votes in a descending order will be elected as directors in proportion to the number of directors who shall be elected at that time. In case the number of persons, who are elected in descending order, and received equal votes, exceeds the number of directors required or who shall be elected at that time, the Chairman shall have a casting vote.

2.5 If an office of directors is vacant for any reasons other than by rotation, the Board of Directors, by a vote of not less than three-fourths of the number of the remaining directors, may appoint a person who is qualified and is not of disqualified characteristics under the public law, as a replacement director at the following meeting of the Board of Directors unless the remaining tenure of the director is less than 2 months. The replacement director shall hold the office only for the remaining term of the director whom he/she replaces.

2.6 The shareholders meeting may pass a resolution to remove any director from office prior to the expiration of the director's term of office by a vote of no less than three-fourths (3/4) of the number of the shareholders attending the meeting and having the right to vote and the shares held by them shall not, in the aggregate, be less than half (1/2) of the number of the shares held by the shareholders attending the meeting and having the right to vote.

3. Chairman of the Board and Managing Director

The Chairman of the Board and the Managing Director shall be knowledgeable, competent, experienced, and qualified. They shall not be the same person to ensure balance of power and the corporate governance and administration shall be separated from each other.

The Chairman of the Board shall take responsibility as the leader of the Board with the duty to preside over the meetings of the Board and the shareholders' meetings.

The Managing Director shall be accountable to the Board of Directors for managing the Company in order to achieve all planned objectives.

Policy on Holding of the Directorship Position at Other Companies of the Managing Director

To enable the Managing Director to effectively manage the business and allocate his time, the Company therefore has determined a policy to allow the Managing Director to hold the position of directorship at no more than three other listed companies.

4. Qualifications of the Board

4.1 A director must be capable, visionary and honest with utmost virtue and ethic, and have transparent professional background, and sufficient time to devote his/her knowledge and competency of their duties to the Company.

4.2 A director shall possess necessary qualifications for his/her position, and no disqualified characteristics according to the law on public company or any other related laws.

4.3 A director can sit on the board of other companies, but this shall not interfere with the performance of his/her duties at the Company.

4.4 No director shall operate any business, or become a partner in an ordinary partnership, or become a partner with unlimited liability in a limited partnership, or become a director of a private limited company or other public limited companies, which operate a business of the same nature as and that is in competition with the Company, unless he/she notifies the shareholders' meeting prior to the resolution for his/her appointment.

4.5 Independent directors shall meet the independency qualifications as the same of the Audit Committee stipulated in the Notification of the Stock Exchange of Thailand regarding Qualifications and Scope of Works of the Audit Committee. An independent director shall hold shares amounting to not over 1.0% of the paid capital of the Company, affiliates, associated companies, or related companies. Independent directors have a duty to protect the interests of every shareholder in a fair and impartial manner in order to avoid any conflict of interests that may arise. They shall also attend the Board meetings and express their comments and opinions from an independent viewpoint.

Independent directors shall have the following qualifications:

- 4.5.1 holding shares not exceeding 1.0 percent of the paid capital of the Company, affiliates, associated companies, or related companies, including the shares held by related persons of the independent director;
- 4.5.2 not being an executive, employee, staff, or advisor who receives salary from the Company, affiliates, associated companies, related companies, or major shareholders of the Company;
- 4.5.3 not being a director who has the benefit or interest, either directly or indirectly, both in terms of finance and management, of the Company, affiliates, associated companies, related companies, or major shareholder of the Company;
- 4.5.4 not being a related person or immediate family members of the executive or major shareholders of the Company;
- 4.5.5 not being appointed as a representative to maintain the benefit of the Company's directors, major shareholders, or shareholders having connection with the major shareholders of the Company; and
- 4.5.6 being able to perform his/her duties, express his/her opinions, or report the results of implementing of duties assigned by the Board of Director without being under control of the executives of major shareholders of the Company as well as related persons or immediate family members of such persons.

5. Major Responsibilities and Duties of the Board

- 5.1 Manage the Company with honesty, integrity and prudence in compliance with the laws, the Company's objectives and Articles of Association, and resolutions of the shareholders' meeting, and carefully protect the Company's interests;
- 5.2 Set out the vision, goal, direction, policy, action plan, and budget of the Company, supervise the performance of duties of the Board of Directors and executives to ensure compliance with the established policy and regulations of the Stock Exchange of Thailand, except in the following matters: capital increase, capital reduction, issuance of debentures, sale or transfer of business of the Company, either in whole or substantial part, to other persons, or the sale or acceptance of transfer of business of other companies, amendment of Memorandum or Articles of Association, related party transactions, and the purchase and sale of important assets in accordance with criteria of the Stock Exchange of Thailand or as stipulated by other related government agencies;
- 5.3 Arrange appropriate accounting systems, including the production of financial reports and a reliable auditing system; oversee and monitor the effectiveness and efficiency of the internal control, internal audit and risk management systems;
- 5.4 Ensure avoidance of conflict of interests amongst the Company's stakeholders;
- 5.5 Supervise business operations to enforce ethical work standards;
- 5.6 Report on the execution of the Board's responsibility to prepare financial reports, along with the auditor's report in the annual report, covering key issues according to the Company's policy statement and the Stock Exchange of Thailand's Code of Best Practices for Directors of a Listed Company;
- 5.7 The Board may appoint a number of directors and/or executives as it deems fit to serve as an Executive Committee with the power to manage the Company as assigned by the Board; and
- 5.8 The Board has a duty to approve the written corporate governance policy and determine an annual review of the said policy to ensure compliance with the corporate governance standards of the Stock Exchange of Thailand.

6. Sub-Committees

The Company has appointed a number of sub-committees to assist in supervising the Company's business as follows:

6.1 Audit Committee

The Audit Committee shall be composed of at least three independent directors. At least one director shall be experienced in the area of accounting and finance. Members of the Audit Committee shall have the independency qualifications in accordance with definition of the independent director of the Company and be in office for a term of three years. The Audit Committee shall have the powers and duties as follows:

- 6.1.1 Review the Company's financial reports to ensure accuracy and sufficiency by coordinating the auditor and executives responsible for preparation of financial reports, both quarterly and annual ones. The Audit Committee may advise the auditor to review or examine any transactions that it deems necessary and important during the auditing process of the Company;
- 6.1.2 Ensure that the Company is in conformity with laws on securities and exchanges, regulations of the Stock Exchange of Thailand, or other laws related to business of the Company;
- 6.1.3 Ensure that the Company has suitable and effective internal control and internal audit;
- 6.1.4 Ensure that the Company has a suitable and effective risk management system;
- 6.1.5 Consider, select, propose for appointment, and propose the remuneration for auditor of the Company, taking account of reliability, sufficiency of resources, and auditing workload of that auditing firm as well as experiences of the person assigned to audit the Company's accounts. The Audit Committee shall also attend a meeting with the auditor without presence of the management team at least once a year.
- 6.1.6 Consider, review, and give opinions regarding the execution of related transactions of the Company and its subsidiaries to ensure conformity with related notifications, regulations, and procedures of the Stock Exchange of Thailand;
- 6.1.7 Ensure accurate and complete information disclosure of the Company in case of transactions that relate to or may result in conflict of interests;
- 6.1.8 Prepare a corporate governance report to be expressly contained in the Company's annual report. Such report shall be signed by Chairman of the Audit Committee;
- 6.1.9 Prepare the Audit Committee's Report, which shall to be expressly included in the Company's annual report. Such report shall be signed by Chairman of the Audit Committee and contain the following information at a minimum:
 - Opinions on reliable accuracy and completeness of financial reports;
 - Opinions on sufficiency of the Company's internal control system;
 - Opinions on compliance with securities and exchange laws, requirements of the Stock Exchange, or any other laws governing the Company's business;
 - Opinions on suitability of the auditor;
 - Opinions on transactions that may constitute conflict of interests;
 - Number of meetings of the Audit Committee and attendance by each director;
 - Overall opinions or observations that the Audit Committee has received from its performance of duties under the Charters; and
 - Other matters that the shareholders and general investors should know under the scope of duties and responsibilities assigned by the Audit Committee.

6.1.10 Perform other duties assigned by the Board of Directors with consent of the Audit Committee

6.2 Nomination Committee

The Nomination Committee shall consist of at least three directors most of which shall be independent directors. The Chairman of the Nomination Committee shall be an independent director. The Nomination Committee shall be in office for a term of two years and has the following powers and duties:

- 6.2.1 Consider the structure, components, and qualifications of the committees and sub-committees;
- 6.2.2 Nominate and select an appropriate person to serve as a member of the Board of Directors, sub-committees, Executive Committee, Chairman of the Board, Chairman of the Executive Board, and Managing Director when there is a vacancy to propose to the Board of Director and/or the shareholders' meeting for approval; and
- 6.2.3 Perform any other tasks assigned by the Board of Directors in relation to nomination.

6.3 Remuneration Committee

The Remuneration Committee shall be composed of at least three directors, most of whom shall be independent ones. Its Chairman shall be an independent director. The Remuneration Committee shall be in office for a term of two years and has the following powers and duties:

- 6.3.1 Determine guideline and evaluate the performance of committees, sub-committees, Executive Committee, and Managing Director;
- 6.3.2 Consider the remuneration of the committees, sub-committees, and Executive Committee, which shall include monthly remuneration, meeting allowances, bonus, and other benefits, either in the form of money or not, to propose to the Board of Directors and/or the shareholders' meeting for approval;
- 6.3.3 Consider the remuneration of the Managing Director, which shall include monthly remuneration, bonus, and other benefits, either in the form of money or not, to propose to the Board of Directors for approval; and
- 6.3.4 Perform any other tasks assigned by the Board of Directors in relation to consideration of remuneration.

6.4 Charters of the Sub-Committees

The Board of Directors shall consider approving the written charters of the sub-committees in order to specify the duties and responsibilities assigned by the Board. The full version of the charters of each sub-committee shall be disclosed on the Company's website.

The sub-committees have a duty to report its performance of duties under the charters during the past year to the Board and to the shareholders in the annual report.

6.5 Executive Committee

Powers and duties of the Executive Committee:

- 1) Determine the policy, direction, strategy, and principle of business operations that are in alignment with the goal assigned by the Board of Directors. The Executive Committee shall also have the power to operate in accordance with the Company's policy, which is under the laws, conditions, regulations, and Articles of Association of the Company;
- 2) Prepare organizational structure and managing power to cover all details on selection, employment, transfer, training, and termination of employees of the Company, except the positions of President and Managing Director;
- 3) Screen the annual budget allocation plan proposed by the Managing Director before submitting to the Board of Directors for approval;

- 4) Examine and follow up the established policies and all management approaches of the Company to ensure effective implementation;
- 5) Consider and screen all investments, either related or not related to the core business of the Company, before proposing to the Board of Directors for approval;
- 6) Consider and approve the borrowings or application for loans from financial institutions as well as repayment of loans or payment of money for regular business transactions of the Company, such as payment of money for the purpose of investment, purchase of land or land with structures, and any other operations within the limit of 500 million baht per each transaction. If the limit is exceeded, the transaction shall be proposed to the Board of Director for approval;
- 7) Consider any appropriation of pensions, rewards, or benefits approved by the Board of Directors; and
- 8) Perform other tasks as assigned from time to time by the Board of Directors.

7. Board of Directors' Meetings

The Board of Directors is scheduled to convene at least four meetings in a year. The Chairman of the Board and the Managing Director shall approve the meeting agenda and ensure substantial information contained in the meeting documents. The directors shall receive the meeting documents at least seven days before the meeting date so they have enough time to study the documents. However, in a case of necessity or urgency for the purpose of maintaining the rights and interests of the Company, the summoning for meeting may be made by other methods and the earlier meeting date may be fixed.

In discussing any agenda, benefits of the shareholders and related persons shall be fairly taken into consideration and the attendants shall be provided with an opportunity to express their opinions.

At the meeting, any director who has special interests in any matter shall not be entitled to vote on such matter and shall leave the meeting while such matter is being discussed.

Resolution of the Board of Directors' meeting shall be passed by a majority vote and if any directors opposing against such resolution, the opposition shall be recorded in the minutes of meeting. In case of a tie vote, the Chairman of the meeting shall have a casting vote.

The Board of Directors has arranged for a secretary to assist in preparation of the meeting agenda and notice of meeting, supervising and organizing the meeting, and making records of the meeting. Adequate time has been allowed for discussion and expression of opinions on each matter. The Chairman of the Board has a duty to ensure that the meeting time is spent appropriately and have the management section that reports the meeting keep the meeting documents and provide advice regarding performance of the Board of Directors to ensure compliance with relevant laws, requirements, regulations, resolutions of the shareholders' meeting, as well as coordinate related persons.

8. Company Secretary

The Board of Director has arranged for the Company Secretary to be responsible for the following matters on behalf of the Company or the Board:

- (1) Prepare and keep the following documents:
 - Register of the Directors;
 - Notice of meeting of the Board of Directors, minutes of meeting of the Board, and annual report of the Company; and

- Notice of meeting of the shareholders and minutes of meeting of the shareholders.
- (2) Keep interest report prepared by the Board of the management; and
- (3) Perform other matters as determined by the Capital Market Supervisory Board.

9. Interest Reporting

To comply with Notification of the Capital Market Supervisory Board No. Tor Jor. 2/2552 regarding “Report on the Interests of Directors, Executives, and Related Persons,” the Company has determined the criteria and procedures on interest reporting as follows:

1. “Persons having a duty to report their interests” in this notification are the Board of Directors, executives holding the position of senior manager or higher, accounting manager, and finance manager;

2. The Company requires the persons having the duty to report their interests to submit the interest report to the Company Secretary within the designated time as follows:

Initial reporting: a report of interests shall be made within 30 days from the date the Board of Directors passes a resolution to approve the reporting criteria and methods.

Subsequent reporting: a report with revised information of interests shall be made within 15 days from the date of any changes in information.

3. The Company has determined that it is a duty of the Company Secretary to keep the interest reports at the location of the head office and submit a copy of the reports to the Chairman of the Board and the President for examination within seven days from the date of being notified by the persons having a duty to report their interests.

4. This Notification shall be in effect from 1 July 2009.

10. Conflict of Interests

The Board of Directors gives priority to careful, fair and transparent handling of conflict of interests of related persons, as well as disclosure of complete information on the matter. In the case where any director of the Company has any interest in a matter being discussed, such director will not participate in the discussion or refrain from voting on such matter.

11. Use of Inside Information

The Company has a policy and approach to supervise the executives’ use of inside information of the Company that has not been disclosed to the general public for the purpose of pursuing personal gains or trading of securities of the Company. Moreover, the work regulations and procedures in the employee manual, and Code of Conduct forbid the employees to disclose the Company’s secrets to the third parties or use their positions in the Company to wrongfully seek personal gains or to benefit other persons. Disciplinary punishment will be imposed in case of violations.

12. Communication with Management Section

The directors shall be allowed to communicate directly with the management team and the Secretary to the Board as appropriate. However, such communication should not interfere with or interrupt the Company’s normal business operations.

13. Remuneration

The Company has transparent and clear policy on remuneration for the directors, which is comparable to the industry standards in order to retain qualified directors. Remuneration of the directors shall be approved by the shareholders' meeting and information on the said remuneration will be clearly disclosed in the annual report. The directors appointed as members of the Audit Committee shall receive more remuneration in proportion to increasing workload. Remuneration for executives will be in accordance with the principles and policy determined by the Board of Directors, which shall be in line with performance of the Company and each executive.

14. Training and Development

A newly-appointed director shall be provided with all necessary details about the Company, regulations, and information on the current business environment in order to facilitate his or her duties. A continual training and development program will also be provided to equip each new director with all the necessary skills required to discharge his or her duties and govern the Company efficiently.

15. Performance Assessment

The Board shall regularly evaluate its own performance (self-assessment) in order to be used as a framework for investigating the performance of duties of the Board. Regarding the performance assessment, the Board shall compare whether it has complied with the approved corporate governance policy and/or the latest good practices in order to improve its performance to meet the established policy.

Section 2

Rights and Equitable Treatment of Shareholders and the Role to Stakeholders

1. Rights and Equitable Treatment of Shareholders

The Board respects the shareholders' rights and realizes its duty in protecting the benefits of every shareholder equitably. Every shareholder is entitled to the rights and equitable treatment as follows:

- 1.1 The right to receive share certificates and share transfers;
- 1.2 The right to be informed of operating results and management policies on a regular and timely basis;
- 1.3 The right to an equitable dividend;
- 1.4 Right to attend the shareholders' meetings, to express opinions, give recommendations, and participate in making a decision on important changes; and
- 1.5 The right to elect and dismiss directors, and approve appointment of external auditors.

In addition to the above rights, every shareholder is entitled to the rights and equitable treatment stipulated in the Company's Articles of Association and all relevant laws.

Shareholders' Meetings

The Board of Directors will organize a shareholders' meeting to be held as an annual general meeting within 4 months from the end of each accounting year of the Company. The Board of Directors has a policy to facilitate every shareholder to attend the meeting equitably, either in terms of receipt of information or the right to question and vote at the meeting.

The Board of Directors realizes the importance of the shareholders' right to take part in decision-making and to receive necessary information completely, sufficiently, and timely to support their decision-making process. The Board of Directors encourages and facilitates the voting and voting by proxy. At each meeting, the Board of Directors will appoint at least one independent director to serve as a proxy for shareholders who cannot attend the meeting and have informed the Company of such inability to attend the meeting in the notice of meeting.

Shareholders are encouraged to express their opinions and ask any questions. All Directors have the duty to attend the meeting to answer the shareholders' questions.

The Board of Directors will arrange for all important questions and opinions to be recorded in the minutes of meeting. The minutes of meeting shall be completed and notified to shareholders via website of the Company as soon as possible, but not over 14 days from the date of meeting.

2. Role to Stakeholders

The Board of Directors is aware of the rights of all groups of stakeholders, either internal, including employees and executives of the Company and subsidiaries, or external ones, including customers, business partners, competitors, creditors, public sector, and other relevant agencies, and it has laid down a management system to ensure that the Company will comply with provisions of laws and related regulations to assure the good care of these stakeholders' rights.

The Board of Directors has arranged for preparation of the Company's Code of Conduct to which related persons will adhere and use as a guideline for carrying out their duties and treating the Company and all groups of stakeholders, general public and society with integrity and fairness.

Section 3

Disclosure of Information and Transparency

The Board of Directors has a policy to disclose accurate and true data and information, either financial or non-financial, in relation to business operations and performance of the Company completely, adequately, regularly and in a timely manner in order to give an insight of business operations and financial position of the Company as well as the future of the Company's business.

It is the Board of Directors' duty to ensure that information disclosure of the Company is in full conformity with laws, regulations, and requirements regarding disclosure of information and transparency.

The Board of Directors has assigned the Investment Relations Unit to serve as the Company's representative in communicating with shareholders and facilitating investors and general securities analysts equitably and with appropriate methods, as well as disseminating information, both in Thai and English through the Company's website at www.ncgroup.co.th.

Section 4

Internal Control and Risk Management

1. Internal Control

The Board of Directors gives full priority to internal control system, both at the managerial and operational levels, so it has clearly determined the obligations, duties, and powers of the operators and executives in writing in order to ensure effective utilization of the Company's assets and clear designation of duties of the operators, controllers, and evaluators to ensure balance and cross-inspection between them.

Within the Company, there is the Audit and System Development Department responsible for auditing and assessment activities. An Internal Audit Manual has been prepared to ensure that core and important financial activities, operational controls, information technology management, compliance controls, and special audits are conducted effectively in accordance with the established procedures. Moreover, there are mechanisms to control compliance with applicable laws and regulations in relation to the Company. The Audit and System Development Department is fully independent in conducting the audits. It is required that the auditing results are reported directly to and evaluated by the Audit Committee.

The Board of Director is greatly aware of the importance of risk management and has determined and evaluated the risk factors. There are measures to prevent and manage the both internal and external risk factors affecting Company in order to keep such risks at the appropriate and acceptable level.

2. Risk Management

According to the 1/2552 Board of Directors' Meeting held on 27 February 2009, the Board has resolved to determine the risk management policy as follows:

- The Risk Management Committee is responsible for determining the overall risk management policy, which shall cover important risks, making a risk assessment matrix, defining risk index, and preparing a risk management report in accordance with the risk management process to which the Company has adhered.

- The risk management plan shall align with policies and strategies established by the Company and it shall be able to evaluate, follow up and monitor the level of risks in order to keep them at the appropriate level.

- Sufficiency of risk management plan, efficiency of the risk management system and compliance with the established policy shall be reviewed.

- The risk management policy shall be complied strictly and continually with supervision of the Board of Director and the management of the Company.

Section 5

Code of Business Ethics

The Board of Directors is aware of its roles, duties and responsibilities to use its beneficial knowledge, competency and experience to the benefit of ethic business operations. Regarding the course of business operations, the Company has to conform to applicable laws, its objectives and Articles of Association, and resolutions of shareholders' meetings, and take account of the Company and shareholders' benefits. In this regard, the Company shall develop the code of conduct to which the Board of Directors, management, and staff members shall adhere when carrying out their duties to the benefit of the Company, all groups of stakeholders, general public, and society, as well as a system to continually monitor the conformity with such code of conduct.

Moreover, the Company has set work regulations as the guideline for general employees to do their works with integrity. In such regulations, there are penalties to be imposed on those employees in case of violations.