

## Policy on Good Corporate Governance

(2<sup>nd</sup> Revision dated 10 March 2015)

### Syntec Construction Public Company Limited

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The Board of Directors realizes the significance of good corporate governance that can play an important role in helping the Company to achieve efficient, transparent and accountable management system. This will also help create confidence and trust among shareholders, investors and all other stakeholders. As such, the Company determined by the solution reached in its meeting of the Board No. 17/2004 dated 23 December 2004, to draw up the policy as a guideline for its director, executive and staff.

The Company made 1 revision on such policy on 21 December 2007 to reflect "Good Governance for Listed Company 2006" and this time it is the second revision of this policy to reflect the principle laid down by the Stock Exchange of Thailand.

Corporate Governance, according to the Stock Exchange of Thailand, refers to the system setting out structure and procedures for interrelation between the Board, the management and the shareholders in order to facilitate competitiveness leading to growth and value adding for the benefit of the shareholders in the long run taking into account all stakeholders.

Good corporate governance can be divided into 5 sections as follows:

1. Rights of shareholders
2. Equitable treatment of shareholders
3. Stakeholder's roles
4. Disclosure and transparency
5. Responsibilities of the Board

#### 1. Rights of Shareholders

##### Principle:

The shareholder as an owner shall have the right to control the Company via the appointment of the Board to act on their behalf and be entitled to make decision on significant change to the Company. The Company should therefore facilitate the shareholder to exercise their rights (Source: The Stock Exchange of Thailand 2012)

The Company realizes the significance of the shareholder's right and has determined the guideline for maintaining such rights as follows:

- 1.1) Apart from basic rights provided under applicable laws, the shareholder shall also have the right to attending general shareholders' meeting, profit sharing, adequate information and updates, appointing or removing director, appointing the auditor, dividends allocation, revision of articles of association and memorandum of association, decrease and increase of capital and approval on special transaction etc.
- 1.2) The shareholder shall have the right to be noticed of criteria and rules for attending general shareholders' meeting, provided with details of each agenda adequate for making decision in

advance for a reasonable period of time before the meeting date, and allowed to raise any question either before or during the meeting, to propose agenda and to authorize other person to attend the meeting.

- 1.3) The right to be informed with invitation letter of general ordinary and extraordinary shareholders' meeting of the meeting date, time, venue and agendas supplemented with explanation and opinion of the Board for each agenda for the purpose of making resolution.
- 1.4) The right to attend the meeting and freely vote while the Company shall facilitate the meeting with meeting venue which can be easily accessed etc.
- 1.5) The Company shall apply technologies which can facilitate the shareholders' meeting including meeting registration, vote count and voting result display while independent person shall be employed to count and verify the vote and reveal the result in the meeting report.
- 1.6) The Company shall provide ballot for voting for each agenda.
- 1.7) The meeting report shall explain procedures for casting vote, vote count display to be informed to the meeting before proceeding with the agendas to allow the shareholder to make any inquiry. Such report shall record questions and answers, voting result for each agency. Moreover, the voting result shall be displayed in the Company's website on the following working day after the meeting date.

## **2. Equitable Treatment of Shareholders**

### Principle:

All shareholders, whether executive or non-executive, foreign or domestic, shall be treated fairly and equally.

- 2.1) The Company shall give notice of the general shareholders' meeting, ordinary or extraordinary, with agenda and supplementary documents and the Board's opinion to the Stock Exchange of Thailand and publish them on the Company's website at least 30 days in advance before the meeting date.
- 2.2) The Company allows the shareholder to propose agenda and nominate person(s) to hold the title of director 3-4 months in advance before the meeting date with supplementary details.
- 2.3) The Company requires that its director, executive report any change to his/her securities holdings to the Office of the Security and Exchange Commission and that inside information shall be limited to only executive or insider on the need-to-know basis and such inside information is not allowed to be disclosed to the third person. Insider trading is absolutely not allowed and thus the Company has prescribed guidelines and code of business conduct for its director, executive and staff in this matter
- 2.4) The Company requires that related party avoid making related transaction between oneself and customer, trading partner, creditor, debtor or such person with whom the Company has business relationship/interest. If such avoidance is not possible, one has to ensure that such transaction is made in fair manner to all parties concerned on Arm's Length Basis. In the agenda during which approval for such transaction is being considered, such director, executive or staff who has interest in such transaction must leave the meeting in order to allow the rest attendants to freely discuss

and such transaction must always be informed/reported to the Board of Directors. For such related transaction in which director, executive or staff has interest that is a significant transaction, it must be considered and approved only by the Board of Directors.

### **3. Stakeholder's Roles**

#### Principle:

Stakeholders should be assured by the Company of their legal rights under applicable laws. The Board should ensure that there has a process for promoting cooperation between the Company and the stakeholders in order to establish financial stability and sustainable growth of the Company.

Stakeholders including creditor, customer/employer, trading partner, competitor, staff, shareholders, the general public, surrounding communities etc. shall be treated equally and fairly in accordance with legal provisions required by the authority. The Company has determined policy on code of business conduct and prepared its manual as a guideline for its director, executive and staff including such procedures for considering complaint on the matter relating to such code of business conduct.

- 3.1) Determine good practices toward all stakeholders to be followed by the Company's director, executive and staff.
- 3.2) Promote and monitor compliance on regular basis, put in place the procedures for taking complaint in accordance with the policy on code of business conduct.
- 3.3) The Company shall prepare CSR Report and add it in its annual report.

### **4. Disclosure and Transparency**

#### Principle:

The Board shall ensure that the Company has disclosed its significant information including financial and non-financial one correctly, completely, in timely manner, transparently through reliable channels that can be easily and equally accessed.

Disclosure of the Company's information to stakeholders including creditor, customer/employer, trading partner, competitor, staff or shareholders shall be done correctly, completely, in timely manner, transparently, clearly and traceably. The department responsible for investor relations shall coordinate and communicate with those relevant parties to provide information and updates in order to establish credibility toward the Company.

- 4.1) Disclosure of significant information, either financial or non-financial one, shall be done correctly, completely, in timely manner, transparently through channels that can be easily and equally accessed.
- 4.2) Disclosure of significant information shall be done in accordance with the requirements of the supervisory authorities including the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission such as policy on good governance and its compliance etc.
- 4.3) The Company requires that details about roles and duties of the Board and other committees be disclosed including number of meeting and attendance and training and professional skill and knowledge development of each director over the past year in the annual report

- 4.4) The Company requires that information be disclosed in the Form 56-1 and annual report both in Thai and English; all of which shall be published on the Company's website with other updated information.

## 5. Responsibilities of the Board

### Principle:

The Board plays crucial roles in controlling business for the best benefit of the Company. The Board shall also have responsibility for its operation to the shareholder and be independent from the management.

The Board shall be responsible for all of the Company's managerial works and have the power to operate within the scope of law, the Company's objectives and articles of association and the resolution passed by the general shareholders' meeting as well as other powers to do any acts stipulated in the memorandum of association.

#### 1) Policy, Operation Plan, Budget

- 1.1) Determine policy, operation plan as proposed
- 1.2) Determine budget and significant initiatives to achieve the target

#### 2) Authorization

- 2.1) The Board shall authorize director(s) to sign on behalf of the Company when two directors jointly sign and affix the Company's seal and the Board may fix the name of such signatory director(s).

#### 3) Monitoring

- 3.1) Monitor operation implemented under the policy and operation plan as approved.
- 3.2) Monitor and give suggestion to quarterly operation results of the Company.

#### 4) Control and supervise operation systems

- 4.1) Cause to have appropriate internal control system, correct and reliable data in accordance with requirements given by the authority, as well as system for property maintenance and effective resource consumption.
- 4.2) Supervise related transaction to meet the requirements prescribed by the authority.

#### 5) Coordinate and communicate with person contacting the Company.

- 5.1) Provide communication system, coordination, information disclosure for person involving the Company and the general public.

#### 6) Set up committees

- 6.1) Set up the audit committee to supervise and audit the Company's operation.
- 6.2) Set up the selection and remuneration committee to select and determine remuneration for directors and executive.
- 6.3) Set up the risk management committee to draw up the scope of risk management that is suitable for the Company's business, to determine risk prevention measures, to develop tools and ensure that the risk policies have been appropriately implemented.